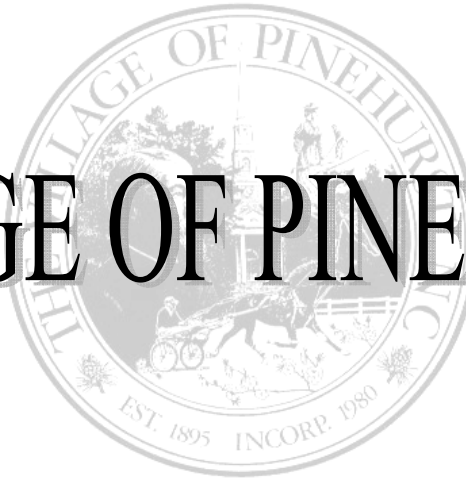


VILLAGE OF PINEHURST



2007-2008 Budget

VILLAGE OF PINEHURST

**Budget for the Fiscal Year
Ended June 30, 2008**



*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	John Frye
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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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 make the information easy to locate.

Budget Message and Overview: The Village Manager discusses the proposed budget and any outside factors that were used in determining the budgeted 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 details the steps in preparing and adopting the annual budget. A summary of key financial policies affecting the budget process is given. This section also includes the budget calendar, the budget planning phases, and a description of how the process works. Finally, it has a brief description of fund accounting and an outline of all Village funds.



Budget Ordinance: The 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. These are the most specific presentations within the budget document.

Debt Service: The Village's debt position is discussed with projections of future principal and interest requirements. Information on the Village's credit rating is also provided in this section.

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.

May 22, 2007

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 2007-2008 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 our residents.

Some of the more significant changes to the format of this document include the addition of a section summarizing key financial policies that affect the budget development process. Additional information on our credit rating and debt service is provided. We have also included information reflecting the impact of construction and operational costs for new capital initiatives.

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 revenue neutral tax rate of \$0.27 per \$100 valuation,
- Fund Comprehensive Plan Initiatives equivalent to \$.03 on the tax rate,
- Uphold sound budgetary principles such as the inclusion of contingency funding, capital reserve funding, and conservative revenue estimates, and
- Maintain a fund balance in the range of 27% to 33% of budgeted expenditures.

The FY 2007-2008 Recommended Net Budget, which includes all funds less transfers between funds, totals \$15,205,205. This is an increase of 4.5% over the prior year's amended Net Budget at March 31, 2007 of \$14,555,624. The Net

Budget provides a more accurate revenue and expenditure picture because it does not include operating revenues and expenditures that come from other funds, which results in double counting.

The Village's FY 2007-2008 per capita Net Budget is \$1,305 compared to our peer group's average per capita net budget of \$1,223. The Village's estimated population is 11,651 while the peer group includes municipalities with populations between 10,000 and 49,999.

INITIATIVES

The FY 2007-2008 Recommended Net Budget includes several initiatives that are continuations of initiatives begun in prior years. Some of the more significant initiatives include:

- Preparation for the annexation of Pinewild effective June 30, 2008
- Focus on Stormwater issues such as continuing the development of the Stormwater Master Plan, acquisition of storm drainage lots, and the completion of small drainage projects
- Transportation items such as the financial participation in the construction of a roundabout, the completion of traffic studies, and intersection improvements
- Continued expansion of the automated trash collection system

A new initiative in the FY 2007-2008 budget is an update of the Village's Comprehensive Long Range Plan that was originally adopted in 2003. In addition, the Village plans to design and begin construction of a new Public Services facility and design a new Recreation Center in FY 2007-08. Funding for these initiatives are in separate capital project funds.

FUNDS OF THE RECOMMENDED BUDGET

General Fund

The General Fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund.

The FY 2007-2008 General Fund is balanced with a property tax rate of \$0.27 per \$100 valuation and is the lowest municipal tax rate in Moore County. This rate is the revenue neutral rate based on this year's property revaluation information received from Moore County rounded to the next highest penny. This rate will provide approximately \$7,275,100 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 \$270,000 in revenue.

The Village's property tax base is approximately 89% residential and 12% 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 have been constructed in the Village and its extraterritorial jurisdiction (ETJ) on an annual basis.

The Village's second largest revenue source, Local Option Sales Tax, is expected to generate approximately 16% of the Village's total General Fund budget, or \$2,490,000 in FY 2007-2008.

The FY 2007-2008 Recommended Budget for the General Fund totals \$15,168,425, or 3.9% more than the amended FY 2006-2007 Budget of \$14,593,254 as of March 31, 2007.

