

# VILLAGE OF PINEHURST

**Budget for the Fiscal Year  
Ended June 30, 2007**



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



**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	Ronnie Davis
Fire Chief	Jimmy McCaskill
Director of Planning and Inspections	Andrea Correll
Director of Public Services	Walt Morgan
Director of Engineering	H. Jay Gibson
Director of Parks & Recreation	Mark Wagner
Director of Fleet Maintenance	Randy Kuhn
Director of Information Technology	Jason Whitaker



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## Introduction

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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 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

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*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.

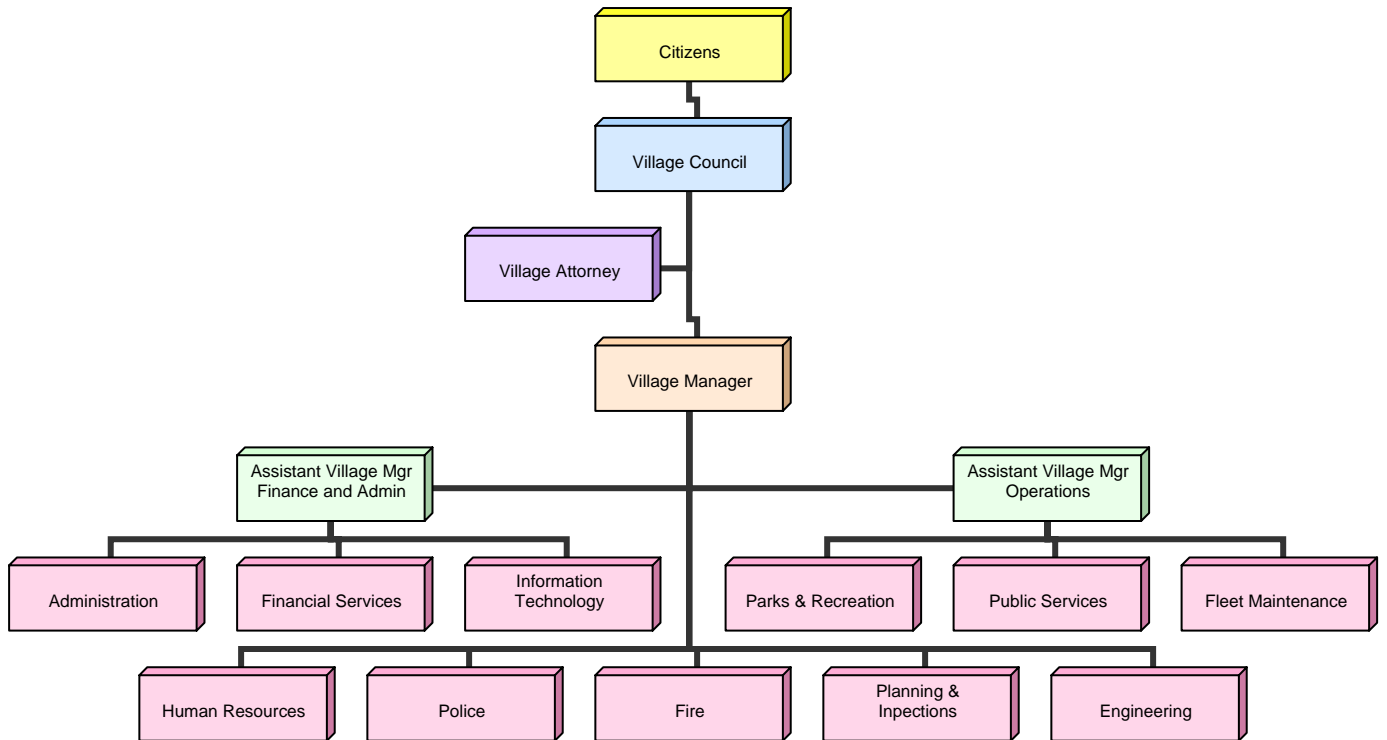
*Budget Glossary:* This section includes a list of common budget terms, acronyms and abbreviations. A detailed definition of these terms is provided to aid the reader in understanding the budget process.

*Supplementary Information:* This section includes miscellaneous information about the Village of Pinehurst, such as the history of the Village and the Personnel 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 9, 2006

The Honorable Steven J. 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 2006-2007 for your review and consideration. This document has continued to expand 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.

Some of the more significant changes to the format of this document include the addition of a section explaining the definitions of technical budget words and abbreviations. In addition, a narrative on the history of Pinehurst has been added along with some pertinent financial information at the end of the document.

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 \$.04 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 2006-2007 Recommended Net Budget, which includes all funds except the Capital Reserve Fund, totals \$13,531,625. This is a decrease of 0.06% over the prior year's Net Budget at March 31, 2006 of \$13,539,754. 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 2006-2007 per capita Net Budget is \$1,265, compared to our peer group's average per capita consolidated budget of \$1,200.

## **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 2006-2007 General Fund is balanced with a property tax rate of \$0.31 per \$100 valuation. This rate is consistent with the FY 2005-2006 property tax rate and is the lowest tax rate of any municipality in Moore County. This rate will provide approximately \$6,689,700 in property tax revenues based on an anticipated collection rate of 99.8% for real and personal property and 96.5% 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. The FY 2006-2007 budget does not contemplate the annexation of a nearby subdivision, Pinewild, as that is expected to occur in FY 2007-2008. The Village's second largest revenue source, Local Option Sales Tax, is expected to generate approximately 17% of the Village's total General Fund budget, or \$2,300,000 in FY 2006-2007.

The FY 2006-2007 Recommended Budget for the General Fund totals \$13,474,150, or 0.6% more than the amended FY 2005-2006 Budget of \$13,386,324 as of February 28, 2006. The primary cause of the increase is the increased salaries and benefits for new staff positions. Overall, the Recommended Budget utilizes \$786,405 of appropriated fund balance in order to transfer \$629,300 to the Capital Reserve Fund. This will result in a fund balance as a % of expenditures of roughly 29.4%.

### **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 2006-2007 under this policy is \$315,600. 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 \$313,700

from the General Fund to the Capital Reserve Fund in FY 2006-2007 for excess fund balance at June 30, 2006.

The Recommended Budget for the Capital Reserve Fund also calls for the transfer of \$300,000 to the General Fund in FY 2006-2007. After the transfers in and out, the Capital Reserve Fund's fund balance should approximate \$512,175 at the end of FY 2006-2007.

## **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 66% 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 \$6,689,700 in FY 2006-2007. 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 49% 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 \$2,300,000 in FY 2006-2007, which accounts for 17% of total revenues for the General Fund.

### **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 \$982,000 for FY 2006-2007.

### **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 \$1,161,840 in FY 2006-2007, or approximately 9% of the total General Fund budget.

## **FUND BALANCES**

On June 30, 2006, the Village's fund balance in the General Fund is projected to be approximately \$4,656,000, or 34.6% of the FY 2006-2007 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 2006-2007. 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, 2006 are as follows:

<u>FUND</u>	<u>ESTIMATED AMOUNT</u>
General Fund	\$ 4,656,679
Taylorhurst Assessment Fund	26,114
Land Dedication Fund	5,732
Residential Assurance Fund – Interest	11,477
Municipal Service District Fund	7,588
Capital Reserve Fund	<u>162,875</u>
	<u>\$ 4,870,465</u>

### **EXPENDITURES BY CATEGORY**

#### **Salaries and Wages**

Salaries and wages, excluding benefits, for the Village's 126.7 full-time equivalents (FTEs) accounts for \$4,517,340 or 33% of the total Net Budget. This percentage is consistent with prior years.

The Village's peer group also spends on average 35% 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 32% of total FY 2006-2007 expenditures.

The FY 2006-2007 General Fund budget recommends the addition of seven positions or 6.2 FTE's. The positions added include:

- Assistant for the Fair Barn (PT),
- Network Administrator for the IT department,
- B&G Supervisor,
- B&G Specialist (PT),
- Customer Service Representative (PT),
- Day Camp Counselors,
- Gym/Field Supervisors,
- Equine Waste Remover, and
- Laborers for the Fair Barn

Of the recommended FTEs, the Day Camp Counselors, Gym/Field Supervisors, Equine Waste Remover and Fair Barn Laborers (2.7 FTEs) are a direct result of the reclassification of certain positions as a result of an IRS Compliance Check. The budget also calls for the removal of the on-call building inspector for a decrease of 0.3 FTE's. The net impact of these staffing recommendations brings the total employee count to 126.7 the FY 2006-2007 budget.

A total of \$148,000 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 4.5% 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 increase the effectiveness of the Senior Management Team, an additional reorganization will take place effective July 1, 2006. The Assistant Village Manager of Finance and Administration's position will be moved from Financial Services to Administration, to more accurately reflect the duties this position performs in supporting the Village Manager. The Systems Administrator position will be reclassified as Director of Information Technology to correctly describe the role this position now fills in our organization in managing all of the day to day Information Technology needs for the Village of Pinehurst.

Group insurance costs have historically escalated at a very rapid pace. This past year, the Village received a 15% increase at renewal and maintained the same 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 six years, group insurance costs have increased by 110% or to \$672,700 in FY 2006-2007, up from \$321,000 in FY 2000-2001.

### **Operating Costs**

This category of expenditures accounts for \$7,993,160 or 59% of the total Net Budget. 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. Notable operating costs include architect fees for the design of a recreation center, partial funding for the stormwater master plan, fees for a Western Connector traffic feasibility study and annual resurfacing funds for 6.0 – 7.0 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 \$963,650, or 7% of the total Net Budget. Including the estimated expenditures for capital project funds, the estimated FY 2006-2007 capital expenditures would be expected to reach 11% of the total expenditures, or \$1,475,650. This is in comparison to our peers who spend 20% of their budgets on capital. This budget does not contain any significant nonroutine capital expenditures.

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 2006-2007 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 expansion of 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. 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 29.4% of FY 2006-2007 General Fund expenditures, which is within the Council's stated range of 27% to 33%. The General Fund's Recommended Budget for FY 2006-2007 results in a net loss from operations, or before any other financing sources and uses, of \$731,410. 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 2006-2007 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 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 \$0.04 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 2006-2007:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$13,474,150	\$ 13,474,150
Taylorhurst Assessment Fund	32,235	32,235
Land Dedication Fund	250	250
Residential Assurance Fund – Interest	380	380
Municipal Service District Fund	24,610	24,610
Capital Reserve Fund	<u>649,300</u>	<u>649,300</u>
	14,180,925	14,180,925
Less: Capital Reserve Fund*	<u>( 649,300)</u>	<u>( 649,300)</u>
TOTAL NET BUDGET	<u>\$ 13,531,625</u>	<u>\$ 13,531,625</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 9:00 am in the Assembly Hall of the Pinehurst Village Hall on Tuesday, June 6, 2006. A copy of the proposed budget that is updated as changes are made is available for inspection at Village Hall and on the Village's website [www.villageofpinehurst.org](http://www.villageofpinehurst.org).

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 in January, 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:

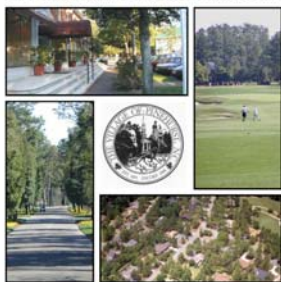
**The Village of Pinehurst is a residential community recognized for its natural beauty, exceptional quality of life, and golf resort facilities.**

**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.**

### **PINEHURST**

2003 Comprehensive Long-Range Village Plan



Recommended Plan For Village Council Approval  
February 14, 2003







## **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 2006-2007 Budget includes several current or short-term initiatives that address the long-term priorities identified by the Village Council:

### **Managing Growth**

#### *ST Initiatives*

- Continue to implement Growth Review Committee recommendations

### **Guiding Residential and Business Development**

#### *ST Initiatives*

- 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



### **Ensuring Adequate Community Facilities and Services**

#### *ST Initiatives*

- Hire an architect to design and begin construction of a new Recreation Center
- Purchase land for a new Public Services and Fleet Maintenance facility
- Support the Moore County Board of Education officials in their efforts to ensure adequate school facilities exist for Pinehurst children

### **Protecting Historic Resources**

#### *ST Initiatives*

- Establishing and supporting a local Historic District Commission

### **Reinforcing and Enhancing Community Structure**

#### *ST Initiatives*

- Implementation of new architecture and landscaping standards

### **Enhancing the Village Center**

#### *ST Initiatives*

- Complete the New Core Master Planning Process

### **Managing the Village's Transportation System**

#### *ST Initiatives*

- Complete replacement 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
- Provide matching funding for construction of a roundabout at Carolina Vista
- Continue funding for resurfacing 6-7 miles of Village-owned streets

### **Ensuring Adequate Public Utilities are Available**

#### *ST Initiatives*

- Complete the preparation of 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](http://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 Spa*

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](mailto: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 ([awilkison@villageofpinehurst.org](mailto:awilkison@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](mailto: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](mailto: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, 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 ([rdavis@villageofpinehurst.org](mailto:rdavis@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.



*Paul LeRoy(Police), John Warren (Fire), Cy Kirk (Fire)*

### **FIRE ([jmccaskill@villageofpinehurst.org](mailto: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.

### **INSPECTIONS ([acorrell@villageofpinehurst.org](mailto: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 SERVICES ([wmorgan@villageofpinehurst.org](mailto:wmorgan@villageofpinehurst.org))**

The Director of Public Services reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Department provides administrative and technical functions for the public services 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](mailto:wmorgan@villageofpinehurst.org))**

The Streets and Grounds Division of the Public Services Department reports directly to the Director of Public Services. 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.



*David Leslie (Solid Waste), Tim Brewer (Streets & Grounds), Ellis Dick (Solid Waste), Tim Campbell (Solid Waste)*



### ENVIRONMENTAL PROTECTION

#### **SOLID WASTE ([wmorgan@villageofpinehurst.org](mailto:wmorgan@villageofpinehurst.org))**

The Solid Waste Division of the Public Services Department reports directly to the Director of Public Services. 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.

### ECONOMIC & PHYSICAL DEVELOPMENT

#### **PLANNING ([acorrell@villageofpinehurst.org](mailto: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](mailto: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](mailto: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.



## About Village Services

### **HARNESS TRACK ([ewilliams@villageofpinehurst.org](mailto: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.



*Pinehurst Harness Track*

### **FAIR BARN ([msilhol@villageofpinehurst.org](mailto: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](mailto: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, and engine and pump repairs. Fleet Maintenance personnel also maintain, repair, and replace pumps, motors, and generators at the ponds in the Municipal Service District and at the police and fire stations.

#### **BUILDINGS & GROUNDS MAINTENANCE ([mwagner@villageofpinehurst.org](mailto: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 TECHNOLOGY ([jwhitaker@villageofpinehurst.org](mailto:jwhitaker@villageofpinehurst.org))**

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



*Jason Whitaker (Information Technology)*



## 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.....	<b>911</b>
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

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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 .....	<b>911</b>
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 of Pinehurst has a rich history that needs to be showcased in our budget document. There is also information that helps drive and influence budget decisions that would be helpful or interesting to the budget reader. This information is outlined in an updated *Supplementary Information* section of the FY 2006-2007 Budget.

Another additional section found in the FY 2006-2007 Budget is the *Budget Glossary* section. This section highlights specific budgetary terms, acronyms and abbreviations and informs the reader of the definitions and uses of each.

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

Finally, two departments have been renamed in FY 2006-2007. The Information Services department has been renamed to Information Technology and includes a new senior leadership position, the Director of Information Technology. The Public Works Administration department has been renamed to Public Services in this fiscal year.



## Budget Development Calendar

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The Village has utilized the following schedule in preparing and adopting the budget for the fiscal year ending June 30, 2007:

Wednesday, February 8, 2006	Financial Services Department holds “Budget Kickoff” meeting and distributes the 2006-2007 Budget Manual to department heads
Wednesday, March 15, 2006	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 3 – 7, 2006	Village Manager holds budget review meetings with Department Heads and Assistant Village Managers
Friday, May 5, 2006	Village Manager and Assistant Village Manager submit the draft budget to the Village Council
Tuesday, May 9, 2006	Village Manager presents the budget to the Village Council at a Council work session
May 9 – May 26, 2006	Village Council holds budget work sessions
Tuesday, June 6, 2006	Village holds a public hearing on the 2006-2007 budget
Tuesday, June 13, 2006	Village Council adopts the 2006-2007 budget
Saturday, July 1, 2006	The budget is implemented
Thursday, July 20, 2006	Financial Services Department publishes the final budget and distributes it to department heads



### **Budget Planning**

#### **Phase I**

In November and December of 2005, projections of personnel, operating and capital expenditures were estimated for the remainder of FY 2005-2006 and projected for the next five fiscal years. This was done to prepare the Capital Improvements Plan (CIP) for FY 2007-2011 that was adopted by the Village Council in February 2006. The CIP and internally prepared staffing projections are important in the budgeting process as they aid departments in creating their budget requests for FY 2006-2007.

#### **Phase II**

In January of 2006, the Financial Services Department compiled the Budget Manual and worksheets used by departments in making their budget requests.

#### **Phase III**

In February of 2006, the Financial Services Department held a "Budget Kickoff Meeting" for all department heads. At this meeting, the Assistant Village Manager discussed the desire of the Village to proceed with a results-based management system. The Assistant Village Manager and Director of Financial Services 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, and sample budget worksheets.

#### **Phase IV**

All operating and capital budget requests were due to the Financial Services Department by March 15, 2006.



## **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 2006-2007. 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 February 28. 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 135,057	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	289,284	300,000	296,540	310,500	3.5%
Capital	28,542	30,000	29,950	25,000	-16.7%
<b>Expenditures Total</b>	<b>\$ 452,883</b>	<b>\$ 480,000</b>	<b>\$ 473,075</b>	<b>\$ 490,500</b>	<b>2.2%</b>

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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 135,057	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	289,284	300,000	296,540	310,500	3.5%
Capital	28,542	30,000	29,950	25,000	-16.7%
Expenditures Total	\$ 452,883	\$ 480,000	\$ 473,075	\$ 490,500	2.2%

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. The General Fund is appropriated annually and is included in the budget document.



## 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. These funds are appropriated annually and are included in the budget document.

## Capital Project Fund

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 **MSD Dam Rehabilitation Capital Project Fund** is the only capital project fund for the Village at this time. Funds for these projects have previously been appropriated by the Village Council but are still included in the budget document.

## Agency Fund

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The **Residential Assurance Fund** is the only agency fund for the Village at this time. Agency funds are not appropriated and therefore are not included in the budget document. Information on the Residential Assurance Fund is available in the Village's Comprehensive Annual Financial Report (CAFR).



## Annual Budget Ordinance

### VILLAGE OF PINEHURST Budget Ordinance Fiscal Year 2006-2007

**BE IT ORDAINED AND ESTABLISHED** by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 13<sup>th</sup> day of June 2006 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, 2006 and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this Village:

**OPERATING EXPENDITURES:**

Governing Body	\$ 243,600
Administration	744,830
Financial Services	505,400
Human Resources	226,660
Police	1,799,360
Fire	1,798,960
Inspections	260,710
Public Services	285,300
Streets & Grounds	822,650
Powell Bill	949,300
Solid Waste	809,040
Planning	581,050
Engineering	504,210
Parks & Recreation	517,680
Harness Track	443,680
Fair Barn	235,600
Contingency	94,000
Non-Departmental	51,000
Debt Service	1,028,170
Other Financing Uses	<u>629,300</u>
Total Operating Expenditures	<u>\$ 12,530,500</u>



## Annual Budget Ordinance

### CAPITAL EXPENDITURES:

Governing Body	\$ 40,000
Administration	67,000
Police	94,650
Public Services	225,000
Streets & Grounds	55,000
Solid Waste	242,000
Engineering	90,000
Parks & Recreation	115,000
Harness Track	<u>50,000</u>
Total Capital Expenditures	<u>\$ 978,650</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 13,509,150</u></b>

**SECTION 2.** It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2006 and ending June 30, 2007:

Ad Valorem Tax Revenue	\$ 6,689,700
Other Taxes and Licenses	2,536,900
Unrestricted Intergovernmental Revenue	545,000
Restricted Intergovernmental Revenue	437,000
Permits and Fees	1,161,840
Sales and Services	404,400
Other Revenues	87,600
Investment Income	286,000
Other Financing Sources	574,305
Appropriated Fund Balance	<u>786,405</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 13,509,150</u></b>

**SECTION 3.** The following amounts are hereby appropriated in the Taylorhurst Assessment Special Revenue Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007 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, 2006, and ending June 30, 2007:

Assessment Income	\$ 30,415
Investment Income	<u>1,820</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 32,235</u></b>

**SECTION 5.** The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Future Recreation	<u>\$ 250</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, 2006, and ending June 30, 2007:

Investment Income	<u>\$ 250</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, 2006, and ending June 30, 2007 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Beautification	<u>\$ 380</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, 2006, and ending June 30, 2007:

Investment Income	<u>\$ 380</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, 2006, and ending June 30, 2007 in accordance with the chart of accounts heretofore approved for the Village:

Operating Expenditures	\$ 5,740
Transfer to General Fund	<u>17,070</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 22,810</u></b>



## 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, 2006, and ending June 30, 2007:

Ad Valorem Tax Revenue	\$ 5,500
Assessments	17,070
Investment Income	<u>240</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 22,810</u></b>

**SECTION 11.** The following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Capital	\$ 349,300
Transfer to General Fund	<u>300,000</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 649,300</u></b>

**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, 2006, and ending June 30, 2007:

Investment Income	\$ 20,000
Transfer from the General Fund	<u>629,300</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 649,300</u></b>

**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, 2006, 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 \$2,022,000,000 and an estimated collection rate of 99.8% for real and personal property and 96.5% for motor vehicles.

There is hereby levied a tax at the rate of nine cents (\$0.09) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2006, 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 \$6,183,000 and an estimated collection rate of 100.00%.





## **Annual Budget Ordinance**

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**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 13th day of June, 2006

(Municipal Seal)

VILLAGE OF PINEHURST  
VILLAGE COUNCIL

By:

---

Steven J. Smith, Mayor

Attest:

---

Linda S. Brown, Village Clerk

Approved as to form:

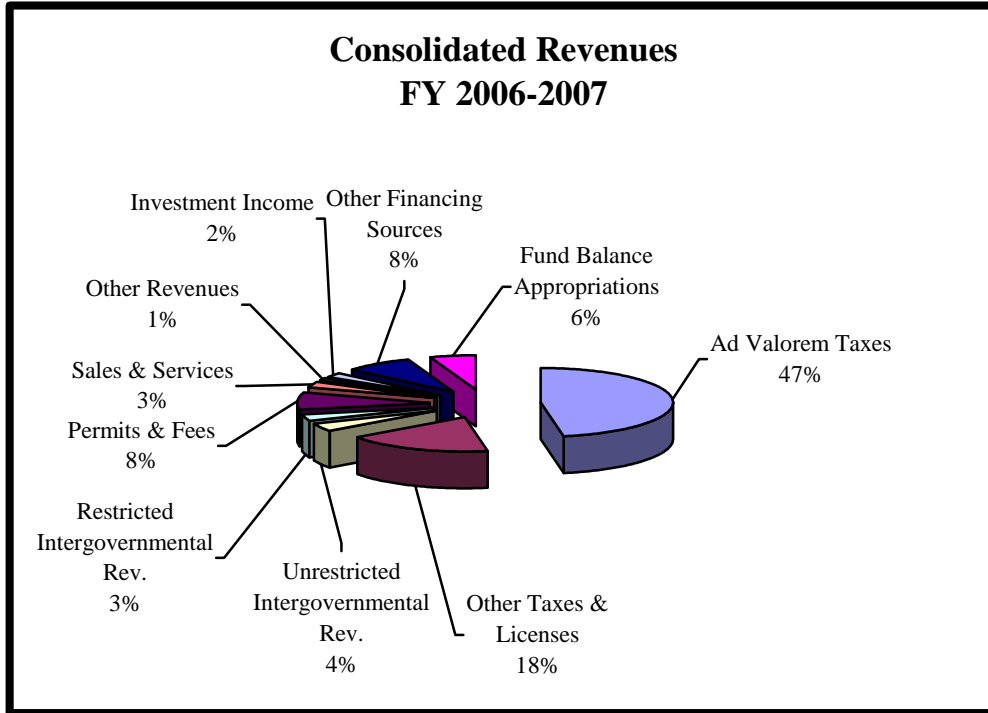
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Michael J. Newman, Village Attorney



## 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.

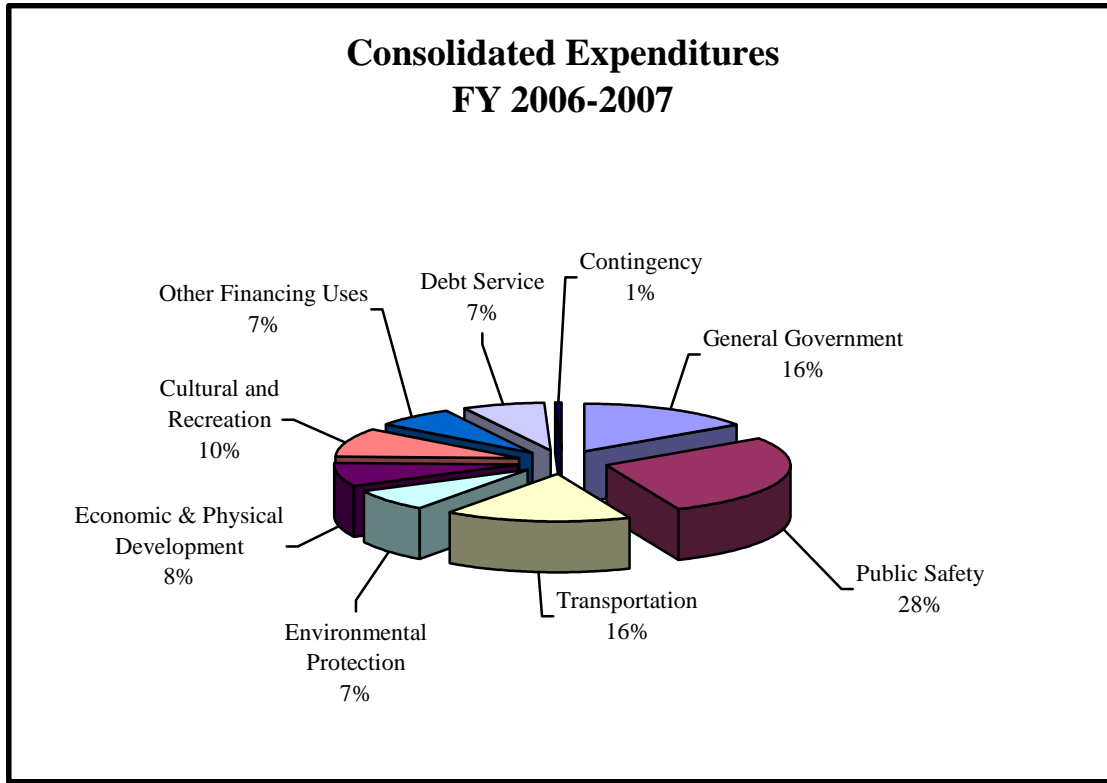


Consolidated Revenues	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,290,091	\$ 6,480,000	\$ 6,498,570	\$ 6,695,200	3.0%
Other Taxes & Licenses	2,324,970	2,401,100	2,419,911	2,536,900	4.8%
Unrestricted Intergovernmental Rev.	528,288	486,000	532,751	545,000	2.3%
Restricted Intergovernmental Rev.	465,120	491,734	468,675	437,000	-6.8%
Permits & Fees	1,687,337	1,088,750	1,105,750	1,161,840	5.1%
Sales & Services	405,049	388,050	392,360	404,400	3.1%
Other Revenues	127,952	183,065	164,122	135,085	-17.7%
Investment Income	115,678	192,875	236,956	308,690	30.3%
Other Financing Sources	1,031,324	2,120,235	1,657,535	1,203,605	-27.4%
Fund Balance Appropriations	-	2,541,025	-	786,405	100.0%
<b>Total Revenues</b>	<b>\$ 12,975,809</b>	<b>\$ 16,372,834</b>	<b>\$ 13,476,630</b>	<b>\$ 14,214,125</b>	<b>5.5%</b>
<b>Per Capita</b>	<b>\$ 1,222</b>	<b>\$ 1,531</b>	<b>\$ 1,260</b>	<b>\$ 1,305</b>	



## 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Government	\$ 1,685,090	\$ 3,271,508	\$ 1,615,105	\$ 2,227,790	37.9%
Public Safety	3,628,527	4,079,172	3,892,639	3,953,680	1.6%
Transportation	1,598,336	1,994,934	1,944,349	2,337,250	20.2%
Environmental Protection	817,128	736,999	668,534	1,056,780	58.1%
Economic & Physical Development	971,814	1,306,776	1,219,859	1,175,640	-3.6%
Cultural and Recreation	1,051,090	1,186,765	1,181,768	1,362,210	15.3%
Other Financing Uses	797,235	2,656,735	2,656,735	978,605	-63.2%
Debt Service	870,833	1,037,545	1,037,532	1,028,170	-0.9%
Contingency	-	102,400	-	94,000	100.0%
<b>Total Expenditures</b>	<b>\$ 11,420,053</b>	<b>\$ 16,372,834</b>	<b>\$ 14,216,521</b>	<b>\$ 14,214,125</b>	<b>0.0%</b>
<b>Per Capita</b>	<b>\$ 1,076</b>	<b>\$ 1,531</b>	<b>\$ 1,329</b>	<b>\$ 1,305</b>	

