



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF MARCH 22, 2022
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM**

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, March 22, 2022 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:

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

And approximately 24 attendees, including 5 staff and 1 press

1. Call to Order.

Mayor Strickland called the Village Council meeting to order.

2. Invocation and Pledge of Allegiance.

Invocation given by Rev. Tudor-Foley

3. Reports:

Village Manager

- Mr. Jeff Sanborn reported the Stormwater Master Plan effort is underway and we have an opportunity tomorrow evening at 6 p.m. in the assembly hall to hear from the public. He noted for those that cannot attend, you can still provide input through our Village website via Engage Pinehurst, and we will also be recording the meeting and posting it to Engage Pinehurst webpage.

Village Council

- Mayor Strickland reported he gave a three-minute history of the Village of Pinehurst at a meeting of the North Carolina Economic Development Authority Conference on Sunday, a weekend ago. He noted they had almost 300 members involved in site selection on behalf of the state. He stated he and other members of the council attended a meeting with the Partners in Progress for Moore County last week with respect to planning in the community. He noted others in attendance included Planning Directors from Southern Pines, Pinehurst, Aberdeen, and Moore County. Mayor Strickland reported he and Village Manager Sanborn met with the editor of the Pilot Newspaper with respect to the National Park Service Consulting Report, which was released 10 days or so ago. He stated the newspaper was very supportive of what we have been doing and there will probably be a story or some editorial comments coming soon. Mayor Strickland reported the Pinehurst Fire Department

received a significant award from the Fire Commissioner for the state of North Carolina, which was a high rating demonstrating our effectiveness and efficiency. He stated he was able to attend the memorial services for Lewis Gregory and Cindy Burnett, two important people to our community who will be missed a lot.

- Councilmember Jeff Morgan had no report.
- Councilmember Hogeman reported she, Councilmember Pizzella, and Jeff Sanborn attended the Tri-Cities meeting in Aberdeen and the discussion was around how the three communities can work together in various ways to help each other. She noted they talked about connectivity of bicycle and pedestrian routes between the towns and working together on various infrastructure projects and trainings.
- Councilmember Pizzella reminded residents to come, learn, and offer input at the stormwater meeting. He stated he will be attending the Historic Preservation Commission meeting on Thursday afternoon and reminded the citizens it is open to the public. Councilmember Pizzella noted that Council had recommended to the naming commission to consider former General Georg C. Marshall when renaming of Fort Bragg. He stated he was one of 34,000 names recommended and is now one of 87 who remain for consideration. He reported he attended a meeting and tour of the Moore County Regional Airport and encouraged members of the Council to do the same as it is an important part of Moore County and Pinehurst. Councilmember Pizzella reported there was a land use summit on March 17th at the Moore County Agricultural building and inquired if any of the Council were able to attend.
- Councilmember Boesch reported she attended the Neighborhood Advisory Committee meeting where she provided information on where information can be found on the Village of Pinehurst website. She noted she encouraged the use of the myVoP app and search engine on the website for answers to common questions.

4. Motion to Approve Consent Agenda.

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

A. Approval of Village Council Meeting Minutes.

- March 8, 2022, Council Regular Meeting
- March 8, 2022, Council Work Session
- March 8, 2022, Council Closed Session

End of Consent Agenda.

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

5. Discuss and Consider Resolution #22-06 Proclaiming April 26, 2022 as Frederick Law Olmsted Day

Mayor Strickland stated this year marks the 200th anniversary of the birth of Frederick Law Olmsted, as well as the 150th anniversary of Donald Ross. He noted the village is involved in planning a series of educational events to honor both Mr. Olmsted and Mr. Ross. And we have prepared a proclamation based on a template of resolution supplied by Councilmember Boesch for Mr. Olmsted. He noted Councilmember Boesch made some additions to that proclamation tying Mr. Olmsted more clearly to Pinehurst and our landmark status and so this resolution is presented for council discussion and approval.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Resolution #22-06, proclaiming April 26, 2022 as Frederick Law Olmsted Day, by a vote of 5-0.

