

VILLAGE OF PINEHURST

**Budget for the Fiscal Year
Ended June 30, 2006**



*Mayor Pro-Tem, George E. Hillier, Mayor Steven J. Smith, Treasurer Douglas A. Lapins
Council Member Virginia F. Fallon, Council Member Lorraine A. Tweed*



VILLAGE OF PINEHURST
395 MAGNOLIA ROAD
PINEHURST, NC 28374
910.295.1900

VILLAGE OF PINEHURST VISION

The Village of Pinehurst is committed to protect and enhance its character and lifestyle consistent with the history and tradition that is Pinehurst through progressive, responsive, and proactive community services.

The Village of Pinehurst values its employees, volunteers, and citizens and is committed to foster an environment of mutual trust and respect and to provide the necessary resources to achieve this vision.

VILLAGE SENIOR LEADERSHIP

Village Manager	Andrew M. Wilkison
Assistant Village Manager	Natalie E. Dean
Assistant Village Manager	Jeff Batton
Village Clerk	Linda Brown
Director of Financial Services	Ashley Matthews
Director of Human Resources	Karen Habenstein
Police Chief	Ernest G. Hooker
Fire Chief	Jimmy McCaskill
Director of Planning and Inspections	Andrea Correll
Director of Public Works	Walt Morgan
Director of Engineering	H. Jay Gibson
Director of Parks & Recreation	Mark Wagner
Director of Fleet Maintenance	Randy Kuhn



Table of Contents

Introduction

Introduction.....	iii
Organizational Chart.....	v

Budget Message and Overview

Budget Message and Overview	1
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Council Priorities and Initiatives

Council Priorities and Initiatives	9
--	---

About Village Services

About Village Services	12
------------------------------	----

Budget Guide

Budget Guide	21
Budget Development Calendar	22
Budget Planning.....	23
Budget Requirements.....	24
Budget Format	26

Annual Budget Ordinance

Annual Budget Ordinance.....	30
------------------------------	----

Consolidated Budget Summary

Consolidated Revenues.....	35
Consolidated Expenditures	36
General Government.....	37
Public Safety	38
Transportation.....	39
Environmental Protection	40
Economic & Physical Development.....	41
Cultural & Recreation.....	42
Debt Service.....	43
Other Financing Uses.....	44
Contingency	45
Consolidated Fund Balance	46

General Fund

Summary	47
General Fund Revenues	51
Governing Body.....	68
Administration	70
Financial Services.....	72
Human Resources	74
Police.....	76
Fire	78
Inspections	80
Public Works.....	82
Streets & Grounds.....	84
Powell Bill	86



Table of Contents

Solid Waste	88
Planning	90
Engineering.....	92
Parks & Recreation	94
Harness Track	96
Fair Barn	98
Buildings & Grounds Maintenance	100
Fleet Maintenance.....	102
Information Systems	104
Contingency	106
Non-Departmental.....	108
Debt Service.....	110
Other Financing Uses.....	112
Capital Outlay Schedule	114
<i>Special Revenue Funds</i>	
Summary	116
Taylorhurst Assessment.....	118
Land Dedication.....	119
Residential Assurance-Interest.....	120
Municipal Service District	121
Capital Reserve	122
<i>Capital Project Funds</i>	
Summary	123
Rassie Wicker Park.....	124
Fire Station.....	125
<i>Debt Service</i>	
Debt Service.....	126
<i>Five-Year Capital Improvement Plan</i>	
Five-Year Capital Improvement Plan	129
<i>Supplementary Information</i>	
Personnel Classification Schedule	150



Introduction

Welcome to the Village of Pinehurst! This budget document represents the plans of the Village Council and staff to improve the Village while preserving its rare and unique personality in support of our vision statement. We hope that this document will prove to be a valuable tool for Village citizens, Council, visitors and staff.



The Pinehurst Village Hall, located at 395 Magnolia Road

Municipal budgets can be very complex and confusing. Should there be any further 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 budget presentation (consolidated totals, etc.) to the more specific budget presentations (individual department budgets, specific projects, etc.). Realizing that information needs differ for every reader, the document is divided into sections to provide easy “flip-to” access.

Budget Message and Overview: The Village Manager discusses the proposed budget and any outside factors that were used in determining the budget expenditures and the revenues needed to cover these expenditures.

Council Priorities and Initiatives: This section outlines the major priorities and initiatives for the Village as set by the Village Council. These priorities and initiatives guide the Village departments in planning and requesting their individual budgets.

About Village Services: The description of the duties and responsibilities of the different Village departments and divisions are outlined in this section of the budget document.

Budget Guide: This section shows all the steps needed in preparing and adopting the annual budget. This section includes the budget calendar, the budget planning phases, and a description of how the process works. This section also has a brief description of fund accounting and outlines all Village funds.



Introduction

Budget Ordinance: The actual legally binding ordinance that establishes the new annual budget.

Consolidated Budget Summary: This section of the budget document breaks down the budget on a broader, functional level.

General Fund, Special Revenue Funds, and Capital Project Funds: Every Village department or division appears with individual presentations of performance measures, objectives and budgets. The major revenue sources for each fund are also presented in detail. These are the most specific presentations located in the budget document.

Debt Service: The Village's debt position is discussed with projections for future debt service requirements.

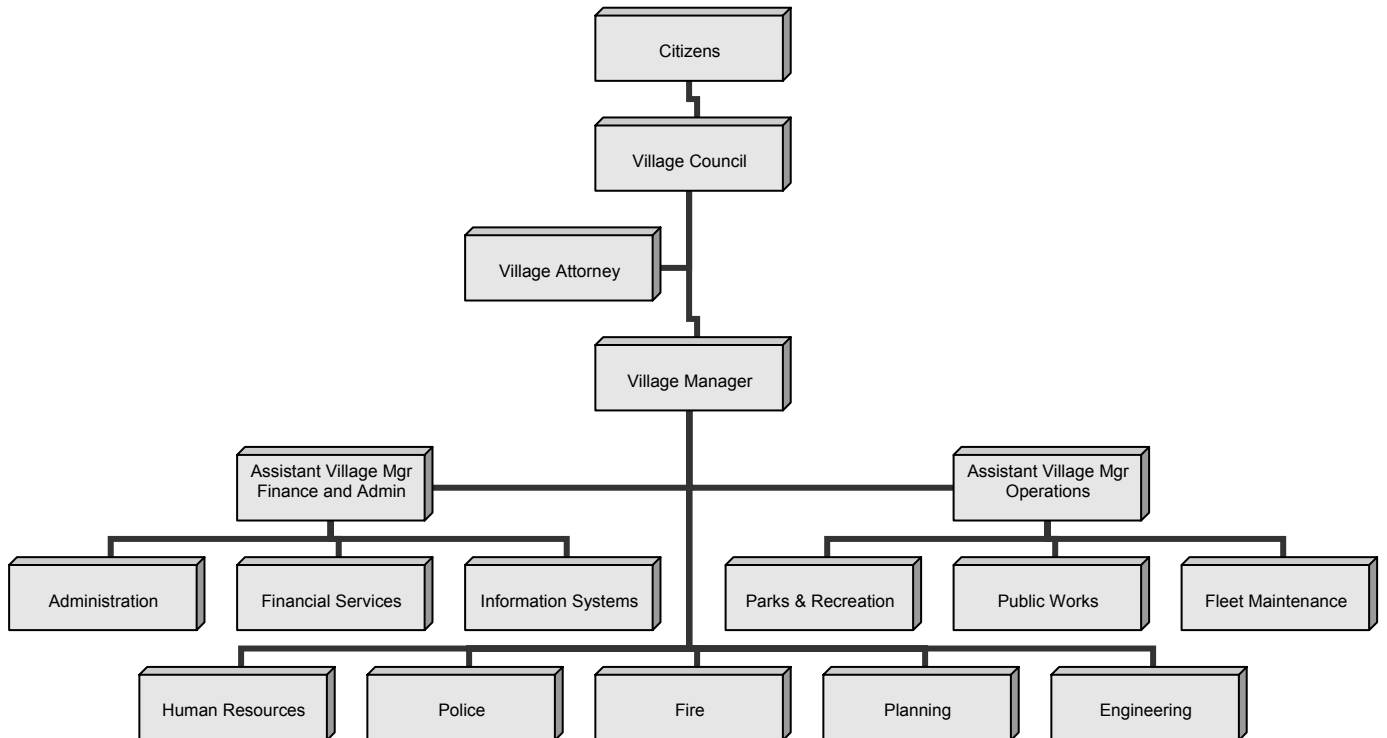
Five-Year Capital Improvement Plan: This plan outlines the anticipated capital costs to be incurred by the Village over the next five fiscal years. Items included are those with a cost of \$10,000 or more or any foreseeable capital projects. Each has a detailed description including the total cost, revenue source to be used, capital project and estimated incremental operating costs.

Supplementary Information: This section includes miscellaneous information about the Village of Pinehurst, such as the Village Pay Classification Plan.

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



Organizational Chart



May 10, 2005

The Honorable Steve Smith, Mayor
Members of the Village Council
Pinehurst, North Carolina

Dear Mayor Smith and Members of the Village Council:

Pursuant to Section 159-11 of the North Carolina General Statutes (NCGS), I am pleased to present the Recommended Budget for FY 2005-2006 for your review and consideration. This document has expanded from the prior year in order to incorporate additional requirements of the Government Finance Officers Association's Distinguished Budget Award and to present more useful information to the residents.

In FY 2004-2005, the Village Council and Senior Leadership adopted the following Vision Statement:

The Village of Pinehurst is committed to protect and enhance its character and lifestyle consistent with the history and tradition that is Pinehurst through progressive, responsive, and proactive community services.

The Village of Pinehurst values its employees, volunteers, and citizens and is committed to foster an environment of mutual trust and respect and to provide the necessary resources to achieve this vision.

This budget has been developed with the Village's Vision Statement in mind and the departmental goals and objectives support this vision.

Some of the more significant changes to the format of this document include the addition of a section on Council priorities and initiatives, Village services, and a consolidated budget summary. In addition, the individual departmental goals and objectives have been stated in a consistent, measurable format.

The Recommended Budget provides a financial plan for the ensuing fiscal year and has been developed to the extent possible in accordance with the Village's Vision Statement, long term goals & objectives, and fiscal policies in mind. The

key components of directives from the Village Council and the budgetary principles on which this document is based are:

- Maintain adequate funding levels to provide basic Village services,
- Maintain a consistent tax rate of \$0.31 per \$100 valuation,
- Fund Comprehensive Plan Initiatives equivalent to \$.03 on the tax rate,
- Uphold sound budgetary principles such as the inclusion of contingency funding, capital reserve funding, and conservative revenue estimates, and
- Maintain a fund balance in the range of 27% to 33% of budgeted expenditures.

The FY 2005-2006 Recommended Net Budget, which includes all funds except the Capital Reserve Fund, totals \$12,928,000. This is an increase of 5.3% over the prior year's Net Budget at March 31, 2005 of \$12,281,115. The increase is generated primarily by incremental debt service on the new fire station, additional capital for the acquisition of storm drainage lots, and salary related items for new positions and market adjustments. The Net Budget provides a more accurate revenue and expenditure picture because it does not include funds that receive their operating revenue from other funds, which results in double counting.

The Village's FY 2005-2006 per capita Net Budget is \$1,185, compared to our peer group's average per capita consolidated budget of \$1,151.

FUNDS OF THE RECOMMENDED BUDGET

General Fund

The General Fund contains all governmental services that do not generate sufficient revenue to support their activities.

The FY 2005-2006 General Fund is balanced with a property tax rate of \$0.31 per \$100 valuation. This rate is consistent with the FY 2004-2005 property tax rate and is the lowest tax rate of any municipality in Moore County. This rate will provide approximately \$6,473,000 in property tax revenues based on an anticipated collection rate of 99.80% for real and personal property and 96.40% for motor vehicles. The Village has historically had one of the highest tax collection rates in the State of North Carolina. A penny on the tax rate is projected to generate approximately \$200,000 in revenue.

The Village's property tax base is approximately 73% residential and 27% non-residential. The average growth in the property tax base of 3% is fueled primarily by continued robust residential development activity. On average, 240 new homes continue to be constructed in the Village and its extraterritorial jurisdiction (ETJ) on an annual basis. FY 2004-2005 residential construction activity, however, is expected to surpass historical average growth rates by approximately 10%. The FY 2005-2006 budget does not contemplate the annexation of a nearby subdivision, Pinewild, as that is expected to occur in FY 2006-2007.

The Village's second largest revenue source, Local Option Sales Tax, saw considerable growth in FY 2004-2005 due to the improving State and local economies. This revenue source is expected to generate approximately 17% of the Village's total General Fund budget, or \$2,200,000 in FY 2005-2006.

The FY 2005-2006 Recommended Budget for the General Fund totals \$12,888,490, or 5.4% more than the amended FY 2004-2005 Budget of \$12,232,070 as of March 31, 2005. The primary cause of the increase is the addition of debt service on the new fire station in FY 2005-2006 and the transfer of additional funds to the Capital Reserve Fund. Overall, the Recommended Budget utilizes \$770,075 of appropriated fund balance in order to transfer \$763,000 to the Capital Reserve Fund. This will result in a fund balance as a % of expenditures of roughly 29%.

Capital Reserve Fund

In 2003, the Village Council adopted a fiscal policy of funding the Capital Reserve Fund annually with 75% of the Article 44 Local Option Sales Tax. The total amount to be transferred from the General Fund to the Capital Reserve Fund in FY 2005-2006 under this policy is \$300,300. The Village also has a Fund Balance Policy whereby any fund balance in excess of 33% of the following year's budgeted expenditures is transferred to the Capital Reserve Fund at the end of the fiscal year. Under this policy, the Village expects to transfer \$462,700 from the General Fund to the Capital Reserve Fund in FY 2005-2006.

The Recommended Budget for the General Fund also calls for the use of \$500,000 of Capital Reserve funds in FY 2005-2006. After the transfers in and out, the Capital Reserve Fund's fund balance should approximate \$840,000 at the end of FY 2005-2006.

SOURCES OF REVENUE

The General Funds' primary sources of revenue include:

- Ad Valorem Taxes,
- Local Option Sales Taxes,
- Intergovernmental Revenues, and
- Permits and Fees.

Almost 69% of all General Fund revenue comes from ad valorem taxes and local option sales taxes. In the past few years, the Village's revenue sources have become much less diversified due to the repeal of taxes at the state level and the dependence on the ad valorem tax rate has increased as a result. This year the Village can expect modest revenue growth due to an improved state and local economy. However, the challenge remains to identify other potential revenue sources that are viable options for the Village.

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 as a marketable item, 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 \$0.31 per \$100 of valuation. This means that for every \$100,000 in value of property, \$310 is due. Total Ad Valorem Tax revenues are projected to be \$6,473,000 in FY 2005-2006. This includes current and prior years' collections, as well as penalties, interest, and refunds. 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 52% of the General Fund's total revenues.

Local Option Sales Taxes

Two and one-half cents (2 ½) of the seven 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 cent tax levied in 1983, a one-half cent tax levied in 1986 and a one-half cent tax levied in 2002. The State of North Carolina collects the sales taxes and distributes them to the local governmental jurisdictions. Sales tax revenues are distributed on a proportional population basis to other municipalities in Moore County. Local option sales tax revenues are projected to be \$2,200,000 in FY 2005-2006, which is a 17% growth over the previous year's budget.

Intergovernmental Revenues

Intergovernmental revenues consist primarily of the Electricity Franchise Tax and the Powell Bill Allocation. The Electricity Franchise Tax is collected by the State and is distributed to the Village based on the actual receipts from the providers of electricity within the Village's limits. The Powell Bill Allocation from the State is restricted to maintaining, repairing, or constructing Village owned streets and rights-of-way. Total intergovernmental revenue is estimated to be \$932,930 for FY 2005-2006.

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 Revenue accounts for a large percentage of 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 revenue is expected to approximate

\$1,171,750 in FY 2005-2006, or approximately 9% of the total General Fund budget.

FUND BALANCES

On June 30, 2005, the Village’s fund balance in the General Fund is projected to be approximately \$4.5 million, or 37% of the FY 2005-2006 Budget. This exceeds the Village’s target of 27% - 33% of the upcoming year’s budgeted expenditures. The primary causes for the excess include tax revenues coming in higher than anticipated, commercial development fees that were not expected, and a favorable health insurance renewal. As discussed previously, the Village expects to transfer the excess fund balance in the General Fund to the Capital Reserve Fund in FY 2005-2006. The Village’s peer group, or municipalities with populations between 10,000 and 49,999, typically maintains an average fund balance available for appropriation around 35 % of expenditures.

A summary of all funds and their estimated fund balances as of June 30, 2005 are as follows:

<u>FUND</u>	<u>ESTIMATED AMOUNT</u>
General Fund	\$ 4,563,268
Taylorhurst Assessment Fund	25,694
Land Dedication Fund	5,269
Residential Assurance Fund – Interest	11,434
Municipal Service District Fund	4,126
Capital Reserve Fund	<u>565,291</u>
	<u>\$ 5,175,082</u>

EXPENDITURES BY CATEGORY

Salaries and Wages

Salaries and wages, excluding benefits, for the Village’s 120.8 full-time equivalents (FTEs) accounts for \$4,346,000 or 34% of the total Net Budget. This percentage is consistent with prior years.

The Village’s peer group also spends on average 34% of its consolidated budget (including capital project funds) on salaries and wages, excluding benefits. Including capital project funds, the Village’s expenditures on salaries and wages is estimated to be 28% of total FY 2005-2006 expenditures.

In FY 2004-2005 the Village added seven positions, or 6.25 FTE’s. The positions added included an Assistant Village Manager of Operations, three firefighters, a Public Utilities Director, a .75 FTE Systems Administrator, and a .50 supplemental administrative staff. The FY 2004-2005 Budget also eliminated a Parks Superintendent position, for a net increase of 5.25 FTEs.

The FY 2005-2006 General Fund budget recommends the addition of 3.55 FTE's, with the removal of 1.0 FTE, resulting in a net increase of 2.55 FTEs. Of the total number of recommended FTEs, a .5 FTE is a seasonal Buildings and Grounds Laborer and a .3 FTE is an on-call Building Inspector, or supplemental staff. Two additional full-time positions recommended include a Planner and a Finance Technician. In addition, a part-time Human Resources Specialist, or .5 FTE is recommended. Finally, the Systems Administrator position represents an additional .25 FTE, as it is proposed to increase from part-time to full-time. The Recommended Budget also calls for the removal of a Public Utilities Director FTE and the reallocation of a .5 FTE from Administration to Public Works. The net impact of these staffing recommendations brings the total employee count to 120.8 for the FY 2005-2006 budget.

A total of \$156,000 has been included in the recommended budget to fund the Village's merit pay system. The merit pay available to employees ranges from 0% to 6%. However, the funds available for merit raises have again been budgeted at 4% and are prorated based on staggered review dates. The budget assumes average performers would earn 3%, while high performers could earn above that and poor performers would earn below that.

To continue the progress made as a result of the implementation of Phase I reorganization, and to increase the effectiveness of the Senior Management Team, an additional reorganization will take place effective July 1, 2005. The Village Clerk's position will be reclassified as Executive Assistant/Village Clerk, to more accurately reflect the duties this position performs in supporting the Village Manager and Assistant Village Managers, supervising the Customer Service Representative staff in Administration, and fulfilling the statutory requirements of Village Clerk. The Deputy Finance Officer position will be reclassified as Director of Financial Services, to correctly describe the role this position now fills in our organization in managing all of the day to day Financial Services for the Village of Pinehurst.

Group insurance costs have historically escalated at a very rapid pace. However, this past year, the Village was able to avoid the expected 20% increase at renewal by changing insurance providers. The Village's Risk Management Committee evaluates the group insurance plan each year and recommends an insurance program for the next calendar year. Over the past five years, group insurance costs have increased by 85% or to \$594,000 in FY 2005-2006, up from \$321,000 in FY 2000-2001.

Operating Costs

This category of expenditures accounts for \$7,655,900 or 49% of the total Net Budget plus estimated capital project fund expenditures. These expenditures include all costs other than salaries and wages and capital costs. Benefit costs, such as insurance and retirement, and debt service costs on long-term financial obligations are included in operating costs. The FY 2005-2006 Recommended Budget includes the addition of \$251,000 in debt service for the new fire station.

Other notable operating costs include architect fees for the design of the recreation center, partial funding for the stormwater master plan, fees for a Western Connector traffic feasibility study and annual resurfacing funds for 5.0 – 6.0 miles of Village-owned streets.

The Village's peer group typically spends 45% of its Budget on operating costs.

Capital

This category of expenditures accounts for \$926,100, or 7% of the total Net Budget. Including the estimated expenditures for capital project funds, the estimated FY 2005-2006 capital expenditures would be expected to reach 23% of the total expenditures, or \$3,506,100. This is in comparison to our peers who spend 21% of their budgets on capital.

Capital expenditures are for the purchase of vehicles, equipment and other items that are too permanent to be considered expendable at the time of purchase, have a value greater than \$5,000, and have a life expectancy of at least one year. A detailed list of capital purchases for FY 2005-2006 can be found in the General Fund section of the budget document. The list below highlights some of the more notable items:

- Acquisition of storm drainage lots,
- Continued addition to the Village's Greenway System,
- Rotational replacement of vehicles and equipment, and
- Re-appropriation to convert Barn 5 at the Harness Track into a central base of operations for the Harness Track and Buildings & Grounds Maintenance Divisions.

BALANCED RECOMMENDED BUDGET

As required by the North Carolina General Statutes the Recommended Budget is balanced, or total revenues equal total expenditures. As requested by the Village Council, I have presented a budget that maintains the Village's current ad valorem tax rate of \$0.31 per \$100 valuation for the General Fund. The Recommended Budget also maintains a fund balance of 29% of FY 2005-2006 General Fund expenditures, which is within the Council's stated range of 27% to 33%. The General Fund's Recommended Budget for FY 2005-2006 results in a net loss from operations, or before any other financing sources and uses, of \$539,310. Given the Village's fund balance position, the amount of funds available in the Capital Reserve Fund, and the inclusion of some non-recurring initiatives in the Recommended Budget, I am comfortable with this projected result.

The Recommended Budget for FY 2005-2006 incorporates several items identified in the Village's Comprehensive Long Rang Plan that was adopted by the Village Council in April 2003. These initiatives include greenway trails, partial funding for the Stormwater Master plan, acquisition of storm drainage lots, small storm drainage projects, roundabout costs, street and gateway signage, increased funding for the annual resurfacing project, and partial funding for a

feasibility study for a Western Connector. The total of these items equates to a little more than \$0.03 of the Village's tax rate.

The following table is a summary of the balanced Recommended Budget for each of the Village's funds for FY 2005-2006:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$12,888,490	\$ 12,888,490
Taylorhurst Assessment Fund	32,235	32,235
Land Dedication Fund	75	75
Residential Assurance Fund – Interest	200	200
Municipal Service District Fund	7,000	7,000
Capital Reserve Fund	<u>1,275,000</u>	<u>1,275,000</u>
	14,203,000	14,203,000
Less: Capital Reserve Fund*	(<u>1,275,000</u>)	(<u>1,275,000</u>)
TOTAL NET BUDGET	<u>\$ 12,928,000</u>	<u>\$ 12,928,000</u>

* These funds are subtracted from the totals to eliminate the inflation of revenues and expenditures caused by a straight budgetary transfer from one fund to another.

Although the budget does not fund all the requests made by departments or external groups, it is set to maintain the provision of quality services for our citizens and in some instances improve current service levels.

A Public Hearing to receive public comment on the Recommended Budget is set for 11:00 am in the Assembly Hall of the Pinehurst Village Hall on Tuesday, June 7, 2005. A copy of the proposed budget that is updated as changes are made is available for inspection at Village Hall.

I wish to express my thanks to the Mayor and the Village Council for their support and recognition of all 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,



Andrew M. Wilkison
Village Manager



Council Priorities and Initiatives

At its retreat on January 11th and 12th, 2005, the Village Council and Senior Leadership jointly adopted the Village's Vision Statement.

The Village of Pinehurst is committed to protect and enhance its character and lifestyle consistent with the history and tradition that is Pinehurst through progressive, responsive, and proactive community services.

The Village of Pinehurst values its employees, volunteers, and citizens and is committed to foster an environment of mutual trust and respect and to provide the necessary resources to achieve this vision.

This vision statement guided the Village's annual budget preparation, along with the Village Council's philosophy and long term priorities. The Council's philosophy and long-term priorities are described in detail in the Village's Comprehensive Long Range Plan that was adopted in April 2003.

The overall philosophy adopted as part of the long-range planning process is as follows:

The Village of Pinehurst is a residential community recognized for its natural beauty, exceptional quality of life, and golf resort facilities.

The primary goals of the Village are to:

- 1. Preserve and enhance the unique character and ambience of the entire community, especially the historic Village Center, and maintain the legacy of Pinehurst for future residents and visitors to enjoy,**
- 2. Enhance the quality of life for present and future residents,**
- 3. Guide growth or change in ways that complement the unique character and ambience of the community, and**
- 4. Address community needs in the most efficient and cost-effective manner.**





Council Priorities and Initiatives

The significant long-term priorities identified by the Council include:

- Managing growth
- Guiding residential and business development
- Conserving natural resources
- Preserving open space
- Ensuring adequate community facilities and services
- Protecting historic resources
- Reinforcing and enhancing community structure
- Enhancing the Village Center (core business district)
- Managing the Village's transportation system
- Ensuring adequate public utilities are available

The FY 2005-2006 Budget includes several current or short-term initiatives that address the long-term priorities identified by the Village Council

Managing Growth

ST Initiatives

- Implement Growth Review Committee recommendations

Guiding Residential and Business Development

ST Initiatives

- Hire an additional planner whose responsibilities will include the issuance of zoning permits
- Implement the provisions of the recently completed re-write of the Pinehurst Development Ordinance
- Complete the New Core Master Planning Process

Conserving Natural Resources

ST Initiatives

- Support Conservation Commission initiatives to increase public awareness of conservation issues

Preserve Open Space

ST Initiatives

- Continue construction of the Village greenway system
- Actively pursue lot donations through the "Give a Lot, Mean a Lot" lot donation program, by working with local realtors



Ensuring Adequate Community Facilities and Services

ST Initiatives

- Continue construction of a new fire station
- Hire an architect to begin design of a new Recreation Center
- Support the Moore County Board of Education officials in their efforts to ensure adequate school facilities exist for Pinehurst children
- Construct Phase I of the Rassie Wicker Park Plan

Protecting Historic Resources

ST Initiatives

- Create a local Historic District Commission

Reinforcing and Enhancing Community Structure

ST Initiatives

- Install previously designed signage for outer and inner gateways

Enhancing the Village Center

ST Initiatives

- Construct sidewalks in Rassie Wicker Park to provide connectivity to the Village Center

Managing the Village's Transportation System

ST Initiatives

- Replace 50% of all Village street signs
- Continue construction of Village greenway system
- Begin process of creating a feasibility study for a Western Connector to alleviate traffic on N.C. 5
- Continue funding for resurfacing 5-6 miles of Village-owned streets

Ensuring Adequate Public Utilities are Available

ST Initiatives

- Engage a consultant to help prepare a storm water master plan
- Continue to try to influence Moore County, owner of the water and sewer system that serves Pinehurst, to upgrade and maintain the utility system at appropriate levels
- Acquire storm drainage lots



About Village Services

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



Pinehurst Resort

This section was created to aid the reader in learning the duties and responsibilities of each department and division. An email address is available for each department or division to allow the reader to contact each department directly. There is also a phone list available at the end of this section for common requests and services.

GENERAL GOVERNMENT

GOVERNING BODY (lbrown@villageofpinehurst.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 with the primary goals of preservation of the quiet, tranquil and unusually attractive village atmosphere and retaining and enhancing the quality of life for its present and future residents and their visitors.



ADMINISTRATION (ndean@villageofpinehurst.org)

The Administration Department provides top-level support to the Village Council and Village Manager. It also serves as a support and liaison to the 17 other departments 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 enforcement of the laws and ordinances of the Village, administration of contracts on behalf of the Village, and oversight of the operations of the Village Attorney, who is appointed by the Village Council.

FINANCIAL SERVICES (amatthews@villageofpinehurst.org)

The Director of Financial Services reports directly to the Assistant Village Manager of Finance and 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, financial forecasting and preparation of the annual budget. The Financial Services Department's mission is to provide financial expertise and promote fiscal responsibility in a challenging and rewarding environment.

HUMAN RESOURCES (khabenstein@villageofpinehurst.org)

In addition to the traditional functions of a Human Resources department, this department has assumed the role of Public Relations to handle promotional stories with the local newspaper, Training and Development to handle employee education at all levels on a regular basis and to establish and implement a Leadership Development program, and to identify and recommend on-going external training needs for the employees in the organization. All such activities are performed in direct support of the Vision Statement to ensure a progressive, responsive, and pro-active environment for our employees and for those with which we build external relationships.

PUBLIC SAFETY

POLICE (ehooker@villageofpinehurst.org)

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 interface with the 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.



About Village Services

FIRE (jmccaskill@villageofpinehurst.org)

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department as directed by the Village of Pinehurst's Vision Statement 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, and related services in addition to the department's obligation to train all personnel in modern fire safety practices and technologies.



Deputy Fire Chief Floyd Fritz, Fire Chief Jimmy McCaskill

INSPECTIONS (acorrell@villageofpinehurst.org)

The Chief Building Official reports directly to the Director of Planning and Inspections. 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. This mission contributes to the Vision of the Village of Pinehurst through progressive, responsive and proactive community service. The Inspections Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. Inspectors assure that all new homes are built to standards thereby serving the interest of citizens they will never meet because their work is done prior to the individual moving into the home.

TRANSPORTATION

PUBLIC WORKS ADMINISTRATION (wmorgan@villageofpinehurst.org)

The Director of Public Works reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Works Department provides administrative and technical functions for the public works divisions. 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 AND GROUNDS (wmorgan@villageofpinehurst.org)

The Streets and Grounds Division of the Public Works Department reports directly to the Director of Public Works. The Streets and Grounds Division is responsible for keeping all public transportation routes open and in a safe traveling condition. This department maintains 104 miles of paved streets in the Village, which is the largest amount of any local government in Moore County. In addition to maintaining the streets, this department also maintains certain off-street drainage facilities and affects minor construction activities of the same nature. Routine tasks include pot hole and utility cut patching, installing storm drain pipe and other improvements, installing and maintaining traffic and street name signs, repairing brick and sand/clay sidewalks, street sweeping and cleaning, and tree trimming and removal. This division also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.

ENVIRONMENTAL PROTECTION

SOLID WASTE (wmorgan@villageofpinehurst.org)

The Solid Waste Division of the Public Works Department reports directly to the Director of Public Works. The Solid Waste Division provides residents with garbage pickup twice a week, yard debris pickup once a week and recycling pickup once every other week. In addition to this, the department operates a recycling drop-off site five days a week.



David Leslie(Solid Waste), Bobby Reaves(Solid Waste), Nelson Pope(Streets and Grounds), James McInnis(Solid Waste)



ECONOMIC & PHYSICAL DEVELOPMENT

PLANNING (acorrell@villageofpinehurst.org)

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. This mission contributes to the Vision of the Village of Pinehurst through progressive, responsive and proactive community service. 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.

ENGINEERING (jgibson@villageofpinehurst.org)

The Engineering Department is the primary staff agency for ensuring that the quality and quantity of infrastructure is sufficient to provide for the current and anticipated needs of the community in order to protect the character and quality of lifestyle associated with the Village. The department works to accomplish and facilitate this vision by ensuring that roadway, drainage, pedestrian, and utility improvements are planned for, constructed, and completed in a manner that will enhance the quality of life for our residents.

CULTURAL AND RECREATION

PARKS AND RECREATION (mwagner@villageofpinehurst.org)

The Recreation 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. All of these responsibilities are carried out in accordance with the Business Plan for the Parks and Recreation Department.



Director of Parks & Recreation Mark Wagner



About Village Services

HARNESS TRACK (ewilliams@villageofpinehurst.org)

The Harness Track Division of the Parks and Recreation Department provides the manpower, supplies, expertise, equipment and management for the operations and maintenance of the Harness Track facility. This division affects light capital improvements and manages significant capital improvements while providing services to the standardbred trainers and other equine and non-equine related clients of the property. All of these responsibilities are carried out in accordance with the Business Plan for the Harness Track.



Aerial Photograph of Harness Track

FAIR BARN (msilhol@villageofpinehurst.org)

The Fair Barn Division of the Parks and Recreation Department provides the manpower, supplies, expertise and management for the operations and maintenance of the Fair Barn. The division also manages varying capital improvements to the facility and surrounding grounds, provides marketing and promotion for the Fair Barn and provides on-site supervision and services to rental clients.



Fair Barn at the Harness Track



INTERNAL SERVICE DEPARTMENTS

FLEET MAINTENANCE (rkuhn@villageofpinehurst.org)

The Director of Fleet Maintenance 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, tires replacements and repairs, 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 (mwagner@villageofpinehurst.org)

The Buildings & Grounds Division 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 and 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.

INFORMATION SYSTEMS (bnorton@villageofpinehurst.org)

The System Administrator reports directly to the Assistant Village Manager of Finance and Administration. The Information Systems Department provides hardware and software support to Village employees and is responsible for the maintenance and security of the Village's network infrastructure.



Systems Administrator Buckie Norton



Need More Information?

The following is a telephone listing of Village services. To get answers to specific questions, you can call the number directly.

