



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 2023-2027 CIP represents a \$22.3 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 \$0.31 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 2023 of the CIP, however, does represent the amount of capital spending appropriated in the FY 2023 Budget.

Capital Improvement Program

Overview

The FY 2023-2027 CIP includes capital investments with a total estimated cost of \$22,338,900 over the next five years. These costs are divided into four major areas – Capital Projects, Fleet, Information Technology (IT), and Other Capital Additions. Table 1 indicates the breakdown of capital investments by area:



Capital Improvement Plan FY 2023-2027

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Capital Projects	\$ 7,100,000	32%
Fleet	3,847,500	17%
Information Technology	471,000	2%
Other Capital Additions	10,920,400	49%
TOTAL	\$ 22,338,900	100%

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 has two capital projects planned in the FY 2023-2027 CIP. In FY 2022, the Village will begin design for an addition to the existing Given Memorial Library and Tufts Archives building to increase the amount of space for library programming. Construction will begin in FY 2025 after the 2024 U.S. Open Championship. In FY 2025, the Village will begin designing the Carriage House parking facility to provide additional parking in the downtown Village Center area. Construction will follow in FY 2026.

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.



Pinehurst Police Vehicle

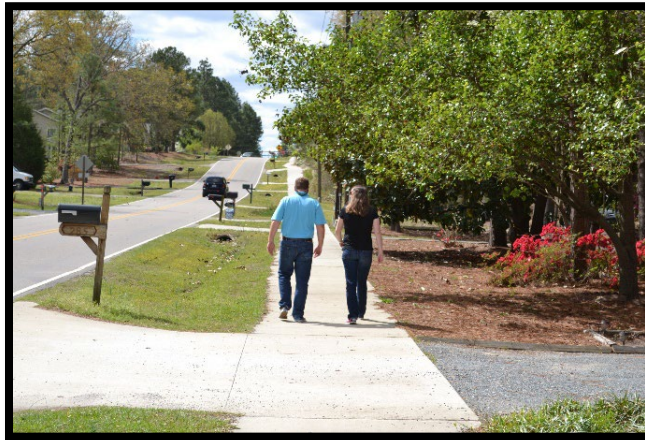


Information Technology (IT)

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.



Pedestrian Facilities Constructed within the Village of Pinehurst

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.



Capital Improvement Plan FY 2023-2027

Table 2 below shows a summary of the revenues and funding sources for the FY 2023-2027 projected capital investments:

Table 2 - CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
General Fund Cash	\$ 22,338,900
TOTAL	\$ 22,338,900

It is important to note that 100% of the capital improvements are funded with available Village funds or cash, with no reliance on debt financing.

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 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Capital Projects	\$ -	\$ -	\$ 3,950,000	\$ 3,150,000	\$ -	\$ 7,100,000
Fleet	846,000	625,000	617,500	973,000	786,000	3,847,500
Information Technology	26,000	194,000	152,000	86,000	13,000	471,000
Other Capital Additions	4,388,900	1,346,500	2,030,000	1,050,000	2,105,000	10,920,400
Capital Paid with Cash	5,260,900	2,165,500	6,749,500	5,259,000	2,904,000	22,338,900
Net Annual Operating Impact	3,500	(1,023,700)	(33,900)	268,600	275,625	(509,875)
General Fund Impact	\$ 5,264,400	\$ 1,141,800	\$ 6,715,600	\$ 5,527,600	\$ 3,179,625	\$ 21,829,025
\$0.01 of the Tax Rate	\$ 392,774	\$ 396,825	\$ 400,952	\$ 405,046	\$ 409,262	
Tax Rate Equivalent of CIP	\$ 0.13	\$ 0.03	\$ 0.17	\$ 0.14	\$ 0.08	\$ 0.11



