



2021 Strategic Operating Plan

Village of Pinehurst, North Carolina



VILLAGE OF PINEHURST

2021 Strategic Operating Plan

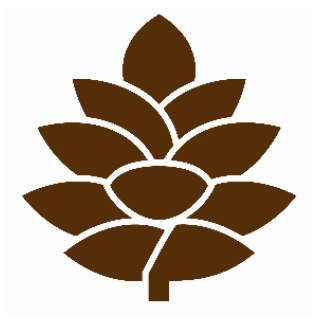
Including the

FY 2021 Budget



Village Council:

Council Member Kevin Drum, Treasurer Lydia Boesch, Mayor John Strickland,
Mayor Pro-Tem Judy Davis, Council Member Jane Hogeman



VILLAGE OF PINEHURST

**395 MAGNOLIA ROAD
PINEHURST, NC 28374**

910.295.1900

www.vopnc.org

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VISION

The Village of Pinehurst is a charming, vibrant community
which reflects our rich history and traditions.

MISSION

To promote, enhance, and sustain the quality of life
for residents, businesses, and visitors.

VALUES

Service, Initiative, Teamwork, and Improvement

VILLAGE SENIOR LEADERSHIP

Village Manager	Jeff Sanborn
Assistant Village Manager	Jeff Batton
Assistant Village Manager	Natalie Hawkins
Village Clerk	Beth Dunn
Organizational Performance Director	Lauren Craig
Financial Services Director	Brooke Hunter
Human Resources Director	Angela Kantor
Chief Information Officer	Jason Whitaker
Police Chief	Earl Phipps
Fire Chief	Carlton Cole
Planning and Inspections Director	Darryn Burich
Public Services and Engineering Director	Mike Apke
Parks and Recreation Director	Mark Wagner
Fleet Maintenance Director	Randy Kuhn



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Welcome to the Village of Pinehurst! This Strategic Operating Plan (SOP) document represents the plans of the Village Council and staff to achieve our vision and accomplish our mission. We hope this document will prove to be a valuable tool for Village citizens, businesses, visitors, Council, and staff.



The Pinehurst Village Hall, located at 395 Magnolia Road

Strategic Operating Plans can be very complex and confusing. Should there be any questions regarding information provided in this document, please contact the Financial Services Department at 910.295.1900.

The layout of the document is intended to take the reader from the broadest perspective (consolidated totals, etc.) to a more specific perspective (individual departments, divisions, etc.). Realizing that information needs differ for every reader, the document is divided into sections to make the information easy to locate.

Budget in Brief - The Budget in Brief provides an overview of the FY 2021 Budget that is a component of the Strategic Operating Plan. It helps the reader quickly understand what initiatives and other key elements are included in the annual budget.

Budget Message - In the Budget Message, the Village Manager discusses the proposed annual budget and any outside factors that were used in determining the budgeted expenditures and the revenues needed to cover these expenditures.

About Village Services - This section provides a description of the duties and responsibilities of the different Village departments and divisions.

Strategic Operating Plan Guide - This guide details the steps in preparing and adopting the annual budget, which is a component of the Strategic Operating Plan. A summary of key financial policies affecting the budget process is given. This section also includes the budget calendar, the budget planning phases, and a description of how the process works. Finally, it has a brief description of fund accounting, how the Village's finances are organized, and how to read the department tables contained in the *General Fund* section.



Strategic Priorities - This section provides an overview of the strategic planning process, the Village's Balanced Scorecard (BSC), and also contains the Council's strategic goals and objectives. Key Performance Indicators (KPIs) with short-term and long-term goals on the Village's Balanced Scorecard are also included in this section along with specific Initiative Action Plans (IAPs) aimed at achieving those performance targets.

General Fund - This section includes detailed information about General Fund revenues and assumptions used to determine budgeted amounts. Every Village department or division also appears with individual department profiles and budget summaries. Department goals, objectives, and Key Performance Indicators (KPIs) with short-term and long-term projections are also included. These are the most specific presentations within the document. This section also provides information on debt service and on capital expenditures contained in the current year budget.

Five-Year Financial Forecast - This section contains the Village's long-range financial forecast. The forecast is developed to ensure that adequate financial resources are available to meet future financial obligations. The forecast serves to inform decision makers of the long-term financial implications of the budgetary decisions they are making today.

Capital Improvement Plan (CIP) - The CIP outlines the Village's plan for the replacement and acquisition of capital assets over the five-year planning period. Capital assets include vehicles, equipment, infrastructure, and new facilities. The Village uses this plan to ensure that these investments are aligned with the Village's strategic direction.

Annual Budget Ordinance - The Budget Ordinance is the legally binding ordinance that establishes the new annual budget.

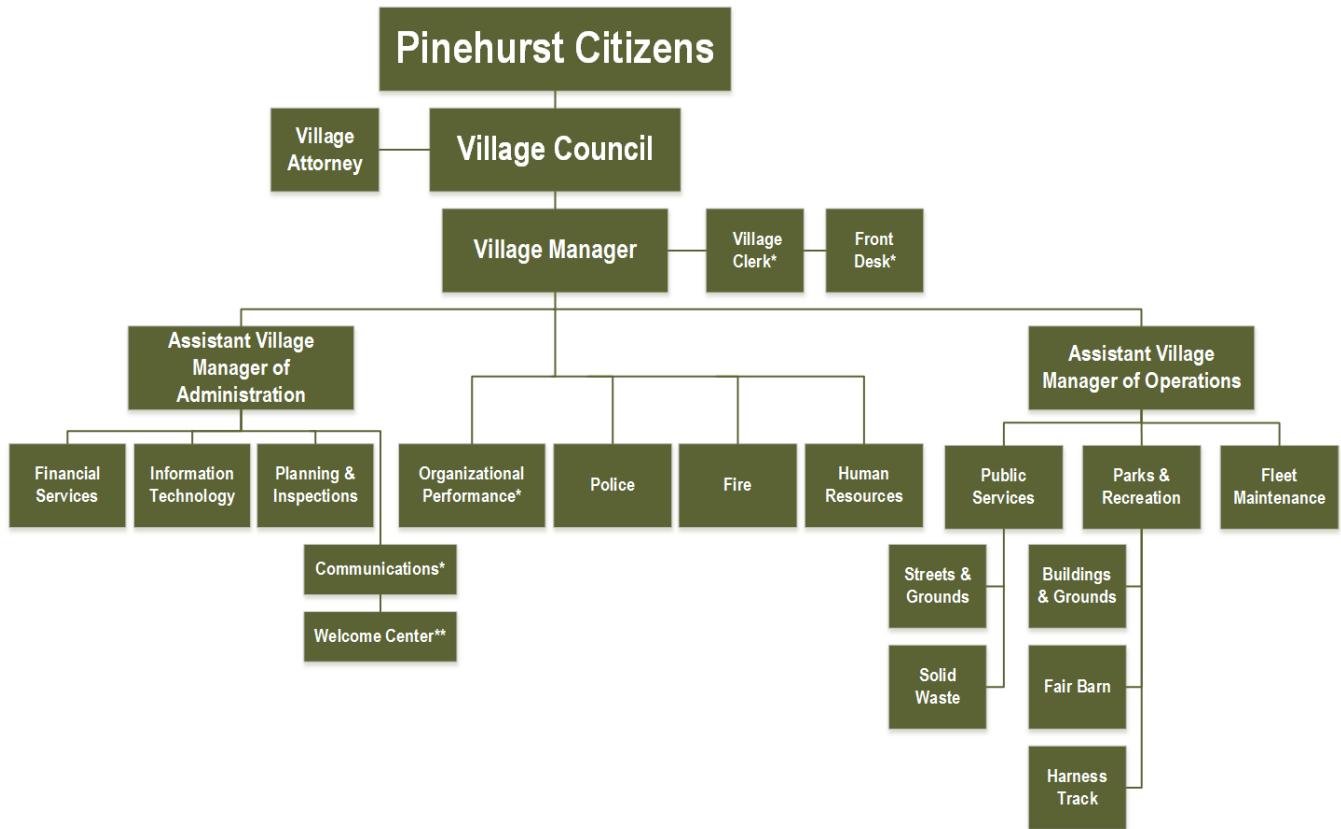
Budget Glossary - This section includes a list of common terms, acronyms and abbreviations used throughout the document. A detailed definition of these terms is provided to aid the reader in understanding the budget and strategic planning process.

Supplementary Information - This section includes miscellaneous information about the Village of Pinehurst, such as the history of the Village and other relevant economic data.

To find specific information addressed in individual sections, please refer to the *Table of Contents* in the front of the budget document.



Organizational Chart



*This function is included in the Administration Department for budget purposes.

**This function is included in the Community Development Department for budget purposes.

See the *Personnel Classification Summary* for details of full-time equivalents (FTEs) by department.



Personnel Classification Summary

Personnel expenditures make up 55% of the Village’s General Fund budget. The Personnel Classification Summary represents a five-year trend of staffing by function as well as a snapshot of the FTEs on which the FY 2021 Budget is based.

Fiscal Year 2021 Staffing By Function in Full-Time Equivalents

Classification Plan Summary	Budgeted FY 2017	Budgeted FY 2018	Budgeted FY 2019	Budgeted FY 2020	FY 2021 Change	Budgeted FY 2021	Projected FY 2025
General Government							
Administration							
Administration	7.0	7.0	8.0	8.0	-	8.0	8.0
Financial Services	3.5	4.0	4.0	4.0	-	4.0	4.0
Human Resources	2.5	2.8	2.8	2.8	0.2	3.0	3.0
Fleet Maintenance	3.0	3.0	3.0	3.0	-	3.0	3.0
Buildings and Grounds Maintenance	6.0	7.0	8.0	8.0	-	8.0	8.0
Information Technology	4.8	4.8	4.8	6.0	-	6.0	6.0
Total General Government	26.8	28.6	30.6	31.8	0.2	32.0	32.0
Public Safety							
Police	31.3	31.3	31.3	31.3	-	31.3	31.3
Fire	30.0	30.0	30.0	31.0	-	31.0	31.0
Inspections	2.0	2.0	2.0	3.0	-	3.0	2.5
Total Public Safety	63.3	63.3	63.3	65.3	-	65.3	64.8
Economic and Physical Development							
Planning	6.0	6.0	6.0	6.0	1.0	7.0	7.0
Community Development	0.5	0.5	0.5	0.5	-	0.5	0.5
Total Economic and Physical Development	6.5	6.5	6.5	6.5	1.0	7.5	7.5
Transportation							
Public Services Administration	3.0	3.0	3.0	4.0	-	4.0	4.0
Streets and Grounds	15.0	15.7	15.7	15.0	-	15.0	15.0
Total Transportation	18.0	18.7	18.7	19.0	-	19.0	19.0
Environmental Protection							
Solid Waste	9.0	9.0	9.0	9.0	-	9.0	9.0
Total Environmental Protection	9.0	9.0	9.0	9.0	-	9.0	9.0
Cultural and Recreation							
Parks and Recreation	6.7	6.7	6.7	7.7	-	7.7	7.7
Harness Track	4.3	4.3	4.3	4.3	-	4.3	4.3
Fair Barn	1.8	1.8	1.8	1.8	-	1.8	1.8
Total Cultural and Recreation	12.8	12.8	12.8	13.8	-	13.8	13.8
GRAND TOTAL	136.4	138.9	140.9	145.4	1.2	146.6	146.1

Population	16,123	16,452	16,754	17,100	N/A	17,331	18,517
Employees per 1,000 Population	8.5	8.4	8.4	8.5	N/A	8.5	7.9

The FY 2021 Budget includes an increase of 1.25 FTEs for two positions: A new Transportation Planner position is added to the Planning Department (1 FTE) and the existing 30-hour Human Resources Assistant position is increased to a full-time Human Resources Specialist (0.25 FTE). This change is rounded to 1.2 FTEs in the chart above.

See the *General Fund* section for departmental staffing expenditures and additional explanation of staffing changes.



GFOA AWARD FOR DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Village of Pinehurst for its annual budget for Fiscal Year 2020, which began July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets specific program criteria as a policy document, an operations guide, a financial plan, and a communications device. The award applies specifically to the Fiscal Year 2020 budget document and is valid for a period of one year. We plan to submit the Fiscal Year 2021 Budget to the GFOA for award consideration as well.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Pinehurst
North Carolina**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director



Performance Management Award

ICMA CERTIFICATE OF EXCELLENCE IN PERFORMANCE MANAGEMENT

The International City/County Management Association (ICMA) presented a Certificate of Excellence in Performance Management, the highest level of recognition, to the Village of Pinehurst in 2019 for its data-driven management and reporting efforts. In order to receive this award, recipients collect and verify data to ensure reliability, train staff in performance measurement, report data to the public through budgets, newsletters, and/or information provided to elected officials, provide comparative and benchmarking information to the public, use performance data in strategic planning and operational decision-making, share their knowledge with other local governments through presentations, site visits, and other networking activities, track and report key outcomes, survey residents and local government employees, incorporate data into performance dashboards or other visual communications, and foster the development of a performance culture throughout their organizations.

ICMA
INTERNATIONAL CITY/COUNTY
MANAGEMENT ASSOCIATION

This
Certificate of Excellence
is presented to

Pinehurst, NC

for exceeding the standards established by the International City/County Management Association in the identification and public reporting of key outcome measures, surveying of both residents and employees, and the pervasiveness of performance management in the organization's culture.

Presented at the 105th ICMA Annual Conference
in Nashville/Davidson County, Tennessee

21 October 2019


MARC A. OTT
ICMA EXECUTIVE DIRECTOR


KAREN PINKOS
ICMA PRESIDENT

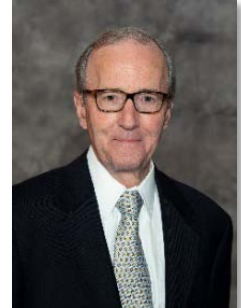


Letter from the Mayor

The Village Council is committed to ensuring Pinehurst is a charming, vibrant community which reflects our rich history and traditions. Each year, we ask residents and businesses for feedback on our services through the community and business surveys. Council and senior leaders used that feedback, along with other relevant data, to prepare the 2021 Strategic Operating Plan, which includes the Fiscal Year (FY) 2021 Budget.

Annually, the Council affirms the Balanced Scorecard and identifies strategic objectives as Areas of Focus to improve Village services. The three Areas of Focus for FY 2021 include:

- Managing development and enforcing codes and ordinances,
- Providing a safe and effective multi-modal transportation system, and
- Managing stormwater systems.



The \$21.3 million FY 2021 Budget contains a \$0.30 per \$100 valuation property tax rate, the lowest in the county, along with several great initiatives and projects that are sure to enhance the quality of life in the Village of Pinehurst.

This year, revenue forecasts are less certain than prior years because of the unknown economic impact of the COVID-19 pandemic on the Village and its residents. Actions the Village is taking to address this uncertainty include: 1) deferring the previously planned tax increase of \$0.05 for FY 2021 that was included in the Manager’s Recommended Budget, and 2) deferring several planned expenses until the financial impact of COVID-19 becomes clearer later in the fiscal year. The Village Council and staff will continue to be effective stewards of tax dollars with diligent financial oversight, especially during these uncertain economic times. The FY 2021 Budget advances our strategic goals and objectives and ensures the continued delivery of quality services that residents, businesses, and visitors require and expect.

I encourage you to read further about our plans and the FY 2021 Budget in our 2021 Strategic Operating Plan.

Sincerely,

John C. Strickland



Quick Facts

\$21.3 M
Total Budget

\$0.30
Per \$100 of Valuation
Tax Rate

7
Initiative Action Plans

1.25
Increase of Staff
Full Time Equivalents (FTEs)



Fiscal Year 2021 Initiative Action Plans

The FY 2021 Budget includes seven Initiative Action Plans (IAPs) at a cost of \$251,865 to address the Village's nine strategic goals, three of which are designated to address an Area of Focus (AOF). In the five-year planning period, there are eight IAPs totaling \$842,325. Additional information on IAPs, including costs to be incurred after FY 2021, can be found in the *Strategic Priorities* section of the 2021 Strategic Operating Plan. The FY 2021 Initiative Action Plans and the funding incorporated in the FY 2021 Budget include:

1. Police Department Accreditation (\$11,365)

The Police Department plans to implement law enforcement standards of the Commission on Accreditation for Law Enforcement Agencies (CALEA) and apply for Police Department accreditation.

2. Update the Pinehurst Development Ordinance AOF (\$0)

The Village will update the Pinehurst Development Ordinance to reflect priorities of the 2019 Comprehensive Plan and revisions required by changes in NC legislation. The Village will engage a consultant and incur expenses in FY 2022.

3. Small Area Plan for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area AOF (\$158,000)

The Village will engage a consultant to prepare two small area plans for the Village Place and the Rattlesnake Trail Corridor, which will be an update to and expansion of the previously adopted 2008 New Core Master Plan, and the Pinehurst South/Hwy 5 Commercial Area. These are two of five focus areas identified in the 2019 Comprehensive Plan.



4. Develop a Comprehensive Stormwater Master Plan AOF (\$0)

Develop a plan and strategy to address stormwater issues and concerns within the community. The Village will engage a consultant and incur expenses in FY 2022 for this IAP.

5. Build Baldrige Framework Systems and Culture (\$52,500)

The Village will continue using the Baldrige Excellence Framework to ensure systematic processes that deliver exceptional results and seek feedback from independent examiners in FY 2021.

6. Expand GIS Capabilities (\$23,000)

The Village will continue implementing the GIS Strategic Plan for the Village of Pinehurst.

7. Workforce Learning and Development (\$7,000)

Plans to expand the Village's succession planning process and enhance workforce learning and development will continue in FY 2021.

Future Year IAP: Develop a Consolidated Multi-Modal Transportation Plan AOF

Consolidate the Village's multi-modal transportation plans into one document that incorporates bicycle, pedestrian, and golf cart accessibility. This IAP is scheduled to begin in FY 2024.

Other Significant Projects Planned for FY 2021

- Resurfacing and patching for approximately 4.5 miles of roadways (\$1.3 million)
- Stormwater facility enhancements (\$260,000)
- Construct pedestrian facilities (\$250,000)
- Magnolia Road streetscape enhancements (\$250,000) ¹
- Consolidate and align multi-modal transportation planning (\$97,800) ¹
- West Pinehurst Park Master Plan (\$30,000) ¹
- Develop a comprehensive plan for mitigating future traffic on Highway 5 (\$0)

¹These budgeted projects will be deferred until the financial impact of COVID-19 becomes clearer

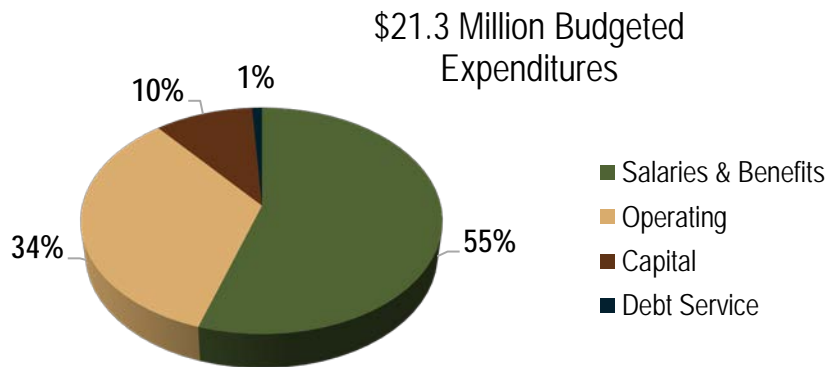


How will your tax dollars be spent in FY 2021?

The FY 2021 Budget for salaries and benefits for the Village’s 147 full-time equivalents (FTEs) accounts for 55% of total expenditures, or \$11.8 million. The budget includes a 1.8% cost of living adjustment and merit raises at an average of 2% per employee. The Village currently pays for 100% of health, dental, and vision insurance premiums for employee-only coverage.

New Positions Funded
HR Specialist (0.25 FTE)
Transportation Planner (1.0 FTE)

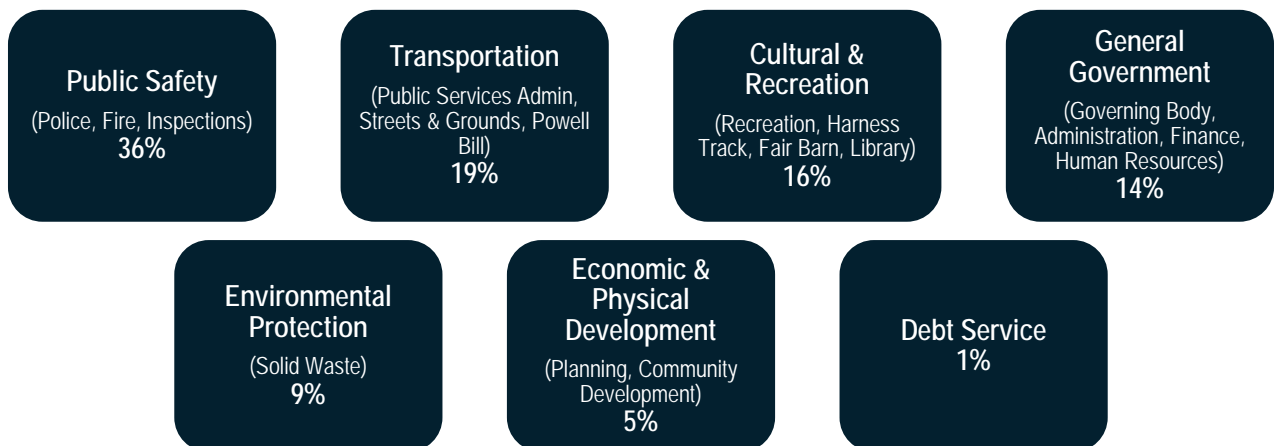
The FY 2021 Budget includes an increase of 1.25 full time equivalents (FTEs) for 2 positions (see *Personnel Classification Summary* for more details). A proposed restructure is also recommended in the FY 2021 Budget in Parks and Recreation to increase career development opportunities and enhance performance. Hiring of the new Transportation Planner position will be deferred until the financial impact of COVID-19 becomes clearer.



The FY 2021 Budget includes \$2.2 million in capital investment, or 10% of total expenditures. This represents an increase from last year’s General Fund capital expenditures, largely due to the replacement of a fire truck. However, this does not include approximately \$2.2 million spent in FY 2020 of the total estimated \$4.6 million Community Center project located in the Community Center Capital Project Fund (see Capital Expenditures section for additional details).

Significant operating costs include funding for Initiative Action Plans supporting the Council’s goals and objectives. The operating expenditures also include a \$1.3 million investment in street resurfacing and patching devoted to improving the quality of Village streets (see *Powell Bill* section for additional details).

Expenditures by Function





The Village continues to pay down its debts and at the start of FY 2021 has only \$142,000 in long-term debt outstanding. Total required principal and interest payments for FY 2021 amount to \$148,000, or 1% of the total annual budget. In FY 2021, the Village plans to accelerate the final Fair Barn debt payments scheduled for FY 2022 and fully pay off all remaining debt obligations.

Overall, the FY 2021 Budget totals \$21,261,917 or 3% below the prior year's amended General Fund budget as of December 31, 2019. The FY 2021 Budget as presented results in a per capita expenditure of \$1,227 based on a projected population of 17,331.

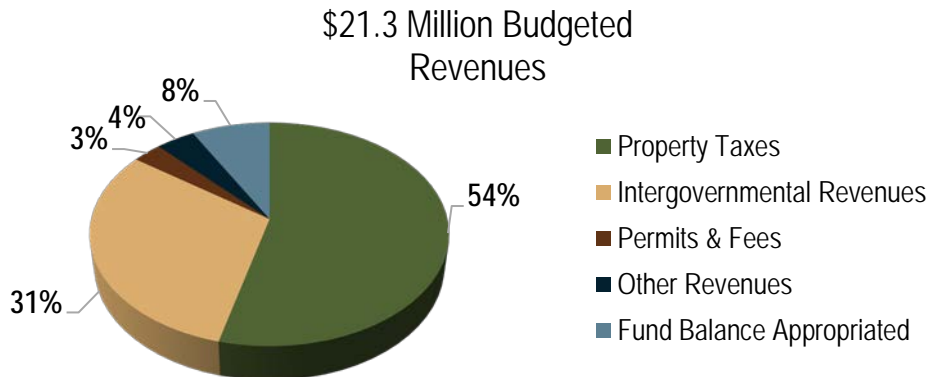
To maintain a healthy financial condition in these uncertain economic times, Village staff will closely monitor and control Village expenditures in FY 2021. Village staff will also defer several budgeted expenses until later in the year when the effects of the COVID-19 pandemic on Village finances becomes clearer.

How is the Village of Pinehurst Funded in FY 2021?

The primary revenue source for the Village is property taxes, accounting for 54% of total revenues, or \$11.4 million. In FY 2021, the Village will maintain the current \$0.30 per \$100 of valuation property tax rate, which is the lowest municipal tax rate in Moore County.

At \$6.6 million, intergovernmental revenues make up 31% of total General Fund revenues. These revenues include local option sales taxes, utility sales taxes, and other state-collected revenues. Of these, local option sales taxes are the largest intergovernmental revenue source for the Village, representing 17% of the total budget. Sales tax revenue for FY 2021 is projected below FY 2020 estimates due to the COVID-19 pandemic. Because sales tax revenue projections are less certain this year, Village staff will closely monitor sales tax collections each month and will defer some expenditures until the financial impact of the pandemic on this revenue source becomes clearer.

Because revenues historically come in at 101% of budget and expenditures typically fall 7% below budget, we estimate the Village will use \$84,544 of fund balance in FY 2021 in part due to deferring the previously planned tax increase. This will result in an ending fund balance of approximately 46% of General Fund expenditures. While this is above the Council's target fund balance policy range, it positions the Village well to address significant future projects.



Viewing the Budget Online

To view the FY 2021 Budget online, go to www.vopnc.org/sop.

On the Budget "launch" page, residents can open the entire FY 2021 Budget and Strategic Operating Plan document or an individual section, with a linked table of contents.



May 12, 2020

The Honorable John C. Strickland, Mayor
Members of the Village Council
Pinehurst, North Carolina

Dear Mayor Strickland and Members of the Village Council:

Pursuant to Section 159-11 of the North Carolina General Statutes (NCGS), I am pleased to present the 2021 Strategic Operating Plan including the recommended budget for Fiscal Year (FY) 2021 for your review and consideration. This document has been prepared in compliance with the requirements of the Government Finance Officers Association's Distinguished Budget Award program to provide a comprehensive view of the Village's 2021 Strategic Operating Plan. In order to qualify for the program, the Village's budget document must be proficient as a policy document, a financial plan, an operations guide, and a communications device.

FY 2021 marks the eighth year of the Village's strategic planning process. In FY 2014, the Village transitioned from adopting a separate Capital Improvement Plan (CIP) and operating budget to adopting a Strategic Operating Plan (SOP) that contains a one-year budget, a five-year financial forecast and a capital improvement plan. In FY 2012, the Village began a focused continuous process improvement effort by partnering with the Industrial Extension Services Department of North Carolina State University and participating in its North Carolina Awards for Excellence program. The goal of this program is to implement the Baldrige Excellence Framework. This framework provides an integrated approach to organizational performance management that results in the delivery of ever-improving value to our customers and improving the overall effectiveness of the organization. Implementation of this framework has transformed the Village's budgeting process into a more strategic, results-driven process. Resource allocation is now more closely aligned with the Village Council's strategies and focused on achieving the results articulated in the Village's Balanced Scorecard (BSC).

The FY 2021 Budget as presented was developed through the Village's strategic planning process. This process is described in detail in the *Strategic Priorities* section of this document. The strategic planning process includes the development of the Village's Balanced Scorecard (BSC). The BSC contains 9 strategic goals, 18 objectives, and 33 Key Performance Indicators (KPIs) with targets around which this SOP was developed. The BSC is the foundation upon which the SOP is developed to ensure the recommended budget helps us accomplish our vision of being a charming, vibrant community which reflects our rich history and traditions. This message provides information on how the SOP addresses our vision, mission, goals, and objectives in a meaningful and measurable way.

PRINCIPAL ISSUES FACING THE VILLAGE IN DEVELOPING THE SOP

In March 2020, the COVID-19 coronavirus pandemic reached North Carolina, causing concern for the health and well-being of our community. As cases continued to rise, North Carolina's Governor Roy Cooper issued multiple executive orders to implement social distancing measures, limit mass gatherings, close non-essential businesses, close schools, and encourage teleworking. By the end of March, a statewide stay-at-home order was issued in an attempt to slow the spread of the virus. Also during this time, unemployment claims spiked to historic levels. While the full impact of these conditions is yet to be seen, economists and government leaders expect the economic and revenue impact will be severe.



After responding to the operational impacts of the Governor's orders, the Village's next challenge involves revenue projections for the upcoming budget year and the five-year planning period. We project a decrease in local option sales tax revenue distributions for FY 2021 as businesses throughout the state close or limit operations. Investment income will significantly decline after the Federal Reserve reduced interest rates to a target range of 0-0.25% in March 2020. We also anticipate potential decreases in permitting and inspection fees, facility rentals, and recreation and athletic programming fees. All of these factors were considered when establishing revenue projections for the upcoming budget year.

The Village must ensure that it remains financially postured to respond to the effects of negative economic shocks, natural disasters and other major unanticipated expenses, as we have seen with the recent COVID-19 outbreak. To do so, it is important to maintain a healthy fund balance level.

In addition to the pandemic, growth in population and increased development are other key issues facing the Village in developing the FY 2021 SOP. According to the North Carolina State Demographer's Office, Pinehurst's population increased 25.4% from 2010 to 2016, making the Village the 12th fastest growing municipality in the state. While much of this growth resulted from annexation, this growth drives our need to plan for the long-term future of the Village, manage the impact of growth on the character of our community, address traffic and transportation related issues, and ensure adequate staff capacity and capabilities to continue to provide high quality services.

This year, the Village has seen continued growth in new construction for both single-family homes and non-residential construction. Fallout from the housing crisis of 2008 resulted in a drastic decline in new home construction in the Village. That trend reversed over the past few years. Prior to the housing crisis, the Village averaged 200 new single-family homes per year, which dropped to a low of 51 in 2010. We project approximately 185 homes will be constructed in FY 2020, the highest we have seen since the Great Recession. A lower estimate of 100 homes is projected for FY 2021 due to the depletion of buildable lots within Village limits and the unknown economic effects of the pandemic on new construction. The Village has also seen significant commercial development over the past four years, which is reflected in our tax base estimate.

The local unemployment rate has risen to 4.4% compared to 4.0% the previous year. This increase is reflective of state and national trends. The increase previews the effects COVID-19 has had on unemployment, but does not capture the full impact of the virus as claims continue to be submitted.

To address current and projected growth and development in the Village, the new Comprehensive Plan was adopted by Village Council in FY 2020. Utilizing the recommendations in this plan will help ensure the Village is positioned to grow in a way that helps us remain a charming, historic, and vibrant community. The FY 2021 Budget includes funding for the development of a small area plan for Village Place and the Rattlesnake Trail corridor and the Pinehurst South and Highway 5 commercial area. The Rattlesnake Trail area is one of the key gateways into the Village Center and is ripe for redevelopment, and the Pinehurst South and Highway 5 area has experienced increased traffic and congestion concerns in recent years. Also included in the FY 2021 Budget is funding for a new Transportation Planner who will provide consolidated transportation planning services for the Village and will serve as a resource when implementing some of the strategies identified in the Comprehensive Plan. This employee will analyze and project traffic data, review traffic-related impacts of proposed development, and evaluate key intersections for transportation and pedestrian safety improvements, along with many other multi-modal transportation-related responsibilities. Several other strategies identified in the 2019 Comprehensive Plan have been programmed over the five-year planning period.



Other external economic factors have affected our budget planning process. Hosting the U.S. Open Championship over the years has proven to positively impact golf-related tourism. Pinehurst Resort has continued to invest significantly in its properties in recent years, adding amenities to attract a much wider and younger demographic. Military relocations are also supporting growth in the housing market. The Village's name recognition and proximity to the largest US military base, Fort Bragg, make it an attractive location for families with military ties.

Another principal issue impacting the Village is workforce capacity in certain areas of our organization as services and programs expand to meet the needs of residents. To address this, the FY 2021 Budget includes the addition of 1.25 full time equivalents (FTEs).

Changes to the North Carolina Local Government Employees' Retirement System (LGERS) employer contribution rates continue to place significant operating pressures on the Village. Last year, the LGERS Board voted to increase state-mandated local government retirement contribution rates over the next five years, since actual investment returns for the plan were lower than anticipated. The increased rates are included in the FY 2021 Budget.

Cities nationwide are experiencing high landfill fees for recycled materials as a result of reduced worldwide demand for these materials. The Village is no exception, and the FY 2021 Budget incorporates these high tipping fees.

Like other cities in North Carolina, the Village is subject to potential legislative changes at the state level, which could significantly impact Village intergovernmental revenues. This year's legislative short session, like any session, could impact the Village's revenues or expenses. Since it is unclear at this time what impact, if any, might come from this session, no provisions for changes have been included in this budget.

PRIORITIES AND AREAS OF FOCUS

The recommended FY 2021 Budget provides a financial plan for the ensuing fiscal year and has been developed in accordance with the Village's financial policies and the Balanced Scorecard (BSC). At the annual strategic planning retreat, the Village Council identified nine strategic goals:

1. Safeguard the community,
2. Promote high quality development and appearance,
3. Promote a thriving business community,
4. Promote transportation mobility and connectivity,
5. Protect the environment,
6. Promote active living and cultural opportunities,
7. Professionally manage a high performing organization,
8. Attract and retain an engaged workforce, and
9. Maintain a healthy financial condition.



Based on identified strategic challenges and opportunities, community survey areas for improvement, and a review of performance levels relative to benchmark comparisons, the Village Council identified three strategic objectives as Areas of Focus (AOF) for FY 2021 at the annual strategic planning retreat. These include:

1. Manage development and enforce codes and ordinances
2. Provide a safe and effective multi-modal transportation system
3. Manage stormwater systems

The five-year planning period includes 8 Initiative Action Plans (IAPs) with incremental funding of \$842,325 to achieve the target performance levels on the BSC and address Areas of Focus. Of the 8 IAPs in the five-year period, 7 are scheduled to begin in FY 2021 (or continue from FY 2020) and 1 is scheduled to begin in FY 2024 to develop a consolidated multi-modal transportation plan. The *Strategic Priorities* section of this document provides additional details on these initiatives that are aimed at achieving the strategic objectives on the BSC and addressing the Council’s Areas of Focus.

Strategic Goal	Strategic Objective	Initiative Action Plans (IAPs)	Fiscal Year(s)
Safeguard the community	Deliver effective police services	Police Department Accreditation	2021
Promote high quality development and appearance	Manage development and enforce codes and ordinances <i>AOF</i>	Update the Pinehurst Development Ordinance	2021-2025
		Small Area Plan for Village Place/Rattlesnake Trail Corridor and Pinehurst South/Highway 5 Commercial Area	2021
Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system <i>AOF</i>	Develop a consolidated multi-modal transportation plan	2024-2025
Protect the environment	Manage stormwater systems <i>AOF</i>	Develop a comprehensive stormwater master plan	2021-2023
Professionally manage a high performing organization	Continuously improve and innovate	Build Baldrige Framework Systems and Culture	2021
		Expand GIS Capabilities	2021
Attract & retain an engaged workforce	Provide a supportive and rewarding work environment	Workforce Learning and Development	2021

AOF - Items in red are IAPs that support Council’s Areas of Focus

Of the 8 IAPs planned for the five-year period, only 3 were added this year: 1) update the Pinehurst Development Ordinance, 2) develop a consolidated multi-modal transportation plan, and 3) develop a comprehensive stormwater master plan. The remaining 5 IAPs are ongoing initiatives from FY 2020. One IAP from FY 2020, the small area plan for Village Place/Rattlesnake Trail Corridor, was expanded to include Pinehurst South/Highway 5 Commercial Area as well. Other examples of ongoing initiatives include expanding GIS capabilities and building Baldrige framework systems and culture, both of which are significant initiatives that spanned multiple years. Funding to maintain current service levels has been provided and service level improvements are focused in transportation and planning & development with targeted investments of resources.



FY 2021 GENERAL FUND RECOMMENDED BUDGET

OVERVIEW

The General Fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund. Over the past few years, the Village has closed out several special revenue funds, leaving the General Fund as the Village's only annually budgeted fund.

When preparing the FY 2021 SOP, Village Management adhered to the following budgetary principles:

- Maintain adequate funding levels to provide basic Village services,
- Seek to contain operating costs while adequately funding infrastructure and capital replacements,
- Maintain a fund balance in the range of 30% to 40% of budgeted expenditures, per the Village's Fund Balance Policy, and
- Uphold sound budgetary principles such as using conservative revenue estimates and maintaining healthy operating margins.

The FY 2021 recommended General Fund budget totals \$21,261,917. This is a decrease of 3% from the FY 2020 amended General Fund Budget as of December 31, 2019. That budget was \$21,871,796 and included a one-time contingency appropriation of \$1 million that was used as a budgetary technique to return the \$1 million from the Given Memorial Library capital campaign trust account to fund balance. The recommended budget as presented results in a per capita expenditure of \$1,227 based on a projected population of 17,331.

Approximately 77% of all General Fund operating revenue comes from ad valorem taxes and local option sales taxes. Over the past decade, the Village's revenue sources have become much less diversified due to the repeal of taxes at the state level. Dependence on the ad valorem tax has increased as a result.

Overall, the recommended budget for the General Fund utilizes \$1,414,467 of appropriated fund balance. Historically, operating revenues come in at 101% of budget, while operating expenditures typically fall 7% below budget. The amount of fund balance that is appropriated this year is less than the budget variance amount by approximately \$106,000. The recommended budget results in fund balance as a percentage of expenditures that is approximately 46.9%. Included in fund balance is \$1 million returned from the library capital campaign account in FY 2020, which equates to approximately 4.7% of expenditures. Excluding the \$1 million returned from the library, fund balance as a percentage of expenditures would be approximately 42.2%, which is slightly above the Council's adopted policy range for fund balance of 30% to 40% of General Fund expenditures. This would position the Village well to address one or more of anticipated significant future projects or to maintain service levels during a time of economic uncertainty.

SOURCES OF REVENUE

The General Fund's primary sources of revenue include:

- Ad valorem taxes,
- Local option sales taxes,
- Intergovernmental revenues,
- Permits and fees, and
- Sales and service revenues.

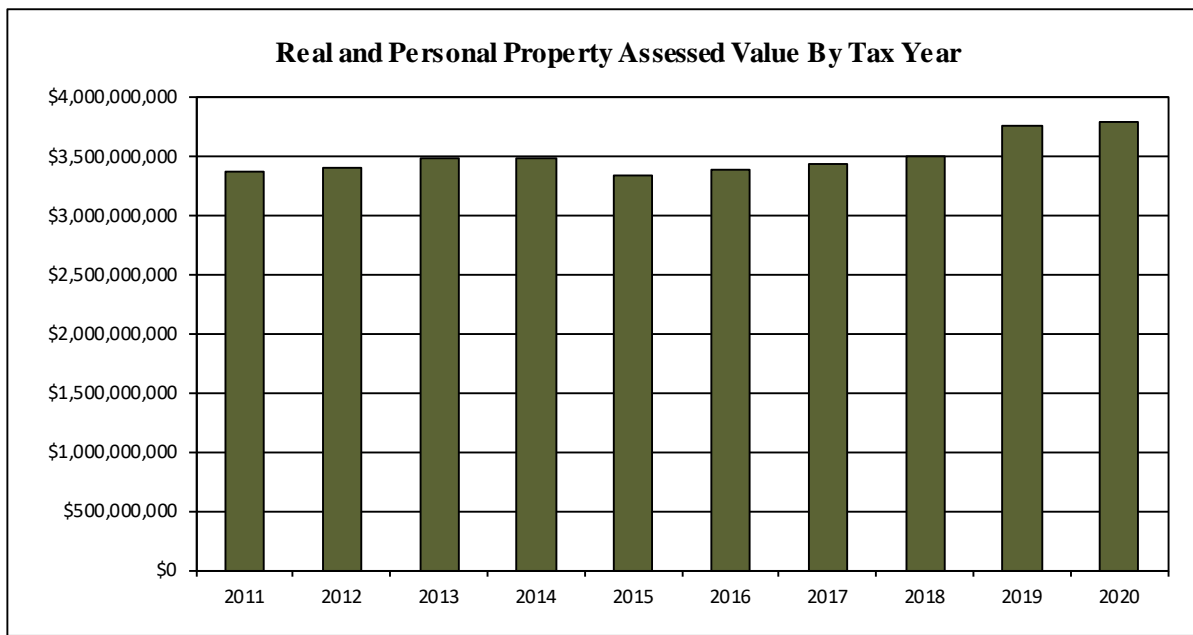


Ad Valorem Taxes (Property Taxes)

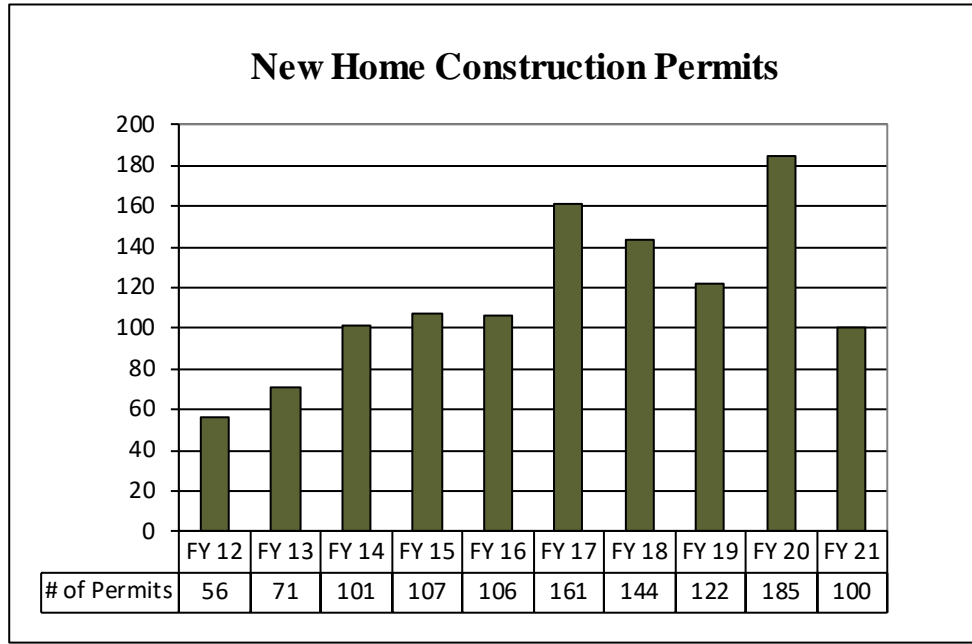
Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by the value of the property, not by the owner's ability to pay. Thus, it is often called an "ad valorem" tax, from the Latin phrase meaning, "according to value."

In North Carolina, property tax rates are customarily expressed in dollars per \$100 valuation. The maximum property tax rate allowed in North Carolina is \$1.50 per \$100 of valuation. This proposed budget recommends a property tax rate of \$0.305 per \$100 of valuation, which is the lowest municipal tax rate in Moore County. This means that for every \$100,000 in value of property, \$305 of ad valorem tax is due. With an anticipated collection rate of 99.9% for real and personal property and 100.0% for motor vehicles, the Village typically achieves one of the highest tax collection rates in the State of North Carolina. A penny on the tax rate generates approximately \$374,000 in revenue. Total ad valorem tax revenues are projected to be \$11,592,000 in FY 2021. In North Carolina, the ad valorem tax is the only significant source of revenue that the State allows local governments to control. This revenue accounts for 58% of the General Fund's operating revenues.

All property in the county was revalued by Moore County as of January 1, 2019. As a result of this revaluation, the average property in the Village of Pinehurst appreciated in value by 5.38%.



Our budget estimates assume an average growth in the property tax base of 1.28% for real property and 1.00% for motor vehicles for FY 2021. Since the majority of the Village's property tax base is residential property, our new home construction projection is a critical component of the financial forecast. The housing market experienced significant growth in FY 2020 with a 12-month estimate of 185 homes constructed. This is the highest number of homes constructed since FY 2007 before the Great Recession. Because of volatility in the market related to COVID-19 and decreasing lot availability, we are expecting to permit 100 homes in FY 2021.

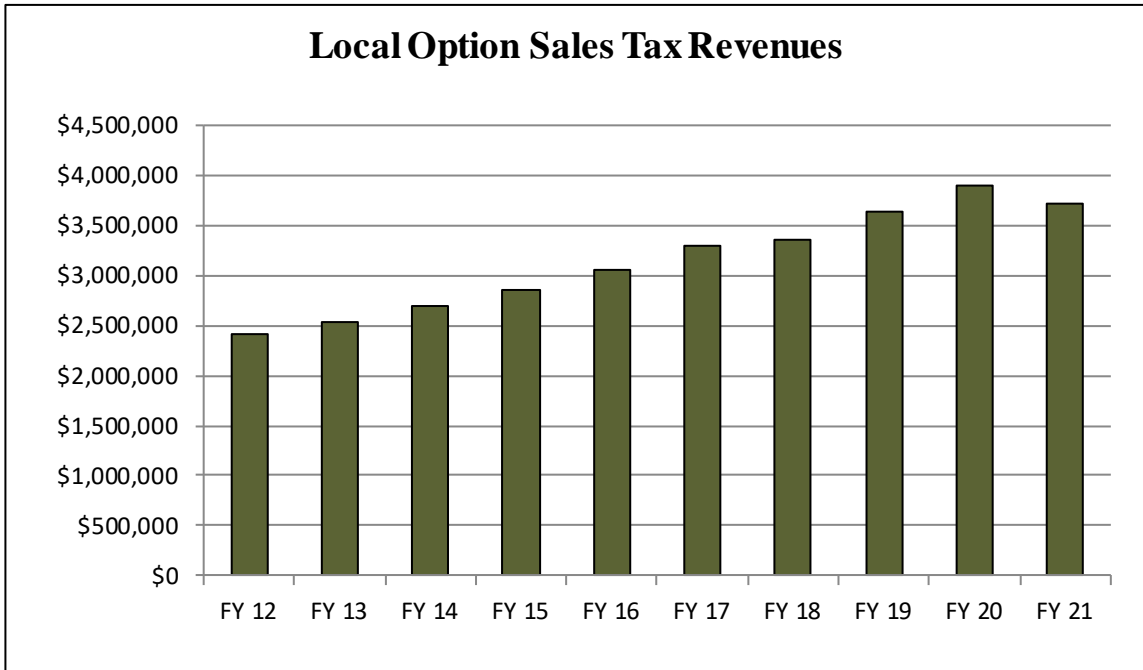


Intergovernmental Revenues

Intergovernmental revenues consist primarily of the local option sales taxes, utility sales taxes, hold harmless sales tax reimbursements, and the Powell Bill allocation.

Two and one-quarter (2.25) cents of the seven (7) cents paid in sales tax on retail sales in North Carolina represents the local share of this tax. This tax consists of a one percent tax that was first levied in 1971, a one-half percent tax levied in 1983, a one-half percent tax levied in 1986, and a one-quarter percent tax levied in 2019. The state collects the sales taxes and distributes them to local governmental jurisdictions, with the exception of the one-quarter percent tax, which remains with Moore County to support education. Sales tax revenues are distributed on a proportional population basis to municipalities within Moore County.