BILL INQUIRIES	910.295.1900
BROKEN WATER AND SEWER LINES (MOORE COUNTY UTILITIES)	910.947.6315
BUDGET	910.295.1900
BUILDING CODE REQUIREMENTS	910.295.2581
BUILDING INSPECTIONS.....	910.295.2581
BUILDING PERMITS	910.295.2581
CURB CUTS	910.295.5021
CUSTOMER SERVICE.....	910.295.1900
DRIVEWAY PERMITS.....	910.295.2581
ECONOMIC DEVELOPMENT.....	910.295.1900
FAIR BARN RENTALS	910.295.0166
FENCING REQUIREMENTS	910.295.2581
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.....	910.295.4446
HISTORIC PROPERTIES	910.295.2581
HUMAN RESOURCES	910.295.1900
JUNK CARS.....	910.295.2581



About Village Services

MAPS	910.295.1900
NEIGHBORHOOD WATCH PROGRAM.....	910.295.3141
NOISE	910.295.3141
OCCUPANCY PERMITS.....	910.295.2581
PARKS AND RECREATION	910.295.1900
POLICE EMERGENCIES	911
POLICE – NON EMERGENCY.....	910.295.3141
PUBLIC INFORMATION.....	910.295.1900
RECYCLING	910.295.5021
REZONING MATTERS	910.295.2581
SETBACK REQUIREMENTS	910.295.2581
SEWER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
SIGN REQUIREMENTS.....	910.295.2581
STREET RESURFACING.....	910.295.1900
TAXES	910.295.1900
TRAFFIC.....	910.295.1900
UNKEPT LOTS/YARDS.....	910.295.2581
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.....	910.295.2581
ZONING.....	910.295.2581



The *Budget Guide* is designed to aid the reader in understanding the information in the budget document, how it is formatted and the processes needed to create an annual balanced budget. The subsequent sections of the budget document dive into the detailed budget working plan for Village operations and this guide will provide explanations for the vast amount of data that follows.

Because this section is intended to provide mostly background information, the reader is invited to exercise judgment when reading it. The veteran budget reader may wish to skip the *Budget Format* pages as they describe the basic structure of the Village's budget. However, the novice reader will find these pages a good starting point for developing an understanding of information in the rest of the document.

What's New in the Budget This Year?

The Village Council has adopted a Comprehensive Long-Range Village Plan in an effort to publicly communicate the direction of the Village of Pinehurst. The Council has also approved short-term initiatives to assist the Village in achieving the vision of the Comprehensive Long-Range Village Plan. This information will be outlined in a new *Council Priorities and Initiatives* section of the FY 2005-2006 Budget.

Another additional section found in the FY 2005-2006 Budget is the *About Village Services* section. This section highlights each department within the Village structure and informs the reader of the responsibilities and contact information for each department.

A third new section introduced this year is the *Consolidated Budget Summary* section. This portion of the budget document outlines the budget at the broadest level, the functional level. This is the only section of the budget where all annually budgeted funds are grouped together.

The Village of Pinehurst is moving toward a performance based budgeting process. As such, each department has submitted goals and measurable objectives that can be found in the *General Fund* section.

Another change in the FY 2005-2006 Budget includes a new division of the Administration department. The Information Systems Division is now budgeted separately from Financial Services. The Information Systems Division is responsible for the maintenance of the Village's information technology, including computers, software and telecommunications.

Finally, two departments have been renamed in FY 2005-2006. The Finance Department has been renamed to Financial Services and the Sanitation Division of the Public Works Department has been renamed to Solid Waste.



Budget Development Calendar

The Village has utilized the following schedule in preparing and adopting the budget for the fiscal year ending June 30, 2006:

Tuesday, February 2, 2005	Financial Services Department distributes the FY 2005-2006 Budget Manual to department heads
Wednesday, March 16, 2005	Department heads submit budget requests to the Financial Services Department
Months of March and April	Financial Services Department estimates revenues in conjunction with Department Head input and consolidates departmental budget requests
Week of April 11 – 15, 2005	Village Manager holds budget review meetings with Department Heads and Assistant Village Managers
Wednesday, May 4, 2005	Village Manager and Assistant Village Manager submit the draft balanced budget to the Village Council
Tuesday, May 10, 2005	Village Manager presents the budget to the Village Council at a Council work session
May 16 – May 27, 2005	Village Council holds budget work sessions
Tuesday, June 7, 2005	Village holds a public hearing on the FY 2005-2006 budget
Tuesday, June 7 2005	Village Council adopts the FY 2005-2006 budget
Thursday, July 1, 2005	The budget is implemented
Friday, July 29, 2005	Financial Services Department publishes the final budget and distributes it to department heads



Budget Planning

Phase I

In December of 2004 and January of 2005, projections of personnel, operating and capital expenditures were estimated for the remainder of FY 2004-2005 and projected for the next five fiscal years. This was done to prepare the Capital Improvements Plan (CIP) for FY 2006-2010 that was adopted by the Village Council in March 2005. The CIP and internally prepared staffing projections are important in the budgeting process as they aid departments in creating their budget requests for FY 2005-2006.

Phase II

In January of 2005, the Financial Services Department compiled the Budget Manual and worksheets used by departments in making their budget requests.

Phase III

In February of 2005, the Financial Services Department held "Budget Training" for all department heads. At this meeting, the Assistant Village Manager introduced the desire of the Village to proceed with a performance based budgeting system and explained the addition of specific goals and objectives in the budget document for each department. The Assistant Village Manager also answered any questions related to the budget worksheets or the budget process. The departments also received their budget packages, including the Budget Manual, budget calendar, budget worksheets, the Village Vision, and Goal and Objective examples.

Phase IV

In February of 2005, the Village Council held a two day "Council Retreat" with the department heads to help define the Village's vision. This vision along with the long-term priorities outlined in the Comprehensive Plan helped guide department heads as they developed their budget requests.

Phase V

All operation and capital budget requests were due to the Financial Services Department by March 16, 2005.



Budget Requirements

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

The budget is prepared using the modified accrual method 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 and for accounting.

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 as follows:

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 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. 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:



Budget Requirements

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels.
- Any major changes in fiscal policy.

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 Village Manager (Budget Officer) 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 not to exceed \$10,000 between functional areas, including contingency appropriations, within the same fund. These transfers, however, 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.



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.

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 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

The budget 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.

The departmental presentations are summaries of all expenditures and revenues associated with each department's activities. These summaries also include the personnel classifications for the department. As the Village's accounting structure contains hundreds of individual budget line items, it can be difficult to present each one in the budget document. Therefore, the Village has consolidated these items into major classifications for a summarized presentation. For example, the department summary expenditures are grouped into three categories: Salaries & Benefits, Operating and Capital. This consolidation facilitates comparisons between different groups of data and aids the reader in making comparisons between the different functions. Acknowledging that the reader does not have access to each individual line item, the "Budget Highlights" section attempts to explain any significant changes. Please contact the Village of Pinehurst Financial Services Department at 910.295.1900 if further detail is needed.



Budget Format

In the General Fund the reader will find the individual departments and divisions. In these sections, the departments detail the major accomplishments for the preceding fiscal year, as well as the goals and objectives for the FY 2005-2006. Using an expenditure table as an example, the presentation of the data is as follows:

Adopted budget for the the current fiscal year,
as amended through March 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.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 203,105	\$ 163,500	\$ 129,576	\$ 142,300	-13.0%
Operating	231,757	296,190	285,460	273,380	-7.7%
Capital	100,262	83,500	37,402	145,500	100.0%
Expenditures Total	\$ 535,124	\$ 543,190	\$ 452,437	\$ 561,180	3.3%

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

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



Budget Format

Please note that all tables in the budget document present the same three-year format. Listed below is the information included in the summaries:

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 203,105	\$ 163,500	\$ 129,576	\$ 142,300	-13.0%
Operating	231,757	296,190	285,460	273,380	-7.7%
Capital	100,262	83,500	37,402	145,500	100.0%
Expenditures Total	\$ 535,124	\$ 543,190	\$ 452,437	\$ 561,180	3.3%

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

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.

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:

General Fund

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.



Special Revenue Funds

Special Revenue Funds are used to account for special revenues that are legally restricted to expenditure for particular purposes. The **Taylorhurst Assessment Fund**, **Land Dedication Fund**, **Residential Assurance-Interest Fund**, **Municipal Service District**, and **Capital Reserve Fund** combine to account for all special revenue fund activity.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds. The **Rassie Wicker Park Capital Project Fund** and the **Fire Station Capital Project Fund** are the capital project funds for the Village at this time. Funds for these projects have previously been appropriated by the Village Council.



Annual Budget Ordinance

VILLAGE OF PINEHURST Budget Ordinance Fiscal Year 2005-2006

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 28th day of June 2005 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, 2005 and ending June 30, 2006, in accordance with the chart of accounts heretofore established for this Village:

OPERATING EXPENDITURES:

Governing Body	\$ 229,200
Administration	529,890
Financial Services	589,580
Human Resources	316,600
Police	1,826,210
Fire	1,679,680
Inspections	276,020
Public Works Administration	249,650
Streets & Grounds	792,680
Powell Bill	837,500
Solid Waste	734,330
Planning	550,160
Engineering	404,425
Parks & Recreation	400,800
Harness Track	415,680
Fair Barn	179,640
Contingency	100,000
Non-Departmental	49,800
Debt Service	1,037,545
Other Financing Uses	<u>763,000</u>

Total Operating Expenditures \$ 11,962,390



Annual Budget Ordinance

CAPITAL EXPENDITURES:

Governing Body	\$ 150,000
Administration	30,000
Police	119,000
Fire	140,000
Public Works Administration	27,000
Streets & Grounds	94,100
Planning	36,000
Engineering	25,000
Parks & Recreation	145,000
Harness Track	145,500
Fair Barn	14,500
Total Capital Expenditures	<u>\$ 926,100</u>
TOTAL EXPENDITURES	<u>\$ 12,888,490</u>

SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2005 and ending June 30, 2006:

Ad Valorem Tax Revenue	\$ 6,473,000
Other Taxes and Licenses	2,401,100
Unrestricted Intergovernmental Revenue	486,000
Restricted Intergovernmental Revenue	446,930
Permits and Fees	1,171,750
Sales and Services	363,050
Other Revenues	89,350
Investment Income	155,000
Other Financing Sources	532,235
Appropriated Fund Balance	<u>770,075</u>
TOTAL REVENUES	<u>\$ 12,888,490</u>

SECTION 3. The following amounts are hereby appropriated in the Taylorhurst Assessment Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006 in accordance with the chart of accounts heretofore approved for the Village:

Transfer to the General Fund	<u>\$ 32,235</u>
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Annual Budget Ordinance

SECTION 4. It is estimated that the following revenues will be available in the Taylorhurst Assessment Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006:

Assessment Income	\$ 31,635
Investment Income	<u>600</u>
TOTAL REVENUES	<u>\$ 32,235</u>

SECTION 5. The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Future Recreation	<u>\$ 75</u>
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SECTION 6. It is estimated that the following revenues will be available in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006:

Investment Income	<u>\$ 75</u>
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SECTION 7. The following amounts are hereby appropriated in the Residential Assurance Fund Interest Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Beautification	<u>\$ 200</u>
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SECTION 8. It is estimated that the following revenues will be available in the Residential Assurance Fund Interest Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006:

Investment Income	<u>\$ 200</u>
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SECTION 9. The following amounts are hereby appropriated in the Municipal Service District Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006 in accordance with the chart of accounts heretofore approved for the Village:

Operating Expenditures	<u>\$ 7,000</u>
------------------------	-----------------



Annual Budget Ordinance

SECTION 10. It is estimated that the following revenues will be available in the Municipal Service District Special Revenue Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006:

Ad Valorem Tax Revenue	<u>\$ 7,000</u>
------------------------	-----------------

SECTION 11. The following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Capital	\$ 312,300
Transfer to General Fund	<u>500,000</u>
	<u>\$ 812,300</u>

SECTION 12. It is estimated that the following revenues will be available in the General Capital Reserve Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006:

Investment Income	\$ 12,000
Transfer from the General Fund	300,300
Fund Balance Appropriated	<u>500,000</u>
	<u>\$ 812,300</u>

SECTION 13. There is hereby levied a tax at the rate of thirty-one cents (\$0.31) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2005, 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 \$2,096,000,000 and an estimated collection rate of 99.8% for real and personal property and 96.4% for motor vehicles.

There is hereby levied a tax at the rate of twelve cents (\$0.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2005, for the purpose of raising revenue in the Municipal Service District Fund in Section 10 of this ordinance. This rate is based on a total valuation of property for the purposes of taxation of \$6,000,000 and an estimated collection rate of 100.00%.



Annual Budget Ordinance

SECTION 14. 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 with a report being required.
- b) He may transfer amounts up to \$10,000 between departments, including contingency appropriations, within the same fund. He must make an official report on such transfers 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 15. Copies of this Budget Ordinance shall be furnished to the Clerk of the Village Council and to the Village Manager and Assistant Village Manager of Finance and Administration to be kept on file by them for their direction in the disbursements of the funds.

ADOPTED this 28th day of June, 2005

(Municipal Seal)

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By:

Steven J. Smith, Mayor

Attest:

Linda S. Brown, Village Clerk

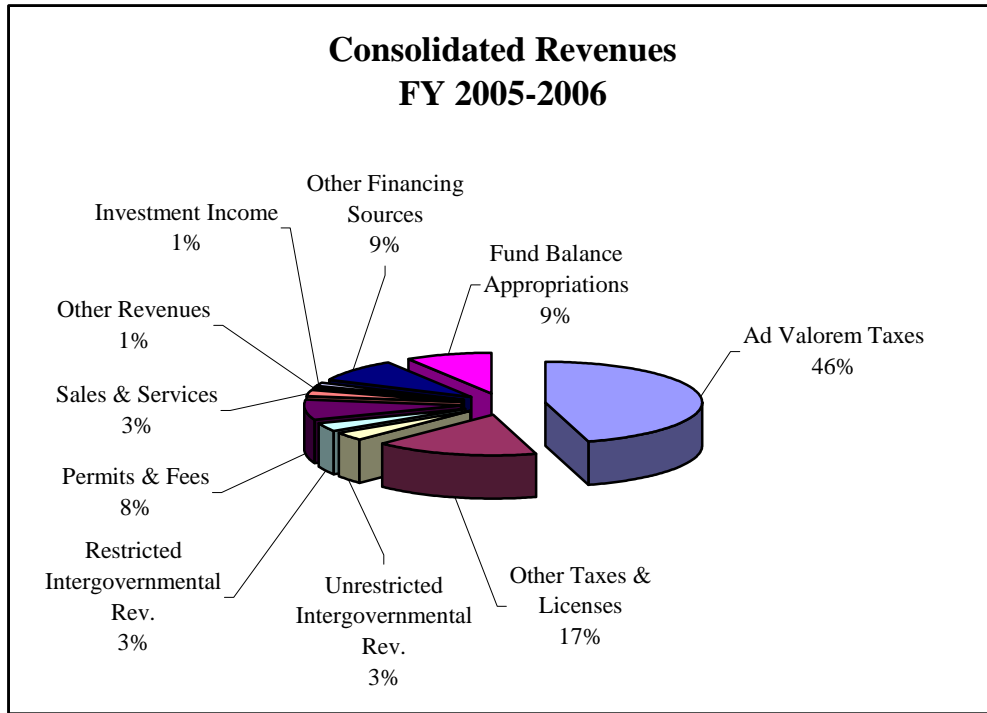
Approved as to form:

Michael J. Newman, Village Attorney



Consolidated Budget Summary

The Consolidated Budget Summary begins the budget presentation by examining the budget at the broadest level. Later sections will provide further detail about the individual funds and departments. The graphs and information presented in this section include all annually budgeted funds (the General Fund and all Special Revenue Funds), including all transfers between funds.

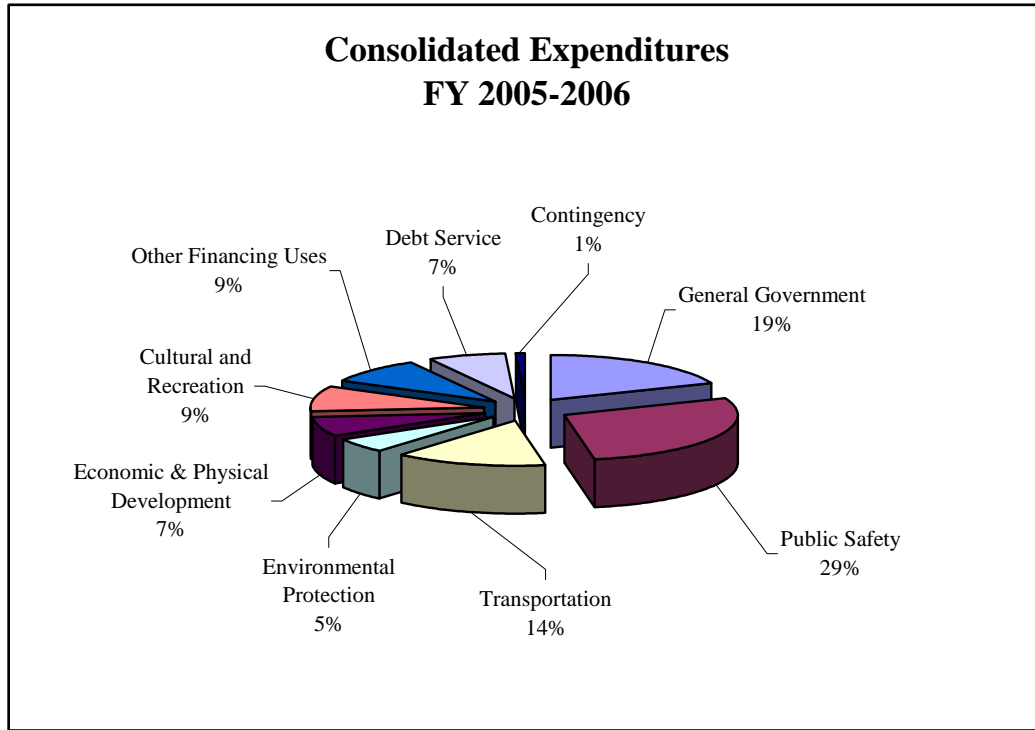


Consolidated Revenues	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Ad Valorem Taxes	\$ 5,745,314	\$ 6,237,000	\$ 6,310,993	\$ 6,480,000	2.7%
Other Taxes & Licenses	1,962,078	2,053,000	2,286,000	2,401,100	5.0%
Unrestricted Intergovernmental Rev.	496,028	521,000	473,000	486,000	2.7%
Restricted Intergovernmental Rev.	570,978	445,500	453,625	446,930	-1.5%
Permits & Fees	1,257,217	1,349,050	1,415,681	1,171,750	-17.2%
Sales & Services	366,911	365,500	370,507	363,050	-2.0%
Other Revenues	264,982	120,590	125,102	120,985	-3.3%
Investment Income	38,356	43,760	106,996	167,875	56.9%
Other Financing Sources	1,324,049	825,275	820,324	1,295,235	57.9%
Fund Balance Appropriations	-	1,116,530	-	1,281,275	100.0%
Total Revenues	\$ 12,025,913	\$ 13,077,205	\$ 12,362,226	\$ 14,214,200	15.0%
Per Capita	\$ 1,146	\$ 1,232	\$ 1,164	\$ 1,303	



Consolidated Budget Summary

The consolidated expenditure graph and table are broken down by functional area and include expenses for all annually budgeted funds (the General Fund and all Special Revenue Funds) and all transfers between funds.



Consolidated Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Government	\$ 1,343,989	\$ 2,464,610	\$ 1,604,611	\$ 2,681,270	67.1%
Public Safety	3,379,024	3,732,187	3,552,151	4,040,910	13.8%
Transportation	1,708,642	1,933,270	1,734,003	2,000,930	15.4%
Environmental Protection	772,140	927,938	756,026	741,330	-1.9%
Economic & Physical Development	620,122	1,037,285	958,194	1,015,785	6.0%
Cultural and Recreation	1,147,771	1,276,365	1,043,688	1,301,195	24.7%
Other Financing Uses	1,961,420	592,185	722,235	1,295,235	79.3%
Debt Service	978,076	870,870	870,836	1,037,545	19.1%
Contingency	-	242,495	-	100,000	100.0%
Total Expenditures	\$ 11,911,184	\$ 13,077,205	\$ 11,241,744	\$ 14,214,200	26.4%
Per Capita	\$ 1,135	\$ 1,232	\$ 1,059	\$ 1,303	

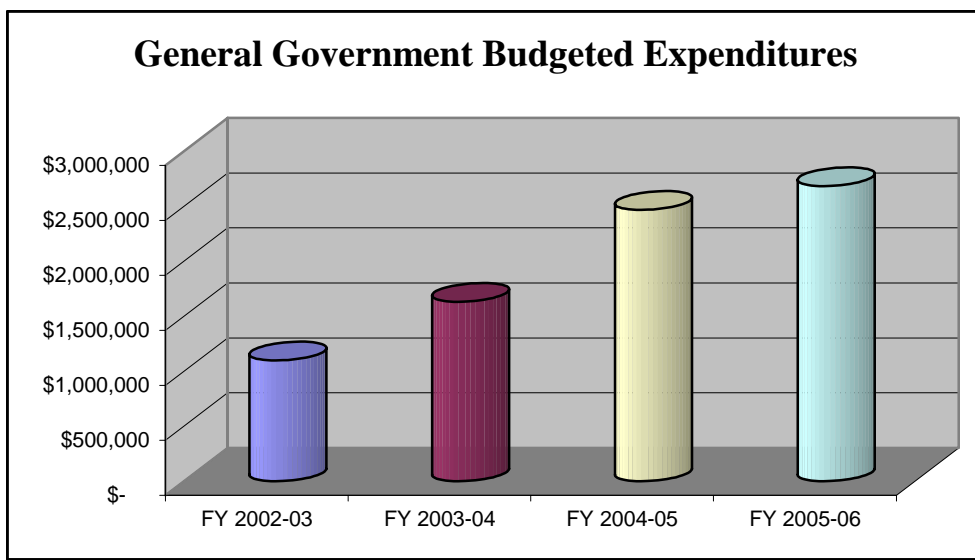


Consolidated Budget Summary

Functional Expenditure Trend 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 is part of the functional area known as Public Safety, as is the Police Department, 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 charts and graphs present the trends for all of the Village of Pinehurst's different functions and include the General Fund and all Special Revenue Funds.



General Government	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 1,095,709	\$ 1,629,697	\$ 2,464,610	\$ 2,681,270
Dollar Change	(118,059)	533,988	834,913	216,660
Percent Change	-9.7%	48.7%	51.2%	8.8%

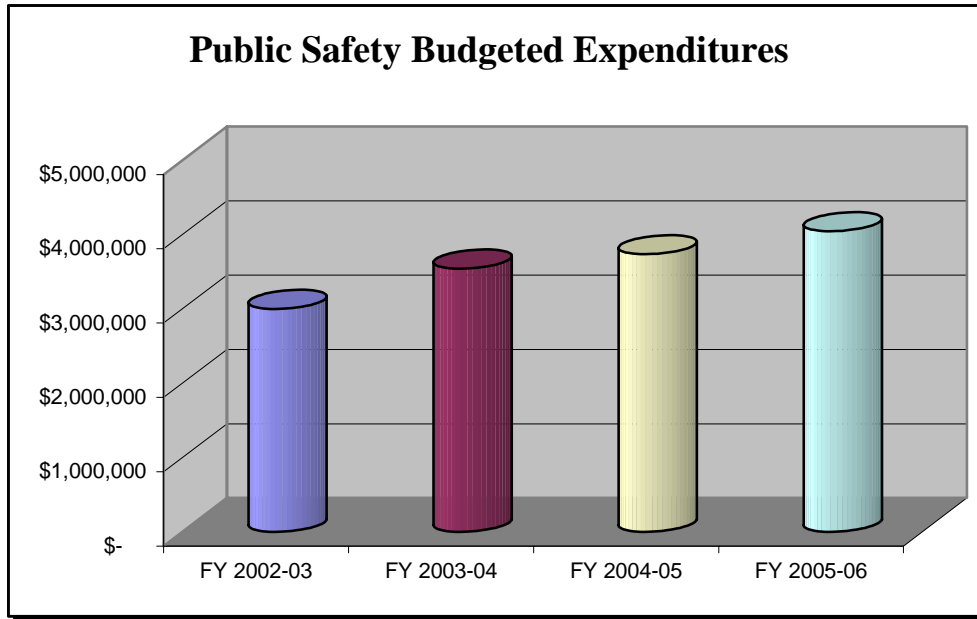
General Government Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Wages	\$ 420,428	\$ 624,000	\$ 604,818	\$ 666,000	10.1%
Operating	879,467	1,675,610	911,793	1,835,270	101.3%
Capital	44,094	165,000	88,000	180,000	104.5%
Total Expenditures	\$ 1,343,989	\$ 2,464,610	\$ 1,604,611	\$ 2,681,270	67.1%

General Fund Departments/Divisions: Governing Body, Administration, Financial Services, Human Resources and Non-Departmental

Other Funds Included: Capital Reserve Fund



Consolidated Budget Summary



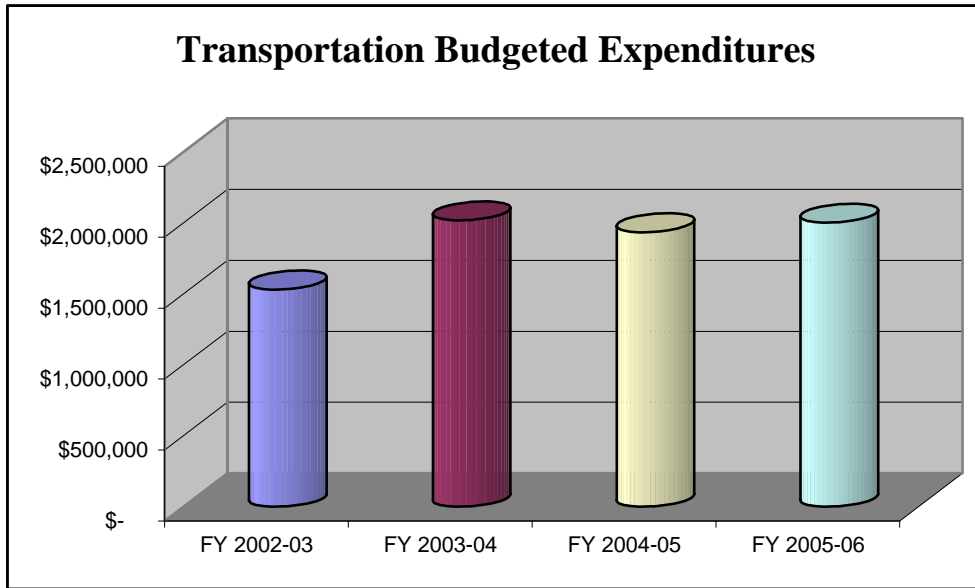
Public Safety	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 2,994,850	\$ 3,540,290	\$ 3,732,187	\$ 4,040,910
Dollar Change	(185,743)	545,440	191,897	308,723
Percent Change	-5.8%	18.2%	5.4%	8.3%

Public Safety Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Wages	\$ 1,976,228	\$ 2,101,500	\$ 2,090,403	\$ 2,331,000	11.5%
Operating	1,190,556	1,513,667	1,344,748	1,450,910	7.9%
Capital	212,240	117,020	117,000	259,000	121.4%
Total Expenditures	\$ 3,379,024	\$ 3,732,187	\$ 3,552,151	\$ 4,040,910	13.8%

General Fund Departments/Divisions: Police, Fire, Inspections



Consolidated Budget Summary



Transportation	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 1,529,509	\$ 2,016,490	\$ 1,933,270	\$ 2,000,930
Dollar Change	218,688	486,981	(83,220)	67,660
Percent Change	16.7%	31.8%	-4.1%	3.5%

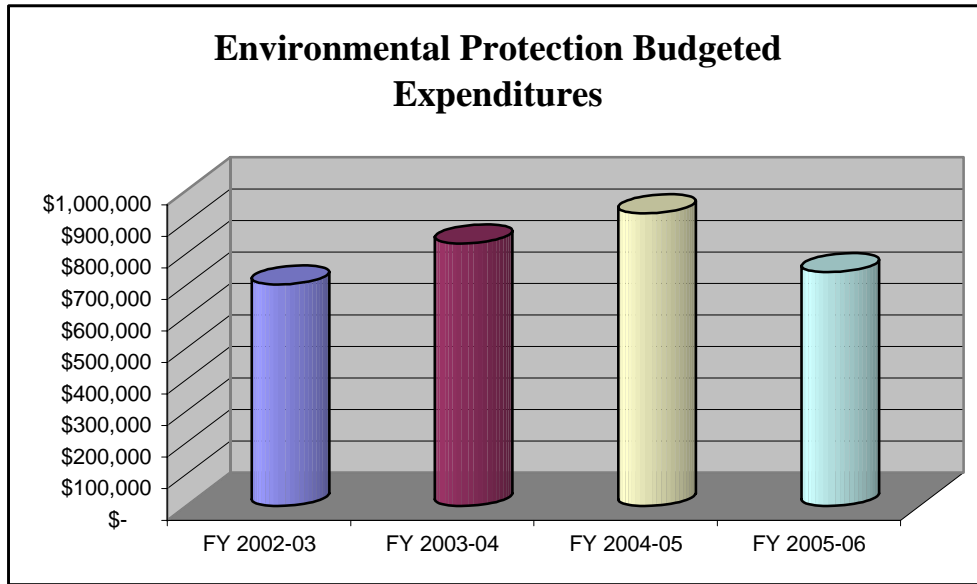
Transportation Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Wages	\$ 361,491	\$ 421,000	\$ 341,594	\$ 429,000	25.6%
Operating	1,176,442	1,301,270	1,182,635	1,450,830	22.7%
Capital	170,709	211,000	209,774	121,100	-42.3%
Total Expenditures	\$ 1,708,642	\$ 1,933,270	\$ 1,734,003	\$ 2,000,930	15.4%

General Fund Departments/Divisions: Public Works Administration, Streets & Grounds, Powell Bill

Other Funds Included: Taylorhurst Assessment Fund



Consolidated Budget Summary



Environmental Protection	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 702,299	\$ 832,205	\$ 927,938	\$ 741,330
Dollar Change	(55,762)	129,906	95,733	(186,608)
Percent Change	-7.4%	18.5%	11.5%	-20.1%

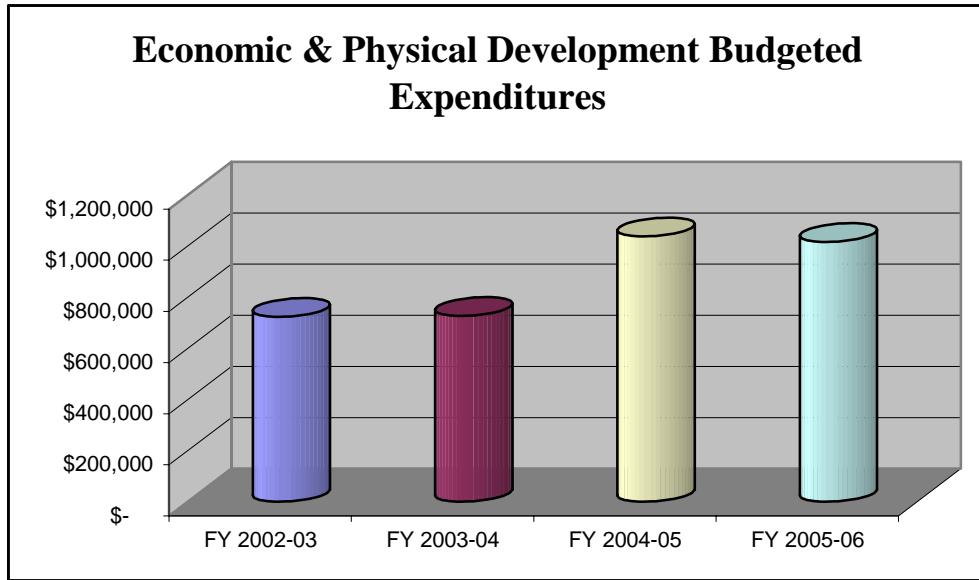
Environmental Protection Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Wages	\$ 217,974	\$ 322,000	\$ 312,023	\$ 250,500	-19.7%
Operating	436,664	565,938	413,029	490,830	18.8%
Capital	117,502	40,000	30,974	-	-100.0%
Total Expenditures	\$ 772,140	\$ 927,938	\$ 756,026	\$ 741,330	-1.9%

General Fund Departments/Divisions: Solid Waste

Other Funds Included: Municipal Service District



Consolidated Budget Summary



Economic & Physical Dev	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 722,737	\$ 726,402	\$ 1,037,285	\$ 1,015,785
Dollar Change	117,332	3,665	310,883	(21,500)
Percent Change	19.4%	0.5%	42.8%	-2.1%

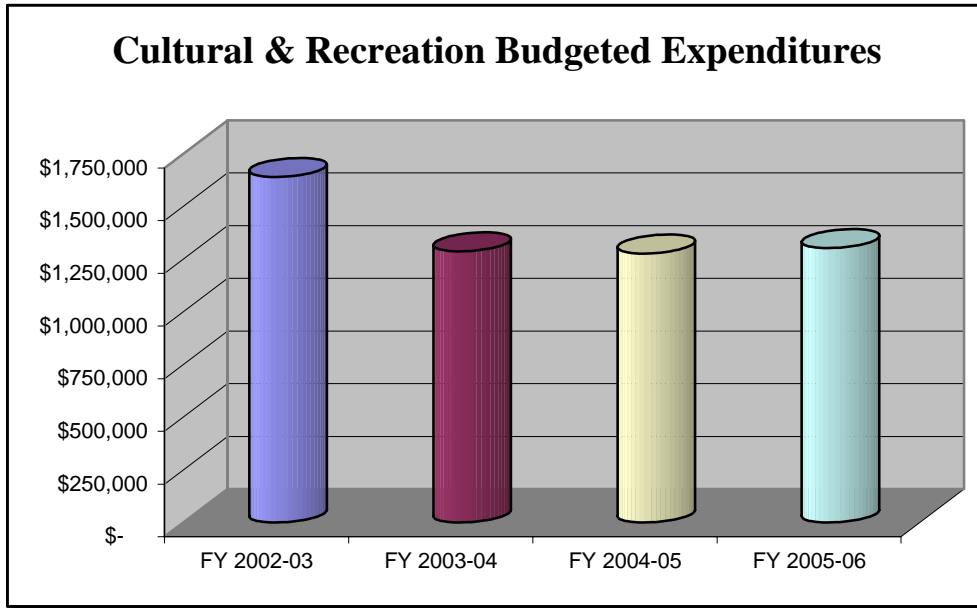
Economic & Physical Dev. Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Wages	\$ 303,765	\$ 378,700	\$ 376,033	\$ 437,500	16.3%
Operating	297,193	425,585	349,161	517,285	48.2%
Capital	19,164	233,000	233,000	61,000	-73.8%
Total Expenditures	\$ 620,122	\$ 1,037,285	\$ 958,194	\$ 1,015,785	6.0%