6. Audit Contract for Fiscal Year 2022

Brooke Hunter, Finance Director, reported the Village is required to have an external audit each year performed by an independent CPA firm and at this time staff is recommending the use of our current auditors, Dixon Hughes Goodman as there have been no substantial changes to the terms of the agreement itself. She noted the proposed base fee for this year's audit is \$32,300, which is about \$2,100 greater or 7% over the previous year. She noted that before this year, we averaged about one and a half percent each year which was at the time in line with CPI. She stated with the consumer price index at or exceeding 7% for the past three months or so, this increase is consistent with current market prices. She noted the single audit will also be required for fiscal year 2022 because of the amount of state funding we are receiving from the Powell Bill program. Ms. Hunter reported we receive and

spend more than \$500,000 which triggers the requirement for a single audit in that area and the proposed fee for that service is \$5,100.

Ms. Hunter stated since the village has financial staff, we complete our financial statements in-house instead of outsourcing that to a CPA firm, which would add additional cost for those preparations. She noted staff also completes all the required audit schedules in-house as well, which allows us to keep that audit fee at what we consider a reasonable price. Ms. Hunter stated this contract then is being provided for Council's consideration today. She noted she did some comparative looks at some of comparative communities, and even with a 7% increase, we are substantially below these other communities.

Mayor Pro Tem Pizzella asked how many years this auditor has done our audits to which Ms. Hunter stated she believed the past 15 years. Mr. Pizzella noted that appears to be a long time to be with one auditor and stated he knew in the federal government system, there is an actual requirement that after five years, you must go to another auditor for completion. Following further Council discussion, Ms. Brooks noted that when you are dealing with a municipality our size, it is difficult to find a lot of auditors that feel it is a worthwhile thing to do for their company and this is the challenge.

Upon a motion by Councilmember Boesch, seconded by Councilmember Morgan, Council unanimously approved to authorize that the mayor or his designee enter an audit contract with Dixon Hughes Goodman in the amount of \$32,300 for the financial statement audit and \$5,100 per major program for the State Single Audit, by a vote of 5-0.

7. Confirm or Augment original decision to end on-street dining on April 1, 2022

Jeff Batton, Assistant Village Manager of Operations, stated in January Council elected to end on-street dining permission on April 1st and stated they would reevaluate in March, not knowing what COVID would be like at that time. Mr. Batton stated since we are now approaching that April 1 deadline, he is presenting the item for further consideration. He noted there are no restrictions for restaurants for dining inside and so the question is whether Council feels comfortable with bringing on-street dining to a close on April 1.

Mr. Batton stated on-street dining uses public parking spaces to extend dining facilities onto the road. He noted this has nothing to do with the existing outdoor dining many restaurants in Pinehurst already have. He stated this simply is to reclaim parking spaces in front of the businesses and part of the reason for doing this is for fairness to other businesses who were not allowed to use public property for financial gain. He noted there is also safety considerations which although we have experienced no incidents or unfortunate situations, other communities have. Mr. Batton stated that there is some misunderstanding in the community that this will stop outside dining, and this is simply not the case. He stated NC statute does not allow restaurants to add seating to their capacity by the temporary on-street dining; if restaurants put three seats out on the street, they must take away three seats inside. He stated this only puts an end to the temporary on-street dining allowed by the temporary legislation produced due to the COVID pandemic.

Jeff Sanborn, Village Manager, stated that the safety concerns are also liability concerns, given the fact that it's sanctioned use of public space in a potentially unsafe way.

Councilmember Boesch stated there are two restaurants downtown that are really pushing to do this, and she understands the financial impact that COVID has had on them. But, she noted, as she read the emails that came in from residents, this is not a simple yes or no question. She stated this is a state statute that allows this if we do certain things, so we need to look at it's impact on Pinehurst. Councilmember Boesch noted one thing that concerned her is giving public space to a private entity and whether we can legally even do that. She noted another concern was appearance concerns from the Beautification Committee and whether rope and stanchions would satisfy the look we want for the Village. Councilmember Boesch stated another concern she had was that if we have tables on the sidewalks, then the pedestrians must go out in the street.

Mayor Strickland stated it is important that we stick to the decision we made earlier in the year and part of the reason for that is that we did send information out about this. He noted the restaurants that will be affected were given time to be able to plan and adjust their services accordingly. He stated he felt council was being consistent with trying to treat everybody fairly in this process.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, council unanimously approved to end on-street dining on April 1, by a vote of 5 to 0.

8. Other Business.

No other business was brought forward.

