



AGENDA

Tuesday, November 28, 2023: 3:00 PM

Town Council Work Session

**C. Michael Haney Community Room: Southern Pines Police Department
450 W. Pennsylvania Ave**

1. CALL TO ORDER

2. TOWN MANAGER'S COMMENTS

3. ACTION ITEMS

a. AR-09-23: Morganton Park South Phase 3 (BJ's Wholesale & Starbucks)

This item is a continuance from the November 8, 2023 Agenda Meeting. Midland Atlantic Properties is requesting an Architectural Compliance Permit for Phase 3 of the Morganton Park South Planned Development. The architectural review is for a 101,840-square foot wholesale retail building with an accessory fuel service station (with a kiosk) and a 2,500-square foot drive-through restaurant on +/- 13.89 acres.

b. Budget Amendment

Appropriation of Funds to Complete the StreamBank Stabilization project.

4. COUNCIL UPDATES AND DISCUSSION

a. FY 22-23 Audit Presentation

Presentation of the FY 22-23 audit and financial statements. Draft Financial Statements may be reviewed at <https://www.southernpines.net/Archive.aspx?ADID=1046>

b. Request for Motion to adopt the FY 22-23 Audit Report

Requested adoption of the Annual Audit as presented earlier in this meeting.

c. 2024 Council Appointments

Individual councilmembers are appointed by the body each year to serve in various capacities and manager certain responsibilities. Some of these roles are currently held by Mayor Haney and Mayor Pro-Tem Murphy and will need to be addressed on December 5th when they leave the Council. Details are included in the staff memo.

d. 2024 Council Meeting Schedule

Discuss the proposed meeting schedule for 2024, including the possibility of merging the work session and agenda meeting into a single event.

e. Discussion Regarding the Purchase of Replacement Pumper and Ladder Trucks for the Fire Department

f. Southern Pines Water Treatment Plant PFAS Settlement Discussion

Discussion of potential class action settlement related to PFAS.

5. COUNCIL ROUNDTABLE DISCUSSION

6. ADJOURNMENT

Meetings/work sessions of the Southern Pines Town Council are now available on the Town's [YouTube channel](#). Video of the Town Council meetings will be live streamed on the channel for viewing either during the meetings or after they have concluded. Please note, the video is provided only for the purposes of viewing the meetings; public comments or questions are not accepted via the live stream. To receive notifications when new content is published, please "subscribe" to the Town's channel at <https://bit.ly/3hXx2Qk>

Agenda Item

To: Reagan Parsons, Town Manager
From: Alaina Mallette, Senior Planner
Subject: AR-09-23, Morganton Park South Phase 3 BJ's Wholesale and Starbucks
Date: November 28, 2023

I. SUMMARY OF APPLICATION REQUEST

The applicant, Mr. John Silverman of Midland Atlantic Properties, is requesting an Architectural Compliance Permit for Phase 3 of the Morganton Park South Planned Development. For reference, the Morganton Park South development has two relevant prior development approvals that entitles them to proceed to architectural compliance review: The Conceptual Development Plan (CDP) under file PD-08-21 and the Preliminary Development Plan (PDP, without preliminary plat) under file PD-03-23. The architectural review is for a 101,840-square foot wholesale retail building with an accessory fuel service station (with a kiosk) and a 2,500-square foot drive-through restaurant that are both being proposed on +/- 13.89 acres. The property will have access from the extension of Southern Road.

II. PROJECT INFORMATION

A. Property Owners

PIN 857100681141 (PARID 98000749)
Co-Owned by Morganton Road Enterprises, LLC, Robert W. Van Camp and Julie M. Van Camp, Trustees of the Robert W. and Julie M Van Camp Living Trust
PO BOX 1389
Pinehurst, NC 28370

B. Applicant

John Silverman
Midland Atlantic Properties
8044 Montgomery Road, Suite 370
Cincinnati, OH 45236

C. Authorized Agents

Robert Koontz
Koontz Jones Design
150 South Page Street
Southern Pines, NC 28327

III. TOWN COUNCIL REVIEW

On November 8, 2023, the Town Council heard Planning Department and Applicant presentations regarding application AR-09-23. The applicant identified concerns with Planning staff's compliance evaluation regarding compliance with the town's comprehensive plan, access and circulation, building orientations, and parking locations. Planning staff's timeline of application review and completeness was discussed, as well.

In the discussion about compliance with architectural standards within the UDO and required as conditions of approval, the applicant agreed to comply with several standards for which they originally requested deviations. The applicant further stated that they would try to comply with several other standards, but would need their design professionals to take a look first before committing to compliance. Lastly, the Applicant clearly stated that they would request deviations for the remaining standards with which they are noncompliant. The table below attempts to depict this compliance and deviation discussion that occurred at the Town Council Agenda meeting on November 8, 2023 for each development site.

BJ's Wholesale		
<i>Standards with which the Applicant Would Fully Compliant</i>	<i>Standards with which the Applicant Was requested to Attempt to Comply</i>	<i>Standards for which the Applicant Will Request a Deviation</i>
Building articulation. The front/west elevation must have projections of <i>at least</i> 12.7'. (Staff note: Compliance with this standard was a condition of approval of PD-03-23.)	The right/south elevation facing Carolina Green Parkway had 9.9% windows and doors proposed between 2' and 10'. Therefore, it was deemed noncompliant as it does not have at least 25% of the elevation between 2' and 10' glazed. The applicant stated that they will "move towards 25%" requirement.	Building articulation, the right/south elevations must have projections of <i>at least</i> 7.8'. The applicant stated that a retaining wall and access to the rear of the building was the technical reason for noncompliance. (Staff note: Compliance with this standard was a condition of approval of PD-03-23.)
The front/west, rear/east, left/north, and right/south elevations had 1, 4, 3, and 2 segments, respectively, that are more than two times the building height, according to the applicant's calculations. Applicant stated that they will comply on all sides, including elevation with loading docks (i.e., rear/east elevation).	Building materials. Predominant wall materials must have the appearance of brick and cover at least 80% of the walls. No elevation has 80% brick or more. EIFS is the secondary building material and covers 34%, 16%, 19%, and 24% of the front/west, rear/east, right/south, and left/north elevations, respectively. The Applicant stated that they "will work on it."	Entries, which should not be more than 150' apart between the front of the building and the pedestrian zone. Only one entry is proposed across 423' "due to security reasons," according to the Applicant. (Staff note: this deviation was discussed by staff and Town Council as being reasonable.)
Rooflines, approximately 2' of the rooftop mechanical equipment will be visible from Carolina Green Parkway. All mechanical equipment must be completely concealed by parapets. Additionally, parapet height must be at least 3', but the applicant is proposing 2' on every elevation except for the entrance parapet, which is compliant. The applicant states that all rooftop mechanical		The front/west, rear/east, right/south, and left/north elevations of the fuel canopy structure (including columns) have 16%, 16%, 14%, and 14% brick, respectively. Brick is primarily used for support columns. The secondary material is metal, which is used for the canopy fascia and therefore covers 84%, 84%, 86%, and 86% of the front/west, rear/east, right/south, and left/north elevations of the

equipment will be screened from view.		structure, respectively. (Staff note: this deviation was discussed by staff and Town Council as being reasonable.)
Starbucks		
<i>Standards with which the Applicant Would Fully Compliant</i>	<i>Standards for which the Applicant Will Request a Deviation</i>	
The front/west, left/north, and right/south elevations are more than two times the building height, according to the applicant's calculations. The Applicant stated that they will comply.	The primary customer entry faces the interior lot line and parking lot, not Southern Road. The Applicant stated that this was approved as part of the Preliminary Development Plan PD-03-23. (Staff note: staff and Town Council discussed this being acceptable.)	
	The rear/east (drive-through window and faces the BJ's Wholesale building) and left/north (main entry facing parking lot and fuel canopy) elevations have 78% and 57% brick, respectively. The secondary building material on the each of these elevations is resawn wood.	
	The front/west and right/south elevations are street-facing and have 21% and 2% windows and doors between 2' and 10', respectively. Therefore, both street-facing elevations, which face Carolina Green Parkway and Southern Road, are noncompliant as they do not have at least 25% of the elevation between 2' and 10' glazed.	

It was further clarified that signage was not being reviewed under this application, and that a separate Unified Sign Plan will be submitted to the Town for review. The applicant agreed to provide all updated application materials by November 15, 2023, at 5:00 p.m. The item was moved to the November 28, 2023, Town Council work session for final decision.

IV. STAFF REVIEW

1. **Review Process.** Applications for Architectural Compliance Permits are reviewed pursuant to UDO §2.26.

2. **Application Review Dates**

Application Submitted: **October 2, 2023**; Application deemed incomplete **October 9, 2023**

Additional Materials Submitted: **October 13, 2023**; Application deemed incomplete **October 23, 2023**

Additional Materials Submitted: **October 25, 2023**; Application deemed complete **October 26, 2023**

Town Council Agenda Meeting: **November 8, 2023**

Additional Materials Submitted: **November 15, 2023 at 4:51 p.m.**

Town Council Work Session: **November 28, 2023**

3. **Criteria for Review per UDO §2.26.7 and Staff Comments**

When reviewing an application for an Architectural Compliance Permit, the Town Council shall approve, conditionally approve, or deny the application based on the following criteria, as set forth in **UDO §2.26.7**. See staff comments for each requirement below. A green check mark and red “x” have been included for quick reference on compliance.

Legend: ✓ = compliant ✗ = not compliant

BJ’s Wholesale (Large-Scale Wholesale Retailer)	Starbuck’s (Drive-Through Restaurant)
(A) <i>For Buildings with ten thousand (10,000) square feet or more of Gross Floor Area or that do not comply with the commercial Building design standards in Section 4.10, the application is consistent with the applicable Comprehensive Plan goals and policies;</i>	
<i>*Note that the initial development approval, i.e., PD-08-21, was approved under the 2016 Comprehensive Long-Range Plan. Therefore, Planning staff have reviewed the current application using the standards in place what the initial approval was given.</i>	
✓ The 2016 Comprehensive Long-Range Plan further states, “No specific development intensity is implied by this designation. It simply indicates that such areas will be built to urban levels, will incorporate a variety of uses and will have a street network accommodating modes of travel beyond the automobile.” And, one of the referenced Southern Pines	✓ The 2016 Comprehensive Long-Range Plan states, “No specific development intensity is implied by this designation. It simply indicates that such areas will be built to urban levels, will incorporate a variety of uses

Background Planning Documents, titled “Morganton Road Area Development (1996, updated 2006)”, designated the area including the subject property for “large-scale retail” provided that aggregate total maximums are maintained.

and will have a street network accommodating mode of travel beyond the automobile.”

(B) The application substantially conforms with the applicable Multi-Family or commercial design standards and other applicable provisions of the UDO; and

Site design standards from Chapter 4, including Landscaping Code and gas sales operations regulations, will be reviewed for compliance by the Technical Review Committee during Site Plan Review.

- ✖ 5.4 Gas Sales Operations. Fuel pump canopies have to be at least 80% brick with up to 20% accents (e.g., cementitious horizontal lap siding, concrete masonry, cast stone, and stucco). Each elevation of the fuel canopy has between 14% and 16% brick with the remaining material being metal paneling. Only the Town Council can permit alternative building materials per UDO §4.10.4(C). Note that fuel pumps can ONLY be between the principal building and the street if screening is provided.
- ✖ 4.10.4 Development Design Standards. **Of the 10 standards, 7 apply, and 4 deviations are being requested.** See staff comments in the following section for more details.
- ✖ 4.10.6 Large-Scale Retail Development. Note that one purpose of these regulations is to facilitate future redevelopment if such buildings are abandoned. **Of the 5 applicable design standards, the applicant only complies with 1, utility design.** The applicant is noncompliant for:
 - Entries, which should not be more than 150’ apart between the front of the building and the pedestrian zone. Only one entry is proposed across 423’. The

Site design standards from Chapter 4 and Chapter 5, including Landscaping Code and drive-through facilities regulations, will be reviewed for compliance by the Technical Review Committee during Site Plan Review.