Effective June 30, 2008, the Village will annex the Pinewild Country Club of Pinehurst, which is a 1,683 acre gated community that contains approximately 700 homes. The FY 2007-2008 budget includes roughly \$402,000 of expenditures related to this annexation to ensure the Village is prepared to provide service on June 30, 2008. The budget does not, however, include revenues from the annexation as those will be legally available in the following fiscal year. The primary causes of the 3.9 % increase in the budget are the expenditures associated with the Pinewild annexation and increased salary and benefits costs. Overall, the Recommended Budget utilizes \$1,276,394 of appropriated fund balance and contemplates the transfer of \$840,000 out to the Capital Reserve Fund. The Recommended Budget complies with the Village's Fund Balance Policy, resulting in a fund balance as a percentage of expenditures that is roughly 27.8%.

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 2007-2008 under this policy is \$340,000. 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 \$500,000 from the General Fund to the Capital Reserve Fund in FY 2007-2008 for excess fund balance at June 30, 2007.

The Recommended Budget for the Capital Reserve Fund also calls for the transfer of \$850,000 to the General Fund in FY 2007-2008. After the transfers in and out, the Capital Reserve Fund's fund balance should approximate \$500,000 at the end of FY 2007-2008.

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. Items such as a land transfer tax are currently being evaluated.

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 \$0.27 per \$100 of valuation. This means that for every \$100,000 in value of property, \$270 is due. Total Ad Valorem Tax revenues are projected to be \$7,275,100 in FY 2007-2008. 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 47% of the General Fund's total revenues.

Local Option Sales Taxes

Two and one-half cents ($2\frac{1}{2}$) of the six and three-quarters ($6\frac{3}{4}$) 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 municipalities in Moore County. Local option sales tax revenues are projected to be \$2,490,000 in FY 2007-2008, which accounts for 16% 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 \$1,086,300 for FY 2007-2008.

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 \$1,098,500 in FY 2007-2008, or approximately 7% of the total General Fund budget.

FUND BALANCES

On June 30, 2007, the Village’s fund balance in the General Fund is projected to be approximately \$5,346,232, or 40.6% of the FY 2007-2008 Budget. This is above the Village’s target of 27% - 33% of budgeted expenditures. The primary cause of the excess is actual expenditures that are projected to come in below budgeted amounts as a result of lapsed salaries, unspent contingency funds, and unspent capital funds. In addition, property tax revenues and local option sales tax revenues are projected to come in higher than anticipated.

As discussed previously, the Village transfers excess fund balance in the General Fund to the Capital Reserve Fund each year. The Village’s peer group typically maintains an average fund balance available for appropriation around 37 % of expenditures.

A summary of all funds and their estimated fund balances as of June 30, 2007 are as follows:

<u>FUND</u>	<u>ESTIMATED AMOUNT</u>
General Fund	\$ 5,346,232
Taylorhurst Assessment Fund	21,445
Land Dedication Fund	5,741
Residential Assurance Fund – Interest	19,242
Municipal Service District Fund	8,838
Capital Reserve Fund	<u>239,168</u>
	<u>\$ 5,640,666</u>

EXPENDITURES BY CATEGORY

Salaries and Wages

Salaries and wages, excluding benefits, for the Village's 133 full-time equivalents (FTEs) accounts for \$5,076,000 or 33% of the total Net Budget. This percentage is consistent with prior years. The Village's peer group spends on average 36% of its consolidated budget (including capital project funds) on salaries and wages, excluding benefits.

The FY 2007-2008 General Fund budget recommends the addition of six positions or 2.5 FTE's. The positions added include:

- Two (2) Police Officers (0.5 FTEs),
- Two (2) Solid Waste Worker/CDL (0.5 FTEs)
- IT Systems Analyst (1.0 FTE)
- HR Generalist (0.5 FTE),

Of the recommended FTEs, the two (2) Police Officers and two (2) Solid Waste Workers are due to the anticipated annexation of Pinewild effective June 30, 2008. These four (4) positions will be added in the fourth quarter of FY 2007-2008. The impact of all staffing recommendations brings the total employee count to 133 in the FY 2007-2008 budget.

A total of \$237,000 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% of total salaries 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.

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. This year's budget assumes a 15% increase in group insurance costs at our January 2008 renewal.