9. Comments from Attendees.

- Bob Coates, 21 Edinburg Lane, stated there has been a lot of discussion lately about what to do about the proliferation of short-term rentals within Pinehurst. He noted section H of the Pinehurst Development Ordinance, PDO, sets forth what can be done and where within the village. He stated the PDO specifically states that any use detrimental to the predominantly residential nature of a residential district is prohibited. He states the PDO notes that no lodging business is permitted in residential areas, and this is black and white; no lodging is permitted in a residential area. He asked Council why we are going through the major effort of creating development ordinances for something that is not permitted and why is this part of the PDO that is not being enforced. He stated that just because we have had STRs operating for years in violation of the PDO is no reason to allow this activity to continue.
- Brenda Xeroteris, 180 Idlewild Road, Pinehurst supplied pictures for Council to review. She stated she received an email on Monday, March 21st with a picture showing a dark area in some pine straw in a yard her daughter believes belongs to a vacation rental at Winchester Road in the village. She stated there was a party with barbecue and the straw was on fire when my daughter saw it about 10 pm. She stated the fire department came and extinguished the fire and no one was at home. She stated this isn't about short-term rentals, and she doesn't care if this home is a short-term rental or not, but the purpose is for discussion of it. She noted what is discerning to her is the effect that short term rentals will have on a neighborhood that looks after its neighbors.

She stated short term owners have no connection or limited connection and don't even try to get to know the people residing next door to the rental property. She stated she takes exception that Marcus Lerospe spoke that he could count on one hand the problems with his properties. She noted she can count on one hand, the problems she has had with one of his properties across the street from her. She stated when you have residences that will advertise sleeping for 21 people, you don't know where they're sleeping, and the fire department will not know who is in there. She noted she hopes the board moves forward with public presentations and focus group meetings to get the opinions of everyone because she is not for this, and she does not want to have her neighborhood turned into a nightmare or her homes turned into hotels for income.

- Nicholas Cino, 5 Piedmont Lane, stated he was present as an advocate for home sharing. He stated he prefers that term over short-term rental because in essence, that is what people who act as proprietors of these establishments are doing; they are opening their home. He noted he is a user of home-sharing services and is also a neighbor of a home sharing service. He stated the woman behind him opens her home to people who want to stay in our area for multiple reasons, such as vacation or they may have family in the hospital.

Mr. Cino stated he and other residents are not seeing the same ordinance violations where he lives and that similar ordinance violations do occur with owner occupied housing. He stated some of the concerns that people have over home-sharing are an excess of vehicles in the street, and sometimes noise violations. He said he has a neighbor with multiple teenagers in their house and they seem to have an overage of vehicles all the time, and if one gets a boyfriend or girlfriend, it's like a parade. He stated sometimes his neighbors play their music too loud and sometimes he plays his music too loud; that's part of living in a neighborhood. He stated there it is important to not conflate correlation with causation and a compromise around home-sharing may need to be cut with a scalpel rather than a broadsword.

Mr. Cino stated he would like to remind the council that our village was built around a resort and the reality is hospitality is at the heart of our local economy. He stated heavily restricting hospitality would be to the detriment of our local economy, and not just the proprietors of these home-sharing services; people who engage in home-sharing services tend to want to both eat and shop where they stay and sleep. He noted for those who contend that home-sharing services are not

permitted within residential zoning, he would point to chapter 10 of the Village of Pinehurst Development Ordinance definitions which says a single-family dwelling is defined as a freestanding building designed for and or occupied for living purposes. He stated these residences may be individually owned as residences or residences owned by rental or management companies and so his point is that if single family dwellings were not intended to be rented, it would not be included as part of the definition, which he stated makes no mention of the term of the rental agreement.

- Marianne Wydra, 95 Canter Ln, stated she is not opposed to rental price properties in the appropriately zoned Pinehurst neighborhoods because tourism dollars contribute to the prosperity of our village. She noted short-term rentals during the US opens and other special events are needed to house a temporary influx of competitors and visitors but when the USGA relocated with their associated businesses, the housing shortage has become a much bigger issue. She stated that neighborhood harmony is built on trust where you know your neighbor and they know you. She stated despite differences, everyone has financial skin in the game and seeks to resolve conflicts but what has changed since she arrived in 2014, is her safety rating and we have slipped from number two to number 12 and have sunk on the list of Best Places to Live nationally.