As the Village’s second largest revenue source, local option sales tax is expected to generate approximately 19% of the Village’s operating revenues, or \$3,716,000 in FY 2021. In FY 2020, before impacts of the COVID-19 pandemic began in March 2020, North Carolina local sales tax collections experienced strong growth due to an expanding economy and the collection of sales tax on most online transactions. However, unemployment claims at historic high levels, stringent social distancing measures, required closures of non-essential businesses, and stay-at-home orders issued in an attempt to slow the spread of COVID-19 have resulted in an economic downturn. We are projecting a decrease of 10% in sales tax revenue in the last quarter of FY 2020, a decrease of 5% in the first quarter of FY 2021 and no growth in the remaining months of FY 2021. The collection of sales tax on online transactions in FY 2021 may help mitigate a portion of the economic downturn. As the following chart illustrates, sales tax revenues returned to average historical growth levels, prior to the impacts of COVID-19.



Utility sales taxes are collected by the State and are distributed to the Village based on actual receipts from the providers of electricity, telephone, and video services within the Village’s limits. Hold harmless sales tax reimbursements were granted to municipalities after the Article 44 sales tax was repealed by the State. The Powell Bill allocation from the State is restricted to maintaining, repairing, or constructing Village owned streets and rights-of-way. Total intergovernmental revenue, including sales taxes, is estimated to be \$6,601,100 for FY 2021, or approximately 33% of General Fund operating revenues. This is an increase of approximately 1.0% over budgeted intergovernmental revenues in FY 2020.

Permits and Fees

Permits and fees consist primarily of planning and inspection fees associated with residential and non-residential development within the Village and its extraterritorial jurisdiction (ETJ). In addition, fire district revenues are included with permits and fees. Fire district revenue comes from Moore County and Taylortown, a neighboring community, for the Village’s Fire Department providing fire protection services to areas outside of the Village’s municipal limits. Total permits and fees revenues are expected to be \$626,600 in FY 2021, or approximately 3% of total General Fund operating revenues. This is a decrease of approximately 32.3% over budgeted permits and fees revenue in FY 2020.

Sales and Services Revenues

Sales and services revenues consist primarily of Harness Track stall rentals, Fair Barn rentals, and recreation fees. The Village owns and operates the Harness Track, which is the oldest continuously operating equine sports facility in North Carolina. The Village also operates the Fair Barn at the Harness Track which serves as a venue for weddings and other events. Total revenues in this category are expected to be \$725,400, or approximately 4% of total General Fund operating revenues.



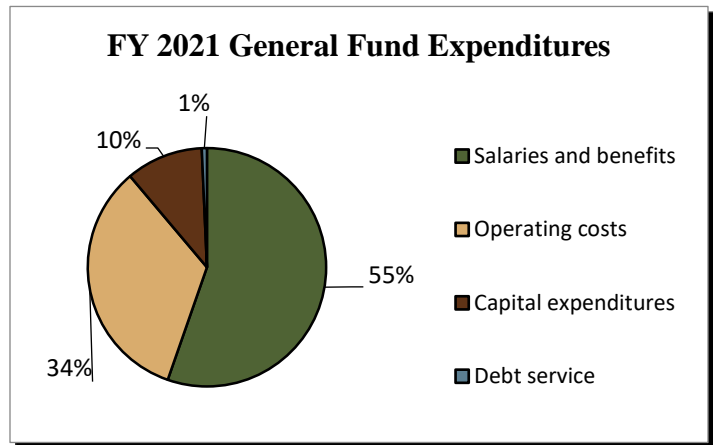
EXPENDITURES BY CATEGORY

General Fund Expenditures fall into one of four categories:

1. Salaries and benefits
2. Operating costs
3. Capital expenditures
4. Debt service

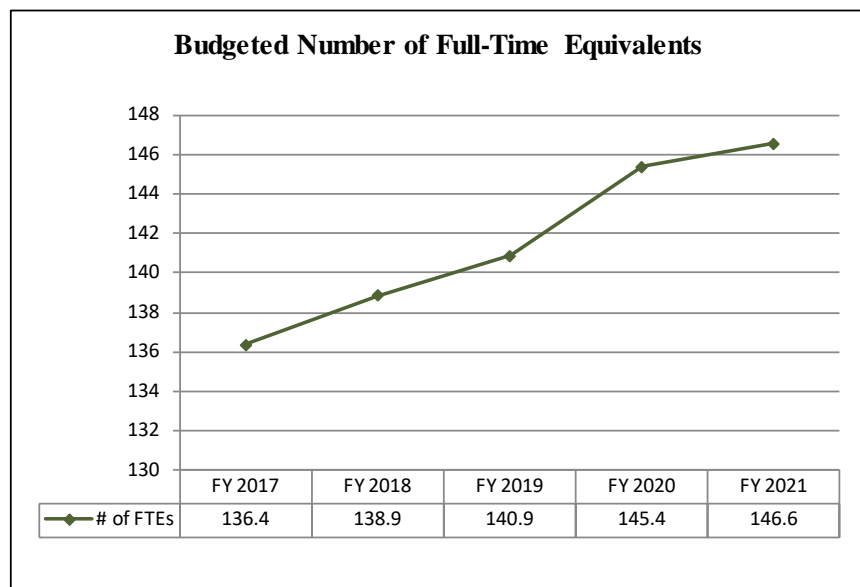
Salaries and Benefits

Salaries and benefits for the Village’s 147 full-time equivalents (FTEs) account for \$11,766,750, or 55%, of the total General Fund Budget. This amount includes all employees, however, salaries and benefits for internal service department employees are allocated to the direct service departments as an operating expenditure.



Group insurance costs have historically escalated at a very rapid pace. However, this past year the Village negotiated the same rates for employee medical and vision coverage at renewal. Premiums for other insurance coverages such as dental increased modestly. The Village’s Risk Management Committee evaluates the group insurance plan each year and recommends an insurance program for the next calendar year. This year’s budget assumes a 10% increase in group insurance costs at our January 2021 renewal, based on previous historical trends. The Village currently pays for 100% of employee coverage.

For FY 2021, the budget recommends the increase of 1.25 FTEs for two positions: A new Transportation Planner position is added to the Planning Department (1 FTE) and the existing 30-hour Human Resources Assistant position is increased to a full-time Human Resources Specialist (0.25 FTE). One proposed minor restructure is also recommended in the FY 2021 budget to increase career development opportunities and enhance performance. This Recreation Superintendent restructure requires no additional FTEs. The following chart indicates the budgeted number of FTEs for the past five years and shows the increased staff capacity needed to serve a growing population.





The Village provides an annual cost of living adjustment in addition to the merit pay system. A total of \$140,000 has been included in the recommended budget to fund cost of living adjustments, which are based on the annual average consumer price index percentage for the prior calendar year. For FY 2021, this equates to 1.8% and adjustments are effective July 1. An additional \$118,000 has been included to fund the Village's merit pay system. Merit pay raises available to employees are funded at an average of 2% and are effective October 1. The Village does not provide longevity raises.

Operating Costs

This category of expenditures accounts for \$7,123,800 or 34% of the total General Fund Budget. These expenditures include all costs other than salaries and benefits, debt service, and capital costs. Notable operating costs include \$1.3 million for street resurfacing and patching, as well as funding for strategic initiatives supporting the Council's goals and objectives as listed in the *Strategic Priorities* section of this document. These include developing a small area plan for Village Place and the Rattlesnake Trail corridor and the Pinehurst South and Highway 5 commercial area.

Capital Expenditures

This category of expenditures accounts for \$2,223,200, or 10% of the total General Fund Budget. This represents an increase of 10% from the previous year's General Fund capital expenditures, largely due to the replacement of a fire truck. However, this does not include approximately \$2.2 million spent in FY 2020 of the total estimated \$4.6 million Community Center project located in the Community Center Capital Project Fund. Estimated operating costs associated with significant non-routine capital expenditures are detailed in the *Capital Improvement Plan* section and are incorporated into the *Five-Year Financial Forecast*.

Capital expenditures are for the purchase of vehicles, equipment, land, infrastructure and other items that have a value greater than \$5,000 and a life expectancy of at least one year. Detailed information on capital purchases for FY 2021 can be found in the *General Fund Capital Expenditures* section of the Strategic Operating Plan document. The list below highlights some of the more notable items for FY 2021:

- Fire truck,
- Three Police vehicles,
- Streetscape improvements on Magnolia Road,
- Pedestrian facilities,
- Additional structured parking at Cannon Park,
- Garbage truck, and
- Stormwater drainage projects

Debt Service

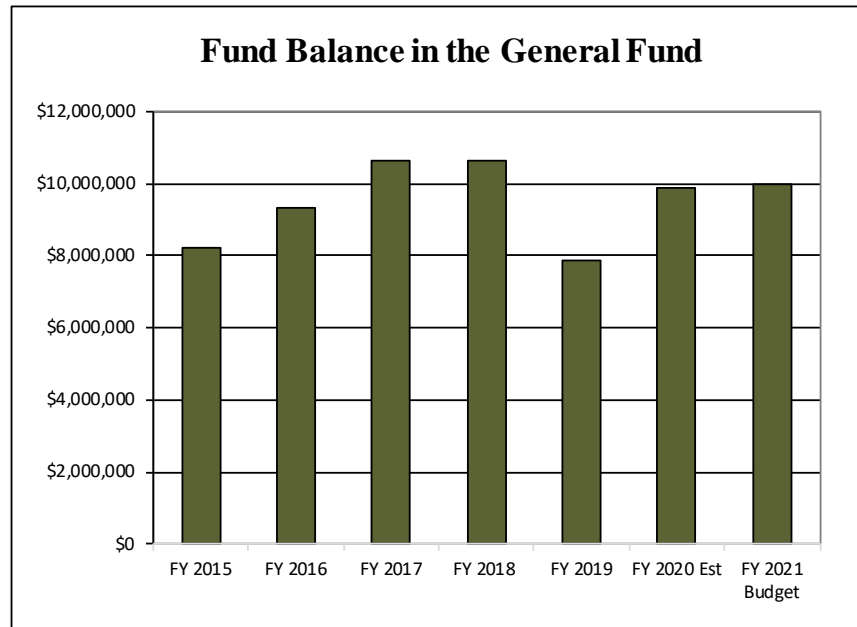
This category of expenditures accounts for \$148,000, or 1% of the total General Fund budget. This represents a decrease of \$164,000 or 53% over the previous year. In FY 2021, the Village will accelerate remaining debt payments scheduled for a future year to save interest expenses, and all debt will be fully paid off.

FUND BALANCE

At June 30, 2020, the Village's fund balance in the General Fund is projected to be approximately \$9.9 million, or 45% of the FY 2020 Budget. The Village saw a reduction in fund balance from FY 2018 to FY 2019 due to funding the \$4.6 million construction of the Cannon Park Community Center without debt



financing. It realized an increase from FY 2019 to FY 2020 including \$1 million returned from the library capital campaign. The budget as proposed for FY 2021 will increase the level of fund balance to approximately \$10.0 million, or 46.9% of expenditures.



BALANCED RECOMMENDED GENERAL FUND BUDGET

As required by North Carolina General Statutes, the recommended budget is balanced. In other words, total revenues equal total expenditures. The budget is based on an ad valorem tax rate of \$0.305 per \$100 valuation for the General Fund. The recommended budget will result in a fund balance of 46.9% of FY 2021 General Fund budgeted expenditures. As previously mentioned, fund balance includes \$1 million returned to the Village from the library capital campaign account, representing 4.7% of expenditures. Without this \$1 million, fund balance as a percentage of expenditures would be approximately 42.2%, which is slightly above the Council's adopted policy range of 30% to 40%. This level positions the Village well to address significant future projects that are expected to arise in the five-year planning period.

Departmental requests were reduced by approximately \$732,000 to balance the budget. Although the budget does not fund all the requests made by departments or external groups, it is set to achieve strategic goals and targeted levels of performance as communicated in the Village's Balanced Scorecard.



The following table is a summary of the balanced recommended budget for the Village’s General Fund, the only annually budgeted fund for FY 2021:

Revenues by Type	Budgeted FY 2021
Ad Valorem Taxes	\$ 11,592,000
Other Taxes & Licenses	2,000
Unrestricted Intergovernmental Rev.	6,087,500
Restricted Intergovernmental Rev.	513,600
Permits & Fees	626,600
Sales & Services	725,400
Assessments	5,170
Other Revenues	269,780
Investment Income	25,400
Revenues	19,847,450
Fund Balance Appropriations	1,414,467
Total Revenues	\$ 21,261,917

Expenditures by Function	Budgeted FY 2021
General Government	\$ 2,928,351
Public Safety	7,600,346
Transportation	4,089,093
Environmental Protection	1,991,770
Economic & Physical Dev	1,160,670
Cultural & Recreation	3,343,520
Debt Service	148,167
Expenditures	21,261,917
Other Financing Uses	-
Total Expenditures	\$ 21,261,917

A Public Hearing to receive citizen input on the recommended budget will be held on Tuesday, May 26, 2020 at 4:30 pm. Village Council and staff will be participating in the meeting remotely, via the virtual meeting platform ZOOM. The meeting will be streamed in real-time on the Village’s website. Members of the public that wish to speak at the hearing remotely may contact the Village Clerk at bdunn@vopnc.org or (910) 420-1631, prior to the start of the meeting, to receive information and instructions to log into the ZOOM meeting. Members of the public may also submit written comments to be read aloud during the Public Hearing by sending an email to publiccomments@vopnc.org and including “Public Hearing” in the subject line of the email. A copy of the proposed budget is available for inspection at Village Hall and on the Village’s website at www.vopnc.org/sop.

I wish to express my thanks to the Village Council and senior leadership for their support in developing this FY 2021 Budget. I also want to recognize all of the Village employees who have accomplished so much this past year. Please let me know if I can be of any further assistance as you review this proposal.

Respectfully Submitted,

Jeff Sanborn
Village Manager



Visit the Village of Pinehurst's web site: www.vopnc.org

The Village of Pinehurst is known for its award-winning golf resorts and quaint, idyllic charm, but many people don't realize that our local government is comprised of 18 different departments and divisions working to maintain the high expectations of the Village's citizens and visitors. As such, it is often difficult to know who to contact for more information about the Village of Pinehurst's available services.

This section was created to aid the reader in learning the duties and responsibilities of each department and division. You may also get additional information about the budget under the "Our Government" link on our web site. Look for "Strategic Operating Plan" in the far right column under the "Our Government" link. We have also provided an email address for each department contact and a phone list at the end of this section for common requests and services.

GENERAL GOVERNMENT

Governing Body (bdunn@vopnc.org)

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides overall policy guidance for all municipal operations. To affect this, the Council considers and adopts local ordinances and resolutions to provide for the health, safety, and overall quality of life for the citizens of Pinehurst. The Council determines the level of service the Village will provide to its citizens. The governing body of the Village makes appointments to various volunteer boards and commissions that act in an advisory and quasi-judicial role for the Village. The Council also selects and contracts with the Village Manager and Village Attorney for services. All Council actions are made to advance the Village's vision to be a "charming, vibrant community which reflects our rich history and traditions."



Village Council

Administration (jsanborn@vopnc.org)

The Administration Department provides top-level support to the Village Council and Village Manager. The Village Manager, Assistant Village Manager of Administration, and Assistant Village Manager of Operations lead the Village's senior leadership team. The Organizational Performance Director reports directly to the Village Manager and serves as a member of the senior leadership team. The department also serves as a support and liaison to the 17 other departments and divisions of the Village to ensure that services are provided to Village residents in an efficient, responsive, and cost efficient manner. The office of the Village Manager is responsible for the overall operations of the Village.



Financial Services (bhunter@vopnc.org)

The Financial Services Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The Financial Services Department oversees the fiscal operation of the Village, which includes cash and investment management, debt management, financial reporting, and preparation of the annual budget and five-year financial forecast. The Financial Services Department's mission is to provide financial expertise and promote fiscal responsibility in a challenging and rewarding environment.

Human Resources (akantor@vopnc.org)

The Human Resources Director reports directly to the Village Manager and is a member of the senior leadership team. The Human Resources Department provides the traditional human resources services for both management and staff, but also extends that role to include the design and implementation of services and programs to enhance employee job satisfaction, retention, and a balanced family/work life. Employee training and reward and recognition of both employees and volunteers are also critical to the success of our organization.

PUBLIC SAFETY

Fire (jccole@vopnc.org)

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department is responsible for providing protection of life, property, and environment of the Village and the surrounding area through public education, fire prevention, fire inspection, fire suppression, medical first response, and related services. In addition, the department also has an obligation to train all personnel in modern fire safety practices and technologies.



Fire Department Accreditation Ceremony



Police (ephipps@vopnc.org)

The Police Chief reports directly to the Village Manager and is a member of the senior leadership team. The Police Department is responsible for the protection of life and property of the citizens and visitors of the Village. Patrol officers respond to police related calls for service at the request of citizens or other persons, initiate service calls when necessary, direct traffic when needed, and conduct follow up investigations on reported and non-reported crimes. Dispatcher personnel monitor, receive, and dispatch emergency and routine police calls for service through an interface with the Moore County E911 system. Investigative personnel are responsible for the investigation of criminal activity in the Village by means of interviews and gathering physical evidence. The Police Department provides dedicated and compassionate assistance by promoting leadership, cooperation, and creativity and aspires to improve the quality of life in partnership with the community.



Elementary School Children Visit the Pinehurst Police Department

Inspections (dburich@vopnc.org)

The Inspections Division reports directly to the Planning and Inspections Director. It is the mission of the Inspection Department to assure that State standards of building are met within the jurisdiction of the Village of Pinehurst. The Inspections Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. Inspectors assure that all new homes and businesses are built to current building code standards.

TRANSPORTATION

Public Services (mapke@vopnc.org)

The Public Services and Engineering Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Department provides administrative and technical support for the Public Services divisions of Streets & Grounds and Solid Waste. Its responsibilities include establishing priorities for the departments, training and supervising staff, developing plans and specifications for infrastructure, and interacting with citizens and governmental regulatory agencies.



Streets & Grounds (mapke@vopnc.org)

The Streets & Grounds Division of the Public Services Department reports to the Assistant Public Services Director. The Streets & Grounds Division is responsible for keeping all public transportation routes open and in a safe traveling condition. This department maintains 107 miles of streets in the Village, the largest amount of any local government in Moore County. Routine tasks include asphalt patching, installing and maintaining storm drains, installing and maintaining traffic and street name signs, repairing sidewalks, street sweeping, and tree trimming. This division also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.



Streets & Grounds Employee at Work

ENVIRONMENTAL PROTECTION

Solid Waste (mapke@vopnc.org)

The Solid Waste Division of the Public Services Department reports to the Assistant Public Services Director. The Solid Waste Division provides residents with automated weekly pickup of household garbage, recyclables, and yard debris. In addition, the department provides supplemental fall leaf collection and periodic storm debris collection.

ECONOMIC & PHYSICAL DEVELOPMENT

Planning (dburich@vopnc.org)

The Planning and Inspections Director reports directly to the Assistant Village Manager of Administration and is a member of the senior leadership team. It is the mission of the Planning Department to preserve and enhance the unique character of the Village of Pinehurst and to manage and guide growth in ways that complement the quality of life. The Planning Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. The Planning Department assures that all activities are in compliance with the Pinehurst Development Ordinance and other applicable Village codes.

Community Development (jbatton@vopnc.org or nhawkins@vopnc.org)

The Community Development Department is managed by the two Assistant Village Managers who report directly to the Village Manager and are members of the senior leadership team. This department is responsible for managing the functions of economic development and marketing and promotion. The purpose of investing in economic development is to build and maintain a vibrant downtown for businesses, residents and visitors alike and to improve upon the high quality of life already enjoyed in the Village.



CULTURAL AND RECREATION

Recreation (mwagner@vopnc.org)

The Parks & Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. This department is charged with providing the citizens of Pinehurst with a variety of recreational pursuits that permit the participants to truly enrich the quality of their lives. Leisure services provided give the participants the opportunity to learn and respect their abilities, strengths, and weaknesses as they move toward self-fulfillment and self-actualization of their expected potentials in life. Year-round programming includes classes, workshops, special events, facility rentals, athletic leagues, and camps. The department also coordinates activities at Cannon Park, Rassie Wicker Park (including the Arboretum), West Pinehurst Park, Tufts Park, and the Cannon Park Community Center.



Splash Pad at Rassie Wicker Park

Fair Barn (mwagner@vopnc.org)

The Fair Barn Division of the Parks and Recreation Department provides the management for the operations and maintenance of the Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been renovated to serve as a multi-purpose community gathering place. The division also manages varying capital improvements to the facility and surrounding grounds and provides marketing and promotion for the Fair Barn.



A Wedding Reception at the Fair Barn



Harness Track (sfreeman@vopnc.org)

The Harness Track Division of the Parks and Recreation Department provides the labor, supplies, expertise, equipment, and management for the operations and maintenance of the Harness Track facility. This division manages major and minor capital improvements while providing services to the standardbred trainers and other equine and non-equine related clients of the property. The facility consists of multiple harness tracks, a show ring, and 260 horse stalls in 17 barns. In 2015, the Village celebrated the Harness Track's 100th anniversary.



Matinee Race at Harness Track Facility

Library (bhunter@vopnc.org)

Library services in the Village are provided by the Given Memorial Library, a non-profit 501(c)3. The Village makes an annual contribution toward the operational costs of the Library and has contributed to its capital expansion campaign. The library functions as a free public library and has a collection of over 23,000 items including fiction, non-fiction, audio books, e-books, and reference materials. In 2015, the library opened the Given Book Shop in the former post office downtown. The facility serves as a used book store, coffee shop, and community gathering place. The Library also serves as the curator of the Tufts Archives and the Pinehurst History Museum.



Given Memorial Library



INTERNAL SERVICE DEPARTMENTS

Fleet Maintenance (rkuhn@vopnc.org)

The Fleet Maintenance Director reports directly to the Assistant Manager of Operations and is a member of the senior leadership team. The Fleet Maintenance Department is responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. This department performs lube, oil, and filter changes, tire replacements and repairs, and engine and pump repairs. Fleet Maintenance personnel also maintain, repair, and replace pumps, motors, and generators at the ponds in the Municipal Service District and at the police and fire stations.

Buildings & Grounds Maintenance (kbrewer@vopnc.org)

The Buildings & Grounds Division reports directly to the Parks & Recreation Director. It is responsible for providing regular and preventative maintenance for all buildings owned by the Village and also for the grounds maintenance in the various parks and other facilities. This division coordinates repairs for all heating systems, electrical systems, and any other building systems as needed. The Buildings & Grounds Division is also responsible for miscellaneous building maintenance, such as replacing light bulbs, routine cleaning of system filters, mowing turf areas, upkeep of parks and greenway trails, and maintaining trees and shrubs.



Greenway Trail at Rassie Wicker Park

Information Technology (jwhitaker@vopnc.org)

The Chief Information Officer reports directly to the Assistant Village Manager of Administration. The Information Technology Department provides hardware and software support to Village employees and is responsible for the maintenance and security of the Village's network infrastructure. The Information Technology Department is also responsible for the Village's internet and intranet web sites.



COUNCIL APPOINTED PLANNING BOARDS AND COMMISSIONS

Historic Preservation Commission (dburich@vopnc.org)

The Historic Preservation Commission (HPC) recommends design standards and guidelines for the Local Historic District to the Village Council. The HPC reviews and acts upon requests for any work requiring a Certificate of Appropriateness for new construction, additions, building alterations and demolitions within the Local Historic District. The HPC also recommends to the Village Council areas to be designated as “Historic Districts” and individual structures, buildings, sites, areas, or objects to be designated as “Landmarks.”



Historic Downtown

Planning And Zoning Board (dburich@vopnc.org)

The Planning and Zoning Board is an advisory board to the Village Council that reviews proposed amendments to the Pinehurst Development Ordinance (PDO); hears requests to change the zoning of property regulated under the PDO; makes recommendations to the Village Council for final action; performs studies and surveys of the present conditions and probable future development of the Village; formulates and recommends to the Village Council the adoption or amendment of comprehensive and other plans; reviews the regulations of the PDO from time to time as it deems appropriate or directed to do so by the Village Council; reviews and makes recommendations for site plans, developments, and subdivisions; and performs such additional powers and duties as may be set forth in the PDO and other Village laws and regulations.

Board of Adjustment (dburich@vopnc.org)

The Board of Adjustment has jurisdiction to hear cases regarding variance requests from the provisions of the Pinehurst Development Ordinance (PDO) and other land use related ordinances. The BOA also has jurisdiction to hear appeals regarding interpretations of the PDO; Historic District Standards and Guidelines and other land use related ordinances. Additionally, the BOA hears appeals of staff and other decision making bodies' decisions to include the Historic Preservations Commission and the Village Council as it relates to administering the Historic District Standards and Guidelines and the PDO.



Need More Information?

The best source for additional information is our web site www.vopnc.org.

You can also call the numbers in the telephone listing below to get answers to specific questions.

ATHLETICS.....	910.295.2817
BILL INQUIRIES.....	910.295.1900
BROKEN WATER AND SEWER LINES (MOORE COUNTY UTILITIES).....	910.947.6315
BUDGET.....	910.295.1900
BUILDING CODE REQUIREMENTS.....	910.295.1900
BUILDING INSPECTIONS (Hotline).....	910.295.3192
BUILDING PERMITS.....	910.295.1900
CURB CUTS.....	910.295.5021
CUSTOMER SERVICE.....	910.295.1900
DRIVEWAY PERMITS.....	910.295.1900
ECONOMIC DEVELOPMENT.....	910.295.1900
FACILITY RENTALS.....	910.295.1900
FAIR BARN RENTALS.....	910.295.0166
FENCING REQUIREMENTS.....	910.295.1900
FINANCIAL SERVICES.....	910.295.1900
FIRE EMERGENCIES.....	911
FIRE DEPARTMENT – NON-EMERGENCY.....	910.295.5575
FIRE DEPARTMENT PUBLIC EDUCATION SERVICES.....	910.295.5575
FIRE PREVENTION.....	910.295.5575
GARBAGE AND TRASH COLLECTION.....	910.295.5021
GENERAL VILLAGE INFORMATION.....	910.295.1900
GEOGRAPHIC INFORMATION SYSTEM (GIS).....	910.295.1900
HARNESS TRACK.....	910.295.5255
HISTORIC PROPERTIES.....	910.295.8664
HUMAN RESOURCES.....	910.295.1900
JUNK CARS.....	910.295.8665



MAPS.....	910.295.1900
NEIGHBORHOOD WATCH PROGRAM.....	910.295.3141
NOISE.....	910.295.3141
PARKS AND RECREATION.....	910.295.2817
POLICE EMERGENCIES.....	911
POLICE – NON EMERGENCY.....	910.295.3141
PUBLIC INFORMATION.....	910.295.1900
RECYCLING.....	910.295.5021
REZONING MATTERS.....	910.295.8659
SETBACK REQUIREMENTS.....	910.295.8661
SEWER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
SIGN REQUIREMENTS.....	910.295.8659
SOLICITATION/DOOR-TO-DOOR PEDDLING PERMITS.....	910-295-1900
STREET RESURFACING.....	910.295.5021
TAXES (MOORE COUNTY TAX OFFICE).....	910.947.2255
TENT PERMITS.....	910.295.1900
TRAFFIC.....	910.295.1900
UNKEMPT LOTS/YARDS.....	910.295.8665
VILLAGE CLERK.....	910.295.1900
VILLAGE MANAGER.....	910.295.1900
VOTING (MOORE COUNTY BOARD OF ELECTIONS).....	910.947.3868
WATER AND SEWER LINE MAINTENANCE (MOORE COUNTY UTILITIES).....	910.947.6315
WATER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
WATERSHED REQUIREMENTS.....	910.295.8659
ZONING.....	910.295.8659



Strategic Planning Process Overview

The *Strategic Operating Plan Guide* is designed to aid the reader in understanding the information contained in this document, how the document is formatted, and the processes for creating the Strategic Operating Plan. It is inclusive of the required annual balanced budget, the five-year financial forecast, and the five-year Capital Improvement Plan. The subsequent sections of the document dive into the detailed plans for Village operations and this guide will provide explanations for the vast amount of data and information that follows.

Because this section is intended to provide mostly background information, the reader is invited to exercise judgment when reading it and refer to other sections of the document for more detailed information.

This document has been prepared in accordance with the requirements of the Government Finance Officer's Distinguished Budget Award program. The Village has received this award for thirteen consecutive years and has been awarded the Special Performance Measures Recognition in three of those years.

What's New in the Document This Year?

In the spirit of continuous improvement, several enhancements have been made to the 2021 Strategic Operating Plan. The most significant changes made in this year's document to make it more useful to the reader include:

- The *Personnel Classification Summary* has been enhanced by incorporating a description of the additional positions included in the current budget.
- The *Strategic Planning Process* section has been updated to include additional details about the statistical validity of the annual community survey that is used in most of our customer perspective measures.
- The *Capital Expenditures* section has been updated to include expanded discussion of significant changes in capital expenditures from year-to-year.
- The *Five-Year Financial Forecast* and *Capital Improvement Plan* sections have been modified to include a compliance statement to confirm alignment between the Village's capital expenditures and the implementation strategies detailed in the 2019 Comprehensive Plan.

We hope that you find these enhancements useful. If there is additional information you would like to see presented in future editions, please forward your request to Brooke Hunter, Financial Services Director at bhunter@vopnc.org.

Strategic Planning Process Overview

The Senior Leadership Team kicks off the strategic planning process with Senior Leaders Pre-Retreat Meeting in November. The purpose of this meeting is to analyze and correlate key data and Key Performance Indicators (KPIs), conduct a Strengths, Opportunities, Aspirations, and Results (SOAR) analysis, and identify key strategic advantages and challenges.

In late November or early December, the Village Council Pre-Retreat meeting is held with the Pinehurst Village Council, volunteer board chairpersons, and the Senior Leadership Team. The purpose of this meeting is to review the data and key findings, conduct an environmental scan, and to review and agree



Strategic Planning Process Overview

on the SOAR analysis and strategic advantages and challenges identified at the Senior Leaders Pre-Retreat Meeting.

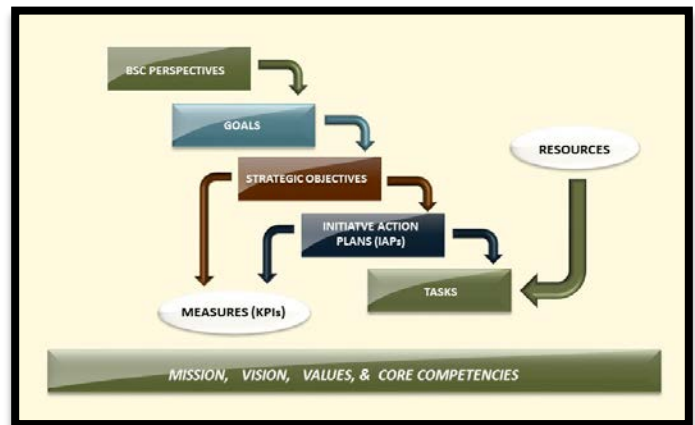
Next, the Village Council holds its annual retreat in December. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), reviews a preliminary five-year financial forecast and potential workforce needs, discusses long-range plans of key partners and collaborators, discusses and prioritizes strategic opportunities, affirms the Village's goals and objectives on the Balanced Scorecard (BSC), and discusses proposed Areas of Focus.

Using the key inputs into the strategic planning process, the Council then sets target performance levels, based on comparisons to benchmark communities, for each of the KPIs on the BSC. The senior leadership team, along with Council-appointed committee chairs, identify Initiative Action Plans (IAPs) based on the strategic plan inputs. Senior leaders then develop and refine departmental goals, KPIs, IAPs and OFIs for the next five years, and funding requests to address Council goals and objectives, address strategic challenges and opportunities, and achieve BSC target performance levels.

All IAPs, OFIs, and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director, Financial Services Director, and Organizational Performance Director. In addition to evaluating the financial and staff capacity needed to implement and maintain the IAP, the Strategic Planning Team also evaluates the associated risks of actions.

To determine the Village's financial capacity to fund the Strategic Operating Plan (SOP), staff prepares a five-year financial forecast. This forecast projects anticipated revenues and expenditures for the planning period, inclusive of expected operating revenues and costs for planned IAPs, OFIs, and projected capital expenditures included in the five-year Capital Improvement Plan.

The SOP is prepared in accordance with the Village's Fund Balance Policy, with projected revenues and expenditures resulting in a General Fund fund balance of 30% to 40% of budgeted expenditures during the planning period. Please see the *Strategic Priorities* section of this document for a more detailed discussion of the strategic planning process.



Village of Pinehurst Strategic Planning Overview

Staff presents the proposed Strategic Operating Plan to the Village Council for review and approval in May. The Council holds one or more budget work sessions and then conducts the required public hearing on the proposed budget to allow for public comment. Before June 30 of each year, the Village Council adopts the annual budget ordinance that becomes effective July 1 and includes appropriations for IAPs outlined in the Strategic Operating Plan.



Strategic Operating Plan Calendar

The Village has utilized the following schedule in preparing and adopting the 2021 Strategic Operating Plan and FY 2021 Budget:

Dates	Activity
November 13, 2019	Senior leadership team holds Pre-Retreat Meeting
December 3, 2019	Village Council holds Pre-Retreat Meeting
December 11-12, 2019	Village Council holds Strategic Planning Retreat
January 28, 2020	Village Council approves Balanced Scorecard with Key Performance Indicators target performance levels
January 29, 2020	FY 2021 Strategic Operating Plan (SOP) Kickoff Meeting and training session for Senior Leadership
February 27, 2020	Senior leaders submit completed departmental SOP forms to the Financial Services Department after consultation with their respective Village Manager
March and April 2020	Financial Services Department estimates revenues in conjunction with senior leader input and consolidates departmental requests
March 23-27, 2020	Strategic Planning Team holds Strategic Operating Plan Workshops with senior leaders to discuss their submitted plans
April 3, 2020	Strategic Planning Team prioritizes Initiative Action Plans and develops Strategic Operating Plan with long-term staffing and capital plan included
May 7, 2020	Village Manager submits the draft Strategic Operating Plan to the Village Council
May 12, 2020	Village Manager presents the Strategic Operating Plan to the Village Council at a Council work session
May 19 & 21, 2020	Village Council holds work sessions to review Strategic Operating Plan and FY 2021 Budget
May 26, 2020	Village Council holds a public hearing on the FY 2021 Budget
June 9, 2020	Village Council adopts the Strategic Operating Plan and the FY 2021 Budget Ordinance
July 1, 2020	2021 SOP is implemented
July 10, 2020	Financial Services Department publishes the final 2021 SOP and distributes documents



Financial Policies

Summary

The Village of Pinehurst's budgetary and financial policies set forth basic guidance for the fiscal management of the Village. Most of the policies represent long standing principles and traditions with its legal framework outlined in both the North Carolina General Statutes (NCGS) and the Village's Ordinances. These policies, though general in statement, contribute to the Village's financial stability. The major financial policies of the Village are summarized below.

Council Adopted Policies

Investment Policy

The Village Council adopted Investment Policy states the Village will consolidate cash balances to insure maximum investment of idle cash. The criteria for selecting an investment will include safety, liquidity, and yield. The Village will invest only in quality issues that comply with the North Carolina Budget and Fiscal Control Act and the Village's Investment Policy. Management reports on its investment portfolio to the Village Council on a quarterly basis. This policy is reviewed annually and updated as needed.

Fees and Charges Policy

The Village Council adopted Fees and Charges Policy is used to set fees and charges at an appropriate level that is consistently applied to all users. Charging fees for elective services efficiently transfers the cost of providing those services to the service recipient. Fees charged by the Village are intended to cover the full cost of providing a service that can be directly identified. The exception to this is Recreation programs where only direct costs are intended to be recovered. The Village's Fees and Charges Policy requires the Financial Services staff to evaluate and update the fee schedule each year.

Fund Balance Policy

The Village Council adopted Fund Balance Policy states the Village will maintain operating reserves by maintaining a healthy fund balance. The Village's adopted Fund Balance Policy requires management to maintain unassigned General Fund fund balance, as reported in the Village's Comprehensive Annual Financial Report (CAFR), of greater than 15% of actual General Fund expenditures as reported in the CAFR for the year audited. Unassigned fund balance is the portion of fund balance that is not restricted and is available for appropriation. In addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance in the range of 30%-40% of budgeted expenditures.

Other Financial Guidelines

Operating Budget Guidelines

Pursuant to the North Carolina General Statutes Article 159-11 the Village will adopt a balanced budget, which provides a work program and an operational plan for the ensuing year. **A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.**



The Village will maintain a program of budgetary controls to ensure adherence to the budget. Each month, electronic financial information is prepared for department heads and management along with quarterly reports prepared for the Village Council to assist in the monitoring of actual revenues, expenditures, and budgeted amounts. In addition, the Village will retain an independent accounting firm to perform an annual financial and compliance audit in accordance with general accepted accounting practices and by the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) standards.

Operating Margin Guideline

When developing the Five-Year Financial Forecast, one strategy to ensure that there are adequate funds for both operating and capital needs is to monitor the operating margin. Village Managers have set a target range of no more than 89%-91% of operating revenues to be spent on operating expenditures. This ensures that 9%-11% of operating revenues are available for capital replacement or capital reserve.

Revenue Guideline

The Village will maintain a diversified and stable revenue program to protect it from short-term fluctuations of any one revenue source. As a part of the normal budget process, the Village will review and estimate revenues in an objective and realistic manner. Attempts will be made to secure additional revenue sources to offset any reductions of federal, state, or local funding.

Debt Guideline

The Village takes a planned approach to the management of its long-term debt issuances. The Village will consider the use of long-term debt financing only when it meets the following criteria:

- The financing period is no longer than the estimated life of the improvement, and
- The improvement will benefit both current and future citizens of the Village.

The Village strives to limit total debt service to no more than 15% of General Fund expenditures, with a general goal of 10% of General Fund expenditures. By state law the Village must limit the total of all debt issued to no more than eight percent of the total assessed valuation. The Village follows a policy of full disclosure on every financial report. The Village may utilize the authority granted within the General Statutes for lease or installment purchases when deemed appropriate.

Capital Improvement Plan Guideline

The Village will maintain a five-year Capital Improvement Plan (CIP), which will be reviewed and updated as part of the annual strategic planning process. Since capital improvements involve large sums of capital and long-term commitments, each capital project will be carefully analyzed before it becomes a component of the program. The Village takes a systematic approach to capital improvement programming to ensure that any personnel services, operating expenditures, or revenues affected by capital spending decisions are included in the appropriate operating budget. The Village will protect and maintain its capital investments in order to reduce replacement cost. As part of the CIP, the Village will project its revenues and expenses from operations for a five-year planning horizon.



Budget Requirements

Basis of Accounting and North Carolina Local Government and Fiscal Control Act

The budget is prepared using the modified accrual basis of accounting for all funds. This approach to accounting recognizes revenues when they become measurable and expenditures at the time liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered shall lapse. The Village of Pinehurst uses the modified accrual method as the basis for budgeting, accounting, and for financial reporting.

The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) controls how municipalities budget and spend money. The major effects of the LGBFCA on the budgetary process are described below.

Budget Calendar

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (G.S. 159-10 through 13). These dates are as follows:

- Departmental requests must be submitted to the Budget Officer by April 30.
- Revenue requests must be submitted to the Budget Officer by April 30.
- The recommended annual budget must be submitted to the Governing Board by June 1.
- The Governing Board must adopt the annual budget ordinance by June 30.

Budget Forms and Procedures

The Budget Officer (Village Manager) must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests “shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe.” G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

Departmental Requests

G.S. 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

Recommended Budget

G.S. 159-11 requires that the Budget Officer’s recommended budget be balanced unless the Governing Board insists that an unbalanced budget be submitted. **A balanced budget as defined by the North Carolina Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.** It is also required that the budget be submitted to the Governing Board with a budget message. G.S. 159-11(b) states that the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.



Budget Requirements

- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels.
- Any major changes in fiscal policy.

Governing Board Review

Once the recommended budget is presented to the Governing Board, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least 10 days must pass between the submission of the recommended budget and adoption of the budget ordinance.
- On the same day the budget is submitted to the Governing Board, the Budget Officer must file a copy of it in the Village Clerk's Office where it is made available to the public and press.
- The Village Clerk must publish a notice that the budget has been delivered to the Governing Board and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the time between submission and adoption, the Governing Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meeting Law (G.S. 143-318.9 through 318.18) applies to the budget preparation and adoption process.

Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, and the property tax levy as well as rate.

Budget Adoption and Amendment

The operations conducted by the Village are guided by the annual budget ordinance adopted in accordance with the provisions of the North Carolina Local Government Budget and Fiscal Control Act. The budget ordinance must be balanced and adopted prior to the beginning of the Fiscal Year. Adoption of the budget by the Village Council establishes the legal authority to incur expenditures in the ensuing fiscal year.

After the adoption of the budget ordinance, the Budget Officer (Village Manager) is authorized to transfer appropriations between line-item expenditures within a department without making an official report to the Village Council. He may also transfer amounts between functional areas, including contingency appropriations, within the same fund to increase an appropriation up to \$25,000 in a single budget amendment. These transfers, however, require an official report at the next regular meeting of the Village Council. In the event a State of Emergency is declared by the Mayor or designee, the Budget Officer is granted unlimited budget amendment authority within the same fund for expenditures directly related to the emergency. These transfers also require an official report at the next regular meeting of the Village Council. All other revisions or budget amendments must be approved by the Village Council through legislative action.



Budget Format

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Currently, the Village only maintains one fund, the General Fund. As this is subject to change in any year, information on other fund types is also provided.

A fund is one of two types: an operational fund or a project fund. Council appropriates operational funds on an annual basis and an activity's funding lapses at the close of the fiscal year. Project funds continue for the life of each specific capital or grant project with appropriations continuing until the project is finished.

It has been established that budgets, while managed by funds, are also managed by functions. The functions designate the actual use of the funds. For example, the function of the Police Department is Public Safety and the function of the Financial Services Department is General Government.

How do the individual departments fit into the functional and fund accounting process? Each department is a subsection of both a function and a fund. Each department or division belongs to one fund and one function. A fund can include any number of departments, including departments of different functions. A function can include departments from many funds.

About the Document Presentation

This document contains a wealth of diversified information. This information can be found on a departmental, functional, or fund level. This document places a distinct emphasis on the Village's departments and divisions because these pages represent the plans of the men and women who are charged with the duty of providing services to citizens.

All of the individual department revenues and expenditure totals are consolidated for each fund, which present the "bottom line" of the budget. The following information details the types of funds the Village has and a list of the various funds within each fund type:

The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception for a government and exists throughout the government's life. The General Fund is currently the only annually appropriated fund included in the budget document.

The departmental budget presentations are summaries of all expenditures and revenues associated with each department's activities. Because the Village's accounting structure contains hundreds of individual budget line items, the Village has consolidated these items into major classifications for a summarized presentation. For example, expenditures are grouped into three categories: Salaries & Benefits, Operating, and Capital. This consolidation facilitates comparisons between different groups of data and



Budget Format

aids the reader in making comparisons between the different functions. Please contact the Financial Services Department at 910.295.1900 if further detail is needed.

In the *General Fund* section the reader will find information on the individual department's budget that outlines the departments profile, budget summary, initiative action plans (IAPs), and key performance indicators (KPIs). Please note that all financial tables in the budget document present the same three-year format. The following illustration is an example of the Budget Summary expenditure tables that can be found throughout the document:

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 194,431	\$ 239,050	\$ 192,291	\$ 246,900	3.3%
Operating	314,406	340,200	329,318	329,820	-3.1%
Capital	96,188	103,148	103,148	116,908	13.3%
Expenditures Total	\$ 605,025	\$ 682,398	\$ 624,757	\$ 693,628	1.6%

Adopted budget for the the current fiscal year, as amended through December 31. The fiscal year begins July 1 of each calendar year

Audited data from the last completed fiscal year

Amounts the Village expects to expend for the entire fiscal year

The budget for the new fiscal year which begins on July 1

Includes salaries, wages, and fringe benefits (FICA, insurance, et al.)

The percentage of change between the prior year budget and next year's budgeted amounts

All expenditures not directly related to Salaries & Benefits or Capital

Includes expenditures for land, buildings, equipment, vehicles, and other expenditures exceeding \$5,000, with a life expectancy of more than 1 year

Some departments do not have activity in all categories and the reader will note that they are not included in the summary. For example, the Powell Bill Department does not have any employees and therefore, does not show any Salaries & Benefits. The same is noted for revenues as each department is funded by different revenue sources.

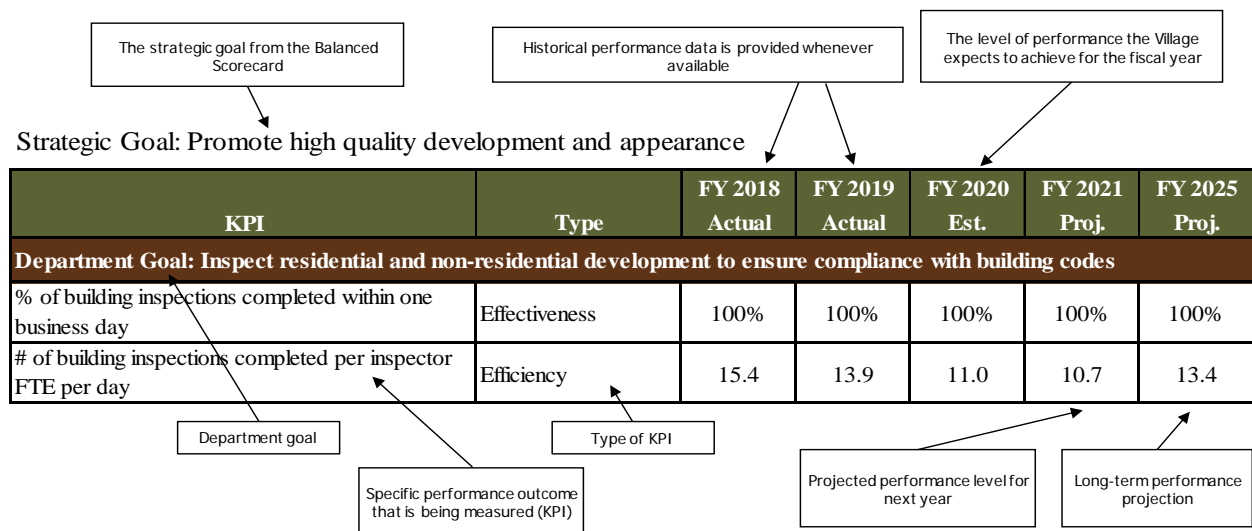


The table of Department Goals, Objectives, and Key Performance Indicators (KPIs) provides department goals that cascade directly from organization-wide strategic goals and information on KPIs that are used to monitor the achievement of department goals. The strategic goal the department supports is listed to illustrate the linkage between the departmental goal and the Council’s Balanced Scorecard. Each KPI is identified as an input, output, efficiency, or effectiveness measure. In addition, the vast majority of department KPIs are considered “lead” measures that are routinely monitored throughout the year.