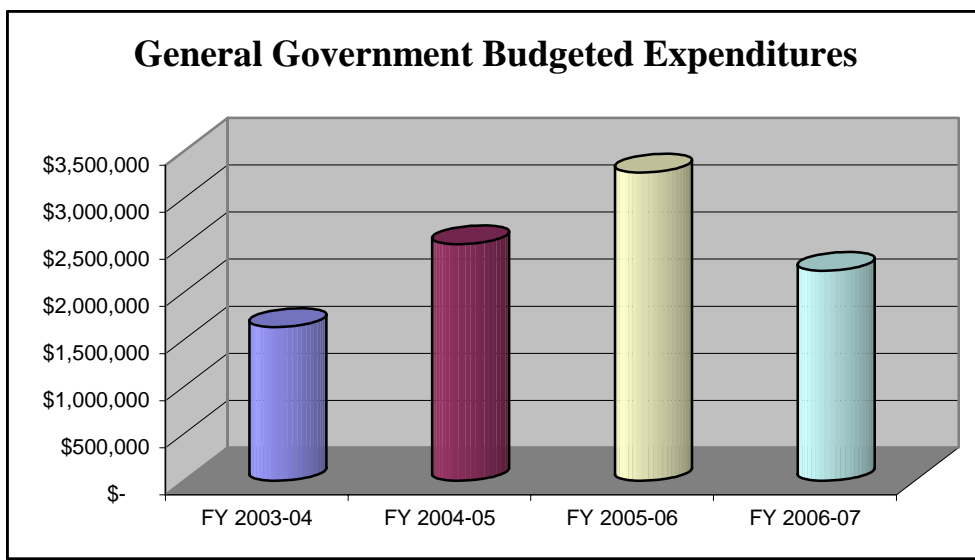


# Consolidated Budget Summary

## 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.



<b>General Government</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 1,629,697	\$ 2,509,610	\$ 3,271,508	\$ 2,227,790
Dollar Change	533,988	879,913	761,898	(1,043,718)
Percent Change	48.7%	54.0%	30.4%	-31.9%

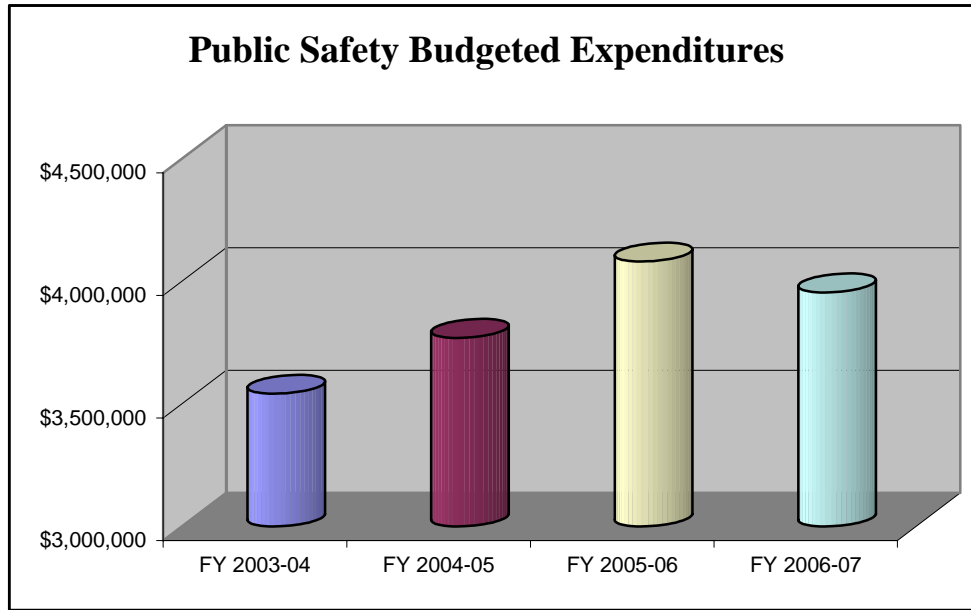
<b>General Government Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Wages	\$ 604,444	\$ 646,000	\$ 606,319	\$ 715,100	17.9%
Operating	979,133	2,515,508	903,786	1,405,690	55.5%
Capital	101,513	110,000	105,000	107,000	1.9%
<b>Total Expenditures</b>	<b>\$ 1,685,090</b>	<b>\$ 3,271,508</b>	<b>\$ 1,615,105</b>	<b>\$ 2,227,790</b>	<b>37.9%</b>

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

**Other Funds Included:** Capital Reserve Fund



## Consolidated Budget Summary



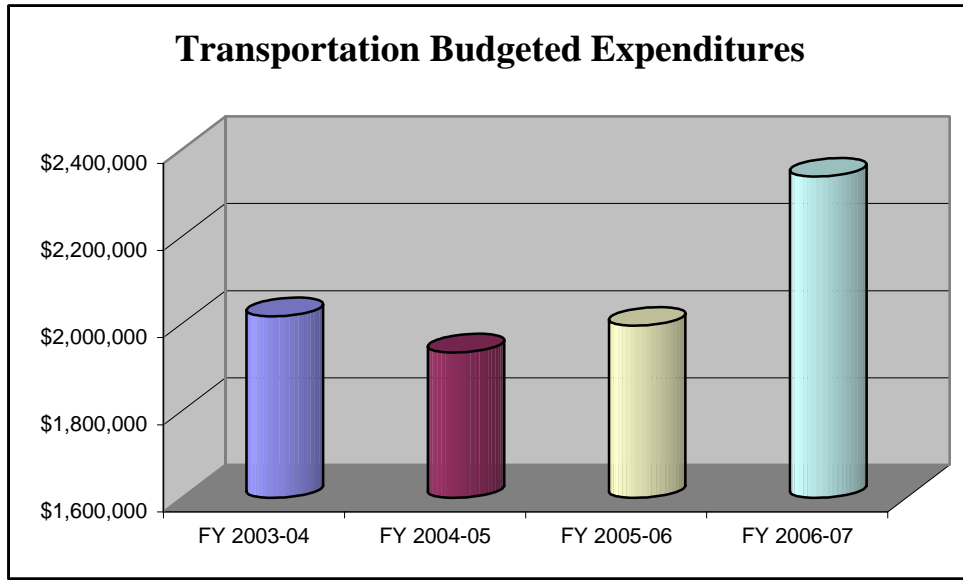
<b>Public Safety</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 3,540,290	\$ 3,768,557	\$ 4,079,172	\$ 3,953,680
Dollar Change	545,440	228,267	310,615	(125,492)
Percent Change	18.2%	6.4%	8.2%	-3.1%

<b>Public Safety Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Wages	\$ 2,095,921	\$ 2,406,119	\$ 2,271,802	\$ 2,327,340	2.4%
Operating	1,420,656	1,385,153	1,377,476	1,531,690	11.2%
Capital	111,950	287,900	243,362	94,650	-61.1%
<b>Total Expenditures</b>	\$ 3,628,527	\$ 4,079,172	\$ 3,892,639	\$ 3,953,680	1.6%

**General Fund Departments/Divisions:** Police, Fire, Inspections



## Consolidated Budget Summary



<b>Transportation</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 2,016,490	\$ 1,933,270	\$ 1,994,934	\$ 2,337,250
Dollar Change	486,981	(83,220)	61,664	342,316
Percent Change	31.8%	-4.1%	3.2%	17.2%

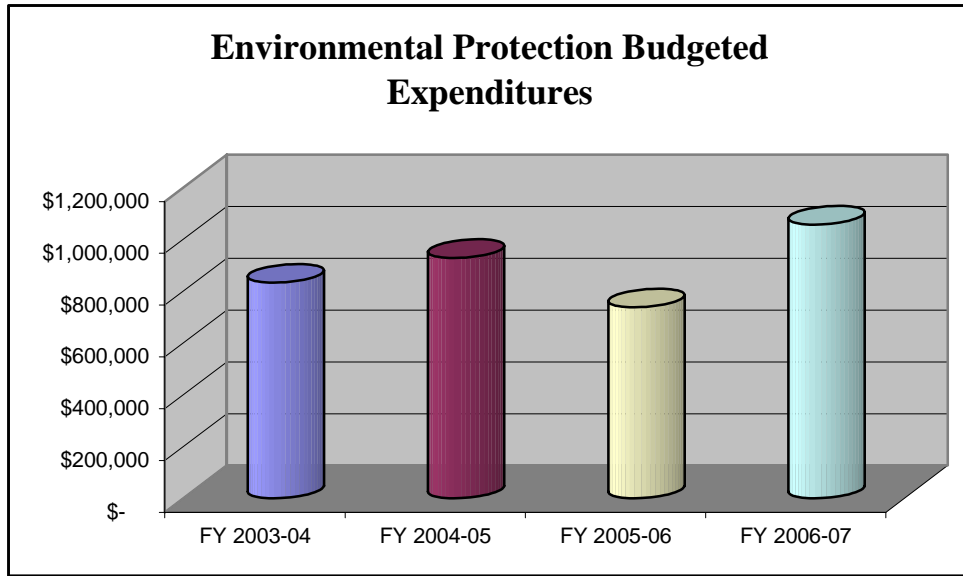
<b>Transportation Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Wages	\$ 336,754	\$ 429,000	\$ 402,927	\$ 492,400	22.2%
Operating	1,083,065	1,449,834	1,426,519	1,564,850	9.7%
Capital	178,517	116,100	114,903	280,000	143.7%
<b>Total Expenditures</b>	\$ 1,598,336	\$ 1,994,934	\$ 1,944,349	\$ 2,337,250	20.2%

**General Fund Departments/Divisions:** Public Services, Streets & Grounds, Powell Bill

**Other Funds Included:** Taylorhurst Assessment Fund



## Consolidated Budget Summary



<b>Environmental Protection</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 832,205	\$ 927,938	\$ 736,999	\$ 1,056,780
Dollar Change	129,906	95,733	(190,939)	319,781
Percent Change	18.5%	11.5%	-20.6%	43.4%

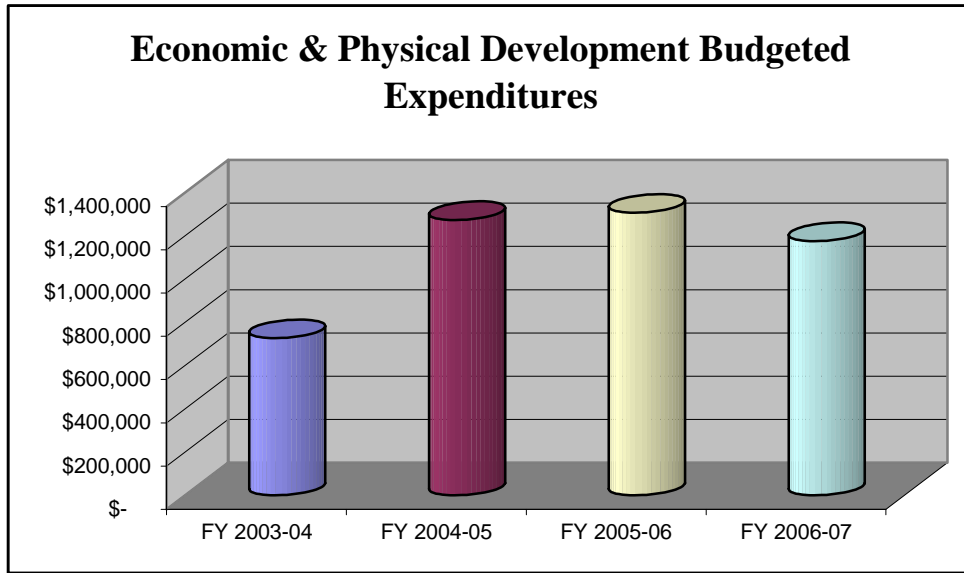
<b>Environmental Protection Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Wages	\$ 311,068	\$ 250,500	\$ 221,286	\$ 246,400	11.3%
Operating	468,484	486,499	447,248	568,380	27.1%
Capital	37,576	-	-	242,000	100.0%
<b>Total Expenditures</b>	<b>\$ 817,128</b>	<b>\$ 736,999</b>	<b>\$ 668,534</b>	<b>\$ 1,056,780</b>	<b>58.1%</b>

**General Fund Departments/Divisions:** Solid Waste

**Other Funds Included:** Municipal Service District



## Consolidated Budget Summary



<b>Economic &amp; Physical Dev</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 726,402	\$ 1,273,135	\$ 1,306,776	\$ 1,175,640
Dollar Change	3,665	546,733	33,641	(131,136)
Percent Change	0.5%	75.3%	2.6%	-10.0%

<b>Economic &amp; Physical Dev. Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Wages	\$ 374,509	\$ 437,500	\$ 403,383	\$ 441,850	9.5%
Operating	372,361	679,276	626,477	643,790	2.8%
Capital	224,944	190,000	190,000	90,000	-52.6%
<b>Total Expenditures</b>	\$ 971,814	\$ 1,306,776	\$ 1,219,859	\$ 1,175,640	-3.6%

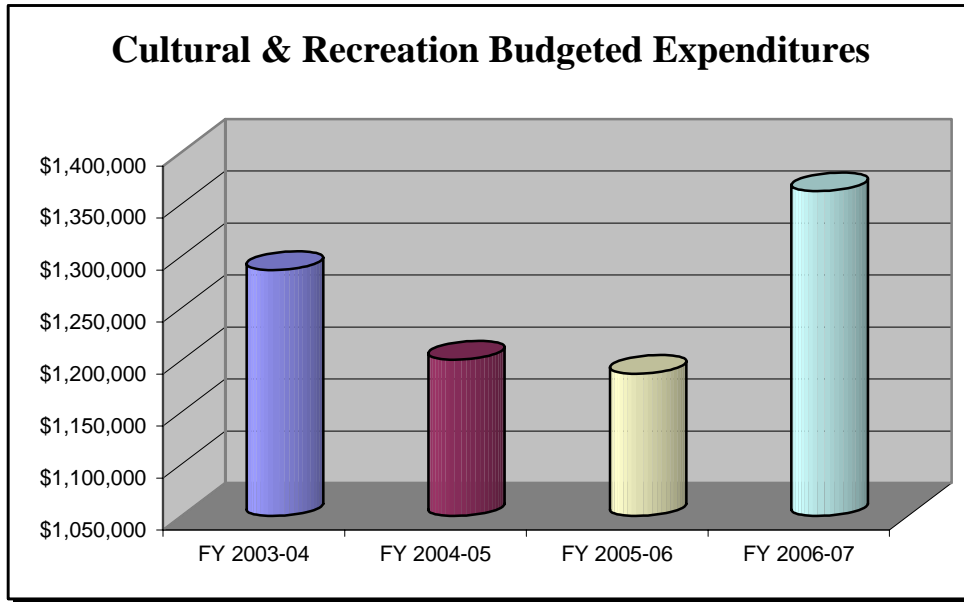
**General Fund Departments/Divisions:** Planning, Engineering

**Other Funds Included:** Residential Assurance Fund - Interest





## Consolidated Budget Summary



<b>Cultural &amp; Recreation</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 1,286,429	\$ 1,200,365	\$ 1,186,765	\$ 1,362,210
Dollar Change	(352,523)	(86,064)	(13,600)	175,445
Percent Change	-21.5%	-6.7%	-1.1%	14.8%

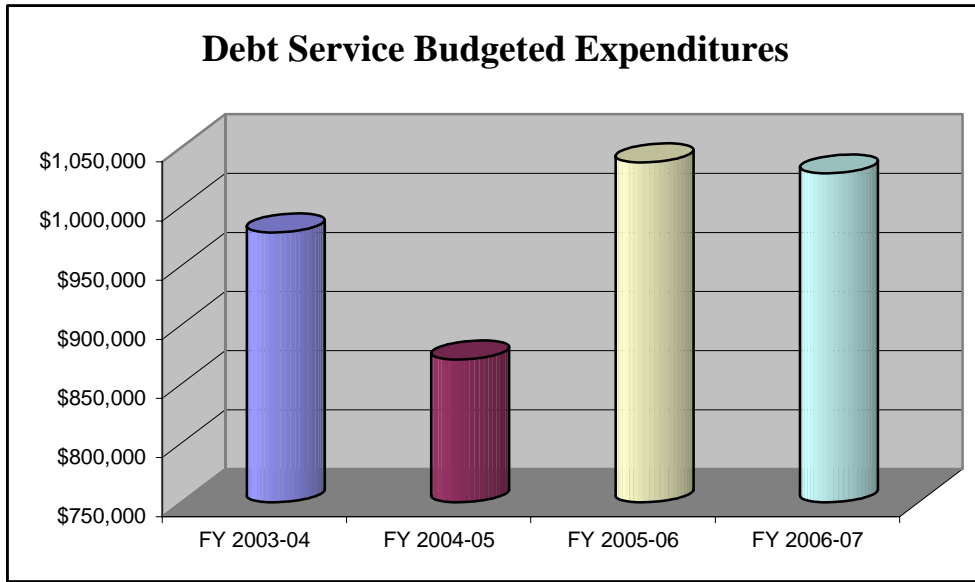
<b>Cultural &amp; Recreation Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Wages	\$ 212,473	\$ 235,500	\$ 230,870	\$ 333,250	44.3%
Operating	598,217	714,065	690,913	863,960	25.0%
Capital	240,400	237,200	259,985	165,000	-36.5%
<b>Total Expenditures</b>	<b>\$ 1,051,090</b>	<b>\$ 1,186,765</b>	<b>\$ 1,181,768</b>	<b>\$ 1,362,210</b>	<b>15.3%</b>

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

**Other Funds Included:** Land Dedication Fund



## Consolidated Budget Summary



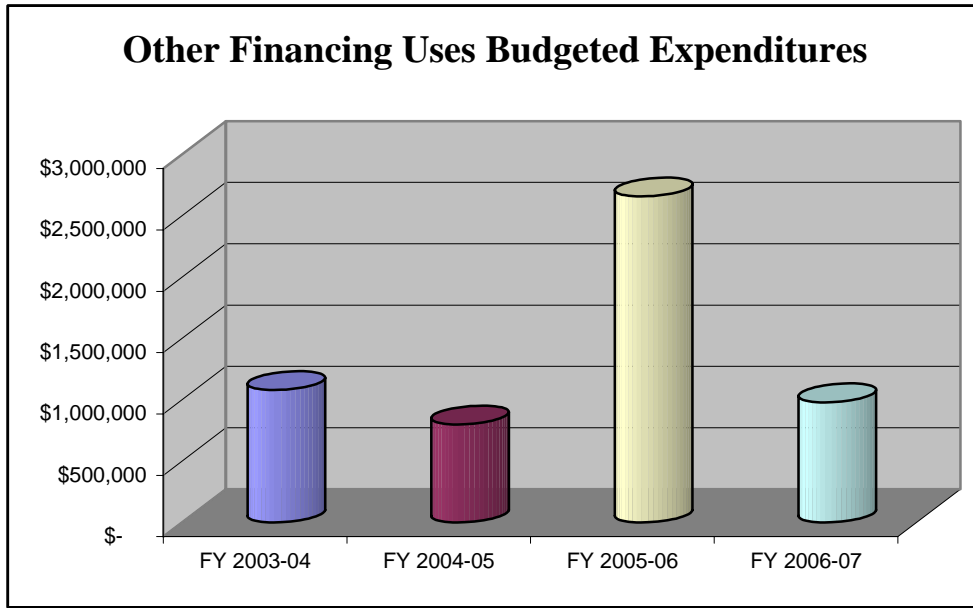
<b>Debt Service</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 978,255	\$ 870,870	\$ 1,037,545	\$ 1,028,170
Dollar Change	48,640	(107,385)	166,675	(9,375)
Percent Change	5.2%	-11.0%	19.1%	-0.9%

<b>Debt Service Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Operating	\$ 870,833	\$ 1,037,545	\$ 1,037,532	\$ 1,028,170	-0.9%
<b>Total Expenditures</b>	\$ 870,833	\$ 1,037,545	\$ 1,037,532	\$ 1,028,170	-0.9%

**Funds with Debt Service:** General Fund



## Consolidated Budget Summary



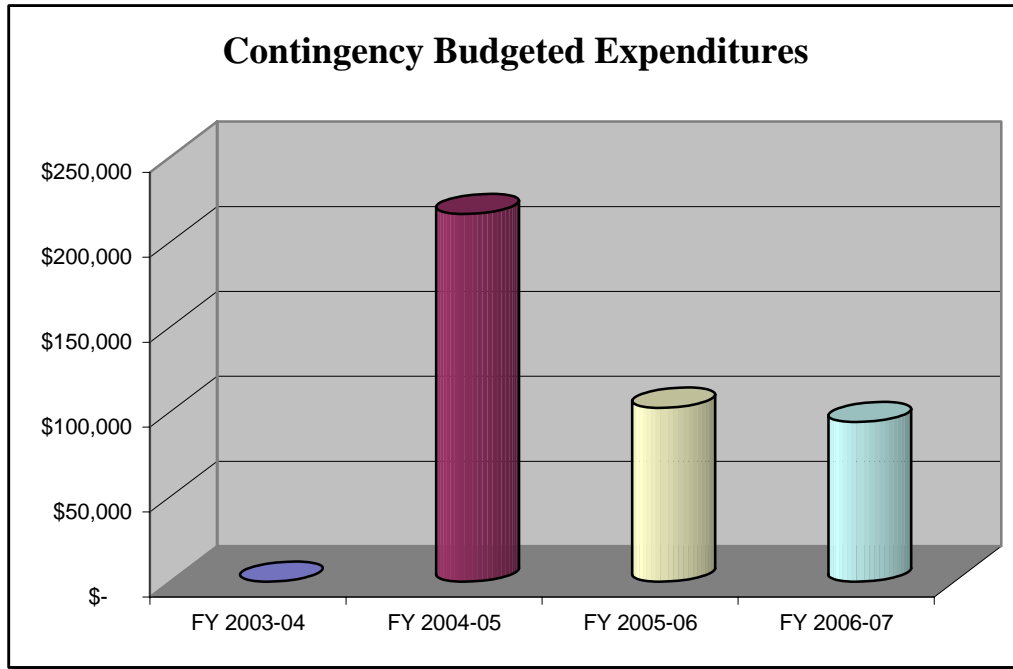
<b>Other Financing Uses</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ 1,078,360	\$ 797,235	\$ 2,656,735	\$ 978,605
Dollar Change	613,360	(281,125)	1,859,500	(1,678,130)
Percent Change	131.9%	-26.1%	233.2%	-63.2%

<b>Other Financing Uses Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Operating	\$ 797,235	\$ 2,656,735	\$ 2,656,735	\$ 978,605	-63.2%
<b>Total Expenditures</b>	\$ 797,235	\$ 2,656,735	\$ 2,656,735	\$ 978,605	-63.2%

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



## Consolidated Budget Summary



<b>Contingency</b>	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Total Budgeted Amount	\$ -	\$ 216,495	\$ 102,400	\$ 94,000
Dollar Change		(2,545)	216,495	(114,095)
Percent Change		-100.0%	100.0%	-52.7%

<b>Contingency Expenditures</b>	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Operating	\$ -	\$ 102,400	\$ -	\$ 94,000	100.0%
<b>Total Expenditures</b>	\$ -	\$ 102,400	\$ -	\$ 94,000	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:

<b>Fund Balances</b>	FY 2002-03 Actual	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Estimated
General Fund	\$ 3,662,522	\$ 3,674,629	\$ 5,067,382	\$ 4,656,679
Taylorhurst Assessment Fund	23,076	29,101	30,048	26,114
Land Dedication Fund	5,024	5,069	5,552	5,732
Residential Assurance - Interest Fund	13,070	11,382	11,477	11,477
Municipal Service District Fund	919	3,157	3,822	7,588
Capital Reserve Fund	235,254	331,262	492,075	162,875
<b>Fund Totals</b>	<b>\$ 3,939,865</b>	<b>\$ 4,054,600</b>	<b>\$ 5,610,356</b>	<b>\$ 4,870,465</b>

The following schedule outlines the % increase or % decrease for each of the Village's annually appropriated funds. You will note that the fund balance for the General Fund is decreasing by 17% due primarily to the fact that excess fund balance is being transferred to the Capital Reserve Fund. Even with this decrease, the estimated fund balance for the General Fund will still remain at 29% of the next year's budgeted expenditures in accordance to the Village's Fund Balance Policy. On the other hand, the Capital Reserve Fund is increasing by 235% due to the \$629,300 transfer from the General Fund for the transfer for excess fund balance and 75% of the Article 44 local option sales tax.

<b>Fund Balances</b>	FY 2005-06 Estimated	Increases/ (Decreases)	FY 2006-07 Estimated	% Increase/ (% Decrease)
General Fund	\$ 4,656,679	\$ (786,405)	\$ 3,870,274	-17%
Taylorhurst Assessment Fund	26,114	-	26,114	0%
Land Dedication Fund	5,732	250	5,982	4%
Residential Assurance - Interest Fund	11,477	380	11,857	3%
Municipal Service District Fund	7,588	-	7,588	0%
Capital Reserve Fund	162,875	349,300	512,175	214%
<b>Fund Totals</b>	<b>\$ 4,870,465</b>	<b>\$ (436,475)</b>	<b>\$ 4,433,990</b>	<b>-9%</b>

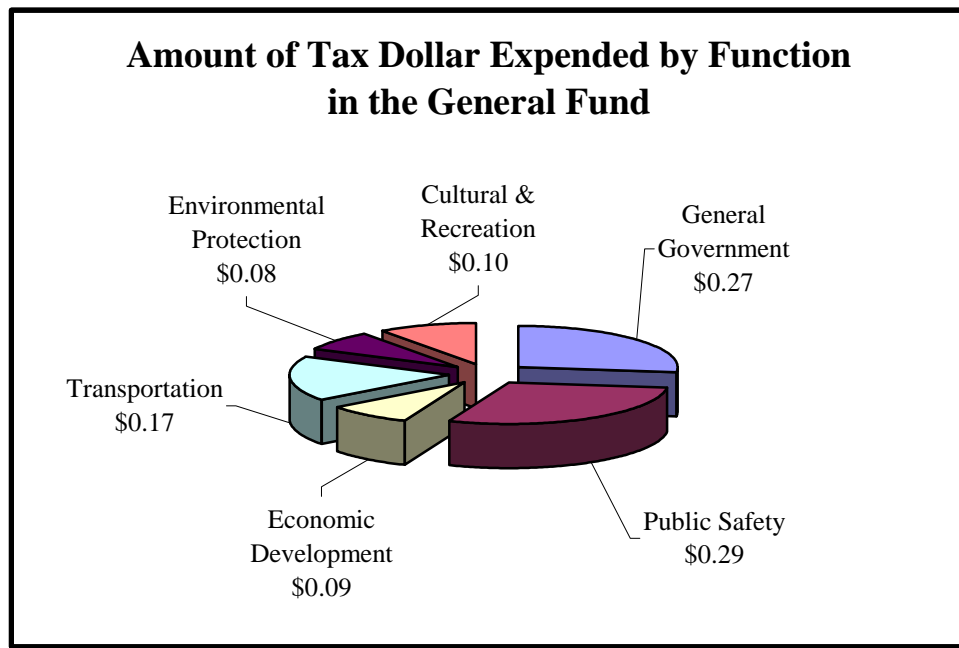


## General Fund Summary

### *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 57% over this time period, or up from \$7.7 million in FY 2001-2002 to \$12.1 million in FY 2006-2007. Operating expenditures have also increased significantly over the same time frame, up \$4.3 million to \$12.8 million in FY 2006-2007. 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>
6/30/03	\$ 8,836,000	\$ 8,437,500	\$ 398,500
6/30/04	10,651,000	9,944,500	706,500
6/30/05	11,882,500	10,608,000	1,274,500
6/30/06	11,729,500	11,556,000	173,500)
6/30/07	12,148,440	12,879,850	(731,410)

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 \$629,300 and adding Other Financing Sources of \$574,305 and Appropriated Fund Balance of \$786,405, the Village's Recommended Budget is balanced in accordance with North Carolina General Statutes in FY 2006-2007.