- ✖ 4.10.4 Development Design Standards. **Of the 10 standards, 7 apply, and 4 deviations are being requested.** See staff comments in the following section for more details

applicant states that faux entries will make the creation of entries easier in the event of future redevelopment. The applicant states that the proposed one entry addresses their security, wayfinding, and point of sale control concerns.

- Building materials, predominant wall materials must have the appearance of brick and cover at least 80% of the walls. No elevation has 80% brick or more. EIFS is the secondary building material and covers 34%, 16%, 23%, and 24% of the front/west, rear/east, right/south, and left/north elevations, respectively.
- Building articulation, the right/south elevations must have projections of *at least* 7.8'. However, the elevation includes depths of 5', which is less than 3% the length of each elevation. There is parking along the elevation that could be modified to satisfy this requirement considering UDO §4.5.4, which allows for flexibility in administering parking requirements. Furthermore, the applicant states that the elevation will be screened, but screening cannot be used to request relief from a prior condition of approval. Furthermore, as of the November 21, 2023 TRC meeting, the applicant argued this area did not need to meet the screening standard found in the UDO due to a retaining wall parallel to Carolina Green Parkway. Compliance with this standard was a condition of approval of PD-03-23 (as described below) and no relief measures exist to violate a condition of approval.
- Rooflines, approximately 2' of the rooftop mechanical equipment will be visible from Carolina Green Parkway, as seen in the sightline study in Attachment 5. All mechanical equipment must be completely

concealed by parapets. Additionally, parapet height must be at least 3', but the applicant is proposing 2' on every elevation except for the entrance parapet, which is compliant.

(C) The application is consistent with applicable conditions of prior Development Approvals.

- ✖ **PD-08-21 Morganton Park South CDP.** The CDP states that “Architectural themes, landscaping and design elements common to Southern Pines will be utilized as described in the Town of Southern Pines UDO or in this CDP document.” The Town’s UDO requires architectural elements and projections beyond what the applicant has proposed.
- ✖ **PD-08-21 Morganton Park South CDP.** The CDP states that “Architectural themes, landscaping and design elements common to Southern Pines will be utilized as described in the Town of Southern Pines UDO or in this CDP document.” The proposed design is not compliant for 4 of the applicable 7 architectural design standards.
- ✖ **PD-03-23 Morganton Park South Phase 3 PDP.** Condition #10 if the written decision of the Town Council states “The Southern-Road facing and Carolina Green Parkway-Facing facades shall have articulation along each elevation to satisfy large-scale retail development standards of UDO §4.10.6.” The building articulation is not compliant in that wall plane projections for the south/right elevation (facing Carolina Green Parkway) that include depths of 5', are less than 3% the length of each elevation. In other words, the right elevation’s projections should not be less than 7.8'.
- ✓ **PD-03-23 Morganton Park South Phase 3 PDP.** Generally compliant.

4. Staff Comments based on Commercial Building Design Requirements per UDO §4.10.4

Staff has reviewed the project for compliance with UDO §4.10.4 *Building Design Requirements*, in detail. See staff comments for each requirement below. A green check mark and red “x” have been included for quick reference on compliance.

Legend: ✓ = compliant ✗ = not compliant

BJ's Wholesale (Large-Scale Wholesale Retailer)	Starbuck's (Drive-Through Restaurant)
(A) <i>UDO §4.10.4 (A), which states that the front of buildings shall face and have the primary customer entry facing the street. Corner lot buildings (i.e., BJ's Wholesale) shall face and have the primary customer entry facing the higher order street, facing the corner, or facing each street.</i>	
✗ Since the BJ's Wholesale building is on the corner of Southern Road and Carolina Green Parkway and the only customer entrance faces the lower order street, it is noncompliant with the standard, but was approved as part of PD-03-23. A deviation would need to be granted.	✗ The primary customer entry faces the interior lot line and parking lot, not Southern Road, which is not compliant with the standard, but was approved as part of PD-03-23. A deviation would need to be granted.
(B) <i>UDO §4.10.4 (B), which states in [non-CB and non-DTO] districts, the width of buildings or building segments shall not be more than twice the building height. Building segments may be created through a combination of vertical features such as changes in material, building offsets, courtyards, changes in rooflines or architectural features that create the appearance of building segments. Large-scale retail developments shall comply with Section 4.10.6.</i>	
✓ Generally compliant for building segmentation. ✗ The building does not comply with 4 of the 5 design standards in UDO §4.10.6. A deviation for all 4 noncompliant designs would need to be granted in order for this deviation to be granted.	✓ Generally compliant
(C) <i>UDO §4.10.4 (C), which states the exterior finish of building walls shall be primarily comprised of brick. Cementitious horizontal lap siding, textured concrete masonry, cast stone and stucco may be used for accents, provided that they cover no more than 20% of the exterior walls, exclusive of doors and windows. Wood and metal may be used as trim around doors and windows.</i>	

Principal Building

- ✖ The front/west, rear/east, right/south, and left/north elevations have 54%, 77%, 69%, and 69% brick, respectively. The secondary material is EIFS, which covers 34%, 16%, 23%, and 24% of the front/west, rear/east, right/south, and left/north elevations, respectively.

Fuel Canopy

- ✖ The front/west, rear/east, right/south, and left/north elevations have 16%, 16%, 14%, and 14% brick, respectively. The secondary material is metal, which covers 84%, 84%, 86%, and 86% of the front/west, rear/east, right/south, and left/north elevations, respectively.

- ✖ The rear/east (drive-through window and faces the BJ's Wholesale building), left/north (main entry facing parking lot and fuel canopy), and right/south¹ (facing Carolina Green Parkway) elevations have 78%, 57%, and 74%² brick, respectively. The secondary building material for the former two elevations is resawn wood and EIFS for the right/south elevation.

(D) UDO §4.10.4 (D), which states that windows shall be glazed in non-reflective clear glass. The following standards apply in non-CB districts: windows and doors shall comprise at least 25% of street-facing building façades between the elevations of 2' and 10' above the grade of the building entry.

- ✖ Spandrel glass (i.e., back-painted glass), which is opaque and often reflective, is being proposed on all elevations.
- ✖ The front/west and right/south elevations are street-facing and have 31.7% and 16.1%² windows and doors between 2' and 10', respectively. Therefore, the right/south elevation, which faces Carolina Green Parkway, remains noncompliant as it does not have at least 25% of the elevation between 2' and 10' glazed.
- ✖ The front/west and right/south elevations are street-facing and have 21% and 2% windows and doors between 2' and 10', respectively. Therefore, both street-facing elevations, which face Carolina Green Parkway and Southern Road, are noncompliant as they do not have at least 25% of the elevation between 2' and 10' glazed.

(E) UDO §4.10.4 (E), which states that (1) awnings are encouraged and may encroach up to 6' into any street side setback within non-CB districts, (2) the minimum clearance between the lowest point of an awning and sidewalk shall be 8', and

¹ The right/south/Carolina Green Parkway-facing elevation dropped from 89% brick to 74% brick and added from 16% EIFS, which was not previously included in the design.

² An increase from 9.9% to 16.1%, which is more compliant than their previous submittal.

(3) awnings shall be canvas or material of similar appearance and flexibility, or metal. Street facing awnings shall not be taller than 6' unless specifically approved by the Town Council.

Not applicable

✓ Generally compliant

(F) UDO §4.10.4 (F), which states galleries and arcades are encouraged and may encroach up to 6' into any street side setback but may not encroach into public right-of-way. The minimum clearance for arcades and galleries shall be 12' between the sidewalk and the ceiling of the gallery or arcade.

Not applicable, **but are encouraged.**

Not applicable

(G) UDO §4.10.4 (G), which states that in the non-CB zoning districts buildings may use parapets with cornices, gable or hip roofs. Changes in parapet height or design, gables or other changes in the roofline as viewed from any public street shall be required for any building that is wider than 100'. For buildings that are wider than 100', changes in rooflines shall be used to avoid uninterrupted planes of longer than 200'. The provision further states that shingles or standing seam, non-reflective metal shall be used on all roofs visible public streets. Brightly colored roofs, such as intense blues, reds or oranges are prohibited.

✓ Generally compliant

✗ The sightline study was conducted for the large wholesale building, and did not include the Starbuck's drive-through restaurant. However, according to the site plans received by the Technical Review Committee, it appears that there is at least a 8' slope between Starbucks and Carolina Green Parkway adjacent to the building and a 20' slope between Starbucks and the point where Carolina Green Parkway passes BJ's Wholesale. Therefore, Planning staff believe that Starbuck's flat roof will be visible from Carolina Green Parkway and will not include shingles, standing seam, or non-reflective metal, as is required.

(H) UDO §4.10.4 (H), which states that mechanical equipment shall be screened from view from the street and cannot be located between the building and the street.

✓ Generally compliant, considering the proposed Envisor rooftop screen

✓ Generally compliant, considering the proposed Envisor rooftop screen

(I) UDO §4.10.4 (I), which states garage doors and loading bays shall face an interior Lot line alley or service drive and shall not face a street or residential district unless buffered or screened in accordance with UDO §4.3.4 and 4.3.5.

✓ Generally compliant

Not applicable

Compliance will be determined during sign permit review for UDO §4.10.4 (J), which states signage shall comply with the standards in section 4.6 and any applicable zoning district standards.

5. Staff Updated Comments and Recommendation

Staff recommend either a continuance or approval with conditions of AR-09-23. Staff does not have a mechanism to recommend approval of deviations from the building articulation requirements, as it was a condition of approval of the Preliminary Development Plan, PD-03-23. If the Town Council entertains a motion to approve with deviations and conditions, the Planning staff recommend the following clearly specified deviations and conditions, at a minimum.

- **Deviation 1.** Regarding UDO §5.4(A) Gas Sale Operations and §4.10.4(C) Building Materials for the fuel station, the fuel pump station may deviate from the building materials requirement to adhere to the same standards at the primary building serving the fuel station due to the weight of brick on canopy fascia. The front/west, rear/east, right/south, and left/north elevations may have 16%, 16%, 14%, and 14% brick, respectively (i.e., all columns shall be brick). The secondary material for the fascia may be metal, which covers 84%, 84%, 86%, and 86% of the front/west, rear/east, right/south, and left/north elevations, respectively.
- **Deviation 2.** Regarding UDO §4.10.4(A) Building Orientation and Entries and UDO §4.10.6(C)(2) Entries for BJ's Wholesale, the large-scale retail building may have one customer entry that faces Southern Road rather than the higher-order street Carolina Green Parkway considering the orientation of the building was approved in the Preliminary Development Plan, PD-03-23. The spacing between the large-scale retail building's entries may exceed 150' apart between the front of the building and the pedestrian zone considering the nature of the land use and the Applicant's security, wayfinding, and point of sale control concerns. Furthermore, faux entries are included and will make the creation of entries easier in the event of future redevelopment
- **Deviation 3.** Regarding UDO §4.10.4(A) Building Orientation and Entries for Starbucks, the drive-through restaurant building may have the customer entry facing the parking lot rather than Southern Road considering the orientation of the building was approved in the Preliminary Development Plan, PD-03-23.
- **Deviation 4.** Regarding UDO §4.10.4(B) Building Dimensions and §4.10.6 Large-Scale Retail Development for BJ's Wholesale, the large-scale retail building may deviate from two of the five applicable standards as described below.
 - Regarding UDO §4.10.6(C)(2) Entries, see Deviation 2 above for details.
 - Regarding UDO §4.10.6(C)(3) Building Materials, see Deviation 5 below for details.
- **Deviation 5.** Regarding UDO §4.10.4(C) Building Materials for BJ's Wholesale, the large-scale retail building may deviate from the 80% building materials requirement if screened from Carolina Green Parkway, Southern Road, the linear park paths, and sidewalks within the street rights-of-way (see Condition

2 below for details). A deviation is granted due to the variety and mix of materials similar to what was approved in Morganton Park South Phase 1 architectural compliance review, AR-06-21, and the building materials satisfy minimum building code standards. The front/west, rear/east, right/south, and left/north elevations may have 54%, 77%, 69%, and 69% brick, respectively. The secondary material EIFS may cover 34%, 16%, 23%, and 24% of the front/west, rear/east, right/south, and left/north elevations, respectively.