Department objectives are stated in terms of KPIs. Using the example below, one of the Inspection Department’s objectives related to the goal listed for FY 2021 is to “Complete 100% of building inspections within one business day.”

The FY 2021 and FY 2025 KPI data represent projections of performance given the amount of resource allocation provided in the five-year plan, including staffing and operating budgeted/forecasted funds. These are the levels of performance that departments expect to achieve in these time periods. While they are titled as projections, they also represent the target performance levels, or goals for the department.

Below is an example explaining the Department Goals, Objectives, and Key Performance Indicator table column headings in the *General Fund* section:





Strategic Priorities Overview

The Village of Pinehurst Strategic Operating Plan (SOP) is a tool used to develop and communicate the Village’s strategic priorities for the upcoming fiscal year and the five-year planning period. This section of the SOP identifies the Village’s strategic priorities to advance its vision to be a “charming, vibrant community which reflects our rich history and traditions.”

Strategic priorities consist of nine strategic goals that are established by the Village Council. Each year, the Council and senior staff update the SOP based on a review of the current environment at their annual strategic planning retreat in December. For each strategic goal, the Council has identified strategic objectives with Key Performance Indicators (KPIs) to demonstrate the Village’s performance in achieving desired outcomes.

The Village uses a Balanced Scorecard (BSC) to integrate strategic planning and resource allocation. The BSC uses four perspectives to ensure a balanced approach to evaluating achievement of organizational strategy:

1. Customer – Delivering the services customers want at the level desired
2. Internal – Enhancing services through continuous improvement
3. Workforce – Developing an engaged workforce to provide quality services
4. Financial – Managing resources to ensure financial sustainability





Strategic Planning Process

The evolution to a strategy-focused organization began with the implementation of the Baldrige Excellence Framework in FY 2012, when the Village embarked on its continuous process improvement effort and began participating in the North Carolina Awards for Excellence program.

The Senior Leadership Team kicks off the Strategic Planning Process (SPP) with the Senior Leaders Pre-Retreat Meeting in November. The purpose of this meeting is to analyze and correlate key data and Key Performance Indicators (KPIs), conduct a Strengths, Opportunities, Aspirations, and Results (SOAR) analysis, and identify key strategic advantages and challenges.

In late November or early December, the Village Council Pre-Retreat meeting is held with the Pinehurst Village Council, volunteer board chairpersons, and the Senior Leadership Team. The purpose of this meeting is to review the data and key findings, conduct an environmental scan, and to review and agree on the SOAR analysis and strategic advantages and challenges identified at the Senior Leaders Pre-Retreat Meeting.

Next, the Village Council holds its annual two-day retreat in December. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), reviews a preliminary five-year financial forecast and potential workforce needs, discusses long-range plans of key partners and collaborators, discusses and prioritizes strategic opportunities, affirms the Village's goals and objectives on the BSC, and discusses proposed Areas of Focus.

In January, using the key inputs into the SPP, the Council then sets target performance levels, based on comparison to benchmark communities, for each of the KPIs on the BSC. Council also confirms Areas of Focus (AOF) based on performance levels relative to benchmarks and comparisons, strategic challenges, strategic opportunities, and community survey areas for improvement. Areas of Focus include those strategic objectives where increased resources are needed to enhance performance levels articulated with Key Performance Indicators (KPIs) on the Village BSC.



With goals, objectives, and performance levels set, Council and the Senior Leadership Team identify Initiative Action Plans (IAPs) to address strategic objectives that ultimately achieve the Village's mission and vision. Senior Leaders then develop and refine departmental goals, KPIs, IAPs, and OFIs for the next five years, and funding requests to address Council goals and objectives, address strategic challenges and opportunities, and achieve BSC target performance levels. Department BSCs can be found in the *General Fund* section of the SOP.

All IAPs, OFIs, and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director, Financial Services Director, and Organizational Performance Director. In addition to evaluating the financial and staff capacity needed to implement and maintain the IAP, the Strategic Planning Team also evaluates the associated risks of actions. Mitigating actions intended to minimize risks are then incorporated into action plan steps. Finally, any workforce training needs associated with an IAP are incorporated into the annual training program for staff and any additional workforce capacity needed is included in the five-year staffing plan.

To determine the Village's financial capacity to fund the Strategic Operating Plan, staff prepares a financial forecast that is included in the *Five-Year Financial Forecast* section of the SOP. Several assumptions are made relative to revenues and expenditures based on historical trends and future projections. The five-year projections include the five-year Capital Improvements Plan (CIP) and address all projected costs associated with Council approved IAPs. The five-year financial forecast is developed to ensure fund balance remains within the target range of 30%-40% of budgeted expenditures in accordance with the Village Council's adopted Fund Balance Policy. In addition, the five-year financial forecast is developed to ensure projected operating margins fall within acceptable levels to allow for adequate levels of future capital reinvestment.



Strategic Planning Process

In developing the five-year CIP, the Strategic Planning Team reviews and determines the Fleet and IT replacement schedules and plans for other major capital improvements with the respective department heads. Based on the overall financial projections, the Strategic Planning Team determines which capital investments are best suited for installment financing to ensure there is adequate financial capacity for any required annual debt service.

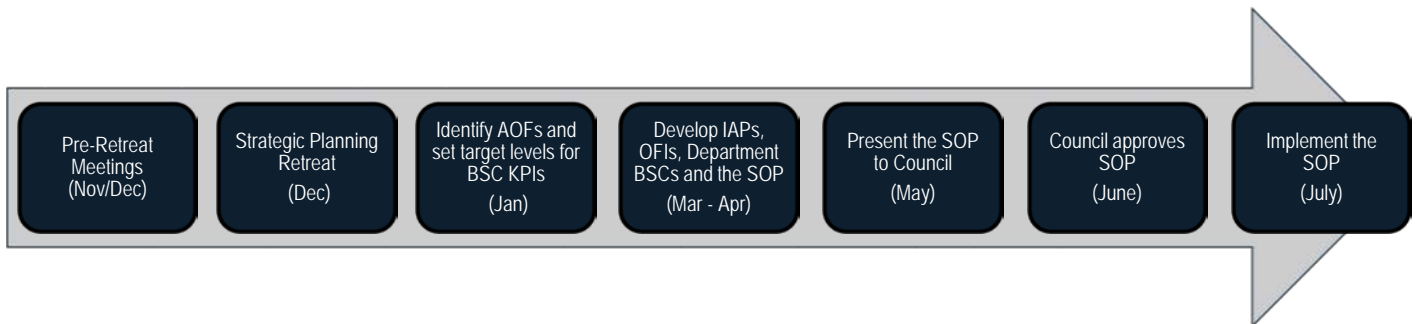
The five-year financial forecast for the General Fund FY 2021-2025, which is described more fully in the *Five-Year Financial Forecast* section of the SOP, is summarized below.

Five Year Financial Forecast					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Tax Rate per \$100 valuation	\$0.300	\$0.310	\$0.315	\$0.320	\$0.320
General Fund Operating Revenues	\$ 19,658,450	\$ 20,188,000	\$ 20,722,000	\$ 21,667,000	\$ 21,632,000
General Fund Operating Expenditures	19,038,717	19,624,963	20,195,788	20,906,903	21,294,330
Operating Income(Loss)	\$ 619,733	\$ 563,037	\$ 526,212	\$ 760,097	\$ 337,670
Capital Expenditures	2,223,200	1,720,000	1,768,500	2,034,500	1,623,000
Total Expenditures	\$ 21,261,917	\$ 21,344,963	\$ 21,964,288	\$ 22,941,403	\$ 22,917,330
Budget to Actual Variance ¹	1,518,923	1,575,627	1,620,925	1,680,153	1,706,923
Projected Actual Gain/(Loss)	\$ (84,544)	\$ 418,664	\$ 378,637	\$ 405,750	\$ 421,593
Fund Balance as a % of Total Exp.	46.0%	47.7%	48.1%	47.8%	49.7%

¹Assumes actual operating revenues of 101% of budget and actual operating expenditures of 93% of budget

Once financial capacity for IAPs and the baseline budget is determined, staff prepares and presents the Village's Strategic Operating Plan to the Village Council for review and approval. As required by NC General Statutes, the Council holds a budget public hearing each year prior to adoption to allow residents the opportunity to comment on the recommended budget. The Village also provides residents an opportunity each year to provide input on the SOP electronically using the Village's online public engagement platform.

The following diagram indicates the key steps and timing of the Strategic Planning Process:

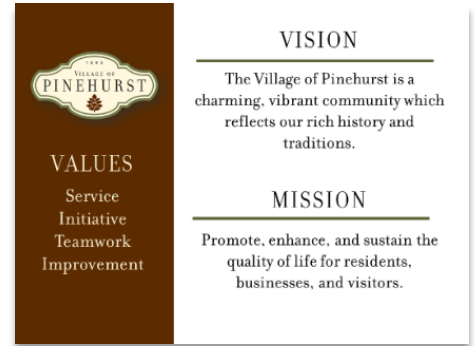




Key Inputs into the 2021 Strategic Operating Plan

Mission, Vision, and Values

At the December 2019 Council Retreat, the Council affirmed the Village’s mission, vision, and core values. The vision is what we aspire for our Village to be, while the mission provides purpose to our Village Council, staff and volunteers. The Village core values are the guiding principles and behaviors that embody how Village employees are expected to operate as they provide services to Pinehurst residents, businesses, and visitors.



Core Competencies

Core competencies represent those areas of the Village’s greatest expertise and are those strategically important capabilities that are central to fulfilling the Village’s mission. At the December 2019 retreat, the Council reviewed and affirmed the core competencies of the Village to include:

1. Improve continuously
2. Leverage technology
3. Utilize volunteers

Strategic Challenges & Opportunities

Strategic challenges are pressures that exert an influence on the likelihood of our Village’s future success. Strategic opportunities are those prospects for new or changed services or processes. The strategic challenges and strategic opportunities identified by the Village Council for FY 2021 are indicated below. The FY 2021 SOP was developed to address each of these challenges and opportunities.

Strategic Challenges	Strategic Opportunities
<ol style="list-style-type: none"> 1. Managing the quality of development 2. Minimizing traffic congestion, especially on Hwy 5 3. Increase in the cost of doing business 4. Aging housing stock 5. Responding to increased demand on existing services due to growth 6. Changing service needs due to changing demographics 7. Attracting and retaining highly qualified workforce members (employees and volunteers) 8. Attracting types of businesses to the Village that the community desires 	<ol style="list-style-type: none"> 1. Evaluate, identify, and purchase land for a future third fire station 2. Update the Pinehurst Development Ordinance 3. Prepare a small area plan for Village Place 4. Pursue regulatory authority around our borders through ETJ extensions, annexation agreements, and amending the water/wastewater agreement with Moore County. 5. Create a small area plan for the NC Highway 5 commercial area 6. Partner with others to bring high speed internet and mobile services to the Village 7. Identify alternative locations for the Public Services Complex 8. Develop a comprehensive plan for mitigating traffic on Highway 5 9. Consolidate and align multi-modal transportation planning/engineering 10. Expand street lighting 11. Implement elements of the 2015 Comprehensive Pedestrian Plan and Bicycle Plan 12. Prepare consolidated multi-modal plan 13. Prepare a comprehensive stormwater master plan 14. Update the Comprehensive Parks & Recreation Master Plan while considering neighborhood open spaces and amenities 15. Create a master plan to develop West Pinehurst Park 16. Implement the GIS strategic plan (in progress)



Strategic Advantages

Strategic advantages are those benefits that exert a significant positive influence on the Village’s likelihood of future success and are our source of competitive success. The strategic advantages identified by the Village Council for FY 2021 are:

1. Integrated and extensive use of technology
2. Culture of continuous improvement
3. Capable employees and volunteers
4. Strong financial condition
5. Integrated strategic planning process
6. Robust Performance Measurement System

SOAR (Strengths, Opportunities, Aspirations, and Results) Analysis

The Council also conducted a SOAR analysis at their December 2019 Pre-Retreat Meeting and identified organizational and community strengths, opportunities, aspirations, and results. Village Council and senior staff used this analysis to determine key strategic advantages, opportunities, and results to monitor.

Environmental Scan

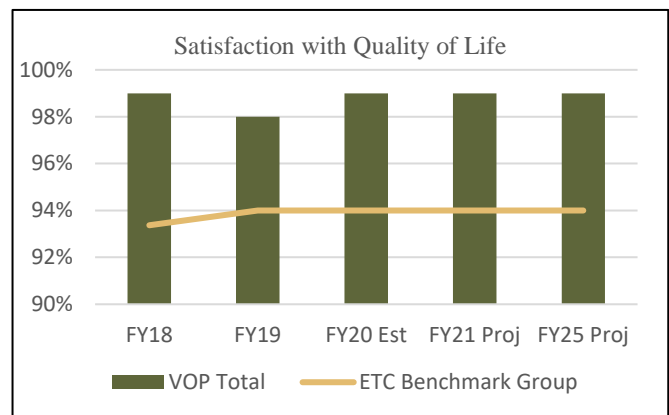
The environmental scan consists of a review of critical data and information that can impact service delivery. During the Pre-Retreat Meetings, the team conducted an external scan and reviewed key community and societal trends, economic trends, uncertainties or potential blind spots. The team also conducted a comprehensive data review by BSC goal to review customer, internal, workforce, and financial results. The data used in the analysis included customer satisfaction results (annual Community and Business Surveys), workforce survey results, results from the Village’s BSC, results from departmental BSCs, Parks and Recreation survey results. Historical performance results were analyzed relative to benchmarks and comparisons and key results were correlated when appropriate. Community survey results were segmented by neighborhood, resident age, and length of residence to facilitate further analysis. Workforce results were also segmented by department and roles.

FY 2021 Strategic Goals, Objectives, and Key Performance Indicators

The Council’s strategic goals, objectives, and Key Performance Indicators (KPIs) for each of the four perspectives of the 2021 BSC are detailed on the following pages.

At the core of the BSC is the Village’s mission to “promote, enhance, and sustain the quality of life for residents, businesses, and visitors.” The Village measures its mission by asking residents to rate the overall quality of life in the Village during the annual community survey conducted by ETC Institute. In the 2019 survey, **98% of residents rated the overall quality of life as good or excellent** for the fourth consecutive year, which exceeds all benchmark comparisons.

All Key Performance Indicators (KPIs) on the BSC are considered “lag” performance measures that indicate performance levels at the end of the fiscal year. The vast majority of customer perspective KPIs are annual resident satisfaction survey results from the community survey administered by ETC Institute. The statistically valid survey produces results with a 95% level of confidence and a margin of error of +/-3.6%. Department BSCs contain “lead” performance measures that measure key Village processes and are monitored either daily, weekly, monthly, or quarterly by senior leaders to ensure the Village achieves the desired “lag” performance targets set on the BSC. The BSC community survey results group neutrals within satisfaction levels.





Balanced Scorecard

FY 2021 Balanced Scorecard							
MISSION: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.							
Goal We intend to...	Strategic Objective How we will...	KPI Description How do we know...	Actual FY 19	Est FY 20	ST Goal FY 21	LT Goal FY 25	
Customer	1 - Safeguard the community	Deliver effective fire and rescue services	% of residents satisfied with fire services	100%	99%	95%	95%
			% of residents satisfied with how quickly fire personnel respond to emergencies	99%	99%	95%	95%
			Fire incident rates per 1,000 residents	0.26	0.10	<0.35	<0.35
		Deliver effective police services	% of residents whose overall feeling of safety in the Village is good or excellent	99%	99%	95%	95%
			% of residents satisfied with police services	98%	95%	95%	95%
			Crime rate per 1,000 residents	41	39	<47	<47
	2 - Promote high quality development and appearance	Maintain and enhance the appearance of public spaces	% of residents who rate the overall appearance of the Village as good or excellent	98%	98%	95%	95%
			Manage development and enforce codes and ordinances AOF	% of residents satisfied with the enforcement of Village codes and ordinances	84%	85%	85%
			% of residents satisfied with the quality of new development	77%	75%	80%	80%
			% of residents satisfied with Village efforts to maintain the quality of neighborhoods	84%	85%	90%	90%
	3 - Promote a thriving business community	Support businesses and facilitate economic development	% of businesses likely to recommend the Village as a business location	93%	90%	90%	90%
	4 - Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system AOF	% of residents satisfied with the availability of walkways	70%	70%	70%	70%
			% of residents satisfied with the availability of greenway/walking trails	94%	94%	90%	90%
			# of collisions per 1,000 residents	38.9	43.9	<45.0	<45.0
		Maintain high quality streets	% of residents satisfied with the adequacy of street lighting	75%	73%	70%	70%
		% residents satisfied with street and right of way maintenance	85%	85%	85%	85%	
	5 - Protect the environment	Manage stormwater systems AOF	% of residents satisfied with the quality of stormwater management	77%	80%	80%	80%
		Provide effective and efficient solid waste collection services	% of residents satisfied with solid waste services	92%	93%	95%	95%
			% of residents satisfied with promotion of natural resource conservation	86%	88%	90%	90%
		Conserve natural resources	% of refuse diverted from the landfill	27%	22%	22%	22%
	6 - Promote active living and cultural opportunities	Provide recreation programs and facilities	% of residents satisfied with P&R programs	98%	95%	95%	95%
% of residents satisfied with P&R facilities			96%	95%	95%	95%	
Provide cultural services and events		% of residents satisfied with Village sponsored cultural arts events	93%	95%	95%	95%	
Internal	7 - Professionally manage a high performing organization	Communicate with and engage the community	% of residents satisfied with Village communications	93%	95%	95%	95%
			% of residents satisfied with the level of public involvement in local decisions	85%	85%	85%	85%
		Provide a high level of customer service	% of residents satisfied with customer service provided by VOP staff	97%	97%	95%	95%
		Continuously improve and innovate	% of residents satisfied with the value received for taxes paid	90%	90%	90%	90%
	Maintain Village assets	% of depreciable life remaining on assets	42%	46%	40-60%	40-60%	
Workforce	8 - Attract & retain an engaged workforce	Provide a supportive and rewarding work environment	% of employees who agree that overall they like their job	97%	97%	95%	95%
			% of volunteers who agree that overall they like their role	100%	97%	95%	95%
Financial	9 - Maintain a healthy financial condition	Meet or exceed established financial targets	Total General Fund fund balance as a % of actual expenditures	45%	43%	>30%	>30%
			General Fund operating margin	86%	86%	81%-91%	81%-91%
			General Fund debt service ratio	2%	2%	<10%	<10%



Initiative Action Plans (IAPs)

The total costs below for the eight FY 2021-2025 IAPs include implementation and ongoing operating and maintenance costs associated with the IAP. Financial resources have been prioritized to address Council's strategic objectives and Areas of Focus, thereby helping to ultimately achieve the goals on the BSC.

FY 2021-2025 Initiative Action Plans (IAPs)							
MISSION: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.							
	Goal We intend to...	Strategic Objective How we will...	FY 2021-2025 Initiative Action Plans	Fiscal Year(s)	FY 2021 Funding	FY 2021- 2025 Funding	
Customer	Safeguard the community	Deliver effective fire and rescue services					
		Deliver effective police services	Police Department Accreditation	2021	\$11,365	\$43,825	
	Promote high quality development and appearance	Maintain and enhance the appearance of public spaces					
		Manage development and enforce codes and ordinances <i>AOF</i>	Update the Pinehurst Development Ordinance	2021-2025	\$0	\$200,000	
	Small Area Plan for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area		2021	\$158,000	\$158,000		
	Promote a thriving business community	Support businesses and facilitate economic development					
	Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system <i>AOF</i>	Develop a consolidated multi-modal transportation plan	2024-2025	\$0	\$100,000	
		Maintain high quality streets					
	Protect the environment	Manage stormwater systems <i>AOF</i>	Develop a comprehensive storm water master plan	2021-2023	\$0	\$125,000	
		Provide effective and efficient solid waste collection services					
Conserve natural resources							
Promote active living and cultural opportunities	Provide recreation programs, and facilities						
	Provide cultural services and events						
Internal	Professionally manage a high performing organization	Communicate with and engage the community					
		Provide a high level of customer service					
		Continuously improve and innovate	Build Baldrige Framework Systems & Culture	2021	\$52,500	\$52,500	
			Expand GIS Capabilities	2021	\$23,000	\$128,000	
Maintain Village assets							
Workforce	Attract & retain an engaged workforce	Provide a supportive and rewarding work environment	Workforce Learning and Development	2021	\$7,000	\$35,000	
Financial	Maintain a healthy financial condition	Meet or exceed established financial targets					
Total Funding for Initiative Action Plans					\$251,865	\$842,325	

Items in red are Areas of Focus (AOF)



The Initiative Action Plans in the Five-Year Financial Forecast strive to leverage the Village’s core competencies and strategic advantages, while addressing strategic challenges and opportunities. In many cases, IAPs are based on research of best practices in benchmark communities.



The Village uses its Performance Improvement System as a key management tool to improve and innovate VOP services and processes. Each year, Opportunities for Improvement and Innovation (OFIs) for the five-year planning period are identified as either: 1) Evaluations; 2) Projects; or 3) Initiative Action Plans (IAPs).

BIRDIE Process	
B	Bring the opportunity forward
I	Investigate the opportunity
R	Review potential solutions
D	Determine the solution
I	Implement the solution
E	Evaluate the solution

To evaluate ways to improve a process or approach, the Village uses BIRDIEs, ACEs, and other quality tools including SIPOCs and Plus/Deltas. BIRDIE is a six-step Plan, Do, Check, Act (PDCA) improvement process used for in-depth analysis of key processes or approaches. In the five-year planning period, the Village has one BIRDIE evaluation scheduled: Document Imaging (FY 2022).

FY 2021 - 2025 ACEs	
FY 2021	Fire inspection process
FY 2021	Improve the employee and volunteer recruitment process
FY 2021	Insourcing Solid Waste collection
FY 2022	Ways to automate employee timekeeping
FY 2022	Road patching services
FY 2022	Ways to minimize return pickups
FY 2023	Purchasing/contracting process

ACE (Analyze, Change, and Evaluate) is a three-step PDCA improvement process used for more rapid improvement cycles. The corresponding table indicates the planned ACEs for FY 2021-2025.

The pages that follow include information on each BSC goal and their associated strategic objectives, short term and long term Initiative Action Plans, and Key Performance Indicators. While many strategic objectives have projects or IAPs aimed at achieving them, additional resources have also been allocated in the 2021 Strategic Operating Plan to higher priority strategic objectives, or Areas of Focus. For those objectives not addressed, current performance levels indicate the Village is already demonstrating excellent performance levels (e.g. above 90% satisfaction ratings). See the individual department goals and department BSCs included in the *General Fund* section of this document for additional information.

The pages that follow also include graphs of the Village’s observed results for those KPIs on the BSC. The Village’s historical results are indicated by the green bars in the graphs. The projected FY 2021 and FY 2025 performance levels are indicated by the blue bars in the graphs, were prepared using trend analysis and are reflective of resource allocations over the planning period. Council has set goals for most survey related KPIs at 95% or 90%, based on historical results. Where results have been consistently above 95%, goals are set at 95% and when results have consistently hovered closer to 90%, goals are set at 90% unless additional resources are being applied as a part of this plan. The Village’s surveys typically have a margin of error close to 5%. When applicable and available, the graphs also include comparable information indicating the Village’s performance relative to others, as described below:

- Comp – A comparable benchmark community
- ETC Avg – Average of cities using the Direction Finder Survey by ETC Institute in the United States
- SHRM Avg – Society of Human Resources Management survey average



Goal: Safeguard the Community



Safeguarding the community means to protect the lives and property of residents, businesses, and visitors. Departments and divisions primarily responsible include Police and Fire. Applicable volunteers include Citizens on Patrol and Community Watch. See the *General Fund* section of this document for additional financial and performance information on the departments. There are two objectives under the goal to Safeguard the Community:

1. Deliver effective fire and rescue services, and
2. Deliver effective police services.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

Strategic Objective: Deliver effective police services			
Initiative Action Plans	Timeline	FY 2021-2025 Funding	Department/ Division
Police Department Accreditation –Implement law enforcement standards of the Commission on Accreditation for Law Enforcement Agencies (CALEA) and apply for Police Department accreditation	FY 2021	\$43,825	Police

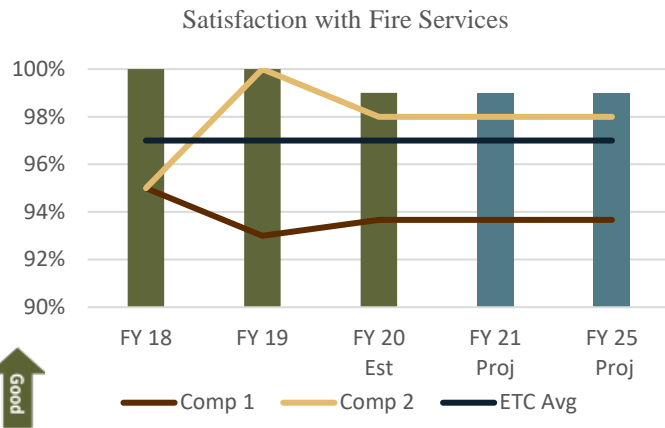


Pinehurst Police Car



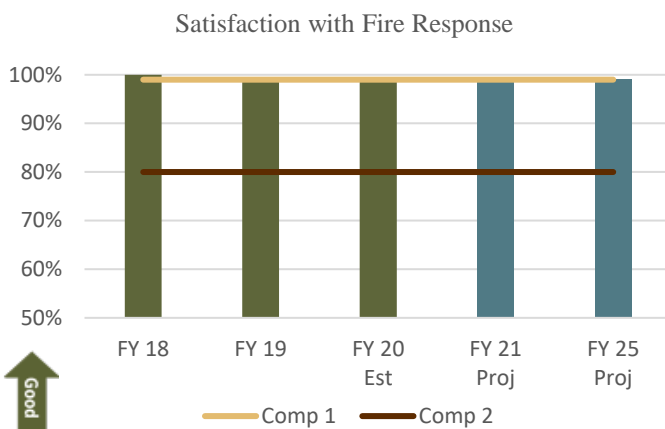
Key Performance Indicators (KPIs) - Deliver effective fire and rescue services

Maintain a 95% resident satisfaction rating with fire services



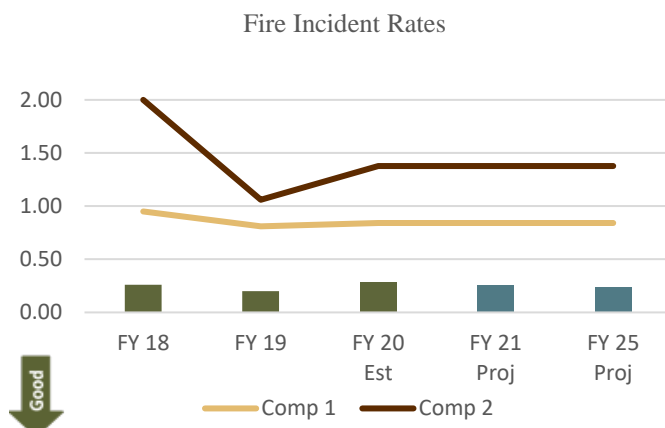
The Village has consistently exceeded comparable communities with resident satisfaction with fire services. Projected satisfaction levels of 99% indicate the Village will meet its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a 95% resident satisfaction rating with how quickly fire personnel respond to emergencies



Resident satisfaction with fire response is comparable to benchmark communities at approximately 99%. The Village projects that satisfaction ratings will continue to exceed the goal of 95% over the five-year period. In FY 2017, the department received Accredited Agency status with the Commission on Fire Accreditation International, one of only 19 NC agencies and 220 worldwide.

Maintain <0.35 fire incident rates per 1,000 residents

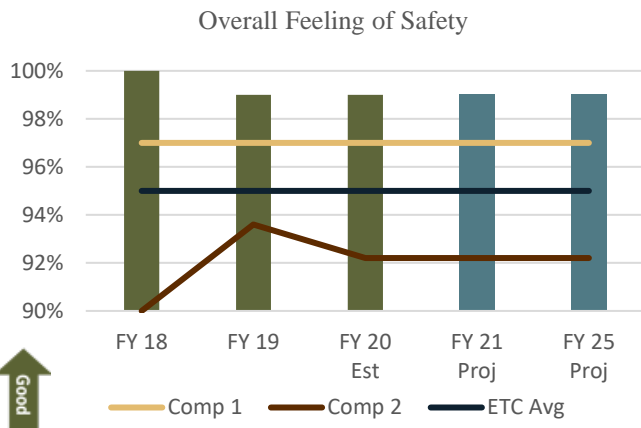


The Village has consistently exceeded benchmarks for fire incident rates with very low rates of Category 1 calls in the fire district. The Fire Department will continue efforts with fire safety education for the over 19,000 people served in the district.



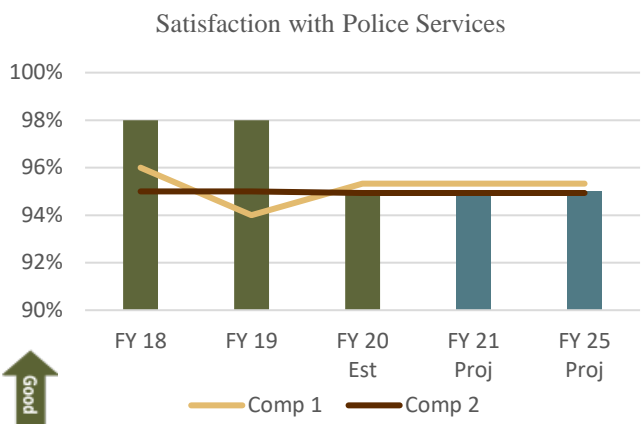
Key Performance Indicators (KPIs) - Deliver effective police services

Maintain a 95% resident rating of the overall feeling of safety in the Village as good or excellent



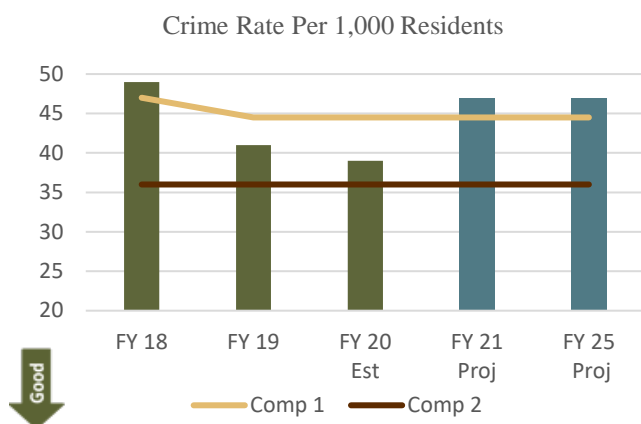
The Village has consistently exceeded comparable communities with resident satisfaction of the overall feeling of safety at 99%. Projected satisfaction levels indicate the Village will exceed its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a 95% resident satisfaction with police services



The Village has consistently exceeded comparable communities with resident satisfaction with police services. Projected satisfaction levels indicate the Village will meet its goal to achieve a 95% satisfaction rating over the five-year period. In FY 2021, the Police Department is continuing to seek accreditation in an effort to ensure the most efficient and effective police services.

Maintain a <47.0 crime rate per 1,000 residents



The Village consistently monitors the number of crimes against persons, society, and property per 1,000 residents in order to understand how crime in Pinehurst ranks with comparable communities. This measure uses the National Incident-Based Reporting System (NIBRS) for tracking and reporting crimes. The Village transitioned from UCR to NIBRS, which limits comparable communities. More municipalities will make the transition to NIBRS soon to meet the FBI mandate by January 2021.



Goal: Promote High Quality Development and Appearance



Pinehurst promotes high quality development and appearance by providing planning, inspections, infrastructure, code enforcement, and grounds maintenance services. Departments and divisions primarily responsible include Planning, Inspections, Streets & Grounds, and Buildings & Grounds. Applicable volunteer committees include the Beautification Committee, Planning & Zoning Board, Board of Adjustment, Historic Preservation Commission and Neighborhood Advisory Committee. See the *General Fund* section of this document for additional information on the departments. There are two objectives under the goal to Promote High Quality Development and Appearance:

1. Maintain and enhance the appearance of public spaces, and
2. Manage development and enforce codes and ordinances.

The objective to manage development and enforce codes and ordinances is an Area of Focus (AOF) for FY 2021.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

Strategic Objective: Manage Development and Enforce Codes and Ordinances <small>AOF</small>			
Initiative Action Plans	Timeline	FY 2021-2025 Funding	Department/ Division
Update the Pinehurst Development Ordinance – Update the Pinehurst Development Ordinance to reflect priorities of the 2019 Comprehensive Plan and changes required by 160D legislation	FY 2021-2025	\$200,000	Planning
Small Area Plan for Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area <small>AOF</small> – Engage a consultant and develop small area plans for two focus areas from the 2019 Comprehensive Plan	FY 2021	\$158,000	Planning

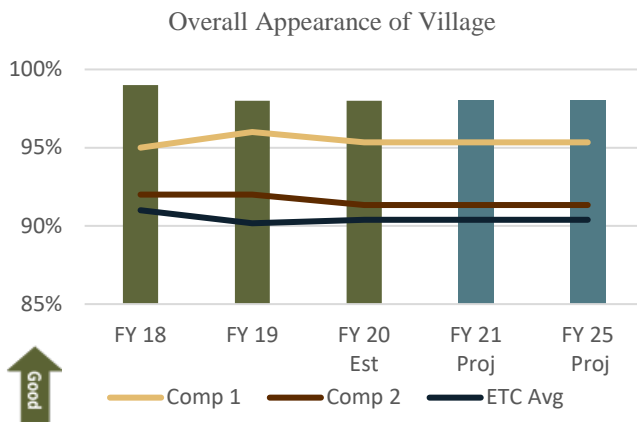


Historic Pinehurst Cottage



Key Performance Indicators (KPIs) - Maintain and enhance the appearance of public spaces

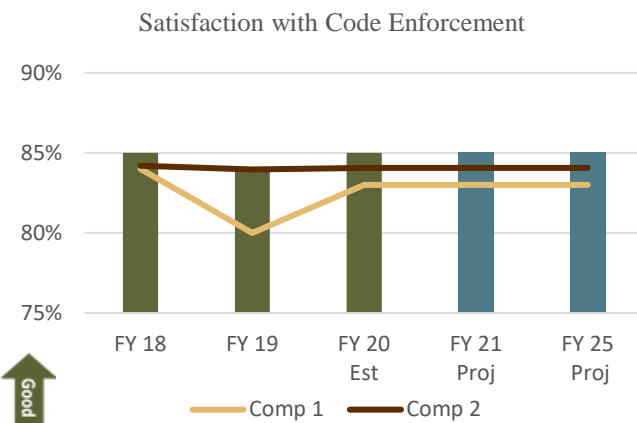
Maintain a 95% resident rating of the overall appearance in the Village as good or excellent



Historically, Pinehurst residents have been extremely satisfied with the overall appearance of the Village, with satisfaction levels exceeding comparable communities by a healthy margin. The Village’s Beautification Committee has worked in conjunction with staff over the past several years to beautify the right of ways at key intersections with additional landscaping to improve the overall appearance of the Village.

Key Performance Indicators (KPIs) – Manage development and enforce codes and ordinances AOF

Achieve an 85% resident satisfaction rating with the enforcement of codes and ordinances



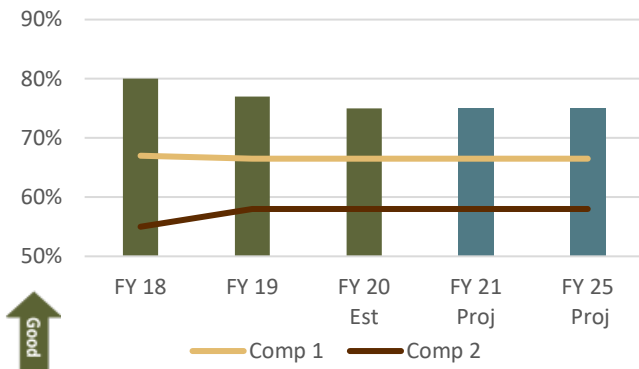
Resident satisfaction with the enforcement of codes and ordinances has been historically lower relative to other satisfaction ratings in the annual community survey. To address this, in FY 2017, the Village’s code enforcement officer began routine patrols of neighborhoods to identify code enforcement issues proactively. Also, the Village has strived to improve these satisfaction ratings with additional public education on Village codes and ordinances published in the quarterly Village Newsletter that is mailed to all residents.



Key Performance Indicators (KPIs) – Manage development and enforce codes and ordinances ΔOF

Achieve a 80% resident satisfaction rating with the quality of new development

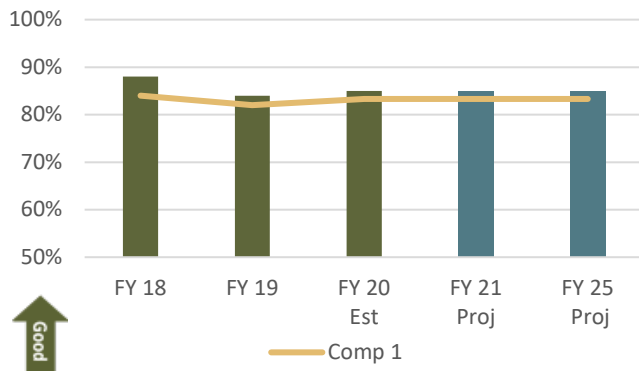
Satisfaction with Quality of New Development



The Village monitors resident satisfaction with efforts with the quality of new development. The Village has seen a slight decrease in satisfaction levels with the quality of new development, falling under the goal of 80%. In FY 2021, the Village will begin implementing the 2019 Comprehensive Plan strategies and update portions of the Pinehurst Development Ordinance that could positively impact this measure.

Achieve a 90% resident satisfaction rating with efforts to maintain the quality of neighborhoods

Satisfaction with Quality of Neighborhoods



The Village closely monitors resident satisfaction with efforts to maintain the quality of neighborhoods. Historically, satisfaction levels with the efforts to maintain quality neighborhoods has fallen just short of the 90% satisfaction goal and over the last few years it continues to fall short of the goal. The implementation of the 2019 Comprehensive Plan strategies should help maintain or improve this measure.



Goal: Promote a Thriving Business Community



Promoting a thriving business community means to support economic and business development. Departments and divisions primarily responsible include Administration, Planning, and Community Development. Applicable volunteers include the Welcome Center volunteers. See the *General Fund* section of this document for additional information on the departments. There is one objective under Promote a Thriving Business Community: Support businesses and facilitate economic development.

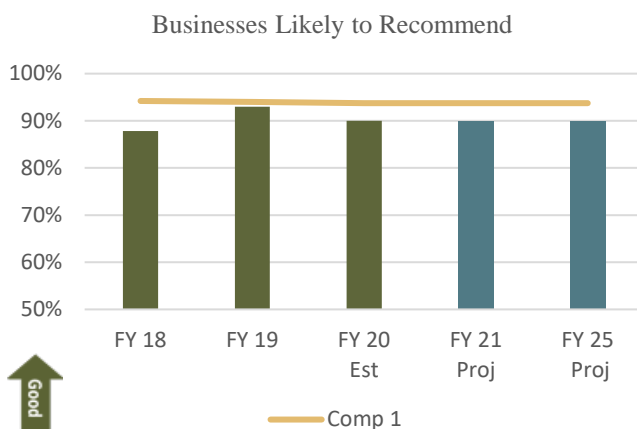
There are no five-year Initiative Action Plans (IAPs) for these objectives and the Key Performance Indicator (KPI) for this objective is identified below.



Village Center

Key Performance Indicators (KPIs) – Support businesses and facilitate economic development

Maintain at least a 90% of businesses likely to recommend the Village as a business location



Each year, the Village conducts an annual Business Survey to determine business owner satisfaction levels. Businesses are one of the Village’s key customer groups and their likelihood to recommend is an indication of their engagement as a customer. Currently, the Village is achieving excellent results with approximately 93% of businesses likely to recommend the Village as a business location. This falls just below the benchmark community. The projection is that the Village will achieve its goal to maintain a 90% likely to recommend rating over the next five years.



Goal: Promote Transportation Mobility and Connectivity



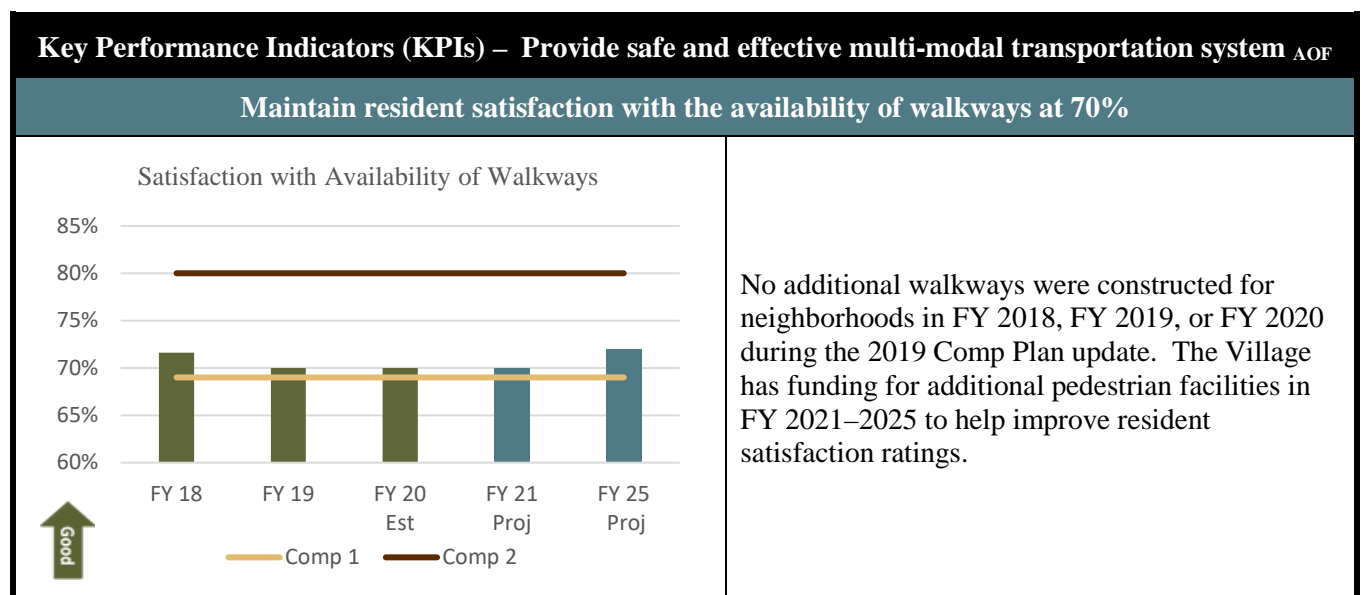
Promoting transportation mobility and connectivity means to provide efficient and well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity. Divisions primarily responsible include Streets & Grounds, Buildings & Grounds, and Recreation. Applicable volunteers include the Bicycle and Pedestrian Advisory Committee. See the *General Fund* section of this document for additional information on the departments. There are two objectives under Promote Transportation Mobility and Connectivity:

1. Provide a safe and effective multi-modal transportation system, and
2. Maintain high quality streets.

To provide a safe and effective multi-modal transportation system is an Area of Focus (AOF) for FY 2021.

Strategic Objective: Provide a safe and effective multi-modal transportation system ^{AOF}			
Initiative Action Plans	Timeline	FY 2021-2025 Funding	Department/ Division
<i>Develop a consolidated multi-modal transportation plan</i> – Consolidate the Village’s multi-modal transportation plans into one document that incorporates bicycle, pedestrian, and golf cart accessibility	FY 2024-2025	\$100,000	Planning

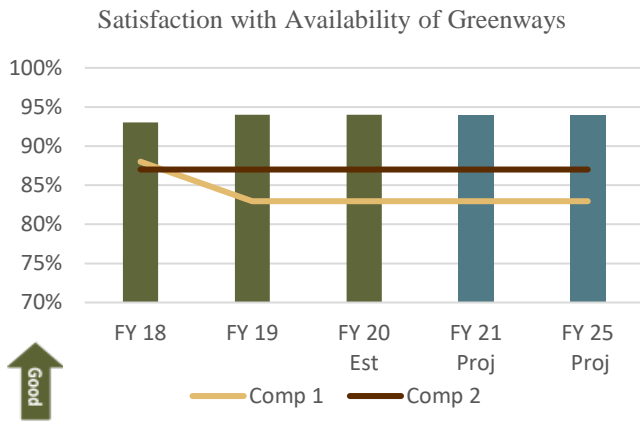
The Key Performance Indicators (KPIs) for these objectives are identified below.





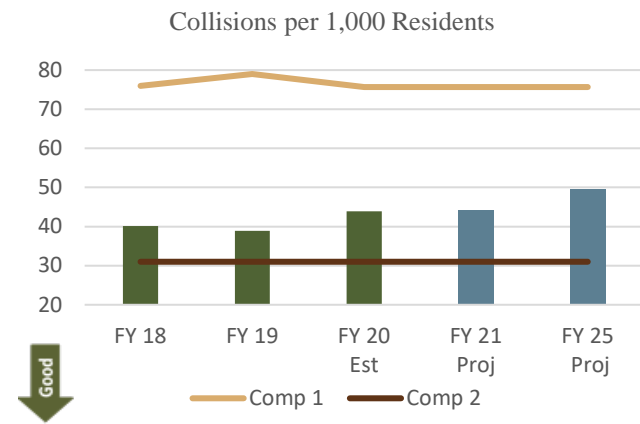
Key Performance Indicators (KPIs) – Maintain high quality streets

Maintain resident satisfaction with the availability of greenway/walking trails at 90%



The Village began constructing greenways as a result of resident input in the Village’s first Comprehensive Long Range Plan in 2003. Over time, the Village has constructed over 7 miles of greenways and has achieved high resident satisfaction levels with the availability of greenways that exceed comparable communities. There is no major expansion of the existing greenway system planned in the five-year planning period. The Village projects it will achieve a satisfaction rating of 94%, exceeding the goal.

Maintain <45.0 collisions per 1,000 residents

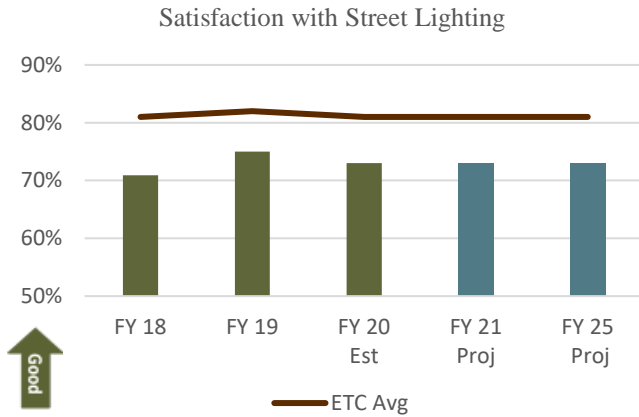


Traffic in and around the Village continues to be an important concern for residents. Along with increased traffic and motoring public comes the potential for an increase in collisions on roadways. Historically, the Village has experience relatively low collision numbers per 1,000 residents compared to neighboring communities.