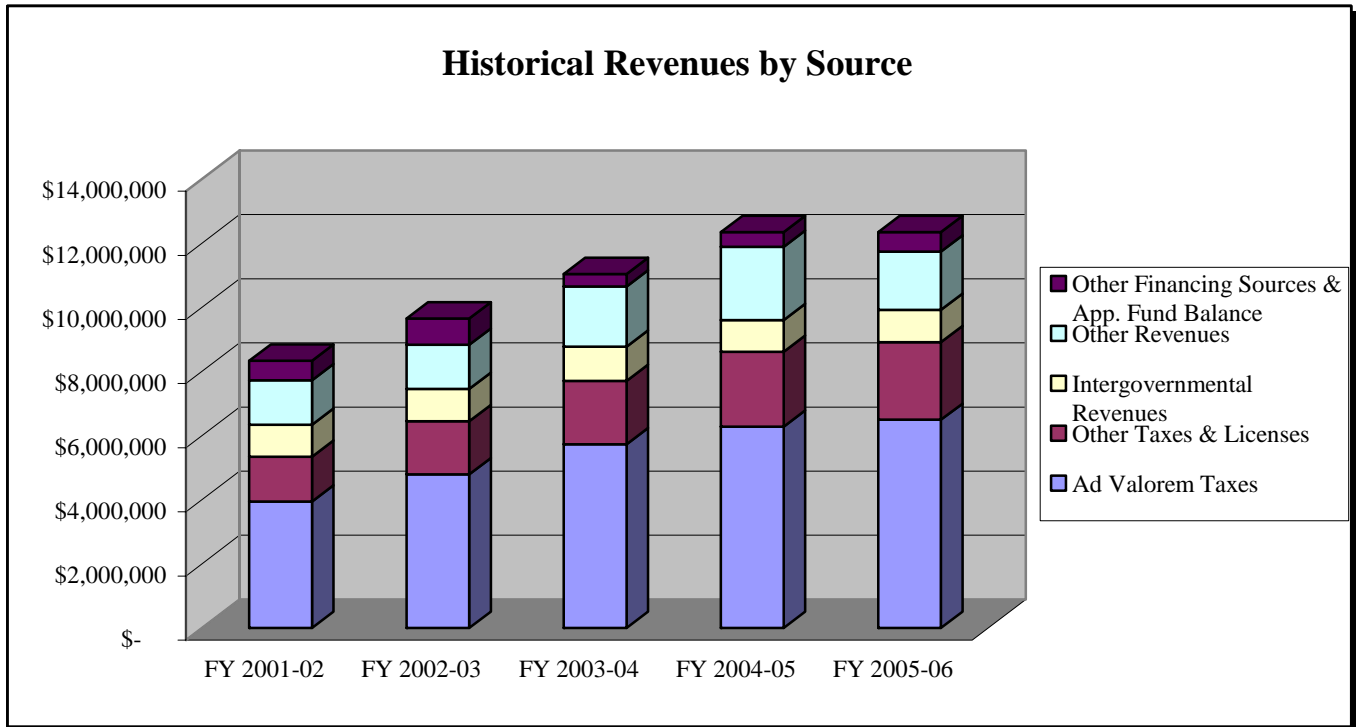
### Revenues

General Fund Revenue by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,283,211	\$ 6,473,000	\$ 6,491,470	\$ 6,689,700	3.1%
Other Taxes & Licenses	2,324,970	2,401,100	2,419,911	2,536,900	4.8%
Unrestricted Intergovernmental Rev.	528,288	486,000	532,751	545,000	2.3%
Restricted Intergovernmental Rev.	465,120	491,734	468,675	437,000	-6.8%
Permits & Fees	1,687,337	1,088,750	1,105,400	1,161,840	5.1%
Sales & Services	405,049	388,050	392,360	404,400	3.1%
Other Revenues	86,586	116,430	102,122	87,600	-14.2%
Investment Income	101,936	180,000	216,540	286,000	32.1%
Other Financing Sources	458,235	612,735	612,735	574,305	-6.3%
Fund Balance Appropriations	-	1,148,525	-	786,405	100.0%
<b>Total Revenues</b>	<b>\$ 12,340,732</b>	<b>\$ 13,386,324</b>	<b>\$ 12,341,964</b>	<b>\$ 13,509,150</b>	<b>9.5%</b>

**Budget Highlights:** The Approved Budget for FY 2006-2007 represents less than a 1% increase over the FY 2005-2006 amended budget and a 9% increase over estimated revenues for FY 2005-2006. Ad Valorem taxes and Other Taxes and Licenses, which represent 68% of total revenues, continue to increase. Permits & Fees revenues are expected to increase slightly after receiving 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 2006-2007 is due primarily to the steady growth in Ad Valorem taxes, Other Taxes & Licenses and Permits & Fees caused by a consistent level of new home construction of approximately 240 homes annually in the Village limits and ETJ.



# General Fund Summary



## Expenditures

General Fund Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 5,301,660	\$ 5,860,779	\$ 5,554,872	\$ 6,103,740	9.9%
Operating	3,886,582	5,552,800	5,247,364	5,398,590	2.9%
Capital	894,900	941,200	913,250	978,650	7.2%
Debt Service	870,833	1,037,545	1,037,532	1,028,170	-0.9%
<b>Total Expenditures</b>	<b>\$ 10,953,975</b>	<b>\$ 13,392,324</b>	<b>\$ 12,753,017</b>	<b>\$ 13,509,150</b>	<b>5.9%</b>

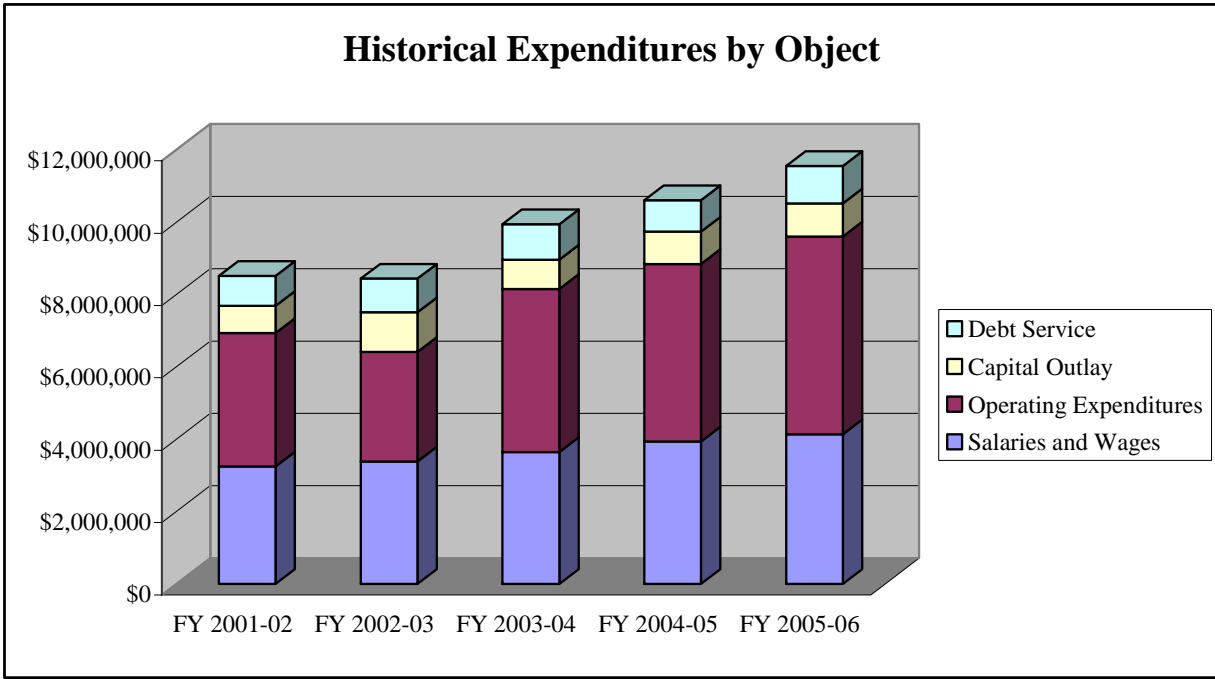
### Budget Highlights:

The Approved Budget for FY 2006-2007 includes the addition of 3.5 new FTEs. To be in compliance with IRS guidelines, the Village will be transitioning many contract laborers to part-time employee status resulting in the addition of 2.7 FTEs. The increase in salaries in FY 2006-2007 is the result of the salaries and benefits for the new full and part-time positions and a projected 20% increase in group insurance premiums effective January 1, 2007. The increase in Operating expenditures is due primarily to increased investment in information technology, road resurfacing costs, and solid waste supplies to roll out a new automated arm trash compactor system. Capital spending in the General Fund has increased by 5.5% and there are no significant nonroutine capital expenditures.



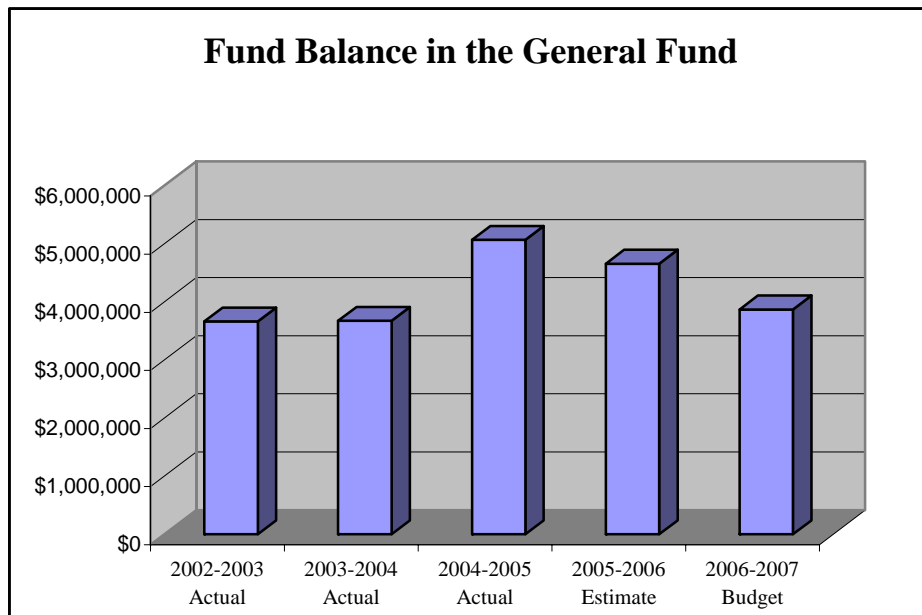


# General Fund Summary



## Fund Balance

Fund Balance is estimated to be \$4,656,679 at June 30, 2006. 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 \$313,700 to the Capital Reserve Fund in FY 2006-2007.





### 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Real & Personal - Current Year	\$ 5,901,742	\$ 6,060,000	\$ 6,078,640	\$ 6,252,000	2.9%
Real & Personal - Prior Years	2,080	5,000	4,125	5,000	21.2%
Motor Vehicles - Current Year	365,384	400,000	401,550	427,700	6.5%
Motor Vehicles - Prior Years	9,855	5,000	10,215	5,000	-51.1%
Discounts/Reliefs/Refunds	(3,325)	(3,000)	(4,900)	(5,000)	2.0%
Tax Interest	7,475	6,000	1,840	5,000	171.7%
<b>Total Ad Valorem Tax Revenue</b>	<b>\$ 6,283,211</b>	<b>\$ 6,473,000</b>	<b>\$ 6,491,470</b>	<b>\$ 6,689,700</b>	<b>3.1%</b>

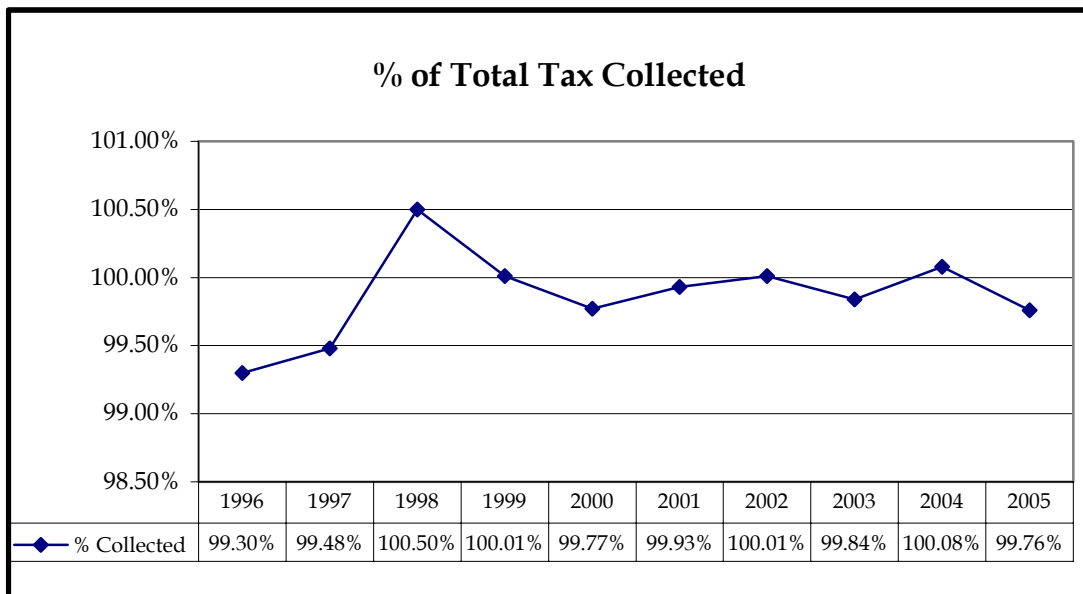
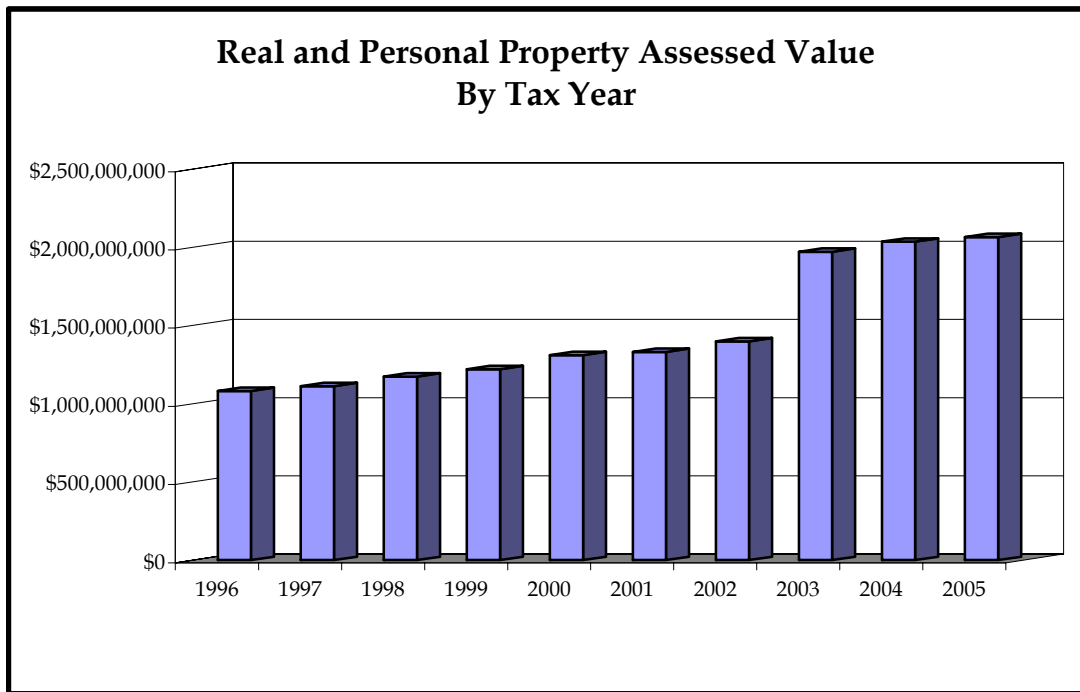
### Revenue Assumptions

- 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, 2007. This will generate \$6,689,700 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$2,165,000,000, of which \$2,022,000,000 is real property valuation and \$143,000,000 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 96.5% 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Local Option Sales Tax	\$ 2,122,892	\$ 2,200,000	\$ 2,204,511	\$ 2,300,000	4.3%
Cablevision Franchise Fees	202,078	201,100	215,400	236,900	10.0%
Total Other Taxes & Licenses	\$ 2,324,970	\$ 2,401,100	\$ 2,419,911	\$ 2,536,900	4.8%

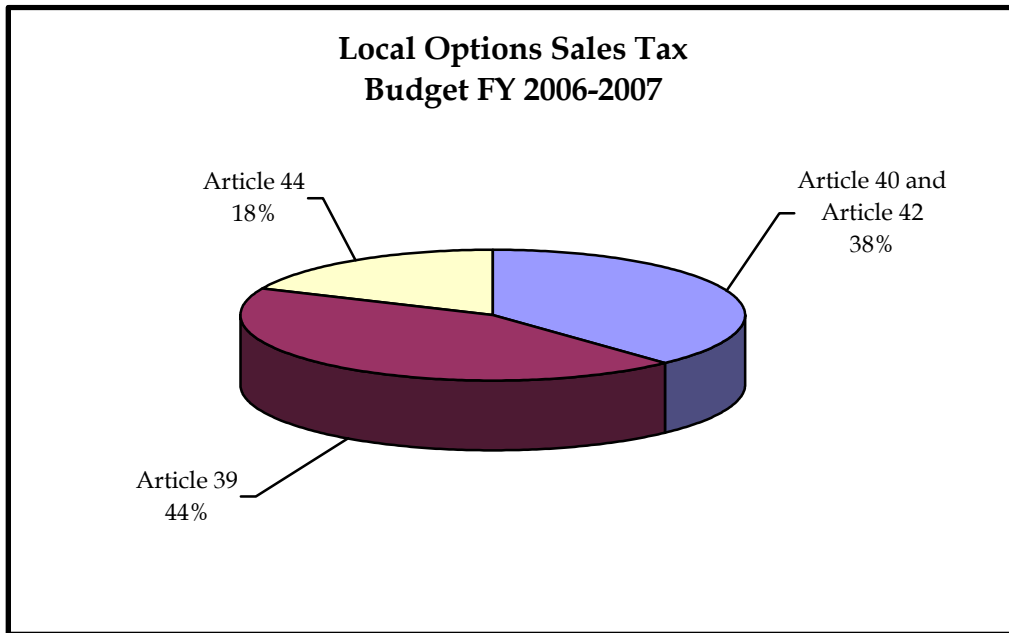
### Revenue Assumptions

- Local Option Sales Tax estimates are based on a 4.50% 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 10.0% 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Unrestricted Intergovernmental Revenue					
Telecommunications Tax	\$ 108,746	\$ 101,000	\$ 106,155	\$ 106,000	-0.1%
Electricity Franchise Tax	373,075	340,000	378,967	390,000	2.9%
Wine & Beer Tax	46,467	45,000	47,629	49,000	2.9%
Total Unrest. Intergovernmental Rev.	\$ 528,288	\$ 486,000	\$ 532,751	\$ 545,000	2.3%

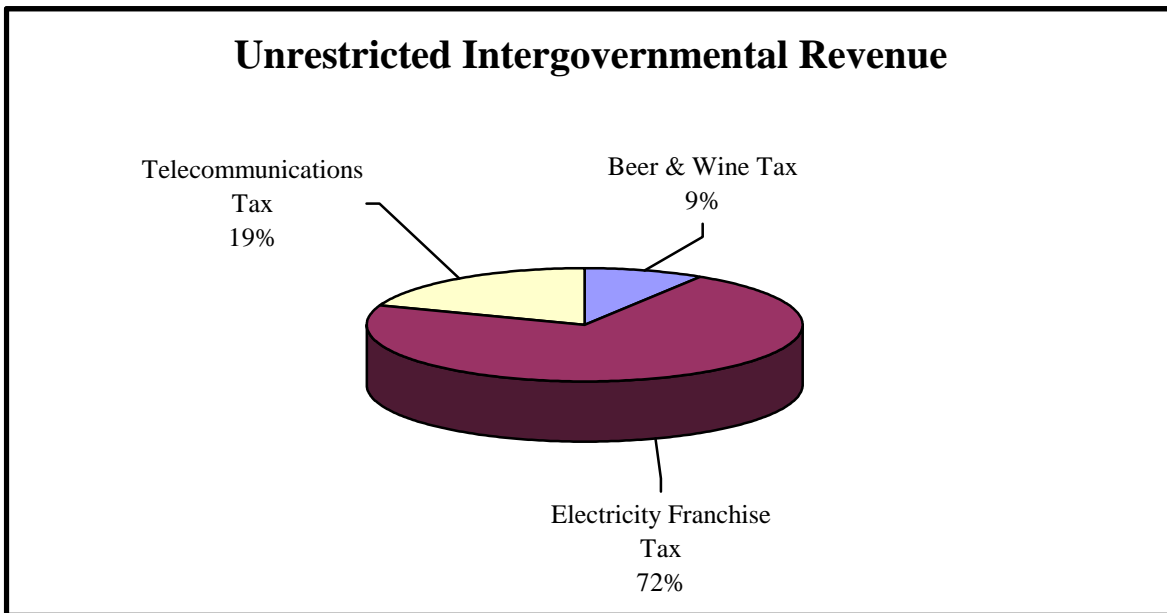
### Revenue Assumptions

- 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 2006-2007. 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 3.0% in FY 2006-2007.



## Unrestricted Intergovernmental Revenues

The following graph shows that the Village receives approximately 72% 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Powell Bill	\$ 425,815	\$ 440,000	\$ 426,945	\$ 437,000	2.4%
Other Grants	39,305	51,734	41,730	-	-100.0%
Total Rest. Intergovernmental Rev.	\$ 465,120	\$ 491,734	\$ 468,675	\$ 437,000	-6.8%

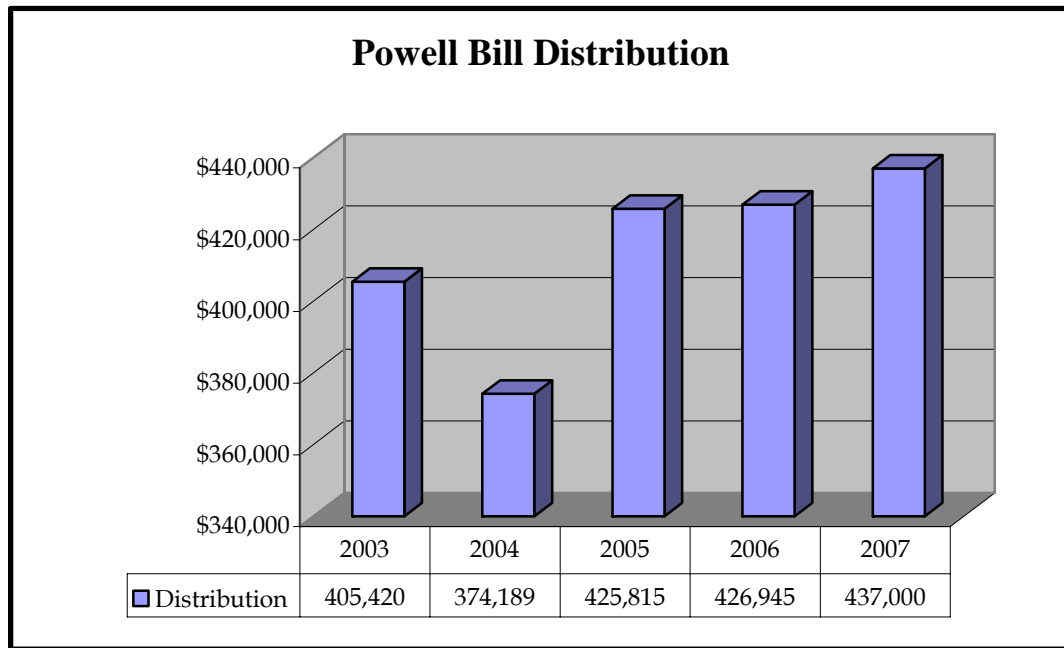
### **Revenue Assumptions**

- Given the impact of the modestly improving economy and higher gas prices, the per capita rate used in the estimation of Powell Bill revenue is \$23.45, which is up approximately 2% from the previous year's actual distribution rate. Additionally, the street mile rate utilized to project the allocation is \$1,735 per street mile maintained, which is up \$26 from the fiscal year 2005-2006 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 not received a notice of award for a grant for FY 2006-2007.





## 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.

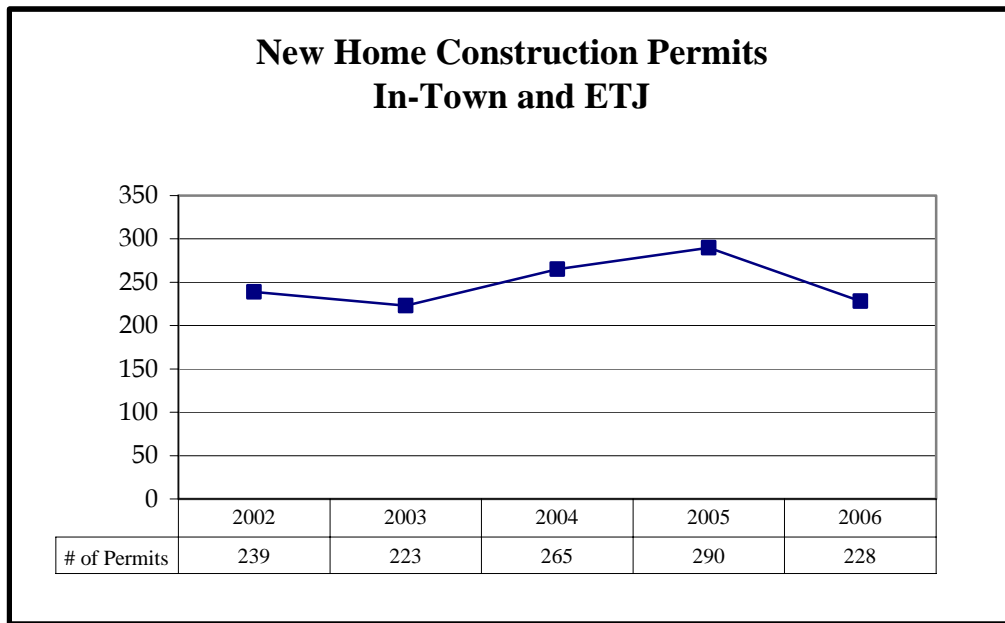
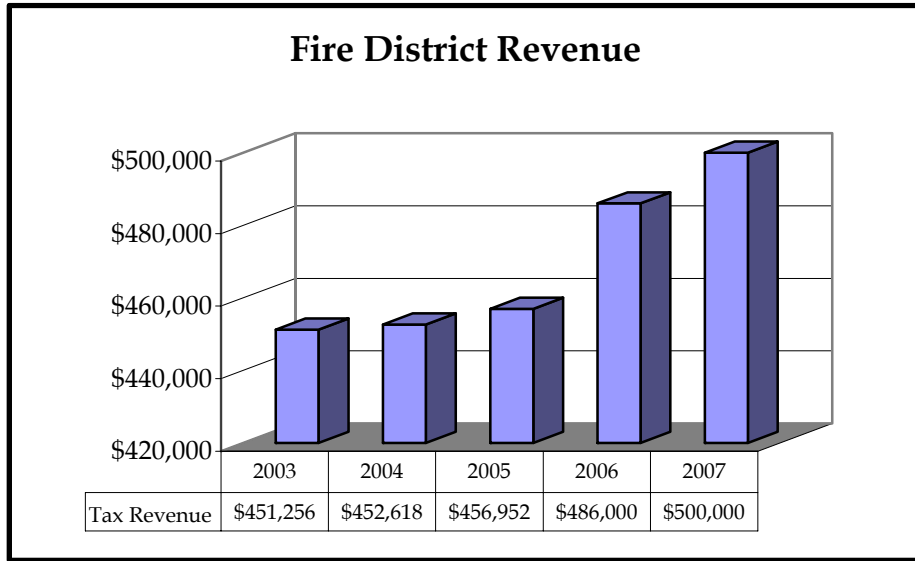
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village's growth is generated 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
US Open Franchise Fees	\$ 300,000	\$ -	\$ -	\$ -	0.0%
Permit & Inspection Fees	742,036	515,000	514,230	562,000	9.3%
Planning & Zoning Fees	123,767	83,000	84,230	80,000	-5.0%
Fire District Revenue	456,952	471,000	486,000	500,000	2.9%
Other Fees	64,582	19,750	20,940	19,840	-5.3%
Total Permit & Fees	\$ 1,687,337	\$ 1,088,750	\$ 1,105,400	\$ 1,161,840	5.1%

### Revenue Assumptions

- Permit & Inspection Fees and Planning & Zoning Fees are budgeted at a level that is fairly consistent with the estimated revenue for FY 2005-2006. 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.





## Sales and Services

### 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.

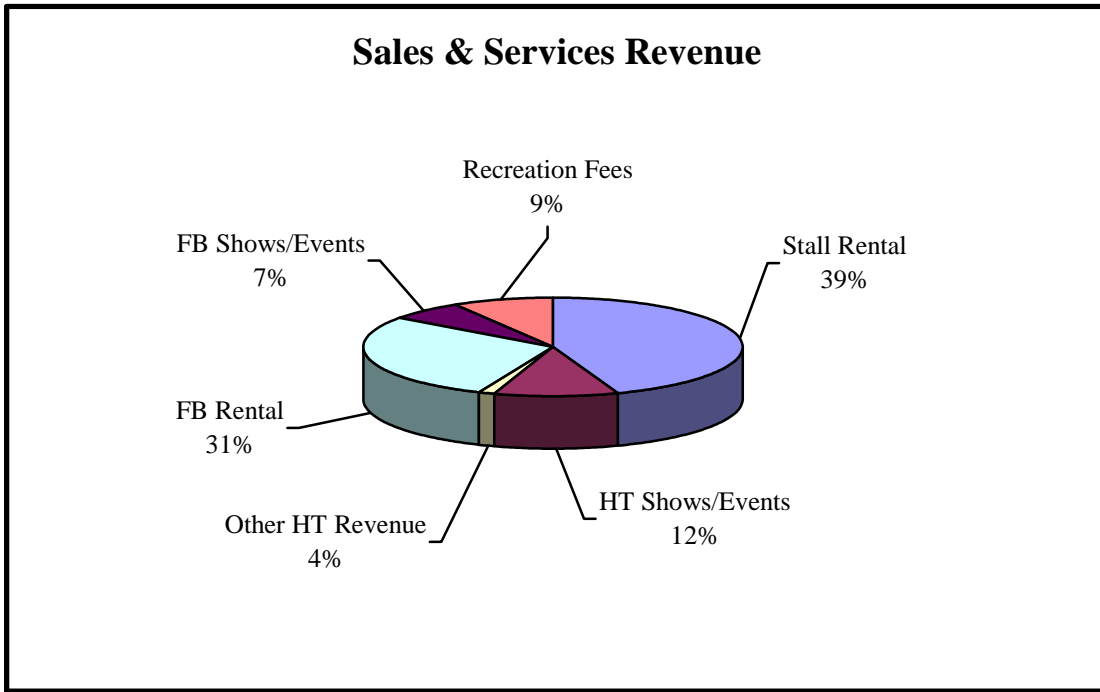
The second primary revenue source in this category is revenue generated from the Village's Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Stall Rental Revenue	\$ 171,170	\$ 170,000	\$ 170,000	\$ 180,000	5.9%
Harness Track Shows/Events Revenue	33,688	42,500	37,500	42,500	13.3%
Other Harness Track Revenue	10,926	9,550	6,610	5,900	-10.7%
Fair Barn Rental Revenue	132,765	119,500	115,000	115,000	0.0%
Fair Barn Shows/Events Revenue	19,260	20,000	26,750	26,000	-2.8%
Recreation Fees	37,240	26,500	36,500	35,000	-4.1%
Total Sales & Services	\$ 405,049	\$ 388,050	\$ 392,360	\$ 404,400	3.1%

### Revenue Assumptions

- The events held at the Fair Barn continue to be successful. Revenues are expected to remain steady at \$115,000 for FY 2006-2007 as the number and types of events is expected to be similar to FY 2005-2006. 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.
- Harness Track stall rental fees and event fees are projected to increase by approximately 7% or \$14,000 from FY 2005-2006 to FY 2006-2007 primarily due to a recently approved increase in the stall rental fees for the 2007 harness track season.
- Recreation fees are budgeted at a level that is fairly consistent with the estimated fees for FY 2005-2006.