Operating Costs

This category of expenditures accounts for \$7,011,925 or 46% 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 the purchase of trash cans for the extension of the automated arm household refuse collection system, architect fees for the design of a recreation center, funding for and update of the Village's Comprehensive Plan, and annual resurfacing funds for 6-7 miles of Village-owned streets.

The Village's peer group typically spends 47% of its Budget on operating costs.

Capital

This category of expenditures accounts for \$1,258,500, or 8% of the total Net Budget. Including the estimated expenditures for capital project funds, the estimated FY 2007-2008 capital expenditures would be expected to reach 14% of the total expenditures, or \$1,993,500. This is in comparison to our peers who spend 17% of their budgets on capital. This budget does not contain any significant non-routine 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 2007-2008 can be found in the General Fund section of the budget document. The list below highlights some of the more notable items:

- Repairs and Renovations to Fire Station 92,
- Stormwater Projects,
- Continued expansion of the Village's Greenway System,
- Paving of Harness Track roadway and overflow parking lot,
- Rotational replacement of vehicles and equipment, and
- Police and Solid Waste vehicles to serve Pinewild upon annexation

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 a revenue neutral ad valorem tax rate of \$0.27 per \$100 valuation for the General Fund. The Recommended Budget also maintains a fund balance of 27.8% of FY 2007-2008 General Fund expenditures, which is within the Council's stated range of 27% to 33%. The General Fund's Recommended Budget for FY 2007-2008 results in a net loss from operations, or before any other financing sources and uses, of \$1,335,550. Given the Village's fund balance position, the inclusion of some non-recurring items related to annexation in the Recommended Budget, and the fact that operating revenues typically come in at 103% of budget while operating expenditures typically fall 9% below budget, I am comfortable with this projected result.

The Recommended Budget for FY 2007-2008 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 Comprehensive Plan update, Stormwater Master Plan, acquisition of storm drainage lots, small storm drainage projects, roundabout costs, intersection improvements, street signage and increased funding for the annual resurfacing project. The total of these items equates to a little more than \$0.03 of the Village's tax rate.

The following table is a summary of the balanced Recommended Budget for each of the Village's funds for FY 2007-2008:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$15,168,425	\$ 15,168,425
Taylorhurst Assessment Fund	31,765	31,765
Land Dedication Fund	250	250
Residential Assurance Fund – Interest	8,000	8,000
Municipal Service District Fund	22,921	22,921
Capital Reserve Fund	<u>873,000</u>	<u>873,000</u>
	16,104,361	16,104,361
Less: Transfers between funds*	<u>(899,156)</u>	<u>(899,156)</u>
TOTAL NET BUDGET	<u>\$ 15,205,205</u>	<u>\$ 15,205,205</u>

* The transfers between 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.

Departmental requests were reduced by approximately \$1,100,000 in order to balance the budget. If these reductions were not made, it would have resulted in a \$0.04 tax increase. 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 5:30 pm in the Assembly Hall of the Pinehurst Village Hall on Tuesday, June 12, 2007. 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.

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:

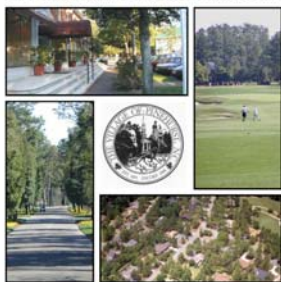
The Village of Pinehurst is a residential community recognized for its natural beauty, exceptional quality of life, and golf resort facilities.

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 2007-2008 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

- Continue the New Core Master Planning Process

Conserving Natural Resources

ST Initiatives

- Support Conservation Commission initiatives to increase public awareness of conservation issues such as recycling education, and other educational workshops

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 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

- Support Historic District Commission initiatives such as nominating properties to the National Register of Landmark Properties

Enhancing the Village Center

ST Initiatives

- Continue the New Core Master Planning Process

Managing the Village's Transportation System

ST Initiatives

- Replace Village street signs in the historic district
- Continue construction of Village greenway system
- Complete Western-Southern Connector Feasibility Study
- Initiate NEPA study for Western-Southern Connector
- 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
- Publicize water conservation measures year round



About Village Services

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

The Village of Pinehurst is known for its award-winning golf resorts and quaint, idyllic charm, but many people don't realize that our local government is comprised of 18 different departments and divisions working to maintain the high expectations of the Village's citizens and visitors. As such, it is often difficult to know who to contact for more information about the Village of Pinehurst's available services.