- **Deviation 6.** Regarding UDO §4.10.4(C) Building Materials for Starbucks, the drive-through restaurant building may deviate from the 80% building materials requirement if screened from Carolina Green Parkway, Southern Road, the linear park paths, and sidewalks within the street rights-of-way (see Condition 2 below for details). A deviation is granted due to the variety and mix of materials and the building materials satisfy minimum building code standards. The rear/east (drive-through window and faces the BJ's Wholesale building), left/north (main entry facing parking lot and fuel canopy), and right/south (facing Carolina Green Parkway) elevations may have 78%, 57%, and 74% brick, respectively. The secondary building material for the former two elevations may be resawn wood and EIFS for the right/south elevation.
- **Deviation 7.** Regarding UDO §4.10.4(D) Windows for BJ's Wholesale, the large-scale retail building may have spandrel glass, which is opaque and reflective. All as shown in Attachment 4a of the November 28, 2023, Staff Report. This deviation does not apply to the approved clear, non-reflective glass as shown in Attachment 4a. The right/south elevation, which faces Carolina Green Parkway, may have 16.1% (i.e., 333 square feet) of the elevation between 2' and 10' glazed.
- **Deviation 8.** Regarding UDO §4.10.4(D) Windows for Starbucks, the front/west and right/south elevations of the drive-through restaurant building may have 21% (i.e., 160 square feet) and 2% (i.e., 18 square feet) of the elevation between 2' and 10' glazed.
- **Deviation 9.** Regarding UDO §4.10.4(G) Roofs for Starbucks, the flat roof may be visible from Carolina Green Parkway, but does not need to include parapets with cornices or shingles, standing seam, or non-reflective metal roofing.
- **Condition 1.** The loading docks, outside storage and operation areas, dumpsters, HVAC units (including the large-scale wholesale retailer HVAC unit visible from Carolina Green Parkway), and fuel station (i.e., pumps, canopy, and kiosk) shall be screened from "unobstructed, off-site views" in accordance with UDO §4.3.5 Landscape Screens;
- **Condition 2.** The large-scale retail building and drive-through restaurant building shall be screened "from unobstructed off-site views" considering that alternative building materials were approved, per UDO §4.10.4(C)(2).
- **Condition 3.** The large wholesale retailer parking along the south elevation (i.e., Carolina Green Parkway-facing elevation) shall be modified or removed

to accommodate 7' 10" building articulation that was a condition of approval of the Preliminary Development Plan PD-03-23.

- **Condition 4.** The parapet height of the large wholesale retailer's south/right elevation along Carolina Green Parkway shall be increased by 2' to properly screen the rooftop mechanical equipment and to comply with roofline requirements for large-scale retail development.
- **Condition 5.** The parapet height of the large wholesale retailer's north/left elevation and east/rear elevation shall be increased by 1' to comply with roofline requirements for large-scale retail development.
- **Condition 6.** The applicant shall provide updated renderings and elevations showing compliance with the conditions of this approval to the Planning Department by December 15, 2023, to complete file AR-09-23. No other additional changes or modifications shall be made in that post-approval submittal. Any future changes or modifications to this approval shall follow UDO §2.8.4 Amendments to Development Approvals. Upon receipt of the final renderings and elevations, Planning staff shall issue the Town Council letter of approval.

III. ATTACHMENTS PROVIDED BY THE APPLICANT

1. [Application](#)
2. [Original Applicant Narrative and Calculations](#)
 - a. Additional Applicant Narrative and Calculations Submitted November 15, 2023
3. Exterior Building Renderings and Elevations (November 15, 2023 Version)
4. [Original Building Materials List](#)
 - a. Updated Starbuck's Building Materials List (November 15, 2023 Version)
5. [Site Layout and Sightline Studies](#)
6. [Prior Development Approval Documentation](#) (linked to 10/03/23 meeting attachment)

IV. TOWN COUNCIL ACTION

The Town Council should consider the purpose of an architectural compliance permit per UDO §2.26 and shall vote on whether the proposed application complies with the criteria per UDO §2.26, the commercial building design requirements per UDO §4.10.4 and other relevant sections of the UDO (e.g., UDO §4.10.6), and prior development approvals. The Town Council may make one of the following motions or any alternative they wish.

I move to:

1. Approve AR-09-23;
2. Approve AR-09-23 with the following conditions and/or deviations:
_____;
3. Deny AR-09-23.

From: [William Mees](#)
To: [BJ Grieve](#); [Alaina Mallette](#)
Cc: [Cindy Williams](#); [John Silverman](#); [Bob Koontz](#); [William Mees](#)
Subject: RE: MPS Phase 3: AR-09-23 Revised Materials
Date: Wednesday, November 15, 2023 4:51:17 PM
Attachments: [image003.png](#)
[image007.png](#)
[image013.png](#)
[image014.png](#)
[image006.png](#)
[image008.png](#)
[image009.png](#)

BJ / Alaina,

Per my prior e-mail, we have submitted revised materials with respect to our application for an Architectural Compliance Permit for Morganton Park South – Phase 3 (AR-09-23). Our revisions are based upon the items addressed in your Staff Report and the feedback we received from Town Council in their Agenda Meeting on November 8, 2023. As discussed, we would like to have the opportunity to present these revised materials at the Council Work Session on November 28, 2023.

A summary of our revisions is outlined below. Note: As requested, for ease of comparison, we are providing the previously submitted items (files noted “PRIOR”) and the revised document (files noted “REVISED”).

BJ’s Wholesale

- 4.10.4 (B) (2) ... We have revised the placement of projected features and pilasters to comply with building segmentation (<2w:1h) requirements. All four elevations now comply. See revised BJ’s Elevation 4b and revised Building Segments calculations 2b.
- 4.10.4 (C) ... Materials calculations have been updated. See 3b. The percent of brick ranges from 54% to 77% for a building average of 67%. We could increase this by switching the stone to brick, but we like the variety and mix of materials which are similar to the architectural character of MPS Phase 1. We heard from some Council members during the Agenda Meeting that the building segmentation was more important than the material percentages. We agree and respectfully request a deviation from the 80% brick requirement.
- 4.10.4 (D) (3) ... We have added an additional projected feature with glazing to the South Elevation. This has increased the % of glass, but we are still shy of 25%. We respectfully request a deviation.
- 4.10.6 (C) (2) ... As discussed during the Agenda Meeting, it is not practical for security, point of sale control and customer wayfinding to have multiple building entrances. We would like to maintain the proposed one (1) main entrance as shown on the BJ’s Elevation 4b. We respectfully request a deviation.
- 4.10.6 (C) (4) (a) ... Building Articulation:
 - On the West Elevation (facing Southern Road), we have extended two of the projected features the required 12’-8” from the main façade. The entry feature already projects 19’. To further provide articulation and visual interest, we have added a trellis. See BJ’s Elevation 4b. and BJ’s Renderings 5 – 10. This elevation complies.

On the South Façade (facing Carolina Green Parkway, we have extended the projected features to 5' from the main façade (vs. prior 3' projection). As discussed, this area is rather tight with the retaining wall, service drive and BOPIC area. Further, this elevation will be screened below the retaining wall and linear park. We respectfully request a deviation from the 7' projection requirement.

- Note: The building does comply with the requirement that projections extend at least 20% of the length of the façade. See Building Articulation calculation 1b.
- 4.10.6 (C) (5) (c) ... We have increased the parapet height from 2' to 3' to comply. See BJ's Elevation 4b. "Top of roof" and "top of parapet" notes have been added to the elevations.

Fuel Facility

- 4.10.4 (C) ... As discussed during the Agenda Meeting, it is not practical to construct the fuel facility canopy with 80% brick. The columns will be wrapped in brick; we have proposed to use a light-weight non-reflective architectural metal panel for the canopy. We respectfully request a deviation.

Starbucks

- 4.10.4 (H) ... We will screen all roof-mounted mechanical equipment with the Envisor screening system. (This is the same system that will be used at BJ's.) We have added a note to the black/white Starbucks elevations. See 11b
- 4.10.4 (B) (2) ... We have provided building segmentation on the South Elevation (facing Site Drive #1) with a change of material and color at the door/canopy. See revised Elevations 11b. All elevations of this building now comply with building segmentation (<2w:1h) requirements. See 2b. The Starbucks Material Board has been updated for the new material. See 12b.

Please let me know if you have any questions or would like further information. We would be happy to discuss.

Regards,

-Bill

William M. Mees, Jr. | MIDLAND ATLANTIC PROPERTIES

Office: 513.792.5000 | Mobile: 513.608.2629

From: William Mees <wmees@midlandatlantic.com>

Sent: Wednesday, November 15, 2023 3:24 PM

To: BJ Grieve <BJGrieve@southernpines.net>; Alaina Mallette <amallette@southernpines.net>

Cc: Cindy Williams <CWilliams@southernpines.net>; John Silverman <jsilverman@midlandatlantic.com>; Bob Koontz <bkoontz@koontzjones.com>; William Mees <wmees@midlandatlantic.com>

Subject: MPS Phase 3: AR-09-23 Revised Materials

BJ / Alaina,

Good afternoon.

Below is a link to a Dropbox folder with the revised materials we'd like to submit for AR-09-23 for review at the Town Council Work Session on November 28th.

<https://www.dropbox.com/scl/fo/8xcbpibwfhdlur8wktqy/h?rlkey=fqzfg4npeeax57mvtkf7apmhx&dl=0>

I will follow up shortly with a second e-mail summarizing the revisions; but given the troubles I had sending items the last time, I wanted to be sure to get these to you with enough time for "Plan B" if needed.

Can you please verify receipt and/or let me know if any trouble accessing the files? There should be 18 files (12 PDF's + 6 JPG's).

Thank you!

-Bill

William M. Mees, Jr. | Director of Development

MIDLAND ATLANTIC PROPERTIES

Office: 513.792.5000 | Mobile: 513.608.2629

wmees@midlandatlantic.com | www.midlandatlantic.com

8044 Montgomery Road, Suite 370, Cincinnati, OH 45236

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ATTACHMENT 3 - REVISED FOR COUNCIL WORK SESSION 11/28/23

SECTION 4.10.4 (B) (2): BUILDING SEGMENT WIDTH TO HEIGHT ANALYSIS

Note: Segments are listed left to right on the Elevations.