General Fund Departments/Divisions: Planning, Engineering

Other Funds Included: Residential Assurance Fund - Interest



Consolidated Budget Summary



Cultural & Recreation	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 1,638,952	\$ 1,286,429	\$ 1,276,365	\$ 1,301,195
Dollar Change	775,508	(352,523)	(10,064)	24,830
Percent Change	89.8%	-21.5%	-0.8%	1.9%

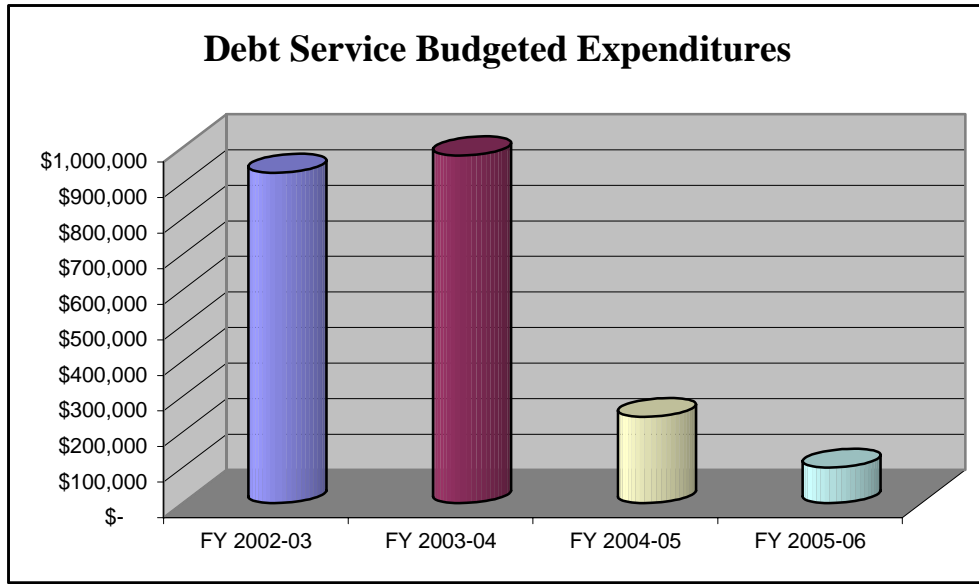
Cultural & Recreation Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Wages	\$ 364,921	\$ 235,000	\$ 207,693	\$ 232,000	11.7%
Operating	531,309	651,765	574,593	764,195	33.0%
Capital	251,541	389,600	261,402	305,000	16.7%
Total Expenditures	\$ 1,147,771	\$ 1,276,365	\$ 1,043,688	\$ 1,301,195	24.7%

General Fund Departments/Divisions: Parks and Recreation, Harness Track, Fair Barn

Other Funds Included: Land Dedication Fund



Consolidated Budget Summary



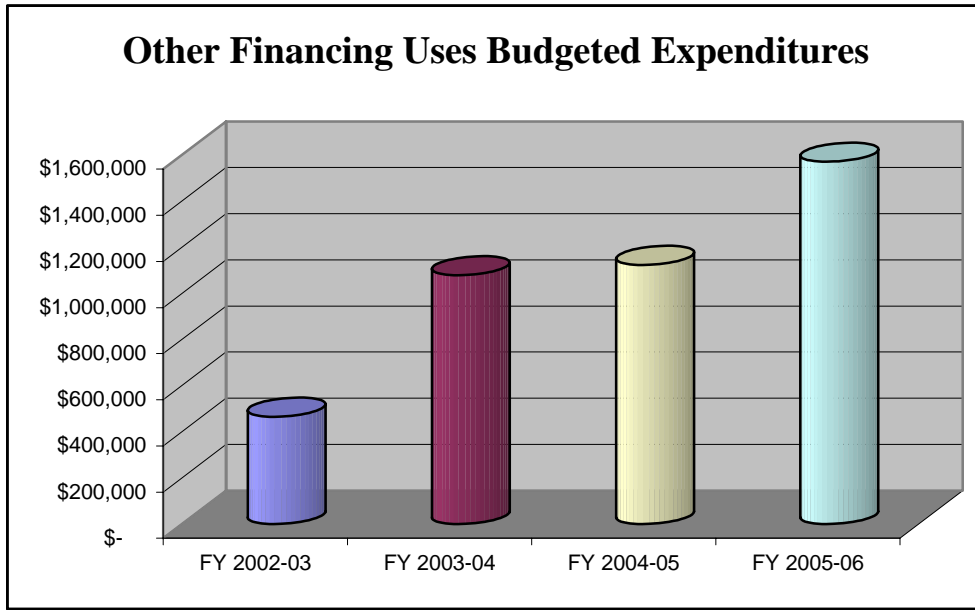
Debt Service	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 929,615	\$ 978,255	\$ 242,495	\$ 100,000
Dollar Change	96,250	48,640	(735,760)	(142,495)
Percent Change	11.5%	5.2%	-75.2%	-58.8%

Debt Service Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Operating	\$ -	\$ 242,495	\$ -	\$ 100,000	#DIV/0!
Total Expenditures	\$ -	\$ 242,495	\$ -	\$ 100,000	#DIV/0!

Funds with Debt Service: General Fund



Consolidated Budget Summary



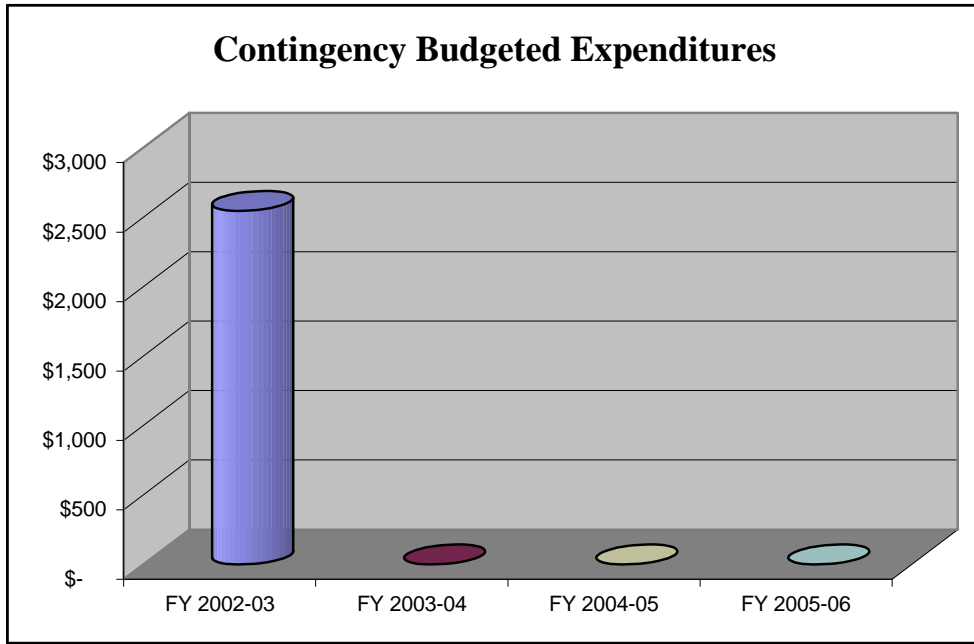
Other Financing Uses	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 465,000	\$ 1,078,360	\$ 1,123,055	\$ 1,569,780
Dollar Change	358,575	613,360	44,695	446,725
Percent Change	336.9%	131.9%	4.1%	39.8%

Other Financing Uses Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Operating	\$ 1,861,136	\$ 1,123,055	\$ 1,253,071	\$ 1,569,780	25.3%
Total Expenditures	\$ 1,861,136	\$ 1,123,055	\$ 1,253,071	\$ 1,569,780	25.3%

Funds with Other Financing Uses: General Fund, Taylorhurst Assessment Fund, Residential Assurance Fund – Interest, Capital Reserve Fund



Consolidated Budget Summary



Contingency	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Total Budgeted Amount	\$ 2,545	\$ -	\$ -	\$ -
Dollar Change	2,545	(2,545)	-	-
Percent Change	100.0%	-100.0%	100.0%	#DIV/0!

Contingency Expenditures	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Operating	\$ -	\$ -	\$ -	\$ -	100.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ -	100.0%

Funds with Contingency: General Fund



Consolidated Budget Summary

Consolidated Fund Balance Discussion

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 of Pinehurst Council has a financial policy recommending that the fund balance in the General Fund remain between 27% and 33% 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.

For all Village of Pinehurst annually budgeted funds, the fund balance trends are as follows:

Fund Balances	FY 2001-02 Actual	FY 2002-03 Actual	FY 2003-04 Actual	FY 2004-05 Estimated
General Fund	\$ 2,914,420	\$ 3,662,522	\$ 3,674,629	\$ 4,608,644
Taylorhurst Assessment Fund	17,048	23,076	29,101	25,694
Land Dedication Fund	4,962	5,024	5,069	5,269
Residential Assurance - Interest Fund	13,304	13,070	11,382	11,434
Municipal Service District Fund	329	919	3,157	4,126
Capital Reserve Fund	319,189	235,254	331,262	565,291
Fund Totals	\$ 3,269,252	\$ 3,939,865	\$ 4,054,600	\$ 5,220,458

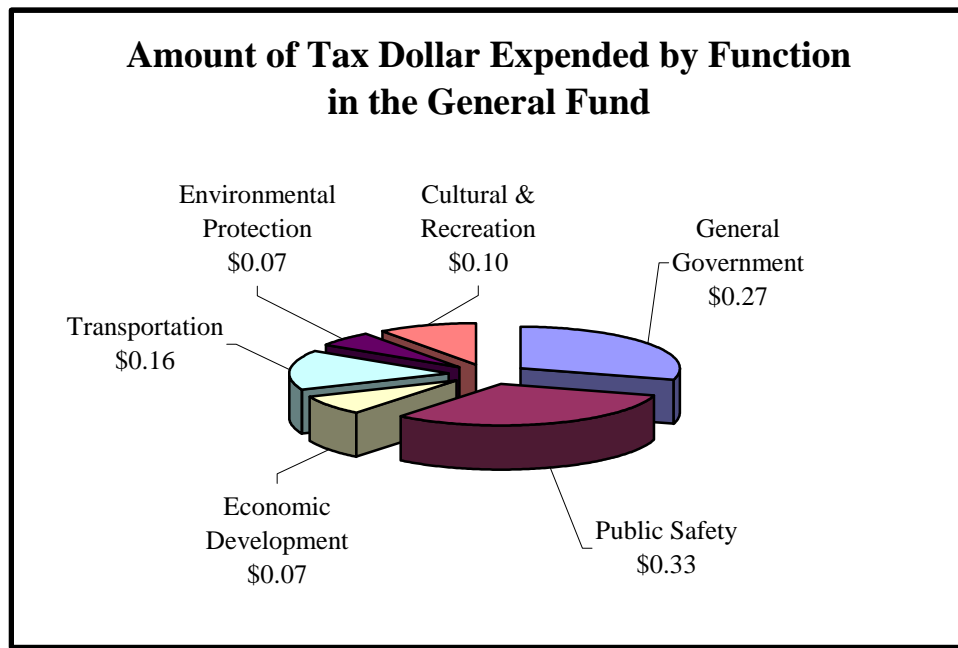


General Fund Summary

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



Summary

The General Fund has experienced steady growth over the past five years, with total operating revenues increasing 56% over this time period, or up from \$8.2 million in FY 2000-2001 to \$12.8 million in FY 2005-2006. Operating expenditures have also increased significantly over the same time frame, up \$4.6 million to \$12.8 million in FY 2005-2006. During this same time period, the Village's population has increased almost 10%. The information below indicates the Village's results from operations before any other financing sources or uses for the past five years:



General Fund Summary

	<u>Revenues</u>	<u>Expenditures</u>	<u>Income (Loss)</u>
6/30/02	\$ 7,727,000	\$ 8,517,000	\$ (790,000)
6/30/03	8,836,000	8,437,000	399,000
6/30/04	10,296,000	10,207,000	89,000
6/30/05	11,003,000	11,275,000	(272,000)
6/30/06	11,586,180	12,136,690	(550,510)

FY 2001-2002 is the year the Governor withheld the Village's local government reimbursement funds in excess of \$300,000 and when the Village experienced an over \$300,000 increase in group insurance costs under the previously self-insured program. The FY 2004-2005 revenues include non-recurring revenues from the US Men's Open Championship in the amount of \$300,000. After subtracting other net Financing Uses of \$763,000 and adding Other Financing Sources of \$532,235 and Appropriated Fund Balance of \$781,275, the Village's Recommended Budget is balanced in accordance with North Carolina General Statutes in FY 2005-2006.

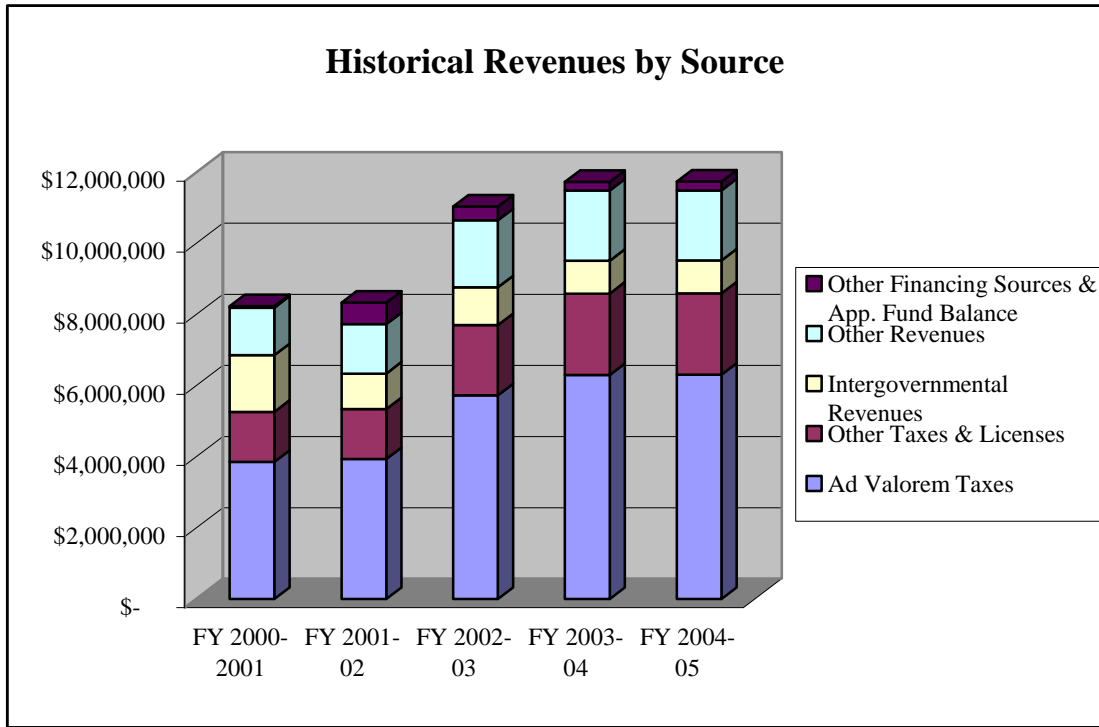
Revenues

General Fund Revenue by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Ad Valorem Taxes	\$ 5,738,456	\$ 6,230,000	\$ 6,304,112	\$ 6,473,000	2.7%
Other Taxes & Licenses	1,962,078	2,053,000	2,286,000	2,401,100	5.0%
Unrestricted Intergovernmental Rev.	496,028	521,000	473,000	486,000	2.7%
Restricted Intergovernmental Rev.	570,978	445,500	453,625	446,930	-1.5%
Permits & Fees	1,257,217	1,349,050	1,415,681	1,171,750	-17.2%
Sales & Services	366,911	365,500	370,507	363,050	-2.0%
Other Revenues	227,022	84,255	88,046	89,350	1.5%
Investment Income	32,218	35,000	95,170	155,000	62.9%
Other Financing Sources	384,049	252,185	247,235	532,235	115.3%
Fund Balance Appropriations	-	896,580	-	781,275	100.0%
Total Revenues	\$ 11,034,957	\$ 12,232,070	\$ 11,733,374	\$ 12,899,690	9.9%

Budget Highlights: The Approved Budget for FY 2005-2006 represents a 5% increase over the FY 2004-2005 amended budget and an almost 10% increase over estimated revenues for FY 2004-2005. Ad Valorem taxes and Other Taxes and Licenses, which represent 69% of total revenues, show steady growth. Permits & Fees revenues, however, are expected to decline due to the non-recurring license fees of \$300,000 from the 2005 U.S. Open Championship in FY 2004-2005. The total increase in budgeted revenues for FY 2005-2006 is due primarily to increased transfers in from the Capital Reserve Fund, or Other Financing Sources.



General Fund Summary



Expenditures

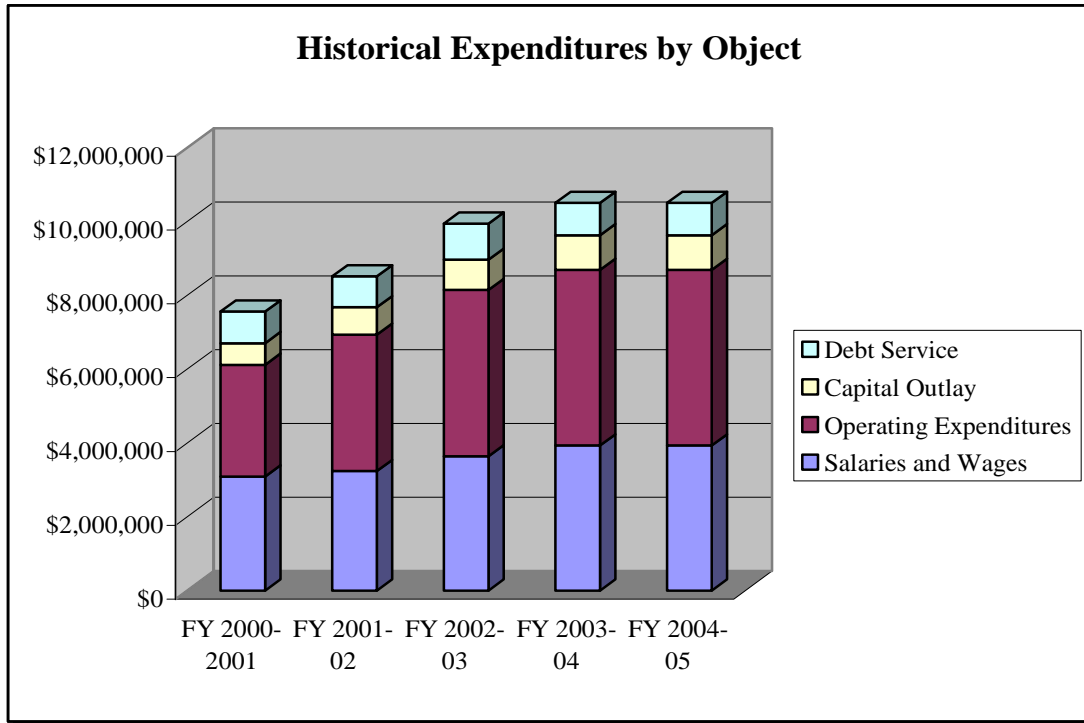
General Fund Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 4,806,089	\$ 5,701,615	\$ 5,308,972	\$ 5,899,150	11.1%
Operating	4,423,441	4,503,965	3,724,776	5,036,895	35.2%
Capital	815,250	1,155,620	940,150	926,100	-1.5%
Debt Service	978,076	870,870	870,836	1,037,545	19.1%
Total Expenditures	\$ 11,022,856	\$ 12,232,070	\$ 10,844,734	\$ 12,899,690	18.9%

Budget Highlights:

The Approved Budget for FY 2005-2006 includes the addition of two new full-time positions, and four other part-time positions or 3.55 FTEs. It also includes the removal of one full-time position, resulting in a net increase of 2.55 FTEs. There are several reasons for the increase in salaries in FY 2005-2006. Among them are the salaries and benefits for the new positions and a projected 20% increase in group insurance premiums effective January 1, 2006. The combination of these items has resulted in increased General Fund Salaries and Benefits by 11%. The increase in Operating expenditures is due primarily to increased transportation planning costs, professional fees for the design of a new Recreation Center, and storm water related costs for master planning and drainage lot acquisition. Capital spending in the General Fund has decreased by 1.5%. However, the Village has two significant capital project funds in progress that are accumulating significant capital costs. Debt service payments have increased by 19% due to the addition of the Fire Station installment financing agreement.

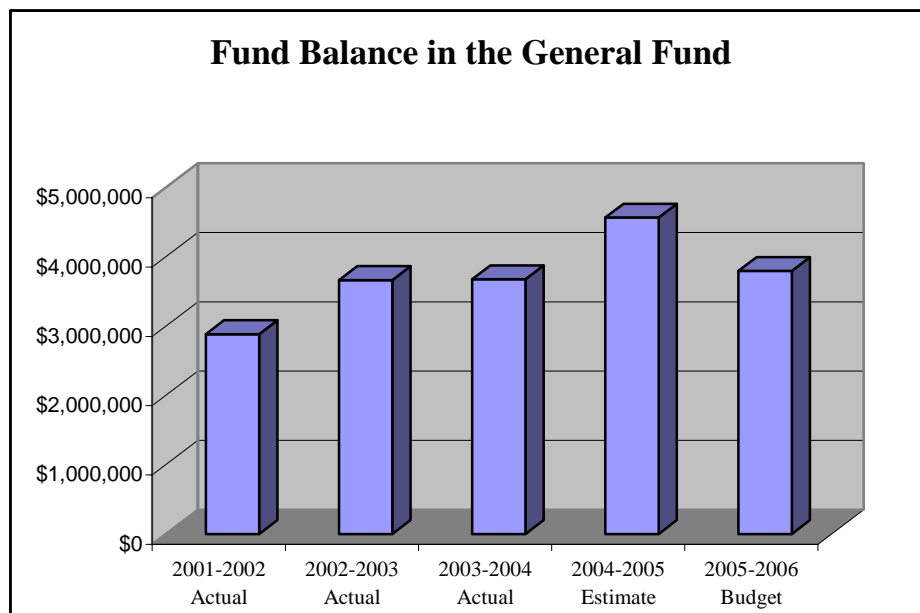


General Fund Summary



Fund Balance

Fund Balance is estimated to be \$4,563,268 at June 30, 2005. This represents 37% of the total General Fund budgeted expenditures. The Village Council's policy is to maintain 27%-33% of expenditures in Fund Balance. As a result, there is a budgeted transfer for the excess Fund Balance in the amount of \$462,700 to the Capital Reserve Fund in FY 2005-2006.





Description of Revenue Source

Ad Valorem Taxes are taxes 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 has historically been revalued by the Moore County Tax Department every eight years, with the last revaluation completed in the 2003 tax year, or FY 2003-2004. Beginning in FY 2007-2008, real property will be revalued every four (4) years.

Motor vehicles are either registered in North Carolina under the annual system or the staggered system. Taxes for vehicles that are registered under the staggered system are due the first day of the fourth month after the vehicles are registered. For those motor vehicles registered under the annual system, taxes are due on May 1 of each year.

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 one-half of all Village General Fund revenues. This includes current year's collections, prior year's collections, penalties and interest, and refunds.

Ad Valorem Taxes	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Real & Personal - Current Year	\$ 5,354,875	\$ 5,855,000	\$ 5,894,000	\$ 6,060,000	2.8%
Real & Personal - Prior Years	6,716	5,000	2,072	5,000	141.4%
Motor Vehicles - Current Year	363,422	360,000	395,000	400,000	1.3%
Motor Vehicles - Prior Years	10,385	5,000	9,940	5,000	-49.7%
Discounts/Reliefs/Refunds	(5,788)	(1,000)	(2,400)	(3,000)	25.0%
Tax Interest	8,846	6,000	5,500	6,000	9.1%
Total Ad Valorem Tax Revenue	\$ 5,738,456	\$ 6,230,000	\$ 6,304,112	\$ 6,473,000	2.7%

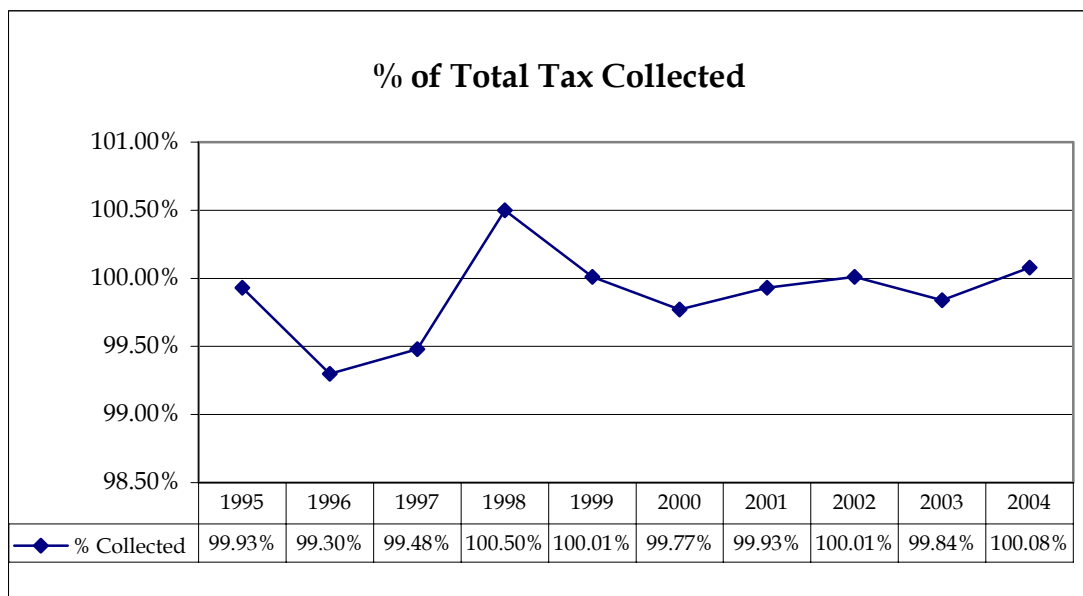
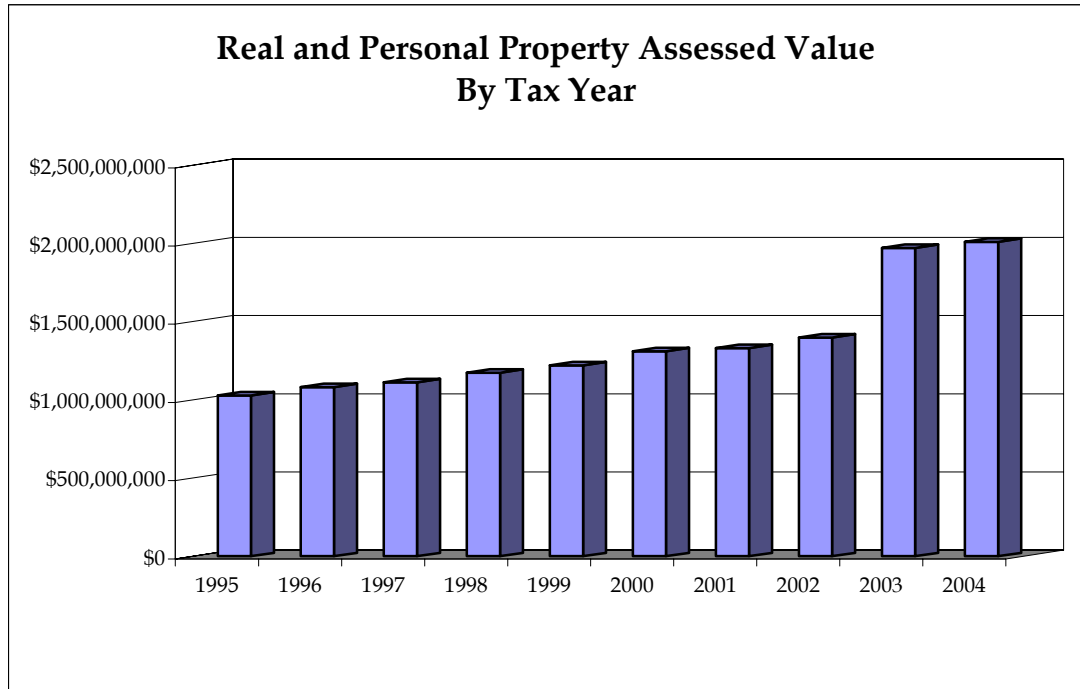
Revenue Assumptions

- The ad valorem tax rate for the Village of Pinehurst will remain at the rate of \$0.31 per \$100 valuation for fiscal year ending June 30, 2006. This will generate \$6,473,000 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$2,096,000,000, of which \$1,962,000,000 is real property valuation and \$134,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.



Ad Valorem Taxes

- The growth factor used to estimate the real property valuation is 3.0%, which is fueled primarily by consistent growth in the residential tax base in excess of \$40 million annually. The growth factor for the motor vehicles valuation is 2.0%.
- The historical collection rates used to determine actual ad valorem tax revenue are 99.8% for real and personal property and 96.4% for motor vehicles. These have historically been some of the highest tax collection rates in the State.





Other Taxes and Licenses

Description of Revenue Source

Other Taxes and Licenses consist of Local Option Sales Tax and Cablevision Franchise Fees.

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 \$0.025 consists of four separate taxes that are authorized by the North Carolina General Statutes: Article 39 at \$0.01, Article 40 at \$0.005, Article 42 at \$0.005 and Article 44 at \$0.005. This local government sales and use tax is applied to 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. The State of North Carolina distributes this tax to the Village on a monthly basis.

Cablevision Franchise Fees are franchise taxes that are levied by the Village on cable television franchises equal to 5.0% of gross receipts. The Village has granted Time Warner Entertainment a cable television franchise in the Village and has levied a 5.0% tax that is remitted to the Village on a quarterly basis.

Other Taxes & Licenses	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Local Option Sales Tax	\$ 1,788,004	\$ 1,883,000	\$ 2,091,000	\$ 2,200,000	5.2%
Cablevision Franchise Fees	174,074	170,000	195,000	201,100	3.1%
Total Other Taxes & Licenses	\$ 1,962,078	\$ 2,053,000	\$ 2,286,000	\$ 2,401,100	5.0%

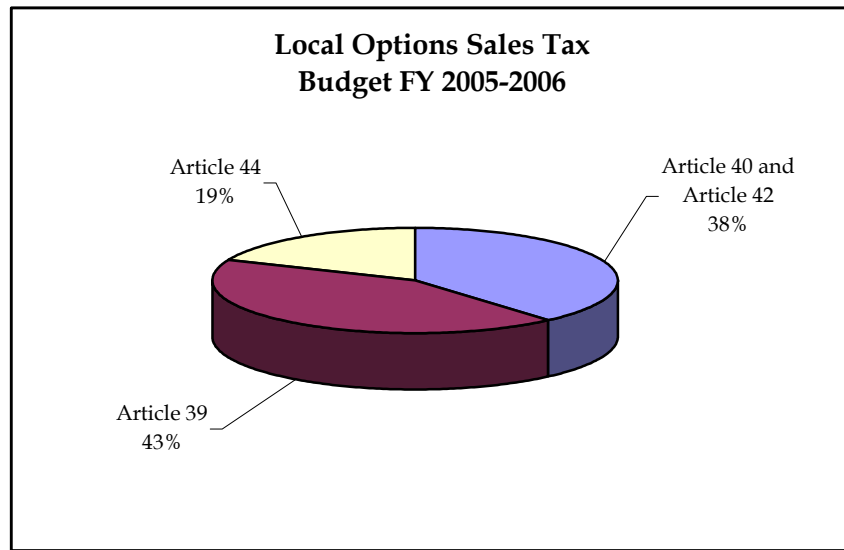
Revenue Assumptions

- Local Option Sales Tax estimates are based on a 4.0% expected statewide growth factor for Articles 39, 40, 42 and 44. 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 state-collected revenues.
- Cablevision Franchise Fee estimates are based upon a 3.0% conservative historical growth factor on the past distributions received by the Village.



Other Taxes and Licenses

The distribution of the local options sales tax revenue by tax type is depicted in the following graph.





Unrestricted Intergovernmental Revenues

Description of Revenue Source

Unrestricted Intergovernmental Revenue consists of Telecommunications Tax, Electricity Franchise Tax and Wine & Beer Tax. All three of these taxes are state-shared revenues.

The Telecommunications Tax represents a 6.0% 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.

Electricity Franchise Tax represents 3.09% of the taxable gross receipts of the sales of electric power derived within the Village's corporate limits. The State of North Carolina distributes this tax to the Village on a quarterly basis.

The Wine & 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.