## 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
ABC Revenues	\$ 53,437	\$ 58,000	\$ 49,400	\$ 50,500	2.2%
Other Miscellaneous Revenues	33,149	58,430	52,722	37,100	-29.6%
Total Other Revenues	\$ 86,586	\$ 116,430	\$ 102,122	\$ 87,600	-14.2%

### Revenue Assumptions

- ABC revenue is projected to increase slightly by 2.0% for the FY 2006–2007, which is based on a nine-year historical average.
- Due to timing, a hospital donation of \$18,600 was received from FirstHealth of the Carolinas in FY 2005-2006 that will not be received in FY 2006-2007.



## Investment Income

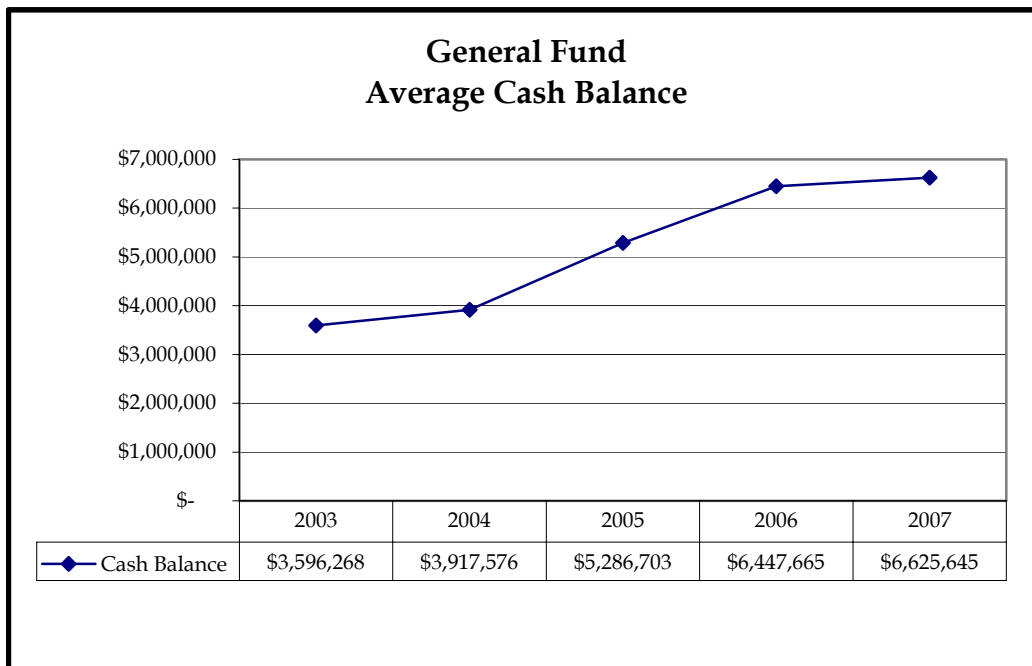
### Description of Revenue Source

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, at a minimum P1/A1 rated commercial paper and other investment vehicles.

	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Investment Income	\$ 101,936	\$ 180,000	\$ 216,540	\$ 286,000	32.1%
Total Investment Income	\$ 101,936	\$ 180,000	\$ 216,540	\$ 286,000	32.1%

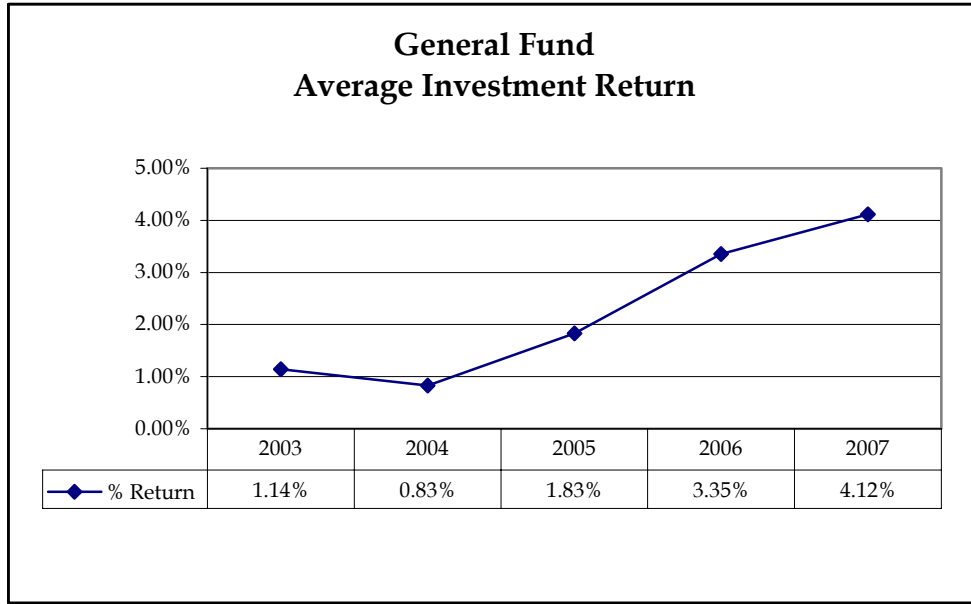
### Revenue Assumptions

- Investment income is estimated based upon an average cash balance of \$6.6 million and a conservative average rate of return of 4.12%.





## 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.

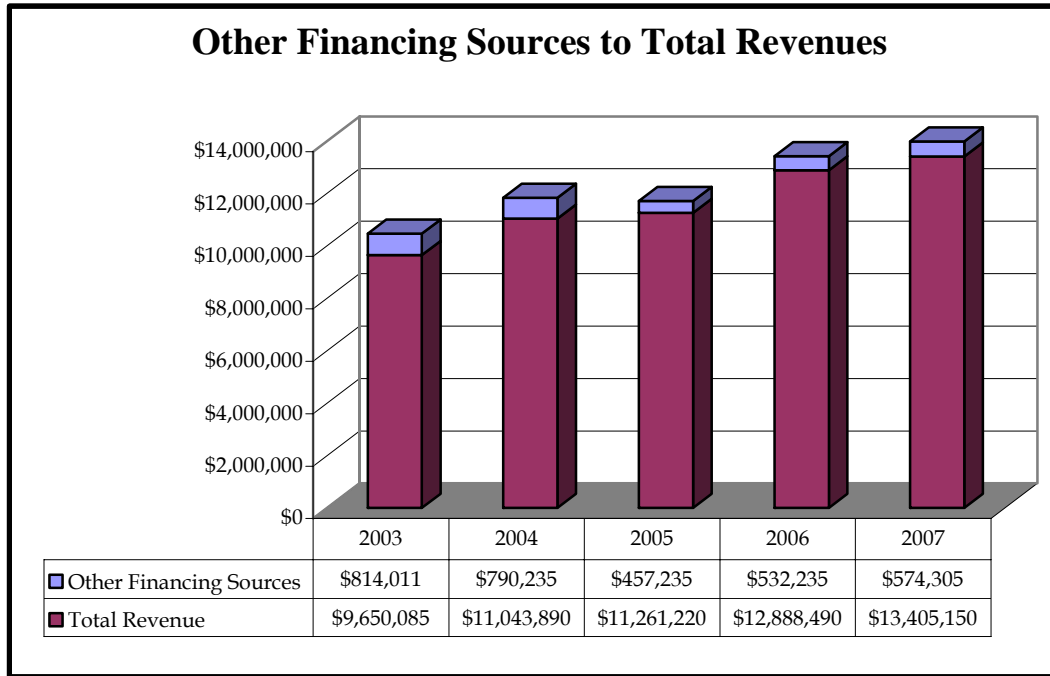
Other Financing Sources	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Loan Proceeds	\$ -	\$ -	\$ -	\$ 225,000	100.0%
Transfer from Capital Project Funds	136,000	-	-	-	0.0%
Transfer from Capital Reserve Fund	290,000	580,500	580,500	300,000	-48.3%
Transfer from Special Rev Funds	32,235	32,235	32,235	49,305	53.0%
Total Other Financing Sources	\$ 458,235	\$ 612,735	\$ 612,735	\$ 574,305	-6.3%

### **Revenue Assumptions**

- An Operating Transfer of \$32,235 from the Taylorhurst Special Revenue Fund for debt service and \$17,070 from the Municipal Service District Special Revenue Fund resulting from an assessment for dam repairs will occur in the 2006-2007 fiscal year.
- An Operating Transfer of \$300,000 will come from the Capital Reserve Fund in FY 2006-2007.
- Loan proceeds of \$225,000 for the purchase of approximately 15 acres of land for the site of the new Public Services/Fleet Maintenance facility will occur in the 2006-2007 fiscal year.



## Other Financing Sources





## 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,148,525	\$ -	\$ 786,405	100.0%
Total Fund Balance Appropriations	\$ -	\$ 1,148,525	\$ -	\$ 786,405	100.0%

### Revenue Assumptions:

- The FY 2006–2007 Budget contemplates the use of \$786,405 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 2005-2006:**

- Initiated a Strategic Planning Process with senior staff.
- Negotiated with Pinewild Property Owners Association and came to a mutually agreed upon annexation effective date of June 30, 2008.
- Established the Historic District Commission.
- Established the New Core Steering Committee that oversaw the development of the New Core Master Plan.
- Filled a leading role in the Moore County Summit Initiative.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**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.

**Objective:** To increase the percentage of the 2003 Comprehensive Long Range Plan initiatives implemented by 14%, from 74% to 88%, toward a target of 97%.



## Governing Body

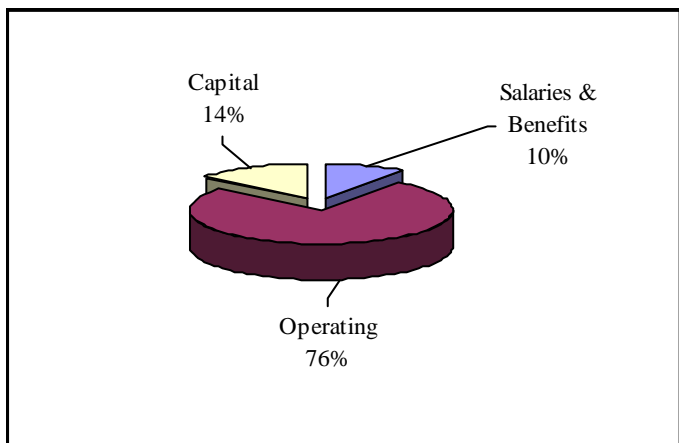
The Governing Body Department is located on the first floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 25,439	\$ 25,500	\$ 25,221	\$ 28,000	11.0%
Operating	266,540	202,200	188,121	215,600	14.6%
Capital	19,863	80,000	75,000	40,000	-46.7%
<b>Expenditures Total</b>	<b>\$ 311,842</b>	<b>\$ 307,700</b>	<b>\$ 288,342</b>	<b>\$ 283,600</b>	<b>-1.6%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 311,842	\$ 307,700	\$ 288,342	\$ 283,600	-1.6%
<b>Revenues Total</b>	<b>\$ 311,842</b>	<b>\$ 307,700</b>	<b>\$ 288,342</b>	<b>\$ 283,600</b>	<b>-1.6%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	5.00	5.00	5.00	5.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>0.0%</b>



### **Budget Highlights:**

The Budget for the Governing Body includes salaries for the Mayor and four council members. The FY 2006-2007 also includes capital expenditures for the purchase of four lots targeted for essential storm water drainage purposes.



### Description:

The Administration Department, which includes the Village Manager, Assistant Manager of Operations, Assistant Manager of Finance 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 2005-2006:

- Acquired several lots via donation and purchase.
- Facilitated the implementation of a Results Based Management program for two pilot programs: recycling and athletic programs.
- Held discussions with the Pinewild Property Owner's Association that resulted in an agreed upon annexation date of June 30, 2008.
- Actively oversaw the construction of the new fire station.

### Goals and Objectives for Fiscal Year 2006-2007:

**Goal:** To facilitate a Results-Based Management (RBM) system for Village service departments in order to provide more effective and efficient services for the public.

**Objective:** To increase the number of programs that implement a RBM program by two (2), from zero (0) to two (2), toward a target of ten (10).

**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 25%, from 75% to 100%.

**Objective:** To increase the percentage of minutes from Council meetings published to the Village's website within 10 calendar days by 17%, from 83% to 100%.



## Administration

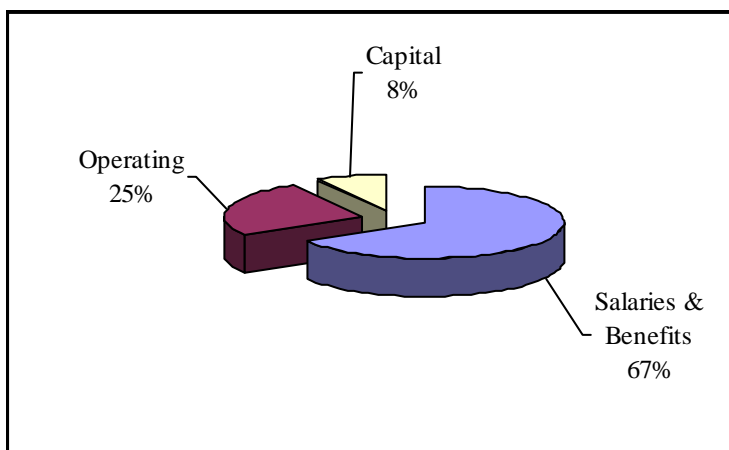
The Administration Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

Additional information about the Administration Department may be obtained by contacting Andrew Wilkison, Village Manager, at 910.295.1900 or [awilkison@villageofpinehurst.org](mailto:awilkison@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 345,005	\$ 376,950	\$ 345,698	\$ 540,940	56.5%
Operating	219,536	161,978	189,488	203,890	7.6%
Capital	-	30,000	30,000	67,000	123.3%
Expenditures Total	\$ 564,541	\$ 568,928	\$ 565,186	\$ 811,830	43.6%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 564,541	\$ 568,928	\$ 565,186	\$ 811,830	43.6%
Revenues Total	\$ 564,541	\$ 568,928	\$ 565,186	\$ 811,830	43.6%

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	4.00	4.00	4.00	5.00	25.0%
Part Time	0.50	0.50	0.50	1.00	100.0%
Total Authorized Personnel	4.50	4.50	4.50	6.00	33.3%



### **Budget Highlights:**

The FY 2006-2007 Budget reflects the addition of a part-time customer service representative and the transfer of the Assistant Manager of Finance and Administration from the Financial Services budget to Administration. Capital includes the purchase of equipment to upgrade the audio and video capability in the Assembly 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, including the Director, consists of four financial professionals, two of whom are Certified Public Accountants who oversee the fiscal operations of the Village.

### **Major Accomplishments for Fiscal Year 2005-2006:**

- Began actively investing Village funds in commercial paper per the Village's investment program.
- 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 13<sup>th</sup> consecutive year.
- Assisted with the installation and implementation of software packages for the Planning and Fleet Maintenance departments.
- Facilitated a process review for the permitting process for the Planning department and the inspections process for the Inspections department.
- Enrolled and participated in the North Carolina Debt Setoff Program for the first time to collect past due receivables.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**Goal:** To prepare a budget for the Council, staff 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 75% to 100%.

**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 increase the percentage of months that financial statements are distributed by the tenth of the month by 25%, from 75% to 100%.





## Financial Services

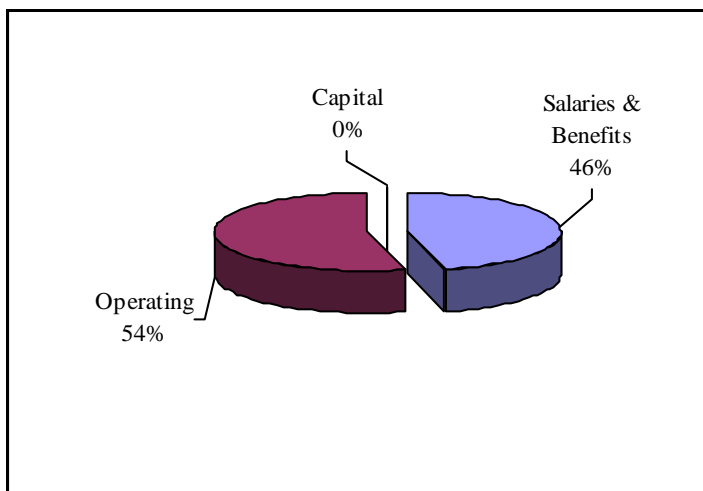
The Financial Services Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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](mailto:amatthews@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 324,513	\$ 322,450	\$ 305,118	\$ 235,520	-22.8%
Operating	205,139	246,730	224,501	269,880	20.2%
Capital	81,650	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 611,302</b>	<b>\$ 569,180</b>	<b>\$ 529,619</b>	<b>\$ 505,400</b>	<b>-4.6%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 611,302	\$ 569,180	\$ 529,619	\$ 505,400	-4.6%
<b>Total Revenues</b>	<b>\$ 611,302</b>	<b>\$ 569,180</b>	<b>\$ 529,619</b>	<b>\$ 505,400</b>	<b>-4.6%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	4.00	5.00	5.00	4.00	-20.0%
Part Time	0.75	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>4.75</b>	<b>5.00</b>	<b>5.00</b>	<b>4.00</b>	<b>-20.0%</b>



### **Budget Highlights:**

The Financial Services Department includes the transfer of the Assistant Manager of Finance and Administration from the Financial Services budget to Administration. There are no individually significant operating items and no capital items in the FY 2006-2007 Budget.



### **Description:**

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

### **Major Accomplishments for Fiscal Year 2005-2006:**

- Completed a market based salary survey for all positions below the department director level and recommended pay adjustments as appropriate.
- Implemented a new performance management process for all Village employees.
- Drafted a new employee handbook.
- Partnered with an occupational service provider to triage and treat worker related illness and/or injury.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**Goal:** To maximize data collected from employee exit interviews in order to enhance recruitment, retention and employee work life.

**Objective:** To increase employee participation in the exit interview process by 17% from an average of 43% to 60%, toward a target of 75% participation.

**Goal:** To design and implement an orientation process for new hires in order to enhance employee job satisfaction and retention.

**Objective:** To increase employee participation in a new hire orientation process by 25%, from 0% to 25%, toward a target of 95% participation.



## Human Resources

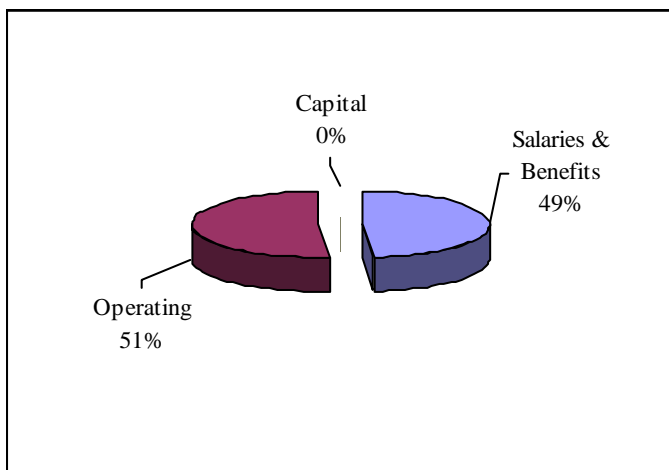
The Human Resources Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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](mailto:khabenstein@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 85,678	\$ 115,150	\$ 101,459	\$ 120,680	18.9%
Operating	64,711	130,050	77,794	105,980	36.2%
Capital	-	-	-	-	0.0%
<b>Expenditures Total</b>	<b>\$ 150,389</b>	<b>\$ 245,200</b>	<b>\$ 179,253</b>	<b>\$ 226,660</b>	<b>26.4%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 150,389	\$ 245,200	\$ 179,253	\$ 226,660	26.4%
<b>Revenues Total</b>	<b>\$ 150,389</b>	<b>\$ 245,200</b>	<b>\$ 179,253</b>	<b>\$ 226,660</b>	<b>26.4%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	-	0.50	0.50	0.50	0.0%
<b>Total Authorized Personnel</b>	<b>1.00</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>0.0%</b>



### **Budget Highlights:**

The Human Resources Department budget for FY 2006-2007 does not include any Capital items. Operating costs include increased departmental supplies expenditures and incentives for a new employee referral program.



### 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 22 police officers, four dispatchers and one administrative assistant.

### Major Accomplishments for Fiscal Year 2005-2006:

- Police officers attended an average of 80.9 combined training hours per officer, which exceeds the department's goal of 60 hours per year.
- Requested and received military surplus equipment valued at over \$1,600 for use in the Patrol Division.
- Approved by the Governor's Highway Safety Program to purchase various computer and radar equipment totaling approximately \$20,000, with a cost to the Village of Pinehurst of \$6,375.
- Conducted five vehicle safety checkpoints and participated in two joint Booze It and Lose It checkpoints.
- 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 2006-2007:

**Goal:** To provide state of the art computers and software in police vehicles for Village police officers in order to facilitate the provision of quality, professional police services to the residents and visitors of the Village.

**Objective:** To increase installation of upgraded laptop computers, printers and Electronic Citation software in police vehicles by 100%, from 0% to 100%.

**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 2 to 4, toward a target of 4 per year.



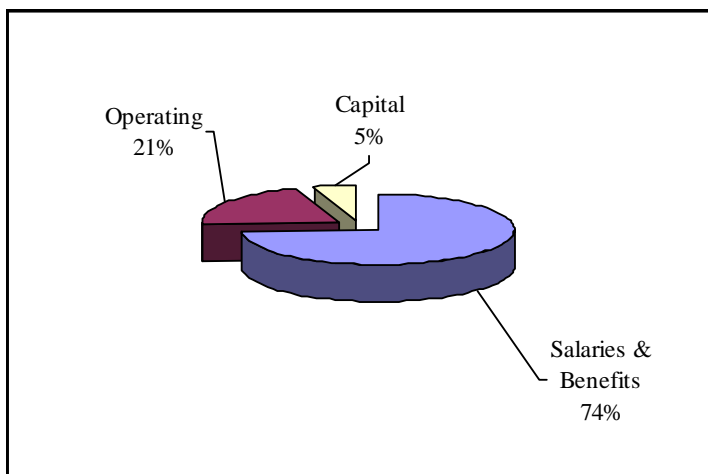
The Police Department is located at 420 Magnolia Drive, Pinehurst, NC.

Additional information about the Police Department may be obtained by contacting Ronnie Davis, Police Chief, at 910.295.3141 or [rdavis@villageofpinehurst.org](mailto:rdavis@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 1,322,558	\$ 1,509,450	\$ 1,397,924	\$ 1,398,590	0.0%
Operating	275,794	303,297	276,353	400,770	45.0%
Capital	111,950	144,500	100,100	94,650	-5.4%
<b>Expenditures Total</b>	<b>\$ 1,710,302</b>	<b>\$ 1,957,247</b>	<b>\$ 1,774,376</b>	<b>\$ 1,894,010</b>	<b>6.7%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 1,696,784	\$ 1,945,047	\$ 1,764,394	\$ 1,882,410	6.7%
Police Grants	-	-	-	-	0.0%
Parking Fines	4,800	6,000	3,000	4,000	33.3%
Miscellaneous Police Revenues	8,718	6,200	6,982	7,600	8.9%
<b>Revenues Total</b>	<b>\$ 1,710,302</b>	<b>\$ 1,957,247</b>	<b>\$ 1,774,376</b>	<b>\$ 1,894,010</b>	<b>6.7%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	28.00	28.00	28.00	28.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>28.00</b>	<b>28.00</b>	<b>28.00</b>	<b>28.00</b>	<b>0.0%</b>



**Budget Highlights:**

The Police Department's budget reflects IT costs associated with the installation of upgraded computer hardware and software. Recommended capital items include the replacement of three patrol vehicles.



## 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 fire/life safety educator.

## Major Accomplishments for Fiscal Year 2005-2006:

- Completed construction of the new main fire station on Magnolia Road and the department moved into their new quarters.
- Received the 2004 Life Safety Achievement Award which recognizes fire departments that had zero deaths in structure fires in the previous calendar year.
- Chief McCaskill and Lieutenant Morris assisted the Federal Emergency Management Agency for thirty days in the Hurricane Katrina recovery process.
- Completed two neighborhood canvassing projects and distributed 10-year smoke detectors, carbon monoxide detectors and hearing impaired smoke detectors. Assisted homeowners with fire safety issues and establishing home escape plans in case of a fire.
- Received a grant from the NC Department of Insurance as part of the FY 2004 Assistance to Firefighter Grant Project. The grant provided 144 smoke detectors and the NFPA's Remember When™ program.

## Goals and Objectives for Fiscal Year 2006-2007:

**Goal:** To provide performance base training to firefighters in order to increase job knowledge and skills.

**Objective:** To increase in-house department training hours by 30%, from 7 hours to 10 hours per employee, with a target of 14 hours per month per employee.

**Objective:** To increase firefighter's job knowledge test scores from a baseline figure (calculated in June 2006) by 10 points, with a target of 85 points for job knowledge test scores per firefighter.

**Goal:** To provide community education seminars to our at-risk senior population in order to empower participants in what actions should be taken in advance of or during individual or community wide disasters to protect themselves and their families.

**Objective:** To increase community seminars by 75%, from zero (0) to three (3), with a target of one per quarter.



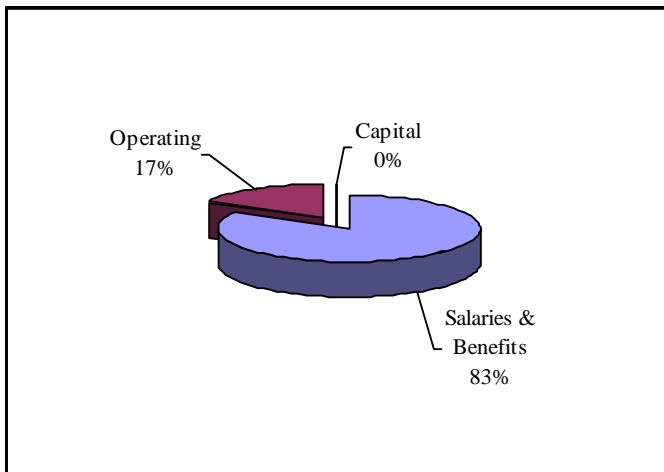
The Fire Department has two fire stations. The main station is located at 405 Magnolia Road and the second station is located at 15 Parker Lane, Pinehurst, NC.

Additional information about the Fire Department may be obtained by contacting Jimmy McCaskill, Fire Chief, at 910.295.5575 or [jmccaskill@villageofpinehurst.org](mailto:jmccaskill@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 1,292,964	\$ 1,430,279	\$ 1,433,494	\$ 1,493,150	4.2%
Operating	391,311	275,104	281,162	305,810	8.8%
Capital	-	143,400	143,262	-	-100.0%
<b>Expenditures Total</b>	<b>\$ 1,684,275</b>	<b>\$ 1,848,783</b>	<b>\$ 1,857,918</b>	<b>\$ 1,798,960</b>	<b>-3.2%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 1,212,696	\$ 1,352,724	\$ 1,331,278	\$ 1,297,960	-2.5%
Fire Grants	14,627	25,059	40,060	-	-100.0%
Fire District Revenue	456,952	471,000	486,000	500,000	2.9%
Fire Inspection Fees	-	-	580	1,000	72.4%
<b>Revenues Total</b>	<b>\$ 1,684,275</b>	<b>\$ 1,848,783</b>	<b>\$ 1,857,918</b>	<b>\$ 1,798,960</b>	<b>-3.2%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	30.00	30.00	30.00	30.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>0.0%</b>



**Budget Highlights:**

The Fire Department FY 2006-2007 budget is largely comprised of salaries and benefits. Operating expenditures include supplies used in response to hazardous materials incidents. There are no capital outlay items in the 2006-2007 fiscal year budget.



### **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 2005-2006:**

- Reviewed and inspected all phases of construction for the new Fire Station, First Village, and Carolina Hotel and First Health renovations.
- Implemented new Permit/Inspections software.
- Documented and evaluated the Inspections process and identified 16 opportunities to enhance or improve the process.
- 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 2006-2007:**

**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 continuing education hours taken by all inspectors by 18 hours, from 6 to 24 annually.

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

**Objective:** To decrease the time to review building plans by 1 week, from 3 to 2 weeks.





## Inspections

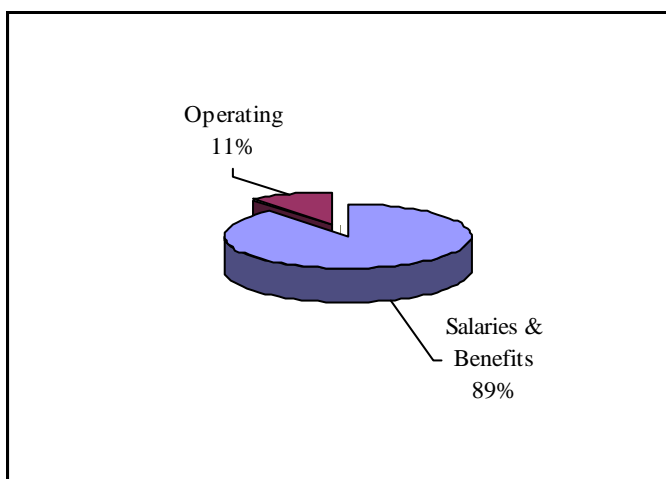
The Inspections Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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](mailto:acorrell@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 220,257	\$ 242,600	\$ 219,296	\$ 231,260	5.5%
Operating	13,693	30,542	41,050	29,450	-28.3%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 233,950	\$ 273,142	\$ 260,345	\$ 260,710	0.1%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Inspection Permit Revenue	233,950	273,142	260,345	260,710	0.1%
Revenues Total	\$ 233,950	\$ 273,142	\$ 260,345	\$ 260,710	0.1%

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	0.30	0.30	-	-100.0%
Total Authorized Personnel	3.00	3.30	3.30	3.00	-9.1%



**Budget Highlights:**

There are no individually significant operating items and no capital items in the Inspections budget for fiscal year 2006-2007.