Wholesale Club Building

West Elevation (Front - Facing Southern Road)

Building Segments		Ratio	
Width (ft)	Height (ft)	Width	to Height
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	56.58	30.00	1.89 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	56.58	30.00	1.89 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	56.58	30.00	1.89 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	56.58	30.00	1.89 to 1
<i>Entry Feature - Left</i>	42.00	32.00	1.31 to 1
<i>Entry Feature - Center (Gable)</i>	35.33	41.25	0.86 to 1
<i>Entry Feature - Right</i>	22.67	32.00	0.71 to 1
	<u>423.00</u>		

East Elevation (Rear)

<i>End Pilaster</i>	4.00	32.00	0.13 to 1
<i>Main Brick Segment</i>	57.50	30.00	1.92 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	57.50	30.00	1.92 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	57.50	30.00	1.92 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	57.50	30.00	1.92 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	57.50	30.00	1.92 to 1
<i>End Pilaster</i>	4.00	32.00	0.13 to 1
	<u>392.00</u>		

South Elevation (Side - Facing Carolina Green Parkway)

<i>Projected Feature at Entry Corner</i>	20.83	32.00	0.65 to 1
<i>Main Brick Segment</i>	56.50	30.00	1.88 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	56.50	30.00	1.88 to 1
<i>Projected Feature</i>	24.00	32.00	0.75 to 1
<i>Main Brick Segment</i>	56.50	30.00	1.88 to 1
<i>Projected Feature</i>	20.83	32.00	0.65 to 1
	<u>259.00</u>		

North Elevation (Side - Facing rear of Kohl's/Hobby Lobby)

<i>End Pilaster</i>	4.00	32.00	0.13	to	1
<i>Main Brick Segment</i>	52.83	30.00	1.76	to	1
<i>Pilaster</i>	4.00	32.00	0.13	to	1
<i>Main Brick Segment</i>	31.83	30.00	1.06	to	1
<i>Projected Feature at Loading Dock</i>	40.00	32.00	1.25	to	1
<i>Main Brick Segment</i>	23.75	30.00	0.79	to	1
<i>Pilaster</i>	4.00	32.00	0.13	to	1
<i>Main Brick Segment</i>	56.00	30.00	1.87	to	1
<i>Projected Feature</i>	24.00	32.00	0.75	to	1
<i>Projected Feature at Front Corner</i>	12.67	32.00	0.40	to	1
	253.33				

Fuel Facility

West Elevation	8.50	9.33	0.91	to	1
East Elevation	8.50	9.33	0.91	to	1
South Elevation	20.50	9.33	2.20	to	1
North Elevation	20.50	9.33	2.20	to	1

Restaurant

West Elevation (Patio - facing Southern Road)

<i>Glass</i>	16.33	18.00	0.91	to	1
<i>Main Brick Segment</i>	26.25	18.00	1.46	to	1
	42.60				

East Elevation (Drive-Thru)

<i>Main Brick Segment - Left</i>	13.77	18.00	0.77	to	1
<i>Offset Feature for Drive Thru</i>	12.77	18.00	0.71	to	1
<i>Main Brick Segment - Right</i>	16.08	18.00	0.89	to	1
	42.60				

South Elevation

<i>Main Brick Segment</i>	26.00	18.00	1.44	to	1
<i>EIFS Panel</i>	11.00	18.00	0.61	to	1
<i>Main Brick Segment</i>	18.00	18.00	1.00	to	1
	55.00				

North Elevation (Main Entrance)

<i>Main Brick Segment</i>	12.00	18.00	0.67	to	1
<i>Wood Panel</i>	4.00	18.00	0.22	to	1
<i>Glass</i>	12.00	18.00	0.67	to	1
<i>Wood</i>	8.00	18.00	0.44	to	1
<i>Glass Panel</i>	19.00	18.00	1.06	to	1
	55.00				

ATTACHMENT 2 - REVISED FOR COUNCIL WORK SESSION 11/28/23

SECTION 4.10.4 (C) & 4.10.6 (C) (3): BUILDING MATERIALS ANALYSIS

	<u>Façade Area</u>	<u>% of Façade</u>
<u>Wholesale Club Building</u>		
West Elevation (Front - Facing Southern Road)		
Brick	6,547 SF	48%
Stone	760 SF	6%
EIFS	4,622 SF	34%
Glass*	1,248 SF	9%
Doors	120 SF	1%
Metal Coping (M-1)	228 SF	2%
	13,525 SF	
Percent of Brick excluding glass & doors		54%
*Glass between 2' & 10' AFF	1,072 SF	
**Trellis (not incl. in areas above since in front of elevation)	323 SF	
East Elevation (Rear)		
Brick	9,867 SF	72%
Stone	480 SF	3%
EIFS	2,156 SF	16%
Glass	480 SF	3%
Doors	491 SF	4%
Metal Coping (M-1)	226 SF	2%
Metal Canopy (M-2)	44 SF	0%
	13,744 SF	
Percent of Brick excluding glass & doors		77%
South Elevation (Side - Facing Carolina Green Parkway)		
Brick	5,130 SF	65%
Stone	384 SF	5%
EIFS	1,769 SF	23%
Glass*	417 SF	5%
Doors	24 SF	0%
Metal Coping (M-1)	129 SF	2%
	7,853 SF	
Percent of Brick excluding glass & doors		69%
*Glass between 2' & 10' AFF	333 SF	

Wholesale Club Building (Continued)

North Elevation (Side - Facing rear of Kohl's/Hobby Lobby Center)

Brick	4,886 SF	63%
Stone	288 SF	4%
EIFS	1,828 SF	24%
Glass	550 SF	7%
Doors	72 SF	1%
Metal Coping (M-1)	126 SF	2%
	7,750 SF	

Percent of Brick excluding glass & doors		69%
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Building Average:	67%
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Fuel Facility Kiosk Building

North Elevation

<i>Brick</i>	41 SF	51%
<i>Architectural Composite Metal (ACM) Panel</i>	19 SF	24%
<i>Glass</i>	20 SF	24%
<i>Doors</i>	0 SF	0%
	80 SF	

Percent of Brick excluding glass & doors

68%

South Elevation

<i>Brick</i>	61 SF	76%
<i>Architectural Composite Metal (ACM) Panel</i>	19 SF	24%
<i>Glass</i>	0 SF	0%
<i>Doors</i>	0 SF	0%
	80 SF	

Percent of Brick excluding glass & doors

76%

West Elevation (Front - Facing Southern Road)

<i>Brick</i>	97 SF	48%
<i>Architectural Composite Metal (ACM) Panel</i>	54 SF	27%
<i>Glass</i>	9 SF	4%
<i>Doors</i>	42 SF	21%
	202 SF	

Percent of Brick excluding glass & doors

64%

East Elevation (Front - Wholesale Club)

<i>Brick</i>	139 SF	69%
<i>Architectural Composite Metal (ACM) Panel</i>	54 SF	27%
<i>Glass</i>	9 SF	4%
<i>Doors</i>	0 SF	0%
	202 SF	

Percent of Brick excluding glass & doors

72%

Building Average: 70%

Fuel Facility Canopy

North Elevation

<i>Brick</i>	112 SF	14%
<i>Architectural Composite Metal (ACM) Panel</i>	664 SF	86%
	776 SF	

<i>Percent of Brick excluding glass & doors</i>	14%
---	-----

South Elevation

<i>Brick</i>	112 SF	14%
<i>Architectural Composite Metal (ACM) Panel</i>	664 SF	86%
	776 SF	

<i>Percent of Brick excluding glass & doors</i>	14%
---	-----

West Elevation (Front - Facing Southern Road)

<i>Brick</i>	14 SF	16%
<i>Architectural Composite Metal (ACM) Panel</i>	72 SF	84%
	86 SF	

<i>Percent of Brick excluding glass & doors</i>	16%
---	-----

East Elevation (Front - Wholesale Club)

<i>Brick</i>	14 SF	16%
<i>Architectural Composite Metal (ACM) Panel</i>	72 SF	84%
	86 SF	

<i>Percent of Brick excluding glass & doors</i>	16%
---	-----

Building Average:	15%
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Restaurant Building

North Elevation (Main Entrance)

<i>Brick</i>	465 SF	42%
<i>Resawn Wood</i>	242 SF	22%
<i>Metal</i>	103 SF	9%
<i>Storefront Glass & Doors</i>	300 SF	27%
	1,110 SF	

Percent of Brick excluding glass & doors

57%

South Elevation

<i>Brick</i>	792 SF	71%
<i>EIFS</i>	178 SF	16%
<i>Resawn Wood</i>	90 SF	8%
<i>Metal</i>	32 SF	3%
<i>Glass (Drive-Thru)</i>	18 SF	2%
<i>H.M. Door</i>	24 SF	2%
	1,110 SF	

Percent of Brick excluding glass & doors

74%

West Elevation (Patio - Facing Southern Road)

<i>Brick</i>	552 SF	72%
<i>Resawn Wood</i>	0 SF	0%
<i>Metal</i>	55 SF	7%
<i>Storefront Glass & Doors</i>	160 SF	21%
	767 SF	

Percent of Brick excluding glass & doors

91%

East Elevation (Drive-Thru)

<i>Brick</i>	538 SF	70%
<i>Resawn Wood</i>	133 SF	17%
<i>Metal</i>	19 SF	2%
<i>Glass (Drive-Thru)</i>	77 SF	10%
	767 SF	

Percent of Brick excluding glass & doors

78%

Building Average: 75%

ATTACHMENT 3 - REVISED FOR COUNCIL WORK SESSION 11/28/23

SECTION 4.10.6 (C) (4) (a): BUILDING ARTICULATION ANALYSIS

	Length of Building Façade (feet)	Total Length of Offsets (feet)	% of Articulation per Façade
<u>Wholesale Club Building</u>			
West Elevation (Front - Facing Southern Road)	423	196	46%
East Elevation (Rear)	392	96.00	24%
South Elevation (Side - Facing Carolina Green Parkway)	259	68.83	27%
North Elevation (Side - Facing rear of Kohl's/Hobby Lobby Center)	240.67	64	27%



