



HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

**PLANNING AND ZONING BOARD STATEMENT OF CONSISTENCY
WITH THE LONG RANGE COMPREHENSIVE PLAN
MARCH 2, 2023 REGULAR MEETING**

**TEXT AMENDMENTS TO THE
PINEHURST DEVELOPMENT ORDINANCE to
Create Planned Community Neighborhoods and
Neighborhood Lodging Accommodations**

The Village of Pinehurst Planning and Zoning Board finds that:

The proposed text amendments are **NOT** consistent with the adopted 2019 Comprehensive Long Range Plan. Guiding Principle 3 Places to Live (page 118) recommends in part that the Village should “Protect and enhance the quality and character of existing residential neighborhoods.” Additionally, the Comprehensive Plan includes a subsection titled “Address Short Term Rentals” (page 127) ending with Implementation Strategy 3.9 which states: “Continue to monitor the legislative authority of the Village to regulate short term rentals and evaluate options to address the impacts of short term rentals on single family neighborhoods.”

These amendments are **NOT** consistent with Guiding Principle 3 and Implementation Strategy 3.9 in that it would create different neighborhoods with different land use abilities.

Therefore, the Village of Pinehurst Planning and Zoning Board recommends **DENIAL** of the text amendments to the Pinehurst Development Ordinance.

This is the 03rd day of March, 2023.

Chair of the Planning and Zoning Board

**Shannon Konstantinou
Clerk to the Planning and Zoning Board**

PLANNING & INSPECTIONS

395 Magnolia Road • Pinehurst, NC 28374 • Telephone (910) 295-2581 • Fax (910) 295-1396 • www.vopnc.org

Chapter 10 Village of Pinehurst Ordinance Definitions

Section 10.2 Definitions

Planned Community Neighborhood (PCN) is a contiguous area containing at least twenty (20) acres, or twenty (20) dwelling units as included within a platted subdivision or condominium development for which any person or corporation, by virtue of ownership of a lot or Dwelling Unit within the PCN, is by Declaration governed by a Master Association with powers to enforce and adopt and amend, the bylaws, rules, and regulations and which property owners within the PCN are obligated to pay real property taxes, insurance premiums, or other expenses to maintain, improve, or benefit other lots or common area or other real estate described in the Declaration. This definition also applies to planned communities created prior to January 1, 1999, that elect to make NCGS Chapter 47F applicable to the planned community by an affirmative vote or written agreement signed by lot owners of lots, or unit owners of units, to which at least sixty-seven percent (67%) of the votes in the association are allocated.

Declaration: any instruments, however denominated, that create a Planned Community Neighborhood and any amendments to those instruments.

Neighborhood Lodging Accommodation (NLA): is the lodging use of a Dwelling Unit within a Planned Community Neighborhood where the Dwelling Unit is leased, offered or made available by short term lease or other financial consideration for a time period or lease term of less than 30 consecutive days which use is permitted through Declaration or other governing documents and is authorized and managed through the Master Association of the Planned Community Neighborhood.

Master Association: a nonprofit organization established pursuant to NCGS 47F-3- 101, or 47C-3-101, by Declaration, or its common law equivalent, or other nonprofit organization formed prior to the NC Planned Community Act and referenced in a Declaration with powers to enforce, adopt and amend the bylaws, rules, and regulations pursuant to NCGS 47F-3-102 or 47C- 3-102, or and by Declaration, or other governing documents, is responsible to maintain or provide for maintenance of ALL common property AND management of ALL Neighborhood Lodging Accommodations within the Planned Community Neighborhood.

8.5.1a Table of Permitted and Special Uses and Special Requirements

LODGING	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Bed and Breakfast Homes			X, SR									X, SR			X, SR	X, SR	X, SR		7
Boarding or Rooming House																			
Dormitory																			
Hotel												X	X				X, SR	X, SR	8
Recreational Vehicle Park																			
Short Term Rental												X					X		9
<u>Neighborhood Lodging Accommodation</u>			<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>						<u>X, SR</u>			<u>10*</u>
<u>OFFICE/SERVICE</u>	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Dry Cleaning & Laundry Services										X				X	X, SR		X, SR	X, SR	10 23

Adding SR 10 will require relocation of existing SR-10 which is proposed to relocate to SR-23

X Permitted by Right

SU Special Use Permit

SR Special Requirement

Section 8.6 Special Requirements to the Table of Permitted and Special Uses and Special Requirements

The Table of Permitted and Special Uses and Special Requirements contains a column on the far right labeled "SR" for Special Requirements. In any case where a use listed in the Table has a number in the SR column opposite the use, that use must comply with the additional Special Requirements contained in this Section corresponding to the Special Requirements number. The Special Requirements may affect the development of the use in all zoning districts in which the use is allowed or only in certain districts, as may be set forth in this Section.

Principal Uses

SR-10 Neighborhood Lodging Accommodation (NLA)

- 1) After the effective date of this Ordinance, all Neighborhood Lodging Accommodations (NLA) shall be required to obtain a Development Permit from the Village. All NLA's, whether lawful nonconforming uses or newly established after the effective date of this Ordinance, shall comply with following standards:
 - a. Compliance with SR9 Standards 1) a-k.
 - b. Submission of documentation that the Neighborhood Lodging Accommodation is located within a Planned Community Neighborhood as defined in Section 10.2 of this Ordinance.
 - c. Submission of documentation that the Neighborhood Lodging Accommodation has been authorized by the Declaration.
 - d. Installation of a Landscape Screen per Section 9.5.2.4 (A)(2) of the PDO along the property line of the adjacent residential use not part of the Planned Community Neighborhood.

SR-23 Reserved Drycleaning and Laundry Services

- (1) Coin operated laundries are not allowed in VCP, VMU or VC districts.



PLANNING AND INSPECTIONS DEPARTMENT STAFF REPORT

To: Planning and Zoning Board
From: Alex Cameron, Planning Supervisor
Date: February 22, 2023
Subject: **Proposed Text Amendments to the Pinehurst Development Ordinance (PDO) to create a new land use, as well as other associated uses and definitions. The amendments are to the following sections:**
Section 8.5 Table of Permitted and Special Uses and Special Requirements
Section 8.6 Special Requirements (SR) to the Table of Permitted and Special Uses and Special Requirements
Section 10.2 Definitions

Text Amendment Process

Pursuant to Section 6 of the Pinehurst Development Ordinance (PDO) and Article 6 of North Carolina General Statute Chapter 160D, zoning ordinances or development regulations may be adopted, amended or repealed. The purpose of initiating changes to the text of the zoning ordinances are to make adjustments to the text of the development regulations that are necessary in light of changed conditions, adopted plans or changes in public policy, or that are necessary to advance the general welfare of the Village and are in furtherance of Section 1.2 of the PDO (Statement and Intent of This Ordinance).

Prior to considering action on these items, the proposed amendments shall be referred to the local planning board (Planning and Zoning Board) for review, comment and to forward a recommendation on the proposal, which is an *advisory* recommendation only. Legislative public hearings are held for each the planning board and governing board review and consideration of the proposed zoning ordinance. Both boards shall also consider the currently adopted Comprehensive Plan and comment on whether the proposed action is consistent with the plan.

An amendment to the text of the PDO may only be initiated by the Village Council, Planning and Zoning Board, or by anyone who owns property or resides in the jurisdiction of this Ordinance, or their agent, lessee, or any contract purchaser specifically authorized by all of the owners to file such application for such amendment, or any owner of a legal equitable interest in land located in the jurisdiction

Background on the Proposed Amendments

For the past few months, staff has been working at Council's direction to draft amendments to the PDO relative to creating a new land use definition identified as "Planned Community Neighborhood" as well as other proposed definitions related to creating the Planned Community Neighborhood (PCN) land use. The development of these amendments builds off the discussions raised during the development of the recently adopted ordinance (#22-15) which addressed regulations for short-term rentals (STRs).

The designation of a PCN would allow for another new form of land use called a "Neighborhood Lodging Accommodation". A Neighborhood Lodging Accommodation (NLA) is a form of a STR but must be managed through a "Master Association", another newly proposed land use definition with these amendments.

The discussions during the debate over STRs brought forward this different type of lodging use which would be limited to the residential community which owners/residents of the community agree to various additional restrictions, and sometimes allowances, by purchasing the property. The residential community is managed by a governing board or body ("Masters Association") which provides management over the lodging/rental program.

The governance of a PCN is typically handled by the "Declaration's" which are recorded with the Register of Deeds and gives those wishing to purchase property within the PCN notice of the rules and organization of the various rules governing the PCN. The declarations may be amended but would require a super majority vote of (67%) of the members.

Therefore, any PCN must be established following precise steps, drafting declarations to govern such, and form an executive committee to carry out or enforce specific regulations and allowances. All property owners within a PCN are made aware of these specifics and any major changes would take a significant buy-in from the community. This allows for a form of self-governance from its peers and could not have some of the adverse effects on neighboring properties which have been attributed to other similar type lodging uses such as short-term rentals.

The creation of the PCN was based in part from North Carolina General Statute (NCGS) 47F Planned Community Act. The Planned Community Act governs the creation, operation and destruction of a planned communities in the state. Although the Planned Community Act applies to those established after 1999, staff has included draft language to also include those created prior to this effective date.

Proposed PDO Amendments

The proposed amendments would affect the following sections of the PDO:

- Section 8.5 Table of Permitted and Special Uses and Special Requirement
 - Amendments to this section would add “Neighborhood Lodging Accommodation” to the “Uses Type” column within the Table 8.5.1a. This would then allow for those uses to be designated with an “X” denoting that it would be “Permitted by Right” within the various general use zoning districts.
- Section 8.6 Special Requirement (SR) to the Table of Permitted and Special Uses and Special Requirements
 - An amendment to this section would create a new SR-10 that would apply to and establish standards for neighborhood lodging accommodations.
- Section 10.2 Definitions
 - This would define Planned Community Neighborhood, Declaration, Neighborhood Lodging Accommodation and Master Association which will provide for regulating the land uses as part of Chapter 8 Zoning.

Chapter 10 Village of Pinehurst Ordinance Definitions

- **Section 10.2 Definitions**

Staff is proposing additional land use definitions in Chapter 10 that will allow for regulation of the land uses similar to regulation of other land uses in the Village’s jurisdiction. By creating the land use definition subsequent requirements for development approvals can be developed, regulations can be enforced, and approvals potentially be revoked. The definitions are similar to definitions found in the Planned Community Act (NCGS 47F).

Planned Community Neighborhood (PCN) is a contiguous area containing at least twenty (20) acres, or twenty (20) dwelling units as included within a platted subdivision or condominium development for which any person or corporation, by virtue of ownership of a lot or Dwelling Unit within the PCN, is by Declaration governed by a Master Association with powers to enforce and adopt and amend, the Declaration, bylaws, rules, and regulations and which property owners within the PCN are obligated to pay real property taxes, insurance premiums, or other expenses to maintain, improve, or benefit other lots or common area or other real estate described in the Declaration. This definition also applies to planned communities created prior to January 1, 1999, that elect to make NCGS Chapter 47F applicable to the planned community by an affirmative vote or written agreement signed by lot owners of lots, or unit owners of units, to which at least sixty-seven percent (67%) of the votes in the association are allocated.

Declaration: any instruments, however denominated, that create a Planned Community Neighborhood.

Neighborhood Lodging Accommodation (NLA): is the lodging use of a Dwelling Unit within a Planned Community Neighborhood where the Dwelling Unit is leased, offered or made available by short term lease or other financial consideration for a time period or lease term of less than 30 consecutive days which use is permitted through Declaration or other governing documents and is authorized and managed through the Master Association of the Planned Community Neighborhood.

Master Association: a nonprofit organization established pursuant to NCGS 47F-3- 101, or 47C-3-101, by Declaration, or its common law equivalent, or other nonprofit organization formed prior to the NC Planned Community Act and referenced in a Declaration with powers to enforce, adopt and amend the Declaration, bylaws, rules, and regulations pursuant to NCGS 47F-3-102 or 47C- 3-102, or and by Declaration, or other governing documents, is responsible to maintain or provide for maintenance of ALL common property AND management of ALL Neighborhood Housing Lodging Accommodations within the Planned Community Neighborhood.

Chapter 8 Zoning

- Section 8.5 Table of Permitted and Special Uses and Special Requirements
 - 8.5.1a Table of Permitted and Special Uses and Special Requirements

Chapter 8 of the PDO establishes the various general use zoning districts (e.g. R-10, R-30, VMU, VC, etc.) and Table 8.5.1a identifies which types of uses are permitted by right in the district by general land use (e.g. Residential, Lodging, Office/Service, etc.). Once listed in the table with an “X” that would designate that use as “Permitted by Right” and a development permit may be obtained subject to meeting the requirements. The table below identifies the general use type (Lodging) that NLA is proposed to be included in as it is similar to the other lodging uses. The table also includes a SR (Special Requirement) that would pertain to the use. For NLA’s, staff has proposed using SR-10, (the proposed SR-10 amendment would relocate the existing SR-10 to SR-23).

The proposed “Xs” as currently proposed, would allow for NLA only in residential type districts where such PCN can and may exist.

LODGING	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Bed and Breakfast Homes			X,SR									X,SR			X,SR	X,SR	X,SR		7
Boarding or Rooming House																			
Dormitory																			
Hotel												X	X				X,SR	X,SR	8
Recreational Vehicle Park																			
Short Term Rental										X					?		X	X	9
Neighborhood Housing Accommodation			<u>X</u> <u>SR</u>	<u>X</u> <u>SR</u>	<u>X</u> <u>SR</u>	<u>X</u> <u>SR</u>	<u>X</u> <u>SR</u>	<u>X</u> <u>SR</u>	<u>X</u> <u>SR</u>	<u>X</u> <u>SR</u>						<u>X</u> <u>SR</u>			<u>10*</u>
OFFICE/SERVICE	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Dry Cleaning & Laundry Services										X				X	X, SR		X, SR	X, SR	10 <u>23</u>

Adding SR 10 will require relocation of existing SR-10 which is proposed to relocate to SR-23

X Permitted by Right

SU Special Use Permit

SR Special Requirement

Chapter 8 Zoning

- **Section 8.6 Special Requirements (SR) to the Table of Permitted and Special Uses and Special Requirements.**
 - SR-10 Neighborhood Lodging Accommodation (NLA)

The PDO contains a list of special requirements that apply to various uses and generally include additional development standards. Staff is recommending SR-10 which would keep it proximate to the other Lodging uses such as Bed and Breakfast Homes (SR-7) and Hotel (SR-8) and the recently amended SR-9 for STRs. SR-10 establishes the various types of documentation that will be required to be submitted to staff to prove their status as a NLA to receive a development permit. Staff is also proposing to include that NLA also meet the standards in SR-9 for STRs.

SR-10 Neighborhood Lodging Accommodation (NLA)

- 1) After the effective date of this Ordinance, all Neighborhood Lodging Accommodations (NLA) shall be required to obtain a Development Permit from the Village. All NLA's, whether lawful nonconforming uses or newly established after the effective date of this Ordinance, shall comply with following standards:
 - a. Compliance with SR9 Standards 1) a-k.
 - b. Submission of documentation and contact information that the Neighborhood Lodging Accommodation is located within a Planned Community Neighborhood as defined in Section 10.2 of this Ordinance.
 - c. Submission of documentation of Master Association rules and regulations pertaining to operation of NLA's.
 - d. Submission of documentation that the Neighborhood Lodging Accommodation has been authorized by the Master Association.
 - e. Installation of a Landscape Screen per Section 9.5.2.4 (A)(2) of the PDO along the property line of the adjacent residential use not part of the Planned Community Neighborhood.

SR-23 Reserved Drycleaning and Laundry Services

- (1) Coin operated laundries are not allowed in VCP, VMU or VC districts.

Existing PDO Special Requirement (SR-9) for reference:

SR-9 Short Term Rental

(1) After the effective date of this Ordinance, all applicants seeking to establish any new short-term rentals shall be required to obtain a Development Permit from the Village. All nonconforming short term rental dwelling units operated prior to the effective date of this Ordinance are not required to obtain any Development Permit or any other type of permit or permission as a condition to rent and are not required to register their short-term rental with the Village but may request issuance of a Nonconforming Use Certificate as set forth in subsection 2.3.2 of this Ordinance. All short-term rentals, whether lawful nonconforming uses or

new short-term rentals established after the effective date of this Ordinance, shall comply with the following standards:

(a) A minimum of one (1) operable smoke detector shall be provided per bedroom (North Carolina State Building Code and 42-A-31(6) Vacation Rental Act);

(b) A minimum one (1) operable carbon monoxide detector shall be provided per level or floor of the dwelling unit. (42-A-31(6) Vacation Rental Act)

(c) Bedrooms and other habitable rooms shall meet the minimum light and ventilation requirements of Section 153.18 of the Pinehurst Municipal Code.