Ms. Wydra stated there are other stakeholders to consider when preserving our neighborhoods like the many professionals needed for our burgeoning health care industry and the additional workers needed to provide goods and support services to our communities, not to mention our military families. She asked if Council thought they would like to live and raise their children next to the revolving door of a weekend rental or will they seek family friendly neighborhoods where their children are safe. She stated those full-time residents, like her, ask for a stable community where we can live in peace and safety.

Ms. Wydra stated she resides in Monticello, and it is zoned R10, same as every residential neighborhood she has ever lived in. She noted two weeks ago, the pilot reported a 75% increase in the short-term rentals since last year and based on her information and her understanding of what a residential code is, she wants to know why Pinehurst is not enforcing their residential code. She asked why short-term rentals through Airbnb, VRBO, and other independent investors and property managers are allowed. She stated residents must wonder if the short-term rentals have golfers and friendly families like themselves, or thieves, drug pushers, prostitutes, child molesters, or hardened criminals. Ms. Wydra stated she would like a moratorium on the Airbnb and VRBO;s and short-term licenses stopped until we can reform our Village code.

- Jeff Heintz, Pinehurst resident, stated tonight's comments show a persuasive case that could be made for the absolute prohibition of short-term rentals under existing law. He noted the most persuasive arguments in favor of the perseverance, or the preservation of short-term rental are already here and that it would be unfair and inconvenient and difficult to get rid of them. He stated he is not immune to those arguments and not uncompassionate to the rights of those, or the privileges of those who have acquired short-term rentals and operate them in the Village, particularly those that do so lawfully and considerately of their neighbors. But, he noted, it is simply inconceivable to him that we can continue down the current path where we don't have reasonable responsible regulation for these businesses.

Mr. Heintz stated that from a safety standpoint, from a neighborly standpoint, from a commonsense standpoint, from a liability standpoint, we need to have this done. He noted that he submitted to Council, on behalf of a group of citizens, a proposed ordinance that governs short-term rentals and other aspects of life in the village, with some of the provisions of that proposed ordinance governing properties village wide, for example, parking in the front yard, parking other than in the driveway, parking on the streets in residential areas overnight, which he thinks are common sense, given the infrastructure that we have in terms of the narrowness of our streets, in the absence of streetlights.

Mr. Heintz stated that Mayor Strickland asked him today in an email what the genesis of that ordinance was and he stated the proposed ordinance is not intended to be a displacement of Mr. Burich's work which he had not seen at the time he submitted the ordinance. He stated there are ordinances in communities in North Carolina that we can draw from and the ordinance he submitted is not a template, but a reflective of the Pinehurst Comprehensive Plan and reflective of the principal of the policy objectives adopted by this council six weeks ago.

Mr. Heintz stated that he also wished to speak about the Neighborhood Advisory Committee. He noted that there are some items in the memo Mr. Sanborn presented that are well taken, for example, that the NAC does not encompass all the neighborhoods in Pinehurst and that some inadvertently have been excluded simply because it's difficult to identify what their boundaries are. He noted those neighborhoods should be included, but the NAC is an institution that works exceptionally well and is an opportunity for dialogue between citizens and our elected officials and our village staff and is not broken and does not need fixed.

- Dave Byers, 125 McCaskill Rd., stated he had the opportunity to watch the committee meeting in which there was a discussion from Marcus LeRose about short-term rentals, and he notes he has a somewhat different view that he wishes to speak from. He stated he lives across the street from a short-term rental that has been there for eight or nine years. He stated some of the homes on his street are five bedrooms, four bath homes with limited off-street parking. He stated that some of the problems their neighborhood has had to deal with are large events at this rental house, weddings, outdoor dinner parties, bands, and since there is limited backyard space, most of these events take place in the front yard.

Mr. Byers stated the biggest problem is the noise issue mainly because this house is used as a venue for golfers of large parties. He noted they sit on the back porch and use inappropriate language. He stated they have also had to deal with motorhomes and excessive cars and trash cans that are left out. He noted he has had to call the police about 10 or 15 times in the last seven or eight years and while that may not seem like a lot, he notes he has never had to call the police on any of his other neighbors.

10. Motion to Adjourn.

Upon a motion by Councilmember Hogeman, seconded by Councilmember Morgan, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 5:40 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