## **Public Services Administration**

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### **Description:**

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

### **Major Accomplishments for Fiscal Year 2005-2006:**

- Mapped and implemented new solid waste, recycling and yard debris routes.
- Mapped 100% of known storm water culverts and catch basins.
- Developed replacement schedule for new reflective street signs.

### **Goals and Objectives for Fiscal Year 2006-2007:**

Please see the goals identified for the personnel included in the Streets & Grounds and Solid Waste departments.



## Public Services Administration

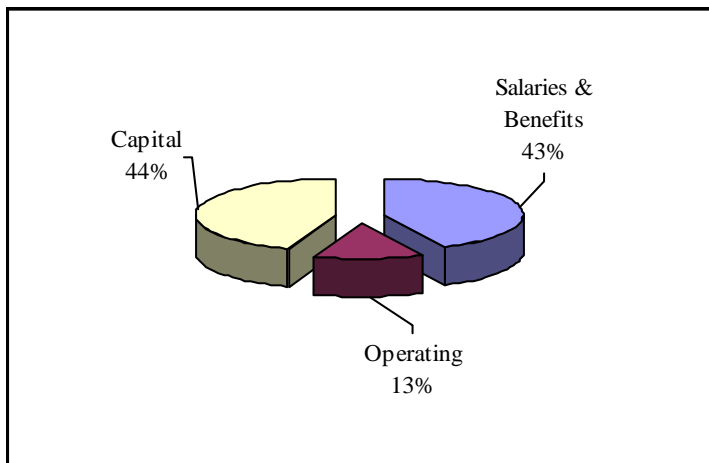
The Public Services Department is located at 700 McCaskill Road, Pinehurst, NC.

Additional information about the Public Services Department may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or [wmorgan@villageofpinehurst.org](mailto:wmorgan@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 149,633	\$ 184,950	\$ 190,684	\$ 221,550	16.2%
Operating	35,032	63,638	44,113	63,750	44.5%
Capital	-	13,000	13,000	225,000	1630.8%
Expenditures Total	\$ 184,665	\$ 261,588	\$ 247,797	\$ 510,300	105.9%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 184,665	\$ 261,588	\$ 247,797	\$ 510,300	105.9%
Revenues Total	\$ 184,665	\$ 261,588	\$ 247,797	\$ 510,300	105.9%

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	3.00	50.0%
Part Time	-	0.50	0.50	-	-100.0%
Total Authorized Personnel	2.00	2.50	2.50	3.00	20.0%



### **Budget Highlights:**

The Public Services budget includes the transfer of a part-time administrative assistant from the Engineering budget. Capital items include the purchase of approximately 15 acres of land for construction of a new Public Services facility which is expected to commence in FY 2010.



### **Description:**

The Streets and Grounds Division of the Public Services Department reports directly to the Director of Public Services. 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 2005-2006:**

- Implemented a brine generating system to use as pretreatment on roads for inclement weather.
- Established new storm ditch repair method that eliminates the need for unsightly rip rap rock along roadway ditches.
- Installed reflective street signs according to the FY 2005-2006 plan.
- Developed individual training goals for all staff members.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**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 50% to 100% of all streets within the Village limits.

**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 50% to 100% of all Village right-of-ways annually.



## Streets & Grounds

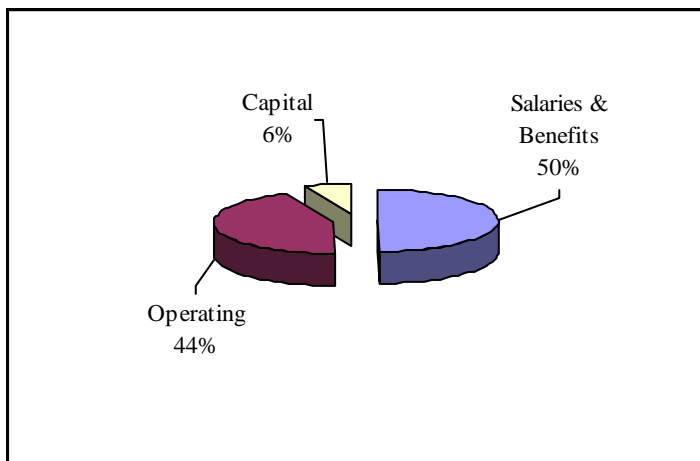
The Streets and Grounds Department is located at 700 McCaskill Road, Pinehurst, NC.

Additional information about the Streets and Grounds Division may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or [wmorgan@villageofpinehurst.org](mailto:wmorgan@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 332,526	\$ 405,300	\$ 380,241	\$ 447,440	17.7%
Operating	241,621	378,496	368,908	375,210	1.7%
Capital	109,707	103,100	101,903	55,000	-46.0%
<b>Expenditures Total</b>	<b>\$ 683,854</b>	<b>\$ 886,896</b>	<b>\$ 851,051</b>	<b>\$ 877,650</b>	<b>3.1%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 638,729	\$ 826,896	\$ 789,051	\$ 815,650	3.4%
Street Cut Permit Revenues	45,125	60,000	62,000	62,000	0.0%
<b>Revenues Total</b>	<b>\$ 683,854</b>	<b>\$ 886,896</b>	<b>\$ 851,051</b>	<b>\$ 877,650</b>	<b>3.1%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	13.00	13.00	13.00	13.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>0.0%</b>



### ***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 \$55,000 for the replacement of two (2) full size trucks.



### **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 2005-2006:**

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

### **Goals and Objectives for Fiscal Year 2006-2007:**

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



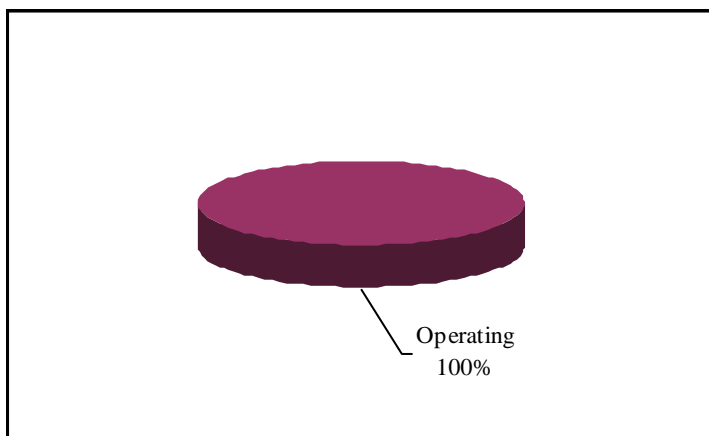
## Powell Bill

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](mailto:jgibson@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	661,007	846,450	845,500	949,300	12.3%
Capital	68,810	-	-	-	0.0%
<b>Expenditures Total</b>	<b>\$ 729,817</b>	<b>\$ 846,450</b>	<b>\$ 845,500</b>	<b>\$ 949,300</b>	<b>12.3%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 304,002	\$ 406,450	\$ 418,555	\$ 512,300	22.4%
Powell Bill Revenue	425,815	440,000	426,945	437,000	2.4%
<b>Revenues Total</b>	<b>\$ 729,817</b>	<b>\$ 846,450</b>	<b>\$ 845,500</b>	<b>\$ 949,300</b>	<b>12.3%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	-	-	-	-	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>



### **Budget Highlights:**

The Powell Bill Department includes funding for the resurfacing of six (6) to seven (7) miles of Village-owned streets. The FY 2006-2007 Budget also includes \$19,000 for traffic control expenditures.



### **Description:**

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

### **Major Accomplishments for Fiscal Year 2005-2006:**

- Implemented new solid waste, yard debris and recycling routes.
- Installed additional safety equipment to garbage compactors.
- Developed removable recycling awareness signage used on trucks during recycling pick up.
- Established Assisted Pick Up application and evaluation process.
- Completed Automated Arm Trash Collection Truck evaluation.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**Goal:** To pursue a high household participation rate for recycling in order to protect the environment by facilitating the conservation of natural resources.

**Objective:** To increase recycling among Village of Pinehurst residents by 10 tons, from 320 tons to 330 tons, toward a target of 340 tons annually.

**Goal:** To provide a household trash collection system to the residents of Pinehurst in order to maintain a clean and healthy environment.

**Objective:** To increase the number of households with Village provided trash receptacles than can be emptied with the automated trash compactor from 0 households to 1,500 households, toward a goal of 4,500 households.





## Solid Waste

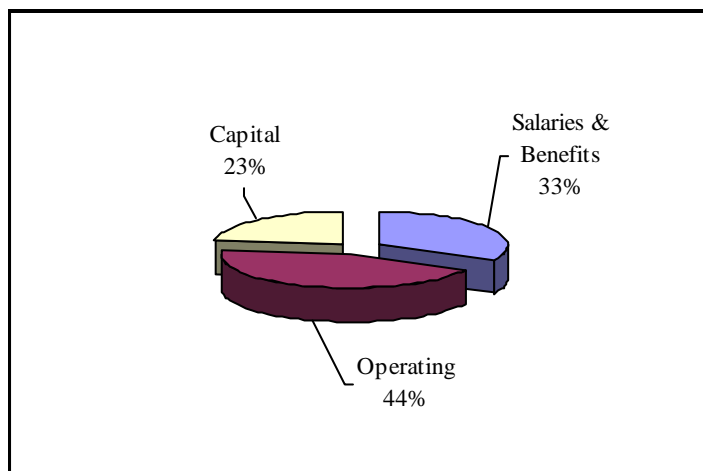
The Solid Waste Division is located at 700 McCaskill Road, Pinehurst, NC.

Additional information about the Solid Waste Division may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or [wmorgan@villageofpinehurst.org](mailto:wmorgan@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 301,985	\$ 341,000	\$ 303,055	\$ 343,850	13.5%
Operating	364,699	388,999	361,979	465,190	28.5%
Capital	37,576	-	-	242,000	100.0%
Expenditures Total	\$ 704,260	\$ 729,999	\$ 665,034	\$ 1,051,040	58.0%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 704,260	\$ 729,999	\$ 665,034	\$ 1,051,040	58.0%
Revenues Total	\$ 704,260	\$ 729,999	\$ 665,034	\$ 1,051,040	58.0%

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 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 2006-2007 includes the purchase of an automated arm trash collection truck in the Capital budget. Operating costs include \$82,500 for the purchase of 1,500 trash receptacles that are compatible with the new truck and will be distributed to Village residents in Phase I of a four-year implementation plan.



### **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 two Planners, 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 2005-2006:**

- Completed drafting architectural and landscape amendments to the Pinehurst Development Ordinance.
- Issued permits for Moore County Regional Hospital's new First Village.
- Implemented new Permit software.
- Documented and evaluated the Permit process and identified 24 opportunities to enhance or improve the process.
- Represented the Village in pending litigation issues that pertained to planning and zoning matters.
- Provided leadership on the technical review team of all non-residential and non-single family development projects.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**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 75% to 85% annually.

**Goal:** To provide high level of planning responsiveness for the development community in order to assure compliance and improve the approval process.

**Objective:** To increase the timeliness of receipt of comments from the Technical Review Committee by 25%, from 50% to 75%, toward a target of 85% of comments received in 3 weeks.



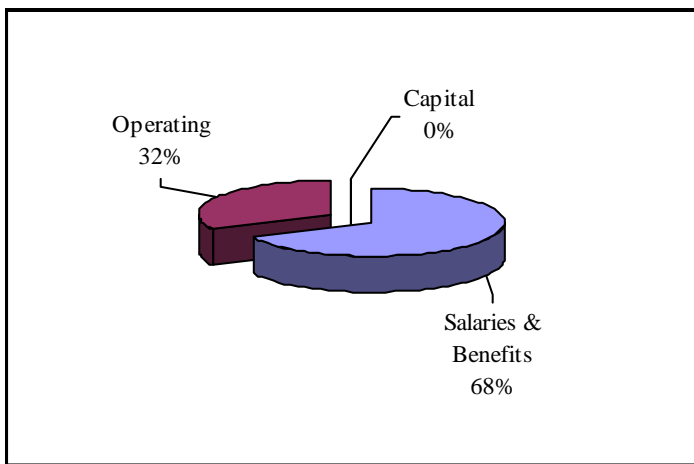
The Planning Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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](mailto:acorrell@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 316,829	\$ 379,250	\$ 346,985	\$ 394,010	13.6%
Operating	157,500	242,997	226,755	187,040	-17.5%
Capital	-	36,000	36,000	-	-100.0%
<b>Expenditures Total</b>	<b>\$ 474,329</b>	<b>\$ 658,247</b>	<b>\$ 609,740</b>	<b>\$ 581,050</b>	<b>-4.7%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 343,774	\$ 574,997	\$ 523,260	\$ 499,050	-4.6%
Planning Permit Revenue	130,555	83,250	86,480	82,000	-5.2%
<b>Revenues Total</b>	<b>\$ 474,329</b>	<b>\$ 658,247</b>	<b>\$ 609,740</b>	<b>\$ 581,050</b>	<b>-4.7%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	6.00	7.00	7.00	7.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>0.0%</b>



**Budget Highlights:**

There are no individually significant operating or capital expenditures in the Planning department's FY 2006-2007 budget.



### **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) and an Engineering Technician who is certified by both state and federal agencies for attaining various engineering competencies. 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 2005-2006:**

- Developed and managed resurfacing project for resurfacing of approximately 5 miles of Village-maintained roadways.
- Developed and managed contracts for successful completion of additional phases of Old Town Brick Sidewalk projects, including NCDOT Enhancement Award Project.
- Developed and completed nearly \$75,000 of small drainage projects.
- Managed Pond #1 Rehabilitation process to completion.
- Completed first phase of key route traffic studies.
- Provided key QA/QC management for various infrastructure improvements including Memorial Drive improvements.
- Provided project leadership for the first phase of the Village-wide Stormwater Masterplan.
- Provided project management for initiation of feasibility studies for the proposed NC-5 Western Connector.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**Goal:** To provide approximately 6 to 7 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 by 4 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 1 to 2, toward a target of completing all three phases.



## Engineering

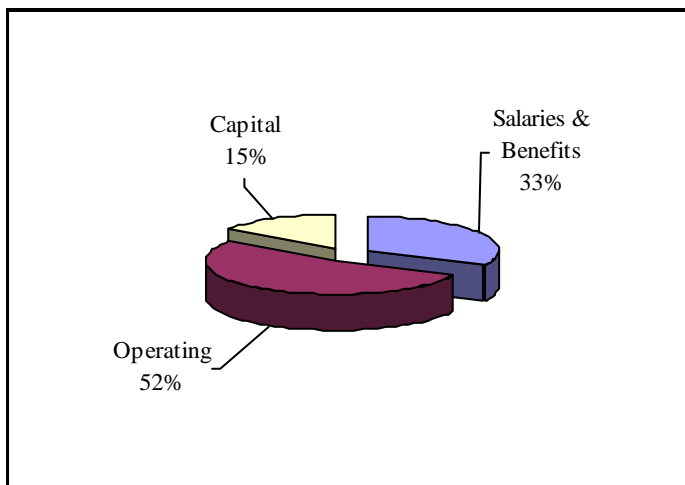
The Engineering Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Engineering Department may be obtained by contacting Jay Gibson, PE, at 910.295.1900 of [jgibson@villageofpinehurst.org](mailto:jgibson@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 180,795	\$ 202,850	\$ 193,523	\$ 193,250	-0.1%
Operating	87,336	291,479	262,327	310,960	18.5%
Capital	224,944	154,000	154,000	90,000	-41.6%
Expenditures Total	\$ 493,075	\$ 648,329	\$ 609,850	\$ 594,210	-2.6%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 476,028	\$ 636,329	\$ 597,850	\$ 584,710	-2.2%
Engineering Fee Revenue	17,047	12,000	12,000	9,500	-20.8%
Revenues Total	\$ 493,075	\$ 648,329	\$ 609,850	\$ 594,210	-2.6%

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	0.50	0.50	0.50	-	-100.0%
Total Authorized Personnel	2.50	2.50	2.50	2.00	-20.0%



### ***Budget Highlights:***

The Engineering Department FY 2006-2007 Salaries & Benefits budget reflects the transfer of the part-time administrative assistant to the Public Services budget. Operating expenditures include professional fees for the second half of the stormwater masterplan along with design fees for the Western Connector. Capital includes expenditures for small drainage projects.



### **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 2005-2006:**

- Completed Phases II and III of the Greenway System.
- Completed Phase I of Rassie Wicker Park.
- Started a new Full Day Summer Camp.
- Added two new teams in the Youth Basketball Program.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**Goal:** To reestablish a golf program for youth in order to provide quality athletic activities for children and pre-teens.

**Objective:** To increase the number of youth golf lessons for children ages 6-14 from 0 to 20, with a target of 60 participating youth per session.

**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 summer camp participants by 5, from 25 to 30, toward a target of 50 campers per week.



## Parks and Recreation

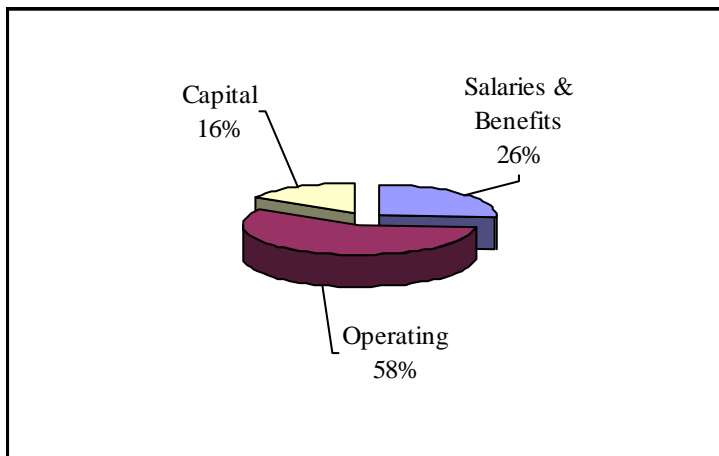
The Parks and Recreation Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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](mailto:mwagner@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 114,704	\$ 129,450	\$ 122,184	\$ 162,070	32.6%
Operating	98,179	229,211	172,703	355,610	105.9%
Capital	184,518	91,500	120,000	115,000	-4.2%
Expenditures Total	\$ 397,401	\$ 450,161	\$ 414,886	\$ 632,680	52.5%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 360,161	\$ 423,661	\$ 378,386	\$ 597,680	58.0%
Recreation Services	37,240	26,500	36,500	35,000	-4.1%
Revenues Total	\$ 397,401	\$ 450,161	\$ 414,886	\$ 632,680	52.5%

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	0.50	-	-	1.30	100.0%
Total Authorized Personnel	2.50	2.00	2.00	3.30	65.0%



### ***Budget Highlights:***

The Parks and Recreation Department FY 2006-2007 Salaries & Benefits budget includes the addition of part-time laborers that were in Operating budget expenditures in previous fiscal years. Operating costs reflect increased costs for building and grounds maintenance related to Rassie Wicker Park and the Greenway system. Capital items include \$100,000 for Phase 4 of the Greenways Project and \$15,000 for the construction of a gazebo and xeriscaping garden.



### **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 2005-2006:**

- Painted Barns 2, 17 and the Equipment Shed.
- Continued improving the quality, safety and functions of the facility through storm drain improvements, barn repairs and groom quarter upgrades.
- Leased near the maximum season stall capacity with 304 stall reservations in advance of the training season.
- Replaced the roof on Barn 20 with new galvanized tin as part of the facility improvement plan.
- Purchased new 35hp tractor to improve ability to maintain tracks and facility for training and horse shows.

### **Goals and Objectives for Fiscal Year 2006-2007:**

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

**Objective:** To maintain the depth of sand/clay on the ½ mile track around 3” toward a target of 8” overall.

**Goal:** To promote the Harness Track for the upcoming season to potential trainers and show promoters in order to maximize the use of the facility.

**Objective:** To increase advertising efforts and recruiting trips, from 0 to 1 toward a target of 3 trade shows, horse sales, and/or race tracks visited each year.





## Harness Track

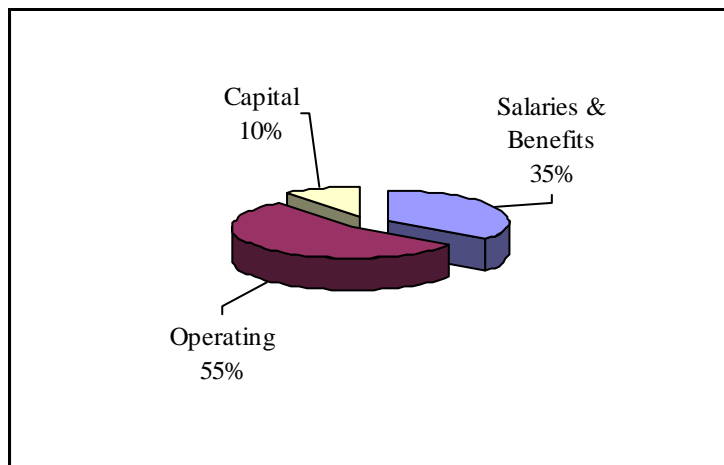
The Harness Track Department is located at 200 Beulah Hill Road, Pinehurst, NC.

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](mailto:mwager@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 135,057	\$ 139,000	\$ 141,287	\$ 174,430	23.5%
Operating	289,284	272,545	313,279	269,250	-14.1%
Capital	28,542	140,700	139,985	50,000	-64.3%
Expenditures Total	\$ 452,883	\$ 552,245	\$ 594,551	\$ 493,680	-17.0%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 237,099	\$ 330,195	\$ 380,441	\$ 265,280	-30.3%
Harness Track Services	215,784	222,050	214,110	228,400	6.7%
Revenues Total	\$ 452,883	\$ 552,245	\$ 594,551	\$ 493,680	-17.0%

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	5.00	4.00	4.00	4.00	0.0%
Part Time	-	-	-	0.40	100.0%
Total Authorized Personnel	5.00	4.00	4.00	4.40	10.0%



### **Budget Highlights:**

The Harness Track FY 2006-2007 Salaries & Benefits budget includes the addition of part-time laborers that were in Operating budget expenditures in previous fiscal years. Capital includes \$50,000 for the completion of renovations to Barn 5 to act as a central base of operations for the Harness Track and B&G Maintenance Divisions.



### 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 2005-2006:

- Increased the total number of days the facility was rented from 125 to 131.
- Increased weekday rentals from 20 to 28.
- Increased total number of rentals from 67 to 87.
- Utilized additional advertising resources including Chamber of Commerce, CVB, and local media outlets in the Sanford and Fayetteville markets.
- Added improved lighting in the main room.
- Installed a dishwasher in the kitchen for use by various caterers.

### Goals and Objectives for Fiscal Year 2006-2007:

**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 4, from 26 to 30, toward a target of 35 rentals.

**Objective:** To increase the total number of rentals by 10, from 75 to 85, toward a target of 95 rentals.



## Fair Barn

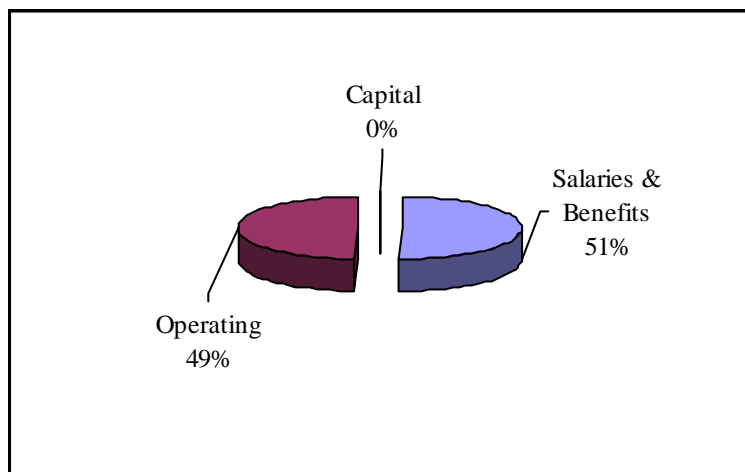
The Fair Barn Department is located at 200 Beulah Hill Road, Pinehurst, NC.

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](mailto:mwagner@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 41,176	\$ 50,600	\$ 48,701	\$ 119,000	144.3%
Operating	128,150	128,684	123,630	116,600	-5.7%
Capital	27,340	5,000	-	-	0.0%
<b>Expenditures Total</b>	<b>\$ 196,666</b>	<b>\$ 184,284</b>	<b>\$ 172,331</b>	<b>\$ 235,600</b>	<b>36.7%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 44,641	\$ 44,784	\$ 30,581	\$ 94,600	209.3%
Fair Barn Revenues	152,025	139,500	141,750	141,000	-0.5%
<b>Revenues Total</b>	<b>\$ 196,666</b>	<b>\$ 184,284</b>	<b>\$ 172,331</b>	<b>\$ 235,600</b>	<b>36.7%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	-	-	-	1.50	100.0%
<b>Total Authorized Personnel</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.50</b>	<b>150.0%</b>



### **Budget Highlights:**

The Fair Barn FY 2006-2007 Salaries & Benefits budget includes a new part-time assistant as well as the addition of part-time laborers that were in Operating budget expenditures in previous fiscal years. There are no Capital items in the FY 2006-2007 budget.



## **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 three 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 2005-2006:**

- Hired an additional Grounds Specialist to keep up with increasing maintenance needs associated with the development of Wicker Park and Greenways.
- Painted an estimated 50% of the office space in Village Hall and Police Station.
- Facility Maintenance Technician became partially certified in HVAC/Refrigeration by the State Board of Refrigeration Examiners.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**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 painted every ten years by 25%, from 50% to 75%, toward a target of 100%.



## Buildings & Grounds Maintenance

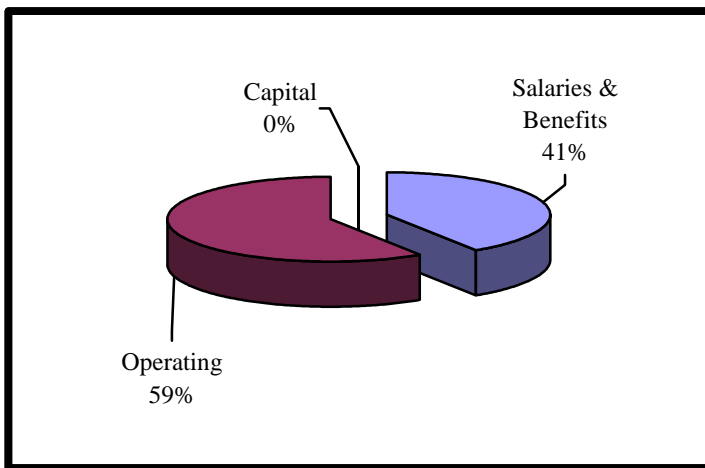
The Building and Grounds Maintenance Department is located at 200 Beulah Hill Road, Pinehurst, NC.

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](mailto:mwagner@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 118,290	\$ 143,300	\$ 130,740	\$ 224,400	71.6%
Operating	231,062	298,420	289,546	324,890	12.2%
Capital	125,748	-	-	-	0.0%
<b>Expenditures Total</b>	<b>\$ 475,100</b>	<b>\$ 441,720</b>	<b>\$ 420,286</b>	<b>\$ 549,290</b>	<b>30.7%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ 475,100	\$ 441,720	\$ 420,286	\$ 549,290	30.7%
<b>Revenues Total</b>	<b>\$ 475,100</b>	<b>\$ 441,720</b>	<b>\$ 420,286</b>	<b>\$ 549,290</b>	<b>30.7%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	5.00	66.7%
Part Time	-	0.50	0.50	-	-100.0%
<b>Total Authorized Personnel</b>	<b>3.00</b>	<b>3.50</b>	<b>3.50</b>	<b>5.00</b>	<b>-33.3%</b>



**Budget Highlights:**

Included in the FY 2006-2007 Budget is the addition of a Supervisor. The Buildings & Grounds Maintenance budget contains no individually significant operating items or any capital requests in the FY 2006-2007 budget year.



## **Fleet Maintenance**

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### **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 2005-2006:**

- Installed locks on hydraulic controls.
- Implemented new Fleet Maintenance software.
- Built Brine system to pre-treat roads for ice.
- Assisted in the purchase of equipment for use by other departments.
- Built a tool to roll up rope used as barriers for public events.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**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 50%, from 25% to 50%, towards a target of 100%.

**Goal:** To maintain computerized fleet maintenance records for the various Village departments in order to provide efficient and effective fleet services.

**Objective:** To increase the percentage of Fleet supplies and parts inventory items tracked within the Fleet software by 20%, from 70% to 90%, toward a target of 100%.