(d) Bedrooms shall meet the minimum size requirements of Section 153.19 of the Pinehurst Municipal Code.

(e) Ceiling Height. At least one-half of the floor area of every bedroom shall have a ceiling height of not less than seven feet and six inches (Section 153.19 (B) Pinehurst Municipal Code).

(f) Egress. Every dwelling unit shall be provided with adequate means of egress as required by the applicable provisions of the North Carolina State Building Code.

(g) To lessen congestion in the streets and to prevent the overcrowding of land as authorized by G.S 160D-701. A minimum of one (1) parking space per bedroom shall be provided on code-approved surfaces and locations.

(h) Cooking facilities are not permitted in any bedroom. For the purposes of this regulation, cooking facilities include any refrigerator in excess of seven (7) cubic feet; any stovetop range that operates on 220-volt electric service, any appliance that operates on natural gas; or any cooktop, whether integrated into a countertop or a separate appliance which contains more than two cooking surfaces or burners. This regulation shall not apply to single dwelling unit room rentals with a sleeping area, living area, and kitchen/eating area consolidated into one room.

(i) To ensure that the owners of short-term rentals provide fit and habitable housing as required by G.S. 42A-17(b), and to prevent the overcrowding of land, the avoidance of undue concentrations of population, to lessen congestion in the streets, and to prevent overcrowding of the lodging premises, and as authorized by G.S. 160D-701, the maximum occupancy per unit shall be based on two (2) adult guests per bedroom.

(j) Accessory Dwelling Units may be permitted for short term rental where Accessory Dwelling Units and Short Term Rentals are both permitted by right in Table 8.5.1a Table of Permitted and Special Uses and Special Requirements.

(k) Rental rules, including the maximum number of guests per stay, trash disposal procedures and sanitation schedules, noise ordinance hours, parking, and other listed SR-9 requirements shall be conspicuously posted at the main entrance along with the owner or property manager and emergency contact information.

Comprehensive Plan Consistency Statement

The 2019 Village of Pinehurst Comprehensive Plan, Guiding Principle 3 Places to Live (page 118) recommends in part that the Village should “Protect and enhance the quality and character of existing residential neighborhoods.” Additionally, the Comprehensive Plan includes a subsection titled “Address Short Term Rentals” (page 127) ending with Implementation Strategy 3.9 which states: “Continue to monitor the legislative authority of the Village to regulate short term rentals and evaluate options to address the impacts of short term rentals on single family neighborhoods.”

Village Council adopted Ordinance #22-15 which addressed the use of short-term rentals within single-family neighborhoods. During those discussions, this topic of a different type of use, which is managed within the confines of a planned community and self-governed with a specific management program, was brought forward. Based on those discussions and presented facts, Council agreed this topic warranted further study.

Staff feels the proposed PDO amendments are consistent with the 2019 Comprehensive Plan by continuing to address the lodging type use of single-family homes within the community.

Recommendation

As previously discussed, the proposed PDO amendments are based on Council direction and Council/staff discussions. The Planning and Zoning Board and Council have also discussed this topic with staff in work sessions. Now, proposed amendments are before the Planning and Zoning Board to provide a recommendation to Village Council.

As discussed in this report, there are a few sections or aspects to the proposed amendments that the Board may recommend modifications to. Such modifications could be to include clarifying language in the definitions, application of SR-10 and/or the districts where NLAs would be “Permitted by Right” in Table 8.5.1a.

In making a recommendation on the proposed amendments, staff asks the Board to adopt a statement of consistency with 2019 Comprehensive Plan (draft provided and attached to this report).

Planning and Zoning Board Action:

The Planning and Zoning Board shall consider the proposed amendments and make a recommendation to Village Council. In considering an amendment, the Board shall conduct a legislative public hearing. During the public hearing, the Board will take public comments on the proposal, review the proposed amendments, discuss and deliberate. The Board may decide to continue the hearing in order to give time or consideration to address concerns raised or receive more input or data. After conducting the public hearing, the Board will formulate a recommendation to Village Council and also make a statement on whether the proposed amendment is consistent with the Comprehensive Plan. The Board should make a recommendation to Village Council within 30 days of the first scheduled public hearing. If no recommendation is made within the 30 day window, Village Council may take the up the proposal without a recommendation.

The Planning and Zoning Board has the following options:

1. Recommend adoption of the proposed amendments as drafted.
2. Recommend adoption of the proposed amendments with revisions (to any of the sections as presented).
3. Continue the public hearing to gather more input or comment on the proposal.
4. Recommend rejection of the proposed amendments.

Attachment:

- Draft Statement of Consistency with the 2019 Comprehensive Plan



HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

**PLANNING AND ZONING BOARD STATEMENT OF CONSISTENCY
WITH THE LONG RANGE COMPREHENSIVE PLAN
MARCH 2, 2023 REGULAR MEETING**

**TEXT AMENDMENTS TO THE
PINEHURST DEVELOPMENT ORDINANCE to
Create Planned Community Neighborhoods and
Neighborhood Lodging Accommodations**

The Village of Pinehurst Planning and Zoning Board finds that:

The proposed text amendments **ARE/ARE NOT** consistent with *Envision the Village*, the adopted 2019 Comprehensive Long Range Plan. Guiding Principle 3 Places to Live (page 118) recommends in part that the Village should “Protect and enhance the quality and character of existing residential neighborhoods.” Additionally, the Comprehensive Plan includes a subsection titled “Address Short Term Rentals” (page 127) ending with Implementation Strategy 3.9 which states: “Continue to monitor the legislative authority of the Village to regulate short term rentals and evaluate options to address the impacts of short term rentals on single family neighborhoods.”

These amendments **ARE/ARE** not consistent with Guiding Principle 3 and Implementation Strategy 3.9. Achieving this goal is considered reasonable and in the best interest of the public.

Therefore, the Village of Pinehurst Planning and Zoning Board recommends **APPROVAL/DENIAL** of the text amendmentS to the Pinehurst Development Ordinance.

This is the _____ day of _____, 2021.

Chair of the Planning and Zoning Board

**Shannon Konstantinou
Clerk to the Planning and Zoning Board**

PLANNING & INSPECTIONS

395 Magnolia Road • Pinehurst, NC 28374 • Telephone (910) 295-2581 • Fax (910) 295-1396 • www.vopnc.org



HISTORY, CHARM, AND SOUTHERN HOSPITALITY

**PLANNING AND ZONING BOARD STATEMENT OF CONSISTENCY
WITH THE LONG RANGE COMPREHENSIVE PLAN
MARCH 2, 2023 REGULAR MEETING**

**TEXT AMENDMENT TO THE
PINEHURST DEVELOPMENT ORDINANCE to
Allow Recreational Vehicle Parks in the PC (Public Conservation) Zoning District**

The Village of Pinehurst Planning and Zoning Board finds that:

The proposed text amendment **IS** consistent with *Envision the Village*, the adopted 2019 Comprehensive Plan which identifies 7 Guiding Principles for the Village. Guiding Principle 7 directs the Village to "Preserve, conserve, and feature Pinehurst's natural resources with expanded parks, open spaces, and events that enhance the health and well-being of the community and the environment." Included in the Implementation Strategies on page 202 is Strategy 7.4 in which the Village should "seek ways to enhance strategic partnerships with other public and private entities to expand and enhance recreation facilities and programs offered."

The proposed text amendment will allow the Village to expand the ability of those leasing stalls for the season or as part of an equestrian event that has rented the facility to stay on site during the training season. As the Harness Track and Fair Barn are listed as a winter training center for Standardbred horses in the Comprehensive Plan's "Baseline Inventory and Assessment", this will allow the Village to expand and enhance recreation facilities for those using the Harness Track.

This amendment **IS** consistent with the Guiding Principle 7 outlined in the 2019 Comprehensive Plan. Achieving this goal is considered reasonable and in the best interest of the public.

Therefore, the Village of Pinehurst Planning and Zoning Board recommends **APPROVAL** of the amendment to the Pinehurst Development Ordinance.

PLANNING & INSPECTIONS

395 Magnolia Road • Pinehurst, NC 28374 • Telephone (910) 295-2581 • Fax (910) 295-1396 • www.vopnc.org



HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

This is the 03rd day of March, 2023.

Chair of the Planning and Zoning Board

Shannon Konstantinou

Clerk to the Planning and Zoning Board

Cc: A. Cameron

PLANNING & INSPECTIONS

395 Magnolia Road • Pinehurst, NC 28374 • Telephone (910) 295-2581 • Fax (910) 295-1396 • www.vopnc.org

Draft PDO Amendments

Proposed Amendments

- **Section 8.5 Table of Permitted and Special Uses and Special Requirements**
 - **8.5.1a Table of Permitted and Special Uses and Special Requirements**

LODGING	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Bed and Breakfast Homes			X,SR									X,SR			X,SR	X,SR	X,SR		7
Boarding or Rooming House																			
Dormitory																			
Hotel												X	X				X,SR	X,SR	8
Recreational Vehicle Park	X																		

Chapter 10 Village of Pinehurst Ordinance Definitions

- **Section 10.2 Definitions**

Recreational Vehicle Park: ~~a commercial enterprise on any site or tract~~ the use of land, which includes with two (2) or more spaces (sites) which are provided for temporary rental only, upon which recreational vehicles are provided utility hook-ups and services. If offered, service buildings and areas necessary to provide laundry, sanitation, storage, vending machines, and other permitted services shall only be ~~are~~ provided by the facility operator for the use and convenience of recreational vehicles.



PLANNING AND INSPECTIONS DEPARTMENT STAFF REPORT

To: Planning and Zoning Board
From: Maria Carpenter, Planner
CC: Alex Cameron, Planning Supervisor
Date: March 2, 2023
Subject: **Proposed Text Amendments to the Pinehurst Development Ordinance (PDO) to address addition of Recreational Vehicle Parks in PC Zoning District only**
The amendments are to the following sections:
Section 8.5 Table of Permitted and Special Uses and Special Requirements
Section 10.2 Definitions

Background on the Proposed Amendments

Village staff has received requests from the Pinehurst Driving & Training Club as well as other prospective clients at the Harness Track wanting to bring their recreation vehicle on site for the training season which is held from October 15th to May 1st annually. Recreation Vehicles have been allowed to stay at the facility with a 7-day maximum since at least 2002. There is a Council adopted fee for this use with the aforementioned 7-day maximum stay allowed. Staff is requesting an amendment to the PDO that would allow Recreation Vehicles to stay on the property and hook up to our facilities from October to May effective on October 15th, 2023. This would only be allowed for individuals leasing stalls for the training season or leasing stalls as part of an equestrian event that has rented the facility.

Proposed PDO Amendments

The proposed amendments would affect the following sections of the PDO:

- Section 8.5 Table of Permitted and Special Uses and Special Requirement
 - Amendments to this section would allow Recreational Vehicle Parks as a permitted use within the Public Conservation (PC) zoning district, with an

“X” added within Table 8.5.1a denoting that it would be “Permitted by Right” within this zoning district.

- Section 10.2 Definitions
 - This would amend the definition of “Recreational Vehicle Park” within the PDO and provide for regulating the land uses as part of Chapter 8 Zoning.

Proposed Amendments

- Section 8.5 Table of Permitted and Special Uses and Special Requirements
 - 8.5.1a Table of Permitted and Special Uses and Special Requirements

LODGING	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Bed and Breakfast Homes			X,SR									X,SR			X,SR	X,SR	X,SR		7
Boarding or Rooming House																			
Dormitory																			
Hotel												X	X				X,SR	X,SR	8
Recreational Vehicle Park	X																		

Chapter 10 Village of Pinehurst Ordinance Definitions

- Section 10.2 Definitions

Staff is proposing a slight revision of the “Recreational Vehicle Park” land use definition(s) in Chapter 10.

Recreational Vehicle Park: ~~a commercial enterprise on any site or tract~~ the use of land, which includes with two (2) or more spaces (sites) which are provided for temporary rental only, upon which recreational vehicles are provided utility hook-ups and services. Service buildings and areas necessary to provide laundry, sanitation, storage, vending machines, and other permitted services are provided by the facility operator for the use and convenience of recreational vehicles.

Text Amendment Process

Pursuant to Section 6 of the Pinehurst Development Ordinance (PDO) and Article 6 of North Carolina General Statute Chapter 160D, zoning ordinances or development regulations may be adopted, amended or repealed. The purpose of initiating changes to the text of the zoning ordinances are to make adjustments to the text of the development regulations that are necessary in light of changed conditions, adopted plans or changes in public policy, or that are necessary to

advance the general welfare of the Village and are in furtherance of Section 1.2 of the PDO (Statement and Intent of This Ordinance).

Prior to considering action on these items, the proposed amendments shall be referred to the local planning board (Planning and Zoning Board) for review, comment and to forward a recommendation on the proposal, which is an *advisory* recommendation only.

Legislative public hearings are held for each the planning board and governing board review and consideration of the proposed zoning ordinance. Both boards shall also consider the currently adopted Comprehensive Plan and comment on whether the proposed action is consistent with the plan.

An amendment to the text of the PDO may only be initiated by the Village Council, Planning and Zoning Board, or by anyone who owns property or resides in the jurisdiction of this Ordinance or their agent, lessee, or any contract purchaser specifically authorized by all of the owners to file such application for such amendment, or any owner of a legal equitable interest in land located in the jurisdiction.

Comprehensive Plan Consistency Statement

The 2019 Village of Pinehurst Comprehensive Plan, Guiding Principle 7, Parks and Recreation in Pinehurst (page 198) states “Preserve, conserve, and feature Pinehurst’s natural resources with expanded parks, open spaces, and events that enhance the health and well-being of the community and the environment.” Implementation Strategy 7.4 (page 202) recommends the Village “seek ways to enhance strategic partnerships with other public and private entities to expand and enhance recreation facilities and programs offered”. Additionally, the Comprehensive Plan includes a subsection “Baseline Inventory and Assessment” which contains an overview of existing facilities and lists the Harness Track and Fair Barn as a winter training center for Standardbred horses.

Staff feels the proposed PDO amendments are consistent with the 2019 Comprehensive Plan.

Recommendation

Staff recommends that the Planning and Zoning Board recommend approval of the proposed amendments and adopt the statement of consistency with the Comprehensive Plan provided.

Planning and Zoning Board Action:

The Planning and Zoning Board shall consider each proposed amendment to the development ordinance and make a recommendation to Village Council on the proposed amendment. In considering an amendment, the Board shall conduct a legislative public hearing on the application. During the public hearing, the Board will take public comments on the proposal, review the proposed amendments, discuss and deliberate. The Board may decide to continue the hearing in order to give time or consideration to address concerns raised or receive more input or data. After conducting the public hearing, the Board will formulate a recommendation to Village Council and also make a statement on whether the proposed amendment is consistent with the

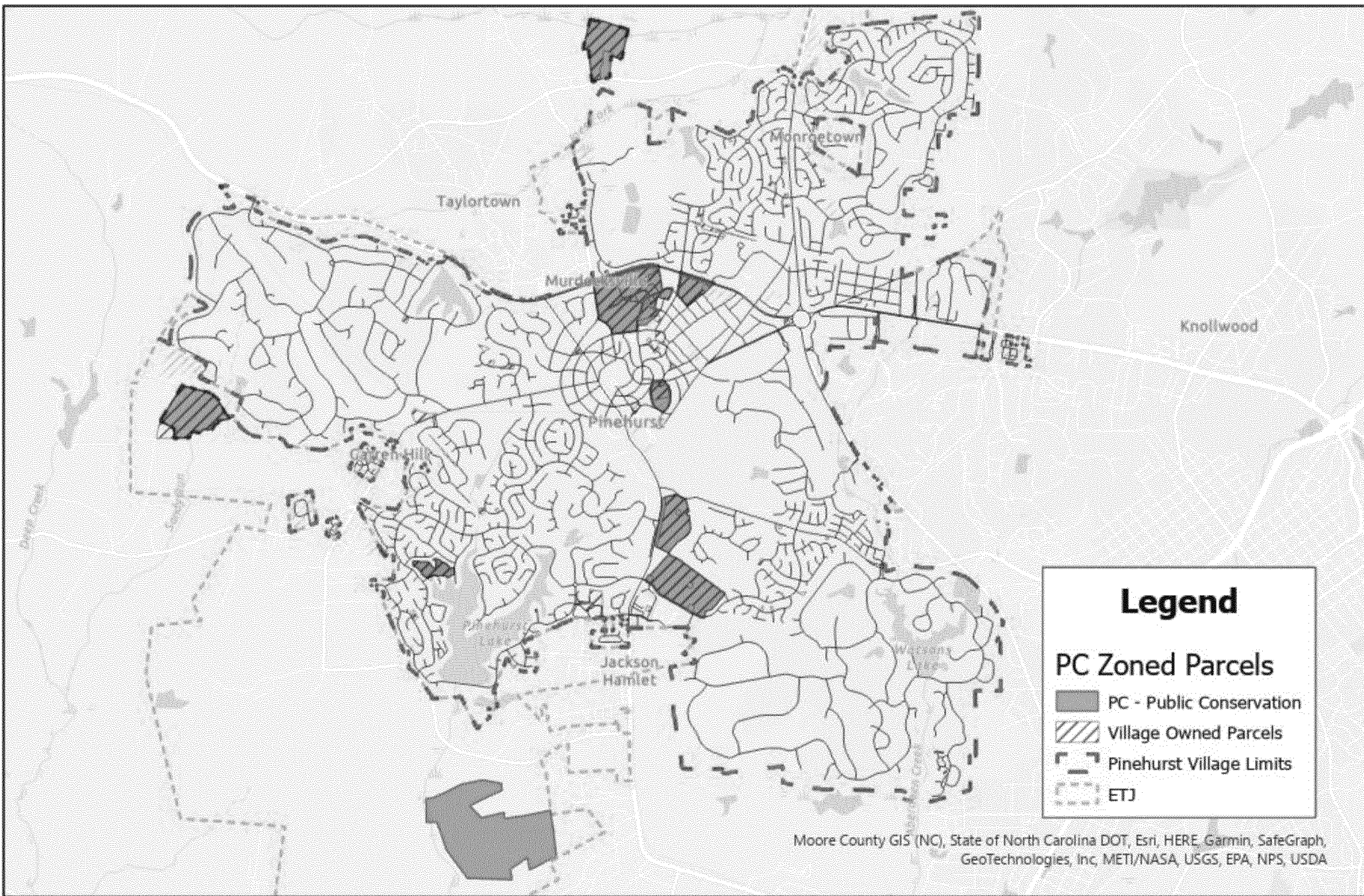
Comprehensive Plan. The Board should make a recommendation to Village Council within 30 days of the first scheduled public hearing. If no recommendation is made within the 30 day window, Village Council may take the up the proposal without a recommendation.