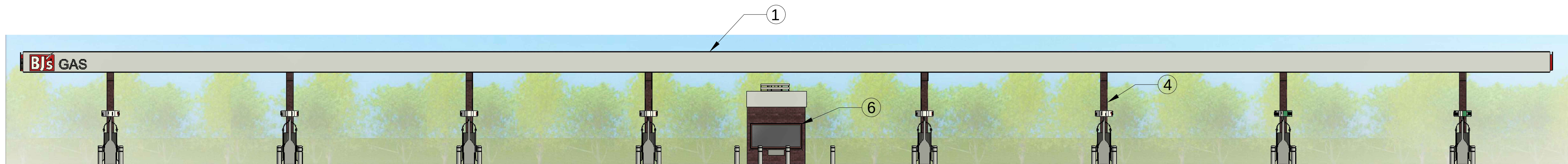




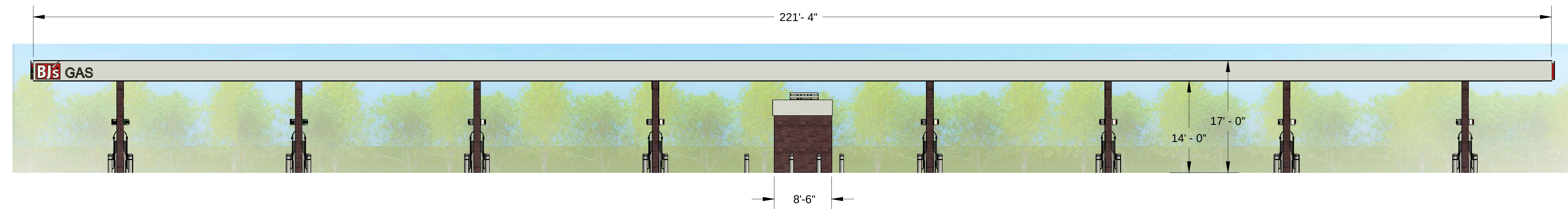




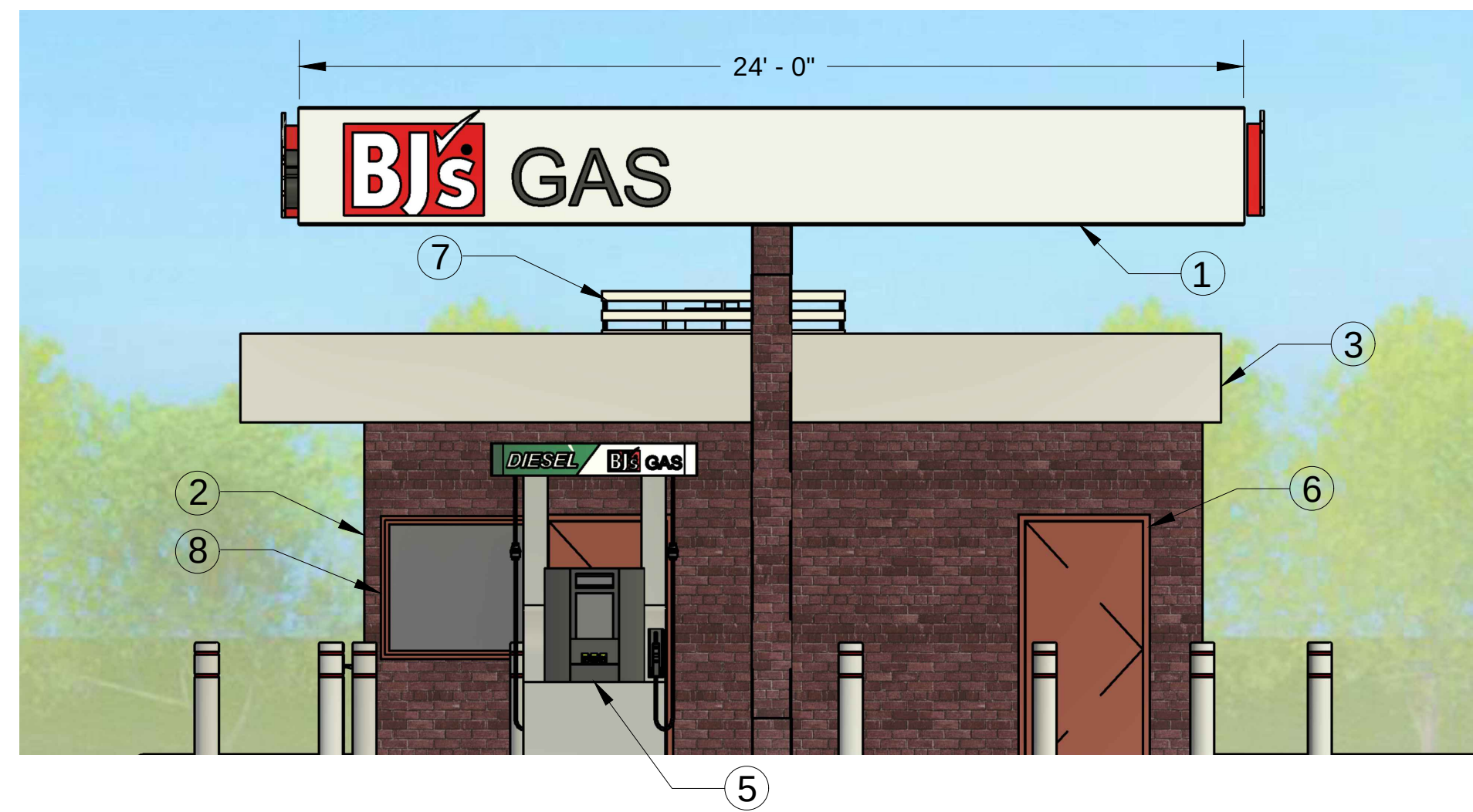




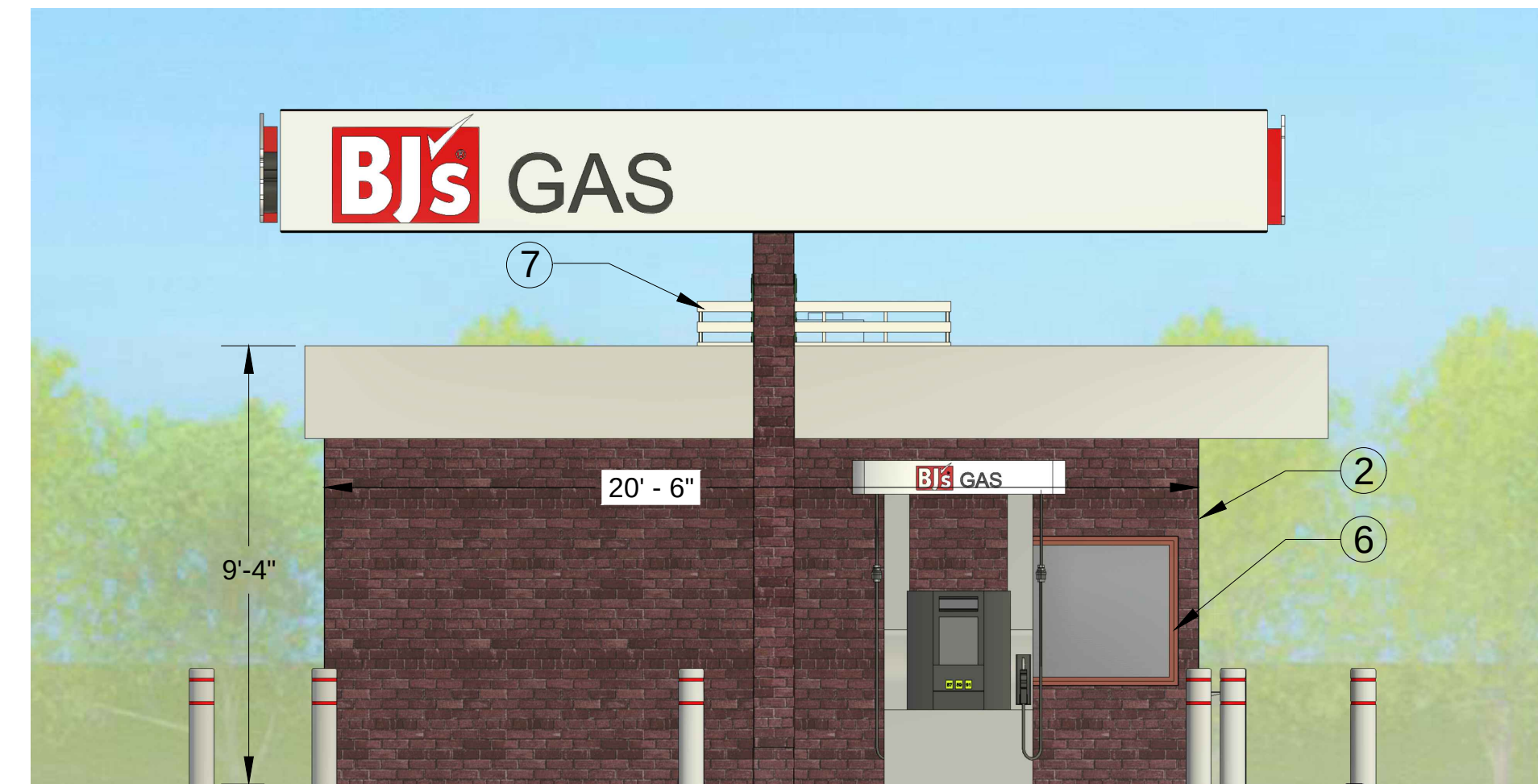
1 NORTH ELEVATION



2 SOUTH ELEVATION



3 WEST ELEVATION



4 EAST ELEVATION

LEGEND

- 1 - CANOPY FASCIA - ALUMINUM COMPOSITE MATERIAL (ACM) - PAINTED "REPOSE GRAY" - SHERWIN WILLIAMS - SW 7015 FLAT FINISH
- 2 - KIOSK EXTERIOR - THIN BRICK - SUMMITVILLE 01034 HANOVER - TO MATCH CLUB
- 3 - KIOSK FASCIA - ALUMINUM COMPOSITE MATERIAL (ACM) - PAINTED "REPOSE GRAY" - SHERWIN WILLIAMS - SW 7015 FLAT FINISH
- 4 - CANOPY COLUMN - THIN BRICK - SUMMITVILLE 01034 HANOVER - TO MATCH CLUB
- 5 - DISPENSERS (8 TOTAL)
- 6 - KIOSK DOOR, DOOR FRAMES AND WINDOW FRAMES - P-1 PAINT TO MATCH BENJAMIN MOORE #2005-10 "RED ROCK" TO MATCH CLUB
- 7 - KIOSK MECHANICAL SCREENING - METAL SLAT - PAINTED "REPOSE GRAY" - SHERWIN WILLIAMS - SW 7015 FLAT FINISH

BJ's GAS LOGO SIGN LOCATIONS ARE PRELIMINARY. ACTUAL SIGN LOCATIONS ARE TO BE DETERMINED AND PERMITTED WITH THE AHJ.