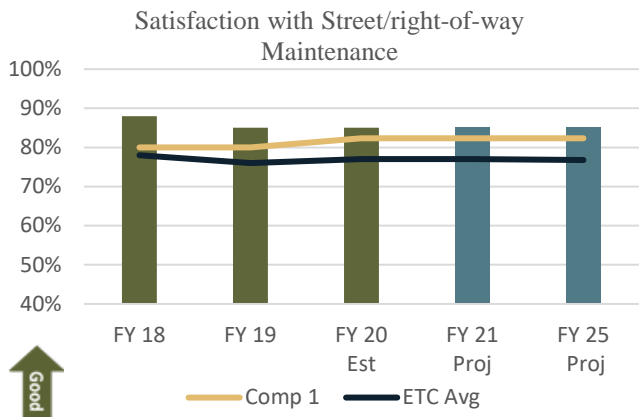
Key Performance Indicators (KPIs) – Maintain high quality streets

Maintain resident satisfaction with adequacy of street lighting at 70%



Resident satisfaction with street lighting is among the lowest ratings on the community survey. To address this, the Village installed street lights in the Village Acres neighborhood in FY 2017, which increased their satisfaction levels. In FY 2018, Lake Pinehurst residents opposed street lights so none were installed. There are no current plans in the 5-year period to significantly increase street lighting.

Maintain resident satisfaction with street and right of way maintenance at 85%



Overall, the Village has achieved high levels of satisfaction with street and right of way maintenance that are above comparable benchmark communities. To achieve the goal of 85% satisfaction with street/right of way maintenance, the Village has dedicated significant annual funding for resurfacing and patching roads in each of the five years in the planning period.



Goal: Protect the Environment



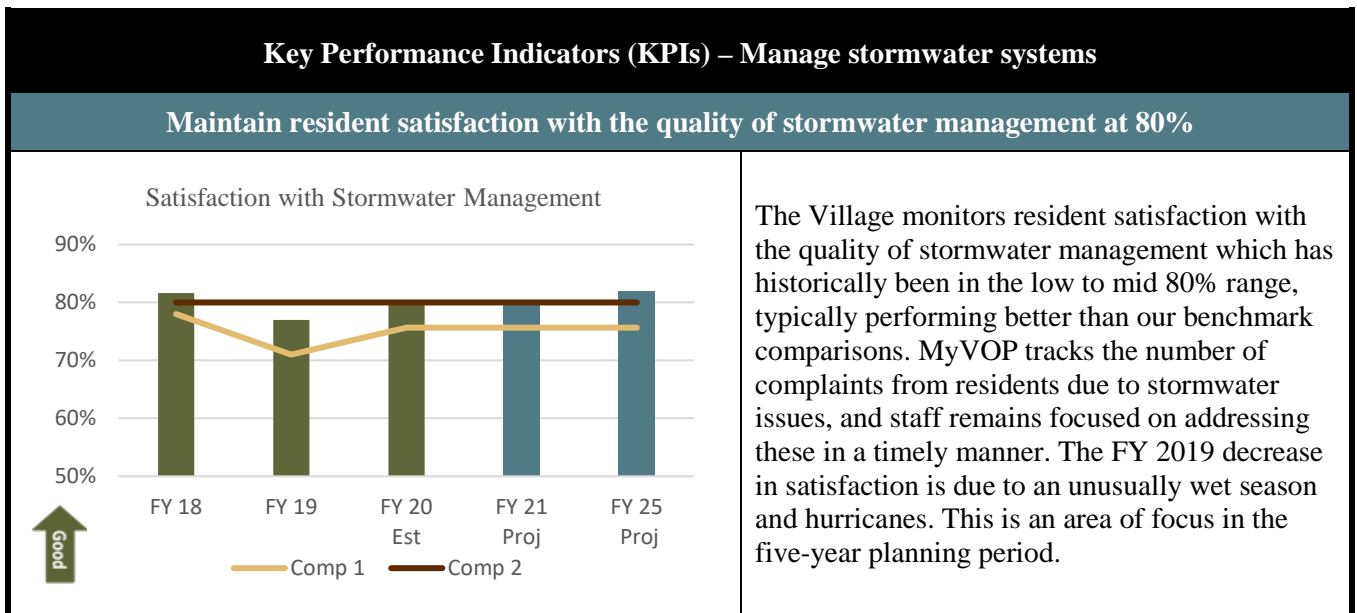
Protecting the environment means to provide efficient and effective collection of solid waste collection and conserve natural resources. The division primarily responsible is Solid Waste. Applicable volunteers include the Greenway Wildlife Habitat Committee. See the *General Fund* section of this document for additional information on the departments. There are three objectives under Protect the Environment:

1. Manage stormwater systems,
2. Provide effective and efficient solid waste collection services, and
3. Conserve natural resources.

To manage stormwater systems is an Area of Focus (AOF) for FY 2021.

Strategic Objective: Manage stormwater systems AOF			
Initiative Action Plans	Timeline	FY 2021-2025 Funding	Department/ Division
<i>Develop a comprehensive stormwater master plan –</i> Develop a plan and strategy to address stormwater issues and concerns within the community	FY 2021-2022	\$125,000	Streets and Grounds

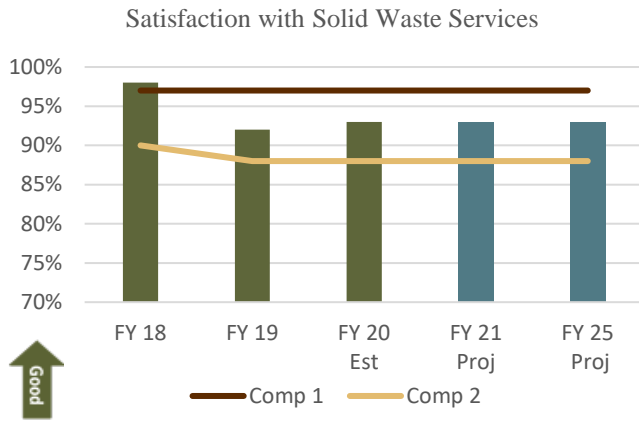
The Key Performance Indicators (KPIs) are identified below.





Key Performance Indicators (KPIs) – Provide effective and efficient solid waste collection services

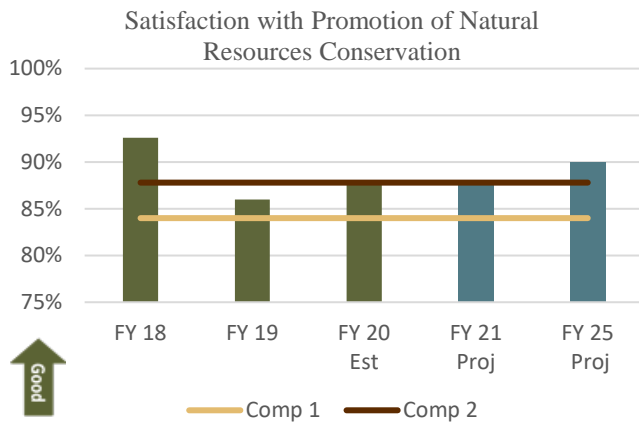
Maintain resident satisfaction with solid waste services at 95%



The Village has historically achieved excellent satisfaction ratings for solid waste services. In FY 2015, the Village modified its collection services to automated, once a week, same day pickup for trash, recycling, and yard debris to improve operating efficiencies. In FY19, glass was no longer accepted into the recycling stream by the materials recycling facility thus decreasing overall satisfaction with Solid Waste collection. The Village projects satisfaction ratings of 93% for the five-year planning period.

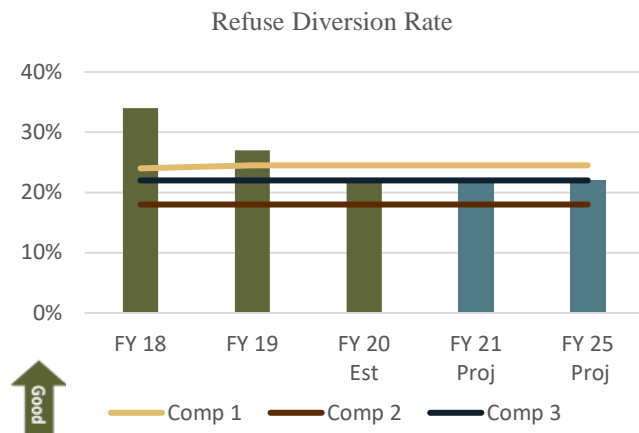
Key Performance Indicators (KPIs) – Conserve natural resources

Maintain resident satisfaction with promotion of natural resource conservation at 90%



Historically, Pinehurst residents have been very satisfied with the promotion of natural resource conservation, exceeding comparable communities. In FY 2019, the Village was required to remove glass from the recycling stream as a result of reduced worldwide demand for these materials. The Village led an education campaign to inform residents of the new restrictions imposed on the recycling services. Due to the changes with the recycling stream, the Village projects the satisfaction ratings to remain between 88-90%.

Divert at least 22% of waste from the landfill



Historically, the Village's refuse diversion rate (e.g. the % of refuse that is recycled and diverted from the landfill) has been approximately 35%. Due to the FY 2019 elimination of glass in the recycling stream, the Village projects this to drop to 22% over the five-year planning period.



Goal: Promote Active Living and Cultural Opportunities



Promoting active living and cultural opportunities means to offer recreation programs, facilities, and community events to enhance the overall quality of life. The department primarily responsible is Parks & Recreation. Applicable volunteers include numerous recreation volunteer coaches. See the *General Fund* section of this document for additional information on the departments. There are two objectives under promote active living and cultural opportunities:

1. Provide recreation programs and facilities, and
2. Provide cultural services and events.

There are no five-year Initiative Action Plans (IAPs) for these objectives.



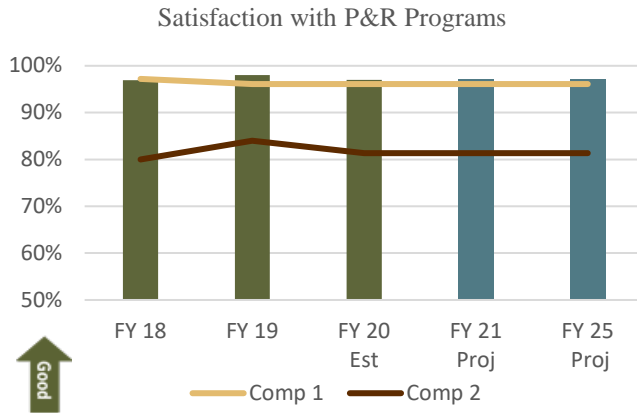
Live After Five in Tufts Park



The Key Performance Indicators (KPIs) for this objective are identified below.

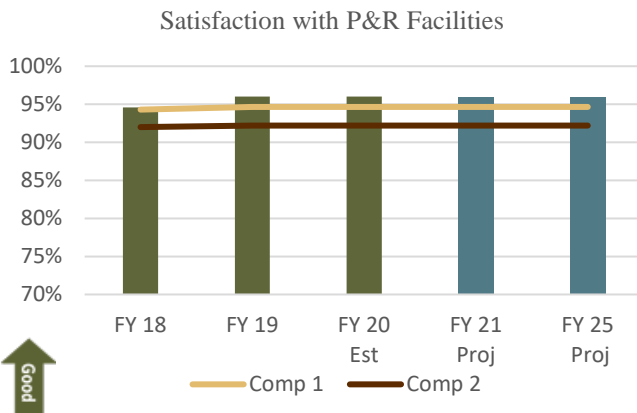
Key Performance Indicators (KPIs) – Provide recreation programs and facilities

Maintain resident satisfaction with parks & recreation programs at 95%



Village residents indicate consistently high satisfaction ratings with Parks and Recreation programs. In FY 2016, the Village began leasing dedicated indoor recreation space to expand programming opportunities and the new Community Center opened in January 2020. The Village projects continued high satisfaction ratings of 97% over the five-year planning period, exceeding the goal of 95%.

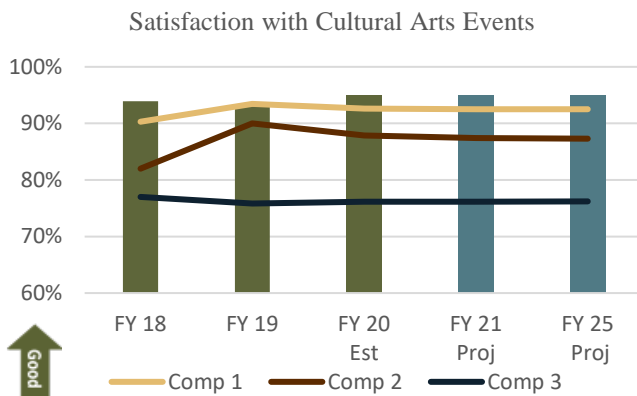
Maintain resident satisfaction with parks & recreation facilities at 95%



Village residents indicate consistently high satisfaction ratings with Parks and Recreation programs. In FY 2016, the Village began leasing dedicated indoor recreation space to expand programming opportunities and the new Community Center opened in January 2020. The Village projects continued high satisfaction ratings exceeding the 95% goal over the five-year planning period.

Key Performance Indicators (KPIs) – Provide cultural services and events

Maintain resident satisfaction with Village-sponsored cultural arts events at 95%



In FY 2015, the Village assumed responsibility for the Live After Five music series and other new events have been added to enhance resident satisfaction with Village sponsored cultural arts events. A dedicated focus on event programming with dedicated staff has allowed the Village to achieve high satisfaction ratings that exceed comparable communities. Staff projects satisfaction rates will be at the goal of 95% over the planning period.



Goal: Professionally Manage a High Performing Organization



Professionally managing a high performing organization means to continually improve service delivery to both internal and external customers. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Administration. Applicable volunteers include the Risk Management Committee. See the *General Fund* section of this document for additional information on the departments. There are four objectives under Professionally Manage a High Performing Organization:

1. Communicate with and engage the community;
2. Provide a high level of customer service,
3. Continuously improve and innovate, and
4. Maintain Village assets

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

Strategic Objective: Continuously improve and innovate			
Initiative Action Plans	Timeline	FY 2021-2025 Funding	Department/ Division
Build Baldrige Framework Systems and Culture – Continue use of the Baldrige Excellence Framework to ensure systematic processes that deliver exceptional results	FY 2021	\$52,500	Administration
Expand GIS Capabilities – Continue implementing the GIS Strategic Plan for the Village	FY 2021	\$128,000	Information Technology

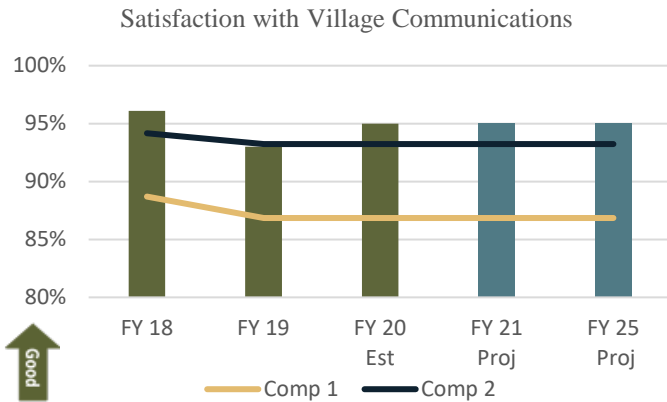


Village Hall



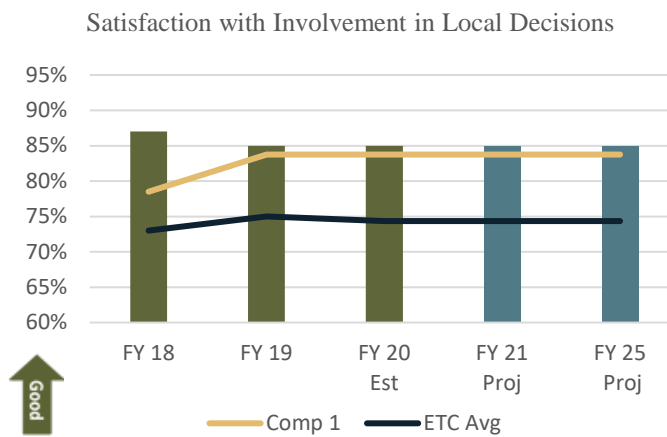
Key Performance Indicators (KPIs) – Communicate with and engage the community

Maintain resident satisfaction with Village communications at 95%



The Village has had several initiatives to improve communications with residents in recent years including enhancements to the quarterly newsletter, posting Council and Planning Board meeting videos online, MyVOP mobile app, monthly e-News, online engagement portals, and social media enhancements. In addition, the Village reorganized to create a Communications Specialist position in FY 2017. As a result, the Village achieves high satisfaction ratings that exceed comparable communities. The Village projects continued high ratings of 95%, meeting the goal.

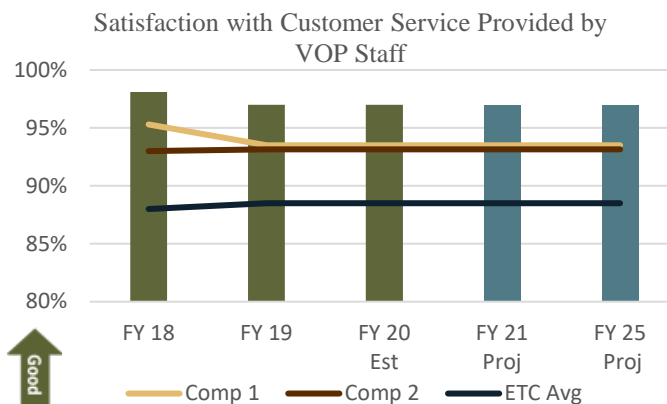
Maintain resident satisfaction with the level of public involvement in local decisions at 85%



To increase transparency, the Village began posting Planning Board, Board of Adjustment, and Historic Preservation Commission agendas online in advance of meetings and a Council eNews is sent prior to each meeting. The Village also published Learning Guides to help communicate opportunities for the public to get involved in local decisions. FY 2018 satisfaction increased significantly, likely due to the kickoff of the Long Range Comprehensive Plan update process. The Village projects that satisfaction levels will return to historical levels around 85%.

Key Performance Indicators (KPIs) – Provide a high level of customer service

Maintain resident satisfaction with customer service provided by VOP staff at 95%

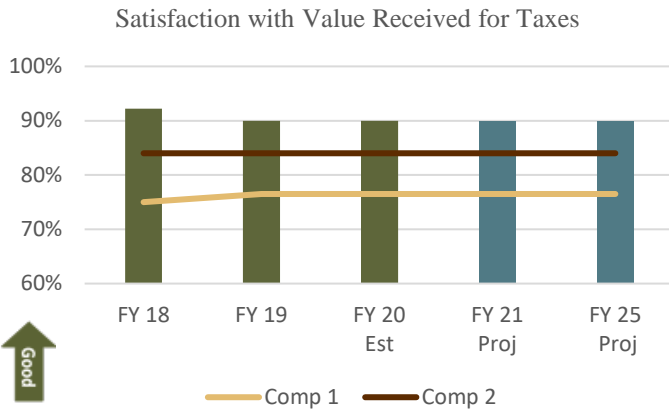


Historically, the Village has seen very high levels of satisfaction with customer service provided by VOP staff, consistently exceeding benchmarks. The workforce strives to provide outstanding customer service always. Every employee's performance evaluation includes a rating on their performance relative to the core value of service.



Key Performance Indicators (KPIs) – Continuously improve and innovate

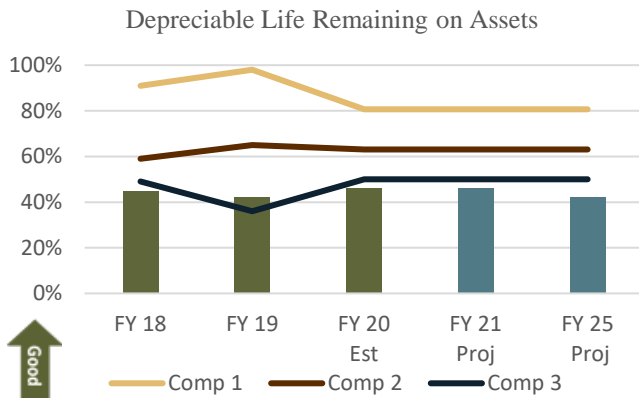
Maintain resident satisfaction with the value received for taxes paid at 90%



Resident satisfaction with the value received for taxes paid is an indicator of resident perceptions of Village operational effectiveness. With satisfaction levels around 90% and exceeding comparable communities, the Village demonstrates its ability to provide an excellent value for taxes. The Village projects satisfaction ratings will be approximately 90% over the planning period. These projections exceed comparable communities.

Key Performance Indicators (KPIs) – Maintain Village assets

Maintain depreciable life remaining on assets between 40-60%



This is an indicator of the Village's level of investment in new capital and not allowing it to become fully depreciated. The ratio naturally declines by 1-2% each year when there is not a significant investment in new infrastructure like a new facility.



Goal: Attract & Retain an Engaged Workforce



Attracting and retaining an engaged workforce means to select, retain, and develop a qualified and diverse workforce of employees and volunteers. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Human Resources. See the *General Fund* section of this document for additional information on the departments. There is one objective under Attract & Retain an Engaged Workforce: Provide a supportive and rewarding work environment.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for this objective are identified below.

Strategic Objective: Provide a supportive and rewarding work environment			
Initiative Action Plans	Timeline	FY 2021-2025 Funding	Department/ Division
<i>Workforce Learning and Development</i> – Expand the Village’s succession planning process and enhance the workforce learning and development system	FY 2021	\$35,000	Human Resources

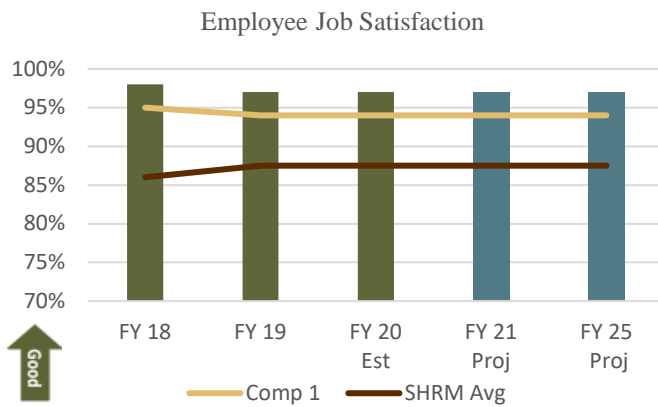


Employee Bowling Outing



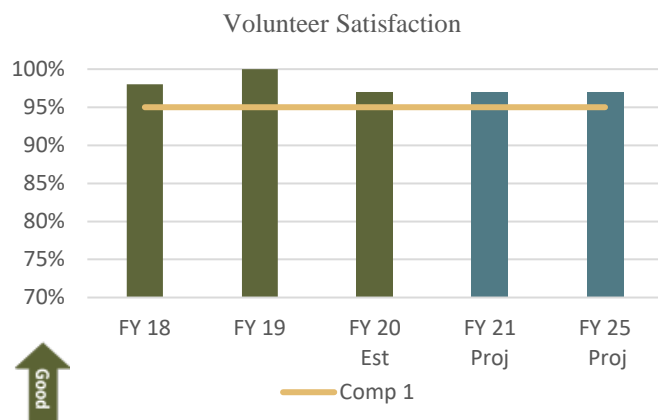
Key Performance Indicators (KPIs) – Provide a supportive & rewarding work environment

Maintain an agreement rating of 95% for employees who agree that overall they like their job



The Village surveys its employees each year in the Annual Workforce Survey to determine employee satisfaction levels in a variety of areas. Employee job satisfaction is a key indicator of employee engagement. Village employee satisfaction ratings are historically above the national SHRM averages and have been consistently above 95%. The Village projects job satisfaction levels will continue to remain around 97% over the five-year planning period, exceeding the goal.

Maintain an agreement rating of 95% for volunteers who agree that overall they like their role



Volunteers are a critical extension of the Village workforce. The Village surveys its volunteers each year in its Annual Volunteer Survey to determine volunteer satisfaction levels in a variety of areas. Volunteer satisfaction is a key indicator of volunteer engagement. The Village demonstrates excellent results and projects 97% volunteer satisfaction ratings over the planning period, which exceeds the goal of 95%.



Goal: Maintain a Healthy Financial Condition

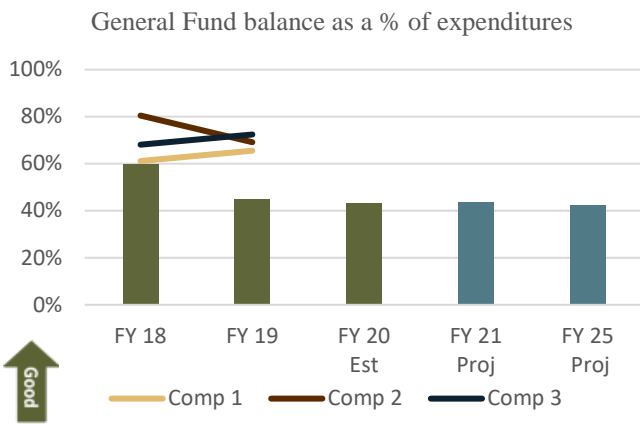


Maintaining a healthy financial condition means to ensure financial sustainability and strength by achieving financial targets. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Financial Services and Administration. See the *General Fund* section of this document for additional information on the departments. There is one objective under Maintain a Healthy Financial Condition: Meet or exceed Village established financial targets.

There are no five-year Initiative Action Plans (IAPs) for these objectives. Key Performance Indicators (KPIs) for these objectives are identified below.

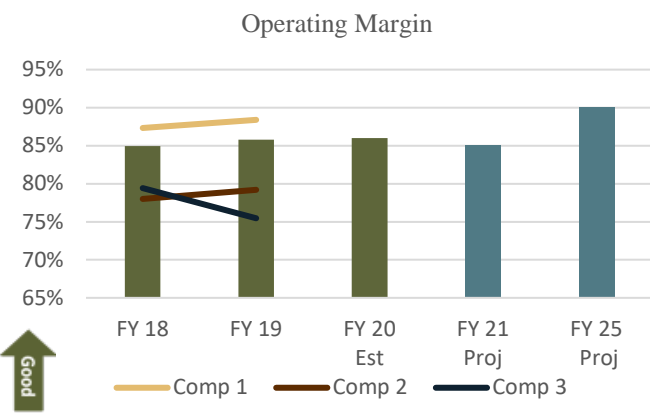
Key Performance Indicators (KPIs) – Meet or exceed Village established financial targets

Maintain a Total General Fund fund balance as a % of actual expenditures above 30%



This KPI measures the amount of available financial resources in proportion to the size of the overall budget. The Village’s Fund Balance Policy requires the Village to maintain a total fund balance as a % of expenditures greater than 30%, which the Village has consistently exceeded. In FY 2019, fund balance fell due to the planned use of \$4 million to fund the construction of the Community Center. The Village has historically maintained a smaller fund balance than benchmark communities.

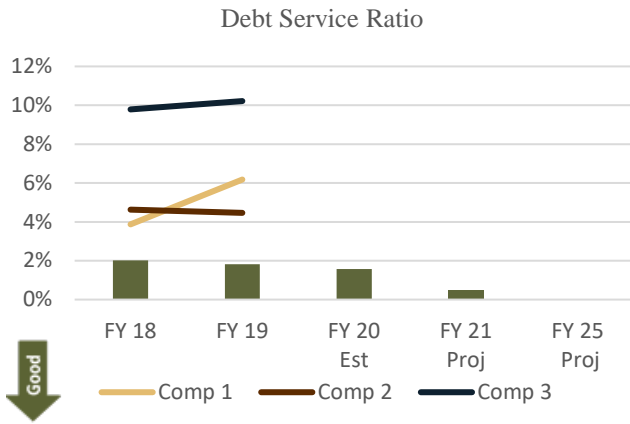
Maintain a General Fund operating margin between 81-91%



This KPI is an indicator of the Village’s financial strength. It measures the amount of operating revenues spent on operating expenditures. Management’s target operating margin range is between 81-91%.



Maintain a General Fund debt service ratio of less than 10%



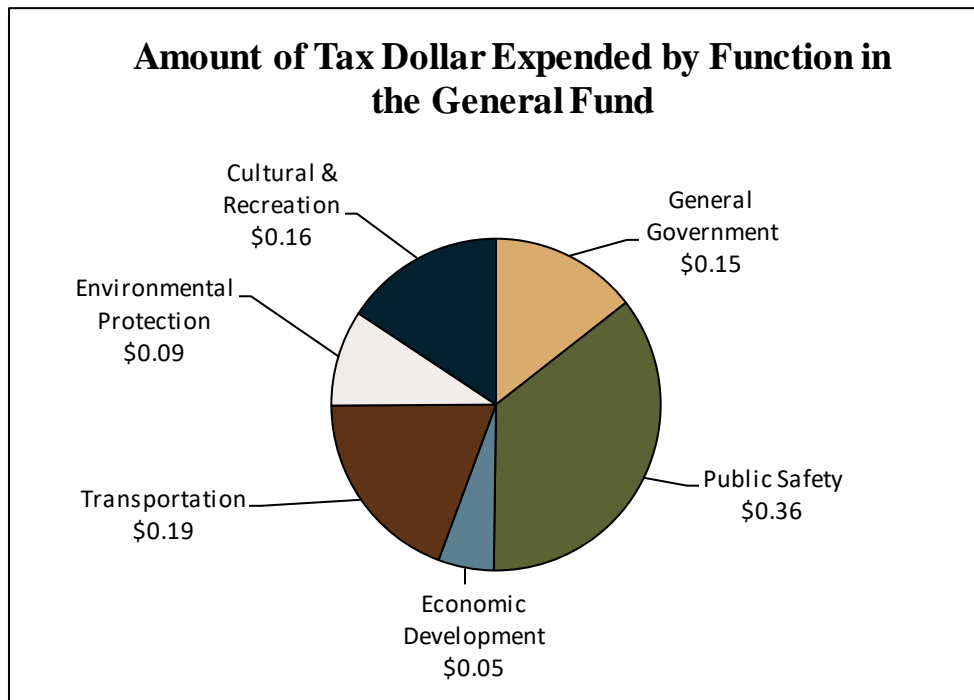
This KPI is an indicator of the Village’s financial strength. Particularly the Village’s ability to keep debt service as a percentage of total expenditures at an affordable level. Higher levels of debt service indicate that a unit of government is relying too heavily on debt to acquire needed capital.



Description

The General Fund is used to account for resources traditionally associated with government which are not required legally, or by sound financial management, to be accounted for in another fund. The following functional areas are included in the General Fund:

- General Government
- Public Safety
- Transportation
- Environmental Protection
- Economic and Physical Development
- Cultural and Recreation
- Debt Service

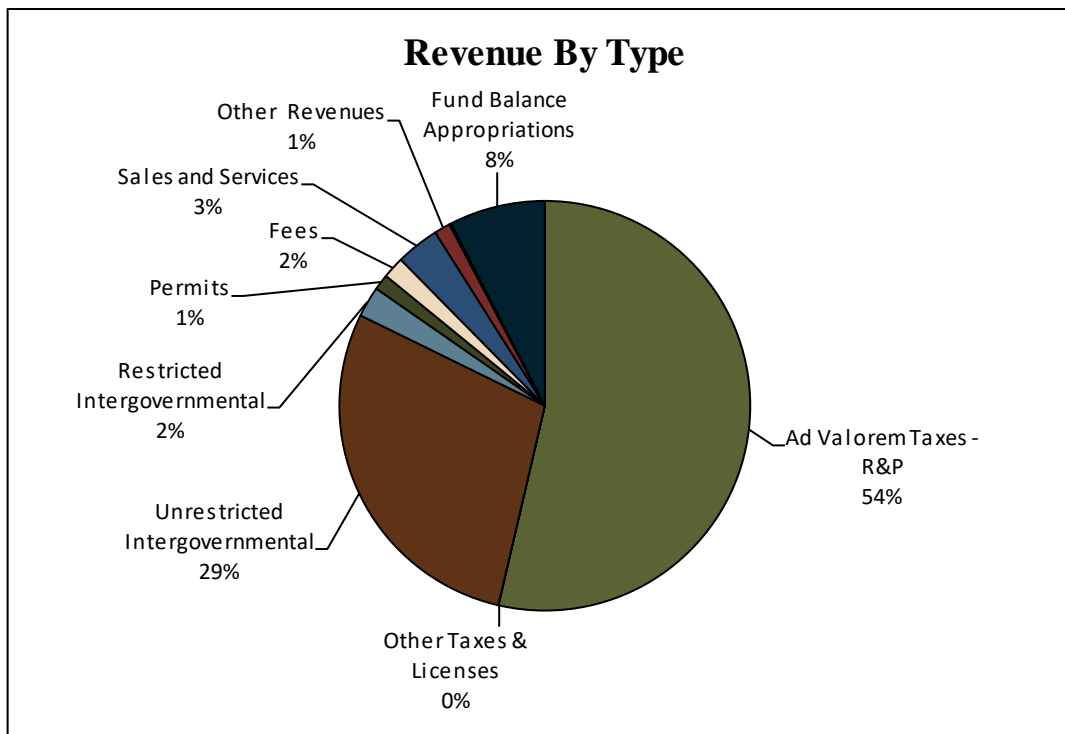




General Fund Summary

The major revenues as well as other financing sources budgeted by the Village of Pinehurst are summarized in the table and chart below. Ad valorem taxes account for approximately 58% of the Village of Pinehurst's total operating revenues. When fund balance appropriated is included, ad valorem taxes equal 54% of total revenues.

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Ad Valorem Taxes	\$ 10,349,609	\$ 11,186,000	\$ 11,281,000	\$ 11,403,000	1.9%
Other Taxes & Licenses	2,850	1,500	2,000	2,000	33.3%
Unrestricted Intergovernmental Rev.	6,013,374	6,023,300	6,313,300	6,087,500	1.1%
Restricted Intergovernmental Rev.	858,129	511,100	549,197	513,600	0.5%
Permits & Fees	794,770	925,700	912,850	626,600	-32.3%
Sales & Services	689,943	720,700	672,200	725,400	0.7%
Assessments	29,371	24,200	24,200	5,170	-78.6%
Other Revenues	333,226	1,249,880	1,267,780	269,780	-78.4%
Investment Income	254,921	180,000	189,000	25,400	-85.9%
Operating Revenues	19,326,193	20,822,380	21,211,527	19,658,450	-5.6%
Fund Balance Appropriations	-	1,049,416	-	1,603,467	52.8%
Total Revenues	\$ 19,326,193	\$ 21,871,796	\$ 21,211,527	\$ 21,261,917	-2.8%
Per Capita	\$ 1,154	\$ 1,279	\$ 1,240	\$ 1,227	

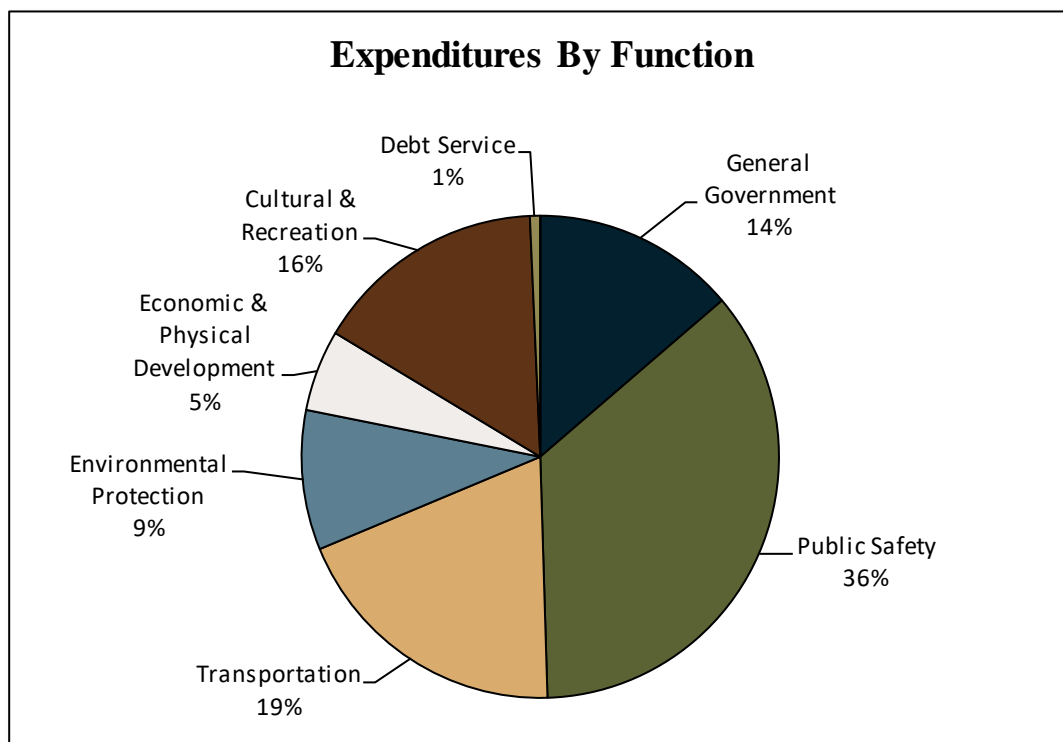




General Fund Summary

While the Village of Pinehurst's budget contains multiple departments and divisions, each conducts Village government activities as part of a functional area. For example, the Fire Department and the Police Department are part of the functional area known as Public Safety, as both share the common theme of protecting citizens. Grouping activities by these themes (functions), allows the decision-making process to be managed at a broader, more comprehensive level. The following table and chart present the trends for all of the Village of Pinehurst's different functions.

Expenditures by Function	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
General Government	\$ 2,331,905	\$ 2,775,422	\$ 2,602,084	\$ 2,928,351	5.5%
Public Safety	6,052,992	7,624,606	7,234,802	7,600,346	-0.3%
Transportation	3,625,359	3,770,160	3,635,518	4,089,093	8.5%
Environmental Protection	1,510,935	1,931,473	1,908,432	1,991,770	3.1%
Economic & Physical Dev	1,010,775	1,205,308	1,172,155	1,160,670	-3.7%
Cultural & Recreation	2,675,875	3,252,700	2,960,711	3,343,520	2.8%
Debt Service	319,052	312,127	312,127	148,167	-52.5%
Contingency	-	1,000,000	-	-	-100.0%
Expenditures	17,526,893	21,871,796	19,825,829	21,261,917	-2.8%
Other Financing Uses	4,569,165	-	-	-	0.0%
Total Expenditures	\$ 22,096,058	\$ 21,871,796	\$ 19,825,829	\$ 21,261,917	-2.8%
Per Capita	\$ 1,319	\$ 1,279	\$ 1,159	\$ 1,227	





General Fund Summary

The Village also summarizes expenditures by type and department to facilitate further analysis of expenditure trends. The following tables provide a summary of expenditures by expenditure type and department for Fiscal Year 2021.

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 9,939,521	\$ 11,381,570	\$ 10,702,571	\$ 11,766,750	3.4%
Operating	6,280,067	8,163,362	6,796,394	7,123,800	-12.7%
Capital	988,253	2,014,737	2,014,737	2,223,200	10.3%
Debt Service	319,052	312,127	312,127	148,167	-52.5%
Other Financing Uses	4,569,165	-	-	-	0.0%
Total Expenditures	\$ 22,096,058	\$ 21,871,796	\$ 19,825,829	\$ 21,261,917	-2.8%

Expenditures by Department Totalled by Function	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change	FY 2021 % Total
General Government						
Governing Body	\$ 107,832	\$ 147,150	\$ 120,018	\$ 146,400	-0.5%	0.7%
Administration	1,223,617	1,409,132	1,366,298	1,462,971	3.8%	6.9%
Finance	592,981	672,060	657,774	716,370	6.6%	3.4%
HR	407,475	547,080	457,994	602,610	10.2%	2.8%
Total General Government	2,331,905	2,775,422	2,602,084	2,928,351	5.5%	13.8%
Public Safety						
Police	3,083,037	3,606,544	3,399,524	3,573,890	-0.9%	16.8%
Fire	2,744,231	3,699,600	3,526,546	3,686,846	-0.3%	17.3%
Inspections	225,724	318,462	308,732	339,610	6.6%	1.6%
Total Public Safety	6,052,992	7,624,606	7,234,802	7,600,346	-0.3%	35.7%
Transportation						
Public Services Admin.	467,518	634,051	616,684	622,173	-1.9%	2.9%
Streets & Grounds	2,057,905	2,035,609	1,918,334	2,366,420	16.3%	11.1%
Powell Bill	1,099,936	1,100,500	1,100,500	1,100,500	0.0%	5.2%
Total Transportation	3,625,359	3,770,160	3,635,518	4,089,093	8.5%	19.2%
Environmental Protection						
Solid Waste	1,510,935	1,931,473	1,908,432	1,991,770	3.1%	9.4%
Total Environmental Protection	1,510,935	1,931,473	1,908,432	1,991,770	3.1%	9.4%
Economic & Physical Dev.						
Planning	827,877	836,658	821,463	982,390	17.4%	4.6%
Community Development	182,898	368,650	350,692	178,280	-51.6%	0.8%
Total Economic & Physical Dev.	1,010,775	1,205,308	1,172,155	1,160,670	-3.7%	5.5%
Cultural & Recreation						
Recreation	1,603,035	1,936,949	1,729,032	2,109,687	8.9%	9.9%
Library	125,000	195,000	195,000	150,000	-23.1%	0.7%
Harness Track	605,025	682,398	624,757	693,628	1.6%	3.3%
Fair Barn	342,815	438,353	411,922	390,205	-11.0%	1.8%
Total Cultural & Recreation	2,675,875	3,252,700	2,960,711	3,343,520	2.8%	15.7%
Debt Service	319,052	312,127	312,127	148,167	-52.5%	0.7%
Contingency	-	1,000,000	-	-	-100.0%	0.0%
Total Expenditures	17,526,893	21,871,796	19,825,829	21,261,917	-2.8%	
Other Financing Uses (OFU)	4,569,165	-	-	-	0.0%	0.0%
Total Expenditures & OFU	\$ 22,096,058	\$ 21,871,796	\$ 19,825,829	\$ 21,261,917	-2.8%	100.0%



General Fund Summary

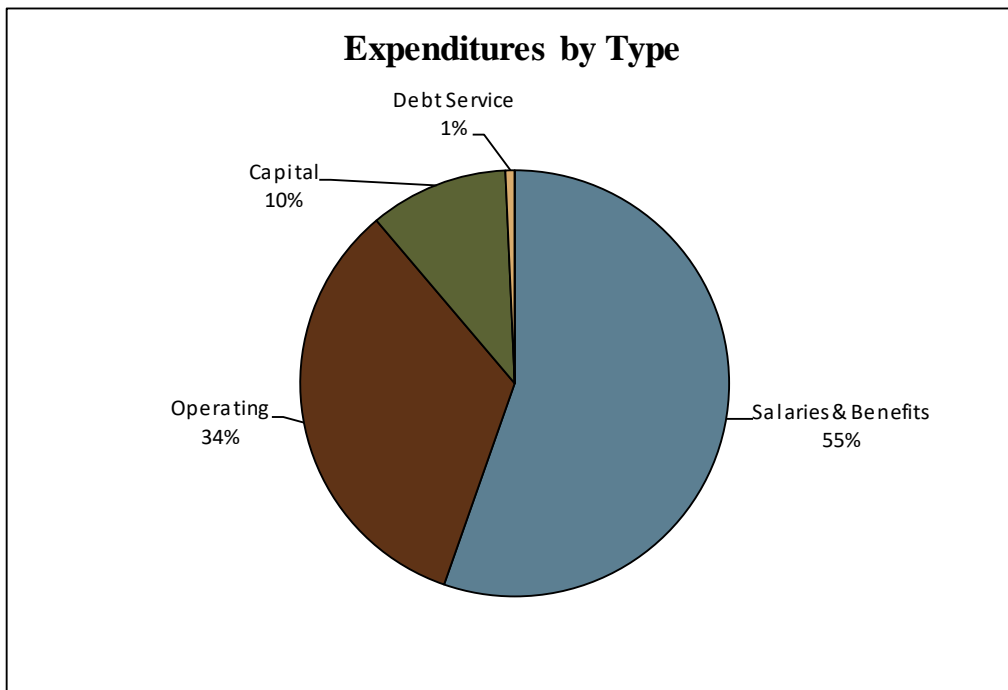
The General Fund reflects the recent economic uncertainty surrounding the COVID-19 pandemic outbreak. While certain revenue sources such as local option sales tax and investment income are particularly susceptible to economic downturns, other revenue sources such as ad valorem taxes and Powell Bill funding are expected to remain stable. The Village’s state-collected utility taxes have leveled off and started to decline slightly as consumers move away from traditional landline telephone and cable television services.

The proposed General Fund budget for FY 2021 is \$21,261,917, a decrease of approximately 3% from the previous year’s amended budget

The following table indicates the Village’s results from operations before any other financing sources or uses for the past five years:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over (Under) Expenditures</u>
6/30/2016 Actual	\$17,230,883	\$16,130,641	\$1,100,242
6/30/2017 Actual	17,979,981	16,672,223	1,307,758
6/30/2018 Actual	18,215,425	17,862,691	352,734
6/30/2019 Actual	19,326,193	17,526,893	1,799,300
6/30/2020 Estimated	21,211,527	19,825,829	1,385,698
6/30/2021 Budgeted	19,658,450	21,261,917	(1,603,467)

After adding appropriated fund balance of \$1,603,467 to revenues, the Village’s FY 2021 recommended budget is balanced in accordance with North Carolina General Statutes.





Revenue Highlights

The approved budget for FY 2021 represents a 3% decrease from the FY 2020 amended budget. Operating revenues are estimated to decrease by approximately 5.6% over FY 2020, due in part to the return of \$1 million from the Given Memorial Library capital campaign trust account in FY 2020. The recommended budget as presented results in a per capita expenditure of \$1,227 based on a projected population of 17,331.

The projected ad valorem tax revenues, which represent roughly 58% of total operating revenues, are expected to grow by 1.9% over the prior year. This is due to the increase in single-family home construction and commercial construction. The proposed budget calls for the current property tax rate to remain at 30 cents per \$100 of property valuation. This rate is expected to generate \$11,403,000 in ad valorem revenues.

Unrestricted intergovernmental revenues, which are distributed by the North Carolina Department of Revenue, are overall expected to increase by 1.1% over FY 2020. Local option sales taxes, which provide approximately 19% of the Village's operating revenues, are expected to increase by 2.3% over the previous year's original budget. During the first three quarters of FY 2020, the Village experienced strong sales tax growth due to an expanding economy and the collection of sales tax on most online transactions; however, in March 2020, the COVID-19 outbreak sparked an economic downturn. While the budget-to-budget sales tax revenue variance is an increase, we expect a decrease in the FY 2021 budget from our FY 2020 revised estimate. Utility sales taxes are expected to change over the prior year at varying rates. While electricity sales taxes are expected to remain stable, telecommunications and video programming taxes are likely to decline as consumers are selecting alternative telephone and television services.

Permits and fees are expected to decrease by 32.3% in FY 2021 over the prior year budgeted levels. This decrease is primarily due to the anticipated drop in new home permits and slowed commercial projects due to the depletion of buildable lots within Village limits and the unknown economic effects of the COVID-19 pandemic on new construction. We project approximately 185 homes will be constructed in FY 2020 and only 100 homes in FY 2021, a 46% reduction.

