Dana Van Nostrand
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Pinehurst, NC 28374
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Memo

To: Village Council

From: Dana Van Nostrand

CC: Jeff Sanborn & Senior Leadership

Date: March 3, 2023

Re: Resolution to Amend Terminology in the Fund Balance Policy in Accordance with GASB Statement No. 98

Background:

In October 2021, the Government Accounting Standards Board (GASB) issued Statement No. 98 *The Annual Comprehensive Financial Report*. 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.

Action:

The Village made this change in terminology beginning with its ACFR issued for fiscal year 2021. References to the comprehensive annual financial report and its acronym in other documents, such as policies and webpages, should be updated accordingly. The Village does not need to change the terminology used audit reports or strategic operating plans previously issued. The vopnc.org webpages using comprehensive annual financial report and its acronym have been updated.

Since the Fund Balance Policy is a “living” document that is frequently referenced, I recommend the Council approve amending the Fund Balance Policy to utilize the appropriate terminology for the ACFR.

Should you have any questions about this policy amendment, please feel free to contact me.

RESOLUTION #23-07:

A RESOLUTION TO AMEND TERMINOLOGY IN THE FUND BALANCE POLICY FOR THE GENERAL FUND IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS BOARD STATEMENT NO. 98.

THAT WHEREAS, the North Carolina Local Government Commission has recommended that General Fund fund balance available for appropriation should be no less than 8% of the prior year's expenditures to maintain fiscal responsibility under the Municipal Fiscal Control Act; and

WHEREAS, the Village Council desires for the Village to maintain adequate working capital and to maintain a good credit rating in order to obtain favorable financing rates on debt issuances; and

WHEREAS, the Council adopted a Fund Balance Policy for the General Fund on March 11, 2003 by Resolution #03-4, and amended that policy on May 10, 2005 by Resolution #05-11 and May 25, 2010 by Resolution #10-19 and November 13, 2012 by Resolution #12-62 and February 9, 2021 by Resolution #21-03; and

WHEREAS, Government Accounting Standards Board (GASB) Statement No. 98 *The Annual Comprehensive Financial Report* has replaced the term comprehensive annual financial report and its acronym with the term annual comprehensive financial report (ACFR); and

WHEREAS, the Village Council wishes to amend the Fund Balance Policy to update terminology in accordance with GASB Statement No. 98;

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

SECTION 1. When preparing the annual General Fund budget, the amount of appropriated fund balance should result in an anticipated ending <u>total</u> fund balance at a minimum of 30% of <u>budgeted</u> expenditures.

SECTION 2. Management is further directed to maintain <u>unassigned</u> General Fund fund balance as reported in Village's Annual Comprehensive Financial Report (ACFR) of greater than 15% of <u>actual</u> General Fund expenditures as reported in the ACFR for the year audited.

SECTION 3. When total fund balance as reported in the Village's ACFR is in excess of 40% of actual General Fund expenditures as reported in the ACFR for the year audited, Council may commit excess fund balance each year for future capital needs by approving a separate resolution for the respective year. However, in no instance shall the amount of fund balance committed for future capital needs cause the unassigned General Fund fund balance to fall below the 15% of actual General Fund expenditures as stated in Section 2.

SECTION 4. Management is expected to manage the budget so that revenue shortfalls and expenditure increases do not impact the Village's targeted fund balance levels outlined above. If a catastrophic economic event occurs that requires a 5% or more deviation from total budgeted revenues or expenditures, then the targeted fund balance levels established herein can be reduced by action of the Village Council; the Council will also adopt a plan of action to return fund balances to the required levels.

SECTION 5. This policy shall supersede all previously adopted fund balance policies of the Village of Pinehurst.

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

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
John C. Strickland, Mayor

Attest:

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Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

Dana Van Nostrand
395 Magnolia Road
Pinehurst, NC 28374
Phone: 910-295-8646
Fax: 910-295-4434
e-mail: dvannostrand@vopnc.org

Memo

To: Village Council

From: Dana Van Nostrand, Financial Services Director

CC: Jeff Sanborn & Senior Leadership

Date: March 3, 2023

Re: Resolution #23-08 to Adopt the Grants Allowable Costs and Cost Principles Policy

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Background:

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, commonly called the Uniform Guidance (2 CFR 200 or UG), contains the regulations for administering federal grant awards. The Village receives federal grants and grants from other 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 including the American Rescue Plan Act (ARPA) funds.

Grants are ultimately governed by the terms and conditions of the specific grant agreements. All federal grants must comply with the requirements of the UG. 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.

The UG requires the recipient to have written policies for certain requirements. 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. The other required written policies are addressed by existing Village policies.

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 that are allowed by the grant agreements. It also poses an audit risk to the Village. 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. Audit findings could impact the Village's ability to receive grants in the future. 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.

Policy Summary:

The purpose of the Grants Allowable Costs and Cost Principles Policy 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. The UG, specifically Subpart E, defines those items of cost that are allowable, and which are unallowable under federal awards. 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.

Unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising).

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. The application of these cost principles should require no significant change in the internal accounting policies and practices of the Village. 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. 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.

Action:

I recommend 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.

Should you have any questions about this policy, please feel free to contact me.

RESOLUTION #23-08:

A RESOLUTION ADOPTING THE GRANTS ALLOWABLE COSTS AND COST PRINCIPLES POLICY.

THAT WHEREAS, Chapter 160A, Article 7 of the General Statutes of North Carolina outlines the powers and duties of the Village Manager and the Village Council; and

WHEREAS, the Village Council has deemed it necessary and in the best interests of its employees and citizens to formulate and revise administrative policies; and

WHEREAS, the Village Council by Resolution #10-03 established that "All financial policies of the Village shall be approved by the Village Council"; and

WHEREAS, as the operational needs of the Village change, the Village Council has, from time to time, adopted and amended previously adopted financial policies for the Village of Pinehurst;

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

SECTION 1. The Grants Allowable Costs and Cost Principles Policy recommended by the Village's Financial Services Director, which has been reviewed by the Village Manager, is approved by the Village Council.

SECTION 2. The Financial Services Director is hereby instructed to inform all employees of this approved policy in a timely manner.

SECTION 3. This resolution shall be and the same is hereby effective from and after the date of its adoption.

