

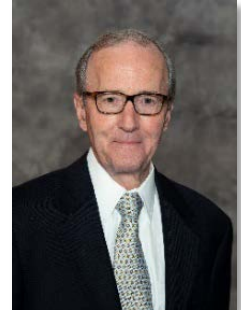


Letter from the Mayor

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

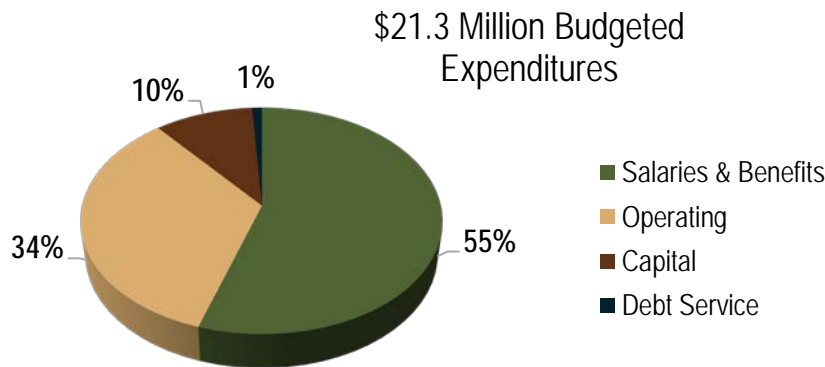


How will your tax dollars be spent in FY 2021?

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)

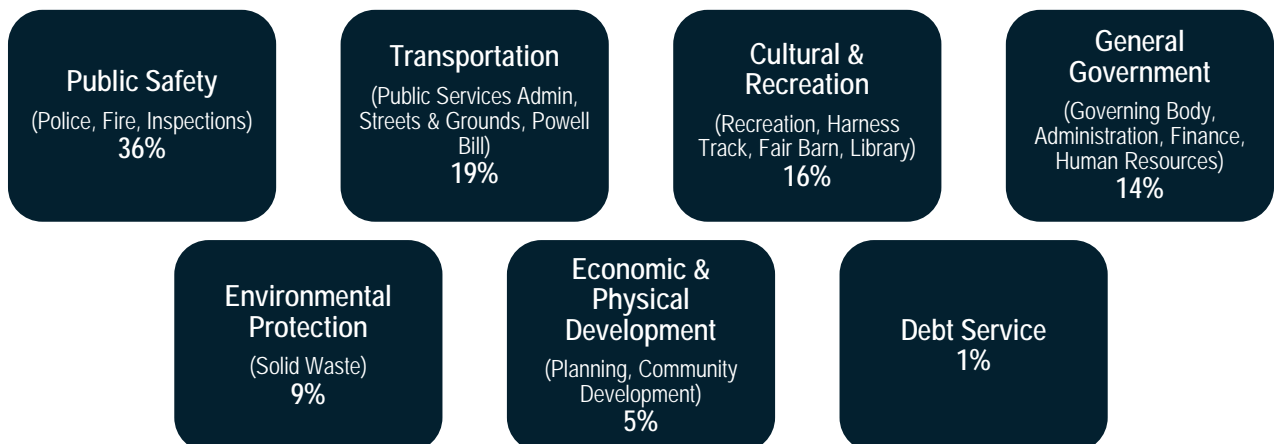
The FY 2021 Budget includes an increase of 1.25 full time equivalents (FTEs) for 2 positions (see *Personnel Classification Summary* for more details). A proposed restructure is also recommended in the FY 2021 Budget in Parks and Recreation to increase career development opportunities and enhance performance. 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.

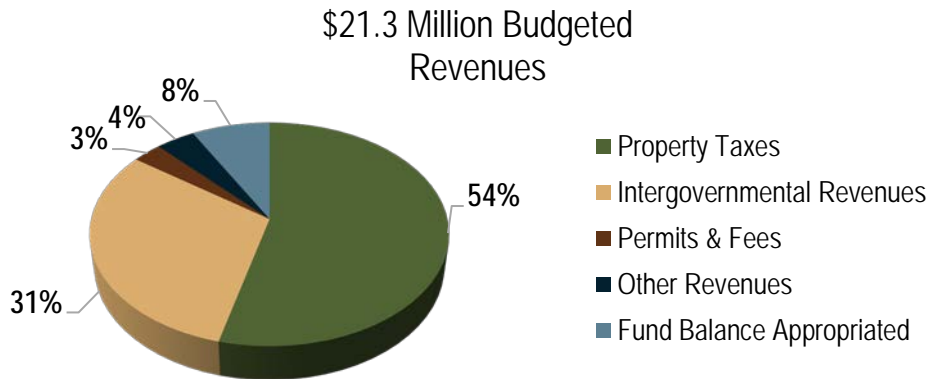
To maintain a healthy financial condition in these uncertain economic times, Village staff will closely monitor and control Village expenditures in FY 2021. Village staff will also defer several budgeted expenses until later in the year when the effects of the COVID-19 pandemic on Village finances becomes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