	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Unrestricted Intergovernmental Revenue					
Telecommunications Tax	\$ 102,525	\$ 107,000	\$ 101,000	\$ 101,000	0.0%
Electricity Franchise Tax	349,619	372,000	330,000	340,000	3.0%
Wine & Beer Tax	43,884	42,000	42,000	45,000	7.1%
Total Unrest. Intergovernmental Rev.	\$ 496,028	\$ 521,000	\$ 473,000	\$ 486,000	2.7%

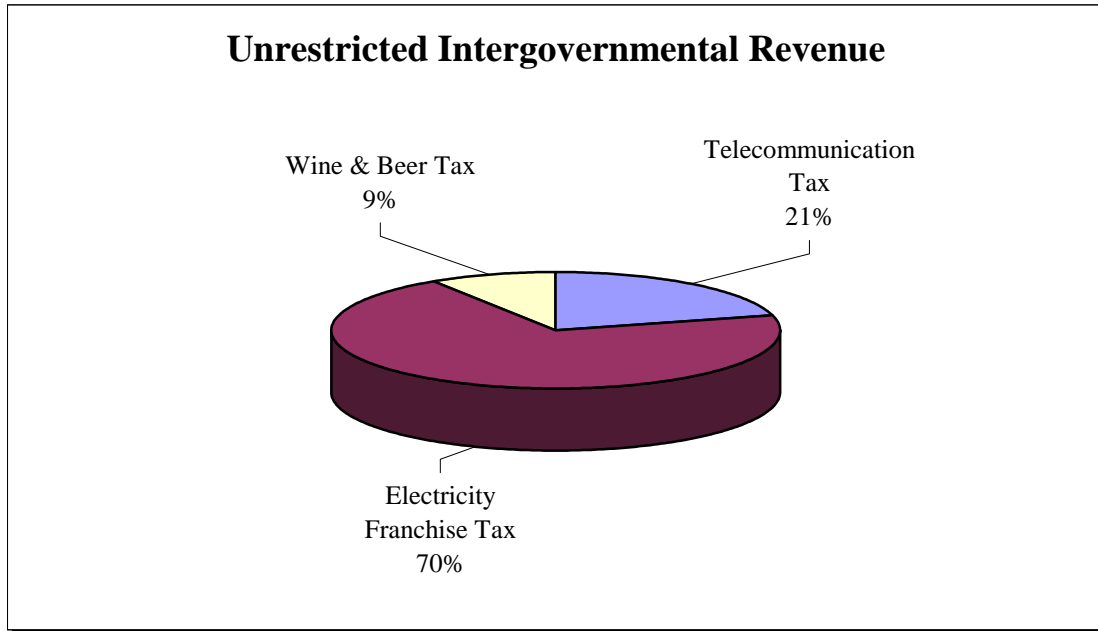
Revenue Assumptions

- Telecommunications Taxes and Electricity Franchise Taxes are both projected based upon growth assumptions provided by the NCLM. Applying the conservative statewide revenue growth assumptions, revenue for Electricity Franchise Taxes is estimated to increase by 3% in FY 2005-2006. The NCLM is not expecting any increase in revenue for Telecommunications Taxes in this same period.
- Applying the conservative statewide revenue growth assumption for Beer & Wine Tax revenues, these revenues are projected to increase by 2.5% in FY 2005-2006.



Unrestricted Intergovernmental Revenues

The following graph shows that the Village receives approximately 70% of unrestricted intergovernmental revenue from electricity franchise taxes.





Restricted Intergovernmental Revenues

Description of Revenue Source

Restricted Intergovernmental Revenues include Powell Bill funds 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 State Highway Fund for the proceeds from a one and three-fourth (1 $\frac{3}{4}$) cents tax on each gallon of motor fuel sold within the state. 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.

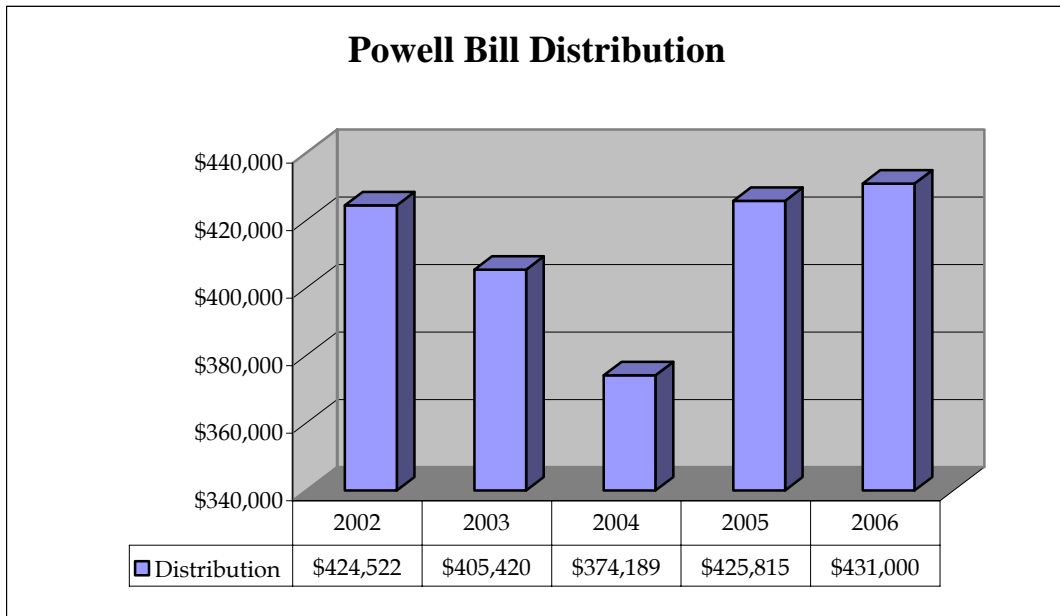
Restricted Intergovernmental Revenue	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Powell Bill	\$ 374,189	\$ 395,000	\$ 425,815	\$ 440,000	3.3%
Other Grants	196,789	50,500	27,810	6,930	-75.1%
Total Rest. Intergovernmental Rev.	\$ 570,978	\$ 445,500	\$ 453,625	\$ 446,930	-1.5%

Revenue Assumptions

- Given the impact of the modestly improving economy and higher gas prices and the return of another \$25 million of the \$125 million the Governor borrowed to balance the FY02-03 budget, the per capita rate used in the estimation of Powell Bill revenue is \$24.10, which is up approximately 3% from the previous year's actual distribution rate. Additionally, the street mile rate utilized to project the allocation is \$1,775 per street mile maintained, which is up \$56 from the fiscal year 2004-2005 distribution. Both of these estimated distribution rates were provided by the NCLM.
- The Village does not budget for other grant revenues until a grant award notification has been received. The Village has received a notice of award for a Fire Department grant that has been budgeted for FY 2005-2006.



Restricted Intergovernmental Revenues





Description of Revenue Source

Permits and Fees consist primarily of Permit & Inspection Fees, Planning & Zoning Fees and Fire District Revenue. There are also several other minor fees that are included in Permits and Fees revenue.

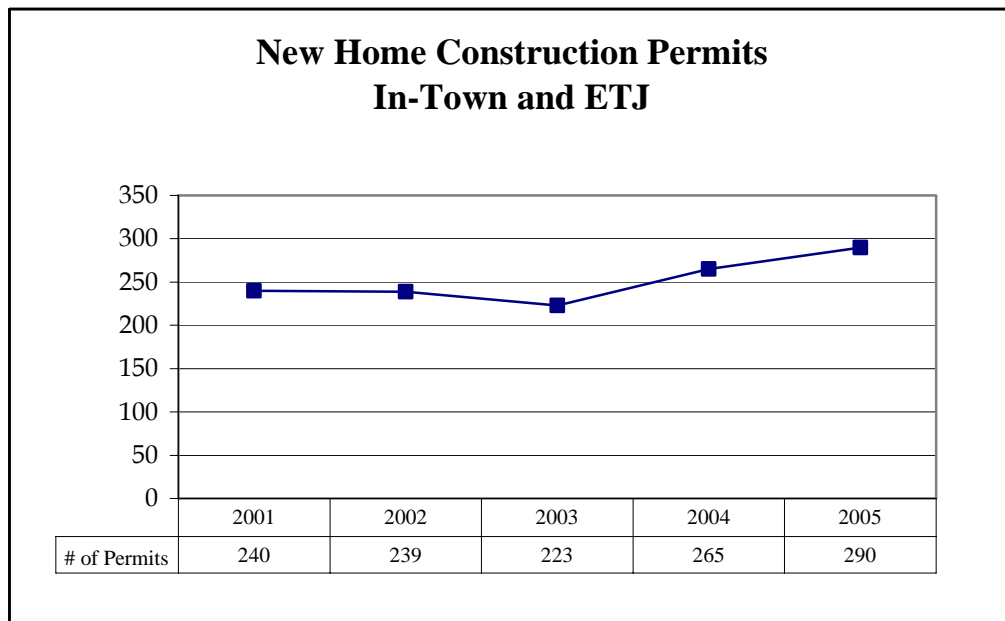
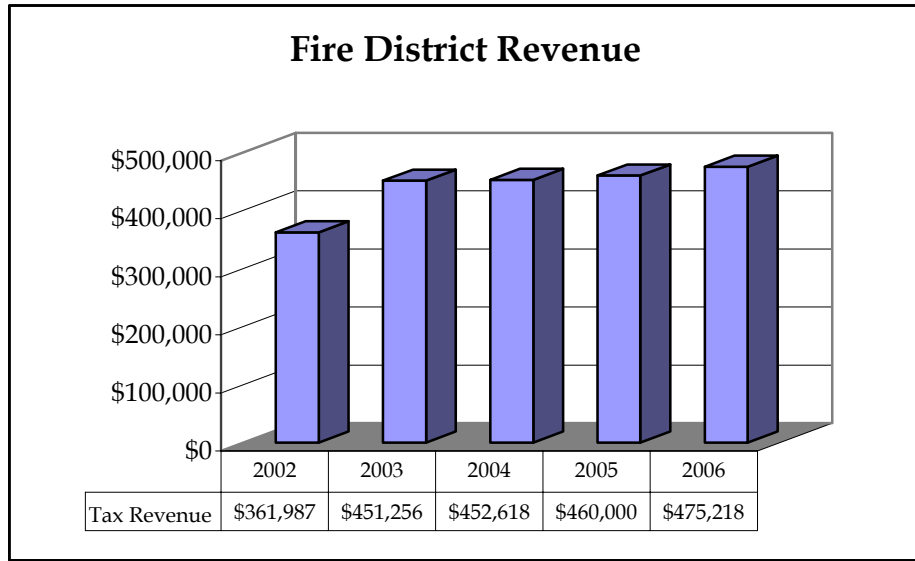
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village's growth is generated primarily by new residential construction; therefore it is new home construction that really drives this revenue source.

Fire District Revenue represents the amount of funds paid to the Village by Moore County for the Village's fire department to provide fire protection service to its extraterritorial jurisdiction (ETJ). The Village also contracts with a neighboring local government jurisdiction to provide fire protection services under an annual contract. This is also included in Fire District Revenue. The amount of funds paid to the Village is based upon a tax rate established by Moore County that is applied to the real and personal property valuation in the covered areas. The Moore County Tax Department levies and collects the fire district tax for the Village's ETJ and then remits collections to the Village monthly.

Permits & Fees	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
US Open Franchise Fees	\$ 145,000	\$ 300,000	\$ 300,000	\$ -	-100.0%
Permit & Inspection Fees	532,786	481,250	527,346	560,000	6.2%
Planning & Zoning Fees	112,554	101,500	131,525	121,000	-8.0%
Fire District Revenue	452,618	455,000	429,000	471,000	9.8%
Other Fees	14,259	11,300	27,811	19,750	-29.0%
Total Permit & Fees	\$ 1,257,217	\$ 1,349,050	\$ 1,415,681	\$ 1,171,750	-17.2%

Revenue Assumptions

- Permit & Inspection Fees and Planning & Zoning Fees are budgeted at a level that is fairly consistent with the estimated revenue for FY 2004-2005. The Village anticipates consistent levels of new home construction of approximately 240 homes next year in the Village limits and ETJ.
- The Village received nonrecurring revenue of \$300,000 for providing various services to support the 2005 US Open Championship in FY 2004-2005.
- Fire district revenue is based upon a tax rate of \$0.10 per \$100 of property valuation, which is consistent with the current rate.





Description of Revenue Source

Sales and Services revenue consists of three separate revenue sources for Parks and Recreation Fees and Charges. The first source is Harness Track revenue for stall and other facility rentals, as well as revenues generated from show 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.

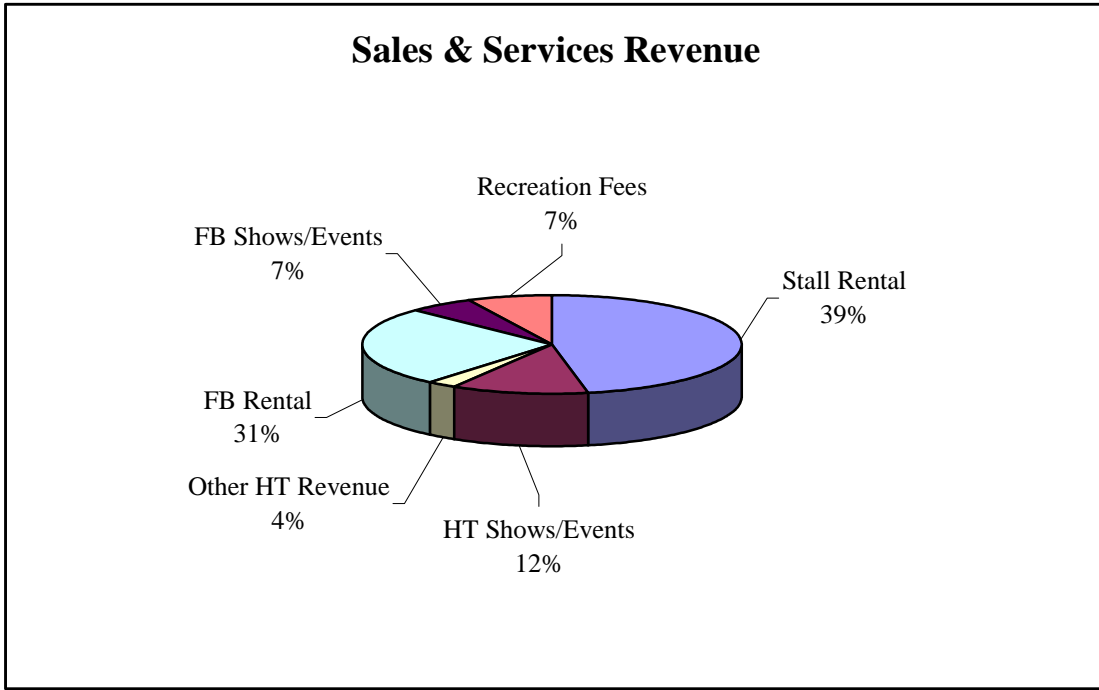
The second primary revenue source in this category is revenue generated from the Village's Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering 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 and athletic leagues sponsored by the Parks & Recreation Department.

Sales & Services	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Stall Rental Revenue	\$ 155,102	\$ 145,000	\$ 168,000	\$ 170,000	1.2%
Harness Track Shows/Events Revenue	63,652	42,500	34,218	42,500	24.2%
Other Harness Track Revenue	15,779	13,000	10,324	9,550	-7.5%
Fair Barn Rental Revenue	96,153	115,000	121,377	94,500	-22.1%
Fair Barn Shows/Events Revenue	12,980	25,000	12,953	20,000	54.4%
Recreation Fees	23,245	25,000	23,636	26,500	12.1%
Total Sales & Services	\$ 366,911	\$ 365,500	\$ 370,507	\$ 363,050	-2.0%

Revenue Assumptions

- The events held at the Fair Barn continue to be successful, resulting in a projected increase in revenue from \$109,000 in FY 2003-2004 to \$115,000 in FY 2005-2006, which is approximately a 6% increase. Several events were held at the Fair Barn related to the 2005 US Open Championship; therefore, FY 2004-2005 revenue is not a good indicator of estimated revenue in FY 2005-2006.
- At the Harness Track, two barns were used and three events did not occur to accommodate the needs of the 2005 US Open Championship. Consequently, 2004-2005 revenue is not a good indicator of estimated revenue in FY 2005-2006. Harness Track stall rental fees and event fees are projected to increase by approximately 17% or \$25,000 from FY 2003-2004 to FY2005-2006.
- Recreation fees are expected to increase by 12% due to increased participation and a recently approved increase in the recreation fee schedule.





Other Revenues

Description of Revenue Source

Other Revenues include Alcoholic Beverage Control (ABC) Revenues and Other Miscellaneous Revenues. ABC revenue is based on the sale of mixed beverages and counter sales of alcoholic beverages in Pinehurst. Other Miscellaneous Revenues include donations made to the Village, fees generated by the Police Department, and various other minor fees.

Other Revenues	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
ABC Revenues	38,486	40,000	53,664	58,000	8.1%
Other Miscellaneous Revenues	188,536	44,255	34,382	31,350	-8.8%
Total Other Revenues	\$ 227,022	\$ 84,255	\$ 88,046	\$ 89,350	1.5%

Revenue Assumptions

- ABC revenue is projected to increase by 8.0% for the FY 2005–2006, due to a substantial increase in projected counter sales of alcoholic beverages, which is based on an eight-year historical average.



Investment Income

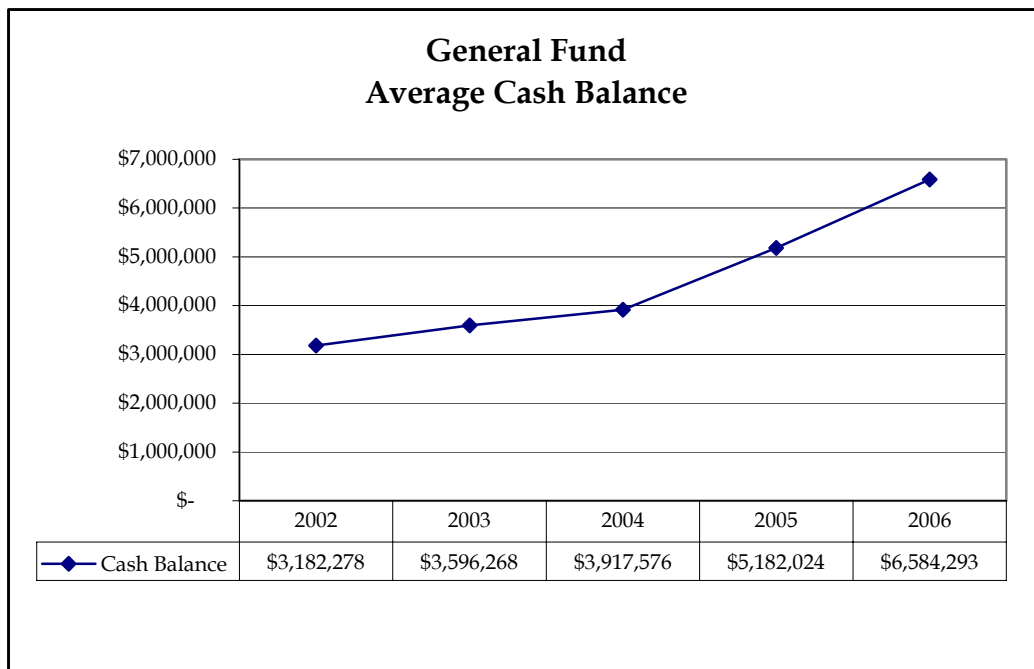
Description of Revenue Source

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) in a SEC-registered (2a7) money market mutual fund and other investment vehicles.

	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Investment Income	32,218	35,000	95,170	155,000	62.9%
Total Investment Income	\$ 32,218	\$ 35,000	\$ 95,170	\$ 155,000	62.9%

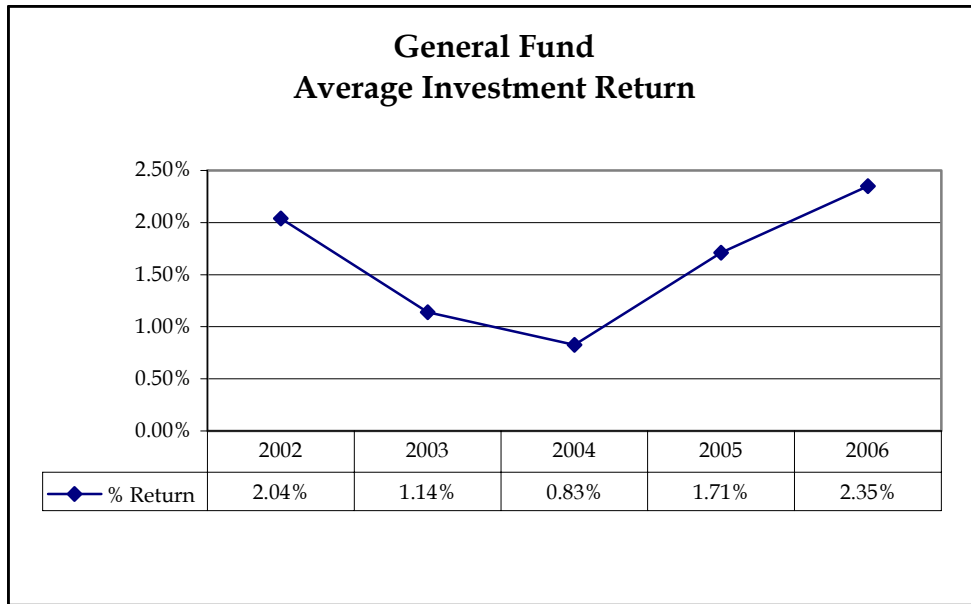
Revenue Assumptions

- Investment income is estimated based upon an average cash balance of \$6.6 million and a conservative average rate of return of 2.35%.





Investment Income





Other Financing Sources

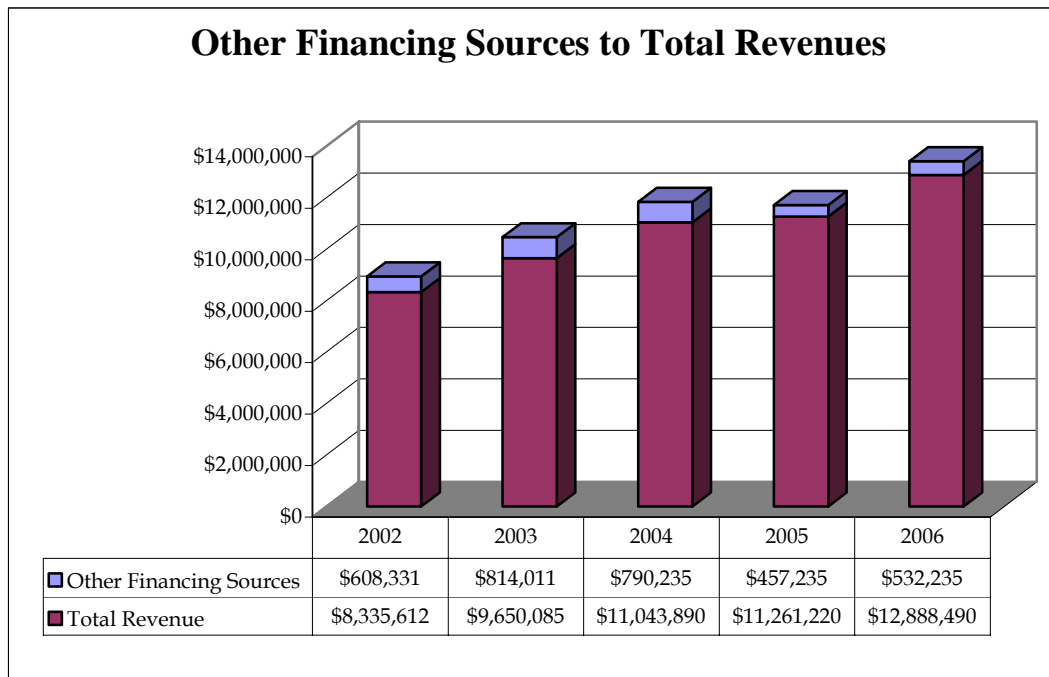
Description of Revenue Source

Other Financing Sources is comprised of Loan Proceeds and Operating Transfers from other funds. Loan proceeds are recognized as an Other Financing Source in the year of issuance. There is a recurring operating transfer from a Special Revenue Fund for annual debt service payments on an installment financing agreement, and other transfers are made on an as needed basis. Another common Operating Transfer would be from the Capital Reserve Fund to pay for capital expenditures made in the General Fund.

Other Financing Sources	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Loan Proceeds	\$ -	\$ -	\$ -	\$ -	0.0%
Transfer from Capital Project Funds	17,614	-	-	-	0.0%
Transfer from Capital Reserve Fund	333,000	215,000	215,000	500,000	132.6%
Transfer from Other Special Rev Funds	33,435	37,185	32,235	32,235	0.0%
Total Other Financing Sources	\$ 384,049	\$ 252,185	\$ 247,235	\$ 532,235	115.3%

Revenue Assumptions

- An Operating Transfer of \$32,235 from the Taylorhurst Special Revenue Fund for debt service will occur in the 2005-2006 fiscal year. Another transfer of \$500,000 will come from the Capital Reserve Fund in FY 2005-2006.





Fund Balance Appropriations

Description of Revenue Source:

Revenue from Fund Balance Appropriations is the use of equity (net assets), which has been accumulated from previous fiscal years, to pay for current fiscal year expenditures.

Fund Balance Appropriations	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Fund Balance Appropriated	-	896,580	-	781,275	100.0%
Total Fund Balance Appropriations	\$ -	\$ 896,580	\$ -	\$ 781,275	100.0%

Revenue Assumptions:

- The FY 2005–2006 Budget contemplates the use of \$781,275 of appropriated fund balance.



Description:

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.

Major Accomplishments for Fiscal Year 2004-2005:

- Facilitated the establishment of a Growth Review Committee.
- Facilitated the establishment of the Conservation Commission.
- Adopted a Vision Statement for the Village of Pinehurst in conjunction with the Senior Staff.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To ensure the provision of progressive, responsive, and proactive community services for the citizens of Pinehurst in order to protect and enhance the Village's character and the quality of life its residents enjoy.

Objective: To increase the percentage of the 2003 Comprehensive Long Range Plan initiatives implemented by 14%, from 68% to 82% toward a target of 100%.



Governing Body

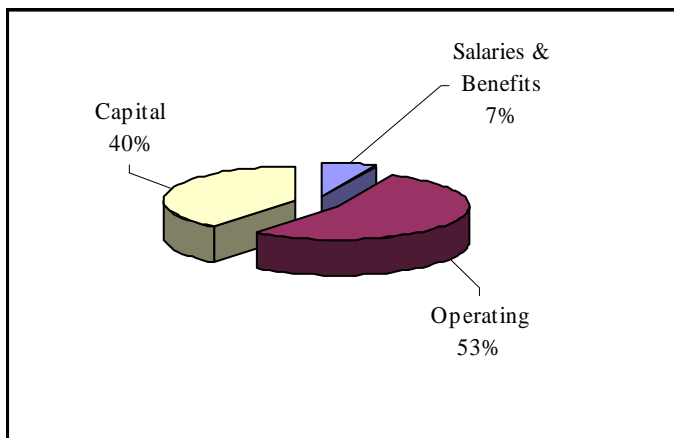
The Governing Body Department is located on the first floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

Additional information about the Governing Body Department may be obtained by contacting Linda Brown, Village Clerk, at 910.295.1900 or lbrown@villageofpinehurst.org

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 18,963	\$ 26,000	\$ 25,439	\$ 26,000	2.2%
Operating	372,625	227,350	237,665	203,200	-14.5%
Capital	1	45,000	13,000	150,000	1053.8%
Expenditures Total	\$ 391,589	\$ 298,350	\$ 276,104	\$ 379,200	37.3%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 391,589	\$ 298,350	\$ 276,104	\$ 379,200	37.3%
Revenues Total	\$ 391,589	\$ 298,350	\$ 276,104	\$ 379,200	37.3%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	5.00	5.00	5.00	5.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	5.00	5.00	5.00	5.00	0.0%



Budget Highlights:

The Budget for the Governing Body includes salaries for the Mayor and four council members. The FY 2005-2006 also includes capital expenditures for the purchase of seven to ten lots targeted for essential storm water drainage purposes.



Description:

The Administration Department, which includes the Village Manager, Assistant Manager of Operations and the Village Clerk, provides top-level support to the Village Council. It also serves as a support and liaison to the eleven departments of the Village to ensure that services are provided to Village residents in an efficient, responsive, and cost efficient manner.

Major Accomplishments for Fiscal Year 2004-2005:

- Reorganized by promoting two senior staff members to Assistant Village Managers.
- Facilitated the Senior Leadership and Council retreat that culminated in the adoption of a shared vision for the Village of Pinehurst.
- Developed a system to centralize the storage of original contracts entered into by the Village.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide leadership to the Village staff in order to implement a performance management system.

Objective: To increase the number of performance reviews completed on the performance based evaluation by 33%, from 17% to 50%, toward a target of 100%.

Goal: To provide timely compilation and dissemination of information to citizens, Council, and staff in order to keep them informed of Village business and actions.

Objective: To increase the percentage of signed minutes, ordinances, and resolutions converted to an electronic format by 75%, from zero to 75%, toward a target of 100%.

Objective: To increase the percentage of minutes from Council meetings published to the Village's website within 10 calendar days, from zero to 50%, toward a target of 100%.



Administration

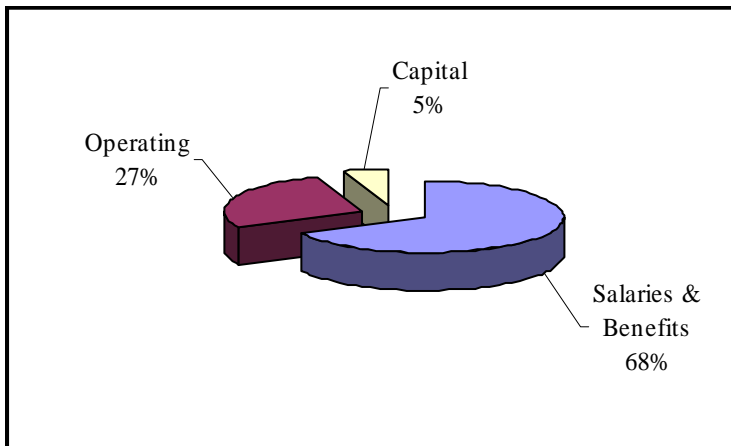
The Administration Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

Additional information about the Administration Department may be obtained by contacting Linda Brown, Village Clerk, at 910.295.1900 or lbrown@villageofpinehurst.org

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 522,675	\$ 383,010	\$ 348,218	\$ 377,650	8.5%
Operating	311,072	285,150	196,546	152,240	-22.5%
Capital	44,093	-	-	30,000	100.0%
Expenditures Total	\$ 877,840	\$ 668,160	\$ 544,764	\$ 559,890	2.8%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 877,840	\$ 668,160	\$ 544,764	\$ 559,890	2.8%
Revenues Total	\$ 877,840	\$ 668,160	\$ 544,764	\$ 559,890	2.8%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	8.00	4.00	4.00	4.00	0.0%
Part Time	-	0.50	0.50	0.50	0.0%
Total Authorized Personnel	8.00	4.50	4.50	4.50	0.0%



Budget Highlights:

The FY 2005-2006 Budget reflects the addition of a part-time administrative assistant. As part of a new disaster recovery plan, capital includes the purchase of a generator to insure the ongoing functionality of critical computer systems located in the Village Hall.



Description:

The Director of Financial Services reports directly to the Assistant Village Manager of Finance and Administration and serves as a member of the senior leadership team. The Financial Services Department consists of the Assistant Village Manager of Finance and Administration and three additional financial professionals, two of whom are Certified Public Accountants who oversee the fiscal operations of the Village.

Major Accomplishments for Fiscal Year 2004-2005:

- Prepared the Comprehensive Annual Financial Report in accordance with GASB Statement No. 34 in-house and received the Government Finance Officers' Association (GFOA) Certificate of Achievement for Financial Reporting for the 12th consecutive year.
- Implemented the new Microsoft Great Plains reporting software, resulting in the production of a promotional video that was showcased at the world-wide Microsoft user conference.
- Deployed a wide-area network to connect all Village facilities electronically.
- Implemented a purchasing card program to facilitate the purchase of needed goods and services by Village employees.
- Prepared and obtained Council approval of a formal Investment Policy that will aid in maximizing investment earnings on cash balances.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To prepare an accurate budget and facilitate a comprehensive budget process for the staff, Council, and citizens to ensure the public's confidence in the Village's ability to effectively manage its finances.

Objective: To increase the number of requirements implemented for the Government Finance Officer's Association (GFOA) Distinguished Budget Award by 25%, from 50% to 75%, toward a target of 100%.

Objective: To decrease the variance between the original budgeted expenditures and final actual expenditures by 1.5%, from a 1.34% over budget to a 0.16% under budget, toward a target of 2.0% under the original budget.

Goal: To provide timely financial services to the Council and staff in order to assist them in providing progressive, responsive and proactive services for the community of Pinehurst.

Objective: To decrease the average turnaround time to issue purchase orders requested by one day, from three days to two days, toward a target of one day.

Objective: To increase the percentage of months that financial statements are distributed by the tenth of the month by 33%, from 17% to 50%, toward a target of 100%.