The Planning and Zoning Board has the following options:

1. Recommend adoption of the proposed amendments as drafted.
2. Recommend adoption of the proposed amendments with revisions (to any of the sections as presented).
3. Continue the public hearing to gather more input or comment on the proposal or continue deliberation and discussion.

Attachments

- Map of PC Zoned and VOP Owned Parcels
- Draft Consistency Statement



0 5,000 10,000 Feet

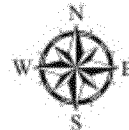
Village of Pinehurst Disclaimer: It is understood that the data contained herein is subject to constant change and that its accuracy cannot be guaranteed. The maps have been created from information provided by various government and private sources at various levels of accuracy.

The data is provided to you "as is" with no warranty, representation or guarantee as to the content, accuracy, timeliness or completeness of any of the information provided herein. It is the responsibility of the user of the data to be aware of the data's limitations and to utilize the data in an appropriate manner.

Any reuse of the data is strictly prohibited in accordance with North Carolina General Statutes 133-16. Grid is based on North Carolina State Plane Coordinate System NAD83 (NCS).

3/23/2023

PC Zoned (Public Conservation) and Village Owned Properties





HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

**PLANNING AND ZONING BOARD STATEMENT OF CONSISTENCY
WITH THE LONG RANGE COMPREHENSIVE PLAN
MARCH 2, 2023 REGULAR MEETING**

**TEXT AMENDMENT TO THE
PINEHURST DEVELOPMENT ORDINANCE to
Allow Recreational Vehicle Parks in the PC (Public Conservation) Zoning District**

The Village of Pinehurst Planning and Zoning Board finds that:

The proposed text amendment **IS** consistent with *Envision the Village*, the adopted 2019 Comprehensive Plan which identifies 7 Guiding Principles for the Village. Guiding Principle 7 directs the Village to “Preserve, conserve, and feature Pinehurst’s natural resources with expanded parks, open spaces, and events that enhance the health and well-being of the community and the environment.” Included in the Implementation Strategies on page 202 is Strategy 7.4 in which the Village should “seek ways to enhance strategic partnerships with other public and private entities to expand and enhance recreation facilities and programs offered.”

The proposed text amendment will allow the Village to expand the ability of those leasing stalls for the season or as part of an equestrian event that has rented the facility to stay on site during the training season. As the Harness Track and Fair Barn are listed as a winter training center for Standardbred horses in the Comprehensive Plan’s “Baseline Inventory and Assessment”, this will allow the Village to expand and enhance recreation facilities for those using the Harness Track.

This amendment is consistent with the Guiding Principle 7 outlined in the 2019 Comprehensive Plan. Achieving this goal is considered reasonable and in the best interest of the public.

Therefore, the Village of Pinehurst Planning and Zoning Board recommends **APPROVAL** of the amendment to the Pinehurst Development Ordinance.



HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

This is the _____ day of _____, 2023.

Chair of the Planning and Zoning Board

Shannon Konstantinou
Clerk to the Planning and Zoning Board

Cc: A. Cameron

DRAFT

PLANNING & INSPECTIONS

395 Magnolia Road • Pinehurst, NC 28374 • Telephone (910) 295-2581 • Fax (910) 295-1396 • www.vopnc.org

Proposed Amendments

Chapter 9 Design and Development Standards and Processes

- **Section 9.13 Fence, Walls and Columns**

- **(F) Retaining Walls**

- (1) ~~Retaining walls higher than thirty-six (36) inches shall not encroach the front setback for primary structures or the rear and side setbacks for accessory structures. A~~ development permit is required for a retaining wall eighteen (18) inches or taller in height.

- (2) Retaining walls located in the front yard setback shall not exceed three and a half (3.5) feet in height.

- (3) Retaining walls up to six (6) feet in height may project into the side and rear setbacks, excluding golf course/lake front and side street setbacks.

- (4) Retaining walls located in the golf course or lakefront accessory building setback shall not exceed eighteen (18) inches in height.

- ~~(2)(5)~~ No Retaining walls eighteen (18) inches or taller height shall not be closer than five (5) feet to a property line or right of way line.

- ~~(3)(6)~~ Retaining wall height shall be measured from the lowest ground elevation to the top of the wall.

- ~~(4)(7)~~ Retaining walls constructed in a series of two (2) or more shall provide a minimum of twelve (12) inches of horizontal separation planted in grass or other vegetation.

- (8) Retaining walls shall be solid cement, masonry, or wood and constructed to the standards of the North Carolina State Building Code where required.

- (9) A finished side of a retaining wall shall face outwards towards the street or adjacent property.

- **(G) Fences in Rights of Ways**

No fences, ~~or~~ walls, columns or retaining walls shall be located within any public or private right-of-way unless approved by the Village and only for purposes of preserving specimen trees or desirable vegetation as determined by the Village Planner or when required for public purposes, i.e. retaining walls for sidewalk construction, storm water management, etc. In such cases, for structures proposed within the public right-of-way, the Village reserves the right to require submittal of an application for a Right-of-Way Encroachment permit by the applicant, and approval by the Village prior to the encroaching structure being constructed. All structures are limited to a maximum height of thirty (30) inches above grade. These structures do not require a development permit.



PLANNING AND INSPECTIONS DEPARTMENT STAFF REPORT

To: Planning and Zoning Board
From: Alfred Cassidy, Senior Planner
CC: Alex Cameron, Planning Supervisor
Maria Carpenter, Planner
Date: February 22, 2023
Subject: **Proposed Text Amendments to the Pinehurst Development Ordinance (PDO)**
regulating retaining walls in section 9.13

Text Amendment Process

Pursuant to Section 6 of the Pinehurst Development Ordinance (PDO) and Article 6 of North Carolina General Statute Chapter 160D, zoning ordinances or development regulations may be adopted, amended or repealed. The purpose of initiating changes to the text of the zoning ordinances are to make adjustments to the text of the development regulations that are necessary in light of changed conditions, adopted plans or changes in public policy, or that are necessary to advance the general welfare of the Village and are in furtherance of Section 1.2 of the PDO (Statement and Intent of This Ordinance).

Prior to considering action on these items, the proposed amendments shall be referred to the local planning board (Planning and Zoning Board) for review, comment and to forward a recommendation on the proposal, which is an *advisory* recommendation only. Legislative public hearings are held for each the planning board and governing board review and consideration of the proposed zoning ordinance. Both boards shall also consider the currently adopted Comprehensive Plan and comment on whether the proposed action is consistent with the plan.

An amendment to the text of the PDO may only be initiated by the Village Council, Planning and Zoning Board, or by anyone who owns property of resides in the jurisdiction of this Ordinance, or their agent, lessee, or any contract purchaser specifically authorized by all of the owners to file

such application for such amendment, or any owner of a legal equitable interest in land located in the jurisdiction.

Background on the Proposed Amendments

Recently, Village staff has identified a few areas of the existing regulations for retaining walls where clarification can be made. Specifically, these areas are relative to the allowances for height and location (setbacks). These amendments will help staff better administer the regulations in the PDO and provide clarity to owners, designers, architects, engineers, contractors, etc. when determining what rules shall apply for retaining walls.

Proposed PDO Amendments

The proposed amendment would affect the following subsections of the PDO:

CHAPTER 9. DESIGN AND DEVELOPMENT STANDARDS AND PROCESSES

Section 9.13 Fences, Walls and Columns

(F) Retaining Walls

~~(1) Retaining walls higher than thirty-six (36) inches shall not encroach the front setback for primary structures or the rear and side setbacks for accessory structures. A development permit is required for a retaining wall eighteen (18) inches or taller in height.~~

~~(2) Retaining walls located in the front yard setback shall not exceed three and a half (3.5) feet in height.~~

~~(3) Retaining walls up to six (6) feet in height may project into the side and rear setbacks, excluding golf course/lake front and side street setbacks.~~

~~(4) Retaining walls located in the golf course or lakefront accessory building setback shall not exceed eighteen (18) inches in height.~~

~~(2)(5) No retaining walls eighteen (18) inches or taller height shall not be closer than five (5) feet to a property line or right of way line.~~

~~(3)(6) Retaining wall height shall be measured from the lowest ground elevation to the top of the wall.~~

~~(4)(7) Retaining walls constructed in a series of two (2) or more shall provide a minimum of twelve (12) inches of horizontal separation planted in grass or other vegetation.~~

~~(8) Retaining walls shall be solid cement, masonry, or wood and constructed to the standards of the North Carolina State Building Code where required.~~

~~(9) A finished side of a retaining wall shall face outwards towards the street or adjacent property.~~

(G) Fences in Rights of Ways

No fences, ~~or~~ walls, columns or retaining walls shall be located within any public or private right-of-way unless approved by the Village and only for purposes of preserving specimen trees or desirable vegetation as determined by the Village Planner or when required for public purposes, i.e. retaining walls for sidewalk construction, storm water management, etc. In such cases, for structures proposed within the public right-of-way, the Village reserves the right to require submittal of an application for a Right-of-Way Encroachment permit by the applicant, and approval by the Village prior to the encroaching structure being constructed. All structures are limited to a maximum height of thirty (30) inches above grade. These structures do not require a development permit.

Comprehensive Plan Consistency Statement

The 2019 Village of Pinehurst Comprehensive Plan identifies 10 Strategic Opportunities that can positively influence the future of Pinehurst and help move the community forward. Strategic Opportunity 4 on page 26 states “Promote high quality development and design through an update to the Pinehurst Development Ordinance that includes character-based zoning concepts and the use of pattern books. Pinehurst’s small-town charm and appeal is due in a large part to the scale and architectural design of its buildings as well as its lush landscaping throughout the community. Updating and modernizing the Pinehurst Development Ordinance could help ensure that future development is of the desired scale and character favored by Pinehurst residents.”

Further, the intent of Section 9.13 Fences, Walls and Columns is to allow architecturally compatible fences and walls while still providing some flexibility.

Staff feels the proposed amendments are consistent with both the intent of Section 9.13 and the 2019 Comprehensive Plan.

Recommendation

Staff recommends that the Planning and Zoning Board recommend approval of the proposed amendments and adopt the statement of consistency with the Comprehensive Plan provided.

Planning and Zoning Board Action:

The Planning and Zoning Board shall consider each proposed amendment to the development ordinance and make a recommendation to Village Council on the proposed amendment. In considering an amendment, the Board shall conduct a legislative public hearing on the application. During the public hearing, the Board will take public comments on the proposal, review the proposed amendments, discuss and deliberate. The Board may decide to continue the hearing in order to give time or consideration to address concerns raised or receive more input or data. After conducting the public hearing, the Board will formulate a recommendation to Village Council and also make a statement on whether the proposed amendment is consistent with the Comprehensive Plan. The Board should make a recommendation to Village Council within 30 days of the first

scheduled public hearing. If no recommendation is made within the 30 day window, Village Council may take the up the proposal without a recommendation.

The Planning and Zoning Board has the following options:

1. Recommend adoption of the proposed amendments as drafted.
2. Recommend adoption of the proposed amendments with revisions (to any of the sections as presented).
3. Continue the public hearing to gather more input or comment on the proposal or continue deliberation and discussion.
4. Recommend rejection of the proposed amendments.

Attachments

- Draft Statement of Consistency with the 2019 Comprehensive Plan



HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

**PLANNING AND ZONING BOARD STATEMENT OF CONSISTENCY
WITH THE LONG RANGE COMPREHENSIVE PLAN
MARCH 2, 2023 REGULAR MEETING**

**TEXT AMENDMENT TO THE
PINEHURST DEVELOPMENT ORDINANCE
Regulating Retaining Walls**

The Village of Pinehurst Planning and Zoning Board finds that:

The proposed text amendment **IS** consistent with *Envision the Village*, the adopted 2019 Comprehensive Plan which identifies 10 Strategic Opportunities that can positively influence the future of Pinehurst and help move the community forward. Strategic Opportunity 4 on page 26 states “Promote high quality development and design through an update to the Pinehurst Development Ordinance that includes character-based zoning concepts and the use of pattern books. Pinehurst’s small-town charm and appeal is due in a large part to the scale and architectural design of its buildings as well as its lush landscaping throughout the community. Updating and modernizing the Pinehurst Development Ordinance could help ensure that future development is of the desired scale and character favored by Pinehurst residents.”

This amendment **IS** consistent with Strategic Opportunity #4 outlined in the 2019 Comprehensive Plan. Achieving this goal is considered reasonable and in the best interest of the public.

Therefore, the Village of Pinehurst Planning and Zoning Board recommends **APPROVAL** of the amendment to the Pinehurst Development Ordinance.

This is the 03rd day of March, 2023.

Chair of the Planning and Zoning Board

**Shannon Konstantinou
Clerk to the Planning and Zoning Board**

PLANNING & INSPECTIONS

395 Magnolia Road • Pinehurst, NC 28374 • Telephone (910) 295-2581 • Fax (910) 295-1396 • www.vopnc.org



Council Member to Report	Partners & Collaborators
John Strickland	Convention and Visitors Bureau
	FirstHealth
	*Moore County, NC - Rotating
	Moore County Transportation Committee
	NCDOT/TARPO
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Partners in Progress
	Pinehurst Resort
Patrick Pizzella	*Moore County, NC - Rotating
	NCDOT/TARPO
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Partners in Progress
	Tri-Cities Work Group (Pinehurst, So. Pines, Aberdeen)
Jane Hogeman	Beautification Committee
	Chamber of Commerce
	*Moore County, NC - Rotating
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Pinehurst Business Partners
	Tri-Cities Work Group (Pinehurst, So. Pines, Aberdeen)
Lydia Boesch	Bicycle and Pedestrian Advisory Committee
	Convention and Visitors Bureau
	*Moore County, NC - Rotating
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
Jeff Morgan	FirstHealth
	*Moore County, NC - Rotating
	Moore County Schools
	*Neighborhood Advisory Committee - Rotating
	*North Carolina - Rotating
	Triangle J. COG

RESOLUTION 23-10:

**A RESOLUTION HONORING THE SERVICE OF MR. TERRY LURTZ TO THE
VILLAGE OF PINEHURST HISTORIC PRESERVATION COMMISSION**

THAT WHEREAS, the Village Council of Pinehurst, North Carolina, wishes to acknowledge and express its appreciation to Mr. Terry Lurtz for his dedicated service to the citizens of Pinehurst as a member of the Pinehurst Historic Preservation Commission; and

WHEREAS, Mr. Lurtz was appointed to the Historic Preservation Commission on February 1, 2019, and served continuously and faithfully from that time; and

WHEREAS, Mr. Lurtz was instrumental in the efficient operation of the Historic Preservation Commission, always conducting the Village's business in a courteous, professional manner; and

WHEREAS, Mr. Lurtz was involved in many decisions affecting the character of the community, each time exhibiting sound judgement and concern for the health, safety and welfare of the Village of Pinehurst, and its important historic qualities, in his decision-making process; and

WHEREAS, Mr. Lurtz was instrumental in revising the Village of Pinehurst Historic District Guidelines, adopted in 2019.