Old Town

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

GENERAL GOVERNMENT

GOVERNING BODY (lbrown@villageofpinehurst.org)

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides overall policy guidance for all municipal operations. To affect this, the Council considers and adopts local ordinances and resolutions to provide for the health, safety and overall quality of life for the citizens of Pinehurst. The Council determines the level of service the Village will provide to its citizens. The governing body of the Village makes appointments to various volunteer boards and commissions that act in an advisory and quasi-judicial role for the Village. The Council also selects and contracts with the Village Manager and Village Attorney for services. All Council actions are made with the primary goals of preservation of the quiet, tranquil and unusually attractive village atmosphere and retaining and enhancing the quality of life for its present and future residents and their visitors.

ADMINISTRATION (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 the overall operations of the Village.



About Village Services

FINANCIAL SERVICES (jfrve@villageofpinehurst.org)

The Director of Financial Services reports directly to the Assistant Village Manager of Finance and Administration and serves as a member of the senior leadership team. The Financial Services Department oversees the fiscal operation of the Village, which includes cash and investment management, debt management, financial reporting, financial forecasting and preparation of the annual budget. The Financial Services Department's mission is to provide financial expertise and promote fiscal responsibility in a challenging and rewarding environment.

HUMAN RESOURCES (khabenstein@villageofpinehurst.org)

In addition to the traditional functions of a Human Resources department, this department has assumed the role of public relations to handle promotional stories with the local newspaper, training and development to handle employee education at all levels on a regular basis, 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)

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.



Traffic enforcement vehicle purchased with grant funding



About Village Services

FIRE (jmccaskill@villageofpinehurst.org)

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department as directed by the Village of Pinehurst's Vision Statement is responsible for providing protection of life, property, and environment of the Village and the surrounding area through public education, fire prevention, fire inspection, fire suppression, and related services in addition to the department's obligation to train all personnel in modern fire safety practices and technologies.

INSPECTIONS (acorrell@villageofpinehurst.org)

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

TRANSPORTATION

PUBLIC SERVICES (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)

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.

ENVIRONMENTAL PROTECTION

SOLID WASTE (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.



New Automated Solid Waste Collection Vehicle

ECONOMIC & PHYSICAL DEVELOPMENT

PLANNING (acorrell@villageofpinehurst.org)

It is the mission of the Planning Department to preserve and enhance the unique character of the Village of Pinehurst and to manage and guide growth in ways that complement the quality of life. This mission contributes to the Vision of the Village of Pinehurst through progressive, responsive and proactive community service. The Planning Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. The Planning Department assures that all activities are in compliance with the Pinehurst Development Ordinance and other applicable Village codes.

ENGINEERING (jgibson@villageofpinehurst.org)

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

CULTURAL AND RECREATION

HARNESS TRACK (ewilliams@villageofpinehurst.org)

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



About Village Services

FAIR BARN (msilhol@villageofpinehurst.org)

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



Fair Barn at the Harness Track

RECREATION (mwagner@villageofpinehurst.org)

The Recreation Department is charged with providing the citizens of Pinehurst with a variety of recreational pursuits that permit the participants to truly enrich the quality of their lives. Leisure services provided give the participants the opportunity to learn and respect their abilities, strengths and weaknesses as they move toward self-fulfillment and self-actualization of their expected potentials in life. Year-round programming includes classes, workshops, special events, facility rentals, athletic leagues, and camps. All of these responsibilities are carried out in accordance with the Business Plan for the Recreation Department.



Coach Pitch Baseball



INTERNAL SERVICE DEPARTMENTS

FLEET MAINTENANCE (rkuhn@villageofpinehurst.org)

The Director of Fleet Maintenance reports directly to the Assistant Manager of Operations and is a member of the Senior Leadership Team. The Fleet Maintenance Department is responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. This department performs lube, oil, and filter changes, tires replacements and repairs, 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.



Gary Flynn (Fleet Maintenance)

BUILDINGS & GROUNDS MAINTENANCE (mwagner@villageofpinehurst.org)

The Buildings & Grounds Division is responsible for providing regular and preventative maintenance for all buildings owned by the Village and also for the grounds maintenance in the various parks and other facilities. This division coordinates repairs for all heating systems, electrical systems and any other building systems as needed. The Buildings and Grounds Division is also responsible for miscellaneous building maintenance, such as replacing light bulbs, routine cleaning of system filters, mowing turf areas, upkeep of parks and greenway trails, and maintaining trees and shrubs.

INFORMATION TECHNOLOGY (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.