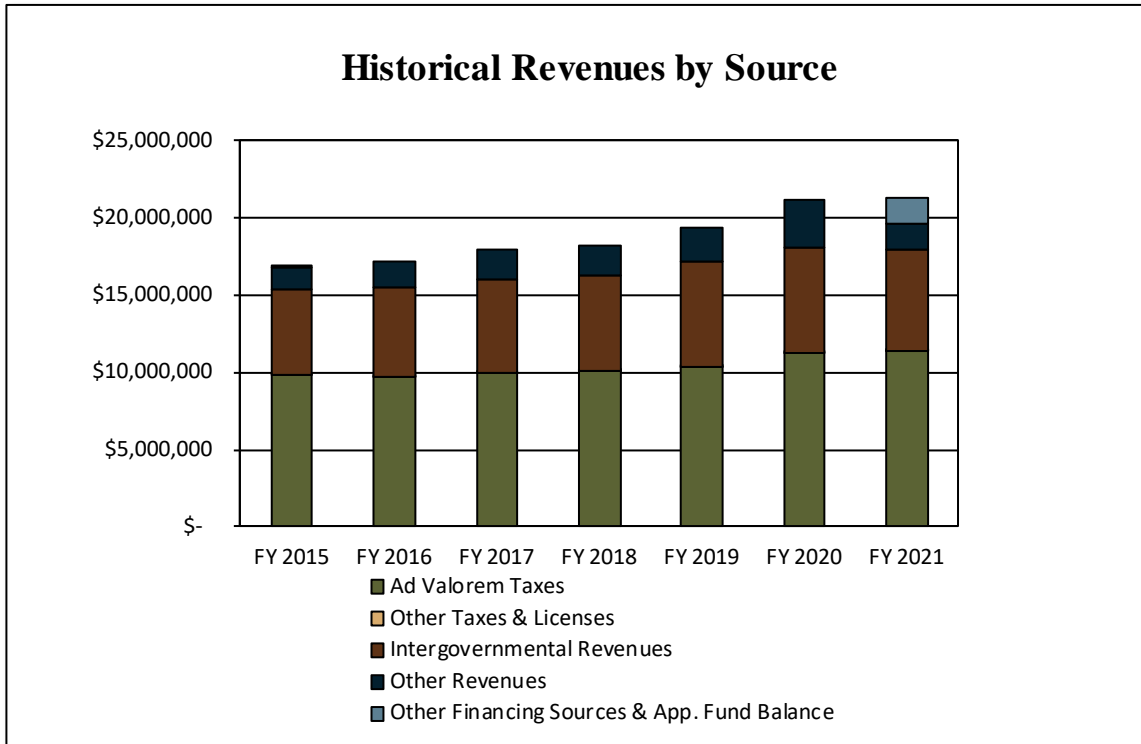
Assessment revenues are expected to generate \$5,170 for FY 2021. This includes the final year of the Municipal Service District (MSD) assessment for repairs made to improve dams in FY 2007.

Sales and services revenues, which are derived from various Parks and Recreation fees, are expected to increase overall by 0.7% over prior year levels. The largest increase includes Fair Barn rentals, which are 4.3% higher than the prior year budget. This increase is primarily due to the newly revised Fair Barn fees adopted by Council with an effective date of July 1, 2020. The new fee structure includes a package rate rental for Fair Barn amenities, instead of a per-item fee. Recreation fees are also expected to increase modestly with additional program offerings at the new Community Center. Harness Track stall revenues, however, are down 4.3% due to lower occupancy rates in FY 2020. Harness Track shows and events revenues are also down 15.2% due to fewer rentals of the facilities.

Other revenues are planned to decrease by 78.4% compared to the prior year. The primary factor contributing to the decrease is the return of \$1 million included in the FY 2020 budget from the Given Memorial Library capital campaign trust account due to the library's inability to meet fundraising requirements under the agreement.



Investment income is estimated to decrease by 85.9% as interest rates have significantly dropped in the last quarter of FY 2020 due to the Federal Reserve’s response to the market after the COVID-19 coronavirus outbreak. As the economy is very volatile, the average rate of return expected in FY 2021 is 0.2%. This is a significant decrease from the expected average rate of return in FY 2020 of 1.3%.



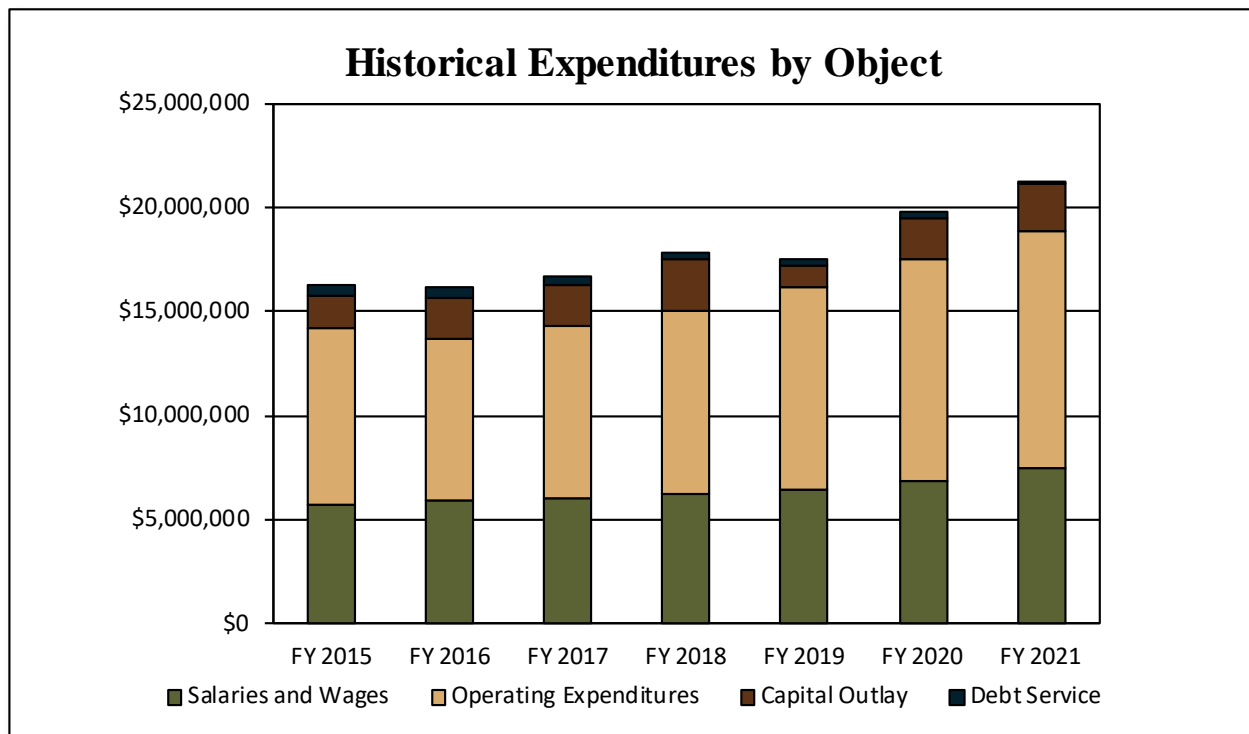


Expenditure Highlights

Salaries and benefits are expected to increase by 3.4% in FY 2021. This is affected by a cost of living adjustment of 1.8%, an average merit increase of 2%, and a projected 10% increase in group insurance. In FY 2021, there are 1.25 new employee full-time equivalents (FTE) added to the budget for the following positions: a new Transportation Planner for the Planning Department (1 FTE) and the existing 30-hour Human Resources Assistant position is increased to a full-time Human Resources Specialist (.25 FTE).

Village department heads are focused on achieving the strategic objectives and performance targets established by the Council that are reflected on the Balanced Scorecard (BSC). Current year operating expenditures include funding for strategic initiatives supporting the Council’s goals and objectives as listed in the *Strategic Priorities* section of this document. The most significant initiative includes developing small area plans for the Village Place/Rattlesnake Trail corridor and Pinehurst South/Highway 5 commercial area. Contingency funding of \$1 million was set aside in FY 2020 operating expenditures as a budgetary technique to return the \$1 million from the Given Memorial Library capital campaign trust account to fund balance. Excluding the \$1 million contingency appropriation in last year’s budget, operating expenditures decreased by 0.6%. This minor change is reflective of various increases and offsetting decreases throughout the budget.

Capital spending in the General Fund increased by 10.3% compared to the previous year. This increase is primarily due to the inclusion of \$625,000 for the replacement of a fire engine, \$250,000 for streetscape improvements and \$250,000 for construction of pedestrian facilities. Other significant items in the current plan include storm drainage projects, additional structured parking at Cannon Park, and a solid waste vehicle replacement.





Fund Balance

Fund balance refers to the difference between current financial assets and liabilities reported in a fund. It is also referred to as surplus funds. The North Carolina Local Government Commission recommends that units of government retain an amount of unreserved fund balance in the General Fund of at least equal to 8% of appropriations of the fund. The Village Council has a financial policy recommending that the total fund balance in the General Fund remain between 30% and 40% of budgeted expenditures to avoid cash flow interruptions, generate investment income, eliminate the need for short-term borrowing, and have a reserve available for emergencies or opportunities.

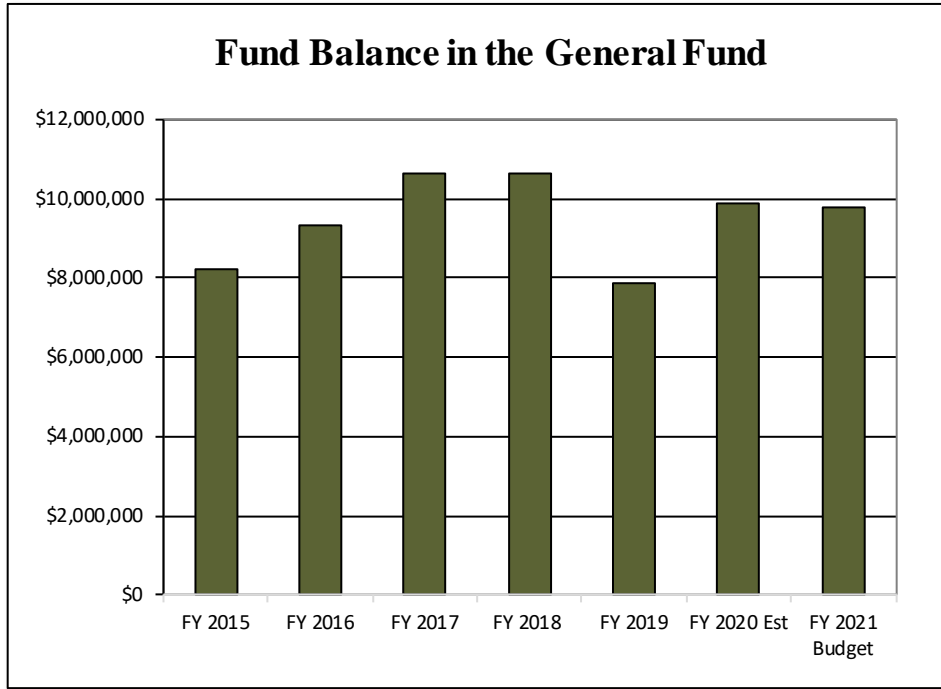
The following schedules outline the percentage increase or decrease for the Village’s General Fund fund balance for the FY 2021 budget and three prior fiscal years. The large decrease in FY 2019 is due to the transfer of funds to the Community Center Capital Project Fund for facility construction. The large increase in FY 2020 includes \$1 million returned to the Village from the Given Memorial Library capital campaign trust account.

Fund Balance	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimated*	FY 2021 Budgeted*
Beginning	\$ 10,633,102	\$ 10,641,838	\$ 7,871,973	\$ 9,856,793
Ending	10,641,838	7,871,973	9,856,793	9,772,249
Increase/(Decrease)	8,736	(2,769,865)	1,984,820	(84,544)
% Change	0.1%	-26.0%	25.2%	-0.9%
% of Expenditures	59.6%	44.9%	45.1%	46.0%

* Assumes an estimated budget-to-actual variance for revenues and expenditures

N. C. General Statutes require that municipal budgets be balanced. They also require that expenditure budgets not be overspent, even by a small amount. A common way that municipalities deal with these requirements is to over-budget expenditures slightly and appropriate some of their savings (fund balance) as an off-setting revenue source. Revenues are conservatively estimated as well. For FY 2021, we have appropriated \$1,603,467 of the Village’s fund balance as a revenue source.

Fund balance is estimated to be \$9,856,793 at June 30, 2020. This is 45.1% of the budgeted FY 2020 expenditures of \$21,871,796. The Village’s fund balance policy is to maintain 30%-40% of expenditures in fund balance. Fund balance at June 30, 2021 is estimated to be \$9,772,249 or 46.0% of budgeted expenditures. Fund balance is estimated above the policy range primarily due to the \$1 million returned library capital contribution from FY 2020. Without this \$1 million, fund balance as a percentage of expenditures would be approximately 41.3%. While this is slightly above Council’s adopted policy range, it positions the Village well to address significant future projects that are expected to arise in the five-year planning period or to maintain service levels during a time of economic uncertainty.





Description of Revenue Source

Ad valorem taxes are paid on real and personal property located within the Village’s corporate limits. Taxes for real and personal property, excluding motor vehicles, are levied based upon the preceding January 1 valuations of the property and the tax rate established by the Village Council in the Budget Ordinance. These taxes are levied each year and are due on January 6 of the year following the levy. Real and personal property is revalued by the Moore County Tax Department at least every eight years, with the last revaluation completed in the 2019 tax year, or FY 2020.

The Village contracts with the Moore County Tax Department to levy and collect ad valorem taxes on behalf of the Village. Amounts collected by Moore County on behalf of the Village are remitted to the Village on a monthly basis.

Historically, ad valorem taxes have comprised approximately 58% of all Village General Fund operating revenues. This includes current year’s collections, prior year’s collections, penalties and interest, and refunds.

Ad Valorem Taxes	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Real & Personal - Current Year	\$ 9,656,808	\$ 10,519,000	\$ 10,549,000	\$ 10,679,000	1.5%
Real & Personal - Prior Years	13,248	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	667,468	660,000	725,000	717,000	8.6%
Motor Vehicles - Prior Years	902	2,000	2,000	2,000	0.0%
Discounts/Reliefs/Refunds	(2,624)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	13,807	5,000	5,000	5,000	0.0%
Total Ad Valorem Tax Revenue	\$ 10,349,609	\$ 11,186,000	\$ 11,281,000	\$ 11,403,000	1.9%

Revenue Assumptions

- The ad valorem tax rate for the Village of Pinehurst will remain \$0.30 per \$100 valuation for the fiscal year ending June 30, 2021. This rate is expected to generate \$11,403,000 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$3,803,000,000, of which \$3,564,000,000 is real property valuation and \$239,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.
- The combined growth factor used to estimate the real property valuation for FY 2021 is 1.28%. The number of new homes constructed in the Village in FY 2019 was 122, and the Village experienced significant growth in FY 2020 with an estimated 185 new homes constructed. Based on remaining lot availability and volatility in the market related to COVID-19, we are expecting to permit 100 homes in FY 2021.
- Although it varies from year to year, we are expecting the motor vehicle valuation to increase by 1.0% next fiscal year.
- The collection rates used to estimate actual ad valorem tax revenue are 99.9% for real and personal property and 100.0% for motor vehicles. These have historically been some of the highest tax collection rates in the State.





Description of Revenue Source

Other taxes and licenses currently consists only of golf cart sticker fees.

Golf cart stickers are issued to license the use of personal golf carts on Village streets. In January of 2016, the Village converted the golf cart registration process from an annual registration to a one-time registration. This system continues to work well to accomplish the goals of the program while reducing the time and cost to issue the stickers.

Other Taxes & Licenses	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Golf Cart Stickers	\$ 2,850	\$ 1,500	\$ 2,000	\$ 2,000	33.3%
Total Other Taxes & Licenses	\$ 2,850	\$ 1,500	\$ 2,000	\$ 2,000	33.3%

Revenue Assumptions

- In January 2016, the Village adopted a one-time registration fee of \$20 for golf carts.
- The new system has proven to be more convenient for residents and less costly for the Village. The resulting revenues, however, are lower under the new system.



Description of Revenue Source

Unrestricted intergovernmental revenue consists of local option sales taxes, telecommunications tax, electricity sales tax, video programming sales tax, hold harmless sales tax, and wine and beer tax. These six state-collected local revenues make up approximately 31% of General Fund operating revenues.

The local option sales tax is levied by the Moore County Board of Commissioners and is collected by the State of North Carolina on behalf of the County. The local option sales tax rate of 2.25% consists of four separate taxes that are authorized by the North Carolina General Statutes: Article 39 at 1%, Article 40 at 0.5%, Article 42 at 0.5%, and Article 46 at 0.25%. These local government sales and use taxes are applied to sales made in the state and are allocated to each county based on various legislated formulas. The total amount allocated to Moore County is then distributed among the county and the local government jurisdictions within the county on a per capita basis, with the exception of Article 46, which remains with Moore County to support education. The State of North Carolina distributes the Village's share of these taxes to the Village on a monthly basis.

The telecommunications tax represents a 7.0% sales tax on telecommunications sales within the Village's corporate limits. The State of North Carolina distributes a percentage of this tax collected to the Village based upon the Village's past share of the old telephone franchise tax that was repealed.

In North Carolina, electricity sales are taxed at the combined general statewide sales tax rate of 7.0%. The State allocates 44% of the proceeds to cities within the state. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is based on the electricity franchise revenues received in FY 2014. The ad valorem share is based on the city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied. The State of North Carolina distributes this tax to municipalities on a quarterly basis.

Video programming sales tax is applied to the gross receipts of cable service and direct-to-home satellite service retailers on the video programming provided to subscribers in the State. Programming provided by, or generally considered comparable to programming provided by, a television broadcast station, regardless of the method of delivery is subject to the tax. Gross receipts are taxed at the combined general sales tax rate of 7.0%.

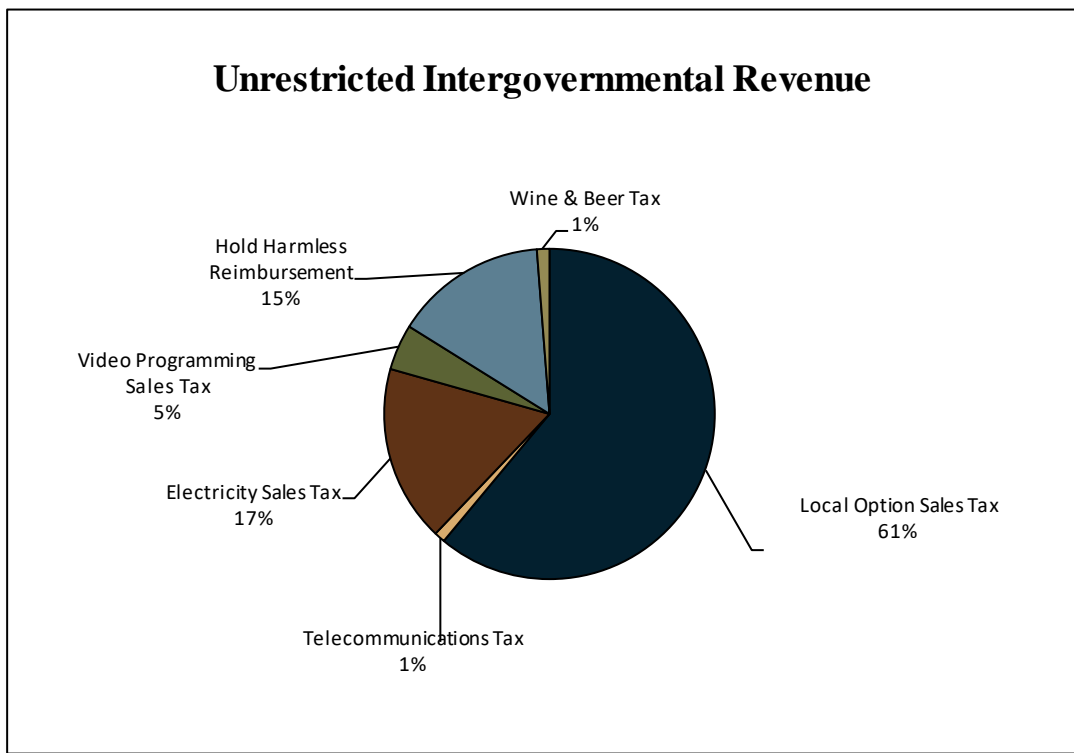
The hold harmless reimbursement is based on taxable sales made in the county and is allocated among the county and the local government jurisdictions within the county based upon a per capita basis. These hold harmless reimbursements were granted to municipalities to replace the Article 44 sales tax that was repealed as part of the Medicaid relief program for counties. The State of North Carolina distributes these funds to the Village on a monthly basis.

The wine and beer tax is levied by the State of North Carolina on the sale of malt beverages, fortified wine and unfortified wine. A percentage of the tax on the sales of these beverages that are generated from within the Village's corporate limits is distributed to the Village by the state on an annual basis.



Unrestricted Intergovernmental Revenues

Unrestricted Intergovernmental Revenue	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Local Option Sales Tax	\$ 3,634,067	\$ 3,632,000	\$ 3,882,000	\$ 3,716,000	2.3%
Telecommunications Tax	80,296	78,000	73,000	65,000	-16.7%
Electricity Sales Tax	1,044,491	1,044,000	1,053,000	1,052,000	0.8%
Video Programming Sales Tax	282,850	283,000	279,000	273,000	-3.5%
Hold Harmless Reimbursement	899,279	913,000	953,000	907,000	-0.7%
Wine & Beer Tax	72,391	73,300	73,300	74,500	1.6%
Total Unrest. Intergovernmental Rev.	\$ 6,013,374	\$ 6,023,300	\$ 6,313,300	\$ 6,087,500	1.1%





Revenue Assumptions

- Local option sales tax estimates are based on a combination of the expected statewide growth or loss factor for Articles 39, 40, and 42, adjusted for local economic conditions. The statewide rates are estimated by the North Carolina League of Municipalities (NCLM) in conjunction with economists from the North Carolina General Assembly. These estimates are communicated to all municipalities to aid them in budgeting these state-collected revenues. This year, due to the economic volatility following the COVID-19 pandemic outbreak, the NCLM provided three scenarios ranging in severity to project sales tax growth and loss. The Village utilized revenue projections most similar to the NCLM's intermediate scenario, which estimated an increase in FY 2020 of 2.2% and a decrease in FY 2021 of 2.3%. During the first three quarters of FY 2020, the Village experienced strong sales tax growth, which surpassed our original budget estimates. As a result, the FY 2021 local option sales tax revenue budget will increase by approximately 2.3% over the FY 2020 original budgeted amounts. However, we expect a decrease from our FY 2020 revised estimate.
- Telecommunications taxes are projected based upon growth assumptions provided by the NCLM. The telecommunication industry continues to experience a decline in the total number of landlines. The NCLM is projecting this revenue to decrease 7.5% in FY 2020 and 9.2% in FY 2021. Based on this forecast, the Village's telecommunications tax revenue will decrease by approximately 16.7% in FY 2021 below the FY 2020 budgeted amount, since FY 2020 revenues have not been reaching the previously budgeted levels.
- Electricity sales taxes are also projected based upon growth assumptions provided by the NCLM. This revenue is directly related to electricity usage and is impacted by the number of heating and cooling days each year. The NCLM is projecting this revenue to increase 1.7% in FY 2020 and 1.0% in FY 2021. We are increasing the electricity sales tax revenue budget for FY 2021 by approximately 0.8%.
- Thus far, distributions of video programming sales taxes for FY 2020 are lower than the amounts collected in FY 2019 as the industry continues to face competition from other video content providers. The NCLM is projecting increases in FY 2020 of 1.0% and decreases in FY 2021 of 1.7%. Based on this forecast, the Village's video programming sales tax revenue will decrease by approximately 3.5% in FY 2021 as compared to the FY 2020 budgeted amount.
- Wine and beer tax revenues are expected to increase by 1.6% to \$74,500 in FY 2021, due to increased sales.



Restricted Intergovernmental Revenues

Description of Revenue Source

Restricted intergovernmental revenues include Powell Bill funds, solid waste disposal tax, and may include other miscellaneous federal or state grants that are restricted for a specific purpose.

Powell Bill revenue is the annual appropriation from the North Carolina State Highway Fund. The Village’s annual distribution of Powell Bill revenue is calculated based upon two factors: a per capita rate and the number of street miles maintained within the Village’s corporate limits.

The State levies a \$2 per-ton “tipping tax” on municipal solid waste and construction and demolition debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside the state. Cities in North Carolina receive 18.75 percent of this State collected revenue which is distributed based on a per capita basis for solid waste management programs and services. The Village uses these funds primarily to fund its recycling program.

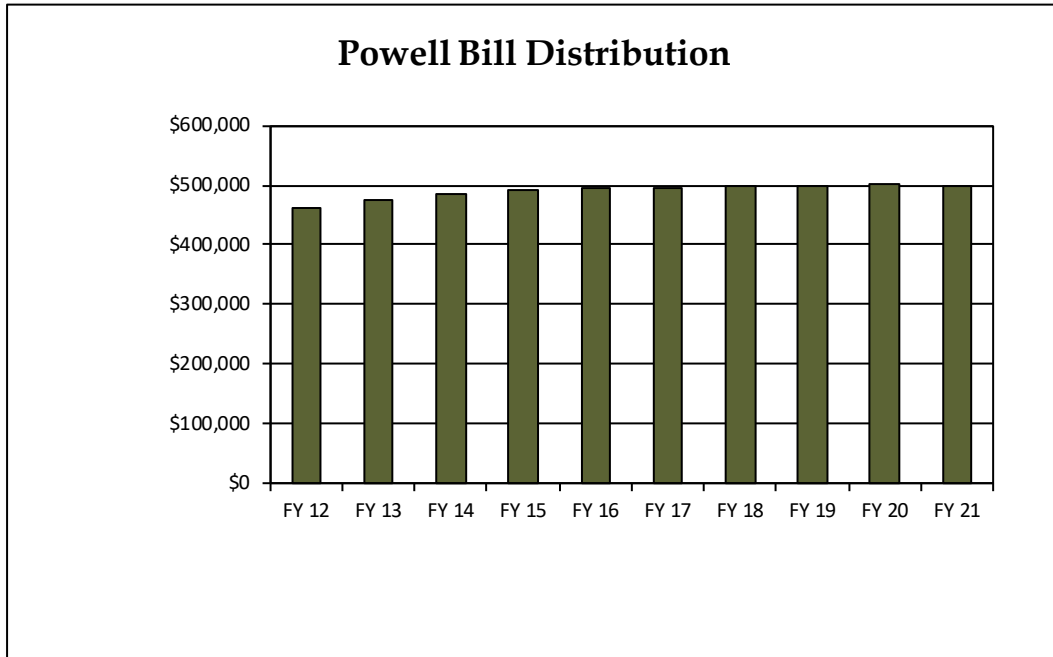
Restricted Intergovernmental Revenue	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Powell Bill	\$ 498,488	\$ 498,000	\$ 501,098	\$ 500,000	0.4%
Controlled Substance Tax Distribution	3,843	1,500	1,500	1,000	-33.3%
Solid Waste Disposal	12,448	11,600	11,600	12,600	8.6%
Other Grants	343,350	-	34,999	-	0.0%
Total Rest. Intergovernmental Rev.	\$ 858,129	\$ 511,100	\$ 549,197	\$ 513,600	0.5%

Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$19.11, which is a 1.1% decrease from the previous year’s actual distribution rate. The street mile rate utilized to project the allocation is \$1,580 per street mile maintained, which decreased by \$11 from the FY 2020 distribution. Both of these estimated distribution rates were provided by the North Carolina League of Municipalities. These slightly lower rates, combined with a small increase in population should yield the Village an approximate increase of 0.4% of revenue over FY 2020.
- The North Carolina League of Municipalities projects that solid waste disposal revenue will decrease by 3.2% for FY 2020 and will increase by 1.0% in FY 2021. Since FY 2019 actual revenue exceeded the anticipated budget projection, we are increasing the budget for this revenue by 8.6% over the FY 2020 levels.
- The Village does not normally budget for other grant revenues until a grant award notification has been received.



Restricted Intergovernmental Revenues





Description of Revenue Source

Permits and fees consist primarily of permit and inspection fees, planning and zoning fees, and fire district revenue. There are also several other minor fees that are included in Permits and Fees revenue.

Permit and inspection fees and planning and zoning fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village’s growth is generated primarily by new residential construction; therefore it is new home construction that really drives this revenue source. In FY 2019, Village staff performed a comprehensive cost analysis of permitting, inspections, planning, and engineering fees to determine the rates necessary to cover the Village’s costs of providing these services. A majority of these planning and inspection fees had not been modified since 2004, and the analysis revealed that most of them should be increased to cover actual costs.

Fire district revenue represents funding paid to the Village by Moore County for the Village’s Fire Department to provide fire protection, rescue services, and medical first response in a geographic district outside of the Village limits. The Village also contracts with Taylortown, a neighboring town, to provide fire protection services under an annual contract. Both of these funding sources are included in fire district revenue. Moore County provides funding through a formula that is calculated based on the level of fire service provided. The amount of funds paid to the Village by Taylortown is based upon the taxable value in Taylortown and the tax rate established by Moore County that is applied to the real and personal property in the unincorporated areas of the county. Moore County remits payment to the Village monthly while Taylortown pays quarterly.

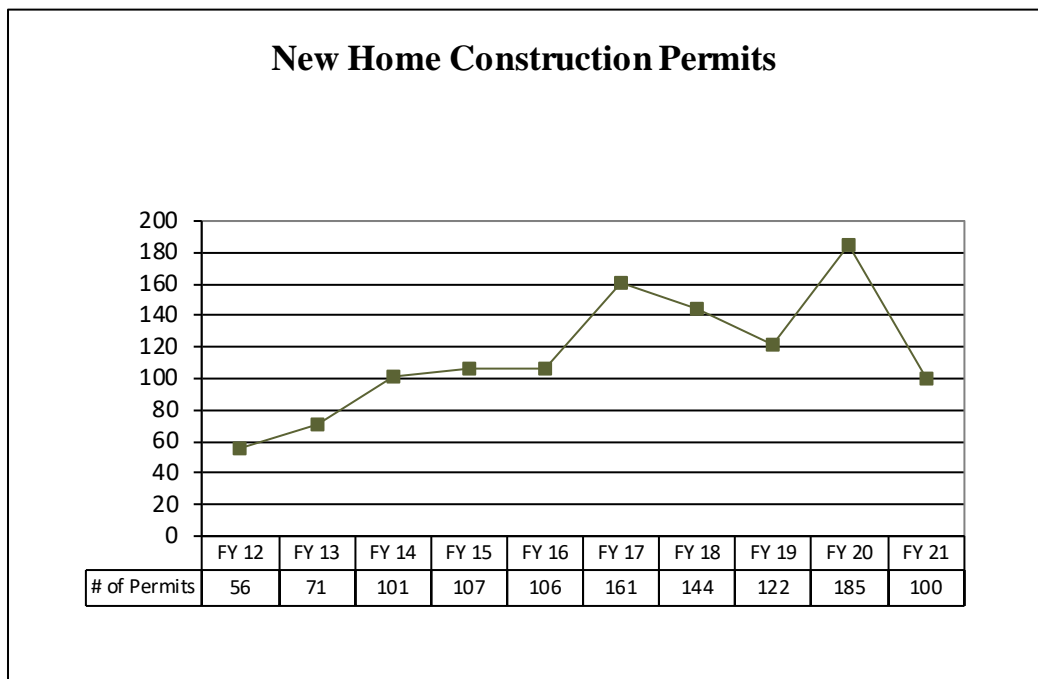
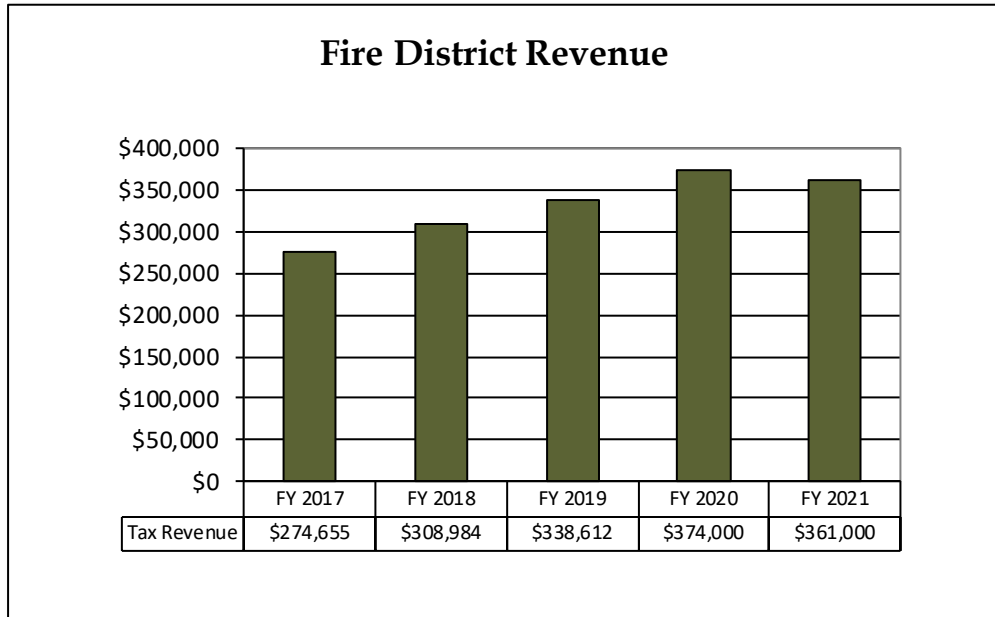
Permits & Fees	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Permit & Inspection Fees	\$ 372,950	\$ 250,000	\$ 290,000	\$ 149,000	-40.4%
Planning & Zoning Fees	71,933	300,000	260,000	115,000	-61.7%
Fire District Revenue	338,612	374,000	360,000	361,000	-3.5%
Other Fees	11,275	1,700	2,850	1,600	-5.9%
Total Permit & Fees	\$ 794,770	\$ 925,700	\$ 912,850	\$ 626,600	-32.3%

Revenue Assumptions

- Permit and inspection fees and planning and zoning fees for residential construction are both expected to decrease in FY 2021. The number of new homes being constructed is expected to decrease from approximately 185 homes in FY 2020 to 100 in FY 2021 due to the depletion of buildable lots and the outbreak of the coronavirus in FY 2020. This 46% reduction in expected home construction is comparable to the anticipated reduction in related permit and inspection fees and planning and zoning fees revenue in FY 2021.



- Fire district revenues are expected to reduce by \$13,000, or 3.5%, over the FY 2020 budget. In FY 2020, Moore County elected not to increase the fire district tax rate according to the planned phased-in implementation of the County’s fire protection funding formula. Since it is not certain whether the County will continue increasing the rate per their original plan, we based our projections on the current rate. The County-wide fire district tax rate affects our County distribution and our fire services contract with the Town of Taylortown.





Description of Revenue Source

As allowed by state statute, the Village of Pinehurst may assess property owners for expenditures that directly benefit specific property owners. Currently, the Village has only one active assessment. The Village assessed property owners for improvements made to dams in FY 2007 in the Municipal Service District (MSD). The Village expects to collect \$5,170 for the final installment of this 15-year assessment in FY 2021. In FY 2020, the final installment of the Cotswold community stormwater project assessment was received.

Assessments	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Assessments	\$ 29,371	\$ 24,200	\$ 24,200	\$ 5,170	-78.6%
Total Assessments	\$ 29,371	\$ 24,200	\$ 24,200	\$ 5,170	-78.6%



Stormwater improvement project



Description of Revenue Source

Sales and services revenue consists primarily of three separate revenue sources for Parks & Recreation fees and charges. The first source is Harness Track revenue for horse stall and other facility rentals, as well as revenues generated from shows and special events held on the property. The Harness Track is owned and operated by the Village and is the oldest continuously operating equine sports facility in North Carolina.

The second primary revenue source in this category is revenue generated from the Village’s Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering place. Revenue consists of rental fees and admission fees for Village-sponsored special events.

The third major category of sales and services revenue is recreation fees. These are the fees charged to participants in programs, athletic leagues, and events sponsored by the Recreation Department, rental fees charged for park facilities, and event sponsorships.

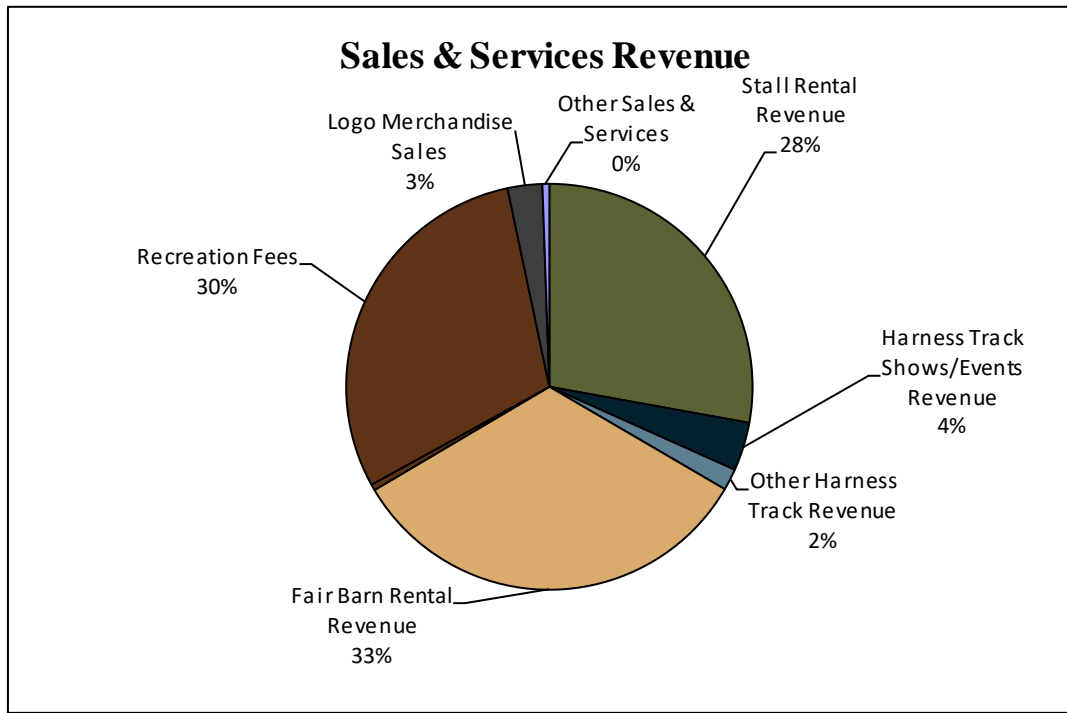
Sales & Services	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Stall Rental Revenue	\$ 191,459	\$ 211,000	\$ 173,000	\$ 202,000	-4.3%
Harness Track Shows/Events Revenue	39,510	33,000	27,000	28,000	-15.2%
Other Harness Track Revenue	12,252	12,200	12,200	12,400	1.6%
Fair Barn Rental Revenue	232,289	230,000	230,000	240,000	4.3%
Fair Barn Shows/Events Revenue	3,535	3,000	3,500	3,500	16.7%
Recreation Fees	185,188	208,500	200,500	215,500	3.4%
Logo Merchandise Sales	21,656	20,000	20,000	20,000	0.0%
Other Sales & Services	4,054	3,000	6,000	4,000	33.3%
Total Sales & Services	\$ 689,943	\$ 720,700	\$ 672,200	\$ 725,400	0.7%

Revenue Assumptions

- Harness Track stall rental revenues are projected to decrease by 4.3% for FY 2021 due to the lower occupancy rates experienced in FY 2020.
- Harness Track shows and events revenues that have been trending downward over the past few years are expected to decrease 15.2% in FY 2021 due to fewer rentals of the facilities in FY 2020.
- Fair Barn rental revenues are expected to increase 4.3% from FY 2020 budgeted levels due in part to revised Fair Barn fees that were adopted by Council in FY 2020 with an effective date of July 1, 2020. The new fee structure uses a package rate methodology, bringing rental rates in line with other competing venues in the industry.
- Recreation fees are expected to increase by 3.4%. We anticipate increasing participation for FY 2021 in recreation and athletic programs with the new Community Center opening in FY 2020.
- The Village began selling logo merchandise in FY 2017 to expand overall awareness of the Village’s brand. Logo merchandise sales have remained constant over the last couple years, and the same is expected for FY 2021.



The distribution of sales and services revenue by source is depicted in the following graph.





Description of Revenue Source

Other revenues include Alcoholic Beverage Control (ABC) revenues and other miscellaneous revenues. ABC revenue is based on a percentage of the sale of mixed beverages from local merchants and the net profits from counter sales of alcoholic beverages in Pinehurst at ABC Stores. Other miscellaneous revenues include sales of surplus assets, donations made to the Village, fees generated by the Police Department, and various other minor fees.

Other Revenues	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
ABC Revenues	\$ 166,697	\$ 157,700	\$ 167,000	\$ 179,800	14.0%
Other Miscellaneous Revenues	166,529	1,092,180	1,100,780	89,980	-91.8%
Total Other Revenues	\$ 333,226	\$ 1,249,880	\$ 1,267,780	\$ 269,780	-78.4%

Revenue Assumptions

- ABC revenue is projected to increase by 14.0% for FY 2021 due to strong growth in local store profits in the current year.
- Other miscellaneous revenues reflect a significant decrease due to the return to the Village of \$1 million from the Given Memorial Library capital campaign trust account in FY 2020. The funds were returned to the Village in FY 2020 due to the library's inability to meet its requirements under the agreement. Excluding this one-time revenue source, other miscellaneous revenues are expected to decrease slightly over the budgeted levels for FY 2020.



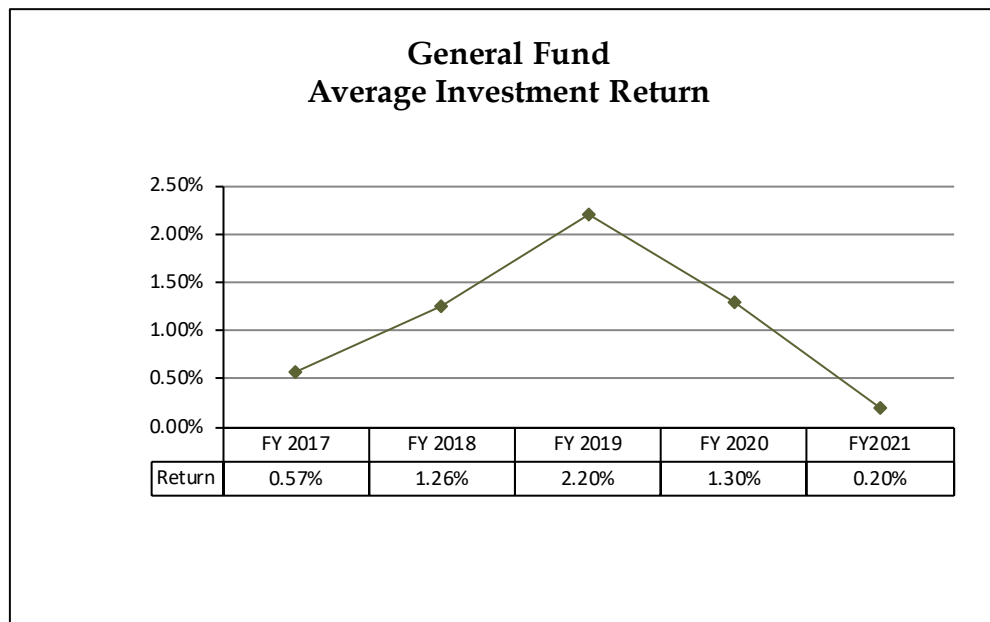
Description of Revenue Source

Investment income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, bank certificates of deposit, U. S. Treasury and Agency securities, and high grade commercial paper.

Investment Income	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Investment Income	\$ 254,921	\$ 180,000	\$ 189,000	\$ 25,400	-85.9%
Total Investment Income	\$ 254,921	\$ 180,000	\$ 189,000	\$ 25,400	-85.9%

Revenue Assumptions

- Investment income is estimated to be reduced by 85.9% as investment rates have decreased and are expected to remain low throughout FY 2021. The average rate of return expected in FY 2021 is 0.2%.
- In FY 2017, the Village began investing in the NCCMT Term Portfolio, which increased investment yields in prior years without significantly impacting liquidity.





Description of Revenue Source

Revenue from fund balance appropriations is the use of equity (net position), which has been accumulated from previous fiscal years, to pay for current fiscal year expenditures.

Fund Balance Appropriations	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,049,416	\$ -	\$ 1,603,467	52.8%
Total Fund Balance Appropriations	\$ -	\$ 1,049,416	\$ -	\$ 1,603,467	52.8%

Revenue Assumptions

- For FY 2021 we have appropriated \$1,603,467 of the Village’s fund balance as a revenue source. Historically, operating revenues come in at 101% of budget while operating expenditures typically fall 7% below budget. The amount of fund balance appropriated this year is slightly higher than this budget variance amount. If historical trends continue for FY 2021, we will reduce fund balance by approximately \$85,000, which will result in a projected ending fund balance of 46.0% of General Fund expenditures. This is above Council’s adopted policy range of 30%-40%, primarily due to \$1 million returned from the Given Memorial Library capital campaign to the Village in FY 2020. Excluding this \$1 million, fund balance as a percentage of expenditures would be approximately 41.3%. This positions the Village to address significant future projects or to maintain service levels during a time of economic uncertainty.



Department Profile

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides leadership and strategic vision for the Village. The Council considers and adopts local ordinances and resolutions to provide for the health, safety, and overall quality of life for the residents, businesses, and visitors of Pinehurst. Other responsibilities include:

- Providing governance for a population of approximately 17,000
- Setting strategic direction for approximately 147 full-time employees
- Adopting the Strategic Operating Plan which includes the annual budget and five-year financial forecast
- Approving policies that provide guidance for all municipal operations

There are no KPIs for the Governing Body Department, as Council’s goals, objectives, and KPIs are identified on the VOP Balanced Scorecard. Additional information about the Governing Body Department may be obtained by contacting Beth Dunn, Village Clerk, at 910.295.1900 or bdunn@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 29,535	\$ 31,650	\$ 30,030	\$ 31,600	-0.2%
Operating	78,297	115,500	89,988	114,800	-0.6%
Expenditures Total	\$ 107,832	\$ 147,150	\$ 120,018	\$ 146,400	-0.5%



Village Council Members



Department Profile

The Administration Department, which includes the Village Manager, Assistant Village Managers, Organizational Performance Director, Village Clerk, Communications Specialist, and Administrative support staff, executes the mission of the Council to promote, enhance, and sustain the quality of life for residents, businesses, and visitors. Areas of focus for FY 2021 include:

- Providing vision and leadership to 17 other departments and divisions of the Village
- Effectively communicating with and engaging residents and businesses through online engagement portals, social media, and public input meetings
- Overseeing the development and implementation of the annual Strategic Operating Plan
- Managing and monitoring department and organizational performance
- Working collaboratively with Moore County and other agencies on long term planning issues (i.e. transportation, water & sewer, development, etc.)
- Recruiting, training, engaging, and rewarding over 200 volunteers
- Providing customer service and administrative support to both internal and external customers

Additional information about the Administration Department may be obtained by contacting Jeff Sanborn, Village Manager, at 910.295.1900 or jsanborn@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 843,105	\$ 896,100	\$ 891,074	\$ 946,800	5.7%
Operating	314,388	493,740	455,932	500,140	1.3%
Capital	66,124	19,292	19,292	16,031	-16.9%
Expenditures Total	\$ 1,223,617	\$ 1,409,132	\$ 1,366,298	\$ 1,462,971	3.8%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Oversee the implementation of the Village's Strategic Operating Plan and manage the overall operations of the Village						
% of residents likely to recommend the Village as a place to live	Effectiveness	94%	94%	94%	95%	95%
% of Initiative Action Plans (IAPs) that achieve targeted results ¹	Effectiveness	90%	57%	75%	80%	80%
Department Goal: Identify, analyze, and mitigate risks to the Village						
Cost of risk (premiums, legal fees, & losses) as a % of General Fund expenditures ²	Effectiveness	1.74%	1.75%	1.75%	1.95%	1.95%
Notes: ¹ In FY17, VOP began tracking metrics associated with IAPs in order to monitor the achievement and effectiveness of action plans aimed to improve VOP performance. ² As VOP has focused on improving employee safety, workers' compensation premiums have declined in recent years. In addition, VOP has not been engaged in any recent significant litigation that has resulted in a decrease in legal fees. Cost of risk overall is projected to increase slightly due to addition of insurance requirements on the new Community Center and other insurance premium increases.						



Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Use electronic tools and other methods to communicate with and obtain actionable feedback from customers						
Total # of followers on all social media sites	Output	15,535	19,209	21,264	23,400	34,200
Total # of Facebook users reached with VOP posts ¹	Output	1,093,842	1,592,118	1,466,322	1,357,920	1,828,800
# of Facebook engaged users who click, comment, and/or share	Output	111,098	138,114	115,395	114,668	154,432
# of online engagement portals topics posted ²	Output	5	8	6	6	6
Total # of site visits for online engagement portals ²	Output	1,352	4,904	7,899	4,000	4,000
# of mobile app downloads (cumulative)	Output	3,989	4,398	4,936	5,100	5,900
% of residents satisfied with Village efforts to keep residents informed on local issues	Effectiveness	91%	90%	90%	90%	90%
% of Council agendas with supporting materials posted to the Village website 5 days in advance of meetings	Effectiveness	100%	100%	100%	99%	99%
% of P&Z/BOA and HPC agendas with supporting materials posted to the Village website 5 days in advance of meetings ³	Effectiveness	n/a	100%	99%	99%	99%
% of MyVOP requests and complaints responded to on-time ⁴	Effectiveness	97%	96%	96%	95%	95%
Notes: ¹ Fluctuations year to year for users reached occur due to Facebook changing algorithms for VOP consolidated social media accounts. ² In FY19, VOP changed online engagement portal platforms from OVH to Engage Pinehurst and used the site to engage the public on the 2019 Comp Plan update. ³ In FY18, VOP began posting agendas and materials of planning boards to increase transparency. ⁴ VOP monitors overall organizational responsiveness to MyVOP requests and complaints according to the pre-determined Service Level Agreements (SLAs) for each request type.						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Recruit, train, engage, and reward volunteers						
% of volunteers who would recommend volunteering for the Village to a friend	Effectiveness	93%	97%	96%	95%	95%
Department Goal: Ensure effective two-way communication with the workforce						
% of workforce who attend the annual State of the Village meetings ¹	Output	56%	64%	71%	65%	65%
% of workforce who are satisfied with annual State of the Village meetings ¹	Effectiveness	100%	98%	100%	98%	98%
Notes: ¹ VOP conducts an annual State of the Village meeting for all employees and volunteers to effectively communicate VOP's goals, objectives, performance, and other employee information.						

FY 2021-2025 Initiative Action Plans

Initiative Action Plans	FY	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Build Baldrige Framework Systems and Culture – Continue use of the Baldrige Excellence Framework and consulting fee & site visit expense for National Malcom Baldrige Award	FY 2021	\$52,500	\$0	\$0	\$0	\$0



Department Profile

The Financial Services Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The Financial Services Department consists of the Director, the Assistant Director, and two Financial Services Technicians. Areas of focus for FY 2021 include:

- Managing an average cash and investments balance of \$12.3 million dollars to ensure appropriate liquidity and maximize investment earnings
- Monitoring compliance with Council approved financial policies and guidelines
- Managing debt to achieve acceptable debt service objectives
- Preparing the \$21.3 million annual budget and five-year financial forecast in accordance with the Government Finance Officers Association (GFOA) Distinguished Budget award requirements
- Processing accounts payable, accounts receivable, and payroll in a timely and accurate manner
- Preparing accurate internal and external financial reports
- Overseeing the purchasing and contracting functions

Additional information about the Financial Services Department may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 304,001	\$ 338,850	\$ 324,572	\$ 356,950	5.3%
Operating	287,300	332,330	332,322	359,140	8.1%
Capital	1,680	880	880	280	-68.2%
Total Expenditures	\$ 592,981	\$ 672,060	\$ 657,774	\$ 716,370	6.6%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Produce accurate and timely financial reports						
GFOA Certificate of Achievement in Financial Reporting received ¹	Effectiveness	Yes	Yes	Yes	Yes	Yes
A "clean" audit opinion received by external auditors ²	Effectiveness	Yes	Yes	Yes	Yes	Yes
% of time month end expenditures closing entries are posted by the 10th day of the following month ³	Effectiveness	92%	92%	92%	92%	92%
% of employees satisfied with the availability of financial information	Effectiveness	95%	99%	95%	95%	95%
Notes: ¹ VOP has received the GFOA Certificate of Achievement in Financial Reporting for 27 consecutive years. ² VOP has received a "clean" audit opinion from external auditors for 20 consecutive years. ³ Month end expenditure closing entries are posted by the 10 th day of the following month to provide department heads with timely financial information. At year end, closing entries are not able to be completed in 10 days, so 11/12 months, or 92% are completed by the deadline.						



Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Develop a five-year strategic operating plan and annual budget in accordance with Council’s financial policies						
Actual revenues as a % of forecasted revenues ¹	Effectiveness	101.1%	103%	101.0%	101.0%	101.0%
Amended budget as a % of original budget	Effectiveness	102.8%	104.6%	102.0%	104.0%	103.5%
Composite rating received through GFOA Distinguished Budget Presentation Award ²	Effectiveness	305	310	305	305	309
Unassigned General Fund balance as a % of actual expenditures	Effectiveness	25%	29%	27%	28%	29%
Department Goal: Process financial transactions efficiently and effectively						
# of accounts payable invoices and payments processed per accounts payable FTE	Efficiency	787	779	785	790	810
% of purchase orders processed within 1 business day of submission	Effectiveness	100%	100%	100%	95%	95%
% of employees satisfied with the timeliness of purchasing services ³	Effectiveness	92%	97%	95%	95%	95%
# of payroll transactions processed per payroll technician FTE	Efficiency	672	677	675	680	690
% of employees satisfied with the accuracy of payroll services ³	Effectiveness	100%	98%	95%	95%	95%
# of other financial transactions processed per finance technician FTE	Efficiency	340	351	335	340	360
Department Goal: Maximize investment earnings while ensuring adequate cash flow						
# of basis points by which investment yield exceeds the average annual rate of return for the NCCMT Government Portfolio ⁴	Effectiveness	7.00	7.00	7.00	10.00	10.00
<p>Notes: ¹ Staff continues to refine revenue projections and expectations to achieve a 101% revenue variance. ² Each year, VOP strives to improve its Strategic Operating Plan document to improve its ratings received through the GFOA Distinguished Budget Presentation Award. This KPI is a composite score of the ratings received from the GFOA program. ³ VOP employees have consistently indicated very high levels of satisfaction with purchasing and payroll services provided by the Finance Department. ⁴ In FY17, VOP began investing in the NC Capital Management Trust Term Portfolio. Using the Term Portfolio has allowed the Village to increase investment yields without significantly impacting liquidity.</p>						



Department Profile

The Human Resources Director reports directly to the Village Manager and serves as a member of the senior leadership team. Along with the Director, one full-time Human Resources Generalist and one full-time Human Resources Specialist, provide a strategic service for recruitment, retention and recognition of competent staff. Areas of focus for FY 2021 include:

- Implementing a new onboarding software to streamline the process
- Managing the Champion’s Club and Applause Award reward and recognition programs
- Reviewing and updating employee policies and benefits
- Engaging outside firms to conduct the annual compensation survey and annual workforce survey that has previously been conducted in-house
- Implementing a new Learning and Development System for all employees
- Implementing the newly formalized Village-wide succession plan

Additional information about the Human Resources Department may be obtained by contacting Angela Kantor, Human Resources Director, at 910.295.1900 or akantor@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 251,995	\$ 276,200	\$ 267,079	\$ 326,850	18.3%
Operating	152,540	269,780	189,815	275,270	2.0%
Capital	2,940	1,100	1,100	490	-55.5%
Expenditures Total	\$ 407,475	\$ 547,080	\$ 457,994	\$ 602,610	10.2%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Reward and recognize employees						
% of employees who agree they are satisfied with reward & recognition programs ¹	Effectiveness	93%	92%	90%	90%	90%
% of unique employees recognized in Village-wide award programs ¹	Effectiveness	62%	63%	65%	65%	65%
Department Goal: Provide competitive salaries and benefits						
% of positions reviewed within 3 years ²	Output	97%	99%	100%	100%	100%
% of employees who receive compensation adjustments (if needed) based on market salary reviews ²	Effectiveness	100%	100%	100%	100%	100%
% of unique employees who participate in Wellness Committee activities ³	Effectiveness	70%	61%	65%	65%	73%
Notes: ¹ To more effectively reward and recognize employees for performance, the Village launched the Champion’s Club and Applause Award programs in FY16. Under the Applause Award program, employees receive on the spot recognition from co-workers and customers. Quarterly nominations for the Champion’s Club awards are scored by an employee committee with financial awards ranging from \$250 - \$650 and \$1,300 for the annual award. ² Each year, VOP conducts a market salary review for approx. 1/3 of positions and adjusts employee compensation, if needed to remain competitive, ensuring all positions are reviewed at least every 3 years. ³ In FY17, VOP began tracking employee participation in Wellness Committee initiatives to determine the effectiveness of wellness programs and events.						



Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Maintain a safe work environment						
% of Safety Committee inspection violations corrected within 90 days ¹	Effectiveness	80%	65%	60%	65%	75%
% of work injuries that are due to negligence ²	Effectiveness	29%	22%	30%	30%	20%
% of accidents that are due to negligence ²	Effectiveness	42%	53%	70%	65%	55%
# of recordable Worker's Compensation claims per 100 FTEs	Effectiveness	3.2	3.27	5	3.00	3.00
Department Goal: Effectively fill vacant positions						
Average # of days to recruit (requisition to start date) ³	Effectiveness	71	82	85	80	71
% of positions filled within target date ³	Effectiveness	78%	77%	65%	70%	80%
% of turnover (all)	Effectiveness	9%	12%	14%	12%	10%
% of turnover (voluntary, excluding retirements)	Effectiveness	6%	7%	6%	6%	5%
% of turnover during the first year of employment	Effectiveness	2.3%	2.3%	2%	2%	1%
Average tenure of employees (in years)	Output	9.48	9.11	9.00	9.00	9.00
Sick leave hours used per 1,000 hours worked	Effectiveness	28	38	30	30	30
Department Goal: Provide training and development opportunities						
% of EEs who are satisfied with the learning and development opportunities available to them	Effectiveness	n/a	93%	90%	90%	90%
% of employees satisfied with TOPS training programs	Effectiveness	96%	98%	95%	95%	95%
% of vacancies filled with internal candidates ⁴	Effectiveness	44%	36%	50%	35%	35%
Promotion rates ⁴	Effectiveness	7%	8%	10%	8%	8%
Department Goal: Provide efficient and effective Human Resources support						
% of employees satisfied with the timeliness of HR services	Effectiveness	90%	94%	90%	90%	90%
<p>Notes: ¹ In FY17, VOP began tracking the correction of internally identified safety violations to ensure a safe work environment. Some violations require additional funding to correct and are therefore not able to be corrected within 90 days. ² The VOP Safety and Risk Management Committees analyze injuries and accidents to determine trends and root causes. VOP is projecting the % that are due to negligence to decline as we implement actions to address injury and accident root causes. ³ To reduce the average # of days to recruit and fill a higher % of positions within the target date, VOP implemented applicant tracking software in FY18. This expedited recruitment for many postings; however, recruitment for department head positions in FY19 and an overall increase in recruitment in FY 20 increased the total average # of days to recruit. ⁴ These measures indicate the VOP's effectiveness at preparing, developing, and training employees for internal promotion and advancement opportunities.</p>						

FY 2021-2025 Initiative Action Plans

Initiative Action Plans	FY	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Workforce Learning & Development – Expand the Village’s succession planning process and enhance workforce learning and development system.	FY 2021	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000



Department Profile

The Police Chief reports directly to the Village Manager and serves as a member of the senior leadership team. In addition to the Chief, the Police Department consists of 24 sworn police officers, four telecommunications specialists, one administrative coordinator and six reserve auxiliary officers to protect the life and property of nearly 17,000 residents. Areas of focus for FY 2021 include:

- Continuing the process to achieve national accreditation for the Police Department by FY 2022
- Patrolling three response areas and enforcing traffic laws
- Improving crime clearance rates
- Promoting strong community engagement through the Citizen’s Police Academy and recruitment of volunteer Citizens on Patrol (COPS) that are used to augment the paid Police force

Additional information about the Police Department may be obtained by contacting Earl Phipps, Police Chief, at 910.295.3141 or ephipps@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 2,286,867	\$ 2,544,520	\$ 2,385,102	\$ 2,560,450	0.6%
Operating	720,905	819,627	772,025	826,750	0.9%
Capital	75,265	242,397	242,397	186,690	-23.0%
Expenditures Total	\$ 3,083,037	\$ 3,606,544	\$ 3,399,524	\$ 3,573,890	-0.9%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Police Grants	\$ 11,186	\$ -	\$ 34,999	\$ -	0.0%
Controlled Substance Tax Distribution	3,843	1,500	1,500	1,000	-33.3%
Miscellaneous Police Revenues	10,912	7,200	11,500	9,000	25.0%
Revenues Total	\$ 25,941	\$ 8,700	\$ 47,999	\$ 10,000	14.9%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Safeguard the Community

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Enforce traffic laws						
% of collisions with an injury ¹	Effectiveness	9%	10%	12%	10%	10%
% of collisions with a fatality ¹	Effectiveness	0.45%	0.31%	0.00%	0.14%	0.12%
# of collisions per 1,000 population ¹	Output	40	39	41	41	45
% of residents satisfied with enforcement of local traffic laws	Effectiveness	88%	86%	86%	88%	88%

Notes: ¹ In FY17, VOP added two traffic enforcement officers to the Police force in order to more effectively enforce traffic laws to minimize collisions. With increasing traffic volumes due to growth, the Village projects the # of collisions per 1,000 to increase over the planning period. Over time, Village speed limits have been reduced to 25 MPH unless otherwise posted to help minimize the % of collisions with an injury or fatality.



Strategic Goal: Safeguard the Community

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Solve crimes						
% of incidents cleared ¹	Effectiveness	94%	97%	90%	93%	93%
# of incidents cleared ¹	Output	716	598	479	619	619
# of crimes against persons per 1,000 population ²	Efficiency	2.8	4.4	3.3	3.8	4.5
# of crimes against property per 1,000 population ²	Efficiency	16.0	15.0	11.4	12.7	10.9
# of crimes against society per 1,000 population ²	Efficiency	30.0	22.0	17.5	17.6	10.0
# of open active cases remaining	Effectiveness	-	10	10	10	11
Department Goal: Protect lives and property by responding promptly to calls for service and proactively preventing criminal activity						
% of officer hours spent on patrol ³	Effectiveness	78%	76%	61%	61%	61%
# of citizen initiated calls for service per patrol officer ³	Efficiency	334	371	404	366	397
# of officer initiated calls for service per patrol officer ³	Efficiency	530	546	450	514	514
# of citizen initiated calls for service per 1,000 population ³	Output	402	438	447	450	450
% of calls for service that are officer initiated ³	Output	61%	60%	53%	53%	53%
% of total time spent on calls for service that are officer initiated ³	Effectiveness	89%	88%	45%	45%	45%
<p>Notes: ¹ In FY17, VOP reorganized to add an additional Investigator position and Impact Team to allocate additional resources to crime investigation and in FY19 added a canine unit and evidence processing resources to increase the % of crimes solved. ² In FY18, VOP transitioned from UCR to NIBRS for reporting police data and now monitors crimes monthly based on persons, property, and society. ³ In FY20, the Police force made a change to how officers log their time in the Computer-Aided Dispatch (CAD) system to more accurately reflect officer initiated activities and the amount of officer time spent on those activities.</p>						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Utilize Citizen on Patrol volunteers to supplement police staff						
# of Citizen on Patrol (COP) volunteer hours ¹	Output	3,149	2,389	2,500	2,500	2,500
# of COP volunteer hours per volunteer ¹	Effectiveness	157	150	150	100	100
\$ value of COP volunteer hours ¹	Effectiveness	\$62,985	\$47,781	\$50,000	\$50,000	\$50,000
<p>Notes: ¹ Each year, VOP holds a Citizen Police Academy and several participants join the Police force as a Citizen on Patrol (COP). COPs actively patrol, direct traffic, and perform other duties to augment the Police force. Their volunteer hours are valued at \$20 per hour. VOP expects a slight decline in volunteer hours over the five-year planning period as some key COP volunteers are expected to “retire” from the program.</p>						

FY 2021-2025 Initiative Action Plans

Initiative Action Plans	FY	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Police Department Accreditation – Implement law enforcement standards of the Commission on Accreditation for Law Enforcement Agencies (CALEA) and apply for Police Department accreditation.	FY 2021	\$11,365	\$10,365	\$7,365	\$7,365	\$7,365



Department Profile

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. Thirty firefighters, one fire/life safety educator, one part-time fire inspector and seven reserve firefighters to protect the Village and rural district from two stations with four engines, two brush trucks, and a rescue truck. Areas of focus for FY 2021 include:

- Continue implementing the Emergency Response BIRDIE recommendations including securing land for a potential future fire station and using additional reserve firefighters for staffing needs
- Continuing to improve response times to calls for service for the 25.18 square miles service area that includes the Village limits, a rural county district, and the nearby Town of Taylortown
- Educating the public to promote preparedness for all hazards
- Providing medical first response and rescue services through contract with Moore County

Additional information about the Fire Department may be obtained by contacting J. Carlton Cole, Fire Chief, at 910.295.5575 or jccole@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 2,221,987	\$ 2,469,670	\$ 2,355,042	\$ 2,432,850	-1.5%
Operating	435,870	600,757	542,331	580,380	-3.4%
Capital	86,374	629,173	629,173	673,616	7.1%
Expenditures Total	\$ 2,744,231	\$ 3,699,600	\$ 3,526,546	\$ 3,686,846	-0.3%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Fire District Revenue	\$ 338,612	\$ 374,000	\$ 360,000	\$ 361,000	-3.5%
Miscellaneous Fire Revenues	832	500	750	600	20.0%
Revenues Total	\$ 339,444	\$ 374,500	\$ 360,750	\$ 361,600	-3.4%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Safeguard the Community

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Promptly respond to fire calls for service						
% of dispatched emergency calls with a reaction time of 90 seconds or less ¹	Effectiveness	88%	85%	83%	85%	85%
% of emergency calls with a response time of 6 minutes and 30 seconds for first due apparatus ¹	Effectiveness	68%	64%	62%	65%	77%
% of calls for fire incidents	Output	4.4%	2.3%	3.0%	3.6%	3.6%
% of calls for service for rescue and EMS ²	Output	30%	32%	31%	30%	30%
% of signalized intersections with preemption controls ¹	Effectiveness	23%	93%	93%	100%	100%

Notes: ¹ To help improve response times, a key area of focus for the department, VOP requested NCDOT install traffic preemption devices at all signalized intersections in the Village and the additional firefighter hired in FY20 will help with staffing levels until further recommendations from the FD Emergency Response BIRDIE are implemented. ² In FY16, VOP began providing medical first response and rescue calls under contract with Moore County. Since expanding service levels, the # of calls have increased and EMS calls now represent approximately 30% of all calls.



Strategic Goal: Safeguard the Community

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Prevent fires and injuries						
# of commercial business fire inspections completed ¹	Output	263	204	190	275	380
% of commercial businesses inspected ¹	Effectiveness	60%	46%	46%	62%	83%
# of commercial business fire inspections per inspector per month ¹	Output	22	12	15	11	16
% of businesses satisfied with fire prevention inspection services	Effectiveness	98%	98%	98%	95%	95%
% of ISO credit received for fire hydrant testing	Effectiveness	100%	195%	98%	100%	100%
# of participants in Fire & Life Safety Education Programs	Output	34,412	29,173	27,000	25,000	25,000
ISO (Insurance Services Office) Rating	Effectiveness	4	4	4	4	4
Notes: ¹ Historically, VOP Fire staff have inspected commercial businesses more frequently than required by law. In FY16, VOP began providing medical first response and rescue services which resulted in fewer commercial business inspections due to department workload. In addition, the Fire Department will begin an ACE in FY21 to evaluate the fire inspection process and how the department is staffed for these services.						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Train and develop a professional, competent firefighting force						
% of full-time uniformed staff who pass the OSHA/NFPA medical clearance test	Effectiveness	100%	100%	100%	100%	100%
% of full-time staff certified as an Emergency Medical Technician ¹	Effectiveness	99%	100%	100%	100%	100%
% of full-time uniformed staff who obtain advanced training ²	Effectiveness	69%	83%	33%	50%	50%
% of firefighters meeting or exceeding NFPA firefighter competencies	Effectiveness	100%	100%	100%	100%	100%
Notes: ¹ With the addition of medical first response duties in FY 16, Fire Department staff are required to obtain EMT certification within 2 years, with 100% of staff certified by the end of FY18. ² This KPI measures the department's progress toward providing advanced training opportunities to meet requirements or bring new skills to department operations.						



Department Profile

The Inspections Division of the Planning Department operates under direction of the Planning and Inspections Director. The Inspections Division includes three building inspectors. Inspections personnel both review and enforce compliance with the North Carolina Building Codes for all types of residential and commercial building and development. Areas of focus for FY 2021 include:

- Continue online usage of the Planning and Inspections software which allows building inspectors to remotely update the status of inspections in the field
- Continuing to be responsive to building inspection requests within one business day

Additional information about the Inspections Division may be obtained by contacting Darryn Burich, Planning and Inspections Director, at 910.295.8659 or dburich@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 198,093	\$ 274,440	\$ 267,012	\$ 298,000	8.6%
Operating	26,573	43,450	41,148	41,470	-4.6%
Capital	1,058	572	572	140	-75.5%
Expenditures Total	\$ 225,724	\$ 318,462	\$ 308,732	\$ 339,610	6.6%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Inspection Permit Revenue	\$ 372,950	\$ 250,000	\$ 290,000	\$ 149,000	-40.4%
Revenues Total	\$ 372,950	\$ 250,000	\$ 290,000	\$ 149,000	-40.4%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Recover the cost of inspection services						
Average cost per building inspection ¹	Efficiency	\$38	\$32	\$36	\$39	\$34
Notes: ¹ Based on projected inspection operating expenses of \$276,000 and an estimate of 7,800 inspections for FY20, the average cost per inspection is estimated to be \$36 for FY20. Inspection operating expenses are assumed to increase approximately 2% annually.						



Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Inspect residential and non-residential development to ensure compliance with building codes						
# of building inspections completed ¹	Output	7,614	7,008	7,800	7,880	8,200
% of building inspections completed within one business day ²	Effectiveness	100%	100%	100%	100%	100%
% of building inspections compliant upon initial inspection	Effectiveness	95%	94%	93%	93%	93%
# of building inspections completed per inspector FTE per day	Efficiency	15.4	13.9	11.0	10.7	13.4
# of building inspections completed per 1,000 population served	Output	463	418	456	455	443
# of residential Certificates of Occupancy (CO) issued ³	Output	228	212	275	190	200
# of non-residential Certificates of Occupancy issued ⁴	Output	10	28	30	15	15
Estimated residential construction cost for Certificates of Occupancy ³	Output	\$36 million	\$41 million	\$53.4 million	\$36.9 million	\$38.8 million
Estimated non-residential construction cost for Certificates of Occupancy ⁴	Output	\$20.2 million	\$23.8 million	\$22.8 million	\$42.1 million	\$10.4 million
% of businesses satisfied with building inspections	Effectiveness	100%	100%	100%	100%	100%
<p>Notes: ¹ The # of building inspections includes both residential and non-residential inspections. VOP has seen sizable increases in development in the last three years, with a healthy increase in the # of commercial permits. ² To provide a high level of customer service, building inspectors strive to complete building inspections within one business day of the request. In FY20, VOP launched a new permitting & inspection (P&I) software, as a result of the P&I BIRDIE conducted in FY18, and hired an additional inspector which will significantly streamline the inspection process to allow the building inspectors to handle the increased workload and maintain responsive turnaround times to inspection requests. ³ Residential COs include both new construction and additions/alterations. FY21 projections are to maintain the approximate number from FY20 as the housing market and economy remain strong. ⁴ Projections for non-residential COs are based on known projects that are in the preliminary stages of development that staff expect to receive.</p>						



Department Profile

Public Services Administration is a division of the Public Services Department. The Public Services and Engineering Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Administration Division consists of the Director, the Assistant Director, an Engineering Technician, and an Administrative Assistant. Areas of focus for FY 2021 include:

- Managing Streets & Grounds and Solid Waste staff response to resident service requests and complaints through the MY VOP service request system
- Providing engineering services

KPIs for this department are identified in the Solid Waste and Streets & Grounds Divisions. Additional information about Public Services Administration may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 317,381	\$ 389,250	\$ 377,967	\$ 446,650	14.7%
Operating	96,683	171,020	164,936	166,230	-2.8%
Capital	53,454	73,781	73,781	9,293	-87.4%
Expenditures Total	\$ 467,518	\$ 634,051	\$ 616,684	\$ 622,173	-1.9%



Streets and Grounds Employee



Department Profile

The Streets & Grounds Division of the Public Services Department operates under the direction of the Assistant Director of Public Services and reports up to the Assistant Village Manager of Operations. There are 15 members of the Streets & Grounds team organized into two crews: Street Maintenance, and Grounds Maintenance. This division serves approximately 17,000 residents encompassing an area of 14.9 square miles, with 107 miles of Village-maintained streets and right-of-ways. Annual resurfacing costs and state funding to municipalities from the restricted state Powell Bill funds for street maintenance are included in the Powell Bill Division. Costs for street patching are included in the Streets & Grounds Division. Areas of focus for FY 2021 include:

- Monitoring and evaluating traffic levels at six key intersections in the Village
- Investing in stormwater drainage projects
- Collaborating with Information Technology staff to use GIS for stormwater mapping
- Begin initiating plans for development of a comprehensive stormwater master plan
- Adding other beautification projects along main thoroughfares and gateways
- Maintaining roadways, signage, sidewalks and other public landscape areas at a high level

Additional information about Streets & Grounds Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 736,232	\$ 755,880	\$ 670,465	\$ 743,700	-1.6%
Operating	971,257	859,420	827,560	817,780	-4.8%
Capital	350,416	420,309	420,309	804,940	91.5%
Expenditures Total	\$ 2,057,905	\$ 2,035,609	\$ 1,918,334	\$ 2,366,420	16.3%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Maintain Village right of ways						
% of right of way lane (ROW) miles shoulders inspected	Effectiveness	47%	38%	40%	35%	40%
# of ROW lane miles maintained per FTE ¹	Efficiency	16	16	17	16	16
% of ROW mowing performed according to schedule ¹	Effectiveness	101%	92%	96%	90%	90%

Notes: ¹ FY20 included the addition of 1 FTE Maintenance Worker to assist with ROW mowing and maintenance which is helping to reduce the # of ROW lane miles maintained per FTE and assist with ensuring ROW mowing is performed according to schedule. With significant landscaping enhancements planned for the HWY 211 median, a significant Village gateway, staff projects the % of ROW mowing performed according to schedule will slightly decline over the planning period.



Strategic Goal: Promote Transportation Mobility and Connectivity

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Maintain stormwater facilities						
% of residents satisfied with stormwater management	Effectiveness	82%	75%	77%	80%	85%
% of MyVOP stormwater requests addressed on time ¹	Effectiveness	91%	84%	93%	90%	90%
Department Goal: Install neighborhood street lights						
# of street lights per mile	Effectiveness	3.2	3.3	3.3	3.4	3.8
Department Goal: Maintain directional and regulatory street signs						
% of regulatory reflective signs inspected per NHTSA standards ²	Output	100%	100%	100%	100%	100%
Department Goal: Monitor traffic congestion						
% of intersections studied with a level of service (LOS) rating of "C" or higher ³	Effectiveness	85%	86%	86%	79%	69%
Department Goal: Maintain Village roadways						
# of miles of Village roadways resurfaced or sealed ⁴	Output	5.66	3.89	4.50	4.50	5.00
# of miles of Village roadways resurfaced only	Output	2.55	3.89	3.50	3.50	4.00
# of centerline miles of Village roadways	Input	106.75	107.00	106.98	107.39	107.83
% of centerline miles of Village roadways resurfaced and sealed	Effectiveness	5.3%	3.64%	4.21%	4.19%	4.64%
5-year rolling average of the # of miles of roadways resurfaced ⁴	Effectiveness	4.07	3.22	3.22	3.81	5.00
% of roadways with a Pavement Condition rating of 85 or better ⁴	Effectiveness	49%	53%	53%	53%	54%
Pavement Condition Rating ⁴	Effectiveness	80.00	79.60	79.60	79.60	80.00
% of residents satisfied with maintenance of streets in neighborhoods	Effectiveness	84%	82%	82%	82%	83%
Department Goal: Provide safe pedestrian facilities with interconnectivity						
% of lane miles with walkways ⁵	Effectiveness	7.86%	7.89%	8.69%	9.31%	11.73%
<p>Notes: ¹ With stormwater complaints on the rise, VOP began closely monitoring staff's ability to address stormwater complaints in a timely manner using MY VOP. ² VOP inspects regulatory reflective signs every three years per NHTSA standards. ³ Each year, VOP conducts intersection studies for 6 of 12 key intersections to assess traffic congestion and determine any needed intersection/transportation improvements to minimize congestion. ⁴ In FY16, VOP resurfaced fewer miles of streets in order to resurface many neglected cul-de-sacs. Miles resurfaced in FY18 more closely approached historical levels due to VOP applying a more economical slurry seal treatment to extend the useful life of Village roads. The FY21 budget includes \$1.3 million for resurfacing and patching roads to help improve Pavement Condition Ratings that are conducted every three years by an independent outside agency. ⁵ The Pedestrian Connectivity and Commercial Streetscape Enhancements projects include the construction of walkways to enhance pedestrian mobility and increase the % of lane miles with walkways.</p>						

FY 2021-2025 Initiative Action Plans

Initiative Action Plans	FY	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<i>Develop a Comprehensive Stormwater Master Plan</i> – Develop a plan and strategy to address stormwater issues and concerns within the community.	FY 2021-23	\$0	\$125,000	\$0	\$0	\$0



Department Profile

The Powell Bill Division is managed by the Public Services and Engineering Director and is used to separately identify the expenditure of restricted state Powell Bill funds that are used for the purpose of construction, repair, and maintenance of 107 miles of Village-owned streets and right of ways. To determine which roads will be resurfaced in a given year, Village staff review the pavement condition ratings of all Village-owned roads that are rated every three years by an independent outside agency using standardized rating methodologies. Areas of focus for FY 2021 include:

- Resurfacing and applying slurry seal to Village maintained streets, depending on resurfacing costs and mix of slurry seal versus resurfacing
- Funding \$1.1 million annually for resurfacing roads in the 5-year plan to improve the overall Pavement Condition Rating and the % of roadways with a Pavement Condition rating of 85 or better
- Maintaining a 15-25 year life cycle for the 107 miles of Village-owned streets

KPIs for the Powell Bill Division are provided in the Streets & Grounds Division. The Powell Bill Division does not contain any staff. However, additional information about the Powell Bill Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Operating	\$ 1,099,936	\$ 1,100,500	\$ 1,100,500	\$ 1,100,500	0.0%
Expenditures Total	\$ 1,099,936	\$ 1,100,500	\$ 1,100,500	\$ 1,100,500	0.0%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Powell Bill Revenue	\$ 498,488	\$ 498,000	\$ 501,098	\$ 500,000	0.4%
Revenues Total	\$ 498,488	\$ 498,000	\$ 501,098	\$ 500,000	0.4%



Village Street Resurfacing



Department Profile

The Solid Waste Division of the Public Services Department operates under the direction of the Assistant Director of Public Services. There are nine members of the Solid Waste team, led by a Solid Waste Superintendent. This division provides over 8,300 households with weekly same-day automated pickup of garbage, recycling, and yard debris under the “One and Done” program. Areas of focus for FY 2021 include:

- Evaluating ways to optimize the recycling program
- Coordinating with Moore County and other municipalities on the annual Household Hazardous Waste event

Additional information about Solid Waste Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 496,095	\$ 544,750	\$ 535,193	\$ 558,600	2.5%
Operating	1,007,383	1,179,780	1,166,296	1,222,910	3.7%
Capital	7,457	206,943	206,943	210,260	1.6%
Expenditures Total	\$ 1,510,935	\$ 1,931,473	\$ 1,908,432	\$ 1,991,770	3.1%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Protect the Environment

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Maintain a high level of recycling participation						
# of households participating in curbside recycling ¹	Output	7,202	7,562	7,925	8,013	8,365
% of households participating in curbside recycling ¹	Effectiveness	86%	89%	91%	90%	90%
# of tons of recycling collected per solid waste FTE ¹	Efficiency	536	453	350	355	375
Total # of tons recycled per household (including collection by outside vendors)	Output	0.29	0.23	0.17	0.17	0.17
Percentile ranking for solid waste diversion of NC municipalities ²	Effectiveness	6%	6%	8%	8%	8%

Notes: ¹ In FY15, VOP implemented “One and Done” where trash, recycling, and yard debris collection was fully automated and collected on the same day for each household. As a result of VOP issued recycling carts and a reassignment of staff to more efficient solid waste routes, VOP has seen an increase in the % of households participating in curbside recycling and the # of tons collected per solid waste FTE has increased dramatically. The # of households participating in curbside recycling is projected to increase based on new home construction estimates over the five-year planning period. In FY19, VOP experienced a significant change with recycling by the landfill no longer accepting glass. We expect the # of tons of recycling to decrease in the future also due to this change. ² With a focus on diverting waste from the landfill through recycling efforts, VOP has consistently ranked in the top 6% of NC municipalities for diversion rates.



Strategic Goal: Protect the Environment

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide efficient and effective weekly solid waste collection						
# of tons of yard debris collected per solid waste FTE ¹	Efficiency	798	1,219	852	863	907
# of tons of household trash collected per solid waste FTE ²	Efficiency	1,125	1,257	1,294	1,312	1,384
Total # of tons of yard debris collected per household (including collection by outside vendors) ¹	Output	0.23	0.36	0.25	0.25	0.25
Total # of tons of household trash collected per household (including collection by outside vendors)	Output	0.47	0.53	0.56	0.56	0.56
# of solid waste collection complaints per 1,000 collection points ³	Effectiveness	0.65	0.61	0.69	0.65	0.65
% of MyVOP solid waste requests completed on time	Effectiveness	98%	99%	98%	98%	98%
% of solid waste routes completed on schedule	Effectiveness	100%	100%	99%	99%	99%
Refuse collection cost per household per year ¹	Effectiveness	\$164	\$174	\$180	\$184	\$200
% of safety checks on solid waste vehicles completed daily	Effectiveness	100%	100%	100%	99%	99%
% of time cart inventory levels remain above minimum stock threshold ⁴	Effectiveness	96%	96%	95%	96%	96%
<p>Notes: ¹ In FY15, VOP implemented “One and Done” where trash, recycling, and yard debris collection was fully automated and collected on the same day for each household. Previously, only recycling and household trash collection were automated. Yard debris collection was fully automated for the first time with the issuance of yard debris carts in order to improve efficiencies. As a result, the # of yard debris tons collected per solid waste FTE has increased dramatically. In addition, the refuse collection cost per household has decreased due to the removal of several solid waste vehicles in the fleet and the reduction of staff hours needed to collect solid waste. The collection cost, however, is projected to increase with increase in landfill fees charged to the Village. In FY17, VOP yard debris tonnage collected was significantly impacted by the aftermath of Hurricane Matthew and in FY19 after Hurricane Florence. ² The # of tons of household trash collected per solid waste FTE has been positively impacted by the implementation of “One and Done” in FY15. ³ With the implementation of the MY VOP service request system in FY17, all solid waste complaints are now logged, with less than 1 complaint for every 1,000 collection points. ⁴ In FY17, VOP began tracking the % of time cart inventory levels remain above minimum stock threshold for the 8 solid waste cart types/sizes kept in inventory. Because of this, VOP modified its process and adjusted inventory thresholds and order lead time in order to ensure an adequate inventory of carts on hand.</p>						



Department Profile

The Planning and Inspections Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The Planning Department consists of two Senior Planners, a Planning and Zoning Specialist, a Code Compliance Specialist, and an Administrative Specialist. The department provides planning services for the Village as well as its extra territorial jurisdiction (ETJ). Areas of focus for FY 2021 include:

- Implementing elements of the 2019 Comprehensive Plan
- Conducting the small area plans for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area
- Updating the Pinehurst Development Ordinances
- Hiring an additional full-time Transportation Planner
- Conducting timely plan review of residential and non-residential development submittals
- Conducting routine patrols of neighborhoods to identify code violations and promptly investigating code violations to ensure timely resolution

Additional information about the Planning Department may be obtained by contacting Darryn Burich, Planning and Inspections Director, at 910.295.8659 or dburich@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 405,268	\$ 528,620	\$ 523,779	\$ 631,750	19.5%
Operating	420,278	307,110	296,756	350,360	14.1%
Capital	2,331	928	928	280	-69.8%
Expenditures Total	\$ 827,877	\$ 836,658	\$ 821,463	\$ 982,390	17.4%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Planning Permit Revenue	\$ 73,953	\$ 301,200	\$ 262,100	\$ 116,000	-61.5%
Engineering Fees	8,388	-	-	-	0.0%
Revenues Total	\$ 82,341	\$ 301,200	\$ 262,100	\$ 116,000	-61.5%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Process non-residential permit applications in a timely manner						
# of non-residential permits issued ¹	Output	19	29	38	20	20
% of time non-residential development applicant receives initial staff comments within 21 days ²	Effectiveness	22%	17%	50%	75%	80%
\$ value of non-residential development permitted ¹	Output	\$8.8 million	\$14.8 million	\$38.5 million	\$9 million	\$9 million
Single family home average sales price	Output	\$303,996	\$317,942	\$327,480	\$337,300	\$351,000

Notes: ¹ Beginning in FY17, VOP saw a significant increase in the # of non-residential permits issued above historical levels. These include new construction as well as additions/alterations. ² Non-residential development applications are reviewed by the Village’s Technical Review Committee that consists of VOP staff, Moore County staff, and a contracted engineer. In FY18 and FY19, plan review turnaround times suffered due to staff vacancies in the department and should improve with the new software which will allow staff to receive and review plans electronically to improve plan review cycle times.



Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Increase compliance with Village codes and ordinances						
# of code violations investigated	Output	1,156	1,045	1,257	1,100	1,100
% of reported code complaints that violate codes	Output	87%	80%	85%	85%	85%
% of code violations investigated within 2 business days ¹	Effectiveness	92%	85%	85%	85%	85%
% of code violations resolved within 45 days ¹	Effectiveness	97%	94%	95%	95%	95%
# of code violations investigated per FTE per day ¹	Efficiency	4.7	4.2	5.1	5.0	5.0
% of neighborhoods patrolled according to schedule for code violations ¹	Effectiveness	102%	100%	100%	100%	100%
Department Goal: Process residential permit applications in a timely manner						
# of new single family residential permits issued	Output	144	122	185	100	100
% of single family residential new construction and addition/alteration plans reviewed within 14 days ²	Effectiveness	99%	95%	95%	95%	95%
Average # of days to issue single family permits for new construction and additions/alterations ²	Effectiveness	8	8	9	4	4
\$ value of residential development permitted	Output	\$60.3 million	\$51.6 million	\$71.8 million	\$38.8 million	\$38.8 million
% of Certificates of Appropriateness issued by staff within 7 days	Effectiveness	94%	80%	89%	95%	95%
% of Certificates of Appropriateness issued by the Historic Preservation Commission within 45 days	Effectiveness	100%	100%	95%	95%	95%
Notes: ¹ In FY17, VOP began routine patrols of neighborhoods to identify code violations before residents submitted a complaint. VOP also implemented a practice to investigate complaints within 2 business days to ensure timely resolution and compliance with Village codes and ordinances. ² The new Planning and Inspections software is expected to reduce the turnaround time for single family permits (i.e. avg. # of days to issue).						

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Recover the cost of development services						
% of planning operating costs recovered through planning fees ¹	Effectiveness	17%	10%	32%	12%	19%
Notes: ¹ The FY19, VOP conducted a comprehensive analysis of planning fees and implemented significant fee increases that are effective July 1, 2019 to ensure adequate cost recovery.						

FY 2021-2025 Initiative Action Plans

Initiative Action Plans	FY	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<i>Small Area Plans for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area AOF</i> – Engage a consultant to develop two small area plans.	FY 2021	\$158,000	\$0	\$0	\$0	\$0
<i>Update the Pinehurst Development Ordinance</i> – To reflect priorities of the 2019 Comprehensive Plan and changes required by 160D legislation	FY 2021-24	\$0	\$200,000	\$0	\$0	\$0
<i>Develop a consolidated multi-modal transportation plan</i> – To incorporate bicycle, pedestrian, and golf cart accessibility	FY 2024-25	\$0	\$0	\$0	\$100,000	\$0



Department Profile

The Community Development Division is co-managed by the Assistant Village Manager of Operations and the Assistant Village Manager of Administration. This division oversees marketing, economic development, the Village's Welcome Center, and engineering services. Areas of focus for FY 2021 include:

- Promoting and marketing the Village as a place to visit, live, and do business with print and digital advertising
- Operating the George P. Lane Welcome Center to serve visitors

Additional information about the Community Development Division may be obtained by contacting Natalie Hawkins, Assistant Village Manager of Administration, at 910.295.1900 or nhawkins@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 20,680	\$ 26,600	\$ 23,893	\$ 27,500	3.4%
Operating	161,798	141,830	126,579	150,710	6.3%
Capital	420	200,220	200,220	70	-100.0%
Expenditures Total	\$ 182,898	\$ 368,650	\$ 350,692	\$ 178,280	-51.6%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Logo Merchandise Sales	\$ 21,656	\$ 20,000	\$ 20,000	\$ 20,000	0.0%
Revenues Total	\$ 21,656	\$ 20,000	\$ 20,000	\$ 20,000	0.0%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote a Thriving Business Community

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide a welcoming environment for Pinehurst visitors						
# of Welcome Center visitors served ¹	Output	3,472	4,526	4,500	4,500	4,500
% of Welcome Center shifts filled ¹	Effectiveness	n/a	99%	95%	95%	95%
Department Goal: Support Partners in Progress economic development activities						
\$ spent to support Partners in Progress ²	Input	\$22,000	\$22,000	\$23,100	\$23,100	\$23,100
1 st floor occupancy rate in Village Center	Effectiveness	88%	85%	90%	90%	90%
Notes: ¹ In FY17, VOP hired a PT Welcome Center Coordinator to extend the operating hours of the George P. Lane Welcome Center. This was done to address the FY16 decline in the # of Welcome Center visitors served. Since expanding the operating hours, the # of visitors served has increased. In FY18, VOP began tracking the % of Welcome Center shifts filled to evaluate the staffing model of PT staffing combined with volunteers. Due to staff turnover, 1 FTE from the Administration Department now works at the Welcome Center which has significantly improved the shifts filled and visitors served. ² VOP contracts with Moore Co. Partners in Progress for economic development services.						



Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Market and promote the Village and its services						
# of print ads distributed Village-wide ¹	Output	84	95	100	80	80
# of digital ads placed Village-wide ¹	Output	136	146	115	135	135
Marketing \$ invested Village-wide ²	Input	\$70,601	\$51,090	\$75,000	\$107,000	\$105,000
Notes: ¹ In FY17, VOP Administration staff reorganized to create a dedicated Communications Specialist position to coordinate external communications, including marketing and social media management. ² In FY17, VOP deployed a marketing and promotions campaign aimed to market both Village services and the Village as a place to live. This funding accounts for Village-wide marketing efforts, including promotions for the Fair Barn, Harness Track, and all Parks and Recreation promotions.						



George P. Lane Welcome Center



Department Profile

Recreation is a division within the Parks and Recreation Department. The Parks and Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Director provides management support to all of the divisions in the department, which include Recreation, Harness Track, Fair Barn, and Buildings & Grounds. In addition to the Director, the Recreation Division includes an Athletic Coordinator, Program Coordinator, Administrative Assistant, Special Event Coordinator, and part-time Event Assistant who, in conjunction with the Director, are charged with providing the citizens of Pinehurst with a variety of recreational pursuits that enrich the quality of the lives of the participants. Areas of focus for FY 2021 include:

- Enhancing athletic and recreation program offerings
- Maximizing the use of the new Community Center
- Utilizing feedback from point of service surveys of participants to improve programs and facilities

Additional information about the Recreation Division may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 433,363	\$ 591,200	\$ 477,186	\$ 622,750	5.3%
Operating	979,399	1,292,318	1,198,415	1,302,910	0.8%
Capital	190,273	53,431	53,431	184,027	244.4%
Expenditures Total	\$ 1,603,035	\$ 1,936,949	\$ 1,729,032	\$ 2,109,687	8.9%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Athletic Programs	\$ 36,003	\$ 40,500	\$ 40,500	\$ 41,500	2.5%
Recreation Fees	125,321	137,000	136,000	148,000	8.0%
Facility Rentals	23,864	31,000	24,000	26,000	-16.1%
Revenues Total	\$ 185,188	\$ 208,500	\$ 200,500	\$ 215,500	3.4%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote Transportation Mobility and Connectivity

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide interconnected greenway trails, bike paths, and other pedestrian facilities						
# of miles of greenway trails per 1,000 population ¹	Effectiveness	0.46	0.45	0.44	0.44	0.41
Notes: ¹ With no planned additions to greenway trails in the five-year period, the ratio of miles to population is projected to decline as population increases.						