WHEREAS, Mr. Lurtz played a key leadership role on significant projects within the Village of Pinehurst Historic Commission.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of Pinehurst, North Carolina, in a regular meeting assembled this 14th day of March 2023, as follows:

SECTION 1. That the Village Council hereby expresses on behalf of the citizens of Pinehurst, deep appreciation, and gratitude for the gifts of time, ability, and determination given as a member of the Historic Preservation Commission.

SECTION 2. That the Village Manager is hereby directed to have a copy of this Resolution presented to Mr. Lurtz as a token of our gratitude.

THIS RESOLUTION passed and adopted this 14th day of March 2023.

(Municipal Seal)

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: _____
John C. Strickland, Mayor

Attest:

Approved as to Form:

Kelly Chance, Village Clerk

Michael J. Newman, Village Attorney

PLANNING AND ZONING BOARD

§ 31.20 CREATED.

Pursuant to authority contained in G.S. Chapter 160AD, Art. 493, there is hereby created a Planning and Zoning Board for the village, with all of the powers and authority granted to the Board in Article 493.

(1986 Code, § 2-11.1) (Ord. passed 12-21-1981)

§ 31.21 MEMBERS; APPOINTMENT.

(A) *Number of members.* The Planning and Zoning Board shall consist of nine members, minus vacancies, eight of whom shall be full-time residents of the village for the duration of their service on the board at the time of appointment; and at least one of whom shall be a full-time resident of the extraterritorial zoning jurisdiction of the village for the duration of their service on the board. A minimum of five Planning and Zoning Board Members must be present to vote in matters concerning Planning and Zoning Board business.

(B) *Appointment of members.* The village members shall be appointed by the Village Council. The members shall be appointed for a terms in accordance with policy adopted by the Village Council. ~~of three years. Vacancies occurring for reasons other than expiration of terms shall be filled by the Village Council as they occur for the period of the unexpired term.~~ Faithful attendance at the majority of the all meetings of the Board is considered a prerequisite for the maintenance of membership.

(C) *Members from the extraterritorial jurisdiction.* ~~The~~ Any members of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160A-362D-307, by the County Board of Commissioners, upon the recommendation by the Village Council; and ~~the terms shall be in accordance with policy adopted by the Village Council three years, or until a successor is appointed and qualified. These~~ This member(s) shall sit as voting members of the Board concerning all matters within the extraterritorial jurisdiction and the corporate limits of the village. A vacancy shall be filled by the County Board of Commissioners, upon the recommendation of the Village Council.

(D) *Election of Chairperson and other officers.* The Village Council shall designate a Chairperson from the membership of the Board to serve at the pleasure of the Village Council. Other officers as the Board deems necessary may be elected by the Board from its membership.

(1986 Code, § 2-11.2) (Ord. passed 12-21-1981; Ord. passed 04-05-1982; Ord. passed 03-21-1983; Ord. 86-20, passed 09-15-1986; Ord. 93-11, passed 04-19-1993; Ord. 93-49, passed 12-20-1993; Ord. 97-09, passed 06-16-1997; Ord. 97-21, passed 08-18-1997; Ord. 02-05, passed 02-26-2005; Ord. 12-10, passed 03-13-2012)

§ 31.22 MEETINGS.

The Village Clerk or other person as the Council may designate shall keep a record of the proceedings and attendance of members. All meetings shall comply with G.S. Chapter 143, Article 33C, having to do with open meetings.

(1986 Code, § 2-11.3) (Ord. passed 08-28-1980; Ord. 12-10, passed 03-13-2012)

§ 31.23 COMPENSATION.

All members of the Planning and Zoning Board shall serve without compensation.

(1986 Code, § 2-11.4) (Ord. passed 08-28-1980)

§ 31.24 DUTIES IN REGARD TO ZONING.

(A) The Board shall formulate and maintain a comprehensive zoning plan of the village and the area within the extraterritorial jurisdiction for the purpose of achieving a coordinated and orderly development of the municipality which would promote, in accordance with present and future needs, the public health, safety, morals, order, convenience, prosperity and general welfare of the residents, citizens and property owners.

(B) The Board shall prepare a zoning ordinance, including both the full text of the ordinance together with maps showing the proposed district boundaries. The Board may also hold public hearings in the course of preparing the ordinance and hearing proposed amendments pursuant to G.S. § 160A-387D-601. The Board shall certify the ordinance to the Village Council.

(1986 Code, § 2-11.5) (Ord. passed 08-28-1980)

§ 31.25 DUTY IN REGARD TO SUBDIVISION REGULATIONS.

The Planning and Zoning Board may prepare subdivision regulations governing the subdivision of land within the village and its environs to be submitted to the Village Council for review and approval.

(1986 Code, § 2-11.6) (Ord. passed 08-28-1980)

ZONING BOARD OF ADJUSTMENT

§ 31.40 CREATED.

Pursuant to authority contained in G.S. § 160A-388D-302, there is hereby created a Zoning Board of Adjustment for the village with all the powers and authority granted to the Board in Section 3.3.1 of the Pinehurst Development Ordinance, as may be amended from time to time.

(1986 Code, § 2-10.1) (Ord. 98-02, passed 01-26-1998; Ord. 12-10, passed 03-13-2012)

§ 31.41 MEMBERS; APPOINTMENT.

(A) *Number of members.* The Zoning Board of Adjustment shall consist of ~~five~~ nine members, ~~at least one of whom shall be a resident of the extraterritorial zoning jurisdiction of the village.~~ Five members of the Zoning Board of Adjustment must be present to consider and vote on Zoning Board of Adjustment cases.

(B) *Appointment of members.* Each member appointed to the Village of Pinehurst Planning and Zoning Board shall be simultaneously appointed to the Zoning Board of Adjustment. Five of the nine members will be designated as primary members by vote of the full Zoning Board of Adjustment. The remaining four will serve as alternate members. ~~The village members shall be appointed by the Village Council. The members shall be appointed for a term of three years. Vacancies occurring for reasons other than~~

expiration of terms shall be filled by the Village Council as they occur for the period of the unexpired term. Faithful attendance at all meetings of the Board is considered a prerequisite for the maintenance of membership.

(C) *Members from the extraterritorial jurisdiction.* ~~Any~~ Member(s) of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160A-362D-307, by the County Board of Commissioners, upon the recommendation by the Village Council simultaneous to their appointment to the Planning and Zoning Board; and the term of this member shall be three years, or until a successor is appointed and qualified. The Member(s) shall sit as voting member(s) of the Board concerning all matters within the extraterritorial jurisdiction and the corporate limits of the village. A vacancy shall be filled by the County Board of Commissioners, upon the recommendation of the Village Council.

(D) *Election of Chairperson and other officers.* The Village Council shall designate a Chairperson from the membership of the Board to serve at the pleasure of the Village Council. Other officers as the Board deems necessary may be elected by the Board from its membership.

(1986 Code, § 2-10.2) (Ord. 98-02, passed 01-26-1998; Ord. 12-10, passed 03-13-2012)

§ 31.42 MEETINGS.

The Village Clerk or other person as the Council may designate shall keep a record of the proceedings and attendance of members. All meetings shall comply with G.S. Chapter 143, Article 33C, having to do with open meetings, and Zoning Board of Adjustment meetings shall be held separately from Planning and Zoning Board meetings.

(Ord. 12-10, passed 03-13-2012)

§ 31.43 COMPENSATION.

All members of the Zoning Board of Adjustment shall serve without compensation.

(Ord. 12-10, passed 03-13-2012)

~~COMBINATION OF PLANNING AND ZONING BOARD AND ZONING BOARD OF ADJUSTMENT~~

~~§ 31.50 CREATION.~~

~~—The Planning and Zoning Board and the Zoning Board of Adjustment may be combined into one board in regard to membership.~~

~~(Ord. 12-10, passed 03-13-2012)~~

~~§ 31.51 MEMBERS; APPOINTMENT.~~

~~—Members will be appointed as stated in §§ 31.20 and 31.40 by Village Council. Of the total board members, only five members will serve on the Zoning Board of Adjustment. Zoning Board of Adjustment members serve in ex-officio capacity as Planning and Zoning Board members; members appointed to the Zoning Board of Adjustment shall also serve on the Planning and Zoning Board. All other members of the combined board will be named as alternates to the Zoning Board of Adjustment. At least one representative on~~

~~each board must be a resident of Pinehurst's extraterritorial jurisdiction; this may be the same member for each board.~~

~~(Ord. 12-10, passed 03-13-2012)~~

~~§ 31.52 MEETINGS.~~

~~—Separate meetings shall be held for the Planning and Zoning Board and the Zoning Board of Adjustment.~~

~~(Ord. 12-10, passed 03-13-2012)~~

VOLUNTEER FIRE DEPARTMENT

§ 31.55 VILLAGE COUNCIL DISASSOCIATES FROM VOLUNTEER FIRE DEPARTMENT.

The Village Council, pursuant to authority contained in G.S. § 160A-291, does hereby completely disassociate the village from the Pinehurst Volunteer Fire Department, its by-laws and any other aspect of that organization.

(1986 Code, § 2-6) (Ord. passed 12-17-1984)

HISTORIC PRESERVATION COMMISSION

§ 31.70 CREATED.

Pursuant to authority contained in G.S. Article 19~~3~~, Chapter 160A~~D~~, there is hereby created an Historic Preservation Commission for the Village of Pinehurst, with all the powers and authority granted to the commission in Article 19.

(Ord. 14-17, passed 04-22-2014)

§ 31.71 MEMBERS; APPOINTMENT.

(A) *Number of members.* The Village of Pinehurst Historic Preservation Commission shall consist of 7 members, minus vacancies, all of whom shall be full time residents of the village or the extraterritorial jurisdiction beyond the corporate limits of the village for the duration of their service on the Historic Preservation Commission. A minimum of four voting members must be present to vote on Historic Preservation Commission business.

(B) *Appointment of members.* Members shall be appointed by the Village Council with terms in accordance with Village Council Policy. ~~Members shall be appointed for terms of two (2) years or until their successors are appointed and qualified. Vacancies occurring for reasons other than the expiration of terms shall be filled by the Village Council as they occur for the period of the unexpired term. Faithful attendance at the majority~~ most (80%) of the meetings of the Commission is considered a prerequisite for the maintenance of membership.

~~(C) *Membership term limit.* Members are limited to six (6) years total service. After six (6) years of service, a former member must be off the Commission for one (1) year before being considered for re-appointment.~~

~~(D)~~ *Appointment of Chairperson and other officers.* The Chairman of this Commission shall be appointed by the Village Council. Other officers as the Commission deems necessary may be elected by the Commission from its membership.

(Ord. 14-17, passed 04-22-2014; Ord. 14-37, passed 10-14-2014)

§ 31.72 MEETINGS.

The Village Clerk or other person as the Council may designate shall keep a record of the proceedings and attendance of members. The Commission shall hold at least one (1) meeting monthly, and all meetings shall comply with G. S. Chapter 143, Article 33C, having to do with open meetings.

(Ord. 14-17, passed 04-22-2014)

§ 31.73 COMPENSATION.

All members of the Historic Preservation Commission shall serve without compensation.

(Ord. 14-17, passed 04-22-2014)

§ 31.74 DUTIES IN REGARD TO HISTORIC PRESERVATION.

The Historic Preservation Commission shall have the powers and duties listed in Chapter 4, Section 4.6 of the Pinehurst Development Ordinance adopted May 24, 2005 as amended and the powers conveyed by G.S. §§ 160A-400.7D-942 (1) through 160A-400.14D-942 (2) and 160D-942 (5) through 160D-942 (10). All votes of the Commission shall carry with a simple majority.

(Ord. 14-17, passed 04-22-2014)

SECTION 5. That these Ordinance amendments shall be and remain in full force and effect from March 14, 2023.

THIS ORDINANCE is passed and adopted this 14th day of March 2023.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
John C. Strickland, Mayor

Attest:

Approved as to Form:

Kelly Chance, Village Clerk

Michael J. Newman, Village Attorney

The	Governing Board Village Council
of	Primary Government Unit Village of Pinehurst
and	Discretely Presented Component Unit (DPCU) (if applicable)

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name FORVIS LLP
	Auditor Address 1829 Eastchester Drive, High Point, North Carolina

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/23	Audit Report Due Date 10/31/23
-----	--------------------------------	-----------------------------------

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.)(G.S. 159-34 and 115C-447) All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☐ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:

Title and Unit / Company:

Email Address:

Dana Van Nostrand

Village of Pinehurst

dvannostrand@vopnc.org

OR Not Applicable ☐ (Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

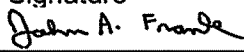
Primary Government Unit	Village of Pinehurst
Audit Fee	\$ 41,000
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ 5,500 in excess of 1 major program (federal or state)
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 30,750.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* FORVIS LLP	
Authorized Firm Representative (typed or printed)* John A. Frank	Signature* 
Date* 03/03/2023	Email Address* john.frank@forvis.com

GOVERNMENTAL UNIT

Governmental Unit* Village of Pinehurst	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* John C. Strickland	Signature*
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all
required signatures prior to submission.

PRINT

FORVIS

1829 Eastchester Drive / High Point, NC 27265
D 336.889.5156 / F 336.889.6168
forvis.com

March 14, 2023

Village Council
Village of Pinehurst
395 Magnolia Road
Pinehurst, North Carolina 28374

We appreciate your selection of **FORVIS, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**.

In addition to the terms set forth in this contract, including the detailed **Scope of Services**, our engagement is governed by the following, incorporated fully by this reference:

- Terms and Conditions Addendum

Summary Scope of Services

As described in the attached **Scope of Services**, our services will include the following:

Village of Pinehurst

- Audit Services for the year ended June 30, 2023

You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. All decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions.

We understand you have designated a management-level individual(s) to be responsible and accountable for overseeing the performance of nonattest services, and you have determined this individual is qualified to conduct such oversight.

Engagement Fees

Our fees will be based on time, skill, and resources, including our proprietary information required to complete the services. The fee for our services will be detailed in the "Contract to Audit Accounts" (LGC-205) dated March 3, 2023 between the Village of Pinehurst and FORVIS LLP.

In addition, you will be billed travel costs and fees for services from other professionals, if any, as well as an administrative fee of five (5) percent to cover certain technology and administrative costs associated with our services.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt. We will issue progress billings during the course of our engagement.

Our timely completion of services and the fees thereon depends on the assistance you provide us in accumulating information and responding to our inquiries. Inaccuracies or delays in providing this information or the responses may result in additional billings, untimely filings, or inability to meet other deadlines.

Our fees do not contemplate the following transactions or activities during the period of this engagement:

- Change in accounting principles
- Substantial doubt about the entity's ability to continue as a going concern
- Violation of covenants in debt arrangements
- Indications of fraudulent financial reporting or misappropriation of assets
- Derivatives accounted for under hedge accounting
- Quantitative impairment analysis of long-lived assets
- More than 1 major state awards program

If there are changes in circumstances where these or other conditions become known and significant additional time is necessary or additional services are requested, we reserve the right to revise our fees.

Assistance with New Standards

Assistance and additional time as a result of the adoption of the following new standards are not included within our standard engagement fees. These fees will be based on time expended and will vary based on the level of assistance and procedures required.

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for fiscal years beginning after June 15, 2022. Early application is encouraged.

Statement No. 96 addresses the accounting for the costs related to cloud computing agreements. Under this Statement, a government reports a subscription asset and subscription liability for agreements meeting the definition of a subscription-based information technology arrangement (SBITA) and to disclose essential information about the arrangement. We can assist you with the adoption by providing services which may include, but are not limited to:

- Assessing your readiness by assisting with the evaluation of your:
 - Current controls and policies
 - Current internal resources and system capabilities
- Assisting with changes required to adopt Statement No. 96, including:
 - Assisting with information gathering to develop an inventory of all SBITA agreements, service contracts, and other arrangements that may contain right-to-use IT assets
 - Recommending enhancements to existing controls and policies or suggesting new controls and policies to address Statement No. 96

- Documenting any changes from your previous lease recognition and reporting methods

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statement, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by us.

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statement, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by us.

Contract Agreement

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

FORVIS, LLP

FORVIS, LLP

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services** and **Terms and Conditions Addendum**, on behalf of Village of Pinehurst.