Renderings / Patio & Entry



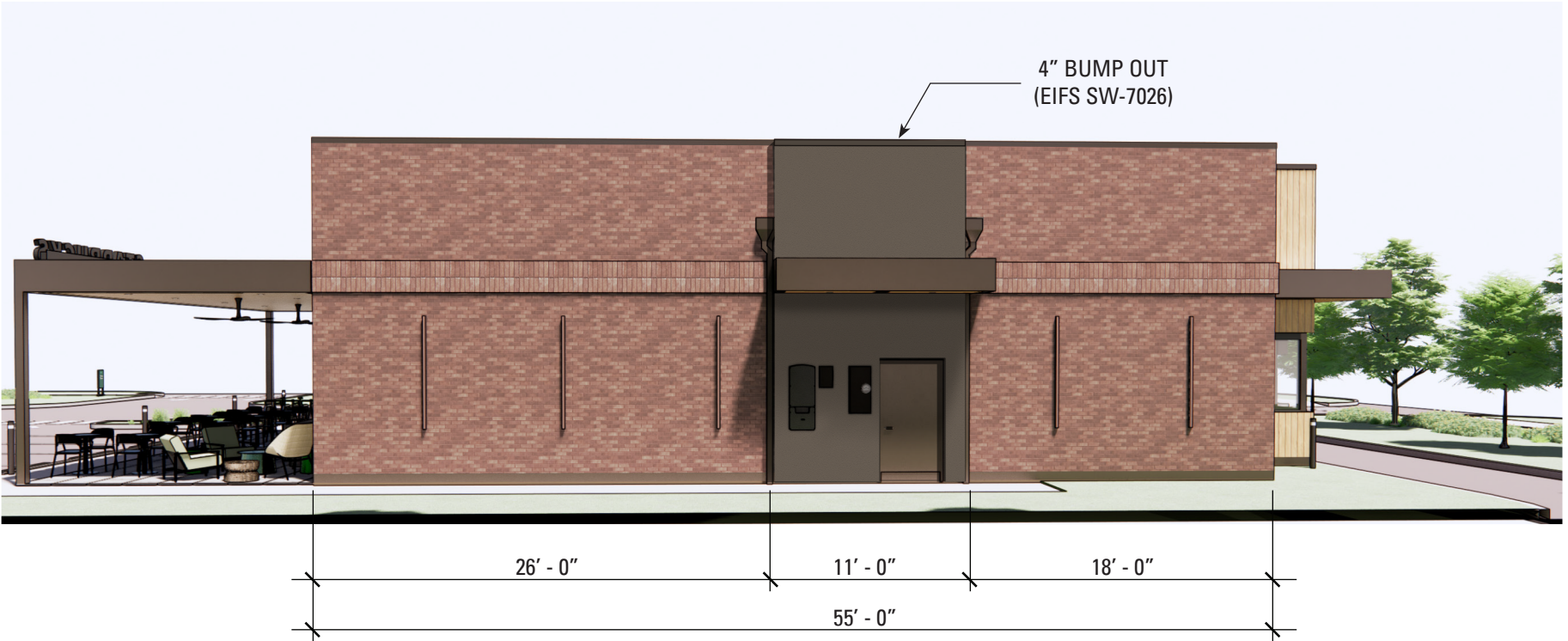
Elevations / Option 3



Main Entrance Elevation



Patio Elevation



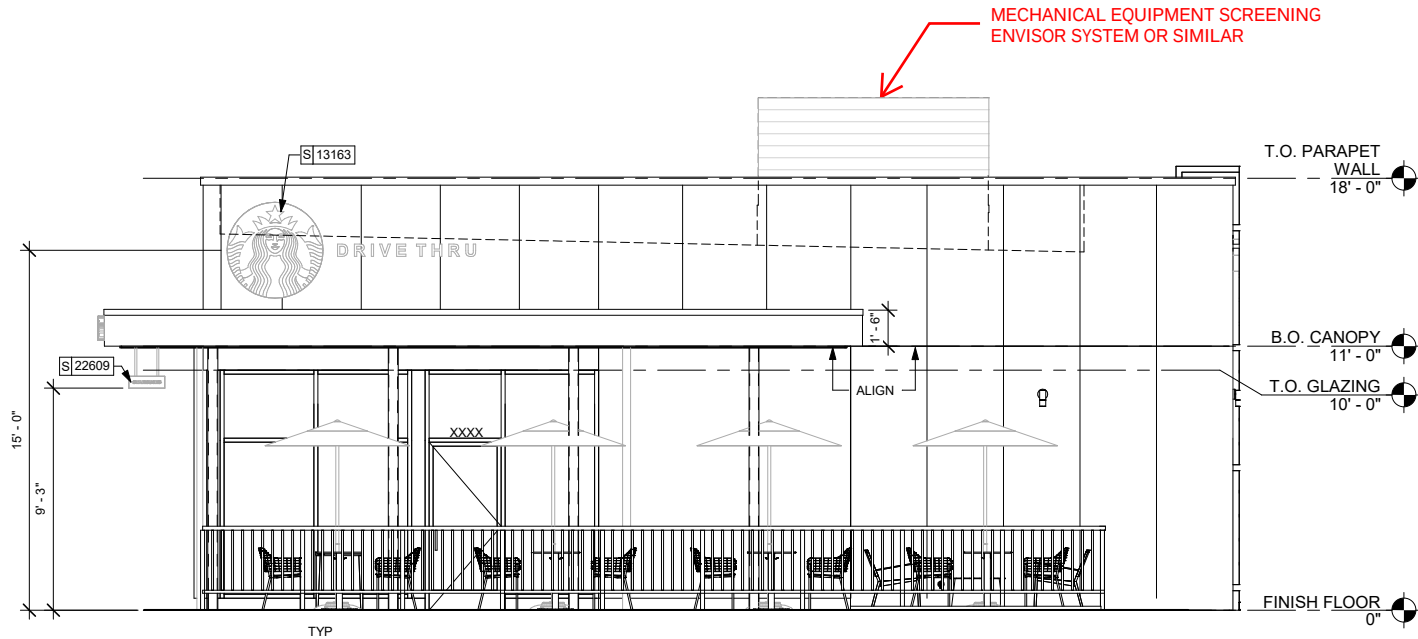
Back Elevation



Drive Thru Elevation

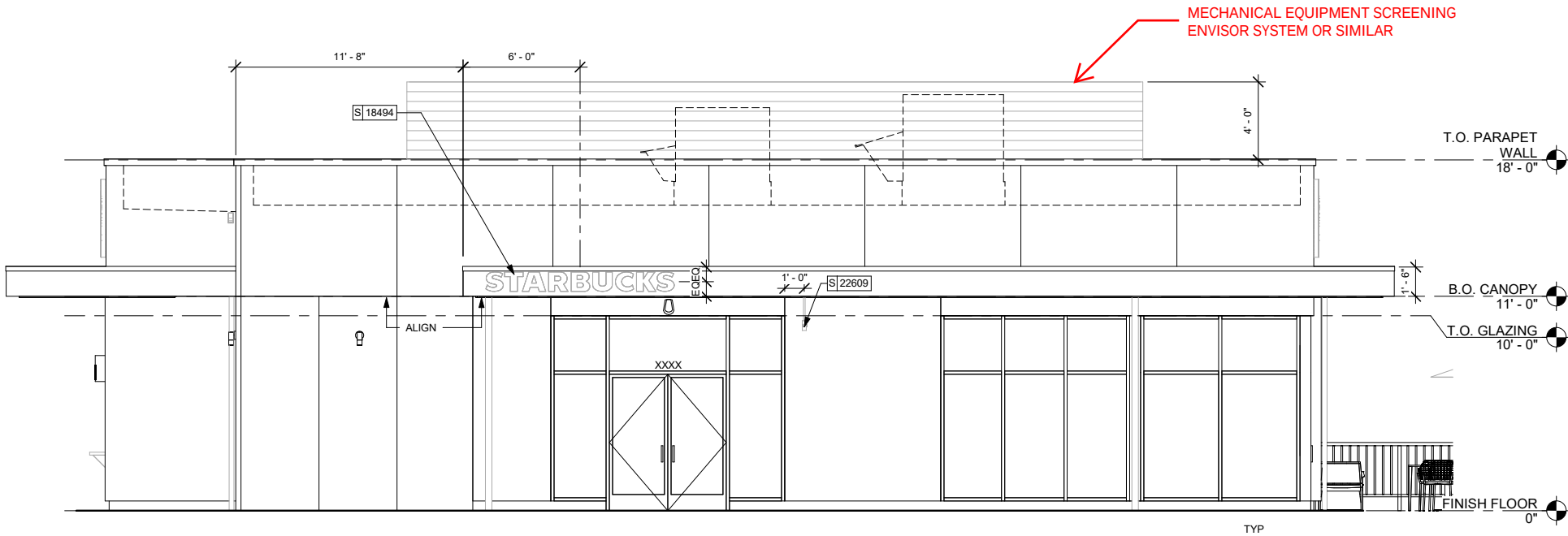
EXTERIOR SIGNAGE SCHEDULE - "S"					
DESIGN ID	COUNT	DESCRIPTION	FURN. BY	INST. BY	COMMENTS
SIGNAGE - DISK					
13163	2	SIGN - DISK SF ILLUMINATED FLUSH MOUNTED EVOLVED - 48IN 1220MM	SB	SB	**
SIGNAGE - DRIVE THRU					
x1600	2	6" PIN MOUNTED DRIVE-THRU SIGN LETTERS	SB	SB	**
SIGNAGE - WORDMARK					
18494	1	SIGN - WORDMARK STARBUCKS FLUSH MOUNTED - 12IN 305MM	SB	SB	WHITE LETTERS**
22609	1	SIGN - WORDMARK BLADE SUSPENDED - HORIZONTAL - 18X6IN 455X150MM	SB	SB	**

**ELECTRICAL CONDUIT, JBOX AND WALL BLOCKING SHALL BE INSTALLED BY LL. COORDINATE LOCATION OF JBOX WITH STARBUCKS SIGNAGE VENDOR. SIGNAGE SHOWN FOR REFERENCE ONLY. SIGNAGE SHALL BE FURNISHED AND INSTALLED BY STARBUCKS SIGNAGE VENDOR.



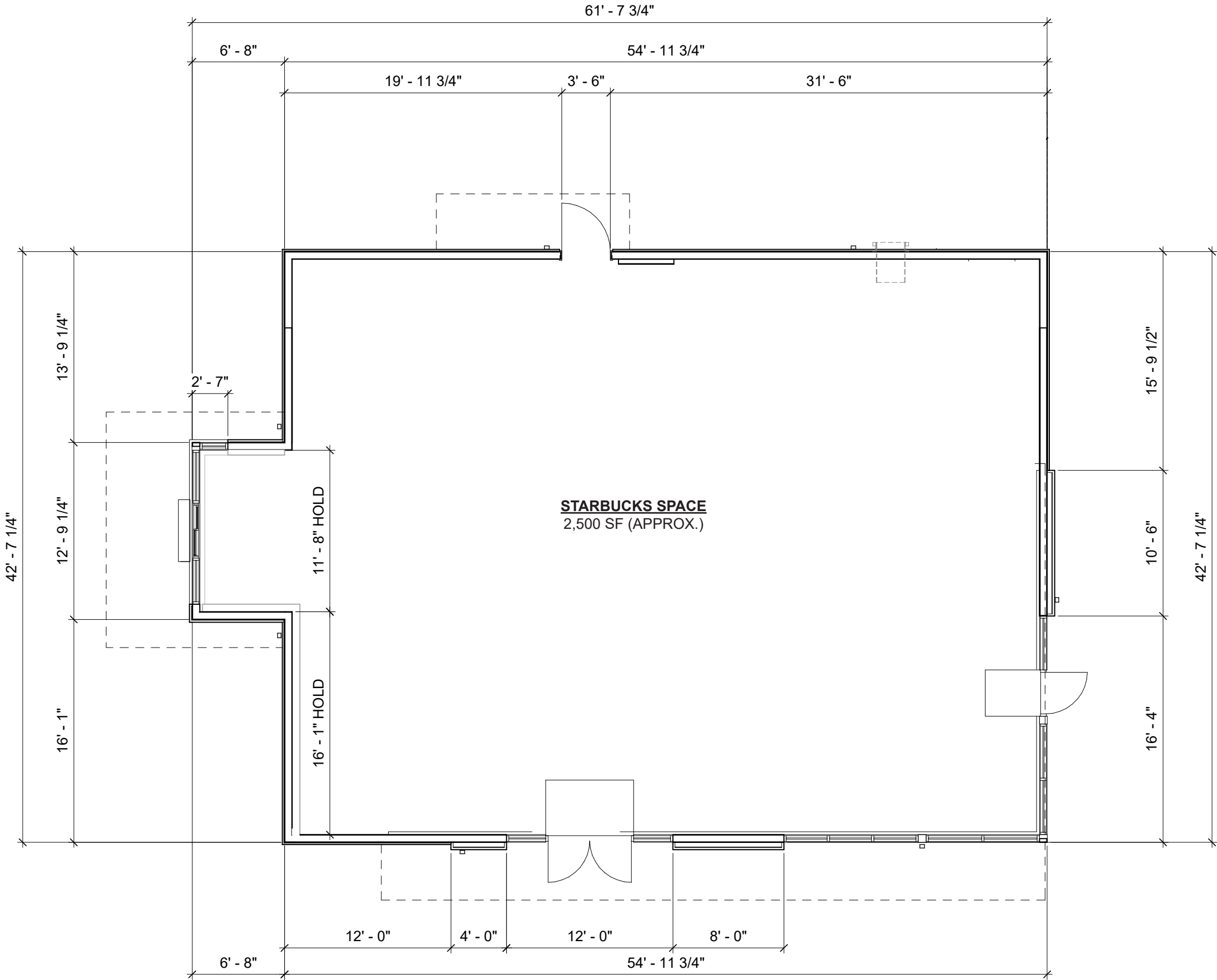
2 PATIO ENTRY

Scale: 1/4" = 1'-0"



1 MAIN ENTRY

Scale: 1/4" = 1'-0"



Restaurant with Drive-Thru



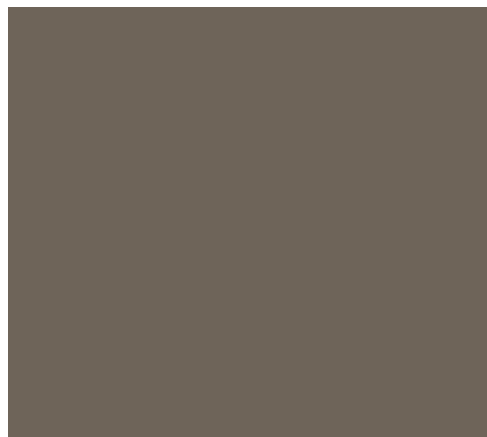
BRK-1: Summitville - 01034 Hanover



WD-1: ReSawn Timber Co. – RAILAY 1C



MTL-1: RAL #7013 Brown Grey



EIFS: SW 7026

ARCHITECTURAL COMPLIANCE APPLICATION

Morganton Park South – Phase 3
Town of Southern Pines, NC

Originally Submitted: October 2, 2023
Revised: November 15, 2023

**AN ORDINANCE AMENDING
STREAMBANK STABILIZATION BUDGET**

BE IT ORDAINED, by the Town of Southern Pines Town Council, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project budget is hereby amended:

Section 1: The project authorized is for the purpose of stabilizing the erosion of the streambank behind the Fire and Police Stations.

Section 2: The officers of this unit are hereby directed to proceed with the capital reserve fund within the terms of the budget contained herein.

Section 3: The following additional amount is appropriated for the project:

Construction	<u>\$ 60,000.00</u>
Total Additional Project Appropriation	<u>\$ 60,000.00</u>

Section 4: The following additional revenue is anticipated to be available for this project:

Transfer In General Fund	<u>\$ 60,000.00</u>
Total Additional Project Revenues	<u>\$ 60,000.00</u>

Section 5: Copies of this capital project ordinance shall be furnished to the Clerk to the Governing Board, and to the Finance Officer for direction in carrying out this project.