BOARDS AND COMMISSIONS

COMMUNITY APPEARANCE COMMISSION (acorrell@villageofpinehurst.org)

The Community Appearance Commission reviews and makes recommendations regarding plans for Single Family homes and fences. In reviewing these requests, the Commission works with the builder to ensure that both site and building design are appropriate for Pinehurst and will enhance the Village. The Commission also performs final inspections on Single Family home sites to see that development is carried out as indicated in the plans approved by the Planning and Inspections Department. The Commission also works on long-term projects that impact the appearance of the Village.

HISTORIC PRESERVATION COMMISSION (acorrell@villageofpinehurst.org)

The Historic Preservation Commission recommends design guidelines for the Local Historic District to the Village Council. The Commission recommends to Council areas to be designated as “Historic Districts”; and individual structures, buildings, sites, areas, or objects to be designated as “Landmarks”. They also review and act upon requests for major work requiring a certificate of appropriateness (COAs) for alterations, demolitions, or new construction within the historic district. They also prepare and recommend the preservation element of the Village Comprehensive Long Range Plan.

PLANNING AND ZONING BOARD (acorrell@villageofpinehurst.org)

The Planning and Zoning Board reviews all amendments to the Pinehurst Development Ordinance, all proposed rezoning of property under the Pinehurst Development Ordinance, all proposed master land use plans for planned developments, all proposed major preliminary plats of subdivision, and all proposed major site plans, and make recommendations to the Village Council for final action. They also review and approve all applications for signage prior to the issuance of a development permit.

BOARD OF ADJUSTMENT (acorrell@villageofpinehurst.org)

The Zoning Board of Adjustment shall hear and decide applications for approval of variances from the terms of the Pinehurst Development Ordinance, in accordance with the procedures and standards set forth in Chapter 6 of the Pinehurst Development Ordinance. They also hear and decide appeals from any order, requirement, permit, decision, or determination issued or made by an administrative officer of the Village in enforcing any provision of this Pinehurst Development Ordinance, in accordance with the procedures and standards set forth in Chapter 6 of this Pinehurst Development Ordinance. The Zoning Board of Adjustment will hear and decide applications for special use permits in accordance with the procedures and standards set forth in Chapter 5 of this Pinehurst Development Ordinance. The Board of Adjustment considers requests for variances and appeals of administrative decisions or interpretations of the Ordinance.

CONSERVATION COMMISSION (acorrell@villageofpinehurst.org)

The Conservation Commission was started in 2003 as part of the Village’s Comprehensive Long-Range Plan to meet the conservation goals of Pinehurst. Since the Conservation Commission was established, it has become a large entity with six committees and many members. Over the past several years, the Conservation Commission performed a number of activities including: educational workshops, Arbor Day, and promoting conservation by participating in community events. The subcommittees identify plants along the greenway, promote recycling, promote tree planting, water conservation and open space preservation.



About Village Services

Need More Information?

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

ATHLETICS	910.295.2817
BILL INQUIRIES	910.295.1900
BROKEN WATER AND SEWER LINES (MOORE COUNTY UTILITIES)	910.947.6315
BUDGET	910.295.1900
BUILDING CODE REQUIREMENTS	910.295.2581
BUILDING INSPECTIONS.....	910.295.2581
BUILDING PERMITS	910.295.2581
CURB CUTS	910.295.5021
CUSTOMER SERVICE.....	910.295.1900
DRIVEWAY PERMITS.....	910.295.2581
ECONOMIC DEVELOPMENT.....	910.295.1900
FAIR BARN RENTALS	910.295.0166
FENCING REQUIREMENTS	910.295.2581
FINANCIAL SERVICES	910.295.1900
FIRE EMERGENCIES.....	911
FIRE DEPARTMENT – NON-EMERGENCY	910.295.5575
FIRE DEPARTMENT PUBLIC EDUCATION SERVICES.....	910.295.5575
FIRE PREVENTION.....	910.295.5575
GARBAGE AND TRASH COLLECTION	910.295.5021
GENERAL VILLAGE INFORMATION.....	910.295.1900
GEOGRAPHIC INFORMATION SYSTEM (GIS)	910.295.1900
HARNESS TRACK.....	910.295.4446
HISTORIC PROPERTIES	910.295.2581
HUMAN RESOURCES	910.295.1900
JUNK CARS.....	910.295.2581