Financial Services

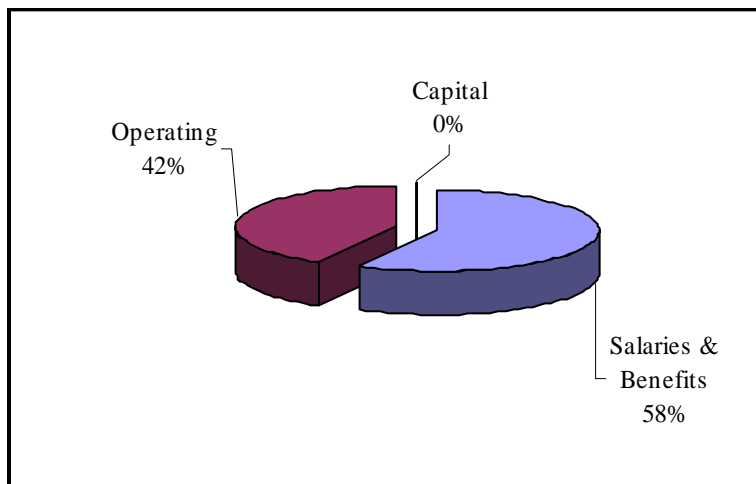
The Financial Services Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

Additional information about the Financial Services Department may be obtained by contacting Ashley W. Matthews, CPA, Director of Financial Services, at 910.295.1900 or amatthews@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ 331,760	\$ 325,562	\$ 342,750	5.3%
Operating	-	206,650	182,870	246,830	35.0%
Capital	-	120,000	75,000	-	-100.0%
Total Expenditures	\$ -	\$ 658,410	\$ 583,432	\$ 589,580	1.1%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ -	\$ 658,410	\$ 583,432	\$ 589,580	1.1%
Total Revenues	\$ -	\$ 658,410	\$ 583,432	\$ 589,580	1.1%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	-	4.00	4.00	5.00	25.0%
Part Time	-	0.75	0.75	-	-100.0%
Total Authorized Personnel	-	4.75	4.75	5.00	5.3%



Budget Highlights:

The Financial Services Department includes the addition of a Finance Technician position. There are no individually significant operating items and no capital items in the FY 2005-2006 Budget.



Description:

The Director of Human Resources reports directly to the Village Manager and serves as a member of the senior leadership team. The Human Resources Department provides a strategic service for recruitment, retention and recognition of competent staff.

Major Accomplishments for Fiscal Year 2004-2005:

- Implemented Tuition Assistance Benefit.
- Partnered with the Fire Department to implement fire extinguisher training for all Village employees.
- With the assistance of various Safety Committee members, completed decibel testing of equipment throughout the Village.
- Held first annual Safety Fair.
- Implemented the first annual “Employee of the Year” recognition program.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide educational safety programs to all Village of Pinehurst employees in order to reduce workers’ compensation lost time due to work related injury and/or illness.

Objective: To reduce the overall workers’ lost time due to illness or injury by 20%, from 322 days to less than 258 days, toward a target of 180 days.

Goal: To implement flexible scheduling where possible, educate supervisors and directors on positive employee relations, and provide customer service training in order to support positive working relationships and foster a balanced work life.

Objective: To decrease the employee turnover rate by 1%, from 9% to 8%, toward a target of consistently holding the rate at 10% or less.



Human Resources

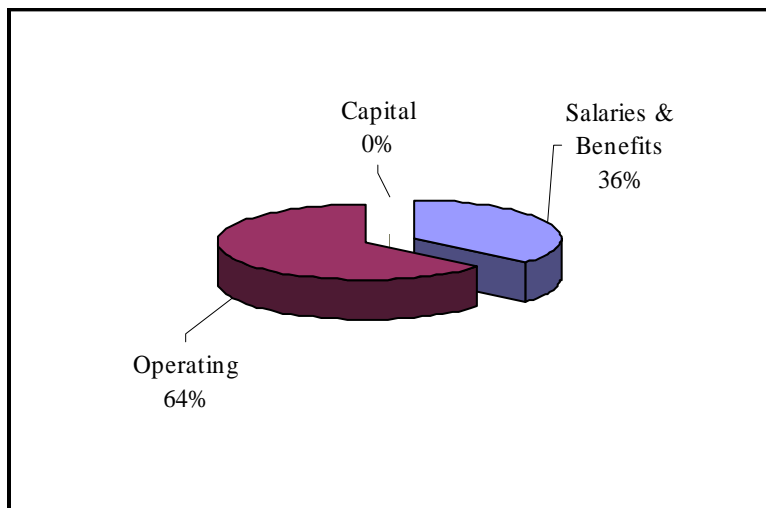
The Human Resources Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

Additional information about the Human Resources Department may be obtained by contacting Karen Habenstein, SPHR, Director of Human Resources, at 910.295.1900 or khabenstein@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ 89,400	\$ 86,002	\$ 115,250	34.0%
Operating	-	95,200	68,934	201,350	192.1%
Capital	-	-	-	-	0
Expenditures Total	\$ -	\$ 184,600	\$ 154,936	\$ 316,600	100.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ -	\$ 184,600	\$ 154,936	\$ 316,600	104.3%
Revenues Total	\$ -	\$ 184,600	\$ 154,936	\$ 316,600	104.3%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	-	-	1.00	1.00	0.0%
Part Time	-	-	-	0.50	100.0%
Total Authorized Personnel	-	-	1.00	1.50	50.0%



Budget Highlights:

The Human Resources Department includes the addition of a part-time HR Specialist. Operating costs include \$105,000 for potential Village-wide salary adjustments as a result of an internal salary survey.



Description:

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 23 police officers, four dispatchers and one administrative assistant.

Major Accomplishments for Fiscal Year 2004-2005:

- Completed installation of cameras and radars in all front line patrol vehicles.
- Clarified process by which an officer requests a training class and how those classes are approved.
- Requested and received military surplus equipment; a securable storage container to use at the Pistol Range for range equipment and supplies, a business grade duplex printer valued at over \$1,200 for use in the Patrol Division and other miscellaneous items.
- Approved by the Governor's Highway Safety Program to purchase various checkpoint equipment totaling approximately \$13,870, the cost of which is to be fully reimbursed to the Village of Pinehurst.
- Development of Training Officer/Officers certified by the NC Criminal Justice Training and Standards Commission to provide the annual training mandated by the Commission for each officer in-house.
- Continued to work with Community Watch in an effort to make the community safer.
- Continued to participate in the Fatal Vision and Safe Kids programs.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide the requisite training to police department personnel in order to facilitate the provision of quality, professional police services to the residents and visitors of the Village.

Objective: To increase the amount of training hours each officer receives by 24 hours from the mandated 24 hours to 48 hours, toward a target of 60 hours of quality training per year.

Goal: To enforce traffic laws on streets within the Village's corporate limits for the motoring public in order to enhance public roadway safety.

Objective: To increase the number of scheduled traffic checkpoints by 2, from zero to 2 toward a target of 4 per year.



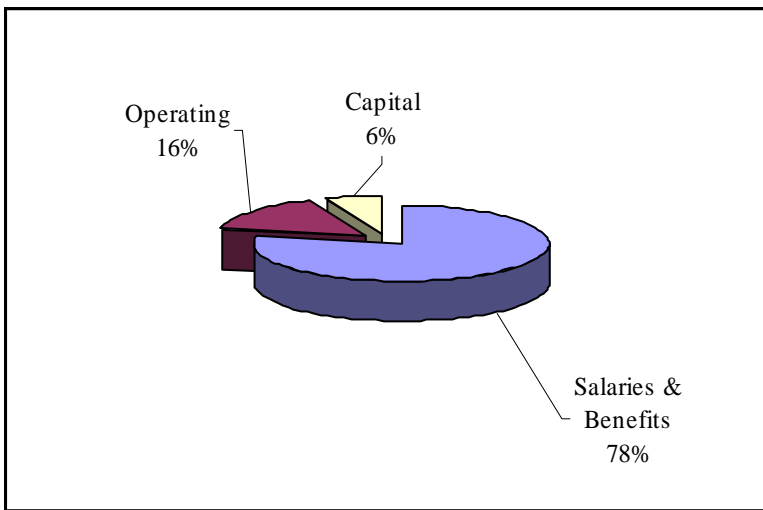
The Police Department is located at 420 Magnolia Drive, Pinehurst, NC.

Additional information about the Police Department may be obtained by contacting Ernest Hooker, Police Chief, at 910.295.3141 or ehooker@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 1,251,927	\$ 1,374,700	\$ 1,331,117	\$ 1,517,750	14.0%
Operating	275,440	277,420	246,700	308,460	25.0%
Capital	113,545	117,020	117,000	119,000	1.7%
Expenditures Total	\$ 1,640,912	\$ 1,769,140	\$ 1,694,817	\$ 1,945,210	14.8%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 1,627,744	\$ 1,756,540	\$ 1,681,849	\$ 1,933,010	14.9%
Police Grants	-	-	-	-	0.0%
Police Fines	5,145	7,500	4,868	6,000	23.3%
Miscellaneous Police Revenues	8,023	5,100	8,100	6,200	-23.5%
Revenues Total	\$ 1,640,912	\$ 1,769,140	\$ 1,694,817	\$ 1,945,210	14.8%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	28.00	28.00	28.00	28.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	28.00	28.00	28.00	28.00	0.0%



Budget Highlights:

The Police Department's budget reflects costs associated with the retirement of the Police Chief in FY 2005-2006. Recommended capital items include the replacement of four patrol vehicles and the purchase of a gator to patrol the new greenway trails.



Description:

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department includes 29 uniformed firefighters, including the Fire Chief, and one administrative support staff.

Major Accomplishments for Fiscal Year 2004-2005:

- Received the International Association of Fire Chiefs' 2004 Excellence Award for an innovative project to install free residential sprinkler systems in Habitat for Humanity homes.
- Received the 2003 Life Safety Achievement Award which recognizes fire departments that had zero deaths in structure fires in the previous calendar year.
- Obtained over \$15,000 in grants and car seats to support the department's Child Passenger Safety (CPS) Seat Fitting Station.
- Secured a 2004 FEMA Assistance to Firefighter Grant for fire prevention, which was used to obtain smoke detectors, carbon monoxide detectors and 9-volt batteries to promote early detection of fires.
- Completed Phase I of instituting FireProgram® Software, included networking Station 91's computers and preparing data reports to the National Fire Incident Reporting Systems.
- Responded to the Midland Country Club and Number 6 area during September's tornado and assisted county and federal agencies in damage assessment.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To maintain the current Insurance Services Office (ISO) rating of Class 5 within the village's corporate limits to ensure the level of protection and fire insurance costs incurred by residences remain constant.

Objective: To increase preplanning surveys completed monthly by 3, from zero surveys per month to 3 surveys, toward a target of 3 surveys per month.

Objective: To increase the percentage of hydrants flowed on an annual basis to 85% of all hydrants from a current level of 15%, toward a target of 100% of all hydrants tested annually.

Goal: To provide a public education campaign for our at-risk senior population in order to increase their awareness in early detection of fire and carbon monoxide dangers in their homes.

Objective: To increase public service announcements (PSA's) for our target audience by 3 yearly, from 3 to 6, toward a target of 12 PSA's annually.

Objective: To increase the number of hearing impaired smoke detectors and literature delivered to our target audience by 40, from 0 to 40, towards a target of 40 detectors and literature delivered annually.

Objective: To increase the delivery of carbon monoxide detectors and literature to homeowners with attached garages, carbon base fuel heaters and gas logs to 75% of all homes, from a current level of 25% to 100%.



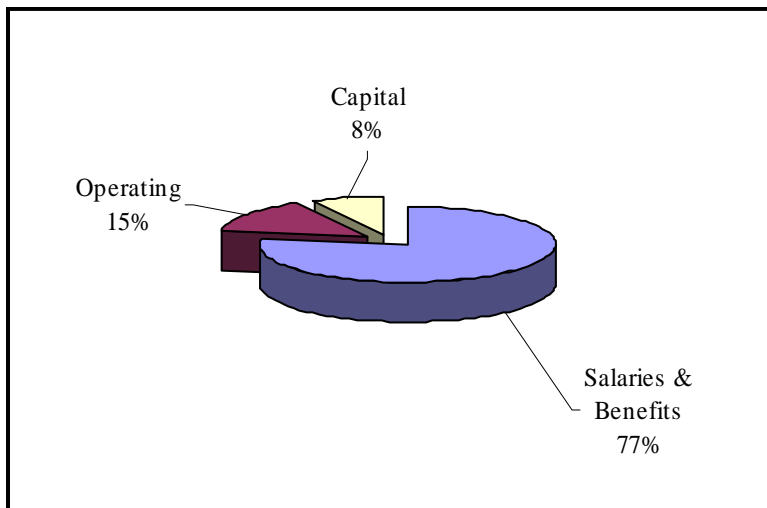
The Fire Department has two fire stations. The main station is located at 45 Community Road and the second station is located at 15 Parker Lane, Pinehurst, NC.

Additional information about the Fire Department may be obtained by contacting Jimmy McCaskill, Fire Chief, at 910.295.5575 or jmccaskill@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 1,150,821	\$ 1,335,400	\$ 1,286,239	\$ 1,410,250	9.6%
Operating	273,539	371,307	334,935	269,430	-19.6%
Capital	81,895	-	-	140,000	100.0%
Expenditures Total	\$ 1,506,255	\$ 1,706,707	\$ 1,621,174	\$ 1,819,680	12.2%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 959,353	\$ 1,250,207	\$ 1,178,044	\$ 1,340,250	13.8%
Fire Grants	93,659	-	14,000	6,930	-50.5%
Fire District Revenue	452,618	455,000	429,000	471,000	9.8%
Fire Inspection Fees	625	1,500	130	1,500	1053.8%
Revenues Total	\$ 1,506,255	\$ 1,706,707	\$ 1,621,174	\$ 1,819,680	12.2%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	26.00	27.00	27.00	30.00	11.1%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	26.00	27.00	27.00	30.00	11.1%



Budget Highlights:

The Fire Department FY 2005-2006 Budget is largely comprised of salaries and benefits which include the full-year impact of the addition of three new firefighter positions filled in FY 2004-2005. Included in capital outlay is the purchase of various rescue/hazardous materials equipment and vehicles as well as a new brush truck.



Description:

The Inspections Department is a division of the Planning Department and reports directly to the Director of Planning and Inspections. The Inspections Department includes three Building Inspectors. Inspections personnel both review and enforce compliance with the North Carolina and International Building Code.

Major Accomplishments for Fiscal Year 2004-2005:

- Reviewed and approved the building plans for First Village.
- Reviewed and inspected all phases of construction for the 2005 US Open Championship.
- One Inspector passed Level II building exam.
- Participated on the technical review team of all non-residential projects.
- Worked with citizens and builders educating and informing them of the new codes to foster a cooperative and supportive inspection process.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide high quality inspection services to the building community in order to provide a safe and aesthetically pleasing building environment.

Objective: To increase the number of inspectors with a Level II certification in all trades by 1, from 2 to 3, toward a target of 3.

Goal: To provide progressive, high quality permitting services for the building community in order to obtain a streamline, customer-friendly permitting process.

Objective: To increase the number of permits processed electronically through permit software by 50%, from zero to 50%, toward a target of 100%.



Inspections

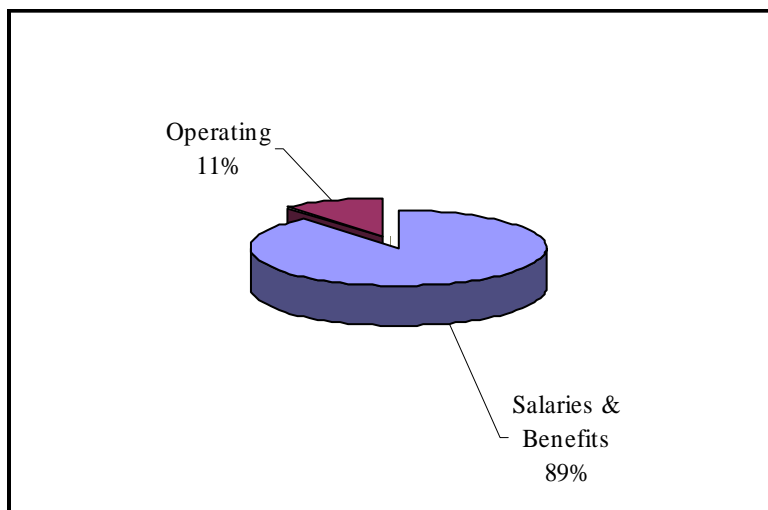
The Inspections Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

Additional information about the Inspections Department may be obtained by contacting Andrea Correll, Director of Planning and Inspections, at 910.295.2581 or acorrell@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 196,801	\$ 229,250	\$ 220,022	\$ 245,400	11.5%
Operating	18,256	27,090	16,139	30,620	89.7%
Capital	16,800	-	-	-	0.0%
Expenditures Total	\$ 231,857	\$ 256,340	\$ 236,161	\$ 276,020	16.9%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Inspection Permit Revenue	231,857	256,340	236,161	276,020	16.9%
Revenues Total	\$ 231,857	\$ 256,340	\$ 236,161	\$ 276,020	16.9%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	0.30	0.0%
Total Authorized Personnel	3.00	3.00	3.00	3.30	10.0%



Budget Highlights:

The Inspections budget includes funding for an on-call Inspector to assist during peak periods. There are no individually significant operating items and no capital items in the FY 2005-2006 Budget.



Public Works Administration

Description:

The Director of Public Works reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Works Department consists of the Director and the Assistant Director.

Major Accomplishments for Fiscal Year 2004-2005:

- Relocated operations to the old police station located at 700 McCaskill Road.
- Initiated a pilot program to determine the feasibility of an automated refuse collection system that includes rolling containers with attached lids.
- Coordinated the selection of new, reflective street signs to be purchased and installed within the Village limits in FY 2005-2006.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide right-of-way maintenance on Village-owned streets for the public in order to improve storm water runoff and improve the overall appearance of the Village right-of-ways.

Objective: To increase the number of culverts routinely checked by 25, from 50 to 75 toward a goal 100%, of all culverts checked annually.

Objective: To increase the number of storm water culverts mapped by 100%, from zero to 100%.



Public Works Administration

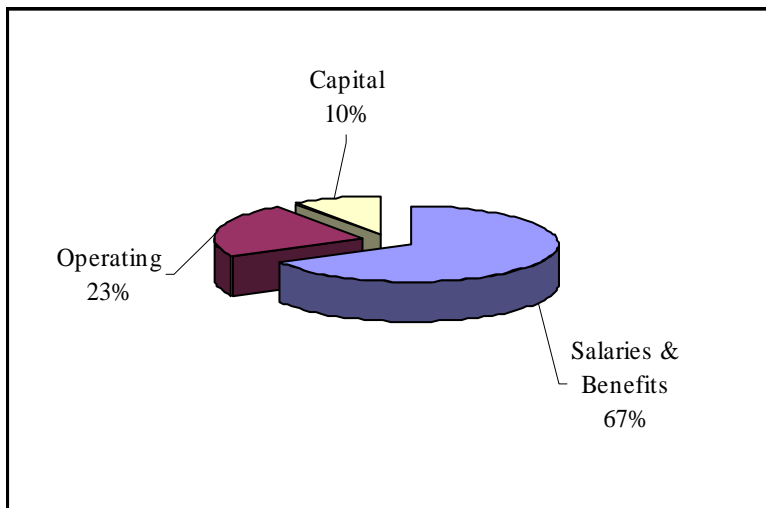
The Public Works Department is located at 700 McCaskill Road, Pinehurst, NC.

Additional information about the Public Works Department may be obtained by contacting Walt Morgan, Director of Public Works, at 910.295.5021 or wmorgan@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 138,757	\$ 156,400	\$ 149,639	\$ 185,850	24.2%
Operating	19,427	30,060	31,216	63,800	104.4%
Capital	-	-	-	27,000	100.0%
Expenditures Total	\$ 158,184	\$ 186,460	\$ 180,855	\$ 276,650	53.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 158,184	\$ 186,460	\$ 180,855	\$ 276,650	53.0%
Revenues Total	\$ 158,184	\$ 186,460	\$ 180,855	\$ 276,650	53.0%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	-	-	-	0.50	0.0%
Total Authorized Personnel	2.00	2.00	2.00	2.50	25.0%



Budget Highlights:

The Public Works Department includes two management positions and a part-time administrative assistant. Operating expenditures include the purchase and installation of new street signs. Capital items include the purchase and installation of new street signs and a new generator.



Description:

The Streets and Grounds Division of the Public Works Department reports directly to the Director of Public Works. There are 13 members of the Streets and Grounds team, two of these members are Crew Chiefs and two are Team Leaders. This department maintains over 104 miles of paved streets in the Village and also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.

Major Accomplishments for Fiscal Year 2004-2005:

- Reorganized staffing within the Streets and Grounds Department.
- Developed a new driveway inspection process.
- Implemented a new process to manage the repair of street cuts.
- Implemented new drainage matting in right-of-ways.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide visible street signs for emergency services personnel and the motoring public in order to enhance mobility on Village streets.

Objective: To increase the percentage of street signs replaced within the Village limits by 50%, from zero to 50% toward a target of 100%.

Goal: To provide right-of-way maintenance to Village of Pinehurst streets in order to improve storm water runoff and improve overall appearance of the Village right-of-ways.

Objective: To increase culvert inspection and maintenance by 50%, from 0% to 50%, toward a target of 100%.



Streets & Grounds

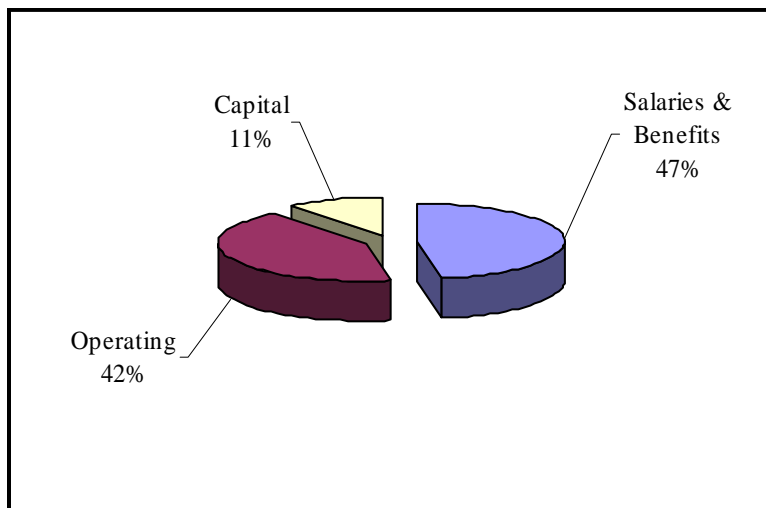
The Streets and Grounds Department is located at 700 McCaskill Road, Pinehurst, NC.

Additional information about the Streets and Grounds Division may be obtained by contacting Walt Morgan, Director of Public Works, at 910.295.5021 or wmorgan@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 355,254	\$ 447,000	\$ 337,376	\$ 418,000	23.9%
Operating	281,322	324,160	230,315	374,680	62.7%
Capital	170,709	118,000	116,774	94,100	-19.4%
Expenditures Total	\$ 807,285	\$ 889,160	\$ 684,464	\$ 886,780	29.6%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 723,285	\$ 819,160	\$ 624,464	\$ 826,780	32.4%
Street Cut Permit Revenues	84,000	70,000	60,000	60,000	0.0%
Revenues Total	\$ 807,285	\$ 889,160	\$ 684,464	\$ 886,780	29.6%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	13.00	13.00	13.00	13.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	13.00	13.00	13.00	13.00	0.0%



Budget Highlights:

The Streets & Grounds Division budget includes funds for the patching and maintenance of Village-owned streets and rights of way. The Capital budget includes \$23,000 for a Street Sweeper. The FY 2005-2006 Capital also includes the replacement of two (2) full size trucks, as well as the replacement of a mower and the purchase of a salt spreader.



Description:

The Powell Bill Department is managed by the Director of Engineering 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 Village owned streets and right of ways.

Major Accomplishments for Fiscal Year 2004-2005:

- Resurfaced approximately 5 miles of streets.
- Completed Old Town Brick Sidewalk projects.
- Completed small drainage projects to improve drainage at several locations Village-wide.

Goals and Objectives for Fiscal Year 2005-2006:

Please see the goals identified for the personnel included in the Public Works Administration, Streets & Grounds, and Engineering departments.



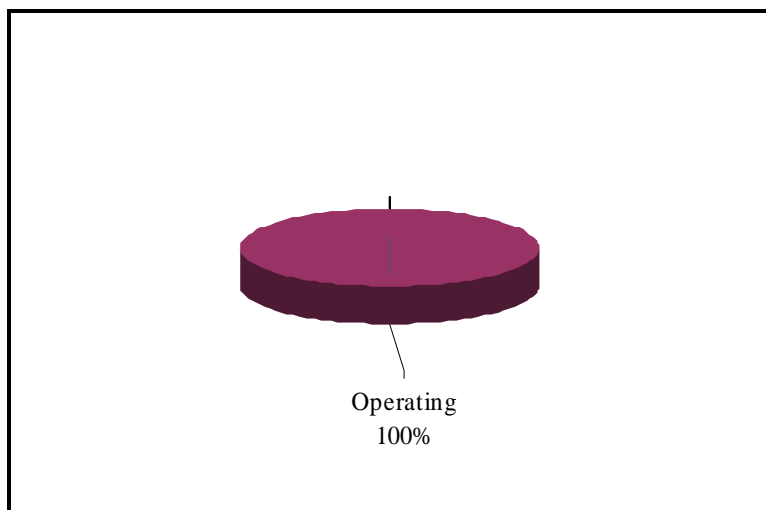
Powell Bill

The Powell Bill department does not contain any staff. However, additional information about the Powell Bill Department may be obtained by contacting Jay Gibson, PE, Director of Engineering, at 910.295.1900 or jgibson@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	743,173	764,650	775,683	837,500	8.0%
Capital	-	93,000	93,000	-	-100.0%
Expenditures Total	\$ 743,173	\$ 857,650	\$ 868,683	\$ 837,500	-3.6%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 368,984	\$ 462,650	\$ 442,868	\$ 397,500	-10.2%
Powell Bill Revenue	374,189	395,000	425,815	440,000	3.3%
Revenues Total	\$ 743,173	\$ 857,650	\$ 868,683	\$ 837,500	-3.6%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	-	-	-	-	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	-	-	-	-	0.0%



Budget Highlights:

The Powell Bill Department includes funding for the resurfacing of five (5) to six (6) miles of Village-owned streets. The FY 2005-2006 Budget also includes \$50,000 for the development of a feasibility study for a Western Connector to bypass Hwy 5.



Description:

The Solid Waste Division of the Public Works Department reports directly to the Director of Public Works. The Solid Waste Division consists of a nine member crew that provides residents with garbage and recycling pickup.

Major Accomplishments for Fiscal Year 2004-2005:

- Developed educational brochures pertaining to solid waste, recycling and yard debris disposal guidelines.
- Designed Informational Route Tickets for crew members to communicate guideline infractions to residents.
- Eliminated the contract with Waste Management to pick up recycling and began hauling recycling to the landfill using Village trucks.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide recycling promotional materials to Pinehurst resident in order to increase recycling awareness and subsequently the amount of materials recycled.

Objective: To increase recycling among Village of Pinehurst residents by 15 tons, from 305 tons to 320 tons, toward a target of 340 tons annually.



Solid Waste

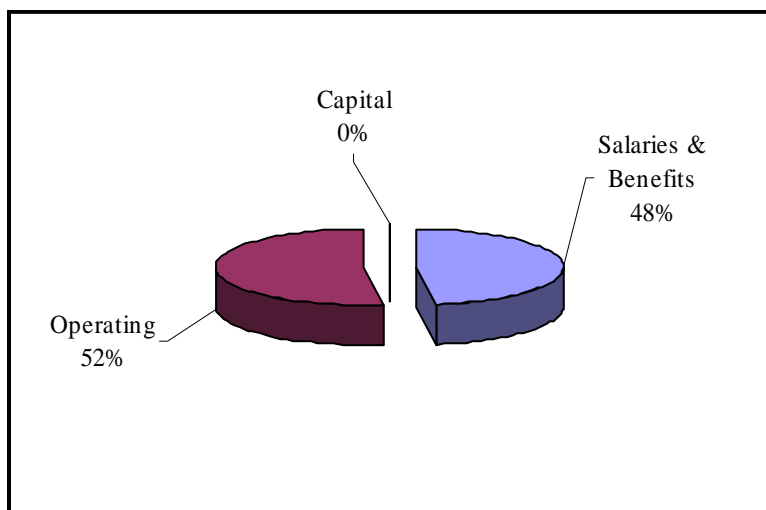
The Solid Waste Division is located at 700 McCaskill Road, Pinehurst, NC.

Additional information about the Solid Waste Division may be obtained by contacting Walt Morgan, Director of Public Works, at 910.295.5021 or wmorgan@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 296,126	\$ 354,000	\$ 303,903	\$ 350,500	15.3%
Operating	353,861	395,128	308,162	383,830	24.6%
Capital	117,502	40,000	30,974	-	-100.0%
Expenditures Total	\$ 767,489	\$ 789,128	\$ 643,039	\$ 734,330	14.2%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 767,489	\$ 789,128	\$ 643,039	\$ 734,330	14.2%
Revenues Total	\$ 767,489	\$ 789,128	\$ 643,039	\$ 734,330	14.2%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	9.00	9.00	9.00	9.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	9.00	9.00	9.00	9.00	0.0%



Budget Highlights:

The Solid Waste Budget for FY 2005-2006 does not include any Capital budget. Operating costs include primarily landfill fees and amounts paid under contracted services.



Description:

The Director of Planning and Inspections reports directly to the Village Manager and serves as a member of the senior leadership team. The Planning Department consists of one certified Planner, a Planning Technician, Zoning Code Enforcer, and Administrative Assistant, and a Customer Service Representative. The Department provides support to the Board of Adjustment, the Community Appearance Commission, the Planning and Zoning Board, and the Village Council.

Major Accomplishments for Fiscal Year 2004-2005:

- Completed the rewrite of the Pinehurst Development Ordinance.
- Issued all required permits for the 2005 US Men's Open.
- Participated on various committees formed by the Comprehensive Long Range Plan.
- Issued all permits for Moore County Regional Hospital's new First Village.
- Represented the Village in pending litigation issues that pertained to planning and zoning matters.
- Initiated activity on the New Core small area study.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To enforce the standards of the Pinehurst Development Ordinance (PDO) for the residents of Pinehurst in order to maintain an aesthetically pleasing building environment.

Objective: To increase the number of code violations resolved within 45 days of notification by 10%, from 65% to 75%, toward a target of 85%.

Goal: To develop and implement growth management strategies for the Village of Pinehurst in order to maintain and enhance the quality of life in Pinehurst.

Objective: To increase the implementation of the Growth Review Committee Initiatives by 100%, from 0% to 100%.

Goal: To provide high quality zoning administration for the development community in order to assure compliance and streamline the approval process.

Objective: To increase the number of use changes permitted annually by the Village from zero to 25, toward a target of 50.



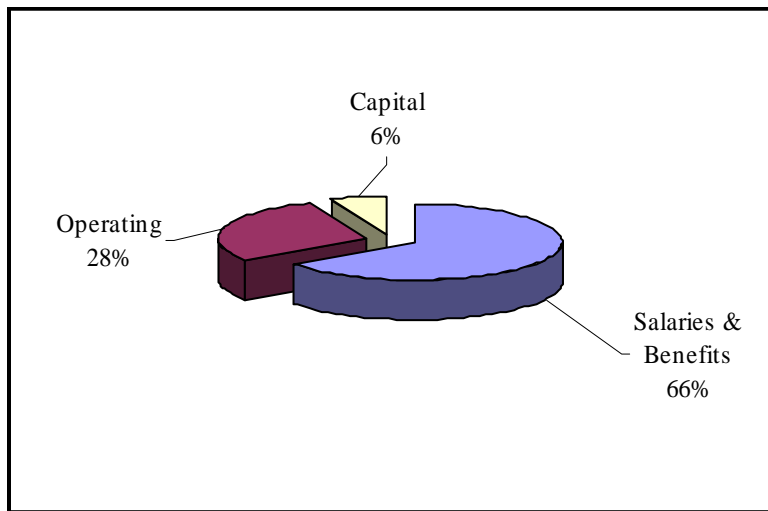
The Planning Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

Additional information about the Planning Department may be obtained by contacting Andrea Correll, Director of Planning and Inspections, at 910.295.2581 or acorrell@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 290,093	\$ 323,642	\$ 320,130	\$ 383,350	19.7%
Operating	95,989	159,728	112,535	166,810	48.2%
Capital	-	-	-	36,000	100.0%
Expenditures Total	\$ 386,082	\$ 483,370	\$ 432,665	\$ 586,160	35.5%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 273,403	\$ 381,570	\$ 300,090	\$ 464,910	54.9%
Planning Permit Revenue	112,679	101,800	132,575	121,250	-8.5%
Revenues Total	\$ 386,082	\$ 483,370	\$ 432,665	\$ 586,160	35.5%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	6.00	6.00	6.00	7.00	16.7%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	6.00	6.00	6.00	7.00	16.7%



Budget Highlights:

The salaries and benefits portion of the Planning Department's FY 2005-2006 Budget includes an additional Planner. Capital includes the purchase of Gateway signs.



Description:

The Village Engineer reports directly to the Village Manager and is a member of the senior leadership team. The Engineering Department is comprised of the Village Engineer who is a Professional Engineer (PE), an Engineering Technician who is certified by both state and federal agencies for attaining various engineering competencies and a part time Administrative Assistant. The Engineering Department provides technical engineering and professional services to both internal (other departments) and external (citizens, developers, etc.) customers.

Major Accomplishments for Fiscal Year 2004-2005:

- Partnered with NC Geodetic Survey to obtain significantly-improved survey control grid within the Village at minimal cost to the Village.
- Managed emergent situation at Pond #1 in the Municipal Service District.
- Obtained State permitting approval for reconstruction of Pond #1.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide approximately 5 to 6 miles of street resurfacing/rehabilitation of Village-maintained streets in order to improve the overall serviceability of the Village's surface transportation system.