Pinehurst Fire Department Rescue Truck



Operating Impact

Table 4 summarizes the operating impact of the significant non-recurring capital outlays in the CIP, including capital projects, IAPs and other significant projects. The operating impact of the following non-recurring capital outlays are included below: Given Memorial Library and Tufts Archives expansion/renovation, Carriage House parking facility construction, retrofitting two current athletic fields with synthetic turf, and construction of pedestrian facilities. 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 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Revenues:						
Capital Fundraising Campaign	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Recreation Fees	-	9,000	13,700	18,500	19,000	60,200
Total Operating Revenues	\$ -	\$ 1,009,000	\$ 13,700	\$ 18,500	\$ 19,000	\$ 1,060,200
Operating Costs:						
Salaries & Benefits	\$ -	\$ -	\$ -	\$ 168,000	\$ 172,200	\$ 340,200
Operating Costs	3,500	4,000	4,500	150,000	154,125	316,125
Reduction in Operating Costs	-	(18,700)	(24,700)	(30,900)	(31,700)	(106,000)
Total Operating Costs	\$ 3,500	\$ (14,700)	\$ (20,200)	\$ 287,100	\$ 294,625	\$ 550,325
Net Operating Impact	\$ 3,500	\$ (1,023,700)	\$ (33,900)	\$ 268,600	\$ 275,625	\$ (509,875)

Revenues generated as a result of significant non-recurring capital include an estimated \$1 million in donations toward the library and archives expansion during a planned capital fundraising campaign in FY 2024. The Village assumed operations of the library and archives in FY 2022. Additional recreation fees revenue is also anticipated with the installation of synthetic turf, as this enhancement would expand the amount of time available for use of the fields.

Salaries and benefits are projected to increase with the addition of three full-time equivalents (FTEs) to staff the expansion of the Given Memorial Library and Tufts Archives beginning in FY 2026.

Operating costs primarily include utilities and maintenance costs related to the expansion of the library and archives building, but also include costs associated with maintaining the Carriage House parking facility and newly constructed pedestrian facilities. Projected operating costs increase in FY 2026 with the increased square footage from the library expansion and the completed Carriage House parking facility project.

After completion of the synthetic turf installation on two separate fields in FY 2023 and FY 2025, maintenance costs are projected to decrease over the remainder of the five year plan. Anticipated savings include reductions in irrigation, sod replacement, contracted turf maintenance, paint and chalk for lines, and infield clay replacement.

There is no additional debt service required across the planning timeline, as all capital expenditures are projected to be purchased with cash.



Capital Improvement Plan FY 2023-2027

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 General Fund expenditures is projected at zero percent. 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

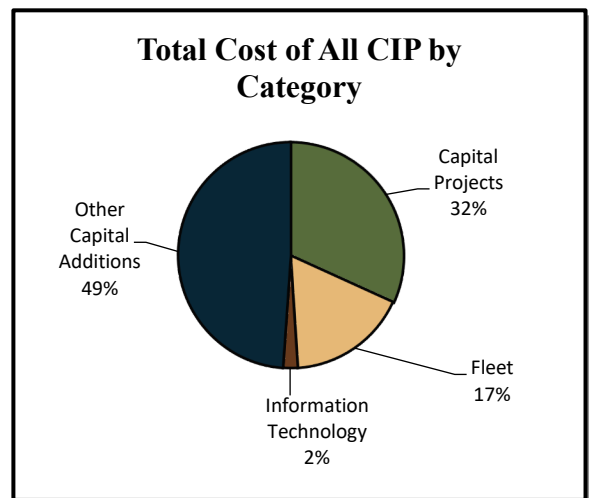
	Fiscal Year Ending June 30				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-	-
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Expenditures	\$ 27,099,100	\$ 24,893,887	\$ 29,649,593	\$ 29,024,478	\$ 27,344,582
% of Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

Summary

In summary, the FY 2023-2027 CIP represents a \$22.3 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:

- Synthetic turf installation at Cannon Park (FY 2023 & FY 2025)
- Potential land acquisition and site plan for Public Services Complex relocation (FY 2023-2024)
- Given Memorial Library initial building improvements (FY 2023)
- Pedestrian facilities (all years)
- Streetscape improvements (all years)
- Police vehicle replacements (all years)
- Garbage truck replacements (all years)
- Stormwater drainage projects (all years)
- Expand library and archives building (FY 2025)
- Design and construct Carriage House parking facility (FY 2025-2026)





Capital Projects

This section contains detail on the capital projects included in the FY 2023-2027 CIP. 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.