BY:

John C. Strickland, Mayor

DATE:

BY:

Dana Van Nostrand, Financial Services Director

DATE:

Scope of Services – Audit Services

We will audit the governmental activities, each major fund, and the aggregate remaining fund information and related disclosures, which collectively comprise the basic financial statements for the following entity:

Village of Pinehurst as of and for the year ended June 30, 2023

- Statement of net position and related statements of revenues, expenses and changes in net position

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

The audit has the following broad objectives:

- Obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- Expressing an opinion on the financial statements
- Issuing a report on your internal control over financial reporting and compliance and other matters based on the audit of your financial statements in accordance with Government Auditing Standards

We will also express an opinion on whether the required supplementary information ("supplementary information") is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will also provide you with the following nonattest services:

- Assisting with advising management on appropriate accounting principles and their application as well as limited assistance with the preparation of the financial statements and SEFSA
- Uploading data collection form and financial statements to the North Carolina state website
- Performing the alternative compliance examination engagement related to ARPA expenditures

You agree to assume all management responsibilities and to oversee the nonattest services we will provide by designating an individual possessing suitable skill, knowledge and/or experience. You acknowledge that nonattest services are not covered under *Government Auditing Standards*. You are responsible for:

- Making all management decisions and performing all management functions
- Evaluating the adequacy and results of the services performed
- Accepting responsibility for the results of such services
- Designing, implementing, and maintaining internal controls, including monitoring ongoing activities

John Frank is responsible for supervising the engagement and authorizing the signing of the report or reports. We plan to begin our audit work in July 2023.

We will issue a written report upon completion of our audit, addressed to the following parties:

Entity Name	Party Name
Village of Pinehurst	Village Council

You are responsible to distribute our reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.

The following apply for the audit services described above:

Our Responsibilities

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error

We will exercise professional judgment and maintain professional skepticism throughout the audit.

We will identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We will also conclude, based on audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We will identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the entity's compliance with compliance requirements subject to audit and performing such other procedures as the auditor considers necessary in the circumstances

Limitations & Fraud

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

Our understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by you and FORVIS.

Opinion

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to our auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If we discover conditions that may prohibit us from issuing a standard report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

Your Responsibilities

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

- **Audit Support** – to provide us with:
 - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance and component auditors) from whom we determine it necessary to obtain audit evidence
 - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
 - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
 - Information about any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials
 - Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
 - Additional information that we may request for the purpose of the audit
- **Internal Control and Compliance** – for the:
 - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - Alignment of internal control to ensure that appropriate goals and objectives are met; that management and financial information is reliable

and properly reported; and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved

- Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts or other agreements reported by the auditor
- Establishment and maintenance of processes to track the status and address findings and recommendations of auditors

• **Accounting and Reporting** – for the:

- Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
- Adjustment of the financial statements to correct material misstatements and confirmation to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Inclusion of the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by us
- Distribution of audit reports to any necessary parties

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

**Required
Supplementary
Information**

Accounting principles generally accepted in the United States of America provide for certain required supplementary information ("RSI") to accompany the basic financial statements. We understand the following RSI will accompany the basic financial statements:

1. Management's Discussion and Analysis ("MD&A")
2. Budgetary comparison
3. Pension and Other Postemployment Benefit information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management is responsible for the fair presentation of the RSI. As part of our engagement, we will apply certain limited procedures to the RSI in GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We will not express an opinion or provide any assurance on the information

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Supplementary Information

With regard to any supplementary information that we are engaged to report on:

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of our engagement
- Management will include our report on this supplementary information in any document that contains this supplementary information and indicates we have reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

Such information is:

- Presented for the purpose of additional analysis of the financial statements
- Not a required part of the financial statements
- The responsibility of management
- Subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS

Written Confirmations Required

As part of our audit process, we will request from management, and if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Peer Review Report

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract, upon request. If you would like a copy, please request from your engagement executive.

GENERAL

1. **Overview.** This addendum describes **FORVIS, LLP's** standard terms and conditions ("Terms and Conditions") applicable to Our provision of services to the Client ("You"). The Terms and Conditions are a part of the contract between You and FORVIS, LLP. For the purposes of the Terms and Conditions, any reference to "Firm," "We," "Us," or "Our" is a reference to FORVIS, LLP ("FORVIS"), and any reference to "You" or "Your" is a reference to the party or parties that have engaged Us to provide services and the party or parties ultimately responsible for payment of Our fees and costs.

BILLING, PAYMENT, & TERMINATION

2. **Billing and Payment Terms.** We will bill You for Our professional fees and costs as outlined in Our contract. Unless otherwise provided in Our contract, payment is due upon receipt of Our billing statement. Interest will be charged on any unpaid balance after 30 days at the rate of 10 percent per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10 percent. All fees, charges and other amounts payable to FORVIS hereunder do not include any sales, use, excise, value added or other applicable taxes, tariffs or duties, payment of which shall be Your sole responsibility, and do not include any applicable taxes based on FORVIS' net income or taxes arising from the employment or independent contractor relationship between FORVIS and FORVIS' personnel.

We reserve the right to suspend or terminate Our work for this engagement or any other engagement for nonpayment of fees. If Our work is suspended or terminated, You agree that We will not be responsible for Your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against You resulting from Your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of Our services.

Our fees may increase if Our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. Our engagement fees do not include any time for post-engagement consultation with Your personnel or third parties, consent letters and related procedures for the use of Our reports in offering documents, inquiries from regulators, or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

3. **Billing Records.** If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, We agree to make available to the Secretary of Health and Human Services, or to the U.S. Comptroller General, or any of their duly authorized representatives, such of Our books, documents, and records that are necessary to certify the nature and extent of Our services, until the expiration of four (4) years after the furnishing of these services. This contract allows access to contracts of a similar nature between subcontractors and related organizations of the subcontractor, and to their books, documents, and records.
4. **Termination.** Either party may terminate these services in good faith at any time for any reason, including Your failure to comply with the terms of Our contract or as We determine professional standards require. Both parties must agree, in writing, to any future modifications or extensions. If services are terminated, You agree to pay FORVIS for time expended to date. In addition, You will be billed costs and fees for services from other professionals, if any, as well as an administrative fee of five (5) percent to cover certain technology and administrative costs associated with our services. Unless terminated sooner in accordance with its terms, this engagement shall terminate upon the completion of FORVIS' services hereunder.

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to this engagement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The mediator will be selected by agreement of the parties. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.
6. **Indemnification.** Unless disallowed by law or applicable professional standards, You agree to hold FORVIS harmless from any and all claims which arise from knowing misrepresentations to FORVIS, or the intentional withholding or concealment of information from FORVIS by Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. You also agree to indemnify FORVIS for any claims made against FORVIS by third parties, which arise from any wrongful actions of Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. The provisions of this paragraph shall apply regardless of the nature of the claim.
7. **Statute of Limitations.** You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether FORVIS performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of this contract or the acts or omissions of FORVIS in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

8. **Limitation of Liability.** You agree that FORVIS' liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the intentional or willful misconduct of FORVIS or if enforcement of this provision is disallowed by applicable law or professional standards.
9. **Waiver of Certain Damages.** In no event shall FORVIS be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.
10. **Choice of Law.** You acknowledge and agree that any dispute arising out of or related to this contract shall be governed by the laws of the State of Texas, without regard to its conflict-of-laws principles.
11. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**
12. **Severability.** In the event that any term or provision of this agreement shall be held to be invalid, void or unenforceable, then the remainder of this agreement shall not be affected, and each such term and provision of this agreement shall be valid and enforceable to the fullest extent permitted by law.
13. **Assignment.** You acknowledge and agree that the terms and conditions of this contract shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.
14. **Disclaimer of Legal or Investment Advice.** Our services do not constitute legal or investment advice.

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

15. **Maintenance of Records.** You agree to assume full responsibility for maintaining Your original data and records and that FORVIS has no responsibility to maintain this information. You agree You will not rely on FORVIS to provide hosting, electronic security, or backup services, e.g., business continuity or disaster recovery services, to You unless separately engaged to do so. You understand that Your access to data, records, and information from FORVIS' servers, i.e., FORVIS portals used to exchange information, can be terminated at any time and You will not rely on using this to host Your data and records.
16. **FORVIS Workpapers.** Our workpapers and documentation retained in any form of media for this engagement are the property of FORVIS. We can be compelled to provide information under legal process. In addition, We may be requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless We are prohibited from doing so by law or regulation, FORVIS will inform You of any such legal process or request. You agree We have no legal responsibility to You in the event We determine We are obligated to provide such documents or information.
17. **Subpoenas or Other Legal Process.** In the event FORVIS is required to respond to any such subpoena, court order or any government regulatory inquiry or other legal process relating to You or Your management for the production of documents and/or testimony relative to information We obtained or prepared incident to this or any other engagement in a matter in which FORVIS is not a party, You shall compensate FORVIS for all time We expend in connection with such response at normal and customary hourly rates, and to reimburse Us for all out of pocket expenses incurred in regard to such response.
18. **Use of Deliverables and Drafts.** You agree You will not modify any deliverables or drafts prepared by Us for internal use or for distribution to third parties. You also understand that We may on occasion send You documents marked as draft and understand that those are for Your review purpose only, should not be distributed in any way, and should be destroyed as soon as possible.

Our report on any financial statements must be associated only with the financial statements that were the subject of Our engagement. You may make copies of Our report, but only if the entire financial statements (exactly as attached to Our report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Our report. You agree not to reproduce or associate Our report with any other financial statements, or portions thereof, that are not the subject of Our engagement.

19. **Proprietary Information.** You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the services We perform and were developed prior to Our association with You. Any new forms, software, documents, or intellectual property We develop during this engagement for Your use shall belong to Us, and You shall have the limited right to use them solely within Your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which We make available to You are confidential and proprietary to Us. Neither You, nor

any of Your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than Your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

REGULATORY

20. **U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies.** Where We are providing services either for (a) an entity that is registered with the SEC, (b) an affiliate of such registrant, or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this contract that would be prohibited by or impair Our independence under applicable law or regulation shall not apply to the extent necessary only to avoid such prohibition or impairment.

21. **Offering Document.** You may wish to include Our report(s) on financial statements in an exempt offering document. You agree that any report, including any auditor's report, or reference to Our firm, will not be included in any such offering document without notifying Us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

Any exempt offering document issued by You with which We are not involved will clearly indicate that We are not involved by including a disclosure such as, "FORVIS, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document."

22. **FORVIS Not a Municipal Advisor.** FORVIS is not acting as Your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, FORVIS is not recommending any action to You and does not owe You a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such matters with internal or external advisors and experts You deem appropriate before acting on any such information or material provided by FORVIS.

23. **FORVIS NOT A Fiduciary.** In providing Our attest services, We are required by law and our professional standards to maintain our independence from You. We take this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which You and the users of our report require. As such, You should not place upon us special confidence that in the performance of Our attest services We will act solely in Your interest. Therefore, You acknowledge and agree we are not in a fiduciary relationship with You and We have no fiduciary responsibilities to You in the performance of Our services described herein.

TECHNOLOGY

24. **Electronic Sites.** You agree to notify Us if You desire to place Our report(s), including any reports on Your financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that We have no responsibility to review information contained in electronic sites.

25. **Electronic Signatures and Counterparts.** This contract and other documents to be delivered pursuant to this contract may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this contract are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this contract or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software, will have the same effect as physical delivery of the paper document bearing an original signature.

26. **Electronic Data Communication and Storage.** In the interest of facilitating Our services to You, We may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, We employ measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with Our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that We have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Us. You consent to Our use of these electronic devices and applications during this engagement.

OTHER MATTERS

27. **Cooperation.** You agree to cooperate with FORVIS in the performance of FORVIS' services to the You, including the provision to FORVIS of reasonable facilities and timely access to Yours data, information and personnel. You shall be responsible for the performance of Your employees and agents.

28. **Third-Party Service Providers.** FORVIS may from time to time utilize third-party service providers, including but not limited to domestic software processors or legal counsel, or disclose confidential information about You to third-party service providers in serving Your account. FORVIS maintains, however, internal policies, procedures, and safeguards to protect the confidentiality and security of Your information. In addition, FORVIS will secure confidentiality agreements with all service providers to maintain the confidentiality of Your information. If We are unable to secure an appropriate confidentiality agreement, You will be asked to consent prior to FORVIS sharing Your confidential information with the third-party service provider.
29. **Independent Contractor.** When providing services to You, We will be functioning as an independent contractor; and in no event will We or any of Our employees be an officer of You, nor will Our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to You. Decisions regarding management of Your business remain the responsibility of Your personnel at all times. Neither You nor FORVIS shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
30. **Use of FORVIS Name.** Any time You intend to reference FORVIS' firm name in any manner in any published materials, including on an electronic site, You agree to provide Us with draft materials for review and approval before publishing or posting such information.
31. **Praxity.** FORVIS is an independent accounting firm allowed to use the name "Praxity" in relation to its practice. FORVIS is not connected, however, by ownership with any other firm using the name "Praxity." FORVIS will be solely responsible for all work carried out on Your behalf. In deciding to engage FORVIS, You acknowledge that We have not represented to You that any other firm using the name "Praxity" will in any way be responsible for Our work.
32. **Entire Agreement.** The contract, including this Terms and Conditions Addendum and any other attachments or addenda, encompasses the entire agreement between You and FORVIS and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this contract must be made in writing and signed by both You and FORVIS.
33. **Force Majeure.** We shall not be held responsible for any failure to fulfill Our obligations if such failure was caused by circumstances beyond Our control, including, without limitation, fire or other casualty, act of God, act of terrorism, strike or labor dispute, war or other violence, explosion, flood or other natural catastrophe, epidemic or pandemic, or any law, order or requirement of any governmental agency or authority affecting either party, including without limitation orders incident to any such epidemic or pandemic, lockdown orders, stay at home orders and curfews.

ORDINANCE #23-10:

AN ORDINANCE AMENDING THE PINEHURST DEVELOPMENT ORDINANCE TO ALLOW RECREATIONAL VEHICLE PARKS IN THE PUBLIC CONSERVATION (PC) DISTRICT

WHEREAS, the Village Council of the Village of Pinehurst adopted a new Pinehurst Development Ordinance on the 8th day of October, 2014, for the purpose of regulating planning and development in the Village of Pinehurst and the extraterritorial area over which it has jurisdiction; and

WHEREAS, said Ordinance may be amended from time to time as circumstances and the best interests of the community have required; and

WHEREAS, a public hearing was held at 4:30 p.m. on March 28, 2023, in the Assembly Hall of the Pinehurst Village Hall, Pinehurst, North Carolina after due notice in the Pilot, a newspaper in Southern Pines, North Carolina, with general circulation in the Village of Pinehurst, and its extraterritorial jurisdiction, for the purpose of considering proposed amendments to the Pinehurst Development Ordinance, at which time all interested citizens, residents and property owners in the Village of Pinehurst and its extraterritorial jurisdiction were given an opportunity to be heard as to whether they favored or opposed the proposed text amendments; and

WHEREAS, the Planning and Zoning Board recommended, on March 2, 2023, the Village Council approve these amendments to the Pinehurst Development Ordinance; and

WHEREAS, the Village of Pinehurst adopted the 2019 Comprehensive Plan which identified 7 Guiding Principles with Guiding Principle 7 stating “Preserve, conserve, and feature Pinehurst’s natural resources with expanded parks, open spaces, and events that enhance the health and well-being of the community and the environment.”; and

WHEREAS, the adopted the 2019 Comprehensive Plan identifies Implementation Strategies of which Strategy 7.4 states the Village should “seek ways to enhance strategic partnerships with other public and private entities to expand and enhance recreation facilities and programs offered.”; and

WHEREAS, this would allow the Village to enhance and expand recreation activities and events for the community; and

WHEREAS, the Village Council, after considering all of the facts and circumstances surrounding the proposed amendments to the text of the Pinehurst Development Ordinance, have determined that it is considered reasonable and in the best interest of the Village of Pinehurst and the extraterritorial jurisdiction and that it is consistent with the 2019 Comprehensive Long Range Plan for the reasons stated herein that the Pinehurst Development Ordinance be further amended, making the amendments as requested.

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina in the regular meeting assembled on the 28th day of March, 2023, as follows:

SECTION 1. That the Pinehurst Development Ordinance of the Village of Pinehurst and its extraterritorial zoning jurisdiction be and the same hereby is amended as shown in the attached “Exhibit A”

SECTION 2. That all ordinances or sections thereof in conflict herewith are hereby repealed and declared null and void from and after the date of adoption of this ordinance.

SECTION 3. That this Ordinance shall become effective March 28th, 2023 and remain in full force and effect from and after the date of its adoption.