Objective: To increase the overall Composite Pavement Condition Rating of the Village's overall surface transportation system from a composite rating of 76, toward a target of 80.

Goal: To provide project leadership for the Village's proposed Stormwater Master Plan for the citizens in order to provide a clear, comprehensive strategy for improving drainage conditions throughout the Village in an environmentally, aesthetically, and fiscally responsible manner.

Objective: To increase the number of completed phases of the Stormwater Master Plan by 1, from zero to 1, toward a target of completing all three phases.

Goal: To provide project leadership for the initial phase of the Village's proposed traffic studies in order to provide an adequate level of data whereby traffic related growth issues may be reasonably evaluated in a logical, quantitative manner.



Engineering

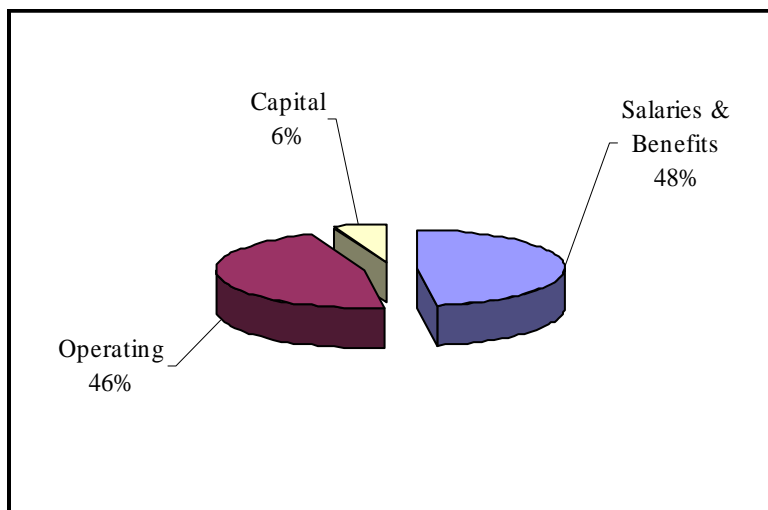
The Engineering Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Engineering Department may be obtained by contacting Jay Gibson, PE, at 910.295.1900 of jgibson@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 109,934	\$ 196,133	\$ 182,021	\$ 204,850	12.5%
Operating	104,325	124,482	106,099	199,575	88.1%
Capital	19,164	233,000	233,000	25,000	-89.3%
Expenditures Total	\$ 233,423	\$ 553,615	\$ 521,119	\$ 429,425	-17.6%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 228,269	\$ 551,615	\$ 503,119	\$ 417,425	-17.0%
Engineering Fee Revenue	5,154	2,000	18,000	12,000	-33.3%
Revenues Total	\$ 233,423	\$ 553,615	\$ 521,119	\$ 429,425	-17.6%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	0.50	0.50	0.50	0.50	0.0%
Total Authorized Personnel	2.50	2.50	2.50	2.50	0.0%



Budget Highlights:

The Engineering Department's Capital budget includes the purchase of testing equipment.



Description:

The Parks and Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. In addition to the Director, the Parks and Recreation Department includes a Program Coordinator who, in conjunction with the Director, is charged with providing the citizens of Pinehurst with a variety of recreational pursuits that enrich the quality of the lives of the participants.

Major Accomplishments for Fiscal Year 2004-2005:

- Completed Phase I of Greenway System with Phase II currently in progress.
- Increased participation in the Adult Tai Chi program.
- Will begin Phase I of Rassie Wicker Park development in Spring of 2005.
- Started a new Youth Yoga program that will expand to include Adults as well.
- Improved Cannon Park by installing new foul poles and field lights.
- Worked with Coca-Cola to purchase a scoreboard and receive a second at no cost.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide a summer camp for the youth of the community in order to enhance the quality of life of those families with working parents.

Objective: To increase the number of full day camp participants by 20 campers per week, from 0 campers to 20 campers, toward a target of 50 campers per week.

Goal: To offer a variety of exercise programs for youth, adults, and seniors in order to promote a healthy lifestyle.

Objective: To increase the number of adult and youth exercise programs currently being offered by 1, from 4 alternative programs to 5, toward a target of 8 types of exercise programs.



Parks and Recreation

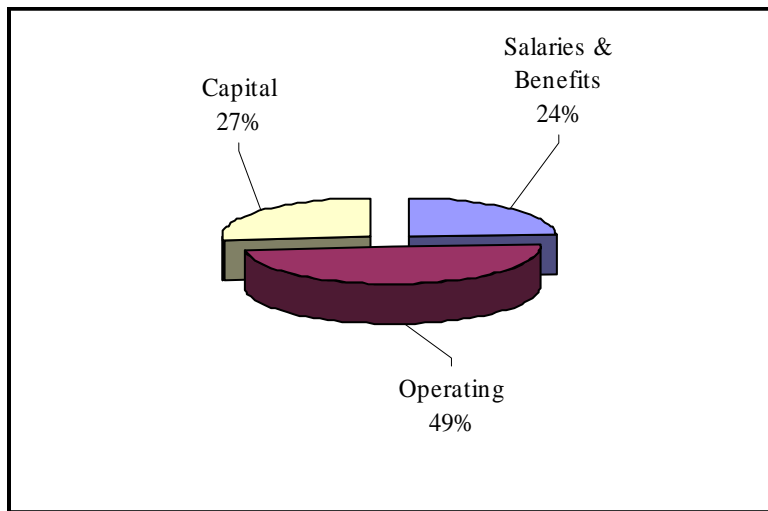
The Parks and Recreation Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Parks and Recreation Department may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.5021 or mwagner@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 150,209	\$ 128,460	\$ 115,044	\$ 132,050	14.8%
Operating	39,836	106,275	80,196	268,750	235.1%
Capital	-	281,500	202,500	145,000	-28.4%
Expenditures Total	\$ 190,045	\$ 516,235	\$ 397,740	\$ 545,800	37.2%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 166,800	\$ 491,235	\$ 374,104	\$ 519,300	38.8%
Parks & Recreation Sales & Services	23,245	25,000	23,636	26,500	12.1%
Revenues Total	\$ 190,045	\$ 516,235	\$ 397,740	\$ 545,800	37.2%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	0.50	-	-	-	0.0%
Total Authorized Personnel	2.50	2.00	2.00	2.00	0.0%



Budget Highlights:

The Parks and Recreation Department in FY 2005-2006 includes design fees for a new Recreation Center. Capital items include \$100,000 for Phase 3 of the Greenways Project and funding for the Cannon Park parking lot and fencing improvements.



Description:

The Harness Track Division of the Parks and Recreation Department reports to the Director of Parks and Recreation. The Harness Track Department includes one Track Supervisor and three maintenance personnel responsible for the operations and maintenance of the Harness Track facility.

Major Accomplishments for Fiscal Year 2004-2005:

- Painted all fencing and three barns in preparation for the upcoming 2005 US Open Championship.
- Continued improving the quality, safety and functions of the facility through storm drain improvements, barn repairs and groom quarter upgrades.
- Leased stall space to the maximum capacity with five to six potential trainers being placed on a waiting list.
- Replaced the roofing on three barns with new galvanized tin.
- Updated the VHS/DVD used to promote the facility that can be mailed to potential trainers or shown at various sales and race meets.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide a high quality standardbred training facility for standardbred trainers in order to preserve the rich cultural history of Pinehurst.

Objective: To increase the depth of clay on the one-mile track by 3", from 1" to 4", toward a target of 8" overall.

Objective: To increase the number of stalls leased during the training season by 15, from 280 to 295, toward a target of 300 stalls leased.



Harness Track

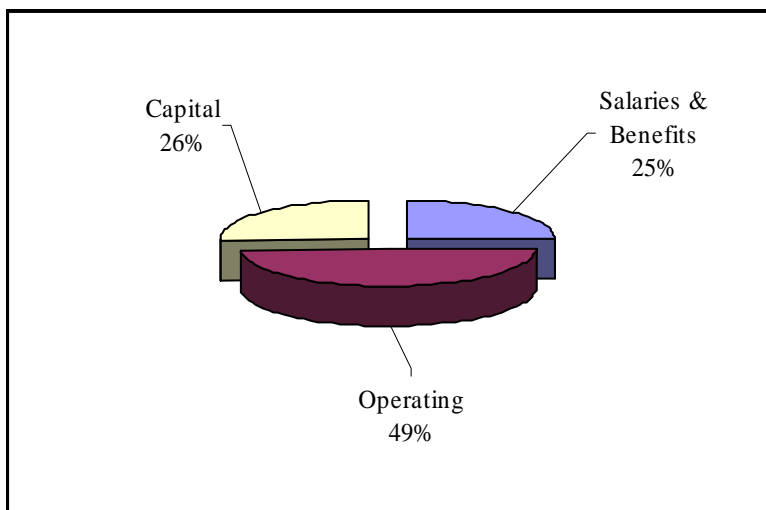
The Harness Track Department is located at 200 Beulah Hill Road, Pinehurst, NC.

Additional information about the Harness Track Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.5021 or mwager@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 203,105	\$ 163,500	\$ 129,576	\$ 142,300	9.8%
Operating	231,757	296,190	285,460	273,380	-4.2%
Capital	100,262	83,500	37,402	145,500	289.0%
Expenditures Total	\$ 535,124	\$ 543,190	\$ 452,437	\$ 561,180	24.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 300,591	\$ 342,690	\$ 239,895	\$ 339,130	41.4%
Harness Track Sales & Services	234,533	200,500	212,542	222,050	4.5%
Revenues Total	\$ 535,124	\$ 543,190	\$ 452,437	\$ 561,180	24.0%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	5.00	4.00	4.00	4.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	5.00	4.00	4.00	4.00	0.0%



Budget Highlights:

Capital includes \$50,000 for the renovation of Barn 5 to act as a central base of operations for the Harness Track and B&G Maintenance Divisions. Capital also includes the purchase of a new tractor, mower and 4x4 pickup truck.



Description:

The Fair Barn Department is a Division of the Parks and Recreation Department and reports to the Director of Parks & Recreation. The Fair Barn Department is comprised of the Fair Barn Coordinator who provides the manpower, supplies, expertise and management for the operations and maintenance of the Fair Barn.

Major Accomplishments for Fiscal Year 2004-2005:

- Increased the total number of days the facility was rented from 85 to 121 exceeding our goal of 100 days reserved.
- Utilized additional advertising resources including Chamber of Commerce, Convention and Visitors Bureau, and local media outlets in the Sanford and Fayetteville markets.
- Added an estimated 20 additional parking spaces in the new lot adjacent to the main parking lot.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide an economically viable cultural and performing arts facility for the community at large in order to offer a variety of opportunities for cultural and recreational enjoyment.

Objective: To increase the number of single day rentals during the week by 5, from 5 to 10, toward a target of 20 rentals.

Objective: To increase the total number of rentals by 10, from 65 to 75, toward a target of 95 rentals annually.



Fair Barn

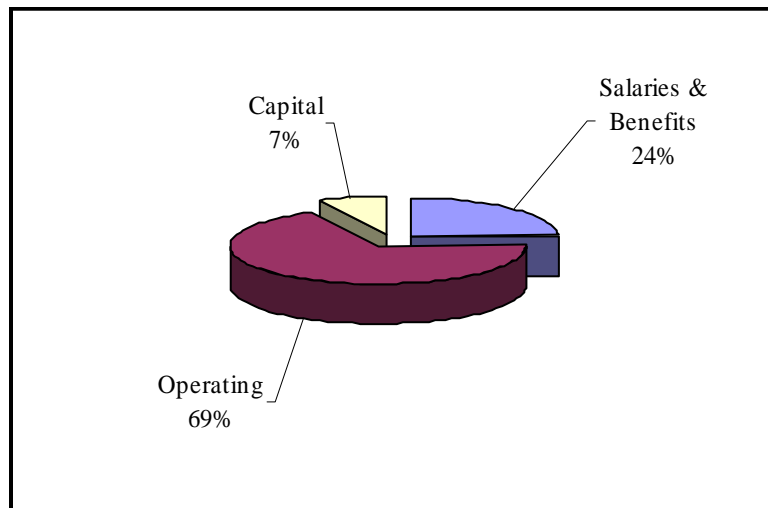
The Fair Barn Department is located at 200 Beulah Hill Road, Pinehurst, NC.

Additional information about the Fair Barn Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.5021 or mwagner@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 35,005	\$ 45,500	\$ 41,698	\$ 47,200	13.2%
Operating	88,781	142,280	125,913	132,440	5.2%
Capital	17,428	24,600	21,500	14,500	-32.6%
Expenditures Total	\$ 141,214	\$ 212,380	\$ 189,111	\$ 194,140	2.7%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 32,081	\$ 72,380	\$ 54,782	\$ 79,640	45.4%
Fair Barn Revenues	109,133	140,000	134,329	114,500	-14.8%
Revenues Total	\$ 141,214	\$ 212,380	\$ 189,111	\$ 194,140	2.7%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	1.00	1.00	1.00	1.00	0.0%



Budget Highlights:

The Fair Barn is projected to host 65 events and over 121 total rental days in the FY 2005-2006. Capital items include the installation of permanent electrical wiring for the sound and lighting system.



Buildings & Grounds Maintenance

Description:

The Buildings & Grounds Maintenance Department reports directly to the Director of Parks and Recreation. The Building & Grounds Department includes a Maintenance Technician and two 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.

Major Accomplishments for Fiscal Year 2004-2005:

- Added preventive maintenance contracts on all large HVAC systems in Village owned buildings.
- Purchased small tractor/equipment to improve maintenance capabilities in Parks and Greenways.
- Assisted in securing bids from various contractors for facility upgrades in preparation for the 2005 US Open Championship.
- Managed completion of Harness Track improvements in the absence of the Track Supervisor.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide a scheduled maintenance program in all Village facilities for the Village's staff and the public at large in order to provide safe and attractive facilities and grounds.

Objective: To increase the percentage of interior office spaces regularly repainted every ten years by 50%, from zero to 50%, toward a target of 100%.



Buildings & Grounds Maintenance

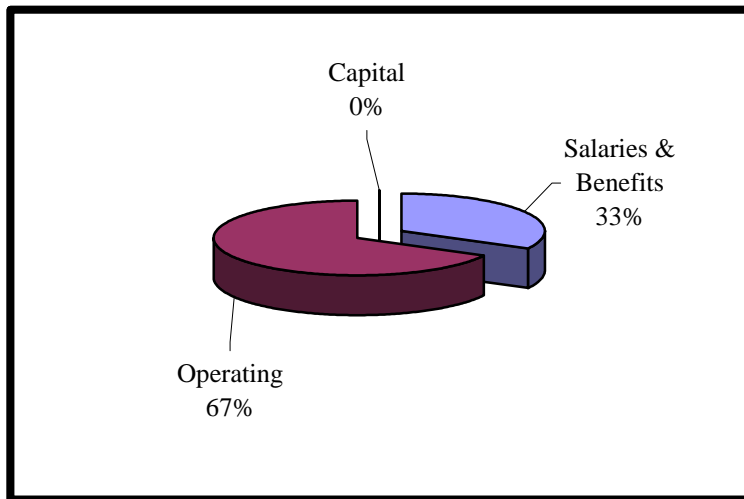
The Building and Grounds Maintenance Department is located at 200 Beulah Hill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ 130,000	\$ 118,113	\$ 145,800	23.4%
Operating	-	222,040	207,641	298,420	43.7%
Capital	-	142,900	143,000	-	-100.0%
Expenditures Total	\$ -	\$ 494,940	\$ 468,754	\$ 444,220	-5.2%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ -	\$ 494,940	\$ 468,754	\$ 444,220	-5.2%
Revenues Total	\$ -	\$ 494,940	\$ 468,754	\$ 444,220	-5.2%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	2.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	0.50	0.0%
Total Authorized Personnel	2.00	3.00	3.00	3.50	0.0%



Budget Highlights:

Included in the FY 2005-2006 Budget is the addition of a part-time seasonal employee. The Buildings & Grounds Maintenance budget contains no individually significant operating items or any capital requests in the FY 2005-2006 budget year.



Description:

The Director of Fleet Maintenance 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 Mechanics who are responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village.

Major Accomplishments for Fiscal Year 2004-2005:

- Installed covers on small sanitation trucks.
- Upgraded Fleet Maintenance software.
- Installed an automated fueling system.
- Assisted in the purchase of new equipment and vehicles for other operating departments.
- Purchased a Safety Inspection machine, allowing staff to issue vehicle inspection stickers in-house.
- Constructed a siphon at Pond #1 that aided in de-watering the pond.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide quality inspection service of all Village vehicles for the Village staff in order to minimize inspection law violations.

Objective: To increase the percentage of Village vehicles inspected within the first fifteen days of the inspection expiration month to 25%, from zero to 25%, towards a target of 100%.

Goal: To provide advanced fleet documentation to the Village staff, citizens and Council in order to improve the reporting of fleet information.

Objective: To increase the percentage of Fleet supplies and parts inventory items tracked within the Fleet software by 50%, from zero to 50%, toward a target of 100%.



Fleet Maintenance

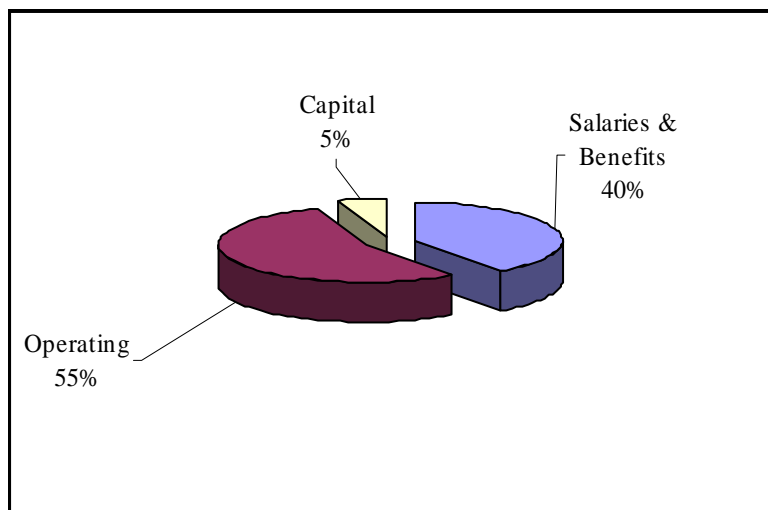
The Fleet Maintenance Department is located at 500 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ 142,524	\$ 184,300	\$ 163,495	\$ 190,050	16.2%
Operating	39,309	281,430	202,243	257,950	27.5%
Capital	23,491	36,000	36,000	25,000	-30.6%
Expenditures Total	\$ 205,324	\$ 501,730	\$ 401,737	\$ 473,000	17.7%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 205,324	\$ 501,730	\$ 401,737	\$ 473,000	17.7%
Revenues Total	\$ 205,324	\$ 501,730	\$ 401,737	\$ 473,000	17.7%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	100.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	3.00	3.00	3.00	3.00	100.0%



Budget Highlights:

The Fleet Maintenance budget includes vehicle and equipment repairs and maintenance expenditures of \$65,000 and gas, oil and tires expenditures of \$143,000. The capital requests for this department include a new full size 4x4 pickup truck.



Description:

The Information Systems Department reports directly to the Assistant Village Manager of Finance and Administration. The Information Systems Department is managed by the Systems Administrator who is responsible for the support, maintenance, and security of hardware, software and network infrastructure.

Major Accomplishments for Fiscal Year 2004-2005:

- Employed the Village's first Systems Administrator.
- Created a wide area network (WAN) to facilitate communication between Village-owned facilities.
- Implemented Microsoft's Active Directory and Exchange mail server.
- Selected and installed a village-wide antivirus solution.
- Coordinated and participated in Crystal Reports training at Sandhills Community College with the Financial Services Department.

Goals and Objectives for Fiscal Year 2005-2006:

Goal: To provide a network environment that is organized, stable, and secure for Village employees in order to increase productivity.

Objective: To reduce the number of unplanned network outages by 8 occurrences from an estimate of 13 to 5, toward a target of 3 occurrences annually.

Goal: To provide up-to-date technology for Village employees in order to improve operating efficiencies.

Objective: To reduce the number of Windows 98 machines on the Village network by 8 from 10 to 2, toward a target of zero.



Information Systems

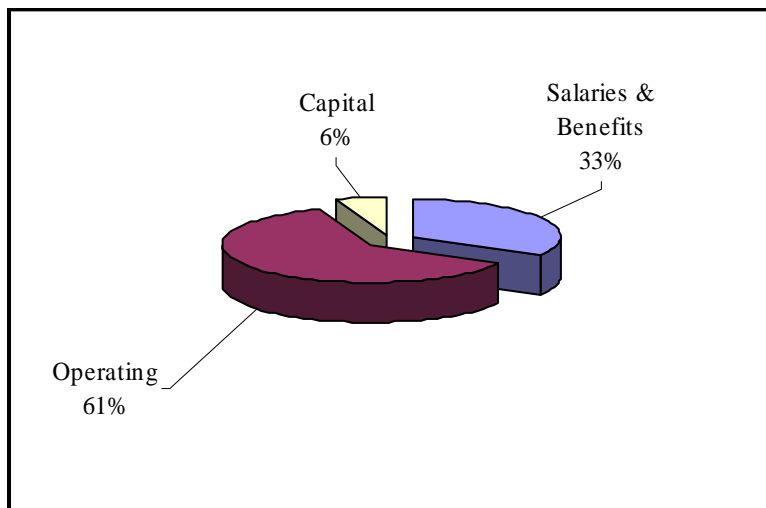
The Information Systems Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Information Systems Department may be obtained by contacting Natalie E. Dean, Assistant Village Manager of Finance and Administration, at 910.295.0005 or ndean@villageofpinehurst.org.

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ 70,200	100.0%
Operating	-	-	-	97,800	100.0%
Capital	-	-	-	28,000	100.0%
Expenditures Total	\$ -	\$ -	\$ -	\$ 196,000	100.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Charges for Services - IS	\$ -	\$ -	\$ -	\$ (196,000)	-100.0%
Revenues Total	\$ -	\$ -	\$ -	\$ (196,000)	-100.0%

Authorized Personnel	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Full Time	-	-	-	1.00	100.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	-	-	-	1.00	100.0%



Budget Highlights:

The Information Systems budget includes capital requests for two black and white copiers and \$10,000 to implement Terminal Server.



Purpose and Description:

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2005-2006 Budget. This item is recommended by the Fiscal Management Staff of the Local Government Commission. These funds may not legally exceed 5.0% of all other General Fund appropriations.

Major Accomplishments for Fiscal Year 2004-2005:

- None.

Goals and Objectives for Fiscal Year 2005-2006:

- None.

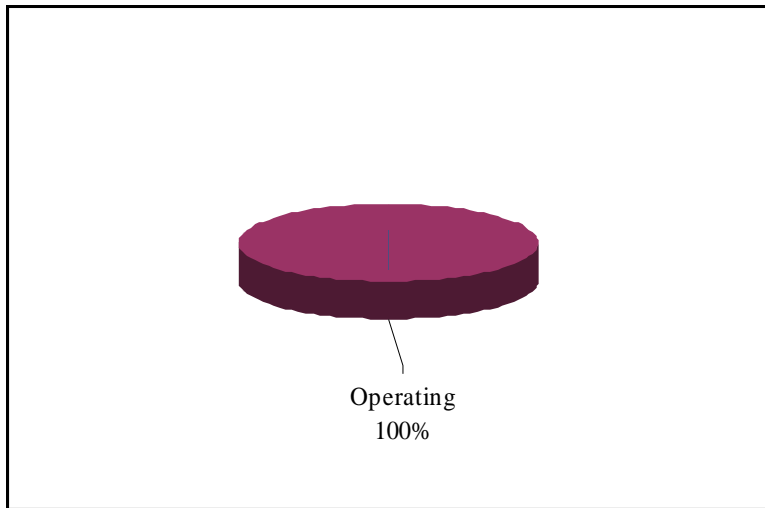


Contingency

Additional information about the Contingency Department may be obtained by contacting Natalie E. Dean, CPA, Assistant Village Manager of Finance and Administration, at 910.295.1900 or n dean@villageofpinehurst.org

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	-	242,495	-	100,000	100.0%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ -	\$ 242,495	\$ -	\$ 100,000	100.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ -	\$ 242,495	\$ -	\$ 100,000	100.0%
Revenues Total	\$ -	\$ 242,495	\$ -	\$ 100,000	100.0%



Budget Highlights:

The Contingency budget that is not allocated to any department totals \$100,000. This amount is 0.8% of the total General Fund budget.



Purpose and Description:

The Non-Departmental portion of the budget is used to capture the expenditures of the Village that are not easily or appropriate to allocate to the various departments. Expenditures include economic development and other contributions or grants, as well as other miscellaneous items.

Major Accomplishments for Fiscal Year 2004-2005:

- None

Goals and Objectives for Fiscal Year 2005-2006:

- None

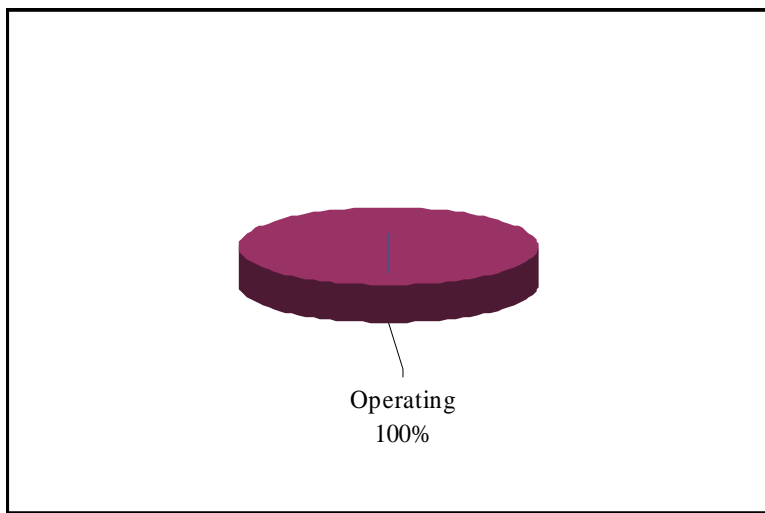


Non-Departmental

Additional information about the Non-Departmental expenditures may be obtained by contacting Natalie E. Dean, CPA, Assistant Village Manager of Finance and Administration, at 910.295.1900 or ndean@villageofpinehurst.org

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	74,560	74,000	45,376	61,000	34.4%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 74,560	\$ 74,000	\$ 45,376	\$ 61,000	34.4%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 74,560	\$ 74,000	\$ 45,376	\$ 61,000	34.4%
Revenues Total	\$ 74,560	\$ 74,000	\$ 45,376	\$ 61,000	34.4%



Budget Highlights:

The Non-Departmental Budget for FY 2005-2006 includes primarily a \$22,000 contribution to Partners for Progress and a \$20,000 grant to the Given Memorial Library.



Purpose and Description:

The Debt Service portion of the budget is used to account for the principal and interest payments made on general long-term debt owed by the Village. Currently, the Village is making payments on the following long-term debt commitments:

- Village Hall
- Police Station
- Taylorhurst Special Assessment
- Fire truck
- Fair Barn
- 67.04 acres of land
- Fire Station

Major Accomplishments for Fiscal Year 2004-2005:

- Paid off the installment loan for the 73.7 acres of land on Highway 211.
- Obtained financing for the construction of a new fire station.

Goals and Objectives for Fiscal Year 2005-2006:

- None

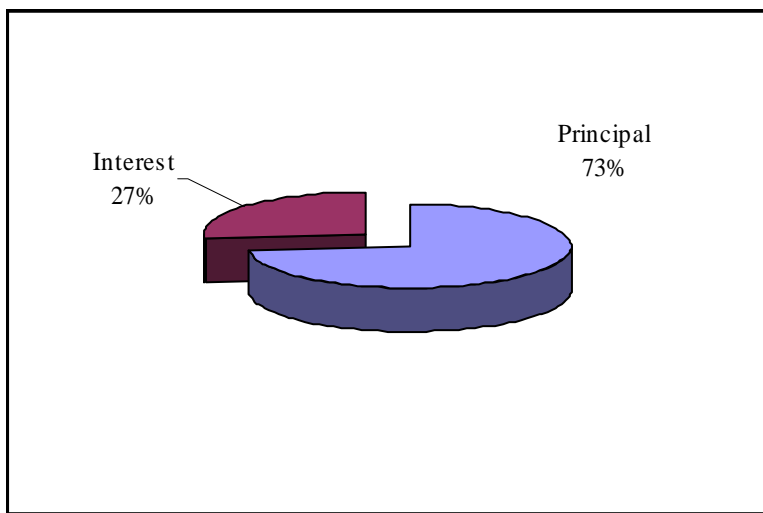


Debt Service

Additional information about Debt Service expenditures may be obtained by contacting Natalie E. Dean, CPA, Assistant Village Manager of Finance and Administration, at 910.295.1900 or ndean@villageofpinehurst.org

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Principal	\$ 682,279	\$ 648,880	\$ 648,864	\$ 757,215	16.7%
Interest	295,797	221,990	221,972	280,330	26.3%
Expenditures Total	\$ 978,076	\$ 870,870	\$ 870,836	\$ 1,037,545	19.1%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 978,076	\$ 870,870	\$ 870,836	\$ 1,037,545	19.1%
Revenues Total	\$ 978,076	\$ 870,870	\$ 870,836	\$ 1,037,545	19.1%



Budget Highlights:

The Debt Service Budget includes principal and interest payments on the financing agreements that are located in the Debt Service Section of this document. In FY 2005-2006 the Village will begin payments of the loan used to construct the new Fire Station.



Other Financing Uses

Purpose and Description:

Other Financing Uses represent transfers out of the General Fund to other funds.

Major Accomplishments for Fiscal Year 2004-2005:

- Transferred \$340,000 to the Capital Reserve Fund to be used for capital improvements.

Goals and Objectives for Fiscal Year 2005-2006:

- None

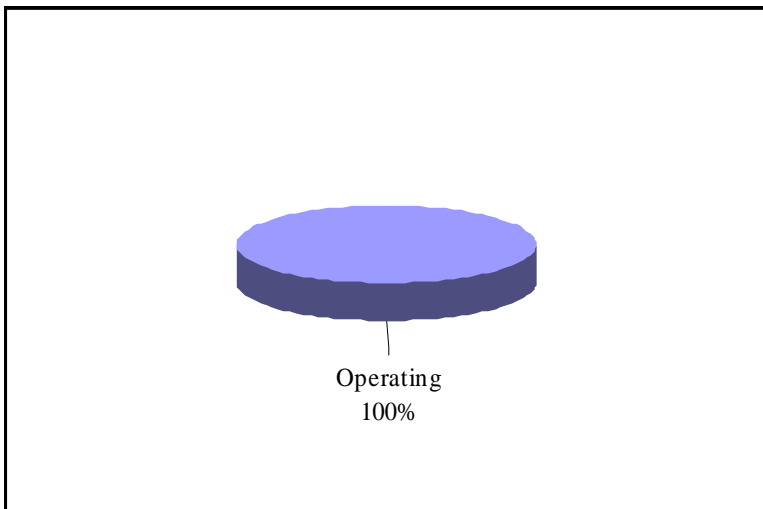


Other Financing Uses

Additional information about the Other Financing Uses Department may be obtained by contacting Natalie E. Dean, CPA, Assistant Village Manager of Finance and Administration, at 910.295.1900 or ndeans@villageofpinehurst.org

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Operating	\$ 1,078,360	\$ 340,000	\$ 340,000	\$ 763,000	124.4%
Expenditures Total	\$ 1,078,360	\$ 340,000	\$ 340,000	\$ 763,000	124.4%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
General Revenues	\$ 1,078,360	\$ 340,000	\$ 340,000	\$ 763,000	124.4%
Revenues Total	\$ 1,078,360	\$ 340,000	\$ 340,000	\$ 763,000	124.4%



Budget Highlights:

Other Financing Uses includes the transfer of \$300,300 to the Capital Reserve Fund, which equals 75% of projected Article 44 Local Option Sales Tax revenues and a transfer of \$462,700 for excess Fund Balance.