About Village Services

MAPS	910.295.1900
NEIGHBORHOOD WATCH PROGRAM.....	910.295.3141
NOISE	910.295.3141
OCCUPANCY PERMITS.....	910.295.2581
PARKS AND RECREATION.....	910.295.2817
POLICE EMERGENCIES	911
POLICE – NON EMERGENCY.....	910.295.3141
PUBLIC INFORMATION	910.295.1900
RECYCLING	910.295.5021
REZONING MATTERS	910.295.2581
SETBACK REQUIREMENTS	910.295.2581
SEWER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
SIGN REQUIREMENTS	910.295.2581
STREET RESURFACING	910.295.1900
TAXES	910.295.1900
TRAFFIC.....	910.295.1900
UNKEPT LOTS/YARDS	910.295.2581
VILLAGE CLERK.....	910.295.1900
VILLAGE MANAGER.....	910.295.1900
VOTING (MOORE COUNTY BOARD OF ELECTIONS).....	910.947.3868
WATER AND SEWER LINE MAINTENANCE (MOORE COUNTY UTILITIES).....	910.947.6315
WATER TAPS (MOORE COUNTY UTILITIES)	910.947.6315
WATERSHED REQUIREMENTS	910.295.2581
ZONING.....	910.295.2581



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

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

What's New in the Budget This Year?

The Village of Pinehurst has long-established financial management policies. A new Financial Policies section that provides a summary of these policies has been added to the budget document this year. These financial policies provide a frame work which guides the Village in the development of its annual budget. These policies address areas such as planning for future capital improvements, minimum fund balance levels, debt service limitations and investment guidelines.

The Village of Pinehurst is moving towards a results-based management process. Last year, each department began submitting goals and measurable objectives. This year we have added a table of performance measures for each department. This information can be found in the *General Fund* section. If performance measure data was not available for previous years, it is marked "n/a". A summary of operating indicators by function can also be found in the supplementary information section.

We have also expanded the Supplementary Information section to be more consistent with new statistical reporting guidelines implemented by the Government Finance Officers Association.

We hope that you find these enhancements useful. If there is additional information that you would like to see presented in future editions, please forward your request to the Financial Services Department.



Village of Pinehurst Financial Policies Summary

The Village of Pinehurst's budgetary and financial policies set forth basic guidance for the fiscal management of the Village. Most of the policies represent long standing principles and traditions with its legal framework outlined in both the North Carolina General Statutes (NCGS) and the Village's Ordinances. These policies though general in statement contribute to the Village's financial stability. The major financial policies of the Village are summarized below.

Operating Budget Policies

Pursuant to the North Carolina General Statutes Article 159-11 the Village will adopt a balanced budget, which provides a work program and an operational plan for the ensuing year. The Village will maintain a program of budgetary controls to ensure adherence to the budget. Monthly financial statements will be prepared for department heads and management with quarterly reports prepared for the Village Council to assist in the monitoring of actual revenues, expenditures and budgeted amounts. Comprehensive financial data will be compiled to include capital improvement programs and forecasting or projections of financial status. These reports are imperative for long-term financial planning.

The Village will retain an independent accounting firm to perform an annual financial and compliance audit in accordance with general accepted accounting practices and by the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) standards. In conjunction with the independent audit, internal reviews will be conducted periodically to determine if the Village is managing and utilizing its resources in an economical and efficient manner. These internal reviews will also determine if the desired program goals are being achieved and if the objectives established by the Village Council are being met.

Revenue Policy

The Village will maintain a diversified and stable revenue program to protect it from short-term fluctuations of any one-revenue source. As a part of the normal budget process, the Village will review and estimate revenues in an objective and realistic manner. Attempts will be made to secure additional revenue sources to offset any reductions of federal, state or local funding. The Village's Fees and Charges Policy that has been adopted by the Village Council requires the Financial Services staff to evaluate annually all user fees at a level related to the cost of providing these services.

Investment Policy

The Village will continue to monitor the cash flow of all funds on a regular basis to insure maximum investment of idle cash. The criteria for selecting an investment will include safety, liquidity and yield. The Village will invest only in quality issues that comply with the North Carolina Budget and Fiscal Control Act and the Village's Investment Policy that has been adopted by the Village Council. Management reports on its investment portfolio to the Village Council on a quarterly basis.



Fund Balance Policy

The Village will maintain operating reserves by maintaining a healthy fund balance. The Village's Fund Balance Policy that has been adopted by the Village Council requires the fund balance (or operating reserves) in the General Fund to be maintained at an amount equal to twenty-seven to thirty-three percent of General Fund expenditures. In accordance with this policy, any fund balance in excess of 33% is transferred to the Village's Capital Reserve Fund at the end of the fiscal year.

