



**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 and 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 and 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