General Fund Capital Outlay

The following schedule details the specific capital items that were requested and funded in the FY 2005-2006 Budget for the General Fund:

	Requested Amount	Approved Amount	Unfunded Amount
Governing Body			
Lot Acquisition	\$ 150,000	\$ 150,000	\$ -
Total Governing Body	150,000	150,000	-
Administration			
Emergency Generator	30,000	30,000	-
Total Administration	30,000	30,000	-
Police			
Radios	7,800	-	7,800
John Deere Gator	-	14,000	(14,000)
Police Patrol Vehicles (4)	125,700	105,000	20,700
Total Police	133,500	119,000	14,500
Fire			
Emergency Generator	18,500	18,500	-
Extractor for Turnout Gear	8,000	8,000	-
Brush Truck	85,000	85,000	-
Vehicle for Deputy Fire Chief	28,500	28,500	-
Total Fire	140,000	140,000	-
Inspections			
Inspections Vehicle	23,500	-	23,500
Total Inspections	23,500	-	23,500
Public Works Administration			
Emergency Generator	11,000	11,000	-
Bay Doors at Public Works Shop	16,000	16,000	-
Total Public Works Administration	27,000	27,000	-
Streets & Grounds			
Vacuum Sweeper	23,500	23,500	-
Mobile Dispensing System	12,100	-	12,100
Swenson Spreader	7,600	7,600	-
Mower	13,000	13,000	-
Full Size Truck (2)	50,000	50,000	-
Total Streets & Grounds	106,200	94,100	12,100
Powell Bill			
Wide-Format Plotter/Scanner	20,000	-	20,000
Testing Equipment	25,000	-	25,000
Total Powell Bill	45,000	-	45,000



General Fund Capital Outlay

	Requested Amount	Approved Amount	Unfunded Amount
Solid Waste			
Small Dump Bed Trucks (2)	\$ 40,000	\$ -	\$ 40,000
Total Solid Waste	40,000	-	40,000
Planning			
Gateway Signs	-	36,000	(36,000)
One Pick Up Truck	18,000	-	18,000
Total Planning	18,000	36,000	(18,000)
Engineering			
Surveying Equipment	20,000	-	20,000
Testing Equipment	-	25,000	(25,000)
Software	15,000	-	15,000
Total Engineering	35,000	25,000	10,000
Parks & Recreation			
Greenways (1.5 miles)	100,000	100,000	-
Cannon Park Parking Lot Improvements	15,000	15,000	-
Cannon Park Fencing/Irrigation	30,000	30,000	-
Total Parks & Recreation	145,000	145,000	-
Harness Track			
Drystack Manure Barn	\$ 47,000	\$ -	\$ 47,000
Barn Roof Replacement	12,000	12,000	-
Barn 5 Renovations for New Maint Shop	50,000	50,000	-
Barn Aisle Paving Phase III	20,000	20,000	-
65 HP Tractor	30,000	30,000	-
Bobcat Mower	8,500	8,500	-
Full Size 4x4 Truck	25,000	25,000	-
Total Harness Track	192,500	145,500	47,000
Fair Barn			
Sound/Light System	14,500	14,500	-
Total Fair Barn	14,500	14,500	-
Fleet Maintenance			
Full Size 4x4 Truck	25,000	25,000	-
Total Fleet Maintenance	25,000	25,000	-
Buildings & Grounds Maintenance			
Full Size Truck	20,000	-	20,000
Total Buildings & Grounds Maintenance	20,000	-	20,000
Information Systems			
Color Copier - Village Hall	19,000	-	19,000
Black & White Copier-Village Hall	9,000	9,000	-
Black & White Copier-Fire Statin	9,000	9,000	-
Terminal Services	-	10,000	(10,000)
Total Information Systems	37,000	28,000	9,000
GRAND TOTAL	\$ 1,082,200	\$ 926,100	\$ 192,100

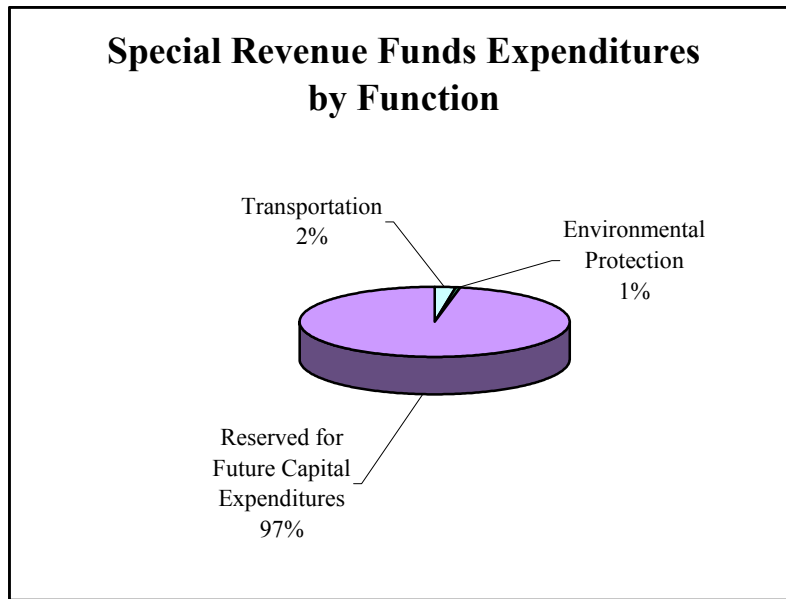


Special Revenue Funds Summary

Description

Special revenue funds are used to account for special revenues that are legally restricted to expenditure for particular purposes. The Village of Pinehurst has five special revenue funds that serve distinctive purposes. These funds are detailed later in this section and include:

- ❖ Taylorhurst Assessment Fund
- ❖ Land Dedication Fund
- ❖ Residential Assurance-Interest Fund
- ❖ Municipal Service District Fund
- ❖ Capital Reserve Fund



Summary

By far, the largest Special Revenue Fund is the Capital Reserve Fund. The large transfer in FY 2004-2005 was in accordance with the Village's Fund Balance Policy which stated at the time that fund balance in the General Fund in excess of 30% at the end of the fiscal year is transferred out to the Capital Reserve Fund.



Special Revenue Funds Summary

Revenues

Consolidated Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,858	\$ 7,000	\$ 6,881	\$ 7,000	0.0%
Assessments	37,960	31,835	28,255	31,635	-0.6%
Investment Income	6,138	8,760	11,827	12,875	47.0%
Transfers from Other Funds	940,000	573,090	573,089	763,000	33.1%
Fund Balance Appropriated	-	219,950	-	500,000	127.3%
Revenues Total	\$ 990,956	\$ 840,635	\$ 620,052	\$ 1,314,510	56.4%

Budget Highlights:

The Village has budgeted for a \$300,300 transfer from the General Fund to the Capital Reserve Fund for future capital expenditures. This transfer constitutes 75% of the estimated revenue from Article 44 of the Local Option Sales Tax for FY 2005-2006. An additional transfer to the Capital Reserve Fund in the amount of \$462,700 is also budgeted in anticipation of excess fund balance in the General Fund at June 30, 2005. The Capital Reserve Fund is also expected to transfer \$500,000 back to the General Fund, utilizing appropriated fund balance to do so. The revenue generated from the annual Taylorhurst assessments will continue to offset the installment purchase agreement payment for the road construction.

Expenditures

Consolidated Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Utilities	\$ 1,928	\$ 6,000	\$ 5,218	\$ 4,000	-33.3%
R&M: Equipment	468	1,000	-	1,000	0.0%
Departmental Supplies	2,255	-	747	2,000	100.0%
Capital Outlay: Equipment	-	-	-	-	0.0%
Service Charges/Fees	617	-	110	-	0.0%
Transfer to General Fund	366,435	252,185	247,235	532,235	111.0%
Transfer to Capital Project Funds	228,000	-	135,000	-	0.0%
Transfer to Public Utilities Fund	288,625	-	-	-	0.0%
Reserve for Future Use	-	581,450	-	775,275	33.3%
Expenditures Total	\$ 888,328	\$ 840,635	\$ 388,310	\$ 1,314,510	56.4%

Budget Highlights:

The Capital Reserve Fund has \$775,000 reserved for future capital expenditures in FY 2005-2006, with a \$500,000 transfer to the General Fund budgeted. The \$32,235 transfer to the General Fund is for Taylorhurst assessments and will be used by the General Fund to pay the annual installment purchase agreement payment for the road construction in Taylorhurst.



Taylorhurst Assessment Fund

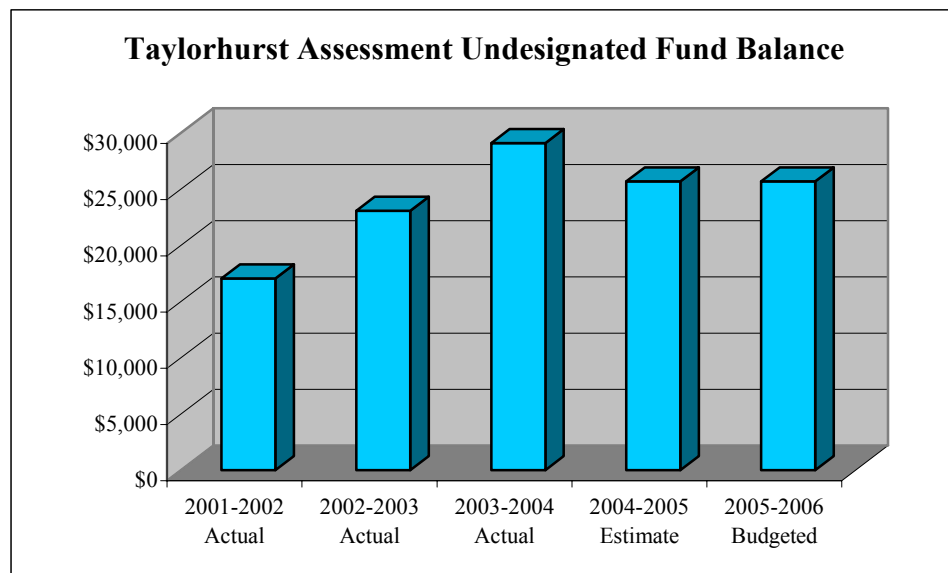
The Taylorhurst Assessment Fund is used to account for the revenues and expenditures relating to the special assessment, resulting from the Taylorhurst road surfacing project. The assessments are billed in August to the residents over a period not to exceed ten years. The only expenditures of the fund are transfers out to the General Fund for debt service payments on the debt that the Village incurred for the project.

Taylorhurst Assessment Fund Expenditures and Revenues

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Transfer to General Fund	\$ 32,235	\$ 32,235	\$ 32,235	\$ 32,235	0.0%
Expenditures Total	\$ 32,235	\$ 32,235	\$ 32,235	\$ 32,235	0.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Assessments	\$ 37,960	\$ 31,835	\$ 28,255	\$ 31,635	12.0%
Investment Income	300	400	573	600	4.7%
Revenues Total	\$ 38,260	\$ 32,235	\$ 28,828	\$ 32,235	11.8%

A fund balance has accumulated in the Taylorhurst Assessment Fund due to the early payoff of the installments due by some of the Taylorhurst residents. In essence, they have “prepaid” their assessment.





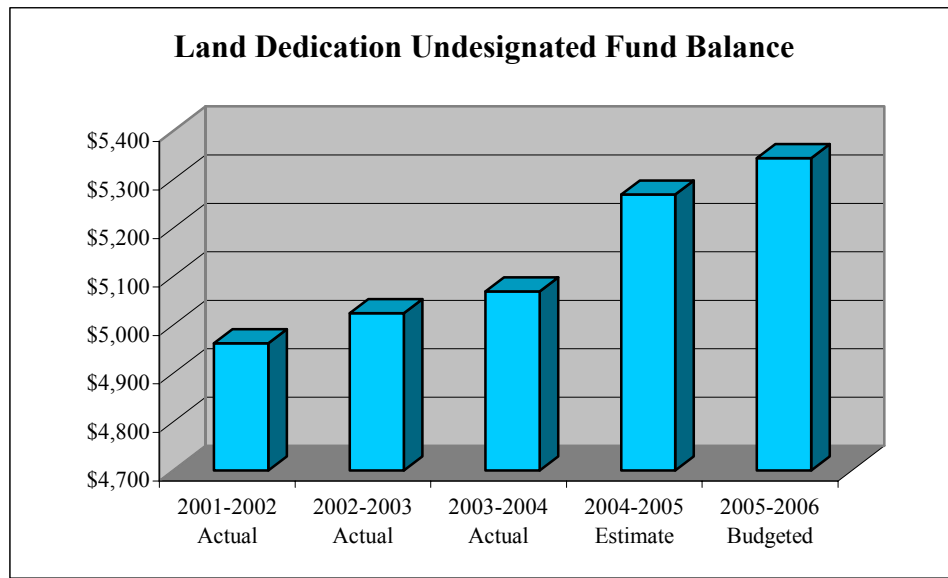
Land Dedication Fund

The Land Dedication Fund is used to account for the dedication of land or the payment of fees in lieu of the dedication of land from developers.

Land Dedication Expenditures and Revenues

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Departmental Supplies	\$ -	\$ 4,500	\$ 4,400	\$ -	-100%
Reserve for Future Use	-	60	-	75	100.0%
Expenditures Total	\$ -	\$ 4,560	\$ 4,400	\$ 75	100.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Land Dedication Payments	\$ -	\$ 4,500	\$ 4,501	\$ -	-100%
Investment Income	45	60	99	75	100.0%
Revenues Total	\$ 45	\$ 4,560	\$ 4,600	\$ 75	100.0%





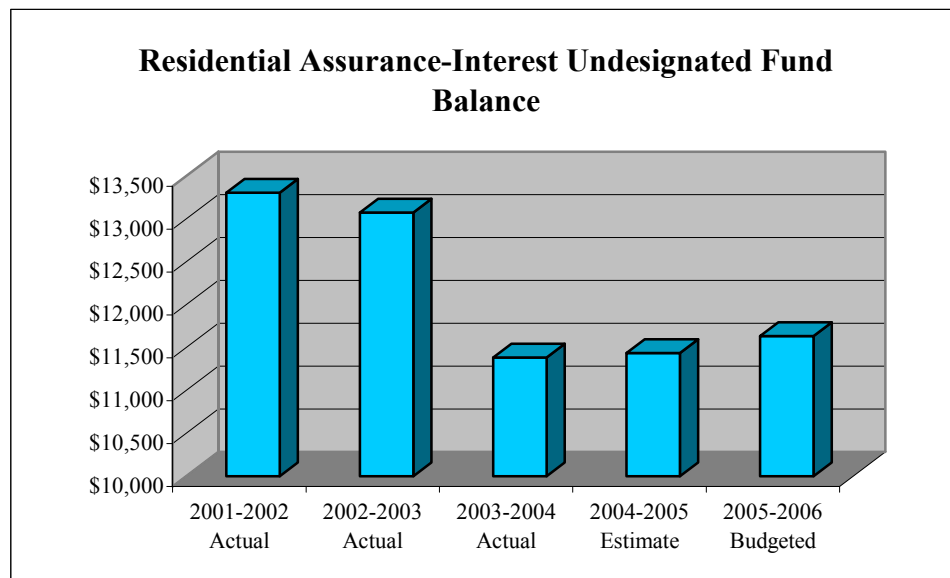
Residential Assurance-Interest Fund

The Residential Assurance-Interest Fund is used to account for the interest income earnings from the Residential Assurance Fund and to appropriate funds approved for aesthetic improvements in public areas.

Residential Assurance-Interest Expenditures and Revenues

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Service Charges/Fees	\$ 617	\$ -	\$ 110	\$ -	0.0%
Contracted Services	-	-	4,300	-	0.0%
Transfer to General Fund	1,200	4,950	-	-	-100.0%
Reserve for Future Use	-	300	-	200	-33.3%
Expenditures Total	\$ 1,817	\$ 5,250	\$ 4,410	\$ 200	-95.5%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Investment Income	\$ 129	\$ 300	\$ 162	\$ 200	-33.3%
Miscellaneous Revenue	-	-	4,300	-	0.0%
Fund Balance Appropriated	-	4,950	-	-	-100.0%
Revenues Total	\$ 129	\$ 5,250	\$ 4,462	\$ 200	-96.2%





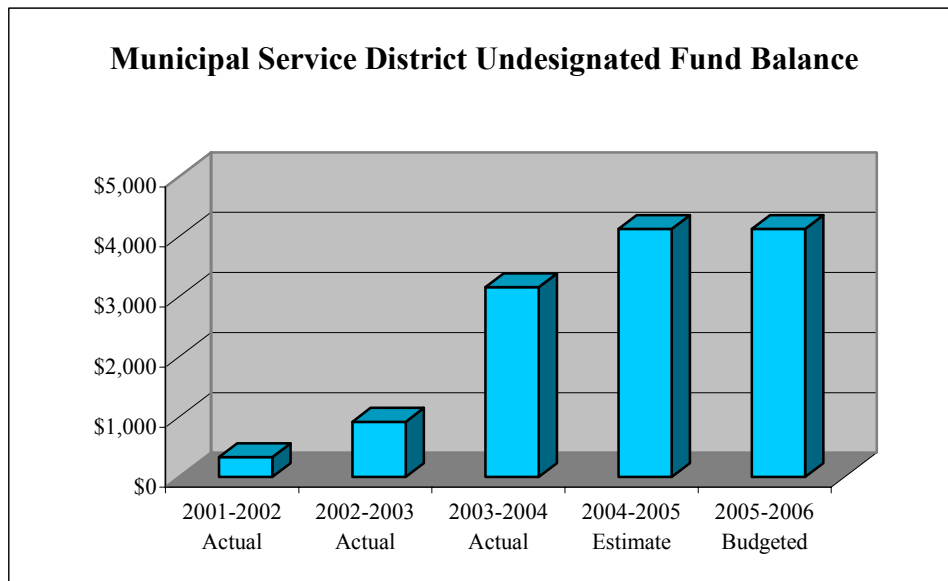
Municipal Service District Fund

The Municipal Service District fund is used to account for the annual costs of operating the dams in this subdivision and to account for the annual ad valorem tax assessment to residents of the service district. The proposed tax rate for FY 2005-2006 is \$0.12 per \$100 valuation.

Municipal Service District Expenditures and Revenues

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Departmental Supplies	2,255	-	747	2,000	100.0%
Utilities	1,928	6,000	5,218	4,000	-33.3%
R&M: Equipment	468	1,000	-	1,000	0.0%
Capital Outlay: Equipment	-	-	-	-	0.0%
Expenditures Total	\$ 4,651	\$ 7,000	\$ 5,965	\$ 7,000	0.0%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Ad Valorem Taxes-CY and PY	\$ 6,858	\$ 7,000	\$ 6,881	\$ 7,000	0.0%
Investment Income	31	-	53	-	0.0%
Revenues Total	\$ 6,889	\$ 7,000	\$ 6,934	\$ 7,000	0.0%





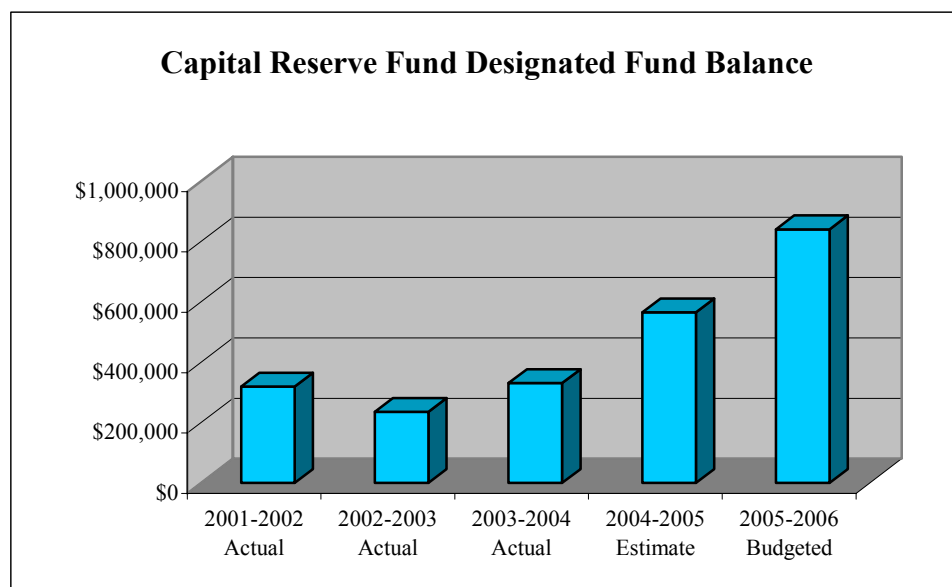
Capital Reserve Fund

The Capital Reserve Fund is used to set aside funds for future capital expenditures. Uses of the funds have varied and the Village Council has designated a portion of the fund balance in the Capital Reserve Fund to be utilized for certain items. The amount transferred in from the General Fund in FY 2005-2006 has not been designated for any specific purpose.

Capital Reserve Fund Expenditures and Revenues

Expenditures by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Transfer to General Fund	\$ 333,000	\$ 215,000	\$ 215,000	\$ 500,000	132.6%
Transfer to Capital Project Funds	228,000	-	135,000	-	0.0%
Transfer to Public Utilities Fund	288,625	-	-	-	-100.0%
Reserve for Future Use	-	581,090	-	775,000	100.0%
Expenditures Total	\$ 849,625	\$ 796,090	\$ 350,000	\$ 1,275,000	60.2%

Revenues by Type	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Estimated	FY 2005-06 Budgeted	Percent Change
Transfers from Other Funds	\$ 940,000	\$ 573,090	\$ 573,089	\$ 763,000	33.1%
Investment Income	5,633	8,000	10,940	12,000	9.7%
Fund Balance Appropriated	-	215,000	-	500,000	0
Revenues Total	\$ 945,633	\$ 796,090	\$ 584,029	\$ 1,275,000	118.3%





Capital Project Funds

The Capital Project Fund section of the budget document contains information on the following areas:

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Capital projects are approved through a separate Capital Project Ordinance as they usually span over more than one fiscal year.

This section will list the major on-going or upcoming capital projects for the Village of Pinehurst, the revenues to date, the expenditures to date, a brief description of the project, as well as the anticipated impact of the project on the operating budget.



The new Fire Station will be located on Magnolia Road



Rassie Wicker Park Capital Project Fund

The Rassie Wicker Park Capital Project Fund was established for the purpose of accounting for the costs incurred in the construction of the park, including a soccer field, in-line hockey rink, restrooms, spray ground water feature, shelters, shuffleboard, horseshoe pits, sand volleyball court, trails, parking and landscaping. The project budget detailed below was adopted by the Village Council on March 23, 2004 by Ordinance #04-15 and will fund Phase I of the project. Phase I will include the soccer field, parking and landscaping. Subsequent phases are detailed in the *Five-Year Capital Improvement Plan* section of the budget document.

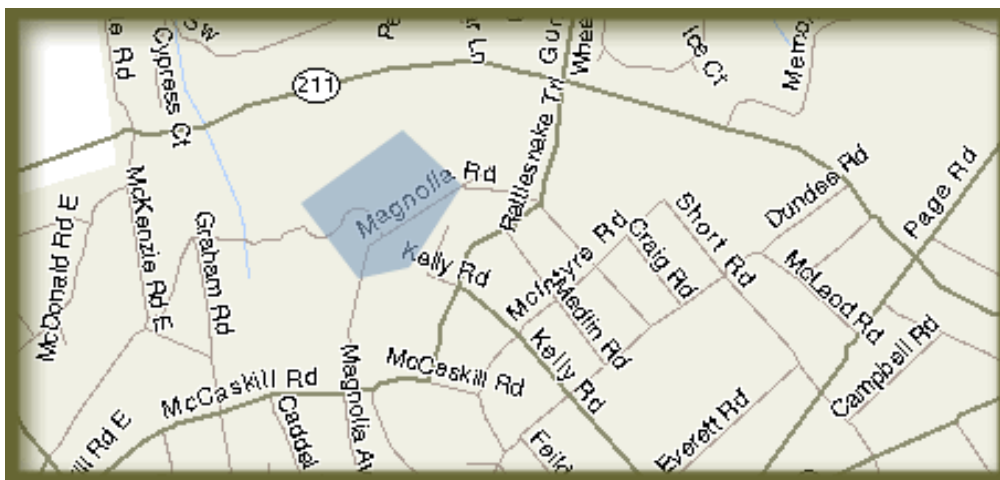
Rassie Wicker Park Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 40,000	\$ 37,534	\$ 2,466
Construction Costs	412,000	3,700	408,300
Expenditures Total	\$ 452,000	\$ 41,234	\$ 410,766

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Grants	\$ 224,000	\$ 224,737	\$ (737)
Transfer from Capital Reserve Fund	228,000	228,000	-
Investment Income	-	6,503	(6,503)
Revenues Total	\$ 452,000	\$ 459,240	\$ (7,240)

Impact on Operating Budget

The primary impact on the operating budget for the FY 2005-2006 as a result of this project will be the additional seasonal part-time employee and associated maintenance costs. The reader will note the operating impact of this project for the upcoming five budget years in the *Five-Year Capital Improvement Plan*.





Fire Station Capital Project Fund

The Fire Station Capital Project Fund was established for the purpose of accounting for the costs incurred in the construction of the new fire station located in Rassie Wicker Park, including all design, construction, furnishings and landscaping expenditures. The project budget detailed below was adopted by the Village Council on March 8, 2005 by Ordinance #05-03 and construction began after the groundbreaking ceremony was held on April 26, 2005. Subsequent to March 31, 2005, the project budget was increased to \$2,650,000.

Fire Station Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 24,000	\$ 49,762	\$ (25,762)
Construction Costs	2,355,000	-	2,355,000
Tfr to General Fund	136,000	136,000	-
Expenditures Total	\$ 2,515,000	\$ 185,762	\$ 2,329,238

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Financing Proceeds	\$ 2,500,000	\$ 2,500,000	\$ -
Investment Income	15,000	493	14,507
Revenues Total	\$ 2,515,000	\$ 2,500,493	\$ 14,507

Impact on Operating Budget

The impact on the operating budget for the FY 2005-2006 will be in the amount of \$251,240 for the debt service payments on the installment financing agreement for construction. The reader will note the operating impact of this project for the upcoming five budget years in the *Five-Year Capital Improvement Plan*.





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 Council policy, but also by North Carolina statutes. The *Debt Service* section examines the specifics of the Village's debt, **and includes only that debt that the Village has outstanding at the time of the printing of this document.** To view the anticipated debt for the next five years, please refer to the *Five-Year Capital Improvement Plan* sections. The *Debt Service* section also contains the computation of the legal debt margin of the Village.

Points of Interest

Debt service payments on Installment Purchase Agreements make up 100% of all debt service payments. These agreements financed the construction of the Village Hall, Police Station and Fire Station, the Village's portion of the renovations to the Fair Barn, the purchase of 67.04 acres on Chicken Plant Road, the construction of road improvements in the Taylorhurst area, and the purchase of new fire truck.

The total amount of debt outstanding at June 30, 2005 will be \$7,627,032. In FY 2004-2005 the Village paid off the installment financing agreement for the 73.7 acres land purchase. The Village also began payments on an installment financing agreement for the new Village Fire Station being constructed in Rassie Wicker Park.

The Village's policy is to maintain debt service expenditures as a percentage of total expenditures around 10%.



Debt Service

The chart below indicates the total debt service payments (principal and interest) due under the terms of each of the Village's financing agreements.

Description	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10
INSTALLMENT PURCHASE AGREEMENTS					
Taylorhurst Project Special Assessment Debt \$250,000; due in 10 annual payments of \$32,235; collateralized by street; property owners are assessed for each of the 10 years beginning in 1999; final payment due on 11/27/08; interest at 4.91%	32,235	32,235	32,235	23,516	-
Fire Station \$2,500,000; due in 30 semi-annual payments consisting of fixed principal of \$83,334 plus interest @ 3.44%; collateralized by Fire Station bldg; final payment due on 03/15/20.	248,367	242,634	236,900	231,167	225,434
Village Hall \$4,000,000; due in 25 semi-annual payments of \$143,629; collateralized by building; final payment due on 09/17/11; interest @ 3.57% (Note: Original loan was refinanced in 05/05/99 & 02/19/04)	287,258	287,258	287,258	287,258	287,258
Police Station \$3,800,000; due in 25 semi-annual payments of \$140,064; collateralized by building; final payment due on 09/20/12; interest at 3.71% (Note: Original loan was refinanced 05/05/99 & 02/19/04)	280,128	280,128	280,128	280,128	280,128
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 bldg; final payment due on 3/11/22.	88,525	86,225	83,925	81,265	79,325
67.04 Acres (Chicken Plant Road) \$500,000; due in 30 semi-annual payments consisting of fixed principal of \$16,667 plus interest @ 3.98%; collateralized by 67.04 acres of land	50,248	48,922	47,595	46,269	44,942
Firetruck \$374,731; due in 20 semi-annual payments of \$23,936; collateralized by firetruck; final payment due on 08/16/11; interest @ 4.91%	47,871	47,871	47,871	47,871	47,871
DEBT SERVICE TOTAL	\$ 1,034,632	\$ 1,025,273	\$ 1,015,912	\$ 997,474	\$ 964,958



Computation of Legal Debt Limit

Net Assessed Value - June 30, 2004	\$ 1,971,821,265
	<u>8.0%</u>
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 157,745,701
Gross Debt:	
Total Bonded Debt	-
Installment Purchase Agreements	<u>5,775,892</u>
Total Gross Debt:	5,775,892
Less: Water Bonds	<u>-</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>5,775,892</u>
Legal Debt Margin	<u><u>\$ 151,969,809</u></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, 2004 is 0.293% compared to the legal debt limit of 8%.

Village of Pinehurst

Capital Improvement Plan

FY 2006-2010

February 21, 2005

Mayor and Village Council
 Village of Pinehurst
 North Carolina

Dear Council:

We respectfully submit to you the proposed Capital Improvement Plan (CIP) for the Village of Pinehurst for fiscal years (FY) 2006 through 2010. The CIP includes improvements with a total estimated cost of \$13,927,900 over the next five years. These costs are divided into three major areas - Vehicles/Equipment, Capital Improvements and Capital Projects.

There are a total of seven (7) capital projects identified, or a decrease of four (4) compared to last year's CIP. Also, this year's CIP includes capital improvement items such as road resurfacing and storm water master planning. These items have previously been excluded from the Village's CIP. The cumulative impact of these two items alone is to increase the CIP by a total of \$4,071,000. The CIP adopted by the Council for 2005-2009 totaled \$10,890,000. Excluding resurfacing and master planning, this year's CIP totals \$9,700,200, or a decrease of \$1,033,100 from the prior year.

Of the total \$13,927,900 in capital expenditures, the anticipated costs of the three major groupings are detailed in the table below.

Table 1 - Capital Cost By Major Area

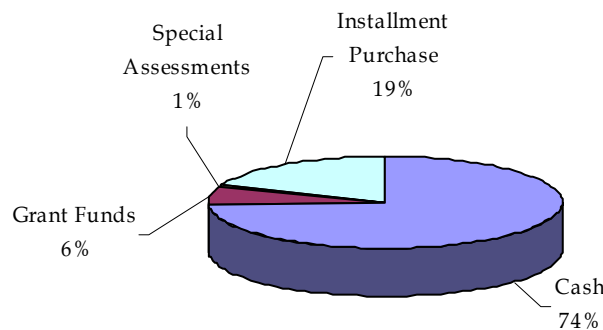
Major Area	Cost of Capital	% of Total
Vehicles/Equipment	\$ 2,917,800	21%
Capital Improvements	5,814,000	42%
Capital Projects	5,196,100	37%
TOTAL	<u>\$ 13,927,900</u>	<u>100%</u>

Revenue and funding sources for the capital expenditures identified in this plan come from a variety of sources. The replacement of all vehicles and equipment will be funded on a pay-as-you go basis, or with available cash. Some capital projects will be funded with cash while others will be financed with either installment financing agreements or grants. The table and graph below show a summary of the revenues and funding sources for the CIP. The detail of the funding sources can be found in the Summary Exhibits on page 11.

Table 2 -CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
Cash	\$ 10,308,800
Grant	900,000
Special Assessments	80,000
Installment Financing	2,639,100
TOTAL	\$ 13,927,900

**Village of Pinehurst
Capital Improvements by Funding Source
FY 2006 - 2010**



As you can see, the majority of the capital improvements are funded with available Village funds, while another 19% is funded with installment purchase financing. The available Village funds would consist of appropriations from the General Fund and the Village’s Capital Reserve Fund.

Some highlights of the proposed Capital Improvement Plan include:

- Funding for the construction of a new fire station to replace Station 91. The Village has finalized the fire station design and will commence construction and secure installment financing in the upcoming months.
- Several recreation projects such as the development of Rassie Wicker Park, the construction of a recreation center at Cannon Park, and the development of subsequent phases of the Village’s Greenway System.
- Transportation improvement projects including the annual resurfacing and striping of Village maintained roads at a rate of approximately six (6) to seven (7) miles per year.

In developing the financing sources for the CIP, Village staff analyzed the impact of the CIP on the Village’s General Fund. The table below indicates the estimated annual impact on the General Fund for projects, improvements and vehicles/equipment identified in the CIP. Included in the table is the estimated incremental debt service, along with any other operating expenditure, that would result from the General Fund capital projects. It also indicates the cost of those capital items the Village intends to pay for with cash obtained in the current fiscal year and funds generated in previous fiscal years and set

aside in the Capital Reserve Fund. The total annual operating impact is then stated in a tax rate equivalent to determine the resulting impact on the tax rate.

Table 3 - Tax Rate Equivalent and General Fund Impact of the CIP

	2006	2007	2008	2009	2010
Projects Paid with Available Funds	\$ 50,000	\$ 455,000	\$ 165,000	\$ 620,000	\$ 287,000
Improvements	1,299,000	1,182,500	1,029,000	1,232,000	1,071,500
Vehicle/Equipment	536,700	558,700	964,500	477,500	380,400
CIP in General Fund	1,885,700	2,196,200	2,158,500	2,329,500	1,738,900
Additional Debt Service	277,933	271,627	364,880	356,509	348,139
Annual Operating Impact	(15,626)	37,042	115,110	101,835	106,170
Annual General Fund Impact	2,148,007	2,504,869	2,638,490	2,787,845	2,193,209
Capital Reserve Funds Utilized	(500,000)	(300,000)	(350,000)	(350,000)	(350,000)
Net General Fund Impact	\$ 1,648,007	\$ 2,204,869	\$ 2,288,490	\$ 2,437,845	\$ 1,843,209
Tax Rate Equivalent of CIP	\$ 0.08	\$ 0.09	\$ 0.07	\$ 0.08	\$ 0.06

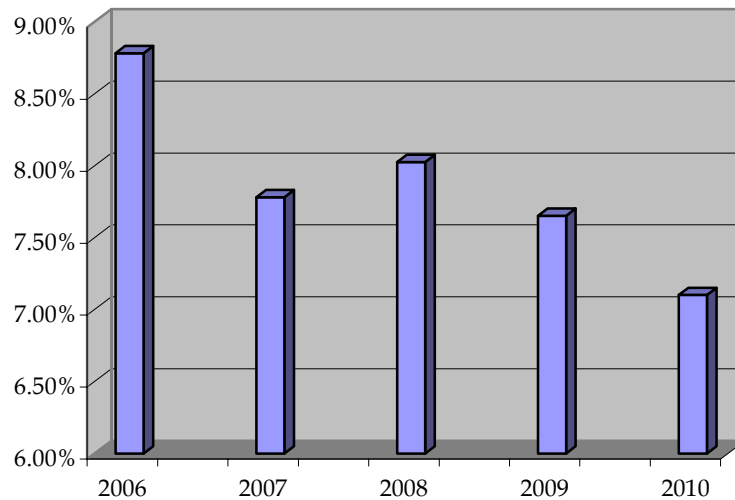
To estimate the cash available to fund the CIP, the Village projects revenues and expenditures through the 5-year planning period. Revenues and expenditures are projected based on historical trends and future growth expectations. Projected expenditures incorporate the Village's Five-year Staffing Forecast that identifies the anticipated increases to staffing levels in the planning horizon. During this planning horizon the Village anticipates annexing a large residential area, Pinewild. The financial impact of this annexation is included in FY 2007. The projected revenues and expenditures for the Village for the current year, 2005, through 2010 are presented in the table below.