Strategic Goal: Promote Active Living and Cultural Opportunities

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide adequate parks and recreation facilities						
# of acres of developed parks per 1,000 population	Effectiveness	8.71	8.56	8.38	8.27	7.74
# of developed acres of parks maintained per FTE	Efficiency	29.86	29.97	28.67	28.67	28.67
% of residents satisfied with the quality of Village parks	Effectiveness	98%	99%	95%	95%	95%
# of days the Arboretum is used	Output	115	96	47	49	57
Department Goal: Provide a variety of athletic and recreation programs for all ages						
Total # of participants in athletic and recreation programs ²	Output	4,908	4,343	3,200	4,795	5,190
Resident participation rate as a % of total participants in athletic and recreation programs ¹	Effectiveness	69%	72%	71%	73%	73%
% of athletic and recreation program participants who are adults	Output	39%	40%	40%	40%	40%
% of athletic and recreation program participants who are youth	Output	61%	60%	60%	60%	60%
% of athletic and recreation programs offered that meet or exceeded minimum registration requirements	Effectiveness	92%	95%	90%	90%	90%
# of athletic and recreation program participants per Recreation Coordinator FTE	Efficiency	2,454	2,172	2,248	2,398	2,595
Residents recreation program participants as a % of population ¹	Effectiveness	19%	18%	19%	20%	20%
% of residents satisfied with the quality of youth recreation programs ¹	Effectiveness	93%	92%	95%	95%	95%
% of residents satisfied with the quality of adult recreation programs ¹	Effectiveness	91%	93%	95%	95%	95%
% of recreation participants satisfied with athletic and recreation programs	Effectiveness	99%	98%	95%	95%	95%
Department Goal: Provide cultural arts events						
# of Village sponsored cultural arts events	Output	63	64	69	67	67
Notes: ¹ With the creation of dedicated indoor recreation space at the Community Center, which opened in FY20, VOP expects resident participation and satisfaction ratings to increase over the five-year period. ² In FY20, participation numbers dropped due to the COVID-19 pandemic which canceled several months of recreation and athletic programs and special events.						

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Recover program and event costs through fees						
% of direct costs recovered through recreation fees	Effectiveness	123%	118%	95%	95%	95%
\$ of revenues obtained for Village sponsored cultural arts events ¹	Output	\$12,870	\$18,631	\$18,911	\$19,000	\$22,000
Notes: ¹ With the expansion of cultural events to larger audiences, VOP has been successful in obtaining increased sponsorship funding.						



Department Profile

The Library Department includes funds for contributions to the Given Memorial Library. Given Tufts is a non-profit 501(c)3 that operates the Given Memorial Library and the Tufts Archives in the Village Center. The Village provides public library services through an operating contract with the Given Memorial Library. In addition, in FY 2013-2018, the Village contributed \$1 million into a trust account toward the Library’s \$4.5 million capital expansion campaign. Since the library did not meet the capital campaign fundraising requirements, the \$1 million of Village funds contributed to the trust reverted back to the Village in FY 2020.

In FY 2019, the Given Memorial Library Board initiated discussions with the Village Council on the future of their organization and potential changes they foresee on the horizon. Based on these discussions, the Village Council formed a working group to examine the current public/private partnership for the provision of public library services in the Village. In January 2019, the Village Council approved the working group’s recommendation for the Village to conduct a formal library needs assessment in to determine the community’s desires and needs for future library services. This needs assessment is currently underway in FY 2020 with recommendations anticipated by early FY 2021.

The Library includes:

- A collection of over 23,000 items including fiction, non-fiction, audio books, e-books, reference, large print, and children’s books
- Free wireless internet, a laptop computer, and a printer for public use
- Children’s programs throughout the year
- Tufts Archives, the Pinehurst History Museum

Additional information about the Library Department may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Operating	\$ 125,000	\$ 195,000	\$ 195,000	\$ 150,000	-23.1%
Expenditures Total	\$ 125,000	\$ 195,000	\$ 195,000	\$ 150,000	-23.1%



FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote Active Living and Cultural Opportunities

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Support the provision of public library services						
# of books checked out ¹	Output	45,341	45,764	44,770	45,000	45,000
# of e-books checked out ¹	Output	12,334	16,041	16,276	16,500	16,500
\$ spent to support Given Memorial Library ²	Input	\$200,000	\$125,000	\$150,000	\$150,000	\$150,000
Notes: ¹ Estimates and projections of books and e-books checked out were provided by Given Memorial Library staff. ² In FY18, VOP contributed the final \$100,000 installment on its \$1 million pledge to the Given Memorial Library capital expansion campaign. Under the terms of the pledge agreement, the \$1 million VOP contributed to an escrow account reverted back to the Village in FY20 due to the Library's inability to raise the required funds. The FY21 budget and five-year plan includes the current annual operating support funding of \$150,000 annually.						



Given Memorial Library



Department Profile

The Harness Track Division of the Parks and Recreation Department reports to the Parks and Recreation Director. The Harness Track Division includes one Track Supervisor, three full-time Track Specialists, and part-time seasonal personnel responsible for the operations and maintenance of the Harness Track facility. The Harness Track, established in 1915, is listed in the National Register of Historic Places. The Village rents the Harness Track horse training facility to show promoters, trainers, and other outside groups. Areas of focus for FY 2021 include:

- Continue maintaining three sand-clay training tracks (a 1/2 mile track, a 5/8 mile track, and a 1 mile track) totaling 2.25 miles on 111 acres at a high level
- Increasing marketing efforts of the Harness Track to maximize rentals of stalls and utilization of the facility for events
- Maintaining a Track Restaurant and Tack Shop
- Seeking to generate between \$240,000 and \$260,000 in revenue annually

Additional information about the Harness Track Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 194,431	\$ 239,050	\$ 192,291	\$ 246,900	3.3%
Operating	314,406	340,200	329,318	329,820	-3.1%
Capital	96,188	103,148	103,148	116,908	13.3%
Expenditures Total	\$ 605,025	\$ 682,398	\$ 624,757	\$ 693,628	1.6%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Stall Rental	\$ 191,459	\$ 211,000	\$ 173,000	\$ 202,000	-4.3%
Tack Shop Rental	5,304	5,300	5,300	5,400	1.9%
Restaurant Rent	6,948	6,900	6,900	7,000	1.4%
Shows/Events Revenue	39,510	33,000	27,000	28,000	-15.2%
Revenues Total	\$ 243,221	\$ 256,200	\$ 212,200	\$ 242,400	-5.4%



Harness Track Matinee Races



FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide a high quality equestrian training and event venue						
% of Harness Track building renovations completed on schedule	Effectiveness	100%	100%	100%	100%	100%
# of Harness Track facility acres	Input	111	111	111	111	111
# of Harness Track facility acres maintained per FTE	Efficiency	28.96	29.60	27.75	27.75	27.75
% of customers satisfied with the Harness Track facility	Effectiveness	100%	100%	100%	95%	95%

Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Maximize utilization of the Harness Track						
# of stalls available for rent	Input	260	250	260	244	244
Cumulative # of stalls rented	Output	215	193	172	207	244
% of capacity reached for stall rentals ¹	Effectiveness	83%	74%	66%	85%	100%
# of days the Harness Track is rented for equestrian events	Output	21	23	36	38	46
# of days the Harness Track is rented for non-equestrian events ²	Output	18	15	40	40	40
% of days the Harness Track is rented ²	Effectiveness	22%	21%	36%	43%	45%
Department Goal: Maximize profitability of the Harness Track						
% of Harness Track operating expenditures recovered with fees	Effectiveness	53%	48%	40%	45%	53%
Notes: ¹ Each year, VOP strives to reach maximum capacity of harness track stalls that are rented to standardbred trainers. ² The # of days the Harness Track is rented for non-equestrian events remains flat until FY24, when the US Open Championship returns to Pinehurst.						



Department Profile

The Fair Barn is a Division of the Parks and Recreation Department and operates under the direction of the Parks and Recreation Director. The Fair Barn Division is comprised of the Fair Barn Coordinator, several part-time assistants, and part-time laborers who provide the labor, supplies, expertise, and management for the operations and maintenance of the Fair Barn. The Fair Barn is a renovated 6,400 square foot facility located at the Harness Track that was designed as an exhibition hall for the Sandhills Fair in 1917. The Village rents the Fair Barn to outside groups as a venue for weddings and other large events that can accommodate up to 600 people. Areas of focus for FY 2021 include:

- Promoting the use of recently enhanced outdoor space to provide additional entertainment space for renters
- Maintaining 6,400 square feet of rental space at a high level
- Promoting and managing the facility to maximize its use and generate approximately \$240,000 in revenue

Additional information about the Fair Barn Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 112,574	\$ 127,950	\$ 112,986	\$ 132,000	3.2%
Operating	175,968	247,840	236,373	238,030	-4.0%
Capital	54,273	62,563	62,563	20,175	-67.8%
Expenditures Total	\$ 342,815	\$ 438,353	\$ 411,922	\$ 390,205	-11.0%

Revenues by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Fair Barn Rental	\$ 232,289	\$ 230,000	\$ 230,000	\$ 240,000	4.3%
Shows/Events Revenue	3,535	3,000	3,500	3,500	16.7%
Revenues Total	\$ 235,824	\$ 233,000	\$ 233,500	\$ 243,500	4.5%



Fair Barn



FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide a high quality event venue						
% of customers satisfied with the Fair Barn facility	Effectiveness	100%	100%	95%	95%	95%

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Maximize utilization of the Fair Barn						
# of weekdays the Fair Barn is used ¹	Output	49	45	58	58	62
# of weekend days the Fair Barn is used ²	Output	99	86	92	93	97
Fair Barn weekday utilization rate ¹	Effectiveness	24%	22%	28%	28%	30%
Fair Barn weekend utilization rate ²	Effectiveness	63%	55%	58%	59%	61%
Department Goal: Market and promote the Fair Barn						
# of client leads for weekend rentals ³	Input	597	804	876	675	675
Department Goal: Maximize profitability of the Fair Barn						
% of Fair Barn operating expenditures recovered with fees ⁴	Effectiveness	97%	82%	99%	99%	99%

Notes: ¹ In FY18, VOP improved the north end of the property by adding additional outdoor venue space and enhancing landscaping in an effort to make the Fair Barn more marketable for rentals. Staff project these improvements will help sustain weekday rentals in partnership with Pinehurst Resort, who in FY18 began marketing the Fair Barn as a venue for corporate rentals. The FY24 number of days accounts for the US Open Championship returning to Pinehurst. ² Because the Fair Barn is such a popular event venue, weekends are typically booked well in advance and there are not a lot of opportunities to increase weekend utilization significantly. The FY24 number of days also accounts for the US Open Championship returning to Pinehurst. ³ VOP staff began tracking the # of client leads in FY17 in order to more effectively monitor and follow up on them. ⁴ In recent years, VOP staff have tried to recover operating expenditures associated with the Fair Barn with fees. In some instances, the Village Council waives fees for non-profit groups.



Department Profile

The Buildings & Grounds Division operates under the direction of the Parks and Recreation Director. This division includes a Building & Grounds Superintendent, two Maintenance Technicians, and five Grounds Specialists that provide regular and preventative maintenance for all facilities owned by the Village as well as for selected Village-owned grounds and property. All expenditures of this department are charged back to other departments in the form of internal service charges. Areas of focus for FY 2021 include:

- Continuing to respond to work order requests in a timely fashion and striving to reduce the number of days to close work orders
- Conducting quarterly inspections of buildings, playgrounds, and greenway trail bridges

Additional information about the Building & Grounds Division may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.1900 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 417,190	\$ 498,500	\$ 483,391	\$ 513,000	2.9%
Operating	652,509	835,760	798,806	822,850	-1.5%
Capital	416,089	225,502	225,502	385,510	71.0%
Expenditures Total	\$ 1,485,788	\$ 1,559,762	\$ 1,507,699	\$ 1,721,360	10.4%



FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Respond promptly to Building and Grounds work order requests						
# of B&G work order requests received	Input	282	235	238	250	250
% of B&G work order requests closed within 14 days	Effectiveness	94%	99%	98%	95%	95%
% of B&G work order requests that are an emergency	Effectiveness	12%	7%	4%	5%	5%
Average # of days to close B&G work orders ¹	Effectiveness	7.54	7.74	5.00	4.50	4.00
% of employees satisfied with the quality of B&G work performed	Effectiveness	97%	91%	92%	95%	95%
# of square feet of buildings maintained ²	Output	111,928	112,803	132,493	132,493	132,493
# of square feet of buildings maintained per facilities maintenance FTE ³	Efficiency	111,928	77,351	66,247	66,247	66,247
% of Village buildings inspected quarterly	Effectiveness	100%	100%	100%	100%	100%
% of playground inspections completed according to schedule	Effectiveness	100%	100%	100%	100%	100%
% of greenway/trail bridges inspected according to schedule	Effectiveness	100%	88%	100%	100%	100%

Notes: ¹ The addition of a Maintenance Technician halfway into FY19 improved the average # of days to close work orders. The average # of days to close B&G work order requests increased in FY18 due to a few requests that were delayed due to their complexity and the use of outside vendors. ² The # of square feet of buildings increased in FY18 due to the addition of maintenance space at the Public Services complex and the inclusion of leased space at the Recreation Room and Welcome Center that is also maintained by B&G staff. Total square footage (sf) maintained increased further in FY20 with the addition of the Community Center. ³ The # of square feet maintained per FTE was significantly reduced when the addition of a second Maintenance Technician position was added in FY19.



Department Profile

The Fleet Maintenance Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Fleet Maintenance Department consists of the Director and two Technicians who are responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. All expenditures of this department are charged back to other departments in the form of internal service charges. Areas of focus for FY 2021 include:

- Acquiring new vehicles and equipment according to the Fleet Replacement Plan
- Responding promptly to fleet work order requests

Additional information about the Fleet Maintenance Department may be obtained by contacting Randy Kuhn, Fleet Maintenance Director, at 910.295.0005 or rkuhn@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 251,811	\$ 268,200	\$ 266,151	\$ 300,450	12.0%
Operating	418,936	490,860	526,958	457,720	-6.8%
Capital	301,572	937,140	937,140	994,640	6.1%
Expenditures Total	\$ 972,319	\$ 1,696,200	\$ 1,730,249	\$ 1,752,810	3.3%



Fleet Maintenance Department



FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Respond promptly to fleet work order requests						
% of fleet work orders completed within 2 days of receipt ¹	Effectiveness	96%	99%	98%	95%	95%
% of mechanic time spent on repairs & maintenance ²	Effectiveness	44%	47%	50%	50%	50%
Department Goal: Effectively maintain Village vehicles and equipment to maximize availability						
# of vehicles maintained ³	Output	100	101	102	102	102
# of equipment items maintained ⁴	Output	67	59	75	77	77
# of vehicles and equipment items maintained per FTE	Efficiency	56	53	59	59	59
# of PMs completed	Output	236	248	237	267	267
% of PMs completed on time	Effectiveness	97%	99%	97%	95%	95%
% of rolling stock available	Effectiveness	98%	98%	98%	98%	98%
% of employees satisfied that repairs are made correctly the first time ⁵	Effectiveness	85%	83%	87%	90%	90%
Scheduled maintenance work orders as a % of total maintenance work orders	Effectiveness	25%	24%	24%	25%	25%
Department Goal: Replace vehicles and equipment based on the predetermined life-cycle expectancy						
Average age of police sedans fleet (in years) ⁶	Effectiveness	5.2	5.0	4.7	4.8	3.7
Average age of automated garbage trucks fleet (in years) ⁶	Effectiveness	3.8	5.8	4.5	6.08	6.67
Average age of fire pumpers fleet (in years) ⁶	Effectiveness	7.8	8.8	9.8	5.8	9.8
<p>Notes: ¹ In FY18, fleet staff began more closely monitoring work order requests for timely response in order to improve response times, resulting in an increase in the % of fleet work orders completed within 2 days of receipt. ² In FY17, VOP began tracking the % of mechanic time spent on repairs & maintenance and discovered that technicians were likely not recording their time properly in prior years. Based on a review of time allocations, there is still room for improvement in more accuracy of allocating time to repairs. Staff projects an increased focus on accurate time recording in the future, therefore the projections for increased % of mechanic time spent on repairs & maintenance. ³ The projected # of vehicles and equipment maintained are based on the five-year Fleet Replacement schedule. Over time, VOP has reduced the size of its fleet in an effort to operate more fiscally responsible. ⁴ VOP has acquired and plans to acquire additional equipment to improve the efficiency of Village operations, especially for streets and grounds maintenance. ⁵ To address decreasing employee satisfaction levels with repairs being made the first time, fleet staff evaluated alternatives for outsourcing maintenance of diesel vehicles and acquiring additional fleet diagnostic equipment and training in FY19. ⁶ The average age of police sedans, automated garbage trucks and fire pumpers are based on the Fleet Replacement Plan's scheduled replacement using predetermined useful lives.</p>						



Department Profile

The Chief Information Officer (CIO) reports directly to the Assistant Village Manager of Administration and is a member of the senior leadership team. In addition to the CIO, the Information Technology Department (IT) includes a Network Administrator, IT Systems Specialist, Business Analyst, GIS Analyst, and IT Technician. All of these positions are responsible for the support, maintenance, and security of hardware, software, and network infrastructure. All expenditures of this department are charged back to other departments in the form of internal service charges. Areas of focus for FY 2021 include:

- Implementing the GIS Strategic Plan
- Increasing efforts to ensure a secure network with cybersecurity preventative measures
- Maintaining more than 20 software programs and applications that support municipal services as well as the Village website, mobile app (MY VOP), database servers, email servers, Enterprise Resource Planning (ERP) system, and the Welcome Center and downtown kiosks
- Managing an extensive network infrastructure with multiple WAN connections and over 320 devices including computers, physical and virtual servers, Wi-Fi, printers, and other technology equipment
- Responding promptly to IT work orders

Additional information about the Information Technology Department may be obtained by contacting Jason Whitaker, Chief Information Officer, at 910.295.1900 or jwhitaker@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Salaries & Benefits	\$ 418,913	\$ 580,140	\$ 519,358	\$ 589,950	1.7%
Operating	523,531	682,300	643,298	668,200	-2.1%
Capital	42,000	28,000	28,000	31,000	10.7%
Expenditures Total	\$ 984,444	\$ 1,290,440	\$ 1,190,656	\$ 1,289,150	-0.1%

FY 2021 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Support technology users						
% of IT help desk tickets closed within 2 days	Effectiveness	92%	94%	92%	93%	94%
Average # of days to close IT help desk tickets	Effectiveness	0.36	0.67	0.70	0.50	0.40
# of IT help desk tickets closed per FTE per month	Efficiency	27	28	25	29	31
% of employees satisfied with the quality of IT help desk services ¹	Effectiveness	98%	97%	97%	97%	98%
% of employees satisfied with the timeliness of IT help desk services ¹	Effectiveness	100%	98%	97%	98%	98%
Notes: ¹ Because leveraging technology is one of VOP's key strategic advantages, the IT Department strives to seek ways to utilize technology to improve the efficiency and effectiveness of Village services. Historically, IT staff have received very high satisfaction ratings from Village employees for the quality and timeliness of IT help desk services.						



Strategic Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide user access to a safe and secure network						
% of computers with current antivirus protection ¹	Effectiveness	99%	97%	94%	92%	92%
Department Goal: Conduct efficient backups and disaster recovery						
% of time automatic backups are successful ²	Effectiveness	100%	99%	99%	98%	98%
Department Goal: Provide high availability of network resources						
% of network uptime ³	Effectiveness	100%	100%	100%	99%	99%
% of Internet Service Provider (ISP) uptime	Effectiveness	100%	100%	100%	99%	99%
Average # of lost IT staff work hours due to viruses or malware per month ⁴	Effectiveness	0.69	0.51	0.47	2	2
Department Goal: Maintain the Village's technology infrastructure						
% of computers and servers that are 5 years old or less ⁵	Effectiveness	97%	98%	97%	95%	95%
<p>Notes: ¹ VOP began tracking the % of computers with current antivirus protection in FY17 to help improve network security. The reduction in the 5-year period is due to the inability to capture all devices in a timely manner for updates due to shift schedules. ² VOP conducts automatic backups of data to ensure data availability and began tracking the % of time automatic backups are successful in FY17. ³ Availability of network resources is routinely monitored by IT staff, who began tracking network uptime in FY17. Based on results, IT staff maintain a high level of uptime for the VOP network and Internet due to redundant connectivity and VOP fiber installed at main Village facilities. ⁴ In FY19, VOP began monitoring the # of lost IT staff work hours due to responses to cybersecurity issues in an effort to determine VOP effectiveness at ensuring cybersecurity. In FY18 VOP implemented a mandatory cybersecurity awareness campaign. ⁵ VOP computers and servers are replaced on a 5-year life cycle in accordance with the Technology Replacement Plan. In some instances, however, individual computers may be utilized beyond the 5-year target replacement date depending on performance and organizational need.</p>						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2018 Actual	FY 2019 Actual	FY 2020 Est.	FY 2021 Proj.	FY 2025 Proj.
Department Goal: Provide information technology training						
% of workforce with IT access who participate in IT orientation ¹	Effectiveness	100%	100%	100%	100%	100%
<p>Notes: ¹ All new employees with network access are required to attend mandatory IT orientation which includes an overview of VOP technology and the VOP Electronic Use Policy</p>						

FY 2021-2025 Initiative Action Plans

Initiative Action Plans	FY	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<i>Expand GIS Capabilities</i> – Continue implementing the GIS Strategic Plan for the Village	FY 2021	\$23,000	\$25,000	\$30,000	\$25,000	\$25,000



Department Profile

The Contingency Department includes a separate allocation of funds for unexpected items that may occur during a fiscal year. This practice of maintaining contingency funding is recommended by the Fiscal Management Staff of the N. C. Local Government Commission.

These funds may not legally exceed 5.0% of all other General Fund appropriations. Starting in FY 2018, the Village ended the practice of including a general contingency and rather, included a small amount of contingency within each departmental budget. The amount provided in each department is approximately 2% of the operating budget.

From FY 2013 to FY 2018, the Village contributed \$1 million into a trust account toward the Library’s \$4.5 million capital expansion campaign. Since the library did not meet the capital campaign fundraising requirements, the \$1 million of Village funds contributed to the trust reverted back to the Village in FY 2020. Village Council did not plan to spend these funds in FY 2020, but an appropriation was necessary to comply with the North Carolina Local Government Budget and Fiscal Control Act’s requirement to adopt a balanced budget. No contingency appropriation was allocated for FY 2021.

Based on discussions between the Village Council and the Given Memorial Library Board, a library working group was founded in 2018. The library working group recommended to conduct a formal library needs assessment to determine the community’s desires and needs for future library services. The needs assessment is currently underway in FY 2020 with recommendations anticipated by early FY 2021. See Library for additional information.

Additional information about the Contingency Department may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Operating	\$ -	\$ 1,000,000	\$ -	\$ -	-100.0%
Expenditures Total	\$ -	\$ 1,000,000	\$ -	\$ -	-100.0%



Department Profile

As a means to finance long-term capital purchases and projects, the Village of Pinehurst utilizes long-term debt. While simultaneously benefiting from its use, the Village has traditionally maintained a conservative position regarding the use of debt. Because of its importance to the Village’s financial solvency, debt is regulated not only by North Carolina statutes, but also by Council policy. See the *SOP Guide* section for the Debt Guidelines. For information on anticipated debt, please refer to the *Capital Improvement Plan* section.

The total amount of debt outstanding at June 30, 2020 will be \$141,589. This is a very small amount of direct debt compared to our taxable property of \$3,803,000,000. All of the Village’s debt is in the form of installment purchase agreements. Village Council elected to accelerate the final Fair Barn debt payments scheduled for FY 2022 and fund them in FY 2021. Under this plan, all debt will be fully paid off in FY 2021.

As the Village has not issued any General Obligation Bonds, we have not been rated by a national rating agency such as Moody’s Investment Service or Standard and Poor’s.

Additional information about Debt Service expenditures may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Principal	\$ 297,282	\$ 298,699	\$ 298,699	\$ 141,589	-52.6%
Interest	21,770	13,428	13,428	6,578	-51.0%
Expenditures Total	\$ 319,052	\$ 312,127	\$ 312,127	\$ 148,167	-52.5%

The chart below indicates the total debt service payments due under the terms of each of the Village’s financing agreements over the next five-year period. It also offers financing details of each installment agreement:

Description	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Service Payments on Installment Purchase Agreements					
Firetruck - Unit 914 \$550,000; due in 14 semi-annual payments of \$41,917 beginning on 2/1/14; final payment due on 8/1/20; interest @ 1.75%; collateralized by firetruck.	\$ 41,917	\$ -	\$ -	\$ -	\$ -
Fair Barn \$1,000,000; due in 40 semi-annual payments consisting of fixed principal of \$25,000 plus interest @ 4.60%; collateralized by Fair Barn building; final payment due on 03/11/22.	106,250	-	-	-	-
Total Debt Service	\$ 148,167	\$ -	\$ -	\$ -	\$ -



Debt Service

The charts below indicate the total principal and interest due under the terms of each of the Village's financing agreements until maturity by project and by fiscal year:

Project	FY 2021		FY 2022		FY 2023	
	Principal	Interest	Principal	Interest	Principal	Interest
Fire Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Firetruck 914	41,589	328	-	-	-	-
Fair Barn	100,000	6,250	-	-	-	-
Totals	\$ 141,589	\$ 6,578	\$ -	\$ -	\$ -	\$ -

Project	FY 2024		FY 2025-2029		FY 2030-2034	
	Principal	Interest	Principal	Interest	Principal	Interest
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project	Total Balance by Project		
	Principal	Interest	Total
Fire Station	\$ -	\$ -	\$ -
Firetruck 914	41,589	328	41,917
Fair Barn	100,000	6,250	106,250
Totals	\$ 141,589	\$ 6,578	\$ 148,167

Fiscal Year(s)	Total by Fiscal Year(s)		
	Principal	Interest	Total
FY 2021	\$ 141,589	\$ 6,578	\$ 148,167
FY 2022	-	-	-
FY 2023	-	-	-
FY 2024	-	-	-
FY 2025-2029	-	-	-
Totals	\$ 141,589	\$ 6,578	\$ 148,167



Computation of Legal Debt Limit

Net Assessed Value - June 30, 2019	\$ 3,503,175,870	
	<u>8.0%</u>	
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 280,254,070	
Gross Debt:		
Installment Purchase Agreements	<u>440,287</u>	
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>440,287</u>	0.01%
Legal Debt Margin	<u>\$ 279,813,783</u>	

The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village's net debt as a percentage of assessed valuation at June 30, 2019 is 0.01% compared to the legal debt limit of 8%.



Department Profile

Other financing uses represent transfers out of the General Fund to other funds.

Additional information about other financing uses may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

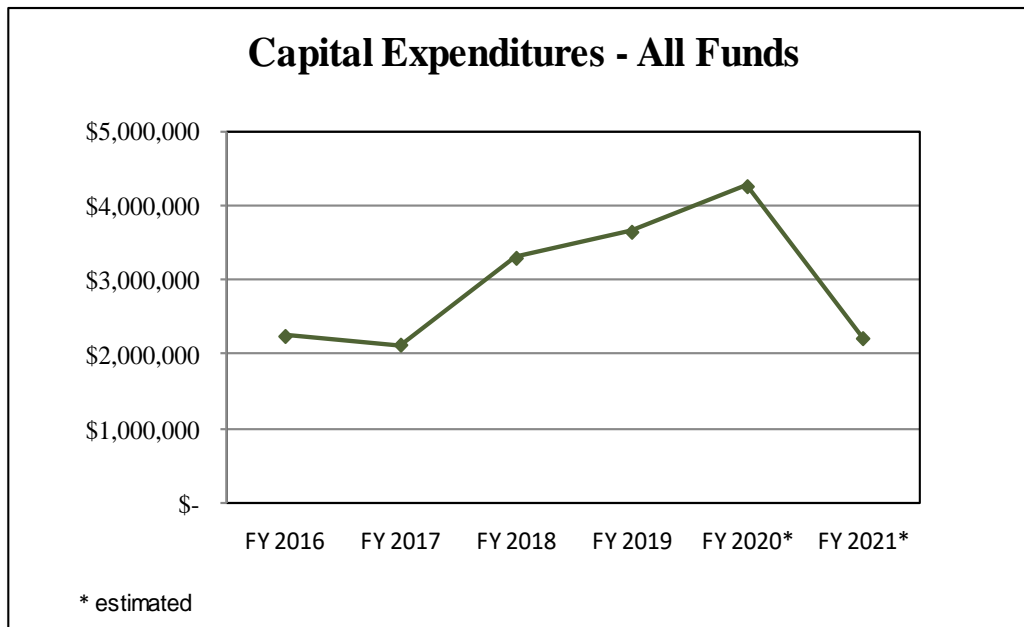
Expenditures by Type	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated	FY 2021 Budgeted	Percent Change
Operating	\$ 4,569,165	\$ -	\$ -	\$ -	0.0%
Expenditures Total	\$ 4,569,165	\$ -	\$ -	\$ -	0.0%



Description

Capital expenditures are appropriated within each fund, typically in the General Fund and capital project funds, when applicable. This section is provided to give the reader a summary of all capital expenditures and to provide trend data related to capital expenditures.

The Village is committed to protect and maintain its capital investments. The chart below illustrates the historical capital expenditure levels by the Village.



The increase in FY 2018 included the replacement of a firetruck and two solid waste vehicles, and the increases in FY 2019 and FY 2020 included the construction of the Cannon Park Community Center. This construction project was accounted for in the Community Center Capital Project Fund, which is expected to be completed by the end of FY 2020.

Summary

Capital expenditures are typically accounted in either the General Fund or capital project funds. In the General Fund, appropriations are made on an annual basis. These capital outlays are included in the *General Fund* section by department. In the capital project funds, a project ordinance is adopted for a multi-year period and remains in effect until the project is completed. For FY 2021, the Village does not have any Capital Project Funds. The following section highlights capital expenditures in the General Fund.



Capital Expenditures

General Fund Capital Expenditures

The schedule on the following pages details the specific capital items funded in the FY 2021 Budget. In addition to routine vehicle and equipment replacements, the Village intends to make storm drainage improvements; renovate and repair structures at the Fair Barn, Harness Track and Police Station; make streetscape improvements along Magnolia Road; build pedestrian facilities; and create additional structured parking at Cannon Park. Please refer to the *General Fund* section for additional information on these items.

General Fund Capital Items	Budget Department/Division	FY 2021 Funded Amount
Public Safety		
SCBA Air Packs	Fire	\$ 24,000
Hose Roller	Fire	8,500
Opticom - Traffic Light Preemption System	Fire	14,900
Total Public Safety		47,400
Transportation		
Small Drainage Projects	Streets & Grounds	85,000
Lake Hills Road - Storm Drainage Project	Streets & Grounds	35,000
Surry Circle - Storm Drainage Project	Streets & Grounds	25,000
Hampshire Lane - Storm Drainage Project	Streets & Grounds	12,500
Girth Court - Storm Drainage Project	Streets & Grounds	12,500
Pipe Inspection Camera	Streets & Grounds	95,000
Pedestrian Facilities	Streets & Grounds	250,000
Magnolia Road - Streetscape Improvements	Streets & Grounds	250,000
Total Transportation		765,000
Buildings & Grounds Maintenance		
Replace HVAC in Village Hall	Administration	15,000
Replace HVAC	Fair Barn	5,000
Replace Exterior Doors	Fair Barn	15,000
Replace Siding	Harness Track	40,000
Sewer Connections	Harness Track	45,000
Clubhouse Repairs	Harness Track	19,000
Remodel Barn Bathrooms	Harness Track	7,500
Concrete Pad - Shop	Harness Track	5,300
Dispatch Office Expansion	Police	32,000
Replace HVAC	Police	18,000
Additional Structured Parking at Cannon Park	Recreation	103,000
Cannon Park Shelter Improvements	Recreation	20,500
Wicker Park Maintenance Storage Expansion	Recreation	60,000
Total Buildings & Grounds Maintenance		385,300



Capital Expenditures

General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department/Division	FY 2021 Funded Amount
Information Technology		
Server - DCI	Information Technology	\$ 7,000
Remote Gate Control System	Public Services	9,000
CCTV Surveillance System	Police	15,000
Total Information Technology		31,000
Fleet Maintenance		
KME Pumper Tanker	Fire	625,000
Dodge Charger	Police	40,000
Dodge Charger	Police	40,000
Dodge Charger	Police	40,000
Freightliner Garbage Truck	Solid Waste	210,000
Message Boards (2)	Streets & Grounds	28,500
Gator/Sprayer	Streets & Grounds	11,000
Total Fleet Maintenance		994,500
General Fund Total		\$ 2,223,200
% of Expenditures		10.5%

There are no Capital Projects in the Village's Five-Year Capital Improvement Plan.



Introduction

Purpose

The Village of Pinehurst is a high performing, results oriented organization. We are focused on fulfilling our mission and achieving the short-term and long-term performance goals indicated on our Balanced Scorecard (BSC). A reliable long-term financial forecast is an important part of ensuring that adequate resources are available to meet future financial obligations. It also assists us in meeting the Council's strategic goal to "Maintain a Healthy Financial Condition" and achieving the long-term financial targets on our Balanced Scorecard.

Each year, the Financial Services Department prepares a five-year financial forecast to ensure the Village can achieve the long-term performance target levels on the Village's BSC and department balanced scorecards while maintaining a healthy and sustainable financial position.

The Village has budgetary and financial policies that set forth basic guidance for the financial management of the Village. These policies, provided in the *Strategic Operating Plan Guide* section of this document, are based upon long-standing principles of public stewardship. The forecast serves to inform decision makers of the mid-term financial implications of the decisions they are making today.

Methodology

The forecast includes five-year projections of revenues, operating expenditures, anticipated debt service for financed capital, and planned capital expenditures. It is inclusive of the Initiative Action Plans in the forecasted period and the impact those initiatives are projected to have on revenue, capital expenditures and ongoing operating costs.

Sound and conservative financial principles are utilized when preparing the plan. Much effort is taken to ensure that all revenue and costs associated with an Initiative Action Plan, capital addition, or program are included in the plan. This is done to ensure the plan is as accurate as possible in predicting financial outcomes and to ensure that adequate resources are available to meet future obligations.

After the issuance of the Village's audit report each fall, Financial Services staff begin compiling the data needed to update the forecast. Files containing historical financial information are updated to include the current year's audited data. This annual update ensures that the plan is based upon the most relevant data available.

Revenue Forecasting

Significant revenue sources of the Village are forecast on a line-by-line basis. They are generally projected based on historical trends and other available information. For instance, property tax revenue is dependent on new construction trends and property revaluations. All of these factors are taken into account to forecast property tax revenue. Some revenue, like sales taxes, is directly linked to the overall economy. This makes them more difficult to predict on a long-term basis.



Five-Year Financial Forecast FY 2021-2025

The Village also relies heavily on information provided by the North Carolina League of Municipalities (NCLM). In conjunction with economists at the North Carolina General Assembly, the NCLM issues a revenue forecast memo each spring, which contains projected growth rates for state-collected local revenue.

Department heads and financial staff also review internal data on programs and activities to accurately forecast fees and charges revenue over the five-year planning horizon.

Operating Expenditure Forecasting

Salaries and benefits make up approximately half of the Village's budgeted expenditures each year, so forecasting them accurately is critical to producing a reliable plan. Staff begins by developing the current year personnel budget. Each department head also projects staffing needs over the five-year period and completes a staffing request for the staffing forecast. The Strategic Planning Team reviews these requests and determines which positions to include in the final plan. All positions included in the staffing forecast are incorporated into the five-year forecast. Part-time staffing requirements and overtime are also estimated and included.

Merit raise ranges are estimated for the five-year period in consultation with the Village Manager and the Human Resources Director. Cost of living adjustments are based on the annual average consumer price index percentage for the prior calendar year. Other benefit costs are estimated at their individual growth rates based upon information from the North Carolina Retirement System, our insurance providers, and our benefit consultants.

The current year forecast is then used to project the remaining four years of the plan using key assumptions set by the Financial Services Director, in consultation with the Village Managers.

Each year, departments develop Initiative Action Plans (IAPs) and Opportunities for Innovation and Improvement (OFIs) that are designed to improve performance and service levels indicated on the Village's BSC. These initiatives may include operating and capital expenditures. Each IAP or OFI has its own five-year financial plan that indicates the operating and capital expenditures as well as any revenue impact related to the initiative by year. Financial Services staff analyze the IAPs and OFIs and incorporate the financial data contained in their plans into the five-year forecast. The *Strategic Priorities* section provides a description and the estimated net cost of IAPs included in the five-year financial forecast.

The forecast for other operating expenditures is based on the current year's operating expenditures budget. The forecast takes current operating expenditures, which are not related to personnel or a specific IAP, and forecasts them based on an inflation factor. To ensure the accuracy of the plan, a listing of adjustments by year is maintained to adjust for known additions or deductions from the plan. For instance, if the Village has a significant operating lease that expires in the second year of the plan, the item is removed from the plan in the third year. The forecast will not contain these costs in the third year and going forward. The financial plans for all IAPs and OFIs are reviewed carefully to ensure that new operating costs that begin after the first year of the plan are included. Also, operating expenditures and revenue related to major capital additions are manually added to the forecast in the same manner.



Five-Year Financial Forecast FY 2021-2025

Capital Expenditure Forecasting

The Village's Capital Improvement Plan (CIP) is a detailed plan of capital additions and replacements in the five-year period. The CIP is used to plan for the acquisition of vehicles, equipment, infrastructure, new facilities, and other capital assets valued at over \$5,000. All capital expenditures are consistent with the implementation strategies detailed in the 2019 Comprehensive Plan.

Adequate resources must be made available for timely replacement of the Village's capital assets. The forecast allows decision makers to monitor planned capital investment levels to ensure that a balance between operating needs and capital needs is maintained across the planning horizon.

More details on how the capital forecast is developed is contained in the *Capital Improvement Plan* section of this document.

FY 2021-2025 Five-Year Financial Forecast

Revenue Forecast and Significant Assumptions

The FY 2021-2025 forecast projects operating revenue to grow from \$19,658,450 to \$21,632,000 over the next five years. The Village originally planned a one-half cent property tax rate increase for FY 2021. However, due to the economic impacts the COVID-19 pandemic has had on residents, the Village deferred this one-half cent property tax rate increase to FY 2022. The property tax rate will remain at \$0.30 cents per \$100 valuation for FY 2021. The tax rate is then projected to increase to \$0.31 cents per \$100 valuation for FY 2022, and increase by one-half cent in FY 2023 and FY 2024 to address operating expenditure pressures discussed below. Real property taxes are estimated to grow at 1% over the planning period due to the construction of new homes and commercial properties. Local option sales taxes are planned to remain flat in FY 2022 due to the economic downturn driven by the COVID-19 pandemic. However, local option sales taxes are projected to increase by 4% in FY 2023 after rebounding from the economic downturn, 5% in FY 2024 due to the favorable impacts of hosting the U.S. Open Championship, and 3% in FY 2025 returning to normal growth patterns. Other unrestricted intergovernmental revenues are planned to increase or decrease at varying rates based upon the NCLM forecast and other available information.

Operating Expenditure Forecast and Significant Assumptions

Salaries and benefits are forecast to increase by approximately 3.6% per year on average across the planning period before accounting for the addition of new positions. Although merit pay raises of 2% and cost of living adjustments of 1.8% account for the majority of this increase, increased required retirement contributions and projected continued increases in health insurance premiums are also contributing factors. Beyond the FY 2021 budget year, there is one planned change to paid staff. A full-time Building Inspector position will reduce to half-time in FY 2023 upon retirement of a Building Inspector. The net effect of these changes is a reduction of .50 FTEs.

In January 2019, The North Carolina Local Government Employees' Retirement System Board voted to increase employer contribution rates to address shortfalls in investment earnings in the pension plan. These contribution rates progressively increase over the five-year plan and are the primary reason for the



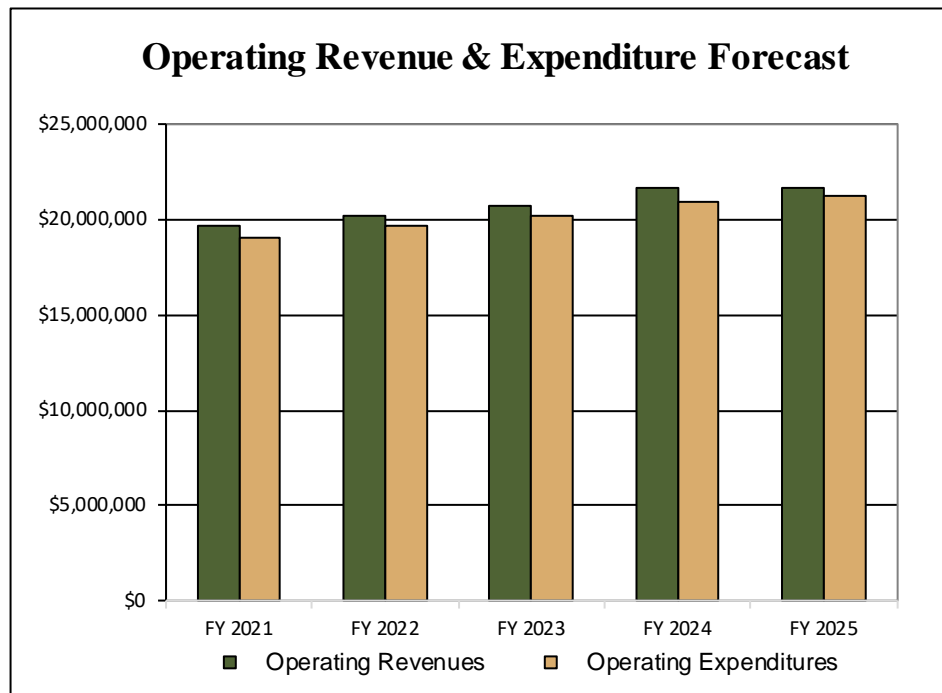
Five-Year Financial Forecast FY 2021-2025

projected tax increases in each year from FY 2022 to FY 2024. The base contribution rate for non-law enforcement officers increases from 10.15% in FY 2021 to 12.45% in FY 2023 and on.

Other operating expenditures are expected to increase by 2.5% per year based on economists' predictions of inflation. We believe this is a reasonable and conservative estimate. Some operating expenditures such as energy and fuel are more volatile than others, and the plan must account for the possibility that actual costs could be slightly higher than the baseline consumer price index.

Debt service expenditures are projected using known amortization schedule payments for existing debts and estimated interest rates if new debt is projected to be issued in the five-year period. No new debt issuances are expected in the FY 2021-2025 planning period.

After adjusting for incremental operating expenditures from new initiatives and capital additions, total operating expenditure increases in the plan range from 1.9% to 4.0% in FY 2022-2024. There is a 1.0% decrease in operating expenditures in FY 2025, as expenditures related to hosting the U.S. Open Championship in FY 2024 are removed.

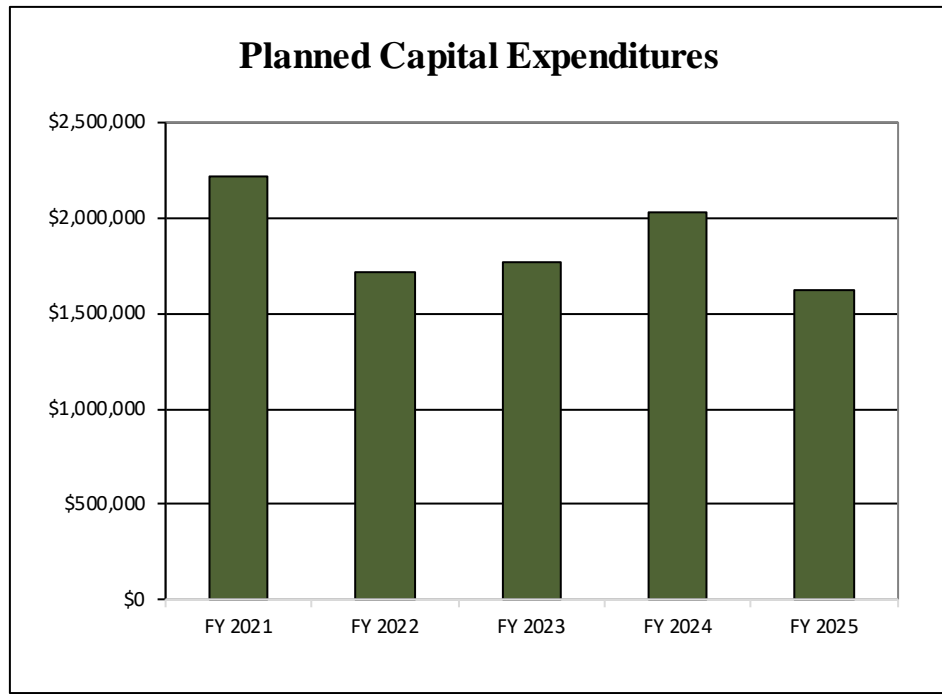




Five-Year Financial Forecast FY 2021-2025

Capital Forecast

The forecast incorporates capital investments with an estimated cost of \$9,369,200 over the next five years. These capital investments represent 7.1%-10.5% of total expenditures across the plan. Details on planned capital investments are provided in the *Capital Improvement Plan* section of this document.



Forecast Summary

Table 1 on page 143 summarizes the key information of the five-year financial forecast. Management relies heavily on this data to make decisions on which programs, initiatives, and capital can be afforded within available revenues.

Two key financial management concepts guide management in these decisions. First, the Village strives to maintain a healthy operating margin. The operating margin ratio measures how much of available operating revenues are required to support operating expenditures. The Village strives to maintain an operating margin ratio between 0.89 and 0.91. For example, for each dollar in operating revenues received, approximately 89 cents will be used to support operating expenditures. This leaves the remaining 11 cents available for current or future capital investments. Monitoring this key ratio ensures that operating expenditures are kept in check and that funds will be available for capital improvements. In this year's plan, estimated operating ratios range from 0.89 in FY 2021 to 0.91 in the final year of the plan. This slight increase in the operating margin ratios in the out years is typical in the Village's forecast.