THIS RESOLUTION 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

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 23-09:

A RESOLUTION HONORING THE SERVICE OF MR. THOMAS SCHROEDER 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. Thomas Schroeder for his dedicated service to the citizens of Pinehurst as a member of the Pinehurst Historic Preservation Commission; and

WHEREAS, Mr. Schroeder was appointed to the Historic Preservation Commission on January 10, 2017, and served continuously and faithfully from that time; and

WHEREAS, Mr. Schroeder 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. Schroeder 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

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

WHERAS, Mr. Schroeder 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. Schroeder 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:

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Kelly Chance, Village Clerk

Approved as to Form:

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Michael J. Newman, Village Attorney

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

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

WHERAS, 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:

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Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

	VILLAGE OF PINEHURST **STANDARD PROCEDURE**

SUBJECT: **Grant Allowable Costs and Cost Principles Policy**	Effective Date: 3/14/2023
Department: Financial Services	Policy No.: FIN-416.5
Prepared by: Financial Services Director, Dana Van Nostrand	Revised:
Approved by: Village Council Resolution #23-08	# of Pages: 11

I. PROCEDURE PURPOSE:

To comply with the allowable costs and cost principles requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, State of North Carolina regulations, sponsor policies, program objectives, and grant agreement terms and conditions.

II. POLICY:

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, commonly called the Uniform Guidance (2 CFR 200 or UG), specifically Subpart E, defines those items of cost that are allowable, and which are unallowable under federal awards. The tests of allowability under these principles are:

(a) the costs must be necessary and reasonable for the performance of the award and be allocable thereto;
(b) they must conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items;
(c) they must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the Village;
(d) they must be given consistent treatment as either a direct or indirect cost in like circumstances;
(e) they must be determined in accordance with generally accepted accounting principles, except for local governments as otherwise provided for in 2 CFR 200;
(f) they must not be included as a cost or used to meet cost sharing or matching requirements of any other sponsored program in either the current or prior period;
(g) they must be adequately documented; and
(h) they must be incurred during the approved budget period.

Unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising).

The Village of Pinehurst shall adhere to all applicable cost principles governing the use of grants. The application of these cost principles is based on the fundamental premises that:

(a) the Village is responsible for the efficient and effective administration of grant awards through sound management practices;
(b) the Village assumes responsibility for administering grant funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the awards;
(c) the Village has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary to assure proper and efficient administration of the awards;
(d) the application of these cost principles should require no significant change in the internal accounting policies and practices of the Village; and
(e) the Village may not earn or keep any profit resulting from federal financial assistance, unless explicitly authorized by the terms and conditions of the award.

This policy addresses the proper classification of both direct and indirect charges to grant-funded projects and enacts procedures to ensure that proposed and actual expenditures are consistent with the grant award terms and all applicable regulations, terms, and conditions. This policy applies to all grant awards, with the terms and conditions of each grant agreement ultimately determining allowable costs for that grant.

Responsibility for following these guidelines lies with the Financial Services Director along with the Department Heads, who are charged with the administration and financial oversight of grant funds they receive. Further, all Village employees and officials who are involved in obligating, administering, expending, or monitoring grant-funded projects should be well versed with the categories of costs that are generally allowable and unallowable and these cost principles. Questions on the allowability of costs should be directed to the Financial Services Director. As questions on allowability of certain costs may require interpretation and judgment, staff are encouraged to ask for assistance in making those determinations.

GENERAL COST ALLOWABILITY CRITERIA

All costs expended using grant funds must meet the following general criteria:

1. **Be necessary and reasonable for the proper and efficient performance and administration of the grant program.**

   A cost must be *necessary* to achieve a project object. When determining whether a cost is necessary, consideration may be given to:

   - Whether the cost is needed for the proper and efficient performance of the grant project.

- Whether the cost is identified in the approved project budget or application.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses project goals and objectives and is based on program data.

A cost is *reasonable* if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the Village or the proper and efficient performance of the award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the award.
- Market prices for comparable goods or services for the geographic area.
- Whether individuals concerned acted with prudence in the circumstances considering their responsibilities to the Village, its employees, the public at large, and the federal government.
- Whether the Village significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the award's cost.

2. **Be allocable to the award.** A cost is allocable to the award if the goods or services involved are chargeable or assignable to the award in accordance with the relative benefit received. This means that the grant program derived a benefit in proportion to the funds charged to the program. *For example, if 50 percent of a local government program officer's salary is paid with grant funds, then the local government must document that the program officer spent at least 50 percent of his/her time on the grant program.*

   If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized by the grant, the costs are assignable to the award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

3. **Be authorized and not prohibited under state or local laws or regulations.**

4. **Conform to any limitations or exclusions set forth in the principles, federal laws, award terms, and other governing regulations as to types or amounts of cost items.**

5. **Be consistent with policies, regulations, and procedures that apply uniformly to both the award and other activities of the Village.**

6. **Be accorded consistent treatment.** A cost MAY NOT be assigned to a grant award as a direct cost and also be charged to an award as an indirect cost. A cost must be treated consistently for both federal award and non-federal award expenditures.

7. **Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in the UG or grant terms and conditions.**

8. **Be net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to and received by the local government related to the award, they shall be credited to the award, either as a cost reduction or a cash refund, as appropriate and consistent with the award terms. Interest income earned on cash advances from a grant funder should be remitted as required by the grant agreement.

9. **Be adequately documented.** Documentation should clearly indicate the purpose for the cost and how it is necessary for the award, its allocability to the award, and sufficient information to determine that it is reasonable, authorized, within the grant budget, and consistent with policies, regulations, and procedures.

SELECTED ITEMS OF COST

The UG examines the allowability of specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR § 200.420-.475.

Department Heads and other Village staff responsible for determining cost allowability must be familiar with the Selected Items of Cost. The Village must follow the applicable regulations when charging these specific expenditures to the grant. Department Heads will check costs against the selected items of cost requirements to ensure the cost is allowable and that all process and documentation requirements are followed. In addition, State laws, Village of Pinehurst policies, and program-specific rules may deem a cost as unallowable, and Department Heads must follow those non-federal rules as well.

Exhibit A identifies and summarizes the Selected Items of Cost.