Debt Policy

The Village takes a planned approach to the management of its long-term debt issuances. The Village will consider the use of long-term debt financing only when it meets the following criteria:

- The financing period is no longer than the estimated life of the improvement,
- The cost of the improvement including the interest is positive, and
- The improvement will benefit both current and future citizens of the Village.

The Village strives to limit total debt service to no more than 15% of General Fund expenditures, with a general goal of 10% of General Fund expenditures. By state law the Village must limit the total of all debt issued to no more than eight percent of the total assessed valuation. The Village follows a policy of full disclosure on every financial report. The Village may utilize the authority granted within the General Statutes for lease or installment purchases when deemed appropriate.

Capital Improvement Policy

The Village will maintain a Five-Year Capital Improvement Program (CIP), which will be reviewed and updated annually. Since capital improvements involve large sums of capital and long-term commitments, each capital project will be carefully analyzed before it becomes a component of the program. The Village takes a systematic approach to capital improvement programming to ensure that any personnel services or operating costs affected by capital spending decisions are included in the appropriate operating budget. The Village will protect and maintain its capital investments in order to reduce replacement cost. As part of the CIP, the Village will project its revenues and expenses from operations for a five-year planning horizon.



Budget Development Calendar

The Village has utilized the following schedule in preparing and adopting the budget for the fiscal year ending June 30, 2008:

Wednesday, February 14, 2007	Financial Services Department holds “Budget Kickoff” meeting and distributes the 2007-2008 Budget Manual to department heads
Wednesday, March 14, 2007	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
April 12 and 13, 2007	Village Manager holds budget review meetings with Department Heads and Assistant Village Managers
Friday, May 18, 2007	Village Manager and Assistant Village Manager submit the draft budget to the Village Council
Tuesday, May 22, 2007	Village Manager presents the budget to the Village Council at a Council work session
May 25 – May 30, 2007	Village Council holds budget work sessions
Tuesday, June 12, 2007	Village holds a public hearing on the 2007-2008 budget
Tuesday, June 26, 2007	Village Council adopts the 2007-2008 budget
Sunday, July 1, 2007	The budget is implemented
Thursday, July 19, 2007	Financial Services Department publishes the final budget and distributes it to department heads



Budgeting Process

Phase I

In November and December of each year, projections of personnel, operating and capital expenditures are estimated for the remainder of current fiscal year and projected for the next five fiscal years. This is done to prepare the Capital Improvements Plan (CIP) for the next five year period. The CIP and internally prepared staffing projections are important in the budgeting process as they aid departments in creating their budget requests.

Phase II

In January, the Financial Services Department compiles the Budget Manual and worksheets used by departments in making their budget requests. In February, the Financial Services Department holds a “Budget Kickoff Meeting” for all department heads.

Phase III

In March Financial Services consolidates departmental requests. The Village Manager and members of the Senior Management Team meet with each Department Head to discuss their request and their goals for the upcoming year.

Phase IV

In April, the Senior Management Team balances the budget and the Financial Services team prepares the Budget for review by the Village Council.

Phase V

The budget is presented to Council for review in May. They conduct one or more public hearings on the budget proposal to allow for public comment. Before June 30th of each year, a balanced budget must be adopted.



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 2007-2008. A table of performance measures is provided to show progress toward the stated goals and objectives. 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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 145,480	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	268,960	300,000	296,540	310,500	3.5%
Capital	93,160	30,000	29,950	25,000	-16.7%
Expenditures Total	\$ 507,600	\$ 480,000	\$ 473,075	\$ 490,500	2.2%

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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 145,480	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	268,960	300,000	296,540	310,500	3.5%
Capital	93,160	30,000	29,950	25,000	-16.7%
Expenditures Total	\$ 507,600	\$ 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 Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds. The Village has three capital project funds at this time; the Public Services Facility Project Fund; Recreation Center Capital Project Fund and the Jackson Hamlet Sewer CDBG Fund. Funds for these projects were previously 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 2007-2008

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 12th day of June 2007 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, 2007 and ending June 30, 2008, in accordance with the chart of accounts heretofore established for this Village:

OPERATING EXPENDITURES:

Governing Body	\$ 245,900
Administration	817,405
Financial Services	588,880
Human Resources	273,790
Police	2,436,910
Fire	1,972,330
Inspections	284,460
Public Services	267,675
Streets & Grounds	801,290
Powell Bill	980,750
Solid Waste	766,500
Recycling	125,495
Planning	596,410
Engineering	513,750
Recreation	368,310
Athletics	193,450
Harness Track	413,380
Fair Barn	285,460
Contingency	69,000
Non-Departmental	50,000
Debt Service	1,018,780
Other Financing Uses	<u>840,000</u>

Total Operating Expenditures \$ 13,909,925



Annual Budget Ordinance

CAPITAL EXPENDITURES:

Governing Body	\$ 30,000
Administration	20,000
Police	177,000
Fire	144,000
Streets & Grounds	91,000
Solid Waste	270,000
Planning	23,000
Engineering	100,000
Recreation	233,000
Harness Track	119,500
Fair Barn	<u>51,000</u>
Total Capital Expenditures	\$ <u>1,258,500</u>
TOTAL EXPENDITURES	\$ <u>15,168,425</u>

SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2007 and ending June 30, 2008:

Ad Valorem Tax Revenue	\$ 7,189,350
Other Taxes and Licenses	2,728,000
Unrestricted Intergovernmental Revenue	632,300
Restricted Intergovernmental Revenue	454,000
Permits and Fees	1,098,500
Sales and Services	397,300
Other Revenues	137,675
Investment Income	270,000
Other Financing Sources	899,156
Appropriated Fund Balance	<u>1,362,144</u>
TOTAL REVENUES	\$ <u>15,168,425</u>

SECTION 3. The following amounts are hereby appropriated in the Taylorhurst Assessment Special Revenue Fund for the fiscal year beginning July 1, 2007, and ending June 30, 2008 in accordance with the chart of accounts heretofore approved for the Village:

Transfer to the General Fund	\$ <u>31,765</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, 2007, and ending June 30, 2008:

Assessment Income	\$ 30,885
Investment Income	<u>880</u>
TOTAL REVENUES	<u>\$ 31,765</u>

SECTION 5. The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2007, and ending June 30, 2008 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, 2007, and ending June 30, 2008:

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, 2007, and ending June 30, 2008 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Beautification	<u>\$ 8,000</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, 2007, and ending June 30, 2008:

Investment Income	<u>\$ 8,000</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, 2007, and ending June 30, 2008 in accordance with the chart of accounts heretofore approved for the Village:

Operating Expenditures	\$ 5,530
Transfer to General Fund	<u>17,391</u>
TOTAL EXPENDITURES	<u>\$ 22,921</u>



Annual Budget Ordinance

SECTION 10. It is estimated that the following revenues will be available in the Municipal Service District Special Revenue Fund for the fiscal year beginning July 1, 2007, and ending June 30, 2008:

Ad Valorem Tax Revenue	\$ 4,930
Assessments	17,391
Investment Income	<u>600</u>
TOTAL REVENUES	<u>\$ 22,921</u>

SECTION 11. The following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2007, and ending June 30, 2008 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Capital	\$ 23,000
Transfer to General Fund	<u>850,000</u>
TOTAL REVENUES	<u>\$ 873,000</u>

SECTION 12. It is estimated that the following revenues will be available in the General Capital Reserve Fund for the fiscal year beginning July 1, 2007, and ending June 30, 2008:

Investment Income	\$ 33,000
Transfer from the General Fund	<u>840,000</u>
TOTAL EXPENDITURES	<u>\$ 873,000</u>

SECTION 13. There is hereby levied a tax at the rate of twenty-eight cents (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2007, 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 \$2,575,000,000 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 eight cents (\$0.08) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2007, 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 \$6,163,000 and an estimated collection rate of 100.0%.



Annual Budget Ordinance

SECTION 14. The Village Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a department without limitation and without 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. The Village Manager or his designee is hereby authorized to execute the necessary agreements within funds included in the Budget Ordinance for the following purposes:

- a. Purchase of apparatus, supplies, and materials where formal bids are not required by law;
- b. Leases of normal and routine business equipment;
- c. Construction or repair work where formal bids are not required by law;
- d. Consultant, professional, or maintenance service agreements up to an anticipated contract amount of \$25,000;
- e. Agreements for acceptance of State and Federal grant funds; and
- f. Grant agreements with public and non-profit agencies.

SECTION 16. 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.



Annual Budget Ordinance

ADOPTED this 12th day of June, 2007

(Municipal Seal)

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By:

Steven J. Smith, Mayor

Attest:

Linda S. Brown, Village Clerk