Section 6: This amended ordinance becomes effective November 28, 2023.

I certify that this ordinance was adopted by the Town Council of the Town of Southern Pines at its meeting of November 28, 2023 as shown in the minutes of the Town Council for that date.

Elizabeth Robertson, Town Clerk

**AN ORDINANCE
AMENDING THE 2023/2024 FISCAL YEAR BUDGET**

BE IT ORDAINED AND ESTABLISHED by the Town Council of the Town of Southern Pines in regular session assembled this 28th day of November, 2023 that the Operating Budget for the Fiscal Year 2021/2022 be and hereby is amended as follows:

<u>DEPARTMENT</u>	<u>LINE ITEM</u>	<u>CODE</u>	<u>INCREASE</u>	<u>DECREASE</u>
General Fund	Transfer to – CP Streambank Stabilization	10-670-5000	\$60,000.00	
General Fund	Fund Balance Appropriations	10-397-1000	\$60,000.00	

I certify that this ordinance was adopted by the Town Council of the Town of Southern Pines at its meeting of November 28, 2023 as shown in the minutes of the Town Council for that date.

Elizabeth Robertson, Town Clerk



Report to the Town Council, and Management

Town of Southern Pines, North Carolina

Results of the 2023 Financial Statement Audit, Including Required Communications

June 30, 2023

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information • As of and for the year ended June 30, 2023 • Conducted in accordance with our contract dated May 1, 2023
Our Responsibilities	FORVIS is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope and Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards issued by the Comptroller General of the United States (GAGAS)</i> is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.

FORVIS

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office

Matter	Discussion
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • Town Council, and Management • North Carolina State Treasurer, Local Government Commission

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of June 30, 2023, on the following as required by GAGAS: • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

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Qualitative Aspects of Significant Accounting Policies and Practices

The following matters are detailed in the following pages and included in our assessment:

**Significant Accounting
Policies**

**Unusual Policies or
Methods**

**Alternative Accounting
Treatments**

**Management Judgments
& Accounting Estimates**

**Financial Statement
Disclosures**

**Our Judgment About the
Quality of the Entity's
Accounting Principles**

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Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- GASB 96 *Subscription-Based Information Technology Arrangements (Subscriptions)*

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature):

- No matters are reportable

Alternative Accounting Treatments

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Management's estimate of depreciable lives of capital assets, which is based on the expected useful lives of individual capital assets.
- Management's estimate of the terms and discount rates used for discounting lease receivables, lease liabilities, and SBITA liabilities, which are based on assumptions surrounding the Town's incremental borrowing rates.
- Management's estimate of the value of donated or developer dedicated capital assets, which is based on projected acquisition value.
- Management's estimate of the allowance for doubtful accounts is based on historical collection experience and collateral.
- Management's estimates of the liabilities related to the pension plans, as well as the related deferred inflows and outflows of resources, which are based on actuarial assumptions and projections that are provided by third parties based on information provided by management.

Financial Statement Disclosures

- No matters are reportable

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Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Significant Accounting Policies & Alternative Treatments – Details

GASB 96, *Subscription-Based Information Technology Arrangements (Subscriptions)*

Effective July 1, 2022, the Entity adopted GASB 96, *Subscription-Based Information Technology Arrangements (Subscriptions)*. GASB 96 creates a model for recognizing assets and liabilities related to subscription-based information technology arrangements (SBITAs). Substantially all SBITAs are recognized on the Entity's statement of net position.

In the activity statement, the Entity no longer reports subscription expense for the previously classified arrangements but instead report interest expense on the liability and amortization expense related to the asset.

Adoption of GASB 96 required significant time to identify a complete list of contracts for consideration of adoption and measure the assets and liabilities for recognition. In addition, due to adoption of the standard, the Entity's key performance indicators related to the statement of net position (such as the current ratio) may not be comparable to historical results.

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Lease related adjustments including an adjustment to decrease lease assets by \$37,793 and to decrease lease liabilities by \$10,809 for governmental activities
- SBITA related adjustment to increase SBITA assets recorded by \$33,324
- An adjustment to accrue a previously unrecorded construction liability within the water and sewer capital projects fund for \$276,090
- Adjustment to record grant funds receivable within the water and sewer capital projects fund for \$68,779

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Uncorrected Misstatements

- No uncorrected misstatements

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

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Required Communications Regarding Internal Control (AU-C 265)

Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Town of Southern Pines, North Carolina, as of and for the year ended June 30, 2023, in accordance with GAAS, we considered the Entity's internal control over financial reporting (internal control).

This consideration served as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinion on the financial statements.

However, this consideration was not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:

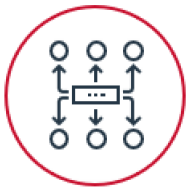
- Town Council, and Management

Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Categorizing Deficiencies by Severity

Deficiency

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.



Significant Deficiency

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the Entity's financial statements will not be prevented or detected and corrected on a timely basis.



FORVIS Investments Driving Innovation

Collaboration Portals

Our proprietary collaboration tool **MyFORVIS** manages task lists, deadlines, and securely exchanges data.

Data Analytics

With MindBridge and Alteryx, and our own proprietary tools and teams, we ingest, verify, and analyze your data for specific matters and general anomalies.

Unstructured Data

We leverage machine learning to speed evaluation of lease, debt business combination, and other agreements using Kira that identifies and highlights terms and clauses of interest.

Automation

Time-consuming audit tasks like comparing Excel lists to supporting documents or salary detail to payroll records is accelerated using DataSnipper.

Risk-Based Sampling

Proprietarily created applications or off-the-shelf solutions like TeamMate Analytics power sampling techniques to rapidly evaluate large data sets, reducing low-value work and cost.

Transforming the Future

FORVIS is simultaneously building ASSURE, our proprietary audit solution, while joining the profession to build the AICPA's Dynamic Audit Solution. These tools will transform risk assessment and response while improving your audit experience.

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Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Preliminary Draft

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Attachment A

Management Representation Letter

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Representation of:
Town of Southern Pines, North Carolina
PO Box 870
Southern Pines, North Carolina 28388

Provided to:

FORVIS, LLP

Certified Public Accountants
1829 Eastchester Drive
High Point, North Carolina 27265

The undersigned ("We") are providing this letter in connection with FORVIS' audit of our financial statements as of and for the year ended June 30, 2023.

Our representations are current and effective as of the date of FORVIS' report: November 28, 2023.

Our engagement with FORVIS is based on our contract for services dated: May 1, 2023.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of FORVIS' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data,

documentation, and other matters.

- b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of governing body meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.
 - e. All significant contracts.
4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

- 5. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
- 6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
- 7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
- 8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
- 9. We have a process to track the status of audit findings and recommendations.
- 10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

Misappropriation, Misstatements, & Fraud

- 11. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
- 12. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial reporting, or

b. Others when the fraud could have a material effect on the financial statements.

13. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, SEC or other regulators, short-sellers, suppliers, or others.
15. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

16. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management’s plans not yet fully implemented and concluded substantial doubt does not exist.

Related Parties

17. We have disclosed to you the identity of all of the entity’s related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

18. We understand that the term related party refers to:

- Affiliates
- Entities for which investments are accounted for by the equity method
- Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting

parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings & Regulations

19. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
20. We have provided you with all examination reports, agreements and related correspondence from regulatory agencies and any related findings.
21. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
22. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
23. There are no regulatory examinations currently in progress for which we have not received examination reports.
24. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations:
 - a. Provision has been made for any material loss that is probable from environmental remediation liabilities associated with [name of site]. We believe that such estimate is reasonable based on available information and that the liabilities and related loss contingencies and the expected outcome of uncertainties have been adequately described in the entity's financial statements.

Nonattest Services

25. You have provided nonattest services, including the following, during the period of this engagement:
 - Preparing a draft of the financial statements and related notes and supplementary information
 - Preparing entries to convert from modified accrual to full-accrual basis statements
 - Uploading of financial statements, compliance reports and the Data Input Worksheet to the North Carolina State Treasurer's website
26. With respect to these services:
 - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - b. We have established and monitored the performance of the nonattest services to ensure

they meet our objectives.

- c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
- d. We have evaluated the adequacy of the services performed and any findings that resulted.
- e. Established and maintained internal controls, including monitoring ongoing activities.
- f. When we receive final deliverables from you we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

- 27. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
- 28. With regard to supplementary information:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
 - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

We do not issue an annual report, nor do we have plans to issue an annual report at this time.

Transactions, Records & Adjustments

- 29. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 30. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
- 31. We have everything we need to keep our books and records.
- 32. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
- 33. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the entity's accounts.

34. There are no uncorrected misstatements or omitted disclosures.

Governmental Accounting & Disclosure Matters

35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. With regard to deposit and investment activities:
- a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
 - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
37. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
38. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
39. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
41. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
42. The entity has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
43. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.
44. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, and pension information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The

information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

45. With regard to pension benefits:

- a. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- b. We have provided you with the entity's most current pension plan instrument for the audit period, including all plan amendments.
- c. The participant data provided to you related to pension plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
- d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

46. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
47. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
48. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
49. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
50. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.
51. We have exercised due care in the preparation of the introductory and statistical sections included in our annual comprehensive financial report (ACFR) and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

Accounting & Disclosures

52. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
53. Except as reflected in the financial statements, there are no:
- a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit or similar arrangements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.
54. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual agreements, for which noncompliance would materially affect the financial statements.

Revenue, Accounts Receivable, & Inventory

55. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.
 - b. Excess or obsolete inventories.
 - c. Sales commitments, including those unable to be fulfilled.
 - d. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

56. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
57. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition we have no knowledge of concentrations, which refer to volumes of business, revenues, available sources of supply, or markets, loans, investments, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

58. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
- a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated course of action.
 - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
 - c. The significant assumptions appropriately reflect market participant assumptions.
 - d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

GASB Statement 96, Subscription-Based Information Technology Arrangements

59. In connection with the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, (GASB 96), we represent the following:
- a. We have identified a complete population of potential subscription-based information technology arrangements (SBITAs) as of the implementation date.
 - b. We have reviewed all significant contracts to identify subscription and nonsubscription components as of the earliest date of adoption. Allocation of costs between subscription and nonsubscription components are based upon standalone prices or other reasonable factors.
 - c. Measurements of the subscription assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
 - d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management’s plans for the SBITA.

- e. The discount rates for each SBITA are based upon what would be obtained by the entity for similar payment amounts during the subscription term as an incremental rate.
- f. We have adequate controls in place to prevent and/or detect errors in subscription assets and liabilities on a recurring basis.
- g. The footnotes to the financial statements appropriately describe the adoption of GASB 96 and include all additional disclosures required under the GASB 96.

Reagan Parsons, Town Manager

Tess Brubaker-Speis, Finance Director

Preliminary Draft

MEMO

To: Reagan Parsons, Town Manager
From: Jessica Roth, Assistant Town Manager

Date: November 17, 2023
Re: 2024 Council Appointments

Individual councilmembers are appointed by the body each year to serve in various capacities and manage certain responsibilities. Some of these roles are currently held by Mayor Haney and Mayor Pro-Tem Murphy and will need to be addressed at the December 5th meeting when they leave the Council.