DIRECT AND INDIRECT COSTS
Allowable and allocable costs must be appropriately classified as direct or indirect charges. It is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

Direct costs are expenses that are specifically associated with a particular grant project and that can be directly assigned to such activities relatively easily with a high degree of accuracy. Common examples of direct costs include salary and fringe benefits of personnel directly involved in undertaking a grant project, equipment and supplies for the project, subcontracted service provider, or other materials consumed or expended in the performance of a grant-funded project.

Indirect costs are (1) costs incurred for a common or joint purpose benefitting more than one grant-funded project, and (2) not readily assignable to the project specifically benefited, without effort disproportionate to the results achieved. Common examples of indirect costs include utilities, local telephone charges, shared office supplies, and administrative or secretarial salaries.

For indirect costs, the Village may charge a 10 percent de minimis rate of modified total direct costs (MTDC). According to UG Section 200.68 MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance the subawards under the award). MTDC *excludes* equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.

SPECIAL PROVISIONS FOR STATE AND LOCAL GOVERNMENTS
There are some special provisions of the UG that apply only to states, local governments, and Indian Tribes. § 200.444 *General costs of government* states that salaries and expenses of the chief executive of a local government (Mayor) and city council (Village Council), and the costs of general types of government services, such as fire and police, are unallowable unless specifically provided for as a direct cost under grant program statute or regulation.

COST TRANSFERS
Any costs charged to the grant award that do not meet the allowable cost criteria must be removed from the award account and charged to an account that does not require adherence to federal UG or other applicable guidelines.

Failure to adequately follow this policy and related procedures could result in questioned costs, audit findings, potential repayment of disallowed costs and discontinuance of funding.

III. PROCEDURES:

COST ALLOWABILITY REVIEW PROCESS

Preapproval Cost Allowability Review
Before a grant-funded project is authorized, the Department Head and Financial Services Director must review the proposed cost items within an estimated project budget to determine whether they are allowable and allocable and whether cost items will be charged as direct or indirect expenses. This review will occur concurrently with the review of project eligibility and *before* obligating or expending any funds.

- Department Heads must submit proposed grant projects to the Financial Services Director for review. In addition to other required information, all proposed project submissions must delineate estimated costs by cost item.

- Along with a general review of project eligibility and conformance with other governing board management directives, if required, the Department Head and Financial Services Director must review estimated costs for specific allowable cost requirements, budget parameters, indirect rates, fringe benefit rates, and those activities/costs that require pre-approval by the funder.

- If a proposed project includes a request for an unallowable cost, the Department Head or Financial Services Director will return the proposal to the requesting party for review and, if practicable, resubmission with corrected cost items.

- Once a proposed project budget is pre-approved by the Department Head and Financial Services Director, the grant proposal can be submitted to the funder.

- Once a grant project is awarded and the grant agreement is executed, including approval by the Village Manager or Village Council if necessary, the Village personnel responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget, Village purchasing policies, and the grant agreement terms and conditions.

Post-expenditure Cost Allowability Review
Once an expenditure is incurred related to a grant-funded project, and an invoice or other demand for payment is submitted to the Village, the Department Head must perform a second review to ensure that actual expenditures comprise allowable costs.

- All invoices or other demands for payment must include a breakdown by cost item. The cost items should mirror those presented in the proposed budget for the project. If an invoice or other demand for payment does not include a breakdown by cost item, the Department Head will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.

- The Department Head must review the individual cost items listed on the invoice or other demand for payment to determine their allowability and allocability.

- If all cost items are deemed allowable, properly allocable, and adequately documented, the Department Head must proceed through the Village's normal purchasing and disbursement process.

- If any cost item is deemed unallowable, the Department Head will not charge the cost to grant funds. If the Village remains legally obligated by contract or otherwise to pay the disallowed cost item, it must identify other funds to cover the disbursement.

- The Department Head and Financial Services Department must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

AUDIT PROCESS

The Financial Services Director will include federal and state funded grant expenditures on the annual Schedule of Expenditures of Federal and State Awards. The Financial Services Director will ensure audits of grant funds are performed as required by the UG, the North Carolina State Single Audit Implementation Act, or other funder requirements.

EXHIBIT A

Selected Items of Cost	Uniform Guidance General Reference	Allowability
Advertising and public relations costs	2 CFR § 200.421	Allowable with restrictions
Advisory councils	2 CFR § 200.422	Unallowable with exceptions
Alcoholic beverages	2 CFR § 200.423	Unallowable
Alumni/ae activities	2 CFR § 200.424	Not applicable to local government
Audit services	2 CFR § 200.425	Allowable with restrictions
Bad debts	2 CFR § 200.426	Unallowable
Bonding costs	2 CFR § 200.427	Allowable with restrictions
Collection of improper payments	2 CFR § 200.428	Allowable
Commencement and convocation costs	2 CFR § 200.429	Not applicable to local government
Compensation – personal services	2 CFR § 200.430	Allowable with restrictions; Special conditions apply (e.g., § 200.430(i)(5))
Compensation – fringe benefits	2 CFR § 200.431	Allowable with restrictions
Conferences	2 CFR § 200.432	Allowable with restrictions
Contingency provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and donations	2 CFR § 200.434	Unallowable (made by non-federal entity); not reimbursable but value may be used as cost sharing or matching (made to non-federal entity)
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435	Allowable with restrictions
Depreciation	2 CFR § 200.436	Allowable with qualifications

Employee health and welfare costs	2 CFR § 200.437	Allowable with restrictions
Entertainment costs	2 CFR § 200.438	Unallowable with exceptions
Equipment and other capital expenditures	2 CFR § 200.439	Allowability based on specific requirement
Exchange rates	2 CFR § 200.440	Allowable with restrictions
Fines, penalties, damages and other settlements	2 CFR § 200.441	Unallowable with exceptions
Fund raising and investment management costs	2 CFR § 200.442	Unallowable with exceptions
Gains and losses on disposition of depreciable assets	2 CFR § 200.443	Allowable with restrictions
General costs of government	2 CFR § 200.444	Unallowable with exceptions
Goods and services for personal use	2 CFR § 200.445	Unallowable (goods/services); allowable (housing) with restrictions
Idle facilities and idle capacity	2 CFR § 200.446	Idle facilities - unallowable with exceptions; Idle capacity - allowable with restrictions
Insurance and indemnification	2 CFR § 200.447	Allowable with restrictions
Intellectual property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Lobbying	2 CFR § 200.450	Unallowable
Losses on other awards or contracts	2 CFR § 200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	2 CFR § 200.452	Allowable with restrictions
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453	Allowable with restrictions