## Fleet Maintenance

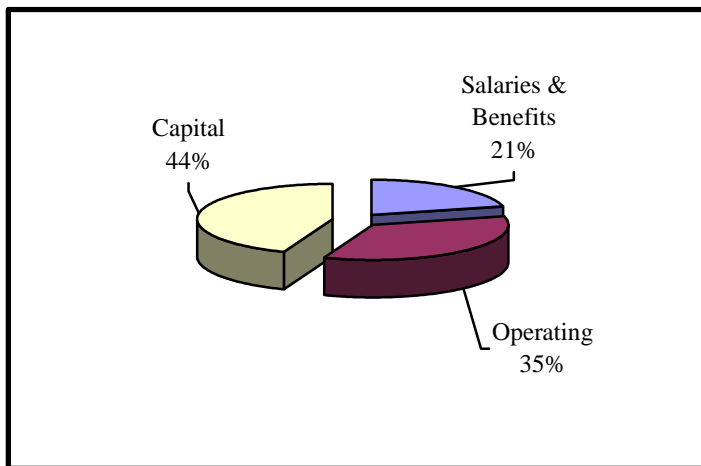
The Fleet Maintenance Department is located at 500 McCaskill Road, Pinehurst, NC.

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](mailto:rkuhn@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ 161,130	\$ 186,350	\$ 168,332	\$ 186,050	10.5%
Operating	224,521	261,450	262,851	309,210	17.6%
Capital	32,918	25,000	-	391,650	100.0%
<b>Expenditures Total</b>	<b>\$ 418,569</b>	<b>\$ 472,800</b>	<b>\$ 431,183</b>	<b>\$ 886,910</b>	<b>105.7%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 418,569	\$ 472,800	\$ 431,183	\$ 886,910	105.7%
<b>Revenues Total</b>	<b>\$ 418,569</b>	<b>\$ 472,800</b>	<b>\$ 431,183</b>	<b>\$ 886,910</b>	<b>105.7%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>0.0%</b>



**Budget Highlights:**

The Fleet Maintenance budget includes vehicle and equipment repairs and maintenance expenditures of \$80,000 and gas, oil and tires expenditures of \$160,000. The Capital items for this department include the vehicles and equipment to be purchased for all departments. See the General Fund Capital Outlay schedule for the detail by department.



### **Description:**

The Director of Information Technology reports directly to the Assistant Village Manager of Finance and Administration and is a member of the senior leadership team. In addition to the Director, the Information Technology Department includes a Network Administrator who, in conjunction with the Director, is responsible for the support, maintenance, and security of hardware, software and network infrastructure.

### **Major Accomplishments for Fiscal Year 2005-2006:**

- Purchased and installed Fire Station 91 new phone system, network, CATV, and LAN connection.
- Initiated an online work order system for IT.
- Completed Phase I of a new backup & recovery plan.
- Phased out essential computers that were still running Windows 98.
- Installed Terminal Services to be used with mission critical software applications.
- Developed Electronic Communications Use Policy.

### **Goals and Objectives for Fiscal Year 2006-2007:**

**Goal:** To provide information via the Village's website to the public in order to effectively communicate Village information.

**Objective:** To increase the number of dynamic web applications by 2, from zero to 2, toward a target of 3 or more applications.

**Goal:** To provide electronic tools for Village employees in order to improve operating efficiencies.

**Objective:** To decrease the number of outdated (> 3 years old) computers used by the Village by 11, from 13 to 2, toward a target of zero.

**Goal:** To provide timely response to all requests for service for Village employees in order to provide a high level of customer service.

**Objective:** To increase the percentage of work orders response within 12 business hours by 40%, from 50% to 90%, toward a target of 95%.





## Information Technology

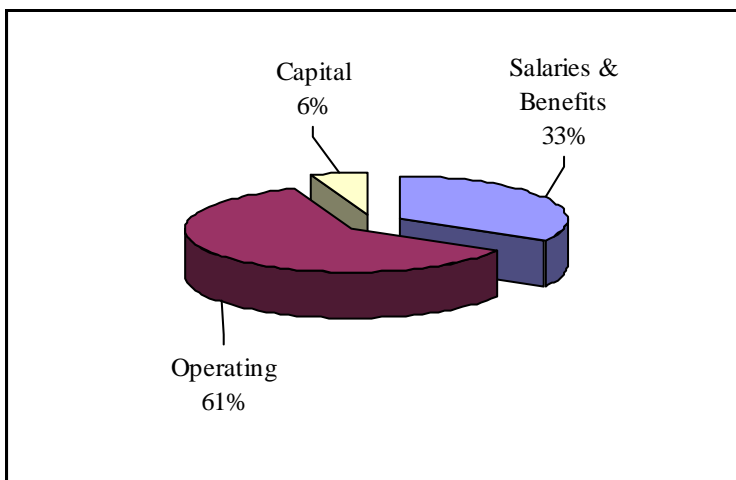
The Information Technology Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Information Technology Department may be obtained by contacting Jason Whitaker, Director of Information Technology, at 910.295.1900 or [jwhitaker@villageofpinehurst.org](mailto:jwhitaker@villageofpinehurst.org).

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ 70,100	\$ 71,487	\$ 158,250	121.4%
Operating	-	130,725	192,315	229,740	19.5%
Capital	-	19,000	19,000	87,000	357.9%
<b>Expenditures Total</b>	<b>\$ -</b>	<b>\$ 219,825</b>	<b>\$ 282,803</b>	<b>\$ 474,990</b>	<b>68.0%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Charges for Services - IT	\$ -	\$ 219,825	\$ 211,315	\$ 474,990	124.8%
<b>Revenues Total</b>	<b>\$ -</b>	<b>\$ 219,825</b>	<b>\$ 211,315</b>	<b>\$ 474,990</b>	<b>124.8%</b>

Authorized Personnel	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Full Time	-	1.00	1.00	2.00	100.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>-</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>100.0%</b>



### ***Budget Highlights:***

The Information Technology FY 2006-2007 Salaries & Benefits budget reflects the addition of a Network Administrator. The Capital items for this department include the equipment to be purchased for all departments. See the General Fund Capital Outlay schedule for the detail by department.



### **Purpose and Description:**

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2006-2007 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 2005-2006:**

- None.

### **Goals and Objectives for Fiscal Year 2006-2007:**

- None.

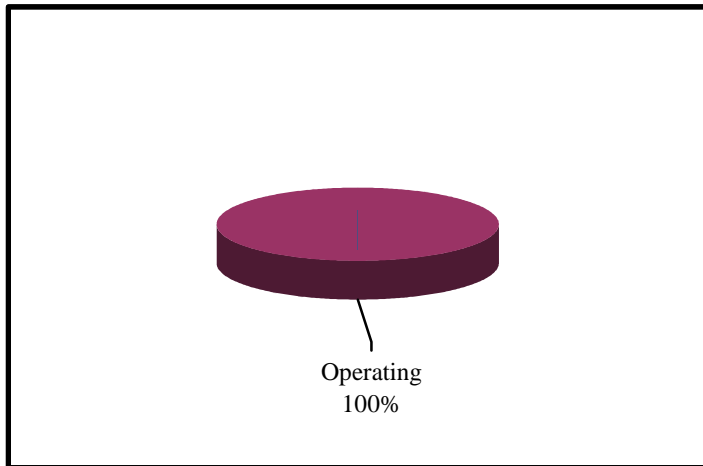


## Contingency

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 [ndean@villageofpinehurst.org](mailto:ndean@villageofpinehurst.org)

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	-	102,400	-	94,000	100.0%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ -	\$ 102,400	\$ -	\$ 94,000	100.0%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ -	\$ 102,400	\$ -	\$ 94,000	100.0%
Revenues Total	\$ -	\$ 102,400	\$ -	\$ 94,000	100.0%



**Budget Highlights:**

The Contingency budget that is not allocated to any department totals \$94,000. This amount is 0.7% of the total General Fund budget.



## **Non-Departmental**

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### **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 2005-2006:**

- None

### **Goals and Objectives for Fiscal Year 2006-2007:**

- None

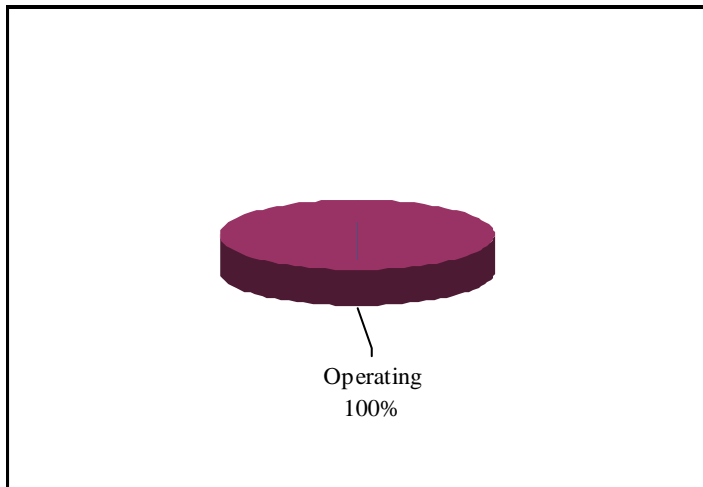


## Non-Departmental

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](mailto:ndean@villageofpinehurst.org)

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	47,016	61,000	52,705	51,000	-3.2%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 47,016	\$ 61,000	\$ 52,705	\$ 51,000	-3.2%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 47,016	\$ 61,000	\$ 52,705	\$ 51,000	-3.2%
Revenues Total	\$ 47,016	\$ 61,000	\$ 52,705	\$ 51,000	-3.2%



**Budget Highlights:**

The Non-Departmental Budget for FY 2006-2007 includes primarily a \$23,000 contribution to Partners for Progress and a \$10,000 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 2005-2006:**

- None

### **Goals and Objectives for Fiscal Year 2006-2007:**

- None

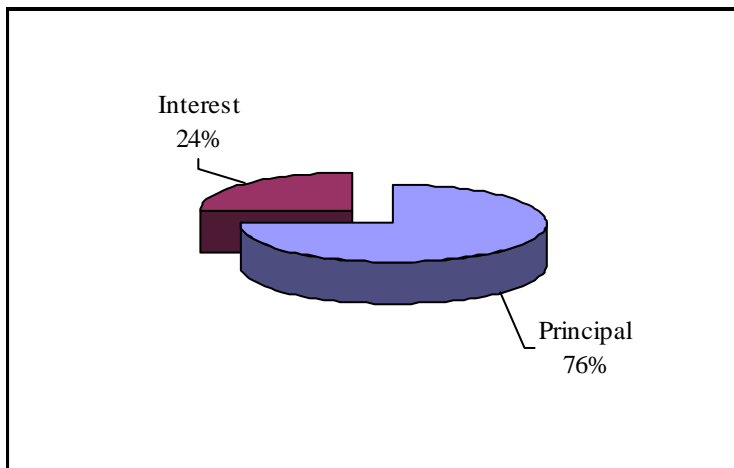


## Debt Service

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](mailto:ndean@villageofpinehurst.org)

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Principal	\$ 648,862	\$ 757,215	\$ 757,209	\$ 776,620	2.6%
Interest	221,971	280,330	280,323	251,550	-10.3%
Expenditures Total	\$ 870,833	\$ 1,037,545	\$ 1,037,532	\$ 1,028,170	-0.9%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 870,833	\$ 1,037,545	\$ 1,037,532	\$ 1,028,170	-0.9%
Revenues Total	\$ 870,833	\$ 1,037,545	\$ 1,037,532	\$ 1,028,170	-0.9%



### **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. FY 2006-2007 does not include the pay off of any outstanding debt and does not include the addition of any new debt.



## **Other Financing Uses**

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### **Purpose and Description:**

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

### **Major Accomplishments for Fiscal Year 2005-2006:**

- Transferred \$1,045,000 to the Capital Reserve Fund to be used for capital improvements.

### **Goals and Objectives for Fiscal Year 2006-2007:**

- None



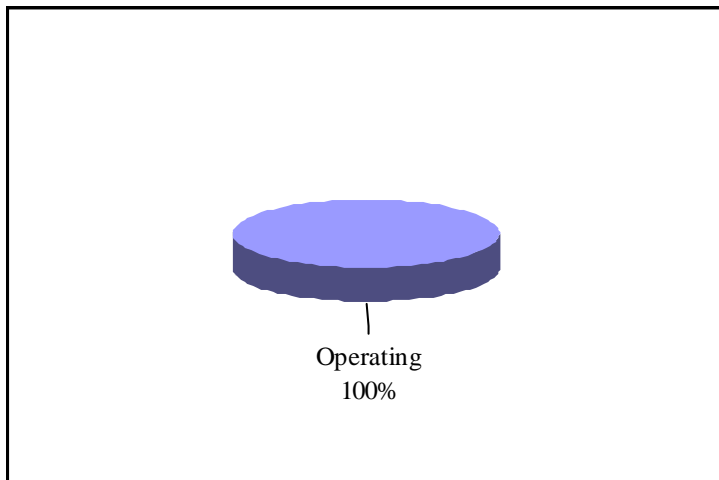


## Other Financing Uses

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 [ndean@villageofpinehurst.org](mailto:ndean@villageofpinehurst.org)

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Operating	\$ 340,000	\$ 1,197,000	\$ 1,197,000	\$ 629,300	-47.4%
Expenditures Total	\$ 340,000	\$ 1,197,000	\$ 1,197,000	\$ 629,300	-47.4%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
General Revenues	\$ 340,000	\$ 1,197,000	\$ 1,197,000	\$ 629,300	-47.4%
Revenues Total	\$ 340,000	\$ 1,197,000	\$ 1,197,000	\$ 629,300	-47.4%



**Budget Highlights:**

Other Financing Uses includes the transfer of \$315,600 to the Capital Reserve Fund, which equals 75% of projected Article 44 Local Option Sales Tax revenues and a transfer of \$313,700 for excess Fund Balance.



## General Fund Capital Outlay

The following schedule details the specific capital items that were requested and funded in the FY 2006-2007 Budget for the General Fund:

	Requested Amount	Approved Amount	Unfunded Amount
<b>Governing Body</b>			
Lot Acquisition	\$ 60,000	\$ 40,000	\$ 20,000
<b>Total Governing Body</b>	<b>60,000</b>	<b>40,000</b>	<b>20,000</b>
<b>Public Services Administration</b>			
Land Acquisition	225,000	225,000	-
<b>Total Public Services Administration</b>	<b>225,000</b>	<b>225,000</b>	<b>-</b>
<b>Planning</b>			
Gateway and Historic Signs	36,000	-	36,000
<b>Total Planning</b>	<b>36,000</b>	<b>-</b>	<b>36,000</b>
<b>Engineering</b>			
Storage Cabinet	2,000	-	2,000
Small Drainage Projects	90,000	70,000	20,000
Core Drill Sampling Equipment & Trailer	7,300	-	7,300
<b>Total Engineering</b>	<b>99,300</b>	<b>70,000</b>	<b>29,300</b>
<b>Parks &amp; Recreation</b>			
Gazebo and Xeriscaping Garden	-	15,000	-
Greenways Phase IV (approx 1 mile)	150,000	100,000	50,000
Cannon Park Parking Lot Improvements	25,000	-	25,000
W Pinehurst Comm Park Parking Lot	25,000	-	25,000
Cannon Park Fence Replacement	15,000	-	15,000
<b>Total Parks &amp; Recreation</b>	<b>215,000</b>	<b>115,000</b>	<b>115,000</b>
<b>Harness Track</b>			
Barn 5 Renovations for New Maint Shop	50,000	50,000	-
<b>Total Harness Track</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>



## General Fund Capital Outlay

	Requested Amount	Approved Amount	Unfunded Amount
<b>Fleet Maintenance</b>			
4 Patrol Vehicles - Police	126,200	94,650	31,550
One Arm Garbage Truck - Solid Waste	200,000	200,000	-
2 Small Garbage Trucks - Solid Waste	42,000	42,000	-
2 Full Size Trucks - Streets & Grounds	55,000	55,000	-
Service Vehicle - Information Technology	25,000	-	25,000
Zero Turn Mower - Streets & Grounds	14,000	-	14,000
<b>Total Fleet Maintenance</b>	<b>462,200</b>	<b>391,650</b>	<b>70,550</b>
<b>Buildings &amp; Grounds Maintenance</b>			
30' Scissor Lift	17,500	-	17,500
200KW Generator for Village Hall - Admin	45,000	-	45,000
<b>Total Buildings &amp; Grounds Maintenance</b>	<b>62,500</b>	<b>-</b>	<b>62,500</b>
<b>Information Technology</b>			
Projector for Assembly Hall - Administration	6,000	6,000	-
Control panel for Assembly Hall - Admin	9,000	9,000	-
Redundant Internet (ISP) Router - Admin	9,000	9,000	-
AV Equipment for Council Conf Room - Admin	20,000	16,000	4,000
Server Room Enhancements - Admin	12,000	12,000	-
Backup/Disaster Recovery Hardware - Admin	15,000	15,000	-
Plotter/Scanner/Copier - Engineering	20,000	20,000	-
<b>Total Information Technology</b>	<b>91,000</b>	<b>87,000</b>	<b>4,000</b>
<b>GRAND TOTAL \$ 1,301,000 \$ 978,650 \$ 337,350</b>			

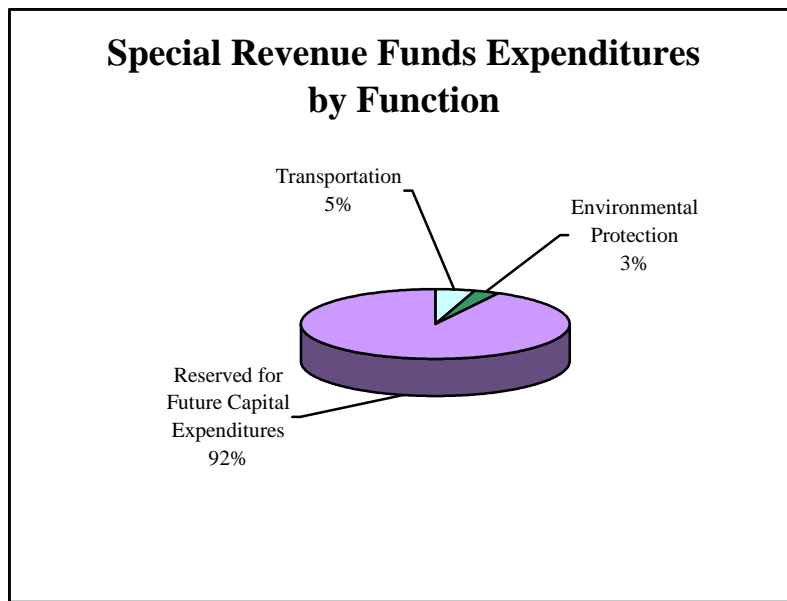


## Special Revenue Funds Summary

### *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 2005-2006 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 33% 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,880	\$ 7,000	\$ 7,100	\$ 5,500	-22.5%
Assessments	32,565	31,635	27,000	47,485	75.9%
Investment Income	13,742	12,875	20,417	22,690	11.1%
Transfers from Other Funds	573,089	1,507,500	1,044,800	629,300	-39.8%
Fund Balance Appropriated	-	1,392,500	-	-	0.0%
Revenues Total	\$ 626,276	\$ 2,951,510	\$ 1,099,317	\$ 704,975	-76.1%

### Budget Highlights:

The Village has budgeted for a \$315,600 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 2006-2007. An additional transfer to the Capital Reserve Fund in the amount of \$313,700 is also budgeted in anticipation of excess fund balance in the General Fund at June 30, 2006. The Capital Reserve Fund is also expected to transfer \$300,000 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Utilities	\$ 1,835	\$ 4,000	\$ 2,000	\$ 2,240	12.0%
R&M: Equipment	-	1,000	500	1,500	200.0%
Departmental Supplies	502	2,000	1,000	2,000	100.0%
Capital Outlay: Equipment	3,952	-	-	-	0.0%
Service Charges/Fees	110	-	-	-	0.0%
Transfer to General Fund	322,235	612,735	612,735	349,305	-43.0%
Transfer to Capital Project Funds	135,000	812,000	812,000	-	-100.0%
Reserve for Future Use	-	1,519,775	269	349,930	129985.5%
Expenditures Total	\$ 463,634	\$ 2,951,510	\$ 1,428,504	\$ 704,975	-76.1%

### Budget Highlights:

The Capital Reserve Fund has \$349,300 reserved for future capital expenditures in FY 2006-2007, with a \$300,000 transfer to the General Fund budgeted. The \$49,305 transfer to the General Fund is for \$32,235 in Taylorhurst assessments and \$17,070 in MSD dam repair assessments. These will be used by the General Fund to pay the annual installment purchase agreement payment for the road construction in Taylorhurst and repay itself for the dam repair and rehabilitation.



## Taylorhurst Assessment Fund

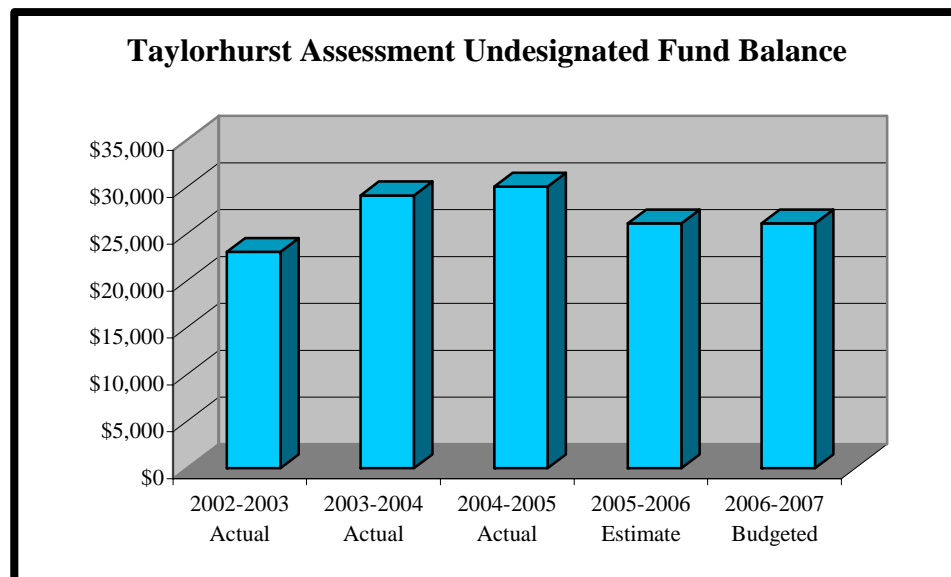
The Taylorhurst Assessment Fund is used to account for the revenues and expenditures relating to the special assessment, resulting from the Taylorhurst road surfacing project. The assessments are billed in August to the residents over a period not to exceed ten years. The only expenditures of the fund 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Assessments	\$ 32,565	\$ 31,635	\$ 27,000	\$ 30,415	12.6%
Investment Income	617	600	1,301	1,820	39.9%
Revenues Total	\$ 33,182	\$ 32,235	\$ 28,301	\$ 32,235	13.9%

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.





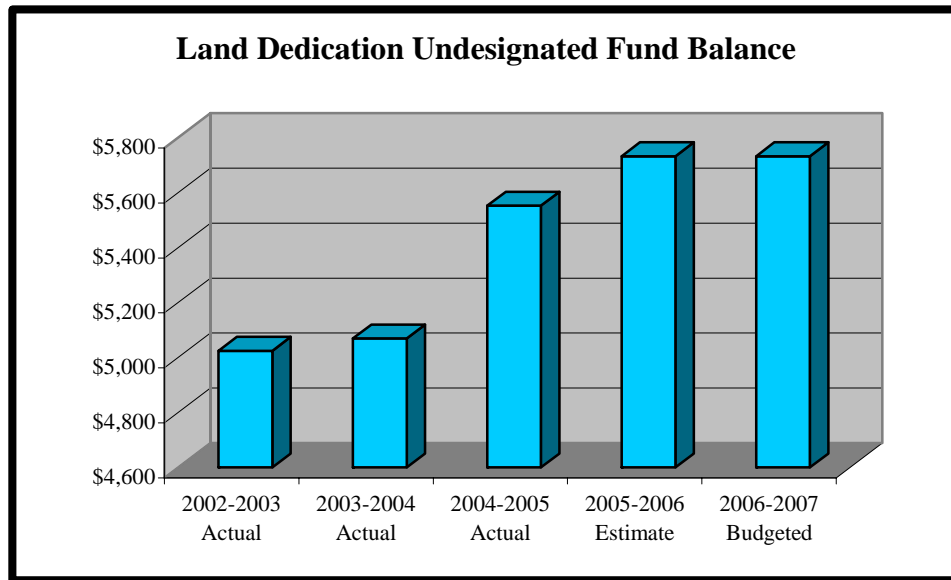
## Land Dedication Fund

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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Departmental Supplies	\$ 4,140	\$ -	\$ -	\$ -	0.0%
Transfer to Rassie Wicker Park CPF	-	-	35,000	-	-100.0%
Reserve for Future Use	-	75	-	250	100.0%
Expenditures Total	\$ 4,140	\$ 75	\$ 35,000	\$ 250	-99.3%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Land Dedication Payments	\$ 4,501	\$ 35,000	\$ 35,000	\$ -	-100.0%
Investment Income	122	75	180	250	38.9%
Revenues Total	\$ 4,623	\$ 35,075	\$ 35,180	\$ 250	-99.3%





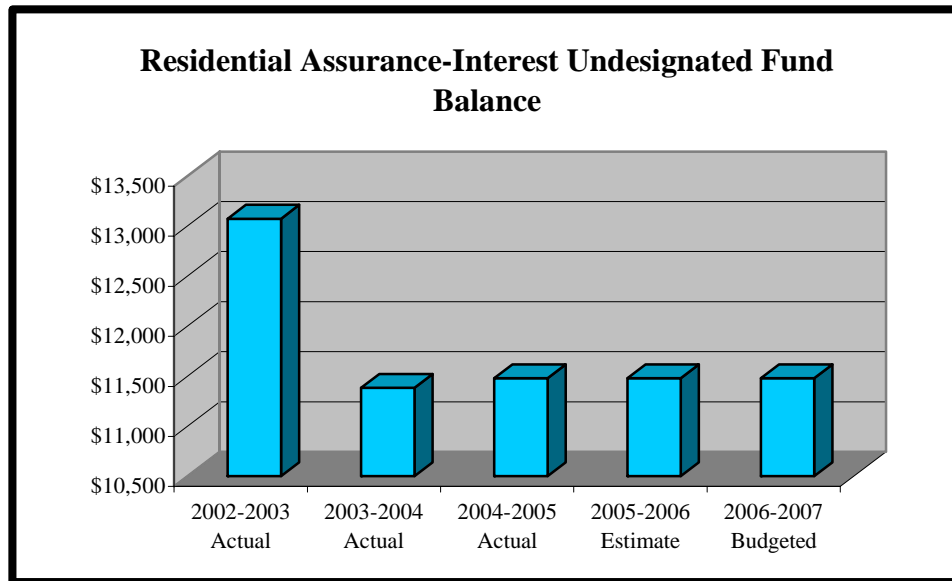
## Residential Assurance-Interest Fund

The Residential Assurance-Interest Fund is used to account for the investment 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 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Service Charges/Fees	\$ 110	\$ -	\$ -	\$ -	0.0%
Contracted Services	4,300	-	-	-	0.0%
Reserve for Future Use	-	200	269	380	41.3%
Expenditures Total	\$ 4,410	\$ 200	\$ 269	\$ 380	41.3%

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Investment Income	\$ 206	\$ 200	\$ 269	\$ 380	41.2%
Miscellaneous Revenue	4,300	-	-	-	0.0%
Revenues Total	\$ 4,506	\$ 200	\$ 269	\$ 380	41.2%







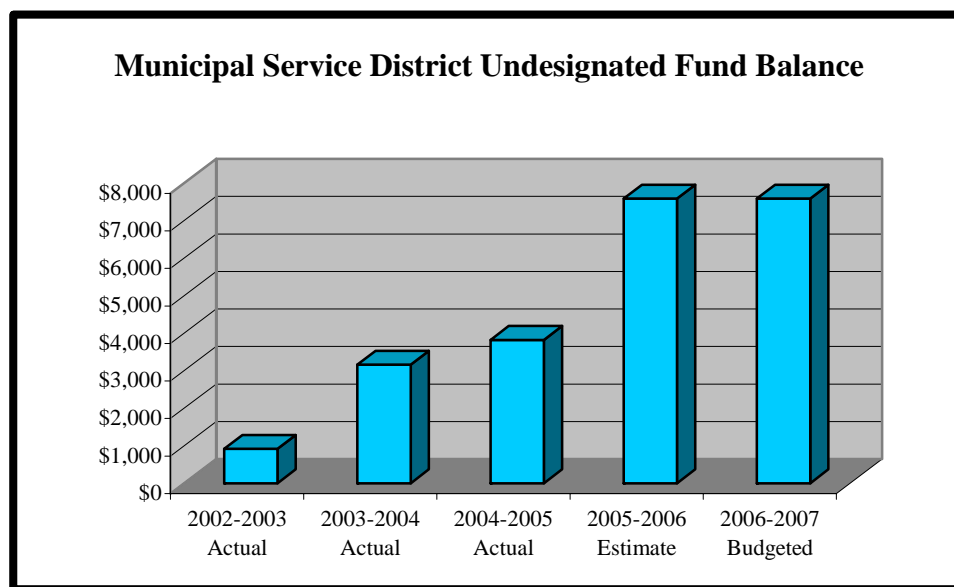
## Municipal Service District Fund

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 2006-2007 is \$0.09 per \$100 valuation.