Role	Description	Schedule ¹	Current Appointee
Mayor Pro-Tem	Perform the duties of Mayor in the Mayor's absence or disability – lead Council meetings, attend meetings or events, etc.	As needed	Paul Murphy
Treasurer	2 nd signature on checks issued by Town. Other financial oversight, as needed.	Checks are signed weekly	Bill Pate
Vice Treasurer	Perform duties in the Treasurer's absence or disability	As needed	Taylor Clement
Central Pines Regional Council Managing Board	The Managing Board oversees the CPRC, including policy direction, managing a budget of over \$45 million and 55 employees, and administrative oversight for the Durham-Chapel Hill-Carrboro MPO. The CPRC includes 40 municipalities and 7 counties and each has a voting seat on the Board. Visit www.centralpinesnc.gov for more details.	The 2024 schedule includes 6 meetings, which are on Wednesday evenings. ² The meetings are in Durham or on-site with one of the member governments.	Delegate: Mayor Haney Alternate: Bill Pate
Sandhills Metropolitan Planning Organization (MPO)	A federally identified transportation planning organization that discusses, ranks, and recommends transportation priorities to state officials. This is a new entity, formed in 2023, since the population of Southern Moore County has now surpassed 50,000. The MPO includes representatives from Aberdeen, Foxfire, Pinebluff, Pinehurst, Southern Pines, Taylortown, Whispering Pines, and Moore County.	Meeting schedule & commitment TBD	Delegate: Taylor Clement Alternate: Ann Petersen

¹ The listed schedule or time commitment is based on the status quo, as of November 2023. Meeting schedules or expectations are always subject to change, especially for external organizations.

² The CPRC is hosting a ribbon cutting and open house for their new facility in Durham. This event is the afternoon of Wednesday, January 24. Our delegate and alternate will be invited and the first meeting of the year will follow at 6pm.

Moore County Economic Development Partnership	MCEDP is the formal economic development “arm” for Southern Pines. The Town contributes financially each year to supporting MCEDP. Their role is to facilitate economic, community, and workforce development initiatives to bring quality jobs and capital investment to Southern Pines and Moore. The Council delegate attends MCEDP meetings and informs the full Council on activities. Visit www.moorecountyedp.org for more details.	As needed	Delegate: Mayor Haney
Tri-Cities Work Group	This group includes Aberdeen, Pinehurst, and Southern Pines. Participants include each municipality’s Mayor plus an additional elected official and senior staff. The group works together through local opportunities, concerns, and similar involving the 3 local governments.	6 meetings/year with each municipality hosting twice. These are currently lunch meetings on Tuesdays.	Mayor Haney Bill Pate
Other TBD	It is likely that other opportunities or needs will arise, which might result in temporary commitments (work group or committee) or an ongoing role. These will be addressed, if and when, the need arises.		

MEMO

To: Reagan Parsons, Town Manager
From: Jessica Roth, Assistant Town Manager
Date: November 17, 2023
Re: 2024 Schedule for Council Meetings

At the November 8th agenda meeting, Councilmembers requested to review a potential schedule for 2024 meetings that reduces the number of meetings from three meetings to two each month. Based on this direction, I have prepared two options for Council review and consideration. Option A is the same schedule that Council used in 2023 (other than minor adjustments to avoid weeks with major holidays):

- 1st Tuesday, 6pm: Agenda meeting
- 2nd Tuesday, 6pm: Business meeting
- 4th Tuesday, 3pm: Work session

Option B eliminates the 1st Tuesday agenda meeting. Other than minor holiday adjustments, it is:

- 2nd Tuesday, 6pm: Business meeting
- 4th Tuesday, 3pm: Work session

The following table outlines some of the exceptions or nuances of which Council should be aware. These can be adjusted before the final schedule is adopted, if necessary.

Holiday/Event	Option A – 3 meetings	Option B – 2 meetings
New Year's Day Monday, January 1, 2024	Each meeting postponed 1 week: 1/9 agenda meeting 6pm 1/16 business meeting 6pm 1/30 work session 3pm	No change 1/9 business meeting 6pm 1/23 work session 3pm
Good Friday (March 29) & Moore County Spring Break (March 25-29)	3/26 work session is during that week; no change proposed	3/26 work session is during that week; no change proposed
Budget Retreat¹	Tuesday 4/2 8:30am: agenda meeting 9am: budget retreat	Tuesday 4/2 9am
Independence Day Thursday, July 4th	Each meeting postponed 1 week: 7/9 agenda meeting 6pm 7/16 business meeting 6pm 7/30 work session 3pm	No change 7/9 business meeting 6pm 7/23 work session 3pm
Election Day Tuesday, November 5 (no municipal elections)	11/5 agenda meeting 6pm No location conflict since the Haney Room is not a polling place. Meeting could be moved to Wednesday, 11/6 if desired.	No meeting on Election Day

¹ Tentatively suggested for Tuesday, April 2, but it could be held any day during the first week of April.

Thanksgiving Thursday, November 28	Move work session to Tuesday, December 3rd at 3pm. Otherwise the 4th Tuesday is 11/26, during Thanksgiving week.	Move work session to Tuesday, December 3rd at 3pm. Otherwise the 4th Tuesday is 11/26, during Thanksgiving week.
December holidays Christmas Eve: Tues. 12/24 Christmas: Wed. 12/25 New Year's Eve: Tues. 12/31	If the above change is accepted for Thanksgiving, the following dates are suggested for the December meetings: 12/10 agenda meeting 6pm 12/17 business meeting 6pm December work session is traditionally not scheduled.	If the above change is accepted for Thanksgiving, staff also suggests moving the business meeting back one week to Tuesday, 12/17 at 6pm. Since the December work session is traditionally not scheduled, holding the business meeting on 12/10 would then result in no meetings for 5 weeks.

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Tue. 4/2 Agenda Mtg 8:30am Budget Retreat 9am						

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APRIL

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4/2 Budget Retreat | 9am

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OCTOBER

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NOVEMBER

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DECEMBER

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MEMO

To: Town Council

From: Reagan

Date: 11 21 2023

Re: Fire Truck Purchase Discussion

Per discussion dating back to the Budget Retreat, and recent actions to transfer \$1.5M to a Capital Fund in anticipation of having to replace two of our rolling stock in the Fire Department, Chief Cameron has been finalizing specifications and working to secure pricing and lead times for this essential apparatus. Specifically, we have two trucks coming due for replacement (typical target age for replacement 20yr. +/- depending on use and service record):

1. Unit 813, a 2005 HME Engine
2. Unit 81, a 2006 Pierce Ladder Truck

We have learned through initial discussion that delivery times currently range between 36 and 49 months, depending on a wide variety of factors, thus placing the delivery window within or just beyond the twenty-year target. The market has also changed since our last purchase in that prices are adjusted quarterly rather than annually for this equipment. The Town has taken advantage of discounts for “pre-pay” in the past, and both the amount of discount and realities around price increases (in addition to lead time) all point to a scenario where we are going to be ahead to get these two trucks ordered sooner than later.

With December 31st and a price increase just around the corner, staff wishes to discuss with Council moving forward with an order. We hope to have specific numbers for discussion by Tuesday, and will offer some alternative scenarios (and the expense likely associated) should we not move forward at this time. Clearly \$1.5M is not going to cover the expense of both trucks (nor even the ladder truck itself), however we are working to lock in pricing via provision of what would amount to a substantial percentage of payment ahead of December 31st with the remainder due in July 2024 (i.e. a new Budget.) Whatever decision is made, it will clearly have an impact on our upcoming development of the 2024-2025 Budget.

Staff looks forward to reporting our findings and discussion on Tuesday.

Town of Southern Pines

PFAS Settlement



WHAT?

WHAT IS PFAS

Per- and polyfluoroalkyl substances (PFAS) are a large group of manmade chemicals that are resistant to heat, water, and oil. PFAS have been classified by the U.S. Environmental Protection Agency (EPA) as an emerging contaminant on the national landscape. For decades, they have been used in many industrial applications and consumer products such as carpeting, waterproof clothing, upholstery, food paper wrappings, personal care products, fire-fighting foams, and metal plating. They are still used today.





WHERE?

WHERE DOES PFAS COME FROM?

There are thousands of PFAS chemicals, and they are found in many different consumer, commercial, and industrial products. Because of their widespread use and their persistence in the environment, many PFAS are found in the blood of people and animals all over the world and are present at low levels in a variety of food products and in the environment.





3M and Dupont Settlements

Both companies have settled a class action lawsuit for PFAS contamination

The Town of Southern Pines is a Class Member in both settlements

Class Members can Opt-Out of one or both settlements before December 11 for 3M and December 4 for Dupont





STAYING IN THE SETTLEMENT

- Southern Pines could see between \$1 to \$3 million dollars over a 9 year period
- Avoid Legal Complexity

OPTING OUT

- Future Risk of Additional Treatment Cost (potentially \$80 to \$100 million) which could be offset of Federal Funding
- Future Risk of Regulatory Changes
- Chances of Winning Future Lawsuit are low

CURRENT REGULATIONS

- PFAS are not currently regulated in public water systems
- PFAS have been included in the fifth Unregulated Contaminant Monitoring Rule (UCMR-5)
- UCMR-5 has set minimum reporting levels (MRL) for 29 different PFAS
- Most common PFAS have MRL of 4 parts per trillion or nano-gram/liter
 - 0.00000004 g/l
- All UCMR-5 testing completed on the Town's water source, Drowning Creek, to date have been below the listed MRLs

Contaminant	CASRN ¹	MRL ² (µg/L)	Additional Information
25 PFAS: EPA Method 533			
11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11Cl-PF3OUdS)	763051-92-9	0.005	PFAS are a group of synthetic chemicals used in a wide range of consumer products and industrial applications including: non-stick cookware, water-repellent clothing, stain-resistant fabrics and carpets, cosmetics, firefighting foams, electroplating, and products that resist grease, water, and oil. PFAS are found in the blood of people and animals and in water, air, fish, and soil at locations across the United States and the world.
1H,1H, 2H, 2H-perfluorodecane sulfonic acid (8:2FTS)	39108-34-4	0.005	
1H,1H, 2H, 2H-perfluorohexane sulfonic acid (4:2FTS)	757124-72-4	0.003	
1H,1H, 2H, 2H-perfluorooctane sulfonic acid (6:2FTS)	27619-97-2	0.005	
4,8-dioxa-3H-perfluorononanoic acid (ADONA)	919005-14-4	0.003	
9-chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (9Cl-PF3ONS)	756426-58-1	0.002	
hexafluoropropylene oxide dimer acid (HFPO-DA)(GenX)	13252-13-6	0.005	
nonafluoro-3,6-dioxaheptanoic acid (NFDHA)	151772-58-6	0.02	
perfluoro (2-ethoxyethane) sulfonic acid (PFEEESA)	113507-82-7	0.003	
perfluoro-3-methoxypropanoic acid (PFMPA)	377-73-1	0.004	
perfluoro-4-methoxybutanoic acid (PFMBA)	863090-89-5	0.003	
perfluorobutanesulfonic acid (PFBS)	375-73-5	0.003	
perfluorobutanoic acid (PFBA)	375-22-4	0.005	
perfluorodecanoic acid (PFDA)	335-76-2	0.003	
perfluorododecanoic acid (PFDoA)	307-55-1	0.003	
perfluoroheptanesulfonic acid (PFHpS)	375-92-8	0.003	
perfluoroheptanoic acid (PFHpA)	375-85-9	0.003	
perfluorohexanesulfonic acid (PFHxS)	355-46-4	0.003	
perfluorohexanoic acid (PFHxA)	307-24-4	0.003	
perfluorononanoic acid (PFNA)	375-95-1	0.004	
perfluorooctanesulfonic acid (PFOS)	1763-23-1	0.004	
perfluorooctanoic acid (PFOA)	335-67-1	0.004	
perfluoropentanesulfonic acid (PFPeS)	2706-91-4	0.004	
perfluoropentanoic acid (PFPeA)	2706-90-3	0.003	
perfluoroundecanoic acid (PFUnA)	2058-94-8	0.002	
4 PFAS: EPA Method 537.1			
N-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSAA)	2991-50-6	0.005	See above for PFAS information.
N-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSAA)	2355-31-9	0.006	
perfluorotetradecanoic acid (PFTA)	376-06-7	0.008	
perfluorotridecanoic acid (PFTrDA)	72629-94-8	0.007	
Metal/Pharmaceutical: EPA Method 200.7; SM ³ 3120 B (2017); SM ³ 3120 B-99 (1999); ASTM ⁴ D1976-20			
lithium	7439-93-2	9	Naturally occurring metal that may concentrate in brine waters; lithium salts are used as pharmaceuticals, used in electrochemical cells, batteries, and in organic syntheses.