Memberships, subscriptions, and professional activity costs	2 CFR § 200.454	Allowable with restrictions; unallowable for lobbying organizations
Organization costs	2 CFR § 200.455	Unallowable except with prior approval of the federal awarding agency
Participant support costs	2 CFR § 200.456	Allowable with prior approval of the federal awarding agency
Plant and security costs	2 CFR § 200.457	Allowable; capital expenditures are subject to § 200.439
Pre-award costs	2 CFR § 200.458	Allowable if consistent with other allowable cost and cost principle requirements and with prior approval of the federal awarding agency
Professional services costs	2 CFR § 200.459	Allowable with restrictions
Proposal costs	2 CFR § 200.460	Allowable with restrictions
Publication and printing costs	2 CFR § 200.461	Allowable with restrictions
Rearrangement and reconversion costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting costs	2 CFR § 200.463	Allowable with restrictions
Relocation costs of employees	2 CFR § 200.464	Allowable with restrictions
Rental costs of real property and equipment	2 CFR § 200.465	Allowable with restrictions
Scholarships and student aid costs	2 CFR § 200.466	Not applicable to local government
Selling and marketing costs	2 CFR § 200.467	Unallowable except with prior approval of the federal awarding agency
Specialized service facilities	2 CFR § 200.468	Allowable with restrictions
Student activity costs	2 CFR § 200.469	Not applicable to local government

Taxes	2 CFR § 200.470	Allowable with restrictions
Telecommunication costs and video surveillance costs	2 CFR § 200.471	Allowable with restrictions
Termination costs	2 CFR § 200.472	Allowable with restrictions
Training and education costs	2 CFR § 200.473	Allowable for employee development
Transportation costs	2 CFR § 200.474	Allowable with restrictions
Travel costs	2 CFR § 200.475	Allowable with restrictions
Trustees	2 CFR § 200.476	Not applicable to local government

VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF FEBRUARY 28, 2023
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM

The Pinehurst Village Council held a Work Session Meeting at 8:05 p.m., Tuesday, February 28, 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 5 attendees, including 1 staff and 0 press

1. **Call to Order.**
Mayor Strickland called the Village Council meeting to order.

2. **Discuss Neighborhood Advisory Committee Policy.**
Jeff Sanborn, Village Manager, reported that beginning in the Spring of 2022, Council and staff began considering and discussing improvements to the existing Neighborhood Advisory Committee program, focusing on developing better two-way communications with residents across the Village. Mr. Sanborn presented Council a draft Neighborhood Advisory Committee Policy, along with a proposed Neighborhood geographic framework map and term limit phased implementation recommendation for consideration and comment.

Council discussed continued concerns about the fair representation of neighborhoods not currently represented by a HOA, which leads to an inability to provide adequate communication exchange. Mr. Sanborn explained that many of the areas that have been added to the framework are ones that have not been represented in the past and there was initially an informal set-up to the program. Other items discussed were onboarding, training, recruitment, member expectations, and term limits. Council provided feedback for staff to consider, and an update will be presented at a future council meeting work session.

3. **Discuss Metropolitan Planning Organization (MPO).**
Village Manager Sanborn stated that this will be a continuation of the prior work session in which he presented Council with information on the need to form a Metropolitan Planning Organization, based on NC State guidelines. He stated that 450.310 states an MPO shall be designated for each urbanized area with a population more than 50,000 and per the 2020 Census data, our designated area has reached that population mark. Mr. Sanborn provided Council with further information on the typical make-up of

a MPO and Council agreed to have Mr. Sanborn move forward in learning more about the process.

4. Community Conversations Suggestion.

Mayor Pro Tem Pizzella presented Council with the suggestion of forming a type of Community Conversation format in which residents could gather to address Councilmembers, free of a 3-minute time restraint. Councilmembers discussed and there was not a consensus to take on this suggestion at the current time and suggested the Neighborhood Advisory Committee may be more suited to oversee this idea.

5. Other Work Session Items.

Council discussed ideas around preserving/creating more sand/clay paths to move back to initial plans for the Village.

6. Potential Future Agenda Items.

No potential future agenda items were presented.

7. Adjournment.

Upon a motion by Councilmember Morgan, seconded by Mayor Pro Tem Pizzella, Council unanimously approved to adjourn the work session at 9:40 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

Dana Van Nostrand
395 Magnolia Road
Pinehurst, NC 28374
Phone: 910-295-8646
Fax: 910-295-4434
e-mail: dvannostrand@vopnc.org

Memo

To: Village Council

From: Dana Van Nostrand, Financial Services Director

CC: Jeff Sanborn & Senior Leadership

Date: March 9, 2023

Re: Ordinance #23-03 to Amend and Close the American Rescue Plan Act Special Revenue Fund

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Background:

The Village Council approved the creation of the American Rescue Plan Act Special Revenue Fund (ARPA SRF) in June 2021. At that time, the appropriation was established for $4,860,000 with corresponding ARPA grant revenues to fund the appropriation. This amount was an estimate. The actual ARPA award amount of $5,296,751.52 was communicated in August 2021.

The ARPA funds were expended for the provision of government services under the standard allowance, which is authorized as an eligible use of the funds. 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:

	Salaries	Benefits	Total by Department	
Administration	$ 466,563.91	$ 158,688.00	$ 625,251.91	
Financial Services	199,897.00	76,529.00	276,426.00	
Police	1,125,008.00	482,290.00	1,607,298.00	
Fire	1,188,516.00	504,680.00	1,693,196.00	
Planning	340,018.00	137,492.00	477,510.00	
Recreation	283,676.00	99,565.00	383,241.00	*
Information Technology	269,496.00	101,655.00	371,151.00	*
	$ 3,873,174.91	$ 1,560,899.00	$ 5,434,073.91	
ARPA Award			$ 5,296,751.52	
Interest Income			108,286.00	
ARPA SRF Fund Balance			**$ 5,405,037.52**	
Expended Over (Under) ARPA SRF Fund Balance			**$ 29,036.39**	

* This department was not included in the Project Overview of the annual report submitted in April 2022. These expenditures are still allowable under the grant requirements and the Village's Grants Allowable Costs and Cost Principles Policy. Program regulations allow the Village to add to or change the projects previously 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. The expenditures summarized above meet the allowable costs and cost principles requirements of the grant.