Library Expansion – This capital project will construct an addition to the existing Given Memorial Library building.

Carriage House Parking Facility – This capital project will construct a parking facility in the downtown area to provide approximately 60 additional parking spaces.



Library Expansion

Function Cultural and Recreation

Strategic Goal Promote active living and cultural opportunities

Strategic Objective Provided cultural services and events

Key Performance Indicators Expand the Given Memorial Library

Project Description/ Justification

This project includes the design and construction of an expansion to the existing Given Memorial Library building. The expansion is based on the needs Pinehurst residents expressed for expanded or enhanced library services during the recent Library Needs Assessment. The additional space will be designed to accommodate a variety of programs and activities. Design for the expansion began in FY 2022, with construction beginning in FY 2025 after the 2024 U.S. Open Championship.

Project Budget	Total	Prior Periods	Fiscal Year Ending June 30				
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Appropriations	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -
TOTAL	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -
Funding Source:							
Cash	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -
TOTAL	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -

Cash Flow Impact	Total	Prior Periods	Fiscal Year Ending June 30				
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Capital Fundraising Campaign	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Project Expenditures	(4,000,000)	(400,000)	-	-	(3,600,000)	-	-
Operating Expenditures	(593,325)	-	-	-	-	(293,000)	(300,325)
TOTAL	\$ (3,593,325)	\$ (400,000)	\$ -	\$ 1,000,000	\$ (3,600,000)	\$ (293,000)	\$ (300,325)

Key Performance Indicators	Fiscal Year Ending June 30				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Expand the Given Memorial Library	Yes	Yes	Yes	Yes	Yes



Carriage House Parking Facility

Function	Transportation
Strategic Goal	Promote a thriving business community
Strategic Objective	Support the business community
Key Performance Indicators	Number of parking spaces downtown

Project Description/ Justification

This project includes the design and construction of a parking facility in the downtown Village Center area to provide approximately 60 additional parking spaces. The planned expansion of parking is to accommodate a proposed addition to the existing Given Memorial Library and to make parking more easily accessible to downtown businesses. Design is expected to occur in FY 2025, with construction beginning in FY 2026.

Project Budget	Total	Fiscal Year Ending June 30				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Appropriations	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -
TOTAL	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -
Funding Source:						
Cash	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -
TOTAL	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Project Expenditures	\$ (3,500,000)	\$ -	\$ -	\$ (350,000)	\$ (3,150,000)	\$ -
Operating Expenditures	(40,500)	-	-	-	(20,000)	(20,500)
TOTAL	\$ (3,540,500)	\$ -	\$ -	\$ (350,000)	\$ (3,170,000)	\$ (20,500)

Key Performance Indicators	Fiscal Year Ending June 30				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Number of parking spaces	364	364	364	425	425