THIS ORDINANCE passed and adopted this 28th day of March, 2023.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
John C. Strickland, Mayor

Attest:

Approved as to Form:

Kelly Chance, Village Clerk

Michael J. Newman, Village Attorney

ATTACHMENT - EXHIBIT A

An Amendment to the Pinehurst Development Ordinance to
Amend the Table of Permitted and Special Uses and Special Requirements and
Definitions to allow Recreational Vehicle Parks in the Public Conservation (PC) Zoning District

Proposed Amendments

- **Section 8.5 Table of Permitted and Special Uses and Special Requirements**
 - **8.5.1a Table of Permitted and Special Uses and Special Requirements**

LODGING	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Bed and Breakfast Homes			X,SR									X,SR			X,SR	X,SR	X,SR		7
Boarding or Rooming House																			
Dormitory																			
Hotel												X	X				X,SR	X,SR	8
Recreational Vehicle Park	X																		

Chapter 10 Village of Pinehurst Ordinance Definitions

- **Section 10.2 Definitions**

Recreational Vehicle Park: ~~a commercial enterprise on any site or tract~~ the use of land, which includes ~~with~~ two (2) or more spaces (sites) which are provided for temporary rental only, upon which recreational vehicles are provided utility hook-ups and services. If offered, service buildings and areas necessary to provide laundry, sanitation, storage, vending machines, and other permitted services ~~shall only be~~ ~~are~~ provided by the facility operator for the use and convenience of recreational vehicles.



**VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF MARCH 14, 2023
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM**

The Pinehurst Village Council held a Work Session Meeting at 6:10 p.m., Tuesday, March 14, 2023, 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 12 attendees, including 7 staff and 1 press

1. Call to Order.

Mayor Strickland called the Village Council meeting to order.

2. Discussion on Updates to the Public Facility and Naming Policy.

Doug Willardson, Assistant Village Manager, presented Council with a draft of updates to the Public Facility and Naming Policy. He reported staff reviewed the exiting "Recognition and Public Facility Naming Policy" and determined a need for adding a section 9 to deal with the duration and modification of the names of public facilities. He noted as the policy currently stands, there is no guidance for renaming or ending the name of a public facility. He stated section nine would provide direction to future councils that may need or want to rename a public facility. Council provided feedback and Mr. Willardson will present the final draft for approval at a future Council Regular meeting.

3. Discussion on Updates to the Streetlight Policy.

Assistant Village Manager, Doug Willardson, reported staff has reviewed the existing Streetlight Policy and has some suggested minor changes that would simplify the policy. Mr. Willardson stated the change is related to SECTION 2 and would eliminate most of the exiting language and replace it with "*Streetlights in new residential developments must submit and abide by a lighting plan which shall be submitted with the site plans for review as part of the new sub-division submittal. The lighting plan must abide by the above guidelines and all associated requirements of the Pinehurst Development Ordinance.*" Council provided feedback and Mr. Willardson will present the final draft for approval at a future Council Regular meeting.

4. Update on Dornoch, Scotland partnership.

Mayor John Strickland reported he is in discussions with Dornoch, Scotland on an idea of "Birthplace to Workplace" and how a

partnership could be formed that would link the archives and museum in relating the life of Donald Ross. He noted he will continue to update Council as discussions continue.

5. Discussion on MPO (added agenda item)

Village Manager Jeff Sanborn provided an update on the proposal of forming an MPO and noted that the D.O.T has decided they will need to help us forming this framework so we can put it in place by the end of December this year. He stated some of the first things that will need to occur are: formalizing who the lead planning organization will be, who the partners will be in the organization, where will the organization be housed, who will manage the finances and I.T. support, among policy formation. He reported the D.O.T. provided a road map in terms of the way forward and a step-by-step process that they have laid out. He noted that June 30th is the date they think the organization should have a membership policy board established so the partners can agree upon a framework.

Mr. Sanborn explained how the source of income for the organization would work, noting there is some state and federal funding, as well as the local government partners participating. Mayor Strickland stated his understanding is the partners contribute around 20% and the remainder comes from state and federal funding. Mr. Sanborn will continue to update the Council as more information is received with the anticipation that the Village would like to be able to take the lead in forming the organization.

6. Adjournment.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved to adjourn the work session at 7:38 p.m., by a vote of 5-0.

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



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF MARCH 14, 2023
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 March 14, 2023, 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 16 attendees, including 6 staff and 1 press

1. Call to Order.

Mayor Strickland called the Village Council meeting to order.

2. Reports:

Village Manager

- Mr. Jeff Sanborn, Village Manager, reported Alex Cameron accepted the offer for the Planning and Inspection Director position for the Village. He noted Alex started with the Village as a Planner 1 and has steadily worked his way through the steps and of an interview team of 5, he was the number 1 candidate unanimously.

Village Council

- Mayor Strickland reported he and the Village Manager attended the latest meeting of the new Metropolitan Planning Organization structure which will be forming with other towns here in Moore County. He noted that with the new organization they would get more points for DoT projects and additional help working on projects and prioritization of future projects.

Mayor Strickland reported he made brief comments at the Pinehurst No. 6 Homeowners Association meeting and the Pinehurst Rotary meeting. He reported the opening of the new Pinehurst Comprehensive Cancer Center date is March 27th. Lastly, Mayor Strickland recognized Pinehurst resident, Vivian Cunningham, on her 100th birthday celebration, on March 18th.

- Councilmember Morgan provided no report.
- Councilmember Hogeman reported the Moore County tax revaluation is nearing completion and notices of revaluation will be mailed out on March 17th. She stated there will be informational workshops for anyone who has a question about their revaluation. She noted these will be held at the Agricultural Center in Carthage, where you can drop in Monday through Friday from 9 am to 3:30 pm during the last week of March and the first two months of April. She stated for anyone who wants to bring a formal appeal, these can be done at the Agricultural Center by appointment only on Tuesday, Wednesday, and Thursday's during May and June, from 9 am to 3:30 pm.

Councilmember Hogeman reported she attended the Beautification Committee on March 6th which will be holding its annual plant sale from now through April 7th. She noted you can go to the Pinehurst Garden Club website and find out how to pre-order your plants, which will be ready for pick-up on April 23rd at the Garden Haven Garden Center in Carthage. She stated the proceeds of the sales go to the scholarship the Garden Club provides for landscape design students at Sandhills Community College.

Councilmember Hogeman reported the Beautification Committee is working on its first annual Warren Manning award for landscaping, which they hope to bestow in July. She noted they are also completing the landscaping of the solar eclipse monument on Ritter Road. Lastly, she reported the Pinehurst Business Partners had their board meeting where they discussed the Dog Jog event happening on April 15th. She noted it will begin at 9:30 am at Tufts Memorial Park and will involve a walk with your dog to the Arboretum and the cost is \$15 to register your dog. She stated the event will end with a celebratory event at the Arboretum and all proceeds from the event go to the Linden Lodge Wellness Center a mental wellness center.

- Councilmember Boesch congratulated Mr. Cameron on his acceptance of the Village's offer and acknowledged his valuable skills he is already providing the Village.
- Mayor Pro Tem Pizzella reminded residents of the many avenues the Village offers for obtaining information about current projects, events, and volunteer opportunities.

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.

A. Approval of Village Council Meeting Minutes

- February 28, 2023, Council Regular Meeting
- February 28, 2023, Council Work Session

B. Resolution #23-09 Honoring Thomas Schroeder (HPC)

C. Resolution #23-10 Honoring Terry Lurtz (HPC)

End of Consent Agenda.

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

4. **Present Resolution #23-06 Honoring Eric Von Salzen for time served on the Historic Preservation Commission.**

Mayor Strickland read and presented Resolution #23-06 to Mr. Eric Von Salzen in appreciation of his time served on the Historic Preservation Commission.

5. **Discuss and Consider Resolution #23-07, Amending Terminology in the Fund Balance Policy in Accordance with GASB Statement No. 98.**

Dana Von Nostrand, Financial Services Director, reported that in October 2021, the Government Accounting Standards Board (GASB) issued Statement No. 98 *The Annual Comprehensive Financial Report*. She stated this Statement replaced the term *comprehensive annual financial report* and its acronym with the term *annual comprehensive financial report* and its acronym *ACFR*. GASB Statement No. 98 made this change to terminology because the common pronunciation of the acronym for comprehensive annual financial report sounds like a racial slur in some cultures.

Ms. Von Nostrand stated the Village made this change in terminology beginning with its ACFR issued for fiscal year 2021. She stated references to the comprehensive annual financial report and its acronym in other documents, such as policies and webpages, should be updated accordingly. She reported the Village does not need to change the terminology used in audit reports or strategic operating plans previously issued. She noted the vopnc.org webpages using comprehensive annual financial report and its acronym have been update. She stated that since the Fund Balance Policy is a "living" document that is frequently referenced, she recommends Council approve amending the Fund Balance Policy to utilize the appropriate terminology for the ACFR.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Resolution 23-07, amending terminology in the Fund Balance Policy in accordance with GASB Statement No. 98, by a vote of 5-0.

6. **Discuss and Consider Resolution #23-08, Adopting a Grants Allowable Costs and Cost Principles Policy.**

Dana Von Nostrand, Financial Services Director, reported the Village receives federal grants and grants from funding sources from time-to-time, such as FEMA disaster assistance, equipment grants for the Police and Fire departments, library grants, and COVID-19 recovery grants. She stated these grants are ultimately governed by the terms and conditions of the specific grant agreements and all federal grants must comply with the requirements of the Uniform Guidance (2 CFR 200 or UG). She reported grants from state and other funding sources may not require compliance with the UG, but it is best practice to have policies and procedures for all grants that meet UG requirements.

Ms. Von Nostrand stated the UG requires the recipient to have written policies for certain requirements. She noted allowable costs and cost principles is one of the areas that requires a written policy, however, the Village does not currently have a written policy that addresses these requirements.

Ms. Von Nostrand stated the absence of a written policy for allowable costs and cost principles exposes the Village to the risk that grant funds are not used for activities and costs allowed by the grant agreements. She reported it also poses an audit risk to the Village and if the Village does not comply with the UG requirements or terms and conditions of grant agreements, it could be required to repay the unallowable costs. She stated audit findings could impact the Village's ability to receive grants in the future. She noted the \$5.2 million of ARPA funds expended in fiscal year 2023 will be subject to a compliance examination by the Village's audit firm.

Ms. Von Nostrand stated the purpose of the Grants Allowable Costs and Cost Principles Policy staff is proposing is to comply with the allowable costs and cost principles requirements of the UG, State of North Carolina regulations, sponsor policies, program objectives, and grant agreement terms and conditions. She noted the UG, specifically Subpart E, defines those items of cost that are allowable, and which are unallowable under federal awards. She stated the policy details the tests of allowability under these principles, such as the costs must be necessary and reasonable for the performance of the award, within the award budget and budget period, consistent with policies and procedures for other activities of the Village, and adequately documented.

Ms. Von Nostrand stated unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising). She stated the policy acknowledges that the Village is responsible for the efficient and effective administration of grant awards in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the awards through sound management practices. She reported the application of these cost principles should require no significant change in the internal accounting policies and practices of the Village. She noted the policy assigns responsibility for following these guidelines and associated procedures to the Financial Services Director along with the Department Heads, who are charged with the administration and financial oversight of grant funds they receive. She stated the Financial Services Director is responsible for ensuring audits of grant funds are performed as required by the UG, the North Carolina State Single Audit Implementation Act, or other funder requirements.

Ms. Von Nostrand stated staff recommends the Council approve the resolution to adopt this new financial policy to comply with the requirements of the UG, State of North Carolina regulations, sponsor policies, program objectives, and grant agreement terms and conditions

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved Resolution 23-08, adopting a Grants Allowable Costs and Cost Principles Policy, by a vote of 5-0.

7. Discuss and Consider Ordinance #23-03, Amending and Closing the ARPA Special Revenue Fund.

Dana Von Nostrand, Financial Services Director, reported the Village Council approved the creation of the American Rescue Plan Act Special Revenue Fund (ARPA SRF) in June 2021. She noted at that time, the appropriation was established for \$4,860,000 with corresponding ARPA grant revenues to fund the appropriation, with this amount being an estimate. She stated the actual ARPA award amount of \$5,296,751.52 was communicated in August 2021. She stated the AROA funds were expended for the provision of government services under the standard allowance, which is authorized as an eligible use of the

funds. She reported that as of February 28, 2023, there were sufficient allowable expenditures for fiscal year 2023 salaries and benefits in the General Fund to fully expend the ARPA SRF.

Ms. Von Nostrand reported the Village has complied with the grant terms and conditions, such as having the required written policies, submitting required reports, and expending the funds within the award period of March 3, 2021 – December 31, 2024. She noted expenditures met the allowable costs and cost principles requirements of the grant. She stated the final expenditure report as of March 31, 2023, will be submitted in April. She reported the ARPA funds will be subject to an alternative compliance examination during the fiscal year 2023 audit.

Ms. Von Nostrand reported the grant funds of nearly \$5.3 million were deposited into the Village's North Carolina Capital Management Trust (NCCMT) investment account and have earned investment income of \$108,286 through February 28, 2023. She noted the investment income is allowed to be kept by the Village and is not subject to the restrictions and requirements as the ARPA award funds and the Village may use the investment income to defray the administrative expenses of the program, among other things.

Ms. Von Nostrand reported that to record the use of the ARPA funds and associated investment income to reimburse the General Fund for the government services expenditures advanced from the General Fund, a budget amendment is needed to increase the ARPA SRF revenue and expenditure budgets from \$4,860,000 to the total amount of ARPA revenue including investment income. Additionally, she stated the account within the ARPA SRF needs to be changed from "American Rescue Plan Expenditures" to "Transfer to General Fund" to accurately reflect the transfer in the Village's financial statements.

Ms. Von Nostrand reported after the budget amendments above are approved by the Council and recorded in the accounting system by the Financial Services department, the actual transfer of \$5,405,037.52 from the ARPA SRF to the General Fund will be recorded in the accounting system. She stated this actual fund transfer will zero out the budget and fund balance in the ARPA SRF. The NCCMT investment that is currently in the ARPA SRF will also be transferred to the general fund. She noted the ARPA SRF would then be closed.

Ms. Von Nostrand stated staff recommends the Council approve the ordinance to amend the ARPA SRF budgets to reflect the final award and investment income amounts, authorize the transfer of the ARPA SRF fund balance to the General Fund, and approve closure of the ARPA SRF

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved Ordinance 23-03, amending and closing the ARPA Special Revenue Fund, by a vote of 5-0.

8. Discuss and Consider Ordinance #23-04, Amending Chapter 31 of the Pinehurst Municipal Code.

Jeff Sanborn, Village Manager, reported members of the Village Council recently asked staff to draft an update to Chapter 31 of the Pinehurst Municipal Code modifying language related to residency requirements for Planning and Zoning Board/Board of Adjustment members. He stated specifically, it was desired that, like the requirements for Historic Preservation Commission members, members must retain residency in the

Village or extraterritorial jurisdiction to maintain board membership. Mr. Sanborn stated while drafting these updates, staff recognized the opportunity to update various other provisions of chapter 31 that clarify previously identified points of confusion and comport with the way Pinehurst's advisory boards currently are staffed and operate.

Mr. Sanborn, joined by Alex Cameron, Planning and Inspections Director, presented Council with changes to section 31.21 addressing the number of members, vacancies, residency requirements, attendance requirements, and appointment of members. Council discussed changes to successor requirements for members from the extraterritorial jurisdiction and addressed proposed changes to the member appointment process for the Zoning Board of Adjustment. Councilmember provided feedback for changes and Mr. Sanborn will bring the Ordinance back for proposed approval at the next Council Regular meeting.

9. Other Business

Council discussed potential needs for budget priorities for legislature. Potential needs suggested included traffic circle plantings, signage, and appropriations for the Harness Track.

10. Comments from Attendees

- John Vann, Donald Ross Drive resident, addressed Council about an issue with his garden screenings.

11. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 6:03 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



PLANNING AND INSPECTIONS DEPARTMENT STAFF REPORT

To: Village Council
From: Alex Cameron, Planning & Inspections Director & Maria Carpenter, Planner
CC: Jeff Sanborn, Village Manager
Date: March 22, 2023
Subject: **Proposed Text Amendments to the Pinehurst Development Ordinance (PDO) to address addition of Recreational Vehicle Parks in PC Zoning District only**
The amendments are to the following sections:
Section 8.5 Table of Permitted and Special Uses and Special Requirements
Section 10.2 Definitions

Background on the Proposed Amendments

Village staff has received requests from the Pinehurst Driving & Training Club as well as other prospective clients at the Harness Track wanting to bring their recreation vehicle on site for the training season which is held from October 15th to May 1st annually. Recreation Vehicles have been allowed to stay at the facility with a 7-day maximum since at least 2002. There is a Council adopted fee for this use with the aforementioned 7-day maximum stay allowed. Staff is requesting an amendment to the PDO that would allow Recreation Vehicles to stay on the property and hook up to our facilities from October to May effective on October 15th, 2023. This would only be allowed for individuals leasing stalls for the training season or leasing stalls as part of an equestrian event that has rented the facility.