I will be submitting the final expenditure report as of March 31, 2023 in April 2023. The ARPA funds will be subject to an alternative compliance examination during the fiscal year 2023 audit. The alternative compliance examination is similar to a federal single audit of grant funding but is limited in scope to reduce the audit burden on the award recipients.

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. 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. The Village may use the investment income to defray the administrative expenses of the program, among other things.

Budget Amendment and Closeout of the ARPA SRF

In order 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, 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.

The current ARPA SRF budget-to-actual statement as of February 28, 2023 with a crosswalk showing the proposed amendments to close out the ARPA SRF are attached to this memo.

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. 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. The ARPA SRF would then be closed.

Action:

I recommend 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.

Should you have any questions about this resolution, please feel free to contact me.

Village of Pinehurst
American Rescue Plan Act Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Period Ended February 28, 2023

	Budget			Actual		
	Project Budget	Budget Amendment	Amended Budget	Prior Years	Current Year	Total To Date
Revenues						
Restricted intergovernmental:						
Grant revenue	$ 4,860,000	$ 436,752	$ 5,296,752	$ 2,648,376	$ 2,648,376	$ 5,296,752
Investment earnings	-	108,286	108,286	4,216	104,070	108,286
TOTAL REVENUES	4,860,000	545,038	5,405,038	2,652,592	2,752,446	5,405,038
Expenditures						
American Rescue Plan Act expenditures	4,860,000	(4,860,000)	-	-	-	-
TOTAL EXPENDITURES	4,860,000	(4,860,000)	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	5,405,038	5,405,038	2,652,592	2,752,446	5,405,038
Other Financing Sources (Uses)						
Transfer to General Fund	-	(5,405,038)	(5,405,038)	-	-	-
TOTAL OTHER FIN. SOURCES (USES)	-	(5,405,038)	(5,405,038)	-	-	-
Appropriated fund balance	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	$ -	$ 2,652,592	2,752,446	$ 5,405,038
FUND BALANCE, JULY 1					2,652,592	
FUND BALANCE, JUNE 30					$ 5,405,038	

ORDINANCE #23-03:

AN ORDINANCE AMENDING AND CLOSING THE AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND AND TRANSFERRING REMAINING FUNDS TO THE GENERAL FUND FOR THE VILLAGE OF PINEHURST, NORTH CAROLINA.

THAT WHEREAS, as part of the American Rescue Plan Act of 2021 signed into law on March 11, 2021, the Village received funds from the Coronavirus State and Local Fiscal Recovery Fund to provide support in responding to the impact of COVID-19; and

WHEREAS, the Village adopted Ordinance #21-10 to establish the American Rescue Plan Act Special Revenue Fund to track the use of the grant funds received; and

WHEREAS, the actual grant funds received of $5,296,751.52 exceeded the appropriation estimated and authorized in Ordinance #21-10 of $4,860,000; and

WHEREAS, the U.S. Treasury issued its Final Rule regarding use of American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds (ARPA) on January 6, 2022 effective April 1, 2022; and

WHEREAS, the Final Rule identifies permissible uses of ARPA funds and certain limitations and process requirements; and

WHEREAS, local governments must allocate ARPA funds no later than December 31, 2024 and disburse all funding no later than December 31, 2026.; and

WHEREAS, the grant funds earned $108,286 of investment income which is not subject to the requirements of 2 CFR 200.305(b)(9) which requires interest income in excess of $500 to be remitted to the Federal funding agency; and

WHEREAS, the Village has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARPA funds for the provision of government services; and

WHEREAS, the grant has been fully expended as of February 28, 2023, with all allowable expenditures for general government services being accounted in the General Fund as appropriated in the FY 2023 Annual Budget Ordinance #22-05; and

WHEREAS, the Village wishes to transfer all funds in the American Rescue Plan Act Special Revenue Fund to the General Fund and close the American Rescue Plan Act Special Revenue Fund;

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

SECTION 1. To amend the American Rescue Plan Act Special Revenue Fund with regard to revenues and expenditures, the revenue and expenditure accounts are to be changed as follows:

Account No.	Account Name	Debit	Credit
24-00-170-3372	American Rescue Plan Grant		$ 436,751.52
24-00-220-6805	American Rescue Plan Expenditures		$ 4,860,000.00
24-00-920-9010	Transfer to General Fund	$ 5,296,751.52	
24-00-120-3890	Investment Income		$ 108,286.00
24-00-920-9010	Transfer to General Fund	$ 108,286.00	

SECTION 2. The American Rescue Plan Act Special Revenue fund balance of $5,405,037.52 is to be transferred to the General Fund.

SECTION 3. The American Rescue Plan Act Special Revenue Fund established by Grant Project Ordinance #21-10 is closed.

SECTION 4. Copies of this ordinance shall be furnished to the Village Clerk, Village Manager, and Financial Services Director for their direction and implementation.

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

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
John C. Strickland, Mayor

Attest:

____
Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF FEBRUARY 28, 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 February 28, 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 27 attendees, including 5 staff and 1 press

1. **Call to Order.**
   Mayor Strickland called the Village Council meeting to order.

2. **Invocation by Rod Stone from Community Presbyterian and Pledge of Allegiance led by Mayor Strickland**
   Invocation was provided by Pastor Rod Stone of Community Presbyterian. Mayor John Strickland led the pledge of allegiance.

3. **Reports:**
   Village Manager
   - Mr. Jeff Sanborn, Village Manager, stated he had no report.