Capital Improvement Plan FY 2023-2027

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 2023	FY 2024	FY 2025	FY 2026	FY 2027
Buildings & Grounds							
Ford F150	2004	15	\$ 28,000	\$ -	\$ -	\$ -	\$ -
Ford F150	2008	15	-	-	-	-	40,000
Ventrac Mower	2012	15	-	35,000	-	-	-
4X4 Mule	2005	15	-	-	-	15,000	-
Fire							
Chevy Colorado	2008	15	-	-	-	30,000	-
Chevy Tahoe	2011	15	-	-	-	51,000	-
Harness Track							
Ford F250	2008	15	-	-	-	35,000	-
Ford F250	2009	15	-	-	-	-	37,000
John Deere Zero Turn Mower	2013	7	-	13,000	-	-	-
Mower Deck	New		-	-	-	-	5,500
Inspections							
Chevy C1500 4X4 Truck	2003	12	25,000	-	-	-	-
Planning							
Chevy Malibu	2008	15	-	-	-	-	23,000
Police							
Chevy Tahoe	2011	10	56,000	-	-	-	-
Chevy Tahoe	2011	10	56,000	-	-	-	-
Chevy Tahoe	2012	10	-	56,333	-	-	-
Chevy Tahoe	2012	10	-	56,333	-	-	-
Chevy Tahoe	2013	10	-	-	61,166	-	-
Dodge Charger	2016	6	-	-	-	64,000	-
Dodge Charger	2018	6	-	-	-	64,000	-
Dodge Charger	2016	10	56,000	-	-	-	-
Dodge Charger	2015	6	-	-	-	64,000	-
Dodge Charger	2013	10	-	56,334	-	-	-
Dodge Charger	2014	6	56,000	-	-	-	-
Dodge Charger	2015	10	-	-	61,167	-	-
Dodge Charger	2016	6	-	-	61,167	-	-
Dodge Durango	2019	10	-	-	-	-	66,833
Ford Utility	2019	10	-	-	-	-	66,833
Toyota Camry	2018	10	-	-	-	-	66,834
Vehicle	New		56,000	-	-	-	-
Vehicle	New		56,000	-	-	-	-



Fleet Purchase Plan (continued)

Description	Year	Life	Budget	CIP			
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Solid Waste							
Freightliner Garbage Truck	2016	7	\$ -	\$ -	\$ -	\$ -	\$ 285,000
Freightliner Garbage Truck	2016	7	-	-	-	275,000	-
Chevy C1500	2007	15	-	50,000	-	-	-
Chevy Garbage Truck	2011	6	-	-	-	55,000	-
Ford F-150 Pickup	2009	15	-	-	-	-	57,000
Freightliner Garbage Truck	2012	7	-	255,000	-	-	-
Freightliner Garbage Truck	2015	7	245,000	-	-	-	-
Freightliner Garbage Truck	2014	7	-	-	265,000	-	-
Streets & Grounds							
John Deere Motor Grader	1992	20	-	-	-	160,000	-
300 Land Long Tractor	2001	20	-	-	45,000	-	-
Ford F150	2005	15	-	-	-	-	40,000
Chevy Dump Truck-1 Ton	2005	20	-	-	80,000	-	-
International Dump Truck	2006	20	-	-	-	100,000	-
Chevy Dump Truck-1 Ton	2006	20	-	75,000	-	-	-
Chevy Dump Truck-1 Ton	2007	20	-	-	-	-	82,000
Ford F150	2008	15	-	28,000	-	-	-
Ford F150	2008	15	-	-	30,000	-	-
Johnston Vacuum Sweeper	2012	5	150,000	-	-	-	-
John Deere 5085 Tractor	2012	20	-	-	-	60,000	-
Flint Salt Spreader	2012	5	12,000	-	-	-	-
Flint Salt Spreader	2012	5	-	-	14,000	-	-
Flint Salt Spreader	2014	5	-	-	-	-	16,000
Frontier Mower Deck	2015	20	5,000	-	-	-	-
Ford F 250 4X4	2004	20	45,000	-	-	-	-
Total			\$ 846,000	\$ 625,000	\$ 617,500	\$ 973,000	\$ 786,000