### Municipal Service District Expenditures and Revenues

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Departmental Supplies	\$ 502	\$ 2,000	\$ 1,000	\$ 2,000	100.0%
Utilities	1,835	4,000	2,000	2,240	12.0%
R&M: Equipment	-	1,000	500	1,500	200.0%
Pond #1 Rehab Expenditures	3,952	-	-	-	0.0%
Transfer to General Fund	-	-	-	17,070	100.0%
<b>Expenditures Total</b>	<b>\$ 6,289</b>	<b>\$ 7,000</b>	<b>\$ 3,500</b>	<b>\$ 22,810</b>	<b>551.7%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Ad Valorem Taxes-CY and PY	\$ 6,880	\$ 7,000	\$ 7,100	\$ 5,500	-22.5%
Assessments	-	-	-	17,070	100.0%
Investment Income	73	-	166	240	44.3%
<b>Revenues Total</b>	<b>\$ 6,953</b>	<b>\$ 7,000</b>	<b>\$ 7,266</b>	<b>\$ 22,810</b>	<b>213.9%</b>





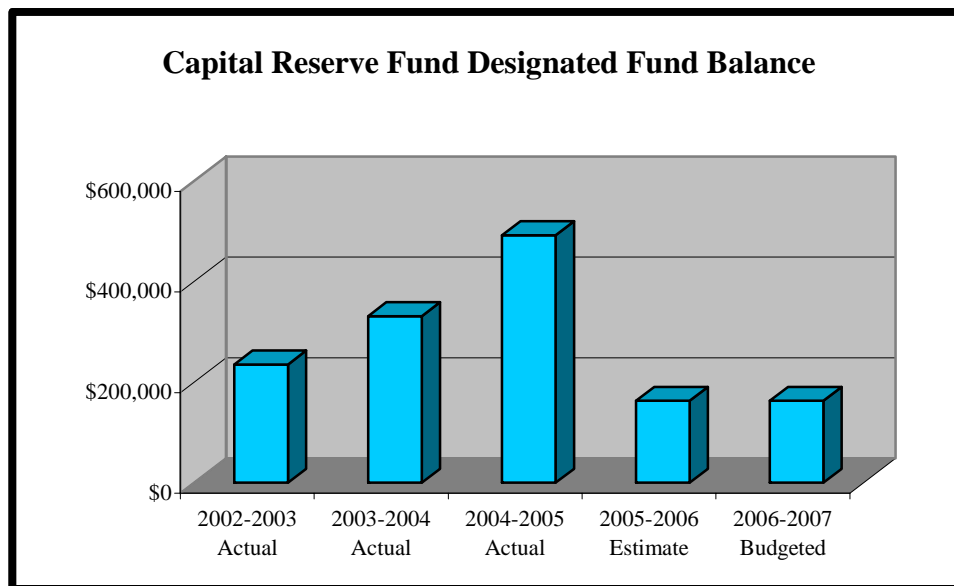
## Capital Reserve Fund

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 2006-2007 has not been designated for any specific purpose.

### Capital Reserve Fund Expenditures and Revenues

Expenditures by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Transfer to General Fund	\$ 290,000	\$ 580,500	\$ 580,500	\$ 300,000	-48.3%
Transfer to Capital Project Funds	135,000	812,000	812,000	-	-100.0%
Reserve for Future Use	-	1,519,500	-	349,300	100.0%
<b>Expenditures Total</b>	<b>\$ 425,000</b>	<b>\$ 2,912,000</b>	<b>\$ 1,392,500</b>	<b>\$ 649,300</b>	<b>-53.4%</b>

Revenues by Type	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Estimated	FY 2006-07 Budgeted	Percent Change
Transfers from Other Funds	\$ 573,089	\$ 1,507,500	\$ 1,044,800	\$ 629,300	-39.8%
Investment Income	12,724	12,000	18,500	20,000	8.1%
Fund Balance Appropriated	-	1,392,500	-	-	0%
<b>Revenues Total</b>	<b>\$ 585,813</b>	<b>\$ 2,912,000</b>	<b>\$ 1,063,300</b>	<b>\$ 649,300</b>	<b>-38.9%</b>





## 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.



*A prior Capital Project was the new Fire Station located on Magnolia Road.*



## **MSD Dam Rehabilitation Capital Project Fund**

The Municipal Service District Dam Rehabilitation Capital Project Fund was established for the purpose of accounting for the costs incurred in the design and rehabilitation of the dam at Pond #1 located in the Municipal Service District. The project budget detailed below was adopted by the Village Council on June 7, 2005 by Ordinance #05-17.

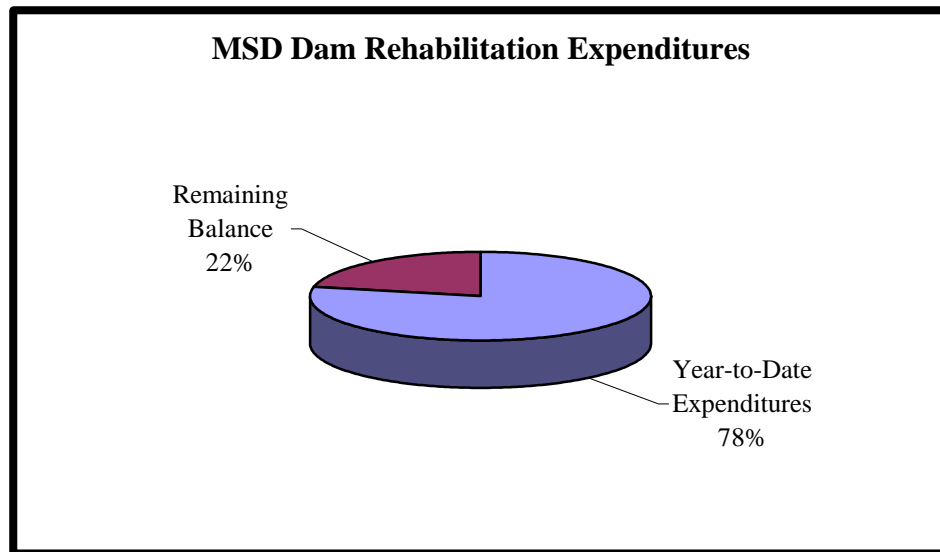
### **MSD Dam Rehabilitation Expenditures and Revenues**

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 54,000	\$ 10	\$ 53,990
Construction Costs	458,000	398,186	59,814
Professional Services	-	2,550	(2,550)
Expenditures Total	\$ 512,000	\$ 400,746	\$ 111,254

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 512,000	\$ 512,000	\$ -
Revenues Total	\$ 512,000	\$ 512,000	\$ -

### **Impact on Operating Budget**

The impact on the operating budget for the FY 2006-2007 will be in the amount of \$17,070 for the receipt of assessment payments by the property owners in the Municipal Service District. These assessments are to help offset the construction and design costs of the dam rehabilitation.





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 a new fire truck.

The total amount of debt outstanding at June 30, 2006 will be \$6,869,840. In FY 2004-2005 the Village began payments on an installment financing agreement for the new Village Fire Station which was 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 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11
<b>INSTALLMENT PURCHASE AGREEMENTS</b>					
<b>Taylorhurst Project Special Assessment Debt</b> \$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	\$ 23,516	\$ -	\$ -
<b>Fire Station</b> \$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.	242,634	236,900	231,167	225,434	222,567
<b>Village Hall</b> \$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
<b>Police Station</b> \$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
<b>Fair Barn</b> \$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.	86,225	83,925	81,265	79,325	77,025
<b>67.04 Acres (Chicken Plant Road)</b> \$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	48,922	47,595	46,269	44,942	43,615
<b>Firetruck</b> \$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
<b>DEBT SERVICE TOTAL</b>	<b>\$ 1,025,273</b>	<b>\$ 1,015,912</b>	<b>\$ 997,474</b>	<b>\$ 964,958</b>	<b>\$ 958,464</b>



### Computation of Legal Debt Limit

Net Assessed Value - June 30, 2005	\$ 2,035,393,463
	<u>8.0%</u>
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 162,831,477
Gross Debt:	
Total Bonded Debt	-
Installment Purchase Agreements	<u>7,627,030</u>
Total Gross Debt:	7,627,030
Less: Water Bonds	<u>-</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>7,627,030</u>
<b>Legal Debt Margin</b>	<b><u><u>\$ 155,204,447</u></u></b>

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, 2005 is 0.375% compared to the legal debt limit of 8%.

# Village of Pinehurst

## Capital Improvement Plan

### FY 2007-2011

February 14, 2006

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) 2007 through 2011. The CIP includes improvements with a total estimated cost of \$19,149,600 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, which is the same as last year's CIP. Three new projects included in this year's CIP include the construction of a new Public Works facility, several roadway improvements included in one project, and Old Town sidewalks. Three projects from last year's CIP have been removed. The fire station and the Pond #1 rehabilitation will be completed in FY 2006 and the West Pinehurst Community Park Masterplan has been reclassified to improvements.

The CIP also includes capital improvement items such as road resurfacing and improvements, storm water master planning, and small drainage projects. These items represent approximately 28%, or \$5,309,500, of the total CIP. The CIP adopted by the Council for FY 2006-2010 totaled \$13,927,900. This year's CIP total is an increase of \$5,221,700, or approximately 37%, from the prior year.

Of the total \$19,149,600 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	\$ 3,619,700	19%
Capital Improvements	6,615,300	35%
Capital Projects	8,914,600	47%
TOTAL	\$ 19,149,600	100%

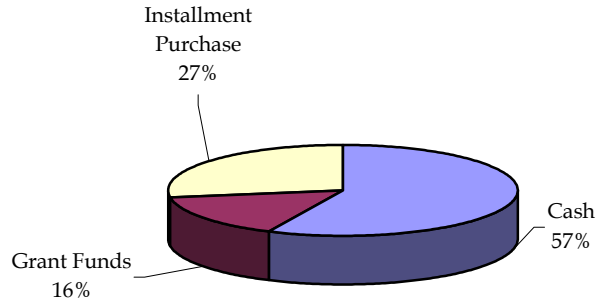
Revenue and funding sources for the capital expenditures identified in this plan come from a variety of sources. The replacement of all vehicles and equipment, with the exception of a fire truck, will be funded on a pay-as-you go basis, or with available cash. Some capital projects will be funded with 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 Exhibit 7 on page 12.



**Table 2 -CIP Revenue/Funding Sources Summary**

Funding Source	Cost of Capital
Cash	\$ 10,899,600
Grant	3,000,000
Installment Financing	5,250,000
TOTAL	\$ 19,149,600

**Village of Pinehurst  
Capital Improvements by Funding Source  
FY 2007 - 2011**



As you can see, the majority of the capital improvements are funded with available Village funds, while another 27% 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 public works/fleet maintenance facility to replace the existing complex on McCaskill Road. The Village plans to purchase a 15-acre tract of land in 2007 then commence construction and secure installment financing in 2010.
- Several recreation projects such as the development of Rassic Wicker Park, the construction of a recreation center at Cannon Park, and the development of subsequent phases of the Village’s Greenway System.
- Transportation items include the annual resurfacing and striping of six (6) to seven (7) miles per year of Village roads, intersection improvements, and other miscellaneous traffic improvements.

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**

	2007	2008	2009	2010	2011
Projects Paid with Cash	\$ 300,000	\$ 561,000	\$ 1,071,000	\$ 753,000	\$ 744,600
Improvements Paid with Cash	936,550	893,000	955,750	869,000	711,000
Vehicle/Equipment	561,800	440,000	733,750	655,900	713,250
<b>CIP in General Fund</b>	<b>1,798,350</b>	<b>1,894,000</b>	<b>2,760,500</b>	<b>2,277,900</b>	<b>2,168,850</b>
Additional Debt Service	25,125	183,463	236,024	599,260	582,835
Annual Operating Impact	9,929	99,831	122,916	126,603	130,402
<b>Annual General Fund Impact</b>	<b>1,833,404</b>	<b>2,177,294</b>	<b>3,119,439</b>	<b>3,003,763</b>	<b>2,882,087</b>
Capital Reserve Funds Utilized	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
<b>Net General Fund Impact</b>	<b>\$ 1,483,404</b>	<b>\$ 1,827,294</b>	<b>\$ 2,769,439</b>	<b>\$ 2,653,763</b>	<b>\$ 2,532,087</b>
<b>Tax Rate Equivalent of CIP</b>	<b>\$ 0.07</b>	<b>\$ 0.07</b>	<b>\$ 0.09</b>	<b>\$ 0.08</b>	<b>\$ 0.08</b>

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. Effective June 30, 2008 the Village anticipates annexing a large residential area, Pinewild. The financial impact of this annexation is included in the projected amounts below. Also included in Table 4 below is the impact of the revaluation of real and personal property in FY 2008, with a projected revenue neutral tax rate.

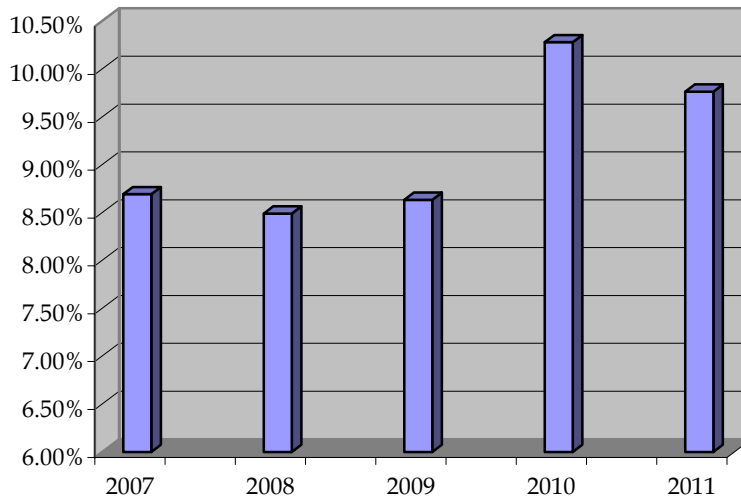
**Table 4 - Projected General Fund Revenues and Expenditures**

	2006	2007	2008	2009	2010	2011
<b>Population</b>	<b>10,694</b>	<b>11,104</b>	<b>11,514</b>	<b>13,515</b>	<b>14,007</b>	<b>14,499</b>
<b>Revenues</b>	\$ 12,251,000	\$ 12,408,000	\$ 13,318,000	\$ 15,066,000	\$ 15,627,000	\$ 16,179,000
Tax Rate	0.31	0.31	0.28	0.28	0.28	0.28
<b>Expenditures</b>						
Salaries	3,905,000	4,139,000	4,447,000	4,671,000	4,908,000	5,104,000
Personnel in FTEs	120	124	131	138	139	139
<b>Operating Expenditures</b>	<b>6,306,000</b>	<b>5,806,000</b>	<b>6,049,000</b>	<b>6,680,000</b>	<b>6,931,000</b>	<b>7,165,000</b>
Debt Service	1,038,000	1,054,000	1,185,000	1,220,000	1,551,000	1,526,000
<b>Exp before Capital</b>	<b>11,249,000</b>	<b>10,999,000</b>	<b>11,681,000</b>	<b>12,571,000</b>	<b>13,390,000</b>	<b>13,795,000</b>
<b>Amt Left for Capital</b>	<b>\$ 1,002,000</b>	<b>\$ 1,409,000</b>	<b>\$ 1,637,000</b>	<b>\$ 2,495,000</b>	<b>\$ 2,237,000</b>	<b>\$ 2,384,000</b>
Annexation Capital Exp.		-	919,264	-	-	-
CIP in General Fund		1,798,350	1,894,000	2,760,500	2,277,900	2,168,850
<b>Net Impact on General Funds</b>		<b>\$ (389,350)</b>	<b>\$ (1,176,264)</b>	<b>\$ (265,500)</b>	<b>\$ (40,900)</b>	<b>\$ 215,150</b>

To determine estimated debt service, we assumed a conservative 4.50% interest rate amortized over 15 years. As presented, the Village's CIP will result in additional annual debt service costs ranging from \$25,000 up to \$600,000 during the planning horizon. However, due to the payoff of the Taylorhurst road improvements in FY 2009, the Village will free up approximately \$24,000 in annual debt service in 2010. In addition, it is important to note the Village will pay off the debt for Village Hall in FY 2012 and the Police Station in FY 2013. This will decrease annual debt service payments by \$604,000.

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 2007-2011**



While the net impact on the General Fund in the first three years of the planning horizon is negative, the majority of the deficit is due to one-time capital costs associated with the annexation of Pinewild. The Village's fund balance continues to remain healthy and can absorb the anticipated capital expenditures that exceed available resources, while still maintaining a fund balance that falls within the Council's desired range of 27% - 33% of expenditures.

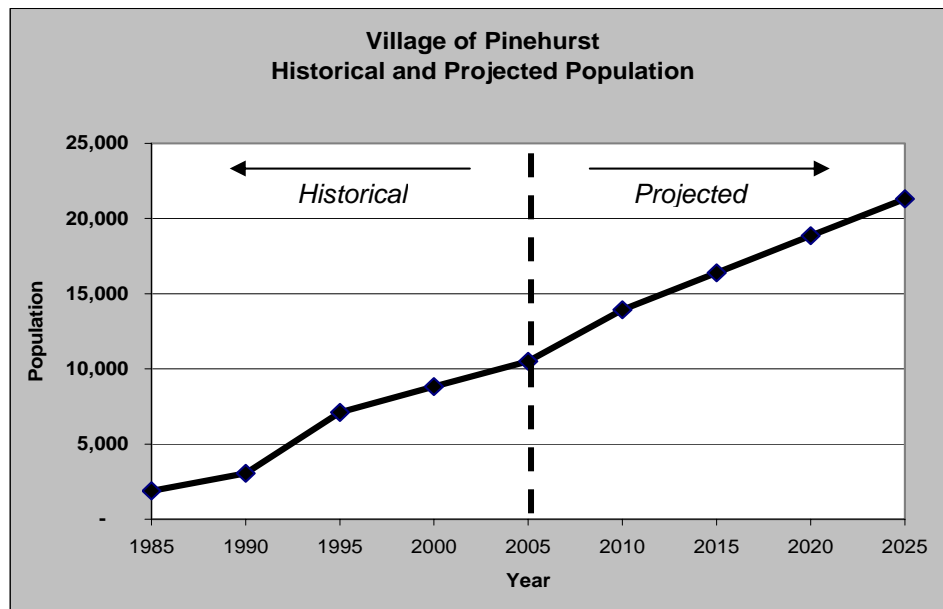
Table 5 indicates the projected balance in the Capital Reserve Fund during the planning period. This analysis includes the estimated transfers into the Reserve from the General Fund and the estimated transfers out to fund capital items that are included in the CIP.

**Table 5 - Projected Capital Reserve Fund**

	2006	2007	2008	2009	2010	2011
<b>Beginning Balance</b>	\$ 492,075	\$ 156,865	\$ 154,090	\$ 163,054	\$ 184,676	\$ 219,913
Plus:						
Transfers from General Fund	1,044,800	340,950	352,800	365,100	377,850	391,050
Interest Income	12,490	6,275	6,164	6,522	7,387	8,797
Total Other Financing Sources	1,057,290	347,225	358,964	371,622	385,237	399,847
Amount Available for CIP	1,549,365	504,090	513,054	534,676	569,913	619,759
Less:						
Transfers to General Fund	580,500	350,000	350,000	350,000	350,000	350,000
Transfers to Other Funds	812,000	-	-	-	-	-
Total Other Financing Uses	1,392,500	350,000	350,000	350,000	350,000	350,000
<b>Ending Balance</b>	\$ 156,865	\$ 154,090	\$ 163,054	\$ 184,676	\$ 219,913	\$ 269,759

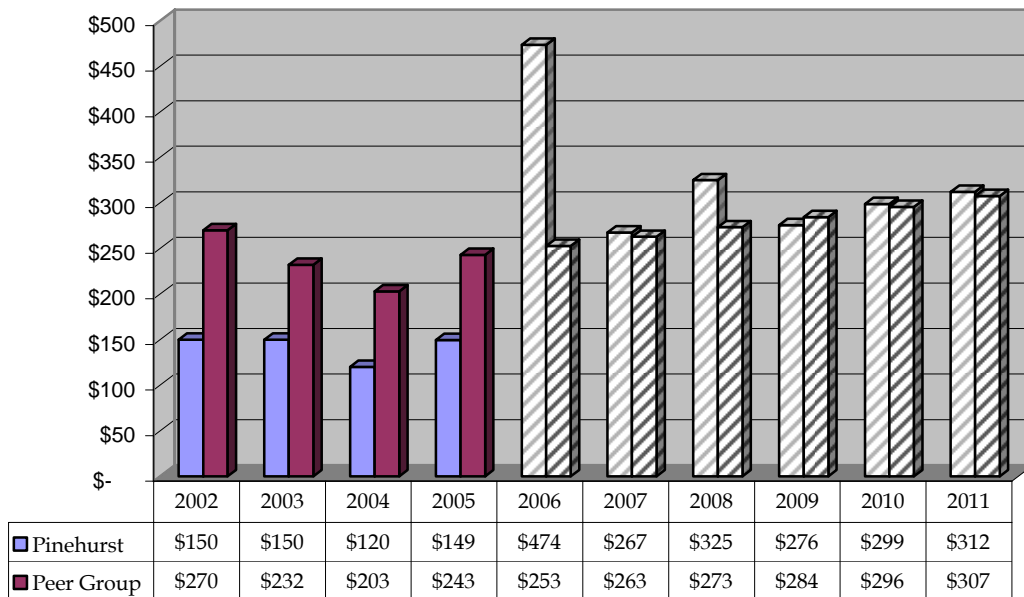
One way the Village can determine if it is spending an appropriate amount on capital expenditures is to compare itself to its peer group. The Local Government Commission, which is a division of the NC Department of State Treasurer, compiles financial data for all local governments in the State. There 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. The peer group per capita amounts are assumed to increase at an annual rate of 4%.

**Capital Expenditures Per Capita**



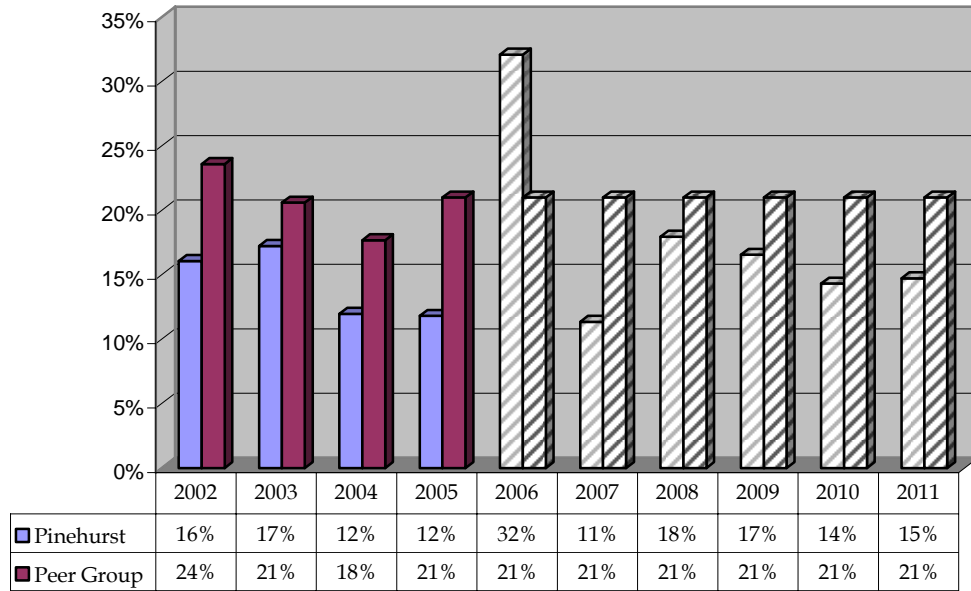
Review of this graph indicates that in FY 2006 the Village’s per capita spending levels exceed that of its peers considerably. This is due to several major capital initiatives going on consecutively, which include the construction of \$2.6 million fire station, a near \$1 million park project, and a \$500,000 dam rehabilitation project. The other years in the planning horizon indicate capital spending is consistent with our peer group.

It is worth mentioning that 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 \$243 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 \$126 per capita on capital expenditures, or 17% 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 \$2.7 - \$3.9 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 comparable per capita level or at 21% of expenditures. The table then indicates if the projected CIP approximates the target spending levels. Due to the major building and recreational facility projects that will occur during the planning horizon, the Village will spend up to 22% more than the peer average for capital improvements.

**Table 6 - Capital Expenditures Comparable to Peer Group**

	2007	2008	2009	2010	2011
<b>Target Capital Spending Levels</b>					
Average per capita	\$ 2,918,451	\$ 3,147,259	\$ 3,841,985	\$ 4,141,123	\$ 4,458,044
21% of expenditures	2,605,680	2,989,825	3,163,860	3,281,670	3,397,590
Average	2,762,065	3,068,542	3,502,923	3,711,396	3,927,817
Projected 2007-2011 CIP	2,969,950	3,741,400	3,725,500	4,186,900	4,525,850
<b>Over (under) Funded CIP Compared to Target</b>					
	\$ 207,885	\$ 672,858	\$ 222,577	\$ 475,504	\$ 598,033

To summarize, the CIP represents a \$19.1 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 exceeds 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.

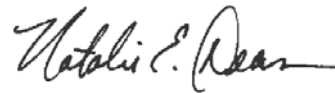
Once the capital improvements plan is prepared or updated on an annual basis, it is presented to the Village Council for their approval. After the CIP is approved, staff will attempt to include funding in the appropriate fiscal year to proceed with the project. The Village Council would then appropriate 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

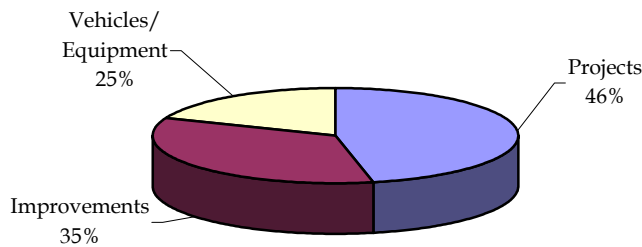
*Summary Exhibits*  
*Capital Improvement Plan*



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

Total	Fiscal Year Ending June 30					
	2007	2008	2009	2010	2011	
<b>General Government Projects</b>						
Old Town Sidewalks	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ -	\$ -
Roadway Improvements	625,000	95,000	200,000	80,000	250,000	-
Stormwater Projects	793,600	-	-	386,000	-	407,600
Public Works Facility	3,311,000	225,000	-	-	1,199,000	1,887,000
Cannon Park Rec Center	1,979,000	571,600	1,407,400	-	-	-
Greenways	1,050,000	150,000	150,000	300,000	300,000	150,000
Rassie Wicker Park	1,031,000	-	211,000	180,000	453,000	187,000
<b>Subtotal</b>	<b>\$ 8,914,600</b>	<b>\$ 1,041,600</b>	<b>\$ 1,968,400</b>	<b>\$ 1,071,000</b>	<b>\$ 2,202,000</b>	<b>\$ 2,631,600</b>
<b>Vehicles/Equipment</b>	<b>\$ 3,619,700</b>	<b>\$ 561,800</b>	<b>\$ 440,000</b>	<b>\$ 1,248,750</b>	<b>\$ 655,900</b>	<b>\$ 713,250</b>
<b>Improvements</b>						
Road Resurfacing & Imp	\$ 4,619,500	\$ 988,500	\$ 898,000	\$ 900,000	\$ 902,000	\$ 931,000
Drainage Projects	690,000	190,000	100,000	100,000	150,000	150,000
Recreation	633,750	115,000	275,000	121,750	107,000	15,000
Land Acquisition	380,000	60,000	60,000	60,000	140,000	60,000
Other	292,050	13,050	-	224,000	30,000	25,000
<b>Subtotal</b>	<b>\$ 6,615,300</b>	<b>\$ 1,366,550</b>	<b>\$ 1,333,000</b>	<b>\$ 1,405,750</b>	<b>\$ 1,329,000</b>	<b>\$ 1,181,000</b>
<b>GRAND TOTAL</b>	<b>\$ 19,149,600</b>	<b>\$ 2,969,950</b>	<b>\$ 3,741,400</b>	<b>\$ 3,725,500</b>	<b>\$ 4,186,900</b>	<b>\$ 4,525,850</b>

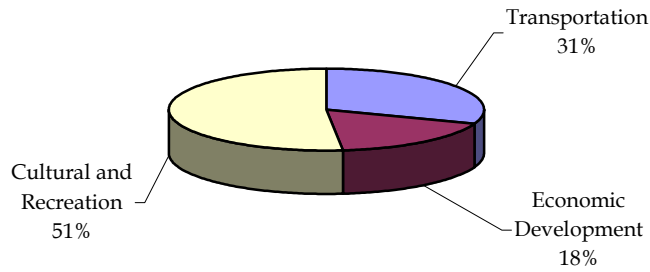
**Exhibit 2  
Total Cost of All CIP by Category**



**Exhibit 3 - Total Cost of CIP Projects From Inception Through 2011**

Project	Pre-Planning Period Project Cost	Planning Period Project Cost	Total Project Cost
Old Town Sidewalks	\$ 359,088	\$ 125,000	\$ 484,088
Roadway Improvements	-	625,000	625,000
Stormwater Projects	-	793,600	793,600
Public Works Facility	-	3,311,000	3,311,000
Cannon Park Rec Center	-	1,979,000	1,979,000
Greenways	280,184	1,050,000	1,330,184
Rassie Wicker Park	1,262,562	1,031,000	2,293,562
<b>GRAND TOTAL</b>	<b>\$ 1,901,834</b>	<b>\$ 8,914,600</b>	<b>\$ 10,816,434</b>

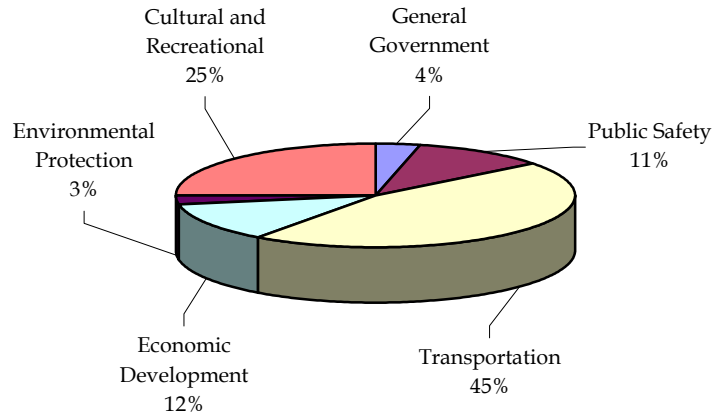
**Exhibit 4  
Total Cost of All CIP Projects by Function**