   Village Council
   - Mayor Strickland stated he received a letter from Senator McInnis congratulating the Village of Pinehurst on their completion of the Condition and Integrity Study by the National Historic Landmark Authority. He stated he, Councilmember Boesch, and Village Manager Jeff Sanborn had a meeting with Senator Tillis and Representative Jackson regarding Senate Bill 143 that has to do with the moratorium. He reported he attended the opening of Representative Hudson's office in Aberdeen and has met with different members of the public on the Short-Term Rental policies.
   - Councilmember Boesch attended CVB Board meeting where they noted this year is year of the trail, so the CVB is doing a Pinecones pathways event, in which they will take 100 glass pinecones and place them on pathways throughout the trails in Moore County for the public to try to find. She stated they will continue to put them out until inventory is completed. She noted in April they will be starting the story tale adventure which will feature Winnie the pool along the trails. The public will read or hear the story as you are out on the trails. She also presented some new CVB brochure

booklets, which she provided to attendees.

- Mayor Pro Tem Pizzella stated he attended a Pinehurst business partners meeting and met several area businesses. He noted he chaired the NAC meeting in the absence of the mayor where members spoke about upcoming changes proposed to the NAC.
- Councilmember Hogeman stated she attended the NAC as well and noted Jeff Batton, Assistant Village Manager of Operations presented an overview of the downtown amenity plans and the timeline of these changes. She stated she shared this with the Pinehurst business partners and they were excited to hear about the upcoming changes. She stated the Pinehurst Business Partners have adopted the Sandhills Dog Group and they are going to be holding a dog job in the Village starting on the Village Green on April 15th at 9:30 in the morning. She stated there will be various stations set up and all proceeds will be going to support the Linden Lodge Foundation for mental health wellness.
- Councilmember Morgan reported he appreciated the meeting held with Senator Tillis about the moratorium and Council's presence.

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
- February 14, 2023, Council Regular Meeting
- February 4, 2023, Council Work Session
- January 24, 2023, Council Closed Session

B. Resolution Honoring Eric Von Salzen (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.

5. Motion to Recess the Regular Meeting and enter into Public Hearing #1

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Hogeman, Council unanimously approved to recess the regular meeting and enter into public hearing #1, by a vote of 5-0.

6. Public Hearing No. 1 – Pinehurst Resort Cottages at No. 8.

Alex Cameron, Planning Department, stated the purpose of the hearing is to consider an Official Zoning Map Amendment for approximately 14.56 acres of Moore County PID #20000655. He reported the proposed map amendment would zone the property from R-30 – Medium Density Residential District to H-CD – Hotel Conditional District. He noted the proposed rezoning and associated General Concept Plan would allow for development of five (5) four-bedroom and four (4) eight-bedroom lodging units at Pinehurst Resort Course No. 8.

Mr. Cameron stated the applicant, Bob Koontz of Koonz Jones Design on behalf of The Pinehurst Resort and Country Club, is seeking to expand lodging guestroom offerings, through the construction of nine (9) golf cottages, with a total of 52 sleeping rooms, located on the Number 8 Golf Course. He noted of the nine cottages, five (5) will be four (4) bedroom cottages and the remaining four (4) cottages will be eight bedrooms, with development of the cottages will occur in two phases of construction.

Mr. Cameron stated the proposed conditional district map amendment would still allow accommodation of all the existing uses on the property as it would only apply the proposed zoning classification to this specific area to allow for the proposed cottages and uses as indicated in the submitted materials. He stated the Technical Review Committee reviewed the application and is comfortable with the proposal moving forward as a conceptual design and the applicant understood a more detailed design and construction drawings will be required to be reviewed by the TRC, if approved by Village Council, prior to development.

Mr. Cameron stated the Planning and Zoning Board held a public hearing on February 2, 2023, and unanimously recommended approval of the proposed amendment with the following conditions recommended by staff and after deliberations of the Board at the meeting: 1. In lieu of providing a Class 2 vegetative buffer, the applicant shall retain existing vegetation along residential properties at a minimum width of 20'; 2. The building height of the proposed cottages shall not exceed 35' in height. He noted the applicant agreed to the proposed conditions. He stated the Planning and Zoning Board also found the request to be consistent with the 2019 Village of Pinehurst Comprehensive Long-Range Plan. Mr. Cameron stated planning staff recommends approval of the rezoning request with the conditions recommended by the Planning and Zoning Board.

Councilmember Hogeman asked questions of the applicant about the specifics of who would be operating the hotel and where the occupants would check-in. She noted her concern that Council was being asked to zone R30, which would allow short term rentals and she wanted assurance that the cottages would be managed by professional hotel management establishments. Mr. Koontz stated they will be managed by Pinehurst Resort, and they were still working on the final operating procedures.

Councilmember Hogeman also expressed concern over the potential noise and quality of life issues for the surrounding neighbors. Mr. Sanborn noted the closest neighbor would be 200 yards away, which is farther than any buffering requirement the Village has for any uses across the village.

During the public speaking portion, Steve Saye, Pinehurst resident, stated he is in favor of what the resort is trying to do here and that it fits in well with the community style, but he stated the hypocrisy is the fact that Mayor Strickland and Councilmembers Hogeman and Pizzella are basically saying they can have these new short-term rentals because it is the resort, while demonizing short-term rentals for everyone else. He stated he also looks out for the properties he manages and notes that not everyone can aspire to stay at the resort. He stated Council should work toward inclusiveness for short-term rental ownership, address traffic issues, and treat everyone equally. He also stated that the recent article in the Wall Street Journal about the traffic-circle is an embarrassment.

Lynn Goldhammer, Pinehurst resident, stated she has the same concern, and her understanding is we aren't allowed to have any more short-term rentals, and it is a concern that a corporation is allowed to have. She stated if they did a hotel instead of individual cottages, it would not be as frowned upon. She noted Council should be careful to not let something exist for a certain population and not for others.

Collette Kolinsky, Pinehurst resident, stated she feels there is a difference in what the resort is trying to do versus property owners. She noted it is undeveloped land that they are seeking to rezone and an area that will not affect surrounding homes.

7. **Motion to Adjourn Public Hearing #1 and Re-enter the Regular Meeting.**
Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Boesch, Council unanimously approved to adjourn public hearing #1 and re-enter the regular meeting, by a vote of 5-0.

8. **Discuss and Consider Ordinance #23-02 Zoning Map Amendment.**
Upon a motion by Councilmember Morgan, seconded by Councilmember , Council unanimously approved amending the Official Zoning Map for a portion of Moore County Parcel ID#2000655 from R-30 (Residential District) to H-CD (Hotel Conditional District) and find the proposal is consistent with the 2019 Comprehensive Plan as referenced in the Memorandum dated February 21, 2023 from Alex Cameron, Planning Supervisor, and to amend the future land use map of the 2019 comprehensive plan, by a vote of 5-0.