Proposed PDO Amendments

The proposed amendments would affect the following sections of the PDO:

- Section 8.5 Table of Permitted and Special Uses and Special Requirement
 - Amendments to this section would allow Recreational Vehicle Parks as a permitted use within the Public Conservation (PC) zoning district, with an

“X” added within Table 8.5.1a denoting that it would be “Permitted by Right” within this zoning district.

- Section 10.2 Definitions
 - This would amend the definition of “Recreational Vehicle Park” within the PDO and provide for regulating the land uses as part of Chapter 8 Zoning.

Proposed Amendments

- Section 8.5 Table of Permitted and Special Uses and Special Requirements
 - 8.5.1a Table of Permitted and Special Uses and Special Requirements

LODGING	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Bed and Breakfast Homes			X,SR									X,SR			X,SR	X,SR	X,SR		7
Boarding or Rooming House																			
Dormitory																			
Hotel												X	X				X,SR	X,SR	8
Recreational Vehicle Park	<u>X</u>																		

Chapter 10 Village of Pinehurst Ordinance Definitions

- Section 10.2 Definitions

Staff is proposing a slight revision of the “Recreational Vehicle Park” land use definition(s) in Chapter 10.

Recreational Vehicle Park: ~~a commercial enterprise on any site or tract~~ the use of land, which includes with two (2) or more spaces (sites) which are provided for temporary rental only, upon which recreational vehicles are provided utility hook-ups and services. If offered, service buildings and areas necessary to provide laundry, sanitation, storage, vending machines, and other permitted services shall only be ~~are~~ provided by the facility operator for the use and convenience of recreational vehicles.

Comprehensive Plan Consistency Statement

The 2019 Village of Pinehurst Comprehensive Plan, Guiding Principle 7, Parks and Recreation in Pinehurst (page 198) states “Preserve, conserve, and feature Pinehurst’s natural resources with expanded parks, open spaces, and events that enhance the health and well-being of the community and the environment.” Implementation Strategy 7.4 (page 202) recommends the Village “seek ways to enhance strategic partnerships with other public and private entities to

expand and enhance recreation facilities and programs offered”. Additionally, the Comprehensive Plan includes a subsection “Baseline Inventory and Assessment” which contains an overview of existing facilities and lists the Harness Track and Fair Barn as a winter training center for Standardbred horses.

Staff feels the proposed PDO amendments are consistent with the 2019 Comprehensive Plan.

Planning and Zoning Board Recommendation

At their March 2, 2023 Regular Meeting, the Planning & Zoning Board reviewed the proposed text Amendments to allow Recreational Vehicles (RV) Parks in the Public Conservation (PC) Zoning District only. The Planning & Zoning Board made a motion to recommend adoption of Staff’s proposed amendments with a slight change to the Definition of Recreational Vehicle Parks to make the language more permissive, not mandatory.

Village Council Review and Action

Before acting on any proposed text amendment, Village Council shall hold a public hearing and receive public comment on the proposal. Village Council shall consider the recommendation of the Planning and Zoning Board, the report and recommendation of staff, comments made at the public hearing, and the adopted Comprehensive Plan. After holding the public hearing and considering the aforementioned information, Village Council may:

- Continue the public hearing to a specific time, date and place in order to receive additional input, etc.
- Close the public hearing but defer action to another meeting
- Adopt the proposed amendments
- Adopt the amendments with revisions
- Reject the amendments
- Refer the proposal back to the Planning and Zoning Board for further consideration

Staff Recommendation

Staff recommends approval of the proposed text amendments and recommends Council adopt the statement of consistency with the Comprehensive Plan provided.

Attachments

- Map of PC Zoned and VOP Owned Parcels
- PDO Proposed Text Amendments
- Signed P&Z Comprehensive Plan Statement of Consistency



PLANNING AND INSPECTIONS DEPARTMENT STAFF MEMO

To: Mayor Strickland and Village Council
From: Alex Cameron, Planning and Inspections Director
Alfred Cassidy, Senior Planner
Date: March 23, 2023
Subject: Proposed Text Amendments to the Pinehurst Development Ordinance (PDO) regulating retaining walls in Section 9.13

This memo supplements the report for the March 2, 2023 Planning and Zoning Board public hearing agenda item for this subject. Please refer to that report for additional information on the text amendment process, recommendation and options provided to the Planning and Zoning Board in considering a recommendation to Village Council.

Background

Recently, Village staff has identified a few areas of the existing regulations for retaining walls where clarification can be made. Specifically, clarity was needed in the areas relating to height and location (setbacks). These amendments will help staff better administer the regulations in the PDO and better provide guidance to owners, designers, architects, engineers, contractors, etc. when determining what rules shall apply for retaining walls.

Proposed PDO Amendments

CHAPTER 9. DESIGN AND DEVELOPMENT STANDARDS AND PROCESSES

Section 9.13 Fences, Walls and Columns

(F) Retaining Walls

- (1) Retaining walls higher than thirty-six (36) inches shall not encroach the front setback for primary structures or the rear and side setbacks for accessory structures. A development permit is required for a retaining wall eighteen (18) inches or taller in height.
 - (2) Retaining walls located in the front yard setback shall not exceed three and a half (3.5) feet in height.
 - (3) Retaining walls up to six (6) feet in height may project into the side and rear setbacks, excluding golf course/lake front and side street setbacks.
 - (4) Retaining walls located in the golf course or lakefront accessory building setback shall not exceed eighteen (18) inches in height.
-

- ~~(2)(5)~~ Retaining walls eighteen (18) inches or taller height shall not be closer than five (5) feet to a property line or right of way line.
- ~~(3)(6)~~ Retaining wall height shall be measured from the lowest ground elevation to the top of the wall.
- ~~(4)(7)~~ Retaining walls constructed in a series of two (2) or more shall provide a minimum of twelve (12) inches of horizontal separation planted in grass or other vegetation.
- (8) Retaining walls shall be solid cement, masonry, or wood and constructed to the standards of the North Carolina State Building Code where required.
- (9) A finished side of a retaining wall shall face outwards towards the street or adjacent property.

(G) Fences in Rights of Ways

No fences, ~~or~~ walls, columns or retaining walls shall be located within any public or private right-of-way unless approved by the Village and only for purposes of preserving specimen trees or desirable vegetation as determined by the Village Planner or when required for public purposes, i.e. retaining walls for sidewalk construction, storm water management, etc. In such cases, for structures proposed within the public right-of-way, the Village reserves the right to require submittal of an application for a Right-of-Way Encroachment permit by the applicant, and approval by the Village prior to the encroaching structure being constructed. All structures are limited to a maximum height of thirty (30) inches above grade. These structures do not require a development permit.

Planning and Zoning Board Action

The Planning and Zoning Board held a public hearing during their regular meeting on March 2, 2023. No member of the public spoke on the proposed amendments. Members of the Planning and Zoning Board were very favorable to the proposed amendments and unanimously recommended that Village Council adopt the amendments as drafted.

In making their recommendation the Planning and Zoning Board found the amendments to be consistent with Strategic Opportunity 4 on page 26 of the 2019 Comprehensive Plan (copy of signed statement provided with this agenda item).

Comprehensive Plan Consistency

The 2019 Village of Pinehurst Comprehensive Plan identifies 10 Strategic Opportunities that can positively influence the future of Pinehurst and help move the community forward. Strategic Opportunity 4 on page 26 states “Promote high quality development and design through an update to the Pinehurst Development Ordinance that includes character-based zoning concepts and the use of pattern books. Pinehurst’s small-town charm and appeal is due in a large part to the scale and architectural design of its buildings as well as its lush landscaping throughout the community. Updating and modernizing the Pinehurst Development Ordinance could help ensure that future development is of the desired scale and character favored by Pinehurst residents.”

Further, the intent of Section 9.13 Fences, Walls and Columns is to allow architecturally compatible fences and walls while still providing some flexibility.

Staff feels the proposed amendments are consistent with both the intent of Section 9.13 and the 2019 Comprehensive Plan.

Village Council Review and Action

Before acting on any proposed text amendment, Village Council shall hold a public hearing and receive public comment on the proposal. Village Council shall consider the recommendation of the Planning and Zoning Board, the report and recommendation of staff, comments made at the public hearing, and the adopted Comprehensive Plan. After holding the public hearing and considering the aforementioned information, Village Council may:

- Continue the public hearing to a specific time, date and place in order to receive additional input, etc.
- Close the public hearing but defer action to another meeting
- Adopt the proposed amendments
- Adopt the amendments with revisions
- Reject the amendments
- Refer the proposal back to the Planning and Zoning Board for further consideration

Recommendation

Staff recommends that the Village Council adopt the proposed amendments as drafted and comment on the consistency with the 2019 Comprehensive Plan.



PLANNING AND INSPECTIONS DEPARTMENT STAFF MEMO

To: Mayor Strickland and Village Council
From: Alex Cameron, Planning and Inspections Director
Date: March 23, 2023
Subject: Proposed Text Amendments to the Pinehurst Development Ordinance (PDO) creating a new "Neighborhood Lodging Accommodation" land use and definitions for and relating to "Planned Community Neighborhoods".

This memo supplements the report for the March 2, 2023 Planning and Zoning Board public hearing agenda item for this subject. Please refer to that report for additional information on the text amendment process, recommendation and options provided to the Planning and Zoning Board in considering a recommendation to Village Council.

Background

Based on Council direction, staff has worked over the past few months to draft amendments to the PDO which would create a new short-term lodging land use, "Neighborhood Lodging Accommodation" (NLA), within a "Planned Community Neighborhood" (PCN). Other definitions are included to the proposed amendments which would set forth the requirements, management and ruling documentation to carry out the proposed new use within the PCNs.

This topic came about during the discussions over the recently passed regulations (Ordinance #22-15) for Short-Term Rentals (STRs). Comments made during the months of discussion brought forth a potentially different type of short-term lodging use. These lodging accommodations are limited to the residential community which owners/residents of the community buy into the neighborhood with knowledge of this type of lodging accommodation along with additional rules, restrictions, benefits, etc.

Governance of a PCN is typically handled by "Declarations" which are a recorded and on file with the Register of Deeds. These are disclosed upon purchasing property within a PCN so owners are made aware of and have knowledge of the creation of the PCN and rules governing such. Declarations may be amended but would require a super majority vote of 67% of the lot owners. Further, the Declarations provide that the management of specific rules are delegated to a governing body ("Masters Association"). This allows for a form of self-governance within the community from its peers and can lead to a significant decrease in adverse effects within neighborhoods which have been attributed to STRs which have no formal regulation within the

community. Therefore, distinctions can be made between short-term rental of dwellings within planned communities and those within other residential neighborhoods.

The North Carolina Planned Community Act (PCA), NCGS Chapter 47F, governs the creation, operation and destruction of planned communities within the state. These amendments were drafted in large based on the statute. Although the PCA applies to planned communities established after its adoption (1999), the proposed definition for PCN includes language which would allow for communities to meet this criteria as also mentioned in the statute.

Proposed PDO Amendments

Chapter 10 Village of Pinehurst Ordinance Definitions

Section 10.2 Definitions

Planned Community Neighborhood (PCN) is a contiguous area containing at least twenty (20) acres, or twenty (20) dwelling units as included within a platted subdivision or condominium development for which any person or corporation, by virtue of ownership of a lot or Dwelling Unit within the PCN, is by Declaration governed by a Master Association with powers to enforce and adopt and amend, the bylaws, rules, and regulations and which property owners within the PCN are obligated to pay real property taxes, insurance premiums, or other expenses to maintain, improve, or benefit other lots or common area or other real estate described in the Declaration. This definition also applies to planned communities created prior to January 1, 1999, that elect to make NCGS Chapter 47F applicable to the planned community by an affirmative vote or written agreement signed by lot owners of lots, or unit owners of units, to which at least sixty-seven percent (67%) of the votes in the association are allocated.

Declaration: any instruments, however denominated, that create a Planned Community Neighborhood and any amendments to those instruments.

Neighborhood Lodging Accommodation (NLA): is the lodging use of a Dwelling Unit within a Planned Community Neighborhood where the Dwelling Unit is leased, offered or made available by short term lease or other financial consideration for a time period or lease term of less than 30 consecutive days which use is permitted through Declaration or other governing documents and is authorized and managed through the Master Association of the Planned Community Neighborhood.

Master Association: a nonprofit organization established pursuant to NCGS 47F-3- 101, or 47C-3-101, by Declaration, or its common law equivalent, or other nonprofit organization formed prior to the NC Planned Community Act and referenced in a Declaration with powers to enforce, adopt and amend the bylaws, rules, and regulations pursuant to NCGS 47F-3-102 or 47C- 3-102, or and by Declaration, or other governing documents, is responsible to maintain or provide for maintenance of ALL common property AND management of ALL Neighborhood Lodging Accommodations within the Planned Community Neighborhood.

8.5.1a Table of Permitted and Special Uses and Special Requirements

LODGING	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Bed and Breakfast Homes			X, SR									X, SR			X, SR	X, SR	X, SR		7
Boarding or Rooming House																			
Dormitory																			
Hotel												X	X				X, SR	X, SR	8
Recreational Vehicle Park																			
Short Term Rental												X					X		9
<u>Neighborhood Lodging Accommodation</u>			<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>	<u>X, SR</u>						<u>X, SR</u>			<u>10*</u>
<u>OFFICE/SERVICE</u>	PC	RD	R-210	R-30	R-20	R-15	R-10	R-8	R-5	R-MF	NC	H	HD	OP	VCP	VR	VMU	VC	SR
Dry Cleaning & Laundry Services										X				X	X, SR		X, SR	X, SR	10 <u>23</u>

Adding SR 10 will require relocation of existing SR-10 which is proposed to relocate to SR-23

X Permitted by Right

SU Special Use Permit

SR Special Requirement

Section 8.6 Special Requirements to the Table of Permitted and Special Uses and Special Requirements

The Table of Permitted and Special Uses and Special Requirements contains a column on the far right labeled "SR" for Special Requirements. In any case where a use listed in the Table has a number in the SR column opposite the use, that use must comply with the additional Special Requirements contained in this Section corresponding to the Special Requirements number. The Special Requirements may affect the development of the use in all zoning districts in which the use is allowed or only in certain districts, as may be set forth in this Section.

Principal Uses

SR-10 Neighborhood Lodging Accommodation (NLA)

- 1) After the effective date of this Ordinance, all Neighborhood Lodging Accommodations (NLA) shall be required to obtain a Development Permit from the Village. All NLA's, whether lawful nonconforming uses or newly established after the effective date of this Ordinance, shall comply with following standards:
 - a. Compliance with SR9 Standards 1) a-k.
 - b. Submission of documentation that the Neighborhood Lodging Accommodation is located within a Planned Community Neighborhood as defined in Section 10.2 of this Ordinance.
 - c. Submission of documentation that the Neighborhood Lodging Accommodation has been authorized by the Declaration.
 - d. Installation of a Landscape Screen per Section 9.5.2.4 (A)(2) of the PDO along the property line of the adjacent residential use not part of the Planned Community Neighborhood.

SR-23 Reserved Drycleaning and Laundry Services

- (1) Coin operated laundries are not allowed in VCP, VMU or VC districts.

In summary, these amendments would:

- Create new definitions establishing Planned Community Neighborhoods, Declarations, Neighborhood Lodging Accommodations and Masters Association.
 - Create a new land use in Table 8.5.1a under Lodging for Neighborhood Lodging Accommodations.
 - Allow Neighborhood Lodging Accommodations to be permitted by right within all the residential zoning districts with Special Requirements (SR-10).
 - Create SR-10 to apply to all Neighborhood Lodging Accommodations after the effective date of the ordinance. These requirements would require:
 - Owners to obtain a development permit.
 - Compliance with SR-9 1). a-k (minimum housing code standards)
 - Submission of documentation that the Neighborhood Lodging Accommodation is within a Planned Community Neighborhood.
 - Submission of documentation that the Neighborhood Lodging Accommodation has been authorized by the Declaration.
-

- A landscape screen along the property line of an adjacent residential use not part of the Planned Community Neighborhood.
- This would also cause the relocation of the existing SR-10 for Drycleaning and Laundry Services to SR-23.

Planning and Zoning Board Action

The Planning and Zoning Board held a public hearing during their regular meeting on March 2, 2023. Three members of the public spoke on the amendments. Comments and questions raised were surrounding the reasoning behind the proposal, allowance should be broadly applied for STRs and suggested edits for older planned communities.

Members of the Planning and Zoning Board expressed concern over allowing a land use within planned communities but not other residential communities. After discussion, the Planning and Zoning Board unanimously recommended Village Council not adopt the proposed amendments.

In making their recommendation to Village Council, the Planning and Zoning Board found that the proposed amendments are not consistent with the 2019 Comprehensive Plan. A copy of the executed statement is provided with this agenda item.