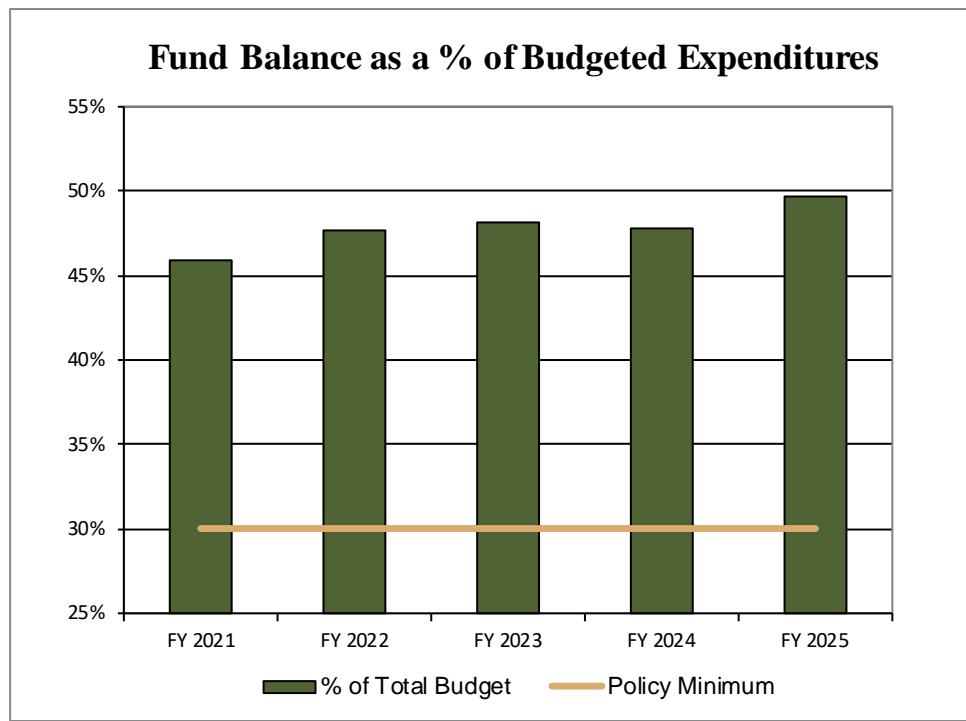
The second measure management uses to guide the development of the forecast is the fund balance ratio. The Village Council has adopted a Fund Balance Policy that requires management to develop budgets that maintain total fund balance in the range of 30%-40% of budgeted expenditures. Details on this policy are provided in the *Strategic Operating Plan Guide* section of this document. In the current plan,



Five-Year Financial Forecast FY 2021-2025

fund balance levels begin at 46.0% in FY 2021. Then, fund balance is expected to increase to approximately 48% by FY 2022 and stabilize at that level for the remainder of the plan. These ratios are above Council's adopted range, primarily due to \$1 million that was returned to the Village from the library capital campaign escrow account in FY 2020. This one-time revenue source equates to approximately 4.7% of expenditures. This level of fund balance positions the Village well to address one or more anticipated significant future projects.

Historically, operating revenues come in at 101% of budget, while operating expenditures typically fall 7% below budget. This concept, known as the Budget to Actual Variance, is incorporated in each year of the forecast to more accurately predict ending fund balance.



Overall, management believes that the five-year financial plan provides a clear path forward for the Village to accomplish the goals and objectives set forth in the FY 2021 Strategic Operating Plan. The forecast was developed based on sound financial management principles and will guide the Village well throughout the planning period.



Five-Year Financial Forecast FY 2021-2025

Table 1 - Five-Year Financial Forecast FY 2021-2025

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Population	17,331	17,627	17,924	18,220	18,517
Property Tax Rate	0.300	0.310	0.315	0.320	0.320
Operating Revenues					
Property Tax Revenue	\$ 11,403,000	\$ 11,904,000	\$ 12,220,000	\$ 12,542,000	\$ 12,671,000
Intergovernmental Revenues	6,601,100	6,606,900	6,796,700	7,042,500	7,198,300
Permits & Fees	626,600	630,000	634,000	987,000	641,000
Sales & Services	725,400	745,000	765,000	785,000	806,000
Other Operating Revenues	274,950	274,000	277,000	281,000	285,000
Interest Income	25,400	26,000	27,000	27,000	28,000
Other Taxes & Licenses	2,000	2,000	2,000	2,000	2,000
Operating Revenues	\$ 19,658,450	\$ 20,188,000	\$ 20,722,000	\$ 21,667,000	\$ 21,632,000
Operating Expenditures					
Personnel in FTEs	147	147	146	146	146
Salaries and Benefits	\$ 11,766,750	\$ 12,231,990	\$ 12,664,374	\$ 13,073,054	\$ 13,537,975
Operating	7,123,800	7,392,973	7,531,414	7,833,849	7,756,355
Debt Service	148,167	-	-	-	-
Operating Expenditures	19,038,717	19,624,963	20,195,788	20,906,903	21,294,330
Operating Income	619,733	563,037	526,212	760,097	337,670
Capital Expenditures in GF	2,223,200	1,720,000	1,768,500	2,034,500	1,623,000
Total GF Expenditures	21,261,917	21,344,963	21,964,288	22,941,403	22,917,330
Revenues Over (Under) Exp	\$ (1,603,467)	\$ (1,156,963)	\$ (1,242,288)	\$ (1,274,403)	\$ (1,285,330)

Capital As a Percent of Total Expenditures

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Expenditures	21,261,917	21,344,963	21,964,288	22,941,403	22,917,330
Total Capital Expenditures	2,223,200	1,720,000	1,768,500	2,034,500	1,623,000
% of Total Expenditures	10.5%	8.1%	8.1%	8.9%	7.1%

Projected Impact on Fund Balance in the General Fund

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Beginning Fund Balance	\$ 9,856,793	\$ 9,772,249	\$ 10,190,914	\$ 10,569,551	\$ 10,975,301
Revenues Over (Under) Exp	(1,603,467)	(1,156,963)	(1,242,288)	(1,274,403)	(1,285,330)
Budget to Actual Variance ¹	1,518,923	1,575,627	1,620,925	1,680,153	1,706,923
Projected Actual Gain/(Loss)	(84,544)	418,664	378,637	405,750	421,593
Projected Ending GF Bal	\$ 9,772,249	\$ 10,190,914	\$ 10,569,551	\$ 10,975,301	\$ 11,396,894
% of Total Budget ²	46.0%	47.7%	48.1%	47.8%	49.7%

¹ Assumes actual revenues of 101% of budget and actual expenditures of 93% of budget

² Includes \$1 million returned from library escrow account in FY 2020

Estimated Operating Margin	0.89	0.90	0.90	0.89	0.91
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Introduction

The Village of Pinehurst’s five-year Capital Improvement Plan (CIP) is an integral part of the Village’s Strategic Planning Process, which is described in detail in the *Strategic Priorities* section of this document. The CIP process is used to plan for the budgeting and financing of routine replacement of vehicles and equipment, significant infrastructure improvements, new facility construction, and other capital asset additions greater than \$5,000. The Village uses this process to ensure that high-dollar, long-lived projects are aligned with the Village’s strategic direction and that capital investments are financially sustainable. Capital items included in the plan are consistent with the implementation strategies detailed in the 2019 Comprehensive Plan. The CIP is developed in conjunction with the Village’s Five-Year Financial Forecast outlined in the previous section.

The FY 2021-2025 CIP represents a \$9.4 million plan to address the Council’s strategic objective to “Maintain Village assets” under the strategic goal to “Professionally manage a high performing organization.” Capital expenditures are driven by the types and levels of services provided to customers and the target performance levels established by the Village Council. The proposed plan represents maintaining all current service levels while enhancing others through increased capital investment.

This CIP was developed under the assumption that the Village will fund those items that are able to be included under the proposed tax rate of \$0.30 per \$100 valuation and projected tax rates shown in the five-year financial forecast.

The Village Council updates the CIP annually as part of the Strategic Operating Plan to ensure it is reflective of the Council’s current strategic goals and objectives. In addition, it is expanded annually to add a year of programming to replace the year previously completed.

Adoption of the CIP by the Village Council does not constitute a commitment to fund a particular item, but rather signifies Council’s intention to fund capital expenditures at the indicated level during the five years. The capital investment shown in FY 2021 of the CIP, however, does represent the amount of capital spending appropriated in the FY 2021 Budget.

Capital Improvement Program

Overview

The FY 2021-2025 CIP includes capital investments with a total estimated cost of \$9,369,200 in the General Fund over the next five years. These costs are divided into three major areas – Fleet, Information Technology (IT), and Other Capital Additions. Table 1 indicates the breakdown of capital investments by area:

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Fleet	\$ 3,092,500	33%
Information Technology	394,000	4%
Other Capital Additions	5,882,700	63%
TOTAL	\$ 9,369,200	100%



Fleet

The Fleet Maintenance Department is responsible for the purchase, replacement, and maintenance of the Village’s fleet and large equipment (e.g. backhoes, dump trucks). Existing assets are primarily replaced on a life cycle replacement schedule. However, if the equipment is in good working condition at the end of its scheduled replacement, replacement is delayed and available funds are diverted to other capital needs. The fleet and large equipment inventory can be expanded only if a new initiative is approved that is deemed to support the Village’s Strategic Operating Plan. Key Performance Indicators (KPIs) for Fleet Maintenance are included in the *General Fund* section of this document.

Information Technology (IT)

The Information Technology Department is responsible for the purchase, replacement, and maintenance of the Village’s computer hardware, software, and communication infrastructure. Existing IT assets are replaced on a life cycle replacement schedule. Key Performance Indicators (KPIs) for Information Technology are included in the *General Fund* section of this document.

Other Capital Additions

The purchase, replacement, and maintenance of all other infrastructure and fixed assets are other capital additions. Examples include land, transportation improvement projects, pedestrian facilities, and storm water drainage improvements.

Funding Sources

Funding for capital expenditures may be obtained from the following sources:

General Fund Cash – this is provided by appropriated operating revenues or fund balance and will generally be used for routine capital investments.

Installment Financing – this is provided by a banking institution and typically is collateralized by the asset being purchased. It is a contractual obligation specifying payment terms, including principal and interest to be paid over a period of time, generally 5 to 15 years. Most installment financing agreements are amortized as fixed principal plus interest.

Grant Funding – this refers to the Village making application and being awarded funds from typically a state or federal government agency for a specific purpose.

General Obligation Bonds – this funding source requires voter approval and is used to finance major capital projects with an expected life of 30 to 40 years. The Village has not utilized this funding source in the past due to the size of debt issuances.

Table 2 below shows a summary of the revenues and funding sources for the FY 2021-2025 projected capital investments. It is important to note that all capital improvements are funded with available Village funds or cash, with no reliance on debt financing.

Table 2 - CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
General Fund Cash	\$ 9,369,200
TOTAL	<u>\$ 9,369,200</u>



Capital Improvement Plan FY 2021-2025

Impact on General Fund

Table 3 illustrates the total General Fund impact of the CIP over the five years.

Table 3 - General Fund Impact of the CIP

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Fleet	\$ 994,500	\$ 421,000	\$ 413,000	\$ 913,000	\$ 351,000	\$ 3,092,500
Information Technology	31,000	189,000	108,000	56,000	10,000	394,000
Other Capital Additions	1,197,700	1,110,000	1,247,500	1,065,500	1,262,000	5,882,700
Capital Paid with Cash	2,223,200	1,720,000	1,768,500	2,034,500	1,623,000	9,369,200
Net Annual Operating Impact	5,000	5,500	13,500	24,000	24,500	72,500
General Fund Impact	\$ 2,228,200	\$ 1,725,500	\$ 1,782,000	\$ 2,058,500	\$ 1,647,500	\$ 9,441,700
\$0.01 of the Tax Rate	\$ 380,100	\$ 384,000	\$ 387,937	\$ 391,938	\$ 395,969	
Tax Rate Equivalent of CIP	\$ 0.06	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.04	\$ 0.05

Capital Projects

Specific criterion is used to determine whether a capital request is classified as a capital project. The criterion are: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year, and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Capital projects are typically for major facilities and may require the use of a separate capital project fund. The Village does not have any capital projects in the FY 2021-2025 CIP.

Operating Impact

Table 4 summarizes the operating impact of the significant non-recurring capital outlays in the CIP. In this year's plan, the table includes only significant projects, as there were no capital projects or IAPs with non-recurring capital outlays. The operating impact of the following three non-recurring capital outlays are included below: West Pinehurst Park development, construction of pedestrian facilities, and streetscape improvements. Please note that these operating impacts are forward-looking and only include costs associated with capital items included in the five-year planning period.

Table 4 - Operating Impact of Significant Non-Recurring Capital Outlays in the CIP

	Fiscal Year Ending June 30					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Total Operating Costs	\$ 5,000	\$ 5,500	\$ 13,500	\$ 24,000	\$ 24,500	\$ 72,500
Net Operating Impact	\$ 5,000	\$ 5,500	\$ 13,500	\$ 24,000	\$ 24,500	\$ 72,500

Operating costs primarily include utilities and maintenance costs for buildings and grounds. For example, there will be annual maintenance costs associated with the construction of additional pedestrian facilities or walkways within the Village. You will see that there is no additional debt service or additional staffing required across the planning timeline due to capital expenditures in the plan. Also, there were no anticipated savings or revenues generated by the significant non-recurring capital in the five-year plan.



Debt Service

Table 5 shows the ratio of projected debt service to estimated total expenditures over the five years. During the planning horizon, the Village’s debt service as a percentage of total expenditures is projected to decline to 0% of General Fund expenditures, as our remaining debts are paid off in FY 2021. The Village’s policy is to keep debt service as a percentage of expenditures below 10%.

Table 5 - Impact of CIP Debt Issuances on Debt Ratios

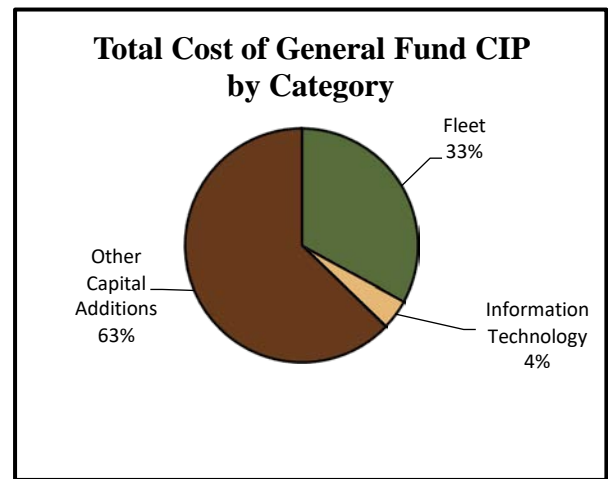
	Fiscal Year Ending June 30				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Existing Debt Service	\$ 148,167	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ 148,167	\$ -	\$ -	\$ -	\$ -
Estimated Expenditures	\$ 21,261,917	\$ 21,344,963	\$ 21,964,288	\$ 22,941,403	\$ 22,917,330
% of Expenditures	0.70%	0.00%	0.00%	0.00%	0.00%

Summary

In summary, the FY 2021-2025 CIP represents a \$9.4 million General Fund investment in capital for fleet, information technology, and other capital additions.

The list below highlights some of the more notable items included the five year plan:

- Replacement of a fire engine (FY 2021),
- Replacement of four solid waste vehicles (FY 2021-2024),
- Streetscape improvements (FY 2021-2023),
- Additional structured parking at Cannon Park (FY 2021),
- Replacement of three police vehicles each year (all years),
- Storm drainage projects (all years),
- Pedestrian facilities (FY 2021-2025),
- West Pinehurst Park development (FY 2022-2025),
- Upgrades to elevators (FY 2022-2025),
- Field No. 2 light replacements (FY 2025).



There are no capital project funds in the FY 2021-2025 CIP.



Capital Improvement Plan FY 2021-2025

Fleet Purchase Plan

This section contains detail on the purchase of new or replacement vehicles and equipment. Vehicles and equipment are primarily replaced on a life cycle replacement schedule.

Description	Year	Life	Budget		CIP			
			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
Buildings & Grounds								
Ventrac Mower	2012	15	\$ -	\$ -	\$ -	\$ 35,000	\$ -	
Fire								
KME Pumper Tanker	2001	20	625,000	-	-	-	-	
Harness Track								
John Deere Zero Turn Mower	2013	7	-	-	23,000	-	-	
John Deere Utility Tractor	2015	20	-	-	-	55,000	-	
Inspections								
Chevy Colorado	2011	15	-	-	-	28,000	-	
Chevy C1500 4X4 Truck	2003	12	-	25,000	-	-	-	
Police								
Chevy Tahoe	2011	10	-	-	45,000	-	-	
Chevy Tahoe	2011	10	-	42,000	-	-	-	
Chevy Tahoe	2012	10	-	42,000	-	-	-	
Chevy Tahoe	2012	10	-	-	45,000	-	-	
Chevy Tahoe	2013	10	-	-	-	50,000	-	
Dodge Charger	2009	6	40,000	-	-	-	-	
Dodge Charger	2008	10	-	42,000	-	-	-	
Dodge Charges	2016	10	-	-	-	-	52,000	
Dodge Charger	2009	10	40,000	-	-	-	-	
Dodge Charger	2010	10	40,000	-	-	-	-	
Dodge Charger	2013	10	-	-	-	50,000	-	
Dodge Charger	2014	6	-	-	45,000	-	-	
Dodge Charger	2015	10	-	-	-	-	52,000	
Dodge Charger	2015	10	-	-	-	50,000	-	
Dodge Charger	2016	6	-	-	-	-	52,000	
Solid Waste								
Freightliner Garbage Truck	2016	7	-	-	-	240,000	-	
Chevy C1500	2007	6	-	-	-	50,000	-	
Freightliner Garbage Truck	2013	7	210,000	-	-	-	-	
Freightliner Garbage Truck	2015	7	-	-	230,000	-	-	
Freightliner Garbage Truck	2014	7	-	220,000	-	-	-	



Capital Improvement Plan FY 2021-2025

Fleet Purchase Plan (continued)

Description	Year	Life	Budget		CIP			
			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
Streets & Grounds								
Aera-Vator 80 Inc	1996	5	\$ -	\$ -	\$ -	\$ -	\$ 20,000	
John Deere Motor Grader	1992	20	-	-	-	160,000	-	
Wood Chipper	2000	5	-	-	-	-	45,000	
300 Land Long Tractor	2001	20	-	-	-	45,000	-	
Grasshopper Mower	2004	7	-	25,000	-	-	-	
Chevy Dump Truck-1 Ton	2006	20	-	-	-	60,000	-	
Ford F150	2008	15	-	-	25,000	-	-	
Ford F150	2008	15	-	-	-	30,000	-	
John Deere Zero Turn Mower	2009	7	-	25,000	-	-	-	
Johnston Vacuum Sweeper	2012	5	-	-	-	-	-	130,000
John Deere 5085 Tractor	2012	20	-	-	-	60,000	-	
Gator/Sprayer	New		11,000	-	-	-	-	
Message Boards (2)	New		28,500	-	-	-	-	
Total			\$ 994,500	\$ 421,000	\$ 413,000	\$ 913,000	\$ 351,000	



Capital Improvement Plan FY 2021-2025

Information Technology Purchase Plan

This section contains detail on the purchase, replacement, and maintenance of the Village's computer hardware, software, and communication infrastructure. These assets are primarily replaced on a life cycle replacement schedule.

Description	Year	Life	Budget		CIP			
			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
Administration								
Assembly Hall Sound System Upgrade	2013	5	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -
Assembly Hall Projector	2015	5	-	-	6,000	-	-	-
Building Access System	2016	10	-	25,000	-	-	-	-
Assembly Hall Camera System	2013	5	-	-	15,000	-	-	-
Fair Barn								
A/V Projector	2017	5	-	-	5,000	-	-	-
Sound System	2015	5	-	12,000	-	-	-	-
Fire								
Galaxy Door Control System	2017	6	-	12,000	-	-	-	-
Information Technology								
Server - Phone System Host	2017	4	-	7,000	-	-	-	-
Server - DC1	2015	6	7,000	-	-	-	-	-
Server - SystemCenter Host	2017	5	-	7,000	-	-	-	-
Server Backup Primary AACore1	2020	4	-	-	-	7,000	-	-
Server Backup Secondary AACore 4	2020	4	-	-	-	7,000	-	-
Server - PD Hyper-V Host	2017	4	-	7,000	-	-	-	-
Server - Vrtx (Blade Server)	2014	4	-	-	-	42,000	-	-
Village Wide Phone System	2011	5	-	-	35,000	-	-	-
Village Hall Firewall	2016	6	-	14,000	-	-	-	-
Village Hall Load Balancers (Fat Pipe)	2016	5	-	16,000	-	-	-	-
HP Procurve Core Switch	2013	5	-	-	25,000	-	-	-
Planning								
Canon Plotter	2017	5	-	-	-	-	-	10,000
Police								
CCTV Surveillance System	2016	4	15,000	-	-	-	-	-
Body Camera Replacements	2017	3	-	11,000	-	-	-	-
Phone Recording Solution Upgrade	2016	5	-	24,000	-	-	-	-
Console Dispatch Equipment	New		-	54,000	-	-	-	-
PS Administration								
Convert to Galaxy Door Control System	2017	7	-	-	10,000	-	-	-
Remote Gate Control System	New		9,000	-	-	-	-	-
Total			\$ 31,000	\$ 189,000	\$ 108,000	\$ 56,000	\$ 10,000	



Capital Improvement Plan FY 2021-2025

Other Capital Additions Purchase Plan

This section contains detail on the purchase, replacement, and maintenance of all other fixed assets and infrastructure. Examples include land, transportation improvements, greenway trails, and stormwater drainage improvements. Capital additions are made on an as needed basis.

Description	Budget		CIP		
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Administration					
Replace HVAC	\$ 15,000	\$ 36,000	\$ -	\$ -	\$ -
Upgrades to Elevator	-	-	-	38,000	75,000
Streets & Grounds					
Small Drainage Projects/Paving Prep	85,000	85,000	85,000	85,000	85,000
Lake Hills Road - Stormwater Project	35,000	-	-	-	-
Surry Circle - Stormwater Project	25,000	-	-	-	-
Hampshire Lane - Stormwater Project	12,500	-	-	-	-
Girth Court - Stormwater Project	12,500	-	-	-	-
Large Stormwater Projects (locations to be determined)	-	100,000	200,000	215,000	215,000
Magnolia Rd & Village Place - Streetscape Improvements	250,000	75,000	200,000	-	-
Pedestrian Facilities	250,000	400,000	400,000	400,000	400,000
Pipe Inspection Camera	95,000	-	-	-	-
Fair Barn					
Replace Indoor Stage	-	16,000	-	-	-
Replace HVAC	5,000	-	-	-	-
Replace Exterior Doors	15,000	-	-	-	-
Fire					
Opticom - Traffic Light Preemption System	14,900	-	-	-	-
Hose Roller	8,500	-	-	-	-
SCBA Air Packs	24,000	-	-	-	-
SCBA Breathing Air Compressor	-	-	-	55,000	-
Physical Training Equipment	-	-	-	-	12,000
Harness Track					
Replace Siding	40,000	40,000	15,000	15,000	30,000
Clubhouse Repairs	19,000	-	-	-	-
Concrete Pad - Shop	5,300	-	-	-	-
Monticello Gate Restructure	-	45,000	-	-	-
Remodel Barn Bathrooms	7,500	7,500	7,500	7,500	-
Sewer Connections	45,000	-	-	-	-



Capital Improvement Plan FY 2021-2025

Other Capital Additions Purchase Plan (continued)

Description	Budget	CIP			
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Police					
Upgrades to Elevator	\$ -	\$ 38,000	\$ 75,000	\$ -	\$ -
Dispatch Office Expansion	32,000	-	-	-	-
Replace HVAC	18,000	10,000	15,000	-	-
Recreation					
Additional Structured Parking at Cannon Park	103,000	-	-	-	-
Cannon Park Shelter Improvements	20,500	-	-	-	-
Replace Field 2 Lights	-	-	-	-	195,000
Replace Roof on Field House 2	-	7,500	-	-	-
Wicker Park Maintenance Storage Expansion	60,000	-	-	-	-
West Pinehurst Park Development	-	250,000	250,000	250,000	250,000
	\$ 1,197,700	\$ 1,110,000	\$ 1,247,500	\$ 1,065,500	\$ 1,262,000



**VILLAGE OF PINEHURST
Budget Ordinance
Fiscal Year 2021**

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in the Regular Meeting assembled this 9th day of June 2020 as follows:

SECTION 1. The following amounts are hereby appropriated in the General Fund for the operation of Village government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this Village:

EXPENDITURES:

Governing Body	\$ 146,400
Administration	1,462,971
Financial Services	716,370
Human Resources	602,610
Police	3,573,890
Fire	3,686,846
Inspections	339,610
Public Services Administration	622,173
Streets & Grounds	2,366,420
Powell Bill	1,100,500
Solid Waste	1,991,770
Planning	982,390
Community Development	178,280
Recreation	2,109,687
Library	150,000
Harness Track	693,628
Fair Barn	390,205
Debt Service	<u>148,167</u>

TOTAL EXPENDITURES **\$ 21,261,917**



SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

REVENUES:

Ad Valorem Tax Revenue	\$ 11,403,000
Other Taxes and Licenses	2,000
Unrestricted Intergovernmental Revenue	6,087,500
Restricted Intergovernmental Revenue	513,600
Permits and Fees	626,600
Sales and Services	725,400
Assessments	5,170
Other Revenues	269,780
Investment Income	25,400
Appropriated Fund Balance	<u>1,603,467</u>

TOTAL REVENUES \$ 21,261,917

SECTION 3. There is hereby levied a tax at the rate of thirty cents (\$0.30) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2020, for the purpose of raising revenue in the General Fund in Section 2 of this ordinance. This rate is based on a total valuation of property for the purposes of taxation of \$3,803,000,000 and an estimated collection rate of 99.9% for real and personal property and 100.0% for motor vehicles.

SECTION 4. The Village Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts between departments, including contingency appropriations, within the same fund to increase an appropriation up to \$25,000 in a single budget amendment. He must make an official report on such transfers at the next regular meeting of the Village Council. In the event a State of Emergency is declared by the Mayor or designee, unlimited budget amendment authority within the same fund is granted for expenditures directly related to the emergency. He must make an official report on any such transfers authorized under a State of Emergency at the next regular meeting of the Village Council.
- c. He may not transfer any amounts between funds, except as approved by the Village Council in the Budget Ordinance as amended.

SECTION 5. The Village Manager or his designee is hereby authorized to execute the necessary agreements within funds included in the Budget Ordinance for the following purposes:

- a. Purchase of apparatus, supplies, and materials where formal bids are not required by law;
- b. Leases of normal and routine business equipment;



Annual Budget Ordinance

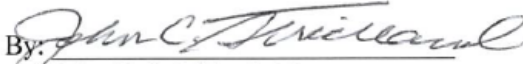
- c. Construction or repair work where formal bids are not required by law;
- d. Consultant services, professional services, contracted services, or maintenance service agreements up to an anticipated contract amount of \$50,000. In the event a State of Emergency is declared by the Mayor or designee, unlimited contracting authority is granted for services directly related to the emergency. The Village Manager must report to the Village Council any executed contracts exceeding \$50,000 during the State of Emergency declaration;
- e. Agreements for acceptance of State and Federal grant funds; and
- f. Grant agreements with public and non-profit agencies.

SECTION 6. Copies of this Budget Ordinance shall be furnished to the Village Clerk, the Village Manager, and Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 9th day of June, 2020.



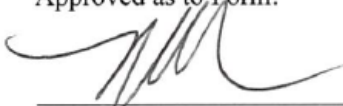
VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: 
John C. Strickland, Mayor

Attest:


Beth Dunn, Village Clerk

Approved as to Form:


Michael J. Newman, Village Attorney



Budget Glossary

A	
Accrual Basis of Accounting	Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.
ACE	The acronym for one of the Village’s informal process improvement methodologies. It stands for Analyze process requirements, Change the process, and Evaluate the change. For more significant process improvements, see BIRDIE.
Ad Valorem tax	A tax levied in proportion to the value of a property.
Amortization	Allocation of capital investment or cost over a period of years or time corresponding to the investment’s terms or useful life, or allocation of debt over the debt’s term.
Appropriation	An authorization made by the Village Council that permits the Village to incur obligations and to make expenditures of resources.
Area of Focus (AOF)	Strategic objectives from the balanced scorecard where the organization develops initiative action plans to improve performance levels.
Assessed Valuation	The value established for real or personal property for use as a basis to levy property taxes.
Audit	An independent examination of the financial statements of an organization to ensure the records are fairly and accurately represented.
B	
Balanced Budget	A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act as when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund. In North Carolina, it is required that the recommended budget be balanced.
Balanced Scorecard (BSC)	An integrated framework for describing and translating strategy using linked performance measures, known as KPIs, in four balanced perspectives: Customer, Internal, Workforce, and Financial. The balanced scorecard acts as a measuring system, strategic management system, and a communication tool.
Baldrige Performance Excellence Framework	A national quality award program focused on achieving performance excellence built upon a set of interrelated core values and concepts.
Basis of Accounting	A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements. The Village of Pinehurst uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.
Benchmark	Performance data from select comparable communities for similar services that are indicative of best practices. This data is obtained from individual community performance surveys or performance reports, state performance measurement projects, or industry standards.
BIRDIE	The acronym for one of the Village’s process improvement methodologies used for significant process improvements. It stands for Bring the opportunity forward, Investigate the opportunity, Review potential solutions, Determine the solution, Implement the solution, and Evaluate the solution. For another informal methodology, see ACE.



B	
Bond	A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.
Budget	A statement in dollar terms of the Village's program of service delivery for the ensuing fiscal year.
Budget Amendment	A legal procedure utilized by the Village staff and the Village Council to revise a budget appropriation.
Budget Document	The instrument used by the budget-making authority to present a comprehensive financial program to the Village Council.
Budget Message	The opening section of the budget that provides the Village Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Manager.
Budget Ordinance	The official enactment by the Village Council to establish legal authority for Village officials to obligate and expend resources.
Budgetary Control	The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.
C	
Capital Assets	Assets of long-term character which have an initial cost greater than \$5,000 and are intended to continue to be held or used by the Village, including land, buildings, machinery, furniture, and other equipment.
Capital Improvement Plan (CIP)	A plan for capital expenditures which provides long-lasting physical improvements to be incurred over a fixed period of five future years.
Capital Outlay	Expenditures available for the acquisition of capital assets, including the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment. By Village policy these items must have a useful life of more than one year and an original cost greater than \$5,000.
Capital Project Fund	A fund used to account for the acquisition and construction of major capital facilities.
Cash Management	The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash Management refers to the activities of forecasting cash flows, improving cash availability for investment, and establishing and maintaining banking relationships.
Category	A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt services, and transfers.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Comprehensive Annual Financial Report (CAFR)	A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.



Budget Glossary

C	
Comprehensive Long-Range Plan	A plan adopted by the Village Council in April of 2003 (updated in 2010) that outlines the long-term goals of the Village over a 20 year period.
Core Competencies	The Village's areas of greatest expertise and are those strategically important capabilities that are central to fulfilling the Village's mission.
D	
Debt Service	The Village's obligation to pay the principal and interest of all debt instruments according to a pre-determined payment schedule.
Department	An organizational unit responsible for carrying out a major governmental function.
Department Balanced Scorecards	This is the department's version of a balanced scorecard. It is the single listing of all approved department key performance indicators and is used to monitor progress of achievement of department goals.
Depreciation	The process of estimating and recording the expired useful life, or diminution of service from a capital asset that cannot or will not be restored by repair and must be replaced. The cost of the capital asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.
E	
Encumbrance	The commitment of appropriated funds to purchase an item or services. To encumber funds is to set aside, or commit funds for future expenditures.
Estimated Revenue	The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the Village Council.
ETJ	The acronym used for extraterritorial jurisdiction.
Expenditure	The outflow of funds for assets that are incurred or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds.
F	
Financial Forecast	A five-year projection of budgeted revenues and expenditures, including operating and capital expenditures.
Fiscal Policy	The financial plan embracing the general goals and acceptable procedures of a governmental unit.
Fiscal Year (FY)	The time period designating the beginning and the ending period for recording financial transactions. The Village of Pinehurst's fiscal year begins July 1st and ends June 30th.
FTE	The acronym used for Full-Time Equivalent as it relates to employees.
Function	A group of related programs crossing organizational (departmental) boundaries and aimed to accomplishing a broad goal, or a major service.
Fund	An accounting entity that possesses a set of self-balancing accounts and records all financial transactions for specific activities or government functions.
Fund Balance	Fund balance is the amount of assets in excess of the liabilities or appropriated for expenditures, and is therefore also known as surplus funds.



F	
Fund Balance Appropriated	A budgetary amount representing the fund's equity to be used to offset expenditures. Fund balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.
G	
General Accepted Accounting Principles (GAAP)	Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions; rules and procedures necessary to define accepted accounting practices.
GS	The acronym used for the General Statutes adopted by the North Carolina General Assembly.
General Fund	The largest fund within the Village, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, and other revenues. This fund includes basic governmental services, such as fire and police protection, finance, public services, general administration, planning and inspections, community development, and recreation.
General Ledger	A file that contains a listing of the various accounts necessary to reflect the financial position of the government.
GFOA	The acronym used for Government Finance Officers Association of the United States and Canada.
Goal	Future conditions or performance the Village intends or desires to attain; what the Village intends to accomplish.
Governmental Fund	Funds generally used to account for tax-supported activities. There are five types of governmental funds: the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.
Grant	A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed by the grantee.
I	
ICMA	The acronym used for International City/County Management Association.
Inflation-adjusted revenue neutral tax rate	The tax rate calculation developed by Village staff that recognizes the cost of doing business has increased since the last revaluation period. The rate is calculated by modifying the traditional revenue neutral tax rate by inflation that has occurred since the last revaluation date.
Initiative Action Plan (IAP)	Specific activity undertaken to achieve a performance target related to a strategic objective.
Inter-fund Transfers	Amounts transferred from one fund to another.
Intergovernmental Revenue	Revenue received from another government for a specified purpose.
Investment Earnings	Revenue earned on investments with a third party. The Village uses a pooled cash system, investing the total amount of cash regardless of boundaries. The interest earned is then allocated back to individual funds by average cash balance in the fund.



K	
Key Performance Indicator (KPI)	The acronym used for Key Performance Indicators that measure a program's output, workload, efficiency, or effectiveness and is used to track operational performance.
L	
Levy	To impose taxes, special assessments, or services charged for the support of Village activities.
Local Government Budget and Fiscal Control Act (LGBFCA)	This act governs all financial activities of local governments within the State of North Carolina.
Long Term Debt	Debt with a maturity of more than one year after the date of issuance.
M	
Maturities	The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.
Modified Accrual Accounting	The accounting approach under which: 1) revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and unmatured principal and interest on general long term debt is recognized when due.
N	
NC	North Carolina
NCAfE	This is the North Carolina Awards for Excellence program that recognizes an organization's progress on their performance excellence journey, utilizing the Baldrige Performance Excellence Framework.
NCDOT	This acronym is short for North Carolina Department of Transportation.
Net Budget	The total amount of revenues and expenditures for the General Fund and all special Revenue funds with the exceptions of the Capital Reserve Fund.
O	
Objectives	A simply stated, readily measurable statement of aim or expected accomplishment. An objective should imply a specific standard of performance for a given program.
Operating Expenses	The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.
Operating Fund	A fund to account for operating activities that generally result from providing services and producing and delivering goods, and include all transactions and other events that are not identified as capital and related financing, noncapital financing, or investing activities.
Operating Transfer	Routine and/or recurring transfer of assets between funds.
Opportunities for Improvement and Innovation (OFIs)	Opportunities for Improvement and Innovation identified during the strategic planning process and classified as evaluations, projects, and Initiative Action Plans (IAPs).



P	
PDCA	This acronym is short for Plan, Do, Check, Act and refers to a quality tool used to improve performance.
Peer Group	Other municipalities in the state of North Carolina with a population between 10,000 and 50,000.
Perspectives	These are the four categories for classifying strategic objectives on the balanced scorecard
Powell Bill Allocation	Funding from state-shared gasoline tax restricted for maintenance of local streets.
Project Fund	A multi-year fund used to account for the revenues and expenditures of a specified project that only exists until the project is completed.
Program	An organized set of related work activities that are directed toward accomplishing a common goal. Each Village department is usually responsible for a number of related service programs.
Property Taxes	Property taxes are levied on both real and personal property according to the property's valuation and tax rate.
R	
Reclassification	Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.
Reserve	A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.
Restricted Intergovernmental Revenues	Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.
Resources	Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.
Revaluation	Assignment of value to all real properties, including land, homes, and commercial buildings by the Moore County Tax Assessor's Office. Under State law, all property must be revalued no less frequently than once every eight years.
Revenue	Funds which the government receives as income, including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.
Revenue Neutral	Is the revenue amount achieved after a property revaluation when the new property tax rate generates the same property tax revenue as the previous year, plus normal growth.
Right-of-Way (ROW) Acquisition	Purchase of property needed by the Village to perform road improvement projects and/or protection of right-of-way for future highway projects.
S	
SHRM	This acronym is short for the Society of Human Resource Management.
SIPOC	A quality tool used to identify all relevant elements of a process, including <u>S</u> uppliers, <u>I</u> nputs, <u>P</u> rocess, <u>O</u> utputs, and <u>C</u> ustomers.
SOAR Analysis	A strategic planning method used to evaluate an organization's Strengths and Opportunities, and create a vision of future Aspirations and the Result they will bring.



S	
Source of Revenue	Revenues that are classified according to their source or point of origin.
Special Assessment	A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service, which are deemed to primarily benefit those properties.
Special Revenue Fund	A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.
Strategic Advantages	Benefits that exert a decisive influence on the Village's likelihood of future success and are the source of our competitive success.
Strategic Challenges	External pressures that exert a decisive influence on the Village's likelihood of future success.
Strategic Goal	Future condition the Village strives to attain.
Strategic Objective	A readily measurable statement of aim or expected accomplishment; how the Village will accomplish a goal.
T	
Target	The desired achievement level of a particular performance measure.
Tax Base	The assessed valuation of all taxable real and personal property within the Village's corporate limits.
TOPS	Training of Pinehurst Staff; an internal training program for Village employees.
U	
Unencumbered Balance	The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.
US	United States



History

Looking for a place to build a health-oriented resort, James Walker Tufts (head of the America Soda Foundation) stopped in the Sandhills area in the spring of 1895. Despite the fact that the area had been almost completely clear-cut by the timber industry, something about this area moved him, and in June 1895, he bought 598 acres of land for nearly \$1.25 per acre and makes up what is now the Village Center.

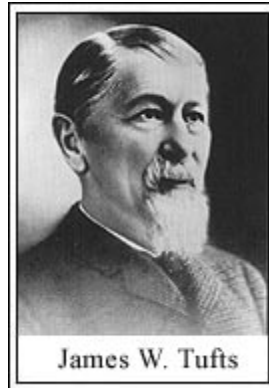


Photo courtesy of Tufts Archives

On June 20, 1895, Tufts contacted Frederick Law Olmsted, the designer of Central Park in New York and the landscape designer of the Biltmore Estate in Asheville, North Carolina, to help him create a first-rate resort. That summer, with the new plan in hand, 450 men began construction on what was originally referred to as "Tuftstown." Tufts selected the name Pinehurst for his resort out of a list of non-winning names for Martha's Vineyard.

On New Year's Eve 1895, the Holly Inn opened its doors and Pinehurst was on its way.



*Development of Village Center
Photos courtesy of Tufts Archives*

Since all of the early buildings of Pinehurst stood on barren land, Tufts hired Warren Manning to plant over 222,000 tree seedling and other plants (47,250 of these were imported from France) around Pinehurst to give the resort the natural beauty we all still enjoy today.

For many years, Pinehurst was a privately held resort under sole proprietorship of the Tufts family. The Tufts family controlled all aspects of the resort and closely monitored all types of activities, including the creation of its first 9-hole golf course in February 1898, and the continued acquisition of more land.



Tufts brought in a young Scotsman named Donald Ross to design golf courses, and his No. 2 (originally built in 1902 with only man and mule power and then redesigned by Ross) is still consistently listed among the worlds' finest golf courses. Donald Ross, the father of golf, was a huge part of our heritage and history, as he influenced many golf course designers such as Peter Tufts and Ellis Maples.



Donald Ross
Photo courtesy of Tufts Archives

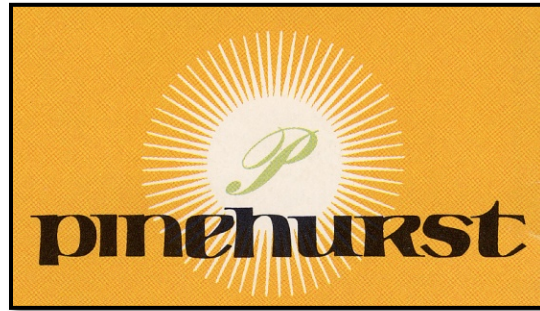
In 1920, a corporate form of ownership was established when a charter for Pinehurst, Inc. was obtained from the North Carolina Secretary of State. Tufts considered incorporating the village as a municipality in 1926, but he felt that a lack of year-round residents and state tax laws would not be able to sustain it.

During the Great Depression, as other resorts began to fail, property owners in Pinehurst agreed to pay more taxes in order to support the resort through the Depression and ensure that it would not fail like the surrounding resorts. During World War II, Pinehurst served as a support area for neighboring Fort Bragg and many servicemen were either residents or visitors.

It was not until 1960 that Pinehurst became a year-round resort with the introduction of air conditioning and swimming pools at the resort facilities. By the late 1960s, however, Pinehurst's days as a paternalistic resort under the Tufts were coming to an end.

Realizing that the resort was 75 years old and in need of significant investment to update and improve the resort facilities, the Tufts heirs sold Pinehurst, Inc., including the resort and approximately 7,500 acres of land, to the Diamondhead Corporation for \$9.2 million in January 1971. It was under Diamondhead's control that the creation and sale of lots with membership rights to the Pinehurst resort facilities began.

Advertisements were placed in newspapers around the country, and people were flown in to play golf and purchase a lot. Lake Pinehurst was created to enhance the residential neighborhood, new recreational improvements were made (including Course Number 6 in the late 1970s), and infrastructure was put into place to support the new development. However, all this activity was not considered to be progress by local residents.



Old Diamondhead Logo

Since Pinehurst was not a full municipality, there were no building inspections, no planning or zoning regulations, and no real means for the concerns of the residents to be acted upon. After several years of debate among residents over whether to seek incorporation as a full municipality or continue to allow Diamondhead to coordinate affairs, it was decided by a majority in 1980 that Pinehurst would function most effectively independently of the Diamondhead Corporation.

In 1980, with a population of 1,746 residents, Pinehurst was granted full incorporation as a municipality and was, for the first time, more than just a privately run resort.

According to the U.S. Census Bureau, adjusted for an annexed area effective March 31, 2010, Pinehurst had a population of 14,206 people in the year 2010. The 2010 population is a 61% increase from its population in 2000. Many of these new residents come from across the country, if not the world, to settle in this "village in the forest." When asked what brought them here, many cited ambiance, community character and spirit as their reasons for choosing the area.



Village of Pinehurst Logo



Demographic & Geographic Characteristics

Demographic Characteristics

With a current population of 17,100, the Village of Pinehurst is an integral part of the economy of Moore County, which is well diversified with significant healthcare, retirement, tourism, retail, agriculture, and manufacturing sectors. The Pinehurst area is largely a service-based economy focused on tourism/hospitality, healthcare-related activities, and retail trade.

Two of the largest employers in Moore County are located in Pinehurst and are service-related: FirstHealth of the Carolinas and Pinehurst Resort. FirstHealth of the Carolinas is a private, not-for-profit health care network serving 15 counties in the mid-Carolinas. Pinehurst Resort, owned by Pinehurst, LLC operates nine championship golf courses in the Village, including the famous Pinehurst No. 2 course (site of the 1999 and 2005 U.S. Open Championships). Pinehurst Resort also hosted 14 days of championship play in June 2014, with back to back U.S. Open and U.S. Women’s Open Championships – for the first time in history. The U.S. Open Championship is slated to return to Pinehurst in 2024.

The Village also provides other recreational opportunities for residents. The Village owns and operates a 111 acre Harness Track facility, which is used for winter training of Standardbred horses and horse shows at various times throughout the year. The Village has three major parks that include an in-line hockey rink, tennis courts, ball diamonds and concession stands, splash pad, playgrounds and disc golf. The new Cannon Park Community Center opened in 2020 and provides approximately 19,693 square feet of indoor recreation space, including a gymnasium, a multi-purpose room, various classrooms for programs and offices for parks and recreation staff. The Village also has an extensive Greenway System. The Greenway System will eventually connect most of the Village via a pedestrian and bicycle pathway.



Geographic Characteristics

The Village of Pinehurst is located in the Sandhills Region of North Carolina, 60 miles southwest of Raleigh and about 75 miles east of Charlotte. The city spans approximately 17 square miles and is locally recognized as an outstanding residential community and major golf resort. The central location of Pinehurst allows quick and easy access to the beautiful Blue Ridge Mountains and the white, sandy beaches of North and South Carolina.



Demographic and Economic Statistics Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Median Age (2)</u>	<u>Unemployment Rate (3)</u>
2010	2009	13,277	\$ 673,104,069	\$ 50,697	60.4	10.3%
2011	2010	13,601	434,198,324	31,924	58.4	9.5%
2012	2011	14,783	526,777,422	35,634	58.4	8.9%
2013	2012	14,979	608,671,665	40,635	60.6	8.6%
2014	2013	15,150	650,586,450	42,943	60.9	6.3%
2015	2014	15,525	708,033,150	45,606	60.8	5.4%
2016	2015	15,763	778,093,206	49,362	61.1	5.1%
2017	2016	16,123	798,136,869	49,503	61.4	4.1%
2018	2017	16,452	729,679,104	44,352	60.1	4.2%
2019	2018	16,754	771,907,042	46,073	59.3	4.5%

Sources:

- (1) Office of State Budget and Management.
- (2) U.S. Census Bureau.
- (3) North Carolina Employment Security Commission.

Notes:

Per Capita Income is adjusted annually after the Decennial Census calendar year by the annual average inflation rate.

Unemployment rate information is a calendar year adjusted annual average in Southern Pines-Pinehurst area.

A change in municipal boundary effective March 31, 2010 increased the certified population in fiscal year 2010 by 1,482.



Principal Property Tax Payers

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2019		2010	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst LLC	\$ 174,588,055	4.98%	\$ 171,999,277	6.21%
Pinehurst Surgical Clinic	25,473,350	0.73%	27,084,800	0.98%
Pinehurst Medical	24,811,310	0.71%	16,844,843	0.61%
Country Club of North Carolina	19,055,880	0.54%	23,571,106	0.85%
Duke Energy Progress, Inc.	14,367,084	0.41%	11,255,578	0.41%
Quail Haven Properties of Pinehurst, LLC	10,020,530	0.29%	-	-
Pinewild Project Limited PTNS	9,858,769	0.28%	-	-
MTMM Associates (Carolina Eye Assoc.)	8,888,030	0.25%	10,316,819	0.37%
Pinehurst Nursing Center	5,666,819	0.16%	-	-
SCOP (Surgery Center of Pinehurst)	5,622,480	0.16%	5,071,350	0.18%
Francis Maser	-	-	5,613,400	0.20%
Branch Banking and Trust Co.	-	-	5,181,688	0.19%
Carolina Telephone and Telegraph	-	-	5,032,288	0.18%
Total	\$ 298,352,307	8.52%	\$ 281,971,149	10.19%

Sources: Moore County Tax Department.

Notes: 2019 and 2010 data are for tax years 2018 and 2009, respectively.

Pinehurst, LLC includes: Resorts of Pinehurst, Inc., Pinehurst, Inc., Pinehurst LLC and Resorts of Pinehurst, Inc.



Principal Employers Current Year and Nine Years Ago

Employer	2019		2010	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
First Health of the Carolinas (1)	3,682	63.66%	2,610	55.60%
Pinehurst, LLC (2)	1,453	25.12%	1,084	23.09%
Total		88.78%		78.70%

Sources:

- (1) Human Resources Department at First Health of the Carolinas.
- (2) Human Resources Department at Pinehurst, LLC f/n/a Resorts of Pinehurst Inc.

Notes:

2019 employment is based on calendar year 2018.

GASB 44 requires comparative data for the current calendar year and nine years prior. 2010 adjusted Census Data was used for 2009 and 2018 to estimate the percentage of total employment.



The Carolina Hotel