9. **Discuss and Consider a Special Intensity Allocation for 35 Trotter Hills Circle (Medical Office).**
Alex Cameron, Planning Department, presented Council with a request to approve a Special Intensity Allocation (SIA) of 1.0 acre involving 1 parcel of undeveloped land within the Trotter Hills business park in the Pinehurst South area just west of NC Highway 5, identified as 35 Trotter Hills Circle. He noted the property is zoned OP (Office Professional) which permits up to 70% impervious area or 30,492 square feet. The parcel is also located within the WSII Drowning Creek – Lumber River Balance of Watershed, which limits non-residential development to 12% built upon area unless a Special Intensity Allocation is granted by the Village Council pursuant to Section 8.3.3.5(B) of the Pinehurst Development Ordinance (PDO). He noted if granted, the request would allow for the development of a 5,000 square foot single story medical office building with associated surface parking and a total

proposed impervious area of approximately 52.7%

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Boesch, Council unanimously approved a Special Intensity Allocation involving a 1.0-acre parcel of undeveloped land within the Trotter Hills Business Park, identified as 35 Trotter Hills Circle, and located within the WS II Drowning Creek – Lumber River Balance of Watershed, by a vote of 5-0.

10. Discuss and Consider a Special Intensity Allocation for 65 Trotter Hills Circle (Veteran's Guardian Parking Lot).

Alex Cameron, Planning Department, presented Council with a request for a Special Intensity Allocation of 1.03 acres involving 1 parcel of undeveloped land within the Trotter Hills Business Park in the Pinehurst South area, just west of NC Highway 5, identified as 65 Trotter Hills. He stated the property is zoned OP (Office Professional) which permits up to 70% impervious area. He stated the parcel is also located within the WSII Drowning Creek – Lumber River Balance of Watershed, which limits non-residential development to 12% built upon area unless a Special Intensity Allocation is granted. He stated if granted, the request would allow for the development of a 55-space parking lot to serve the adjacent professional services office and once combined with the adjacent property, would result in an impervious surface total of approximately 35.9% of the total area.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Morgan, Council unanimously approved a Special Intensity Allocation involving a 1.03-acres parcel of undeveloped land within the Trotter Hills Business Park, identified as 65 Trotter Hills Circle, and located within the WS II Drowning Creek – Lumber River Balance of Watershed, by a vote of 5-0.

11. Financial Statements for the Quarter Ended December 31, 2022.

Dana Von Nostrand, Finance Director, provided Council with a report on the quarterly financial statements for the six months ended December 31, 2022. She stated the Village remains in a very good financial position through the first half of the fiscal year. She noted revenues exceeded expenditures by a larger margin than anticipated in the forecast for the first two quarters. She reported the operating expenditures are under control and the revenue outlook is stable. She noted these results should position the Village well to carry out the objectives outlined in the FY2023 Strategic Operating Plan.

Ms. Von Nostrand stated the Village's General Fund is showing $6.6 million in net income for the first six months of the year compared to $7.2 million the prior year. She noted the Village's General Fund balance is currently 75% of budgeted expenditures and the Village's total cash an investment balances increased by $4.1 million compared with the previous year. She reported general fund revenues were $1.1 million above the quarterly budget projections, with property tax revenues being $456 thousand above the quarterly revenue estimate. She stated most of this variance was due to the timing of the Village's real and personal property tax collections.

Ms. Von Nostrand stated the Village's investment income was $173 thousand above the budgeted $68 thousand for the first half of the fiscal year, and local option sales taxes actual collections for the first four months of the year were $289 thousand above budget of $2.1 million and running $349 thousand over the previous year. She noted general fund operating expenditures were $2.2 million below the quarterly budget overall and for capital outlay, only $1.2 million of the $4.3 million budgeted in the first half of the year was expended.

Ms. Von Nostrand reported growth in the Village's property tax base will be slowing as fewer homes and commercial buildings are being constructed due to the increase in interest rates. She noted Moore County will be revaluing properties for the 2024 fiscal year. She reported during the first two quarters, the Fair Barn covered 102% of operating expenditures with operating revenues, and the Harness Track covered 51%, but based on contracts for rented stalls, staff hopes to see a significant bump in revenue this year.

Ms. Von Nostrand stated there are still many variables at play in the overall financial outlook, and staff will continue to closely monitor all revenues and expenditures to ensure good financial oversight of taxpayer dollars. She stated as staff begins preparing the budget for the upcoming year, they will continue to maintain expenditure growth that is in line with available revenues. She concluded with noting the Village continues to remain in a solid financial position as a result of the conservative financial policies, good financial planning, and diligent budget oversight.

12. FY2023 Projected Year-End Financial Results and Budget Amendment.

Dana Von Nostrand presented Council with the projected year-end financial results for FY2023 and Ordinance #23-06 amending the ordinance appropriating funds for operations of the Village of Pinehurst, regarding revenues an expenditure of the general fund, for mid-year budget adjustments.

Ms. Von Nostrand stated based upon review of the quarterly financial statements through the end of December 2022, budget-to-actual reports through January 31, 2023, and discussions with Senior Management and Department Heads, she formulated the estimate of the Village's projected year-end financial results. She stated at this time, she estimates that the Village's revenues will exceed its expenditures at year-end by approximately $1.5 million. She noted this estimated net revenue is primarily due to projected revenues being $1.0 million more than budgeted and projected savings in salaries and benefits of approximately $529 thousand compared to budget.

Ms. Von Nostrand noted the projected expenditures include a large reappropriation of approximately $1.4 million related to purchases and projects that were incomplete as of June 30, 2022 and continued into FY 2023. She stated in addition to specific revenue and expenditure projections for significant accounts, the estimate also includes an assumption that the Village will achieve additional favorable budget-to-actual variances. She stated based on the Village's historical budget-to-actual variances, it is probable the estimated budget-to-actual variances will be attained. The estimate assumes all budgeted capital outlays will be expended in FY 2023.