Table 4 - Projected General Fund Revenues and Expenditures						
	2005	2006	2007	2008	2009	2010
Population	10,628	11,038	12,801	13,293	13,785	14,277
Revenues	\$ 11,807,000	\$ 12,183,000	\$ 13,614,000	\$ 14,321,000	\$ 14,861,000	\$ 15,389,000
Tax Rate	0.31	0.31	0.31	0.28	0.28	0.28
Expenditures						
Salaries	3,707,000	3,978,000	4,172,000	4,380,000	4,607,000	4,845,000
Personnel in FTEs	116	119	122	124	125	127
Operating	5,512,000	4,951,000	5,745,000	5,964,000	6,201,000	6,432,000
Debt Service	871,000	1,124,000	1,035,000	1,126,000	1,108,000	1,064,000
Exp before Capital	10,090,000	10,053,000	10,952,000	11,470,000	11,916,000	12,341,000
Amt Left for Capital	\$ 1,717,000	\$ 2,130,000	\$ 2,662,000	\$ 2,851,000	\$ 2,945,000	\$ 3,048,000
CIP in General Fund		1,885,700	2,196,200	2,158,500	2,329,500	1,738,900
Net Impact on General Funds		\$ 244,300	\$ 465,800	\$ 692,500	\$ 615,500	\$ 1,309,100

To determine estimated debt service, we assumed a 3.44% interest rate amortized over 15 years, as this is the rate the Village recently obtained for the fire station financing. As presented, the Village's CIP will result in additional annual debt service costs ranging from \$250,000 up to \$340,000 during the planning horizon. However, due to the payoff of the Rassie Wicker Park property in FY 2005, the Village will free up approximately \$80,000 in annual debt service in 2006. Therefore, some of the additional debt service could be absorbed by current funding levels. However, the majority of the remaining debt service amounts for the two projects financed must be funded by either a reduction in current spending or increased revenue sources.

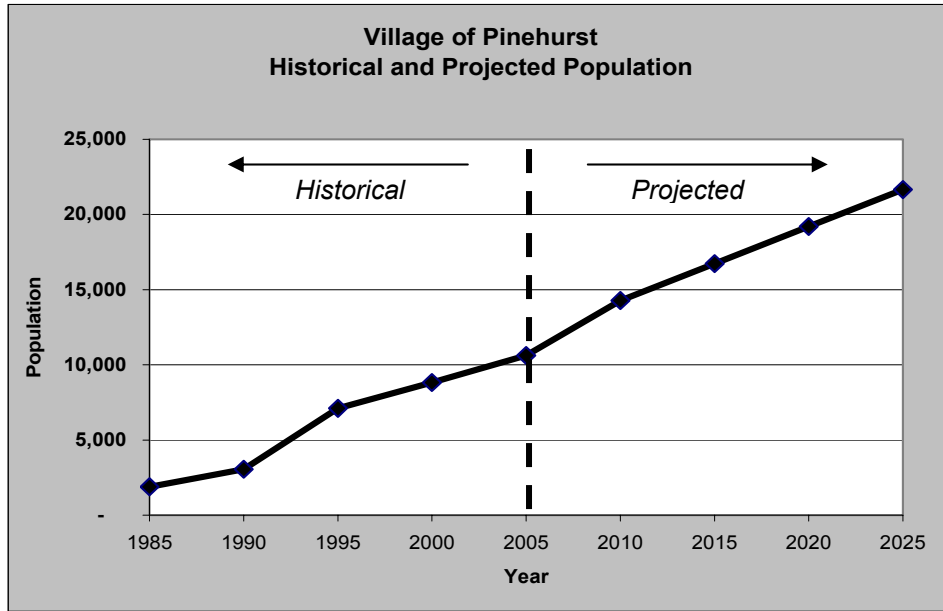
During the planning horizon, the Village's debt service as a percentage of total expenditures is projected to remain at what is widely accepted as a low to a moderate level of debt service.

**Village of Pinehurst
CIP Impact on Debt Ratios
FY 2006-2010**



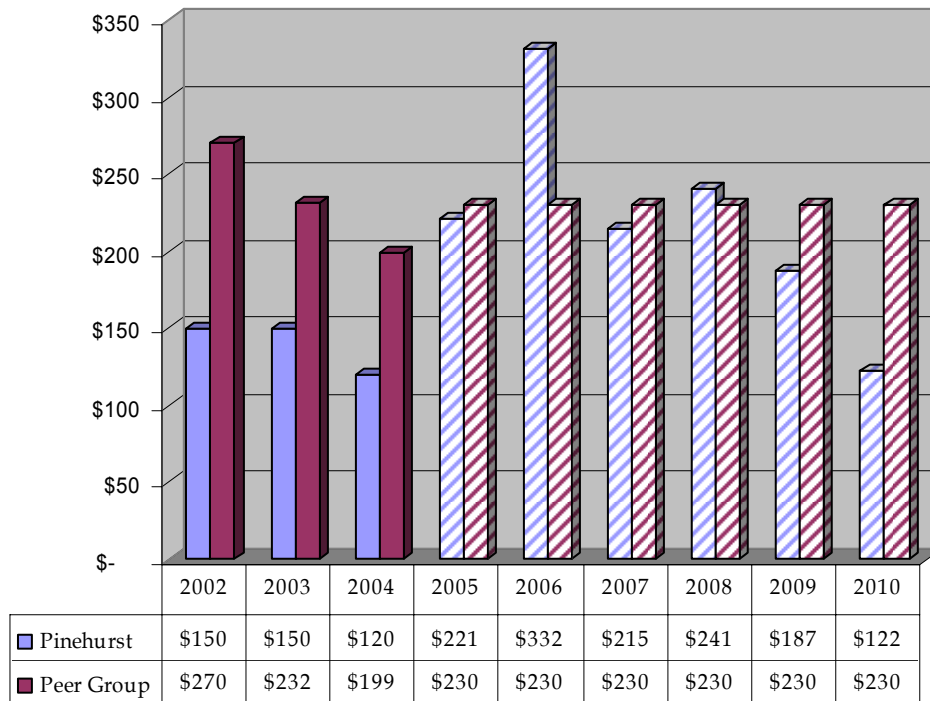
One way the Village can determine if it is spending an appropriate amount on capital expenditures is to compare itself to its peer group. The Local Government Commission, which is a division of the NC Department of State Treasurer, compiles financial data for all local governments in the State. There are two common ways for governments to compare its annual capital expenditures with those of its peers. The first method is to compare the Village's per capita spending, or the dollar amount spent per resident. The second method is to compare the amount of capital expenditures as a percentage of total expenditures.

The per capita cost of implementing the CIP is based on the estimated population of the Village. The current population projections anticipate a growth rate of approximately 410 people annually. Upon the annexation of Pinewild, the population growth is expected to approximate 500 people per year. The following graph depicts the growth the Village has experienced in the past and the continued growth that it anticipates to occur through the CIP planning period and beyond.



The chart below shows the Village’s historical and projected per capita spending levels on capital compared to its peer group, which are municipalities with populations between 10,000 and 50,000 that do not operate a utility system.

Capital Expenditures Per Capita



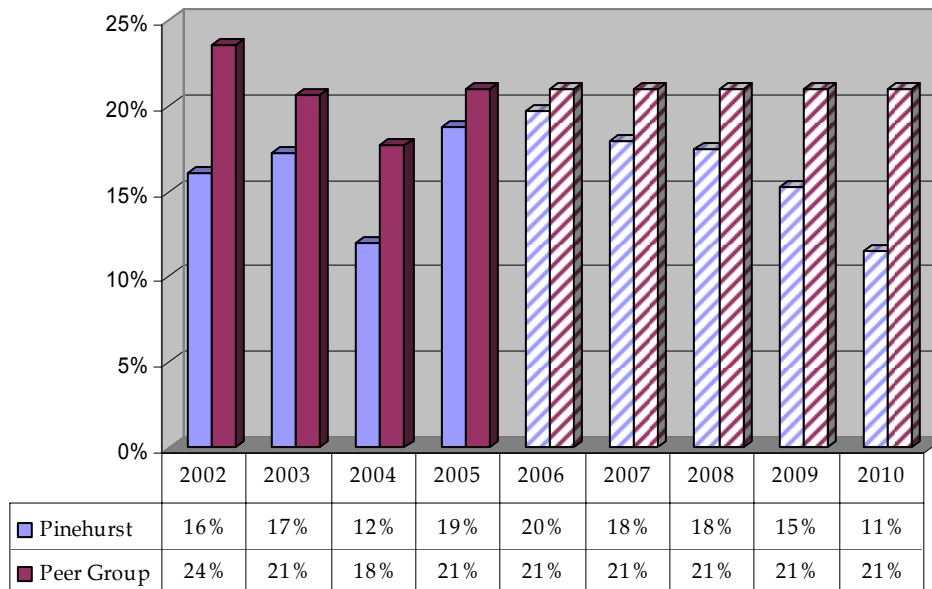
Review of this graph indicates that it is not until FY 2005 when the Village’s per capita spending levels approach that of its peers. As you get further out into the planning horizon, the Village’s per capita

spending levels decline. This is the result of the conclusion of several major building and recreational facility projects. Also, the Village's average household population is 2.05, which is lower than both the statewide average of 2.49 and the neighboring town of Southern Pines, whose average household population is 2.19. Therefore, the Village could expend the same amount of funds as our peers with the same number of households, but our per capita expenditures would be higher due to the lesser per household population. Therefore, the Village should actually expect its per capita spending to be higher than its peers because of the lower per household population.

Over the past five years, the Village's peer group typically spent around \$230 per capita on annual capital expenditures, or roughly 21% of their net consolidated budget. During that same time period, the Village has spent an average of \$111 per capita on capital expenditures, or 12% of the net consolidated budget. Based on this analysis, it is reasonable to conclude the Village has significantly under funded capital expenditures in the past when compared to its peers.

The chart below shows the Village's capital expenditures as a percentage of total expenditures compared to its peers.

Capital as a Percentage of Total Expenditures



Should the Village strive to allocate its resources for capital improvements at a level similar to its peers, the Village would aim to spend approximately \$2.5 million on capital expenditures annually. This would include not only expenditures within the Village's General Fund, but would also include expenditures separately tracked in Capital Project Funds. The table below shows what the Village's CIP funding levels would be if the Village allocated resources at a level of \$200 per capita or at 21% of expenditures. The table then indicates if the projected CIP approximates the target spending levels. Although there are fluctuations from year to year, over the five year period the total capital expenditures fall within \$85,000 of the recommended target.

Table 5 - Capital Expenditures Comparable to Peer Group

	2006	2007	2008	2009	2010
Target Capital Spending Levels					
\$200 per capita	\$ 2,207,600	\$ 2,560,200	\$ 2,658,600	\$ 2,757,000	\$ 2,855,400
21% of expenditures	2,823,681	2,862,300	2,975,280	3,003,630	2,983,890
Average	2,515,641	2,711,250	2,816,940	2,880,315	2,919,645
Projected 2006-2010 CIP	3,809,800	2,601,200	3,198,500	2,579,500	1,738,900
Over (under) Funded CIP					
Compared to Target	\$ 1,294,160	\$ (110,050)	\$ 381,560	\$ (300,815)	\$ (1,180,745)

To summarize, the CIP represents a \$13.9 million plan to address the capital improvement needs of the Village. In the past, the Village’s capital spending has been less than its peers; however the projected CIP represents a proposal that over the five-year planning horizon approximates target capital spending levels. Our projections of revenues and expenditures indicate the Village is in a position to fund the CIP as presented with no impact on the Village’s current tax rate.

The development of this CIP is only one step in the maintenance and development of Village owned facilities and infrastructure. This CIP provides a guide for decision makers and the citizens. By fully examining alternatives and funding options during the planning process, the Village Council and management are able to make more fully informed decisions and maximize Village resources.

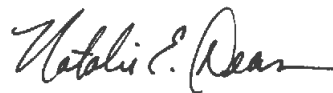
Once the capital improvements plan is prepared or updated on an annual basis, it is presented to the Village Council for their approval. After the CIP is approved, staff will attempt to include funding in the appropriate fiscal year to proceed with the project. The Village Council would then appropriate funds in the annual budget for staff to be able to move forward with a project. Therefore, adoption of the CIP does not constitute a commitment to appropriate the funds, but rather signifies the Council’s intent to fund capital at the indicated level during the annual budget process.

We believe the CIP as presented is a solid proposal and recommend its adoption by the Village Council. We would like to thank the Council members and the Senior Leadership Team for their support and assistance in developing the CIP. We look forward to jointly continuing to serve the citizens of the Village of Pinehurst.

Sincerely,



Andrew M. Wilkison
Village Manager



Natalie E. Dean
Assistant Village Manager

Summary Exhibits
Capital Improvement Plan

Exhibit 1 - Total Cost of All CIP Items For Planning Period

	Total	Fiscal Year Ending June 30				
		2006	2007	2008	2009	2010
General Government Projects						
Fire Station	\$ 1,739,100	\$ 1,739,100	\$ -	\$ -	\$ -	\$ -
Pond #1 Rehabilitation	80,000	80,000	-	-	-	-
Stormwater Projects	590,000	-	210,000	-	380,000	-
Cannon Park Rec Center	1,400,000	55,000	355,000	990,000	-	-
Greenways	500,000	100,000	100,000	100,000	100,000	100,000
Rassie Wicker Park	837,000	-	195,000	115,000	390,000	137,000
West Pinehurst Comm. Park	50,000	-	-	-	-	50,000
Subtotal	\$ 5,196,100	\$ 1,974,100	\$ 860,000	\$ 1,205,000	\$ 870,000	\$ 287,000
Vehicles/Equipment	\$ 2,917,800	\$ 536,700	\$ 558,700	\$ 964,500	\$ 477,500	\$ 380,400
Improvements						
Road Resurfacing & Imp	\$ 4,116,000	\$ 760,000	\$ 801,000	\$ 748,000	\$ 890,000	\$ 917,000
Drainage Projects	605,000	130,000	200,000	85,000	90,000	100,000
Recreation	630,000	188,500	166,500	156,000	64,500	54,500
Land Acquisition	377,500	150,000	-	40,000	187,500	-
Other	85,500	70,500	15,000	-	-	-
Subtotal	\$ 5,814,000	\$ 1,299,000	\$ 1,182,500	\$ 1,029,000	\$ 1,232,000	\$ 1,071,500
GRAND TOTAL	\$ 13,927,900	\$ 3,809,800	\$ 2,601,200	\$ 3,198,500	\$ 2,579,500	\$ 1,738,900

Exhibit 2 - Total Cost of All CIP by Category

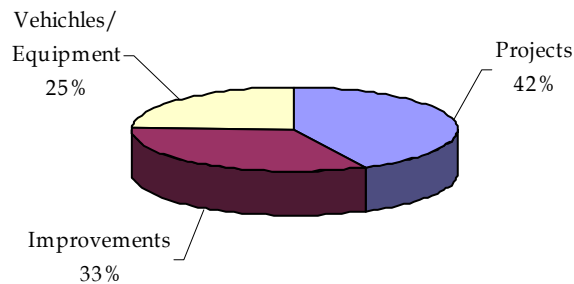


Exhibit 3 - Total Cost of CIP Projects From Inception Through 2010

Project	Pre-Planning Period Project Cost	Planning Period Project Cost	Total Project Cost
Fire Station	\$ 760,900	\$ 1,739,100	\$ 2,500,000
Pond #1 Rehabilitation	170,000	80,000	250,000
Stormwater Projects	-	590,000	590,000
Cannon Park Rec Center	-	1,400,000	1,400,000
Greenways	150,000	500,000	650,000
Rassie Wicker Park	454,000	837,000	1,291,000
West Pinehurst Comm. Park	-	50,000	50,000
GRAND TOTAL	\$ 1,534,900	\$ 5,196,100	\$ 6,731,000

**Exhibit 4
Total Cost of All CIP Projects by Function**

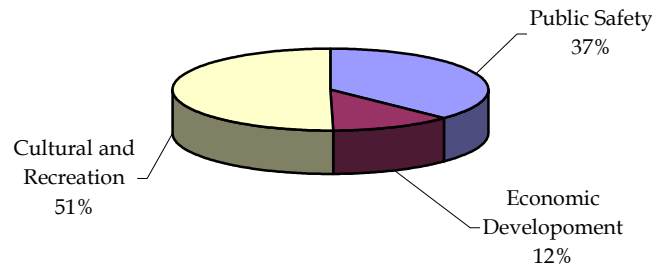


Exhibit 5 - Detail of Total CIP by Function

	Total	Fiscal Year Ending June 30				
		2006	2007	2008	2009	2010
General Government	\$ 64,000	\$ 50,000	\$ 14,000	\$ -	\$ -	\$ -
Public Safety	3,463,900	2,015,300	149,700	921,000	197,500	180,400
Transportation	4,833,500	870,000	956,000	863,000	1,067,500	1,077,000
Economic Development	1,449,000	356,000	440,000	-	538,000	115,000
Environmental Protection	567,000	120,000	225,000	-	222,000	-
Cultural and Recreation	3,550,500	398,500	816,500	1,414,500	554,500	366,500
Total	\$ 13,927,900	\$ 3,809,800	\$ 2,601,200	\$ 3,198,500	\$ 2,579,500	\$ 1,738,900

Exhibit 6 - CIP Cost by Function

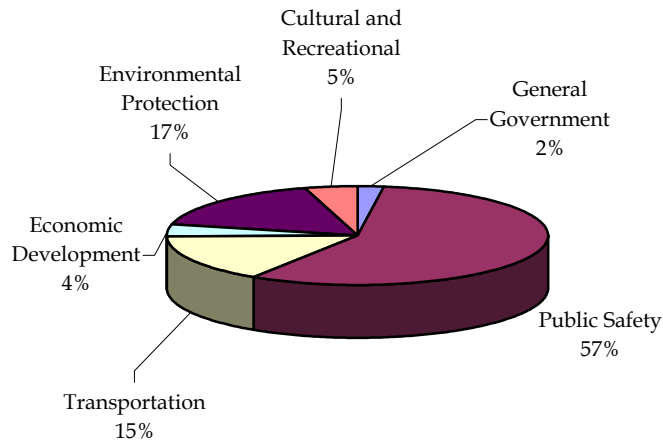


Exhibit 7 - Detail of Total CIP By Funding Source

	Total	Fiscal Year Ending June 30				
		2006	2007	2008	2009	2010
Cash						
Stormwater Projects	\$ 590,000	\$ -	\$ 210,000	\$ -	\$ 380,000	\$ -
Greenways	350,000	50,000	50,000	50,000	100,000	100,000
Rassie Wicker Park	587,000	-	195,000	115,000	140,000	137,000
West Pinehurst Community P	50,000	-	-	-	-	50,000
	1,577,000	50,000	455,000	165,000	620,000	287,000
Vehicles/Equipment	2,917,800	536,700	558,700	964,500	477,500	380,400
Improvements	5,814,000	1,299,000	1,182,500	1,029,000	1,232,000	1,071,500
Subtotal	10,308,800	1,885,700	2,196,200	2,158,500	2,329,500	1,738,900
Grant						
Rassie Wicker Park	250,000	-	-	-	250,000	-
Cannon Park Rec Center	500,000	-	500,000	-	-	-
Greenways	150,000	50,000	50,000	50,000	-	-
Subtotal	900,000	50,000	550,000	50,000	250,000	-
Special Assessment						
Pond #1 Rehabilitation	80,000	80,000	-	-	-	-
Installment Financing						
Fire Station	1,739,100	1,739,100	-	-	-	-
Cannon Park Rec Center	900,000	-	900,000	-	-	-
Subtotal	2,639,100	1,739,100	900,000	-	-	-
Total	\$ 13,927,900	\$ 3,754,800	\$ 3,646,200	\$ 2,208,500	\$ 2,579,500	\$ 1,738,900

Exhibit 8 - Detail of Net Operating Cost (Revenue) by Capital Projects

	Total	Fiscal Year Ending June 30				
		2006	2007	2008	2009	2010
Net Annual Operating Cost						
Fire Station	\$ 77,245	\$ -	\$ 4,350	\$ 35,422	\$ 18,460	\$ 19,013
Stormwater Projects	-	-	-	-	-	-
Pond #1 Rehabilitation	(120,600)	(25,267)	(24,693)	(24,120)	(23,547)	(22,973)
Cannon Park Rec Center	187,865	-	10,200	57,480	59,204	60,981
Greenways	51,741	9,641	9,930	10,408	10,720	11,042
Wicker Park Development	148,281	-	37,255	35,920	36,998	38,108
West P'hurst Comm. Park	-	-	-	-	-	-
Subtotal	344,531	(15,626)	37,042	115,110	101,835	106,170
Annual Debt Service						
Firestation	1,206,000	252,667	246,933	241,200	235,467	229,733
Pond #1 Rehabilitation	120,600	25,267	24,693	24,120	23,547	22,973
Cannon Park Rec Center	292,488	-	-	99,560	97,496	95,432
Subtotal	1,619,088	277,933	271,627	364,880	356,509	348,139
Net Budget Impact	\$ 1,963,619	\$ 262,307	\$ 308,669	\$ 479,990	\$ 458,345	\$ 454,309

Exhibit 9 - Impact of CIP Debt Issuances on Debt Ratios

	Fiscal Year Ending June 30				
	2006	2007	2008	2009	2010
Existing Debt Service Payments	\$ 786,300	\$ 782,700	\$ 779,100	\$ 775,400	\$ 739,600
Additional Debt Service:					
Fire Station	252,667	246,933	241,200	235,467	229,733
Pond #1 Rehabilitation	25,267	24,693	24,120	23,547	22,973
Cannon Park Rec Center	-	-	99,560	97,496	95,432
Total Debt Service	\$ 1,064,233	\$ 1,054,327	\$ 1,143,980	\$ 1,131,909	\$ 1,087,739
Estimated Expenditures	12,119,000	13,548,000	14,253,000	14,790,000	15,316,000
% of Expenditures	8.78%	7.78%	8.03%	7.65%	7.10%

Capital Projects

Fire Station

Department	Fire Department
Project Cost	\$2,500,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> Eliminates a public hazard or threat to public safety <input checked="" type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

The new station will replace the existing fire station on Community Road, which has been at that location for more than 63 years and does not provide an environment to insure the safety, efficiency and effectiveness of fire fighting operations. The new station will be located in Rassie Wicker Park on the corner of Magnolia Road and Wicker Drive. It includes a Command Center, Administrative Offices, apparatus and equipment rooms to accommodate vehicles. It will also include an apparatus test pit and sleeping accommodations for 12 people, both male and female personnel. The design and architecture of the fire station will match and compliment that of the existing Police Station and Village Hall which are both located in near proximity to the fire station site.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Appropriations	\$ 2,500,000	\$ 760,900	\$ 1,739,100	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 2,500,000	\$ 760,900	\$ 1,739,100	\$ -	\$ -	\$ -	\$ -
Funding Source:							
Installment Financing	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Debt Proceeds	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Project Expenditures	2,500,000	760,900	1,739,100	-	-	-	-
Operating Expenditures	77,245	-	-	4,350	35,422	18,460	19,013
Debt Service	1,206,000		252,667	246,933	241,200	235,467	229,733
TOTAL	\$ (1,283,245)	\$ 1,739,100	\$ (1,991,767)	\$ (251,283)	\$ (276,622)	\$ (253,926)	\$ (248,747)

Pond #1 Rehabilitation

Department	Engineering Department
Project Cost	\$250,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

Rehabilitation of Pond #1, located off of Queens Court, includes reconstruction of the primary spillway and the earthen dam. Rehabilitation will provide for the continued safe existence of this pond, providing benefits to property owners located within the Municipal Service District as well as helping to protect the water quality of Lake Pinehurst. The proposed rehabilitation will also bring the Pond and associated structures into compliance with current State Dam Safety regulations.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Appropriations	\$ 250,000	\$ 170,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 250,000	\$ 170,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -
Funding Source:							
Debt Proceeds	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Debt Proceeds	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Assessment Revenue	120,600	-	25,267	24,693	24,120	23,547	22,973
Project Expenditures	250,000	170,000	80,000	-	-	-	-
Operating Expenditures	-	-	-	-	-	-	-
Debt Payments	120,600	-	25,267	24,693	24,120	23,547	22,973
TOTAL	\$ -	\$ 80,000	\$ (80,000)	\$ -	\$ -	\$ -	\$ -

Stormwater Projects

Department	Engineering Department
Project Cost	\$590,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> New/expanded capital assets that eliminate deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> New/expanded capital assets that eliminate a public hazard or threat to public safety <input checked="" type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

These projects include catch basins, piping and disposal facilities to properly manage stormwater runoff, which are an anticipated outcome of the proposed Stormwater Master Plan Study. These projects will mitigate the effects of stormwater runoff on adjacent and downstream properties thus improving the safety and health of Village residents. These projects will assist the Village in meeting the goals and requirements of the Federally-mandated "Hazard Mitigation Plan" recently adopted by the Village Council and in maintaining compliance with the requirements of the National Flood Insurance Program as mandated by North Carolina Emergency Management (NCEM) and Federal Emergency Management Agency (FEMA).

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Appropriations	\$ 590,000	\$ -	\$ -	\$ 210,000	\$ -	\$ 380,000	\$ -
TOTAL	\$ 590,000	\$ -	\$ -	\$ 210,000	\$ -	\$ 380,000	\$ -
Funding Source:							
Cash	\$ 590,000	\$ -	\$ -	\$ 210,000	\$ -	\$ 380,000	\$ -
TOTAL	\$ 590,000	\$ -	\$ -	\$ 210,000	\$ -	\$ 380,000	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		2006	2007	2008	2009	2010	
Project Expenditures	\$ 590,000	\$ -	\$ -	\$ 210,000	\$ -	\$ 380,000	\$ -
Operating Expenditures	-	-	-	-	-	-	-
TOTAL	\$ (590,000)	\$ -	\$ -	\$ (210,000)	\$ -	\$ (380,000)	\$ -

Cannon Park Recreation Center

Department	Parks and Recreation Department	
Project Cost	\$1,400,000	
Project Priority	<u>X</u>	Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided
	<u>X</u>	Eliminates deficiencies in providing a service at the current level of demand
	___	Eliminates a public hazard or threat to public safety
	<u>X</u>	Improvements or new capital assets that significantly improve the efficiency of operations
	<u>X</u>	New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

The Cannon Park Recreation Center will be located in Cannon Park. When complete, the 10,000 square foot facility will include restrooms, a lobby, a full size gymnasium, and associated landscaping and parking. The facility will be designed to accommodate the future construction of office space and activity rooms. The Recreation Center will provide the space needed to meet expanding program needs for youth and adult athletic leagues, summer day camps and allow expansion into other programs such as after-school programming. The Village's youth basketball program currently has 268 youth participating on 28 teams in 5 different age groups at the Pinehurst Elementary School gymnasium. By comparison, the neighboring Town of Southern Pines has an estimated 320 participants on 35 youth basketball teams that utilize 3 facilities for their program. Despite the fact that the Pinehurst Elementary gymnasium floor is in a poor, unsafe condition and that access to heat during the winter months is limited to only two out of the 10 ½ hours of facility use, the Village would continue to utilize the Pinehurst Elementary gymnasium after construction of the Recreation Center in order to meet programming needs.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Appropriations	\$ 1,400,000	\$ -	\$ 55,000	\$ 355,000	\$ 990,000	\$ -	\$ -
TOTAL	\$ 1,400,000	\$ -	\$ 55,000	\$ 355,000	\$ 990,000	\$ -	\$ -
Funding Source:							
Grants	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Installment Financing	900,000	-	-	900,000	-	-	-
TOTAL	\$ 1,400,000	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		2006	2007	2008	2009	2010	
Debt Proceeds	\$ 900,000	\$ -	\$ -	\$ 900,000	\$ -	\$ -	\$ -
Grant Proceeds	500,000	-	-	500,000	-	-	-
Project Expenditures	1,400,000	-	55,000	355,000	990,000	-	-
Operating Expenditures	187,865	-	-	10,200	57,480	59,204	60,981
Debt Service	197,056	-	-	-	99,560	97,496	95,432
TOTAL	\$ (384,921)	\$ -	\$ (55,000)	\$ 1,034,800	\$ (1,147,040)	\$ (158,764)	\$ (158,477)

Greenways

Department	Parks and Recreation Department
Project Cost	\$800,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

This project will create approximately 24 miles of pedestrian and non-motorized transportation paths throughout Pinehurst. The paths will be constructed of various materials depending on the terrain in the locations selected for path construction. The creation of greenways will interconnect different parts of Pinehurst and will offer a safe environment for walking, bicycling and other passive recreation and non-motorized transportation. Greenways will also promote a pollutant-free environment by reducing the need for modes of travel dependent on fuel.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Appropriations	\$ 800,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
TOTAL	\$ 800,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Funding Source:							
Grants	\$ 150,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Cash	650,000	300,000	50,000	50,000	50,000	100,000	100,000
TOTAL	\$ 800,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Project Expenditures	\$ 800,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Operating Expenditures	51,741	-	9,641	9,930	10,408	10,720	11,042
TOTAL	\$ (851,741)	\$ (300,000)	\$ (109,641)	\$ (109,930)	\$ (110,408)	\$ (110,720)	\$ (111,042)

Rassie Wicker Park Development

Department	Parks and Recreation Department
Project Cost	\$1,291,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

Rassie Wicker Park is a multi-phase project, beginning in 2004 and continuing through 2011, that includes the construction of a soccer field, an in-line hockey rink, restrooms, spray ground, shelters, shuffleboard, horseshoe pits, a sand volleyball court and various trails, parking and landscaping. Rassie Wicker Park will provide a facility that satisfies the recreational needs of the citizens of and visitors to Pinehurst in one location.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Appropriations	\$ 1,291,000	\$ 454,000	\$ -	\$ 195,000	\$ 115,000	\$ 390,000	\$ 137,000
TOTAL	\$ 1,291,000	\$ 454,000	\$ -	\$ 195,000	\$ 115,000	\$ 390,000	\$ 137,000
Funding Source:							
Grants	\$ 474,739	\$ 224,739	\$ -	\$ -	\$ -	\$ 250,000	\$ -
Cash	816,261	229,261	-	195,000	115,000	140,000	137,000
TOTAL	\$ 1,291,000	\$ 454,000	\$ -	\$ 195,000	\$ 115,000	\$ 390,000	\$ 137,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Project Expenditures	\$ 1,291,000	\$ 454,000	\$ -	\$ 195,000	\$ 115,000	\$ 390,000	\$ 137,000
Operating Expenditures	148,281	-	-	37,255	35,920	36,998	38,108
TOTAL	\$ (1,439,281)	\$ (454,000)	\$ -	\$ (232,255)	\$ (150,920)	\$ (426,998)	\$ (175,108)

West Pinehurst Community Park

Department	Parks and Recreation Department
Project Cost	\$50,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

This project is to develop a parking area and Master Plan for an additional outdoor recreation area located at the corner of Chicken Plant Road and Bowman Road. The specific park amenities will be determined during the master planning process. West Pinehurst Community Park will provide passive and active recreation amenities to the growing population west of Hwy 5.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2006	2007	2008	2009	2010
Appropriations	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
TOTAL	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Funding Source:							
Cash	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
TOTAL	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000

Cash Flow Impact	Total	Fiscal Year Ending June 30				
		2006	2007	2008	2009	2010
Project Expenditures	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Operating Expenditures	-	-	-	-	-	-
TOTAL	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ (50,000)



Personnel Classification Schedule

	Actual 2001-2002	Actual 2002-2003	Actual 2003-2004	Actual 2004-2005	Budgeted 2005-2006
General Government					
Administration					
Administration	8	8.5	8	5	4.5
Financial Services	-	-	-	4.75	5
Human Resources	-	-	-	1	1.5
Fleet Maintenance	3	3	3	3	3
Buildings and Grounds Maintenance	2	2	3	3	3.5
Information Systems	-	-	-	-	1
Total General Government	13	13.5	14	16.75	18.5
Public Safety					
Police	28	28	28	28	28
Fire	26	26	27	30	30
Inspections	-	3	3	3	3.3
Total Public Safety	54	57	58	61	61.3
Economic and Physical Development					
Planning	9.5	6	6	6	7
Engineering	1	1	2.5	2.5	2.5
Total Economic and Physical Development	10.5	7	8.5	8.5	9.5
Transportation					
Public Works Administration	2	2	2	2	2.5
Streets and Grounds	13	13	13	13	13
Total Transportation	15	15	15	15	15.5
Environmental Protection					
Solid Waste	10	9	9	9	9
Public Utilities					
Public Utilities Administration	-	-	-	1	-
Total Environmental Protection	10	9	9	10	9
Cultural and Recreation					
Parks and Recreation	2.5	2.5	2.5	2	2
Harness Track	5	5	5	4	4
Fair Barn	0.5	0.5	1	1	1
Total Cultural and Recreation	8	8	8.5	7	7
GRAND TOTAL	110.5	109.5	113	118.25	120.8