**Exhibit 5 - Detail of Total CIP by Function**

	Total	Fiscal Year Ending June 30				
		2007	2008	2009	2010	2011
General Government	\$ 714,000	\$ 132,000	\$ 160,000	\$ 302,000	\$ 60,000	\$ 60,000
Public Safety	2,072,100	151,200	178,000	944,750	559,900	238,250
Transportation	8,682,100	1,290,100	978,000	1,090,000	2,256,000	3,068,000
Economic Development	2,369,150	318,050	335,000	758,500	400,000	557,600
Environmental Protection	540,000	242,000	22,000	-	26,000	250,000
Cultural and Recreation	4,772,250	836,600	2,068,400	630,250	885,000	352,000
<b>Total</b>	<b>\$ 19,149,600</b>	<b>\$ 2,969,950</b>	<b>\$ 3,741,400</b>	<b>\$ 3,725,500</b>	<b>\$ 4,186,900</b>	<b>\$ 4,525,850</b>

**Exhibit 6 - CIP Cost by Function**



**Exhibit 7 - Detail of Total CIP By Funding Source**

	Total	Fiscal Year Ending June 30				
		2007	2008	2009	2010	2011
<b>Cash</b>						
Old Town Sidewalks	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ -	\$ -
Roadway Improvements	625,000	95,000	200,000	80,000	250,000	-
Stormwater Projects	793,600	-	-	386,000	-	407,600
Cannon Park Rec Center	55,000	55,000	-	-	-	-
Greenways	1,050,000	150,000	150,000	300,000	300,000	150,000
Rassie Wicker Park	781,000	-	211,000	180,000	203,000	187,000
	<b>Subtotal</b>	<b>300,000</b>	<b>561,000</b>	<b>1,071,000</b>	<b>753,000</b>	<b>744,600</b>
Vehicles/Equipment Improvements	3,104,700	561,800	440,000	733,750	655,900	713,250
	<b>Subtotal</b>	<b>936,550</b>	<b>893,000</b>	<b>955,750</b>	<b>869,000</b>	<b>711,000</b>
	<b>Subtotal</b>	<b>1,798,350</b>	<b>1,894,000</b>	<b>2,760,500</b>	<b>2,277,900</b>	<b>2,168,850</b>
<b>Grant</b>						
Street Resurfacing - PB	2,250,000	430,000	440,000	450,000	460,000	470,000
Rassie Wicker Park	250,000	-	-	-	250,000	-
Cannon Park Rec Center	500,000	-	500,000	-	-	-
	<b>Subtotal</b>	<b>430,000</b>	<b>940,000</b>	<b>450,000</b>	<b>710,000</b>	<b>470,000</b>
<b>Installment Financing</b>						
Fire Truck	515,000	-	-	515,000	-	-
Public Works Facility	3,311,000	225,000	-	-	3,086,000	-
Cannon Park Rec Center	1,424,000	1,424,000	-	-	-	-
	<b>Subtotal</b>	<b>1,649,000</b>	<b>-</b>	<b>515,000</b>	<b>3,086,000</b>	<b>-</b>
<b>Total</b>	<b>\$ 19,149,600</b>	<b>\$ 3,877,350</b>	<b>\$ 2,834,000</b>	<b>\$ 3,725,500</b>	<b>\$ 6,073,900</b>	<b>\$ 2,638,850</b>

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

	Total	Fiscal Year Ending June 30				
		2007	2008	2009	2010	2011
<b>Net Annual Operating Cost</b>						
Cannon Park Rec Center	\$ 273,269	\$ -	\$ 53,580	\$ 71,076	\$ 73,208	\$ 75,405
Greenways	53,273	9,929	10,227	10,714	11,036	11,367
Rassie Wicker Park	163,139	-	36,024	41,126	42,359	43,630
Subtotal	489,681	9,929	99,831	122,916	126,603	130,402
<b>Annual Debt Service</b>						
Fire Truck	167,889	-	-	57,508	55,963	54,418
Public Works Facility	848,398	25,125	24,450	23,775	392,828	382,220
Cannon Park Rec Center	610,420	-	159,013	154,741	150,469	146,197
Subtotal	1,626,707	25,125	183,463	236,024	599,260	582,835
<b>Net Budget Impact</b>	<b>\$ 2,116,388</b>	<b>\$ 35,054</b>	<b>\$ 283,294</b>	<b>\$ 358,940</b>	<b>\$ 725,863</b>	<b>\$ 713,237</b>

**Exhibit 9 - Impact of CIP Debt Issuances on Debt Ratios**

	Fiscal Year Ending June 30				
	2007	2008	2009	2010	2011
Existing Debt Service Payments	\$ 1,053,271	\$ 1,025,156	\$ 1,064,575	\$ 1,007,043	\$ 996,802
<b>Additional Debt Service:</b>					
Fire Truck	-	-	57,508	55,963	54,418
Public Works Facility	25,125	24,450	23,775	392,828	382,220
Cannon Park Rec Center	-	159,013	154,741	150,469	146,197
<b>Total Debt Service</b>	<b>\$ 1,078,396</b>	<b>\$ 1,208,619</b>	<b>\$ 1,300,599</b>	<b>\$ 1,606,303</b>	<b>\$ 1,579,637</b>
Estimated Expenditures	12,408,000	14,237,264	15,066,000	15,627,000	16,179,000
<b>% of Expenditures</b>	<b>8.69%</b>	<b>8.49%</b>	<b>8.63%</b>	<b>10.28%</b>	<b>9.76%</b>

## *Capital Projects*

## Old Town Sidewalks

<b>Department</b>	Engineering
<b>Project Cost</b>	\$125,000
<b>Project Priority</b>	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input 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

This project includes new brick sidewalks possibly along Chinquapin, Dogwood, Azalea and the Village Green. The completion of these segments will advance the sidewalk improvements envisioned by the sidewalk committee, which was established to assist the Village in meeting the goals identified as future transportation needs in the 2003 Comprehensive Long-Range Plan. These segments will complete key links in the core village sidewalk system, thus allowing better pedestrian access to merchants and connecting the various inns to the merchant community. They also provide a much safer alternative for pedestrians that must currently walk in the roadway in many places.

### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Appropriations	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -
TOTAL	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -
Funding Source:							
Cash	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -
TOTAL	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Project Expenditures	125,000	-	-	-	125,000	-	-
Operating Expenditures	-	-	-	-	-	-	-
TOTAL	\$ (125,000)	\$ -	\$ -	\$ -	\$ (125,000)	\$ -	\$ -

## Public Works Facility

<b>Department</b>	Public Works/Fleet Maintenance Departments
<b>Project Cost</b>	\$3,311,000
<b>Project Priority</b>	<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 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 facility will combine the current Public Works and Fleet Maintenance facilities, located on McCaskill Road, into one complex. The current facilities are in the New Core area, which has been identified for expansion of the Village Center, and do not provide an environment to insure the efficiency and effectiveness of public works and fleet maintenance operations. A target area for the site of the new complex has been identified. A site will be selected and purchased in 2007. The buildings within the complex are estimated to be a total of approximately 18,000 square feet. It includes an administrative building comprised of offices, a training room, a break room and restrooms. It also includes equipment and supply storage buildings, including bins for salt, dirt, rock, etc., and four double-sided bays for vehicle and equipment maintenance.

### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Appropriations	\$ 3,311,000	\$ -	\$ 225,000	\$ -	\$ -	\$ 1,199,000	\$ 1,887,000
TOTAL	\$ 3,311,000	\$ -	\$ 225,000	\$ -	\$ -	\$ 1,199,000	\$ 1,887,000
Funding Source:							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Financing	3,311,000	-	225,000	-	-	3,086,000	-
TOTAL	\$ 3,311,000	\$ -	\$ 225,000	\$ -	\$ -	\$ 3,086,000	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Debt Proceeds	\$ 3,311,000	\$ -	\$ 225,000	\$ -	\$ -	\$ 3,086,000	\$ -
Project Expenditures	3,311,000	-	225,000	-	-	1,199,000	1,887,000
Operating Expenditures	-	-	-	-	-	-	-
Debt Service	848,399	-	25,125	24,450	23,775	392,828	382,220
TOTAL	\$ (848,399)	\$ -	\$ (25,125)	\$ (24,450)	\$ (23,775)	\$ 1,494,172	\$ (2,269,220)



## Stormwater Projects

<b>Department</b>	Engineering Department
<b>Project Cost</b>	\$793,600
<b>Project Priority</b>	<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	2007	2008	2009	2010	2011
Appropriations	\$ 793,600	\$ -	\$ -	\$ -	\$ 386,000	\$ -	\$ 407,600
TOTAL	\$ 793,600	\$ -	\$ -	\$ -	\$ 386,000	\$ -	\$ 407,600
Funding Source:							
Cash	\$ 793,600	\$ -	\$ -	\$ -	\$ 386,000	\$ -	\$ 407,600
TOTAL	\$ 793,600	\$ -	\$ -	\$ -	\$ 386,000	\$ -	\$ 407,600

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		2007	2008	2009	2010	2011	
Project Expenditures	\$ 793,600	\$ -	\$ -	\$ -	\$ 386,000	\$ -	\$ 407,600
Operating Expenditures	-	-	-	-	-	-	-
TOTAL	\$ (793,600)	\$ -	\$ -	\$ -	\$ (386,000)	\$ -	\$ (407,600)

## Roadway Improvements

<b>Department</b>	Engineering Department
<b>Project Cost</b>	\$625,000
<b>Project Priority</b>	<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 intersection improvements at NC5, Barrett and McCaskill roads; NC2 and Carolina Vista; the widening of NC5 and NC2; and pedestrian improvements on NC-211. The projects will include turn lanes, roundabouts, traffic signals and pedestrian facilities including sidewalks and tunnels under NC211. The population of Pinehurst alone is expected to reach 20,000 people by the year 2020 and traffic on major roads to roughly double by that time. These projects will help mitigate the effects of the traffic growth on these major roads thus improving traffic operations and safety, reduce congestion, as well as provide visual gateways to the Village and more direct linkage to the Village Center. These projects will assist the Village in meeting the goals identified as future transportation needs in the 2003 Comprehensive Long-Range Plan.

### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Appropriations	\$ 625,000	\$ -	\$ 95,000	\$ 200,000	\$ 80,000	\$ 250,000	\$ -
TOTAL	\$ 625,000	\$ -	\$ 95,000	\$ 200,000	\$ 80,000	\$ 250,000	\$ -
Funding Source:							
Cash	\$ 625,000	\$ -	\$ 95,000	\$ 200,000	\$ 80,000	\$ 250,000	\$ -
TOTAL	\$ 625,000	\$ -	\$ 95,000	\$ 200,000	\$ 80,000	\$ 250,000	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		2007	2008	2009	2010	2011	
Project Expenditures	\$ 625,000	\$ -	\$ 95,000	\$ 200,000	\$ 80,000	\$ 250,000	\$ -
Operating Expenditures	-	-	-	-	-	-	-
TOTAL	\$ (625,000)	\$ -	\$ (95,000)	\$ (200,000)	\$ (80,000)	\$ (250,000)	\$ -

## Cannon Park Recreation Center

<b>Department</b>	Parks and Recreation Department	
<b>Project Cost</b>	\$1,979,000	
<b>Project Priority</b>	<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 Gymnasium would be located at the site of the Old Village Hall in Cannon Park. The Gymnasium would include restrooms, a lobby, a full size gymnasium, office space for staff, meeting rooms/ multi-purpose room and associated landscaping and parking. The facility will be approximately 13,000 square ft. and will provide the space needed to meet expanding program needs. These needs are for youth and adult athletic leagues, full-day summer day camps, and also to allow for expansion into other programs such as after-school programming and fitness & exercise classes which will improve the quality of life in the Village.

### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Appropriations	\$ 1,979,000	\$ -	\$ 571,600	\$ 1,407,400	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,979,000</b>	<b>\$ -</b>	<b>\$ 571,600</b>	<b>\$ 1,407,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Funding Source:							
Cash	\$ 55,000	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$ -
Grants	500,000	-	-	500,000	-	-	-
Installment Financing	1,424,000	-	1,424,000	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,979,000</b>	<b>\$ -</b>	<b>\$ 1,479,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		2007	2008	2009	2010	2011	
Debt Proceeds	\$ 1,424,000	\$ -	\$ 1,424,000	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	500,000	-	-	500,000	-	-	-
Project Expenditures	1,979,000	-	571,600	1,407,400	-	-	-
Operating Expenditures	273,269	-	-	53,580	71,076	73,208	75,405
Debt Service	464,224	-	-	159,013	154,741	150,469	146,197
<b>TOTAL</b>	<b>\$ (792,493)</b>	<b>\$ -</b>	<b>\$ 852,400</b>	<b>\$ (1,119,993)</b>	<b>\$ (225,817)</b>	<b>\$ (227,950)</b>	<b>\$ (225,874)</b>

## Greenways

<b>Department</b>	Parks and Recreation Department
<b>Project Cost</b>	\$1,330,184
<b>Project Priority</b>	<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	2007	2008	2009	2010	2011
Appropriations	\$ 1,330,184	\$ 280,184	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 150,000
TOTAL	\$ 1,330,184	\$ 280,184	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 150,000
Funding Source:							
Grants	\$ 36,108	\$ 36,108	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	1,294,076	244,076	150,000	150,000	300,000	300,000	150,000
TOTAL	\$ 1,330,184	\$ 280,184	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 150,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Project Expenditures	\$ 1,330,184	\$ 280,184	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 150,000
Operating Expenditures	53,273	-	9,929	10,227	10,714	11,036	11,367
TOTAL	\$ (1,383,457)	\$ (280,184)	\$ (159,929)	\$ (160,227)	\$ (310,714)	\$ (311,036)	\$ (161,367)

## Rassie Wicker Park Development

<b>Department</b>	Parks and Recreation Department
<b>Project Cost</b>	\$2,293,562
<b>Project Priority</b>	<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 2012. The project 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	2007	2008	2009	2010	2011
Appropriations	\$ 2,293,562	\$ 1,262,562	\$ -	\$ 211,000	\$ 180,000	\$ 453,000	\$ 187,000
TOTAL	\$ 2,293,562	\$ 1,262,562	\$ -	\$ 211,000	\$ 180,000	\$ 453,000	\$ 187,000
Funding Source:							
Grants	\$ 474,737	\$ 224,737	\$ -	\$ -	\$ -	\$ 250,000	\$ -
Cash	1,818,825	1,037,825	-	211,000	180,000	203,000	187,000
TOTAL	\$ 2,293,562	\$ 1,262,562	\$ -	\$ 211,000	\$ 180,000	\$ 453,000	\$ 187,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2007	2008	2009	2010	2011
Project Expenditures	\$ 2,293,562	\$ 1,262,562	\$ -	\$ 211,000	\$ 180,000	\$ 453,000	\$ 187,000
Operating Expenditures	163,140	-	-	36,024	41,126	42,359	43,630
TOTAL	\$ (2,456,701)	\$ (1,262,562)	\$ -	\$ (247,024)	\$ (221,126)	\$ (495,359)	\$ (230,630)



## Budget Glossary

**Ad Valorem Taxes** – Revenue accounts showing taxes paid on real property and personal property, to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.

**Agency Funds** – Funds used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

**Appropriation** – An authorization made by the Village Council that permits the Village to incur obligations and to make expenditures of resources.

**Assessed Valuation** – A value that is established for real or personal property for use as a basis to levy property taxes.

**Basis of Accounting** – A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements. The Village of Pinehurst uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

**Bond** – A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.

**Budget** – A statement in dollar terms of the Village's program of service delivery for the ensuing fiscal year.

**Budget Amendment** – A legal procedure utilized by the Village staff and the Village Council to revise a budget appropriation.

**Budget Calendar** – The schedule of key dates that the Village's departments follow in the preparation, adoption and administration of the budget.

**Budget Document** – The instrument used by the budget-making authority to present a comprehensive financial program to the Village Council.

**Budget Message** – The opening section of the budget that provides the Village Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Manager.

**Budget Ordinance** – The official enactment by the Village Council to establish legal authority for Village officials to obligate and expend resources.

**Budgetary Control** – The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**Capital Assets** – Assets of long-term character which are intended to continue to be held or used by the Village, including land, buildings, machinery, furniture and other equipment.



## Budget Glossary

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**Capital Outlay** – Expenditures available for the acquisition of capital assets, including the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

**Capital Improvement Plan (CIP)** – A plan for capital expenditures which provides long-lasting physical improvements to be incurred over a fixed period of five future years.

**Capital Project Fund** - A fund used to account for the acquisition and construction of major capital facilities.

**Capital Reserve** – An account used to indicate that a portion of a fund’s balance is legally restricted for a specific capital purpose and is, therefore, not available for general appropriation.

**Cash Management** – The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash Management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

**Category** – A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt services and transfers.

**Contingency** – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Comprehensive Annual Financial Report (CAFR)** – A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

**Comprehensive Long-Range Plan** – A plan adopted by the Village Council in April of 2003 that outlines the long-term goals of the Village over a 20 year period.

**Debt Service** – The Village’s obligation to pay the principal and interest of all debt instruments according to a pre-determined payment schedule.

**Department** – An organizational unit responsible for carrying out a major governmental function.

**Depreciation** – The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a capital asset that cannot or will not be restored by repair and must be replaced. The cost of the capital asset’s lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

**Disbursement** – Payment for goods and services in cash or by check.

**Encumbrance** – The commitment of appropriated funds to purchase an item or services. To encumber funds is to set aside, or commit funds for future expenditures.

**Estimated Revenue** – The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the Village Council.

**ETJ** – The acronym used for Extra Territorial Jurisdiction.



## Budget Glossary

**Expenditure** – The outflow of funds for assets that are incurred or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds.

**Fiscal Policy** – The financial plan embracing the general goals and acceptable procedures of a governmental unit.

**Fiscal Year** – The time period designating the beginning and the ending period for recording financial transactions. The Village of Pinehurst’s fiscal year begins July 1st and ends June 30th.

**FTE** – The acronym used for Full Time Equivalent.

**Function** – A group of related programs crossing organizational (departmental) boundaries and aimed to accomplishing a broad goal, or a major service.

**Fund** – An accounting entity that possesses a set of self-balancing accounts and records all financial transactions for specific activities or government functions.

**Fund Balance** – Fund balance is the amount of assets in excess of the liabilities appropriated for expenditures, and is therefore also known as surplus funds.

**Fund Balance Appropriated** – A budgetary amount representing the fund’s equity to be used to offset expenditures. Fund balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.

**General Accepted Accounting Principles (GAAP)** – Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions; rules and procedures necessary to define accepted accounting practices.

**GASB 34** – The acronym used for Governmental Accounting Standards Board Statement #34: “Basic Financial Statements- Management’s Discussion and Analysis – For State and Local Governments”.

**GA** – The acronym used for the North Carolina General Assembly.

**GS** – The acronym used for the General Statutes adopted by the North Carolina General Assembly.

**General Fund** – The largest fund within the Village, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes and other types of revenue. This fund usually includes most of the basic operation services, such as fire and police protection, finance, public services, general administration, planning and inspections, engineering, and recreation.

**General Ledger** – A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

**GFOA** – The acronym used for Government Finance Officers Association of the United States and Canada.

**Goal** – A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless. It is not concerned with a specific achievement in a given time period.





## Budget Glossary

**Grant** – A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed by the grantee.

**Interfund Transfers** – Amounts transferred from one fund to another.

**Intergovernmental Revenue** – Revenue received from another government for a specified purpose.

**Inventory** – A detailed listing of property currently held by the government.

**Investment Earnings** – Revenue earned on investments with a third party. The Village uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to individual funds by average cash balance in the fund.

**Levy** – To impose taxes, special assessments, or services charged for the support of Village activities.

**Local Government Budget and Fiscal Control Act (LGBFCA)** – This act governs all financial activities of local governments within the State of North Carolina.

**Long Term Debt** – Debt with a maturity of more than one year after the date of issuance.

**Maturities** – The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

**Modified Accrual Accounting** – The accounting approach under which: 1) revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and unmatured principal and interest on general long term debt is recognized when due.

**NCDOT** – This acronym is short for North Carolina Department of Transportation.

**Net Budget** – The total amount of revenues and expenditures for the General Fund and all special Revenue funds with the exceptions of the Capital Reserve Fund.

**Objectives** – A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

**Operating Expenses** – The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.

**Operating Transfer** – Routine and/or recurring transfer of assets between funds.

**Peer Group** – Other municipalities in the state of North Carolina with a population between 10,000 and 25,000.

**Performance Measures** – Descriptions of a program's effectiveness, or efficiency (i.e., response time to public request, frequency of document updates).



## Budget Glossary

**Powell Bill Street Allocation** – Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

**Program** – An organized set of related work activities that are directed toward accomplishing a common goal. Each Village department is usually responsible for a number of related service programs.

**Property Taxes** – Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

**Reclassification** – Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

**Reserve** – A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.

**Restricted Intergovernmental Revenues** – Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.

**Resources** – Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.

**Results-Based Management** – A management philosophy whereby program managers objectively assess how well services are being delivered to constituents.

**Revaluation** – Assignment of value to properties, buildings, vehicles, and equipment used for business and residential purposes by the Moore County Tax Assessor's Office. Under State law, all property must be revalued no less frequently than once every eight years.

**Revenue** – Funds which the government receives as income, including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.

**Right-of-Way Acquisition** – Purchase of property needed by the Village to perform road improvement projects and/or protection of right-of-way for future highway projects.

**Source of Revenue** – Revenues that are classified according to their source or point of origin.

**Special Assessment** – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service, which are deemed to primarily benefit those properties.

**Special Revenue Fund** – A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

**Tax Base** – The assessed valuation of all taxable real and personal property within the Village's corporate limits.

**Unencumbered Balance** – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.



### *History*

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

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

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



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

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

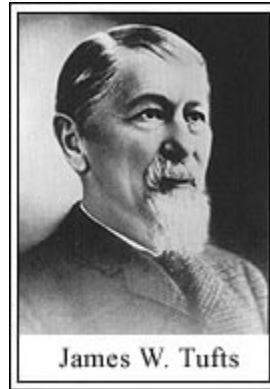


*Donald Ross*



## Supplementary Information

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



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

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

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

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



*Old Diamondhead Logo*

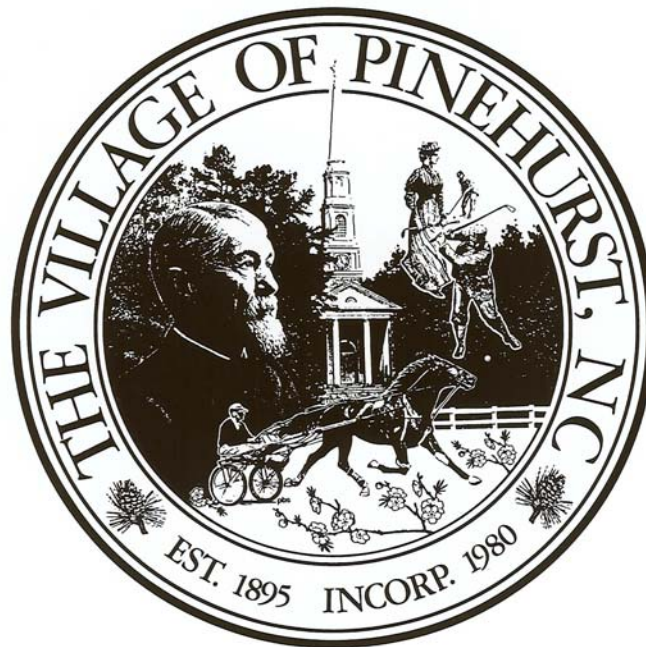


## Supplementary Information

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

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

According to the U.S. Census Bureau, Pinehurst had a population of 9,706 people in the year 2000, nearly double its population in 1990. Many of these new residents come from across the country, if not the world, to settle in this "village in the forest". When asked what brought them here, many cited ambiance, community character and spirit as their reasons for choosing the area. If the current rate of about 240 new homes being built each year continues on the remaining vacant lots, our population may again double by the year 2020.



*Current Village of Pinehurst Seal*



### *Demographic Characteristics*

With a population of 10,694, the Village of Pinehurst is an integral part of the economy of Moore County, which is well diversified with significant healthcare, retirement, tourism, retail, agriculture, and manufacturing sectors. The Pinehurst area is largely a service-based economy focused on tourism/hospitality, healthcare-related activities, and retail trade.

Two of the largest employers in Moore County are located in Pinehurst and are service-related: FirstHealth of the Carolinas and Pinehurst, Inc. FirstHealth of the Carolinas is a private, not-for-profit health care network serving 15 counties in the mid-Carolinas. Pinehurst, Inc., owned by ClubCorp, operates eight championship golf courses in the Village, including the famous Pinehurst No. 2 course (site of the 1999 and 2005 US Open Men's Golf Tournament).

The Village also provides other recreational opportunities for residents. The Village owns and operates a 111 acre Harness Track facility, which is used for winter training of standardbred horses. The Village has also completed Phase I of Rassie Wicker Park and Phases I and II of the Greenway System. The Greenway System will eventually connect all parts of the Village via a pedestrian and bicycle pathway.



### *Geographic Characteristics*

The Village of Pinehurst is located in the Sandhills Region of North Carolina, 60 miles southwest of Raleigh and about 75 miles east of Charlotte. The city spans approximately 14 square miles and is locally recognized as an outstanding residential community and major golf resort. The central location of Pinehurst allows quick and easy access to the beautiful Blue Ridge Mountains and the white, sandy beaches of North and South Carolina.



## Supplementary Information

### Village of Pinehurst, North Carolina Ten Largest Taxpayers Fiscal Year Ending June 30, 2005

Taxpayer	Type of business	2004 Assessed value	Percentage of total assessed valuation
Resorts of Pinehurst	Resort	\$ 118,565,300	5.83%
Country Club of North Carolina	Country club	17,847,520	0.88%
Carolina Power and Light	Utility	11,646,416	0.57%
Pinehurst Medical	Medical	10,487,499	0.52%
Pleasant Living Health Care (Quail Haven)	Retirement	8,174,043	0.40%
Pinehurst Surgical Clinic	Medical	7,616,410	0.37%
MTMM Associates	Medical	6,617,107	0.33%
Carolina Telephone and Telegraph	Telephone	4,430,287	0.22%
Branch Banking and Trust Co.	Financial	4,377,622	0.22%
Pinehurst Nursing	Medical	3,401,170	0.17%
		\$ 193,163,374	9.49%

#### Village of Pinehurst facilities and services (as of 06/30/05):

Miles of streets	104.65
Fire protection:	
Number of stations	2
Number of fire personnel & officers	30
Police protection:	
Number of stations	1
Number of police personnel & officers	28
Number of patrol units	15
Inspections:	
Building permits issued	303
Recreation:	
Number of parks and acreage	4 parks with 297 acres



## Supplementary Information

### Facilities and services not owned or operated by the Village (as of 06/30/05):

#### Water and sewer system:

Number of water customers	6,764
Number of sewer customers	6,524
Average daily consumption of water	1,800,000 gallons
Miles of water mains	131
Miles of sanitary sewers	171
Number of treatment plants	1 (county-wide)

#### Education:

Number of elementary schools	1
Number of elementary school instructors	41
Number of secondary schools	1
Number of secondary school instructors	35
Number of high schools	1
Number of high school instructors	96
Number of community colleges	1

#### Hospitals:

Number of hospitals	1
Number of hospital patient beds	385
Number of nursing homes	3

#### Cultural & recreational:

Library	1
Convention centers	1
Golf courses	11
Swimming pools	11
Tennis courts	45
Marina	1
Spa	1



*Given Memorial Library*





## Personnel Classification Schedule

	Actual 2002-2003	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Budgeted 2006-2007
<b>General Government</b>					
Administration					
Administration	8.5	8	5	4.5	6
Financial Services	-	-	4.75	5	4
Human Resources	-	-	1	1.5	1.5
Fleet Maintenance	3	3	3	3	3
Buildings and Grounds Maintenance	2	3	3	3.5	5
Information Systems	-	-	-	1	2
<b>Total General Government</b>	<b>13.5</b>	<b>14</b>	<b>16.75</b>	<b>18.5</b>	<b>21.5</b>
<b>Public Safety</b>					
Police	28	28	28	28	28
Fire	26	27	30	30	30
Inspections	3	3	3	3.3	3
<b>Total Public Safety</b>	<b>57</b>	<b>58</b>	<b>61</b>	<b>61.3</b>	<b>61</b>
<b>Economic and Physical Development</b>					
Planning	6	6	6	7	7
Engineering	1	2.5	2.5	2.5	2
<b>Total Economic and Physical Development</b>	<b>7</b>	<b>8.5</b>	<b>8.5</b>	<b>9.5</b>	<b>9</b>
<b>Transportation</b>					
Public Works Administration	2	2	2	2.5	3
Streets and Grounds	13	13	13	13	13
<b>Total Transportation</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15.5</b>	<b>16</b>
<b>Environmental Protection</b>					
Solid Waste	9	9	9	9	9
Public Utilities					
Public Utilities Administration	-	-	1	-	-
<b>Total Environmental Protection</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>9</b>
<b>Cultural and Recreation</b>					
Parks and Recreation	2.5	2.5	2	2	3.3
Harness Track	5	5	4	4	4.4
Fair Barn	0.5	1	1	1	2.5
<b>Total Cultural and Recreation</b>	<b>8</b>	<b>8.5</b>	<b>7</b>	<b>7</b>	<b>10.2</b>
<b>GRAND TOTAL</b>	<b>109.5</b>	<b>113</b>	<b>118.25</b>	<b>120.8</b>	<b>126.7</b>

Population	9,885	9,948	10,218	10,498	10,694
EMPLOYEES PER CAPITA	0.0111	0.0114	0.0116	0.0115	0.0118