Ms. Von Nostrand stated total fund balance for the General Fund at the beginning of this fiscal year was approximately $15.2 million. She reported she is projecting that fund balance will increase to $16.7 million by the close of this fiscal year and this estimate will leave the ending fund balance for the General Fund at 57% of budgeted expenditures. She noted this percentage is above our policy minimum and positions us well to address initiatives identified in the FY 2024 Village Council Strategic Planning Retreat.

Ms. Von Nostrand reported items have been identified that have deviated from the original budget projections and so staff is presenting Ordinance #23-06, to address adjustments to both revenue and expenditures. She identified the adjustments and noted they will increase the Village's FY2023 budget by $11,239 and will reduce fund balance appropriated by $1,033,002. She stated adopting the above adjustments within the revenue and expenditure accounts will enable the Village to prepare more accurate budget estimates for the next fiscal year and maintain statutory compliance required by the Local Government Budget and Fiscal Control Act.

Upon a motion by Councilmember Boesch, seconded by Mayor Pro Tem Pizzella, Council unanimously approved Ordinance #23-06, amending the ordinance appropriating funds for operations of the Village of Pinehurst, regarding revenues and expenditures of the general fund for mid-year budget adjustments for the Village of Pinehurst, by a vote of 5-0.

13. Ordinance 23-07 Budget Amendment for Stormwater Drainage & Intersection Enhancements.

Mike Apke, Public Services Director, and Dana Von Nostrand presented Council with Ordinance #23-07, a budget amendment for stormwater drainage and intersection enhancements. She stated the FY2023 General Fund budget includes $250,000 in the Public Services Administration department to fund land acquisition for the Public Services Complex alternate location. She noted land was acquired for $67,362, leaving a balance of $282,638 in this appropriation. She stated the Streets and Grounds department needs additional funding for downtown stormwater and intersection enhancement projects, and this budget amendment will reallocate the balance of $282,638 from Public Service's land capital budget to Streets & Grounds infrastructure capital budget.

Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Morgan, Council unanimously approved Ordinance #23-07, amending the ordinance appropriating funds for operations of the Village of Pinehurst for Fiscal Year 2023, regarding expenditures of the general fund for downtown stormwater and intersection enhancements for the Village of Pinehurst, by a vote of 5-0.

14. Q2 Update on the Status of the FY2023 Strategic Operating Plan.
Matthew McKirahan, Organizational Performance Director, presented Council with the Second Quarter update on the status of the FY2023 Strategic Operating Plan, including this year's Initiative Action Plans through the end of December 31, 2022.

15. Discuss and Consider Final FY23 Walkway Construction Locations.
Doug Willardson, Assistant Village Manager of Administration, stated earlier this fiscal year, Council reviewed two possible locations for constructing walkways in the Village – McKenzie Road West and Pinehurst No.6. He noted, at Council's direction, staff surveyed residents in these locations regarding their desire for walkways and preference of walkway construction materials. He reported he spoke with residents along the inside of the McKenzie Road circle from Linden Road to Ritter Road, and they were supportive of a walkway being constructed, with a stronger preference for stone screenings. He stated the original proposal was to connect the McKenzie Road West pathway with the existing greenway along Shaw Road via Ritter Road. However, he stated Ritter Road residents were opposed to this. He noted the alternative route of Ferguson Road brought opposition as well.

Mr. Willardson stated that while the majority of those surveyed in No. 6 were supportive of the proposed placement of sidewalks on routes identified, there were a few community members who expressed concerns. He stated staff recommends Council confirm the selection of Juniper Creek Boulevard and McKenzie Road West, with the addition the Village prioritizes completion of the Juniper Creek Boulevard loop in future budget/construction cycles, which may take two to three additional years.

Councilmembers agreed to continue with staff's recommendation.

16. Other Business
No other business was discussed.

17. Comments from Attendees

- Lou Maurer, Juniper Creek resident, addressed Council about his dissatisfaction with the idea of a walkway in Pinehurst No. 6.
- Jeff Heintz, Pinehurst resident, addressed Council about proposed changes to the Neighborhood Advisory Council.

18. Motion to Adjourn.
Upon a motion by Mayor Pro Tem Pizzella, seconded by Councilmember Boesch, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 7:56 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

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 14th 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 160A, Art. 19, 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 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.* The member of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160A-362, 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. § 160A-387. 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-388, 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.* The member of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160A-362, 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 19, Chapter 160A, 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. 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. §§ 160A-400.7 through 160A-400.14. 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:

____
Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

PLANNING AND ZONING BOARD

§ 31.20 CREATED.

Pursuant to authority contained in G.S. Chapter 160A, Art. 19, 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~~at the time of appointment~~; and ~~at least~~ one of whom shall be a 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) *Member~~s~~ from the extraterritorial jurisdiction.* The member~~s~~ of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160A-362, 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-387. The Board shall certify the ordinance to the Village Council.

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(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) *Member~~s~~ from the extraterritorial jurisdiction.* The Member~~(s)~~ of the Board from the extraterritorial jurisdiction shall be appointed, in accordance with G.S. § 160A-362, 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, Chapter 160A, 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~~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. §§ 160A-400.7 through 160A-400.14. 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:

____
Kelly Chance, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

RESOLUTION 23-06:

A RESOLUTION HONORING THE SERVICE OF MR. ERIC VON SALZEN 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. Eric Von Salzen for his dedicated service to the citizens of Pinehurst as a member and Chair of the Pinehurst Historic Preservation Commission; and

WHEREAS, Mr. Von Salzen was appointed to the Historic Preservation Commission on January 1, 2019, and appointed as Chair on June 1, 2020, where he served continuously and faithfully; and

WHEREAS, Mr. Von Salzen 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. Von Salzen 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

WHERAS, Mr. Von Salzen was instrumental in revising the Village of Pinehurst Historic District Guidelines, adopted in 2019.

WHERAS, Mr. Von Salzen played a key leadership role as Chair 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 28th day of February 28, 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. Von Salzen as a token of our gratitude.

THIS RESOLUTION passed and adopted this 28th day of February 2023.

(Municipal Seal)

VILLAGE OF PINEHURST CORPORATE SEAL NORTH CAROLINA

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: John C. Strickland

John C. Strickland, Mayor

Attest:

Kelly Chance

Kelly Chance, Village Clerk

Approved as to Form:

Michael J. Newman, Village Attorney