Comprehensive Plan Consistency

The 2019 Village of Pinehurst Comprehensive Plan, Guiding Principle 3 Places to Live (page 118) recommends in part that the Village should “Protect and enhance the quality and character of existing residential neighborhoods.” Additionally, the Comprehensive Plan includes a subsection titled “Address Short Term Rentals” (page 127) ending with Implementation Strategy 3.9 which states: “Continue to monitor the legislative authority of the Village to regulate short term rentals and evaluate options to address the impacts of short term rentals on single family neighborhoods.”

Village Council adopted Ordinance #22-15 which addressed the use of short-term rentals within single-family neighborhoods. During those discussions, this topic of a different type of use, which is managed within the confines of a planned community and self-governed with a specific management program, was brought forward. Based on those discussions and presented facts, Council agreed this topic warranted further study.

Staff feels the proposed PDO amendments are consistent with the 2019 Comprehensive Plan by continuing to address the lodging type use of single-family homes within the community.

Village Council Review and Action

Before acting on any proposed text amendment, Village Council shall hold a public hearing and receive public comment on the proposal. Village Council shall consider the recommendation of the Planning and Zoning Board, the report and recommendation of staff, comments made at the public hearing, and the adopted Comprehensive Plan. After holding the public hearing and considering the aforementioned information, Village Council may:

- Continue the public hearing to a specific time, date and place in order to receive additional input, etc.
- Close the public hearing but defer action to another meeting
- Adopt the proposed amendments

- Adopt the amendments with revisions
- Reject the amendments
- Refer the proposal back to the Planning and Zoning Board for further consideration

Conclusion

Due to the Planning and Zoning Board's recommendation and some of the public comment received on the proposed amendments, staff recommends Village Council take the time to better consider those comments and recommendation.

ORDINANCE #23-09:

AN ORDINANCE AMENDING SECTION 9.13 OF THE PINEHURST DEVELOPMENT ORDINANCE TO REGULATE RETAINING WALLS

WHEREAS, the Village Council of the Village of Pinehurst adopted a new Pinehurst Development Ordinance on the 8th day of October, 2014, for the purpose of regulating planning and development in the Village of Pinehurst and the extraterritorial area over which it has jurisdiction; and

WHEREAS, said Ordinance may be amended from time to time as circumstances and the best interests of the community have required; and

WHEREAS, a public hearing was held at 4:30 p.m. on March 28, 2023, in the Assembly Hall of the Pinehurst Village Hall, Pinehurst, North Carolina after due notice in the Pilot, a newspaper in Southern Pines, North Carolina, with general circulation in the Village of Pinehurst, and its extraterritorial jurisdiction, for the purpose of considering proposed amendments to the Pinehurst Development Ordinance, at which time all interested citizens, residents and property owners in the Village of Pinehurst and its extraterritorial jurisdiction were given an opportunity to be heard as to whether they favored or opposed the proposed text amendments; and

WHEREAS, the Planning and Zoning Board recommended, on March 2, 2023, the Village Council approve these amendments to the Pinehurst Development Ordinance; and

WHEREAS, the Village of Pinehurst adopted the 2019 Comprehensive Plan which identified 10 Strategic Opportunities with Strategic Opportunity 4 identifying the Village to Promote high quality development and design through an update to the Pinehurst Development Ordinance that includes character-based zoning concepts and the use of pattern books. Pinehurst's small-town charm and appeal is due in large part to the scale and architectural design of its buildings as well as its lush landscaping throughout the community. Updating and modernizing the Pinehurst Development Ordinance could help ensure that future development is of the desired scale and character favored by Pinehurst residents; and

WHEREAS, the intent of Section 9.13 Fences, Walls and Columns of the Pinehurst Development Ordinance is to allow architecturally compatible fences and walls while still providing flexibility; and

WHEREAS, the Village Council, after considering all of the facts and circumstances surrounding the proposed amendments to the text of the Pinehurst Development Ordinance, have determined that it is considered reasonable and in the best interest of the Village of Pinehurst and the extraterritorial jurisdiction and that it is consistent with the 2019 Comprehensive Long Range Plan for the reasons stated herein that the Pinehurst Development Ordinance be further amended, making the amendments as requested.

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina in the regular meeting assembled on the 28th day of March, 2023, as follows:

SECTION 1. That the Pinehurst Development Ordinance of the Village of Pinehurst and its extraterritorial zoning jurisdiction be and the same hereby is amended as shown in the attached "Exhibit A"

SECTION 2. That all ordinances or sections thereof in conflict herewith are hereby repealed and declared null and void from and after the date of adoption of this ordinance.

SECTION 3. That this Ordinance shall become effective March 28, 2023 and remain in full force and effect from and after the date of its adoption.

THIS ORDINANCE passed and adopted this 28th day of March, 2023.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
John C. Strickland, Mayor

Attest:

Approved as to Form:

Kelly Chance, Village Clerk

Michael J. Newman, Village Attorney

ATTACHMENT - EXHIBIT A

An Amendment to the Pinehurst Development Ordinance to Regulate Retaining Walls

Proposed Amendments

CHAPTER 9. Design and Development Standards and Processes

• Section 9.13 Fences, Walls and Columns

(F) Retaining Walls

~~(1) Retaining walls higher than thirty-six (36) inches shall not encroach the front setback for primary structures or the rear and side setbacks for accessory structures. A development permit is required for a retaining wall eighteen (18) inches or taller in height.~~

~~(2) Retaining walls located in the front yard setback shall not exceed three and a half (3.5) feet in height.~~

~~(3) Retaining walls up to six (6) feet in height may project into the side and rear setbacks, excluding golf course/lake front and side street setbacks.~~

~~(4) Retaining walls located in the golf course or lakefront accessory building setback shall not exceed eighteen (18) inches in height.~~

~~(2)(5) No retaining walls eighteen (18) inches or taller height shall not be closer than five (5) feet to a property line or right of way line.~~

~~(3)(6) Retaining wall height shall be measured from the lowest ground elevation to the top of the wall.~~

~~(4)(7) Retaining walls constructed in a series of two (2) or more shall provide a minimum of twelve (12) inches of horizontal separation planted in grass or other vegetation.~~

~~(8) Retaining walls shall be solid cement, masonry, or wood and constructed to the standards of the North Carolina State Building Code where required.~~

~~(9) A finished side of a retaining wall shall face outwards towards the street or adjacent property.~~

(G) Fences in Rights of Ways

No fences, ~~or~~ walls, columns or retaining walls shall be located within any public or private right-of-way unless approved by the Village and only for purposes of preserving specimen trees or desirable vegetation as determined by the Village Planner or when required for public purposes, i.e. retaining walls for sidewalk construction, storm water management, etc. In such cases, for structures proposed within the public right-of-way, the Village reserves the right to require submittal of an application for a Right-of-Way Encroachment permit by the applicant, and approval by the Village prior to the encroaching structure being constructed. All structures are limited to a maximum height of thirty (30) inches above grade. These structures do not require a development permit.

ORDINANCE #23-04:

AN ORDINANCE AMENDING CHAPTER 31 OF THE PINEHURST MUNICIPAL CODE.

WHEREAS, the Village Council of the Village of Pinehurst adopted an ordinance dated October 20, 1980, establishing and implementing certain authorized police powers for the purpose of prescribing regulations governing conditions detrimental to the health, safety, and welfare of its citizens; and

WHEREAS, on September 13, 2011 the Village Council of the Village of Pinehurst adopted Ordinance 11- 25 which established the general ordinances of the Village of Pinehurst as revised, amended, restated, codified, and compiled in book form and declared that these shall constitute the " Village of Pinehurst, North Carolina Municipal Code" and

WHEREAS, the Municipal Code will be subsequently amended from time to time as conditions warrant; and

WHEREAS, the Village Council has determined that it is in the best interest of the citizens of Pinehurst to amend Chapter 31 in the Pinehurst Municipal Code in order to better promote and protect quality of life in Pinehurst's various commercial and residential neighborhoods as well as the extraterritorial jurisdiction; and

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina in the regular meeting assembled this 28th day of March 2023 as follows:

SECTION 1. That the following amendments be made to Chapter 31:

PLANNING AND ZONING BOARD

§ 31.20 CREATED.

Pursuant to authority contained in G.S. Chapter 160D, Art. 3, there is hereby created a Planning and Zoning Board for the village, with all of the powers and authority granted to the Board in Article 19.

(1986 Code, § 2-11.1) (Ord. passed 12-21-1981)

§ 31.21 MEMBERS; APPOINTMENT.

(A) *Number of members.* The Planning and Zoning Board shall consist of nine members, minus vacancies, eight of whom shall be full-time residents of the village for the duration of their service on the board; and one of whom shall be a full-time resident of the extraterritorial zoning jurisdiction of the village for the duration of their service on the board. A minimum of five Planning and Zoning Board Members must be present to vote in matters concerning Planning and Zoning Board business.

(B) *Appointment of members.* The village members shall be appointed by the Village Council. The members shall be appointed for terms in accordance with policy adopted by the Village Council. Faithful attendance at the majority of the meetings of the Board is considered a prerequisite for the maintenance of membership.

(C) *Member from the extraterritorial jurisdiction.* Any member of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160D-307, by the County Board of Commissioners, upon recommendation by the Village Council; and terms shall be in accordance with policy adopted by the Village Council, or until a successor is appointed and qualified. This member shall sit as voting members of the Board concerning all matters within the extraterritorial jurisdiction and the corporate limits of the village. A vacancy shall be filled by the County Board of Commissioners, upon the recommendation of the Village Council.

(D) *Election of Chairperson and other officers.* The Village Council shall designate a Chairperson from the membership of the Board to serve at the pleasure of the Village Council. Other officers as the Board deems necessary may be elected by the Board from its membership.

(1986 Code, § 2-11.2) (Ord. passed 12-21-1981; Ord. passed 04-05-1982; Ord. passed 03-21-1983; Ord. 86-20, passed 09-15-1986; Ord. 93-11, passed 04-19-1993; Ord. 93-49, passed 12-20-1993; Ord. 97-09, passed 06-16-1997; Ord. 97-21, passed 08-18-1997; Ord. 02-05, passed 02-26-2005; Ord. 12-10, passed 03-13-2012)

§ 31.22 MEETINGS.

The Village Clerk or other person as the Council may designate shall keep a record of the proceedings and attendance of members. All meetings shall comply with G.S. Chapter 143, Article 33C, having to do with open meetings.

(1986 Code, § 2-11.3) (Ord. passed 08-28-1980; Ord. 12-10, passed 03-13-2012)

§ 31.23 COMPENSATION.

All members of the Planning and Zoning Board shall serve without compensation.

(1986 Code, § 2-11.4) (Ord. passed 08-28-1980)

§ 31.24 DUTIES IN REGARD TO ZONING.

(A) The Board shall formulate and maintain a comprehensive zoning plan of the village and the area within the extraterritorial jurisdiction for the purpose of achieving a coordinated and orderly development of the municipality which would promote, in accordance with present and future needs, the public health, safety, morals, order, convenience, prosperity and general welfare of the residents, citizens and property owners.

(B) The Board shall prepare a zoning ordinance, including both the full text of the ordinance together with maps showing the proposed district boundaries. The Board may also hold public hearings in the course of preparing the ordinance and hearing proposed amendments pursuant to G.S. § 160D-601. The Board shall certify the ordinance to the Village Council.

(1986 Code, § 2-11.5) (Ord. passed 08-28-1980)

§ 31.25 DUTY IN REGARD TO SUBDIVISION REGULATIONS.

The Planning and Zoning Board may prepare subdivision regulations governing the subdivision of land within the village and its environs to be submitted to the Village Council for review and approval.

(1986 Code, § 2-11.6) (Ord. passed 08-28-1980)

ZONING BOARD OF ADJUSTMENT

§ 31.40 CREATED.

Pursuant to authority contained in G.S. § 160D-302, there is hereby created a Zoning Board of Adjustment for the village with all the powers and authority granted to the Board in Section 3.3.1 of the Pinehurst Development Ordinance, as may be amended from time to time.

(1986 Code, § 2-10.1) (Ord. 98-02, passed 01-26-1998; Ord. 12-10, passed 03-13-2012)

§ 31.41 MEMBERS; APPOINTMENT.

(A) *Number of members.* The Zoning Board of Adjustment shall consist of nine members, one of whom shall be a resident of the extraterritorial zoning jurisdiction of the village. Five members of the Zoning Board of Adjustment must be present to consider and vote on Zoning Board of Adjustment cases.

(B) *Appointment of members.* Each member appointed to the Village of Pinehurst Planning and Zoning Board shall be simultaneously appointed to the Zoning Board of Adjustment. Five of the nine members will be designated as primary members by vote of the full Zoning Board of Adjustment. The remaining four will serve as alternate members.

(C) *Member from the extraterritorial jurisdiction.* Any member of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160D-307, by the County Board of Commissioners, upon the recommendation by the Village Council simultaneous to their appointment to the Planning and Zoning Board. The member shall sit as voting member of the Board concerning all matters within the extraterritorial jurisdiction and the corporate limits of the village. A vacancy shall be filled by the County Board of Commissioners, upon the recommendation of the Village Council.

(D) *Election of Chairperson and other officers.* The Village Council shall designate a Chairperson from the membership of the Board to serve at the pleasure of the Village Council. Other officers as the Board deems necessary may be elected by the Board from its membership.

(1986 Code, § 2-10.2) (Ord. 98-02, passed 01-26-1998; Ord. 12-10, passed 03-13-2012)

§ 31.42 MEETINGS.

The Village Clerk or other person as the Council may designate shall keep a record of the proceedings and attendance of members. All meetings shall comply with G.S. Chapter 143, Article 33C, having to do with open meetings, and Zoning Board of Adjustment meetings shall be held separately from Planning and Zoning Board meetings.

(Ord. 12-10, passed 03-13-2012)

§ 31.43 COMPENSATION.

All members of the Zoning Board of Adjustment shall serve without compensation.

(Ord. 12-10, passed 03-13-2012)

VOLUNTEER FIRE DEPARTMENT

§ 31.55 VILLAGE COUNCIL DISASSOCIATES FROM VOLUNTEER FIRE DEPARTMENT.

The Village Council, pursuant to authority contained in G.S. § 160A-291, does hereby completely disassociate the village from the Pinehurst Volunteer Fire Department, its by-laws and any other aspect of that organization.

(1986 Code, § 2-6) (Ord. passed 12-17-1984)

HISTORIC PRESERVATION COMMISSION

§ 31.70 CREATED.

Pursuant to authority contained in G.S. Article 3, Chapter 160D, there is hereby created an Historic Preservation Commission for the Village of Pinehurst, with all the powers and authority granted to the commission in Article 3.

(Ord. 14-17, passed 04-22-2014)

§ 31.71 MEMBERS; APPOINTMENT.

(A) *Number of members.* The Village of Pinehurst Historic Preservation Commission shall consist of 7 members, minus vacancies, all of whom shall be full time residents of the village or the extraterritorial jurisdiction beyond the corporate limits of the village for the duration of their service on the Historic Preservation Commission. A minimum of four voting members must be present to vote on Historic Preservation Commission business.

(B) *Appointment of members.* Members shall be appointed by the Village Council with terms in accordance with Village Council Policy. Faithful attendance at the majority of the meetings of the Commission is considered a prerequisite for the maintenance of membership.

(C) *Appointment of Chairperson and other officers.* The Chairman of this Commission shall be appointed by the Village Council. Other officers as the Commission deems necessary may be elected by the Commission from its membership.

(Ord. 14-17, passed 04-22-2014; Ord. 14-37, passed 10-14-2014)

§ 31.72 MEETINGS.

The Village Clerk or other person as the Council may designate shall keep a record of the proceedings and attendance of members. The Commission shall hold at least one (1) meeting monthly, and all meetings shall comply with G. S. Chapter 143, Article 33C, having to do with open meetings.

(Ord. 14-17, passed 04-22-2014)

§ 31.73 COMPENSATION.

All members of the Historic Preservation Commission shall serve without compensation.
(Ord. 14-17, passed 04-22-2014)

§ 31.74 DUTIES IN REGARD TO HISTORIC PRESERVATION.

The Historic Preservation Commission shall have the powers and duties listed in Chapter 4, Section 4.6 of the Pinehurst Development Ordinance adopted May 24, 2005 as amended and the powers conveyed by G.S. § 160D-942 (1) thru 160D-942 (2) and 160D-942 (5) through 160D-942 (10). All votes of the Commission shall carry with a simple majority.

(Ord. 14-17, passed 04-22-2014)

SECTION 5. That these Ordinance amendments shall be and remain in full force and effect from March 28, 2023.

THIS ORDINANCE is passed and adopted this 28th day of March 2023.

(Municipal Seal)

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: _____
John C. Strickland, Mayor

Attest:

Approved as to Form:

Kelly Chance, Village Clerk

Michael J. Newman, Village Attorney