Capital Improvement Plan FY 2023-2027

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 2023	FY 2024	FY 2025	FY 2026	FY 2027
Administration							
Assembly Hall Sound System Upgrade	2013	5	\$ -	\$ -	\$ 22,000	\$ -	\$ -
Assembly Hall Projector	2021	5	-	-	-	16,000	-
Village-wide Imaging System	New	10	-	110,000	-	-	-
Fair Barn							
A/V Projector	2017	5	-	8,000	-	-	-
Sound System	2015	5	-	-	15,000	-	-
Information Technology							
Server - Phone System Host	2017	4	-	13,000	-	-	-
Server - SystemCenter Host	2017	5	-	13,000	-	-	-
Server Backup Primary AACore1	2017	4	13,000	-	-	-	-
Server Backup Secondary AACore 4	2017	4	13,000	-	-	-	-
Server - PD Hyper-V Host	2017	4	-	13,000	-	-	-
Server - Vrtx (Blade Server)	2018	4	-	-	65,000	-	-
Village Wide Phone System	2011	5	-	-	35,000	-	-
Village Hall Firewall	2021	6	-	-	-	15,000	-
HP Procurve Core Switch	2013	5	-	-	-	25,000	-
Website Redesign	2016	3	-	-	15,000	-	-
Canon Designjet Plotter	2020	8	-	-	-	-	13,000
Planning							
Canon IPF840 Plotter/Scanner	2017	8	-	13,000	-	-	-
Police							
CCTV Surveillance System	2021	4	-	-	-	30,000	-
Phone Recording Solution Upgrade	2016	5	-	24,000	-	-	-
Total			\$ 26,000	\$ 194,000	\$ 152,000	\$ 86,000	\$ 13,000



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 2023	FY 2024	FY 2025	FY 2026	FY 2027
Administration					
Replace HVAC	\$ 120,000	\$ -	\$ 8,000	\$ -	\$ 60,000
Exterior Staircase Enclosure	15,000	-	-	-	-
Generator Replacement	-	11,000	-	-	-
Upgrades to Elevator	-	38,000	75,000	-	-
Library					
Initial Building Improvements	1,000,000	-	-	-	-
Streets & Grounds					
Stormwater Drainage Projects	355,000	370,000	370,000	370,000	370,000
Streetscape Improvement	200,000	200,000	200,000	200,000	200,000
Pedestrian Facilities	400,000	400,000	400,000	400,000	400,000
Solid Waste					
Glass Drop Off Site	24,000	-	-	-	-
Fair Barn					
Replace Indoor Stage	26,000	-	-	-	-
Replace HVAC	-	-	-	40,000	60,000
Fire					
Thermal Imaging Camera	7,400	-	-	-	-
SCBA Air Packs	162,000	-	-	-	-
SCBA Breathing Air Compressor	-	55,000	-	-	-
Physical Training Equipment	-	-	12,000	-	-
HVAC Station 91	-	-	15,000	15,000	15,000
Harness Track					
Replace Siding	15,000	15,000	30,000	-	-
Stormwater Master Plan Implementation	25,000	25,000	25,000	25,000	-
Remodel Barn Bathrooms	7,500	7,500	-	-	-
Police					
Upgrades to Elevator	75,000	-	-	-	-
Outdoor Physical Abilities Testing Area	-	10,000	-	-	-
In-Car Radio Replacements	140,000	-	-	-	-
Dispatch Radio Replacement	-	125,000	-	-	-
Replace HVAC	15,000	15,000	-	-	-
Dash Camera Replacement	135,000	-	-	-	-



Other Capital Additions Purchase Plan (continued)

Description	Budget	CIP			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
PS Administration					
Public Services Complex Alternate Location & Site Plan	\$ 350,000	\$ 75,000	\$ -	\$ -	\$ -
Recreation					
Tufts Park Sidewalk Extension	28,000	-	-	-	-
Pergola to Magnolia Sidewalk Extension	8,000	-	-	-	-
Replace Field 2 Lights	-	-	195,000	-	-
Synthetic Turf on Cannon Park Fields	1,237,000	-	700,000	-	-
Cannon Park Playground Surfacing	44,000	-	-	-	-
West Pinehurst Park Development	-	-	-	-	1,000,000
	\$4,388,900	\$1,346,500	\$2,030,000	\$1,050,000	\$2,105,000



Entrance Sign at West Pinehurst Park