



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>



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

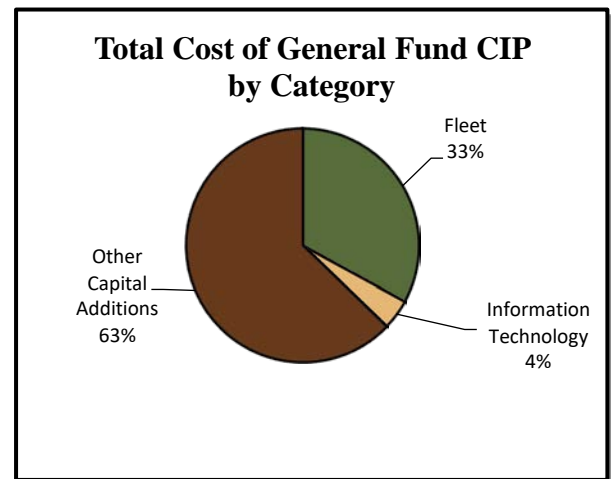
	Fiscal Year Ending June 30				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Existing Debt Service	\$ 148,167	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ 148,167	\$ -	\$ -	\$ -	\$ -
Estimated Expenditures	\$ 21,261,917	\$ 21,344,963	\$ 21,964,288	\$ 22,941,403	\$ 22,917,330
% of Expenditures	0.70%	0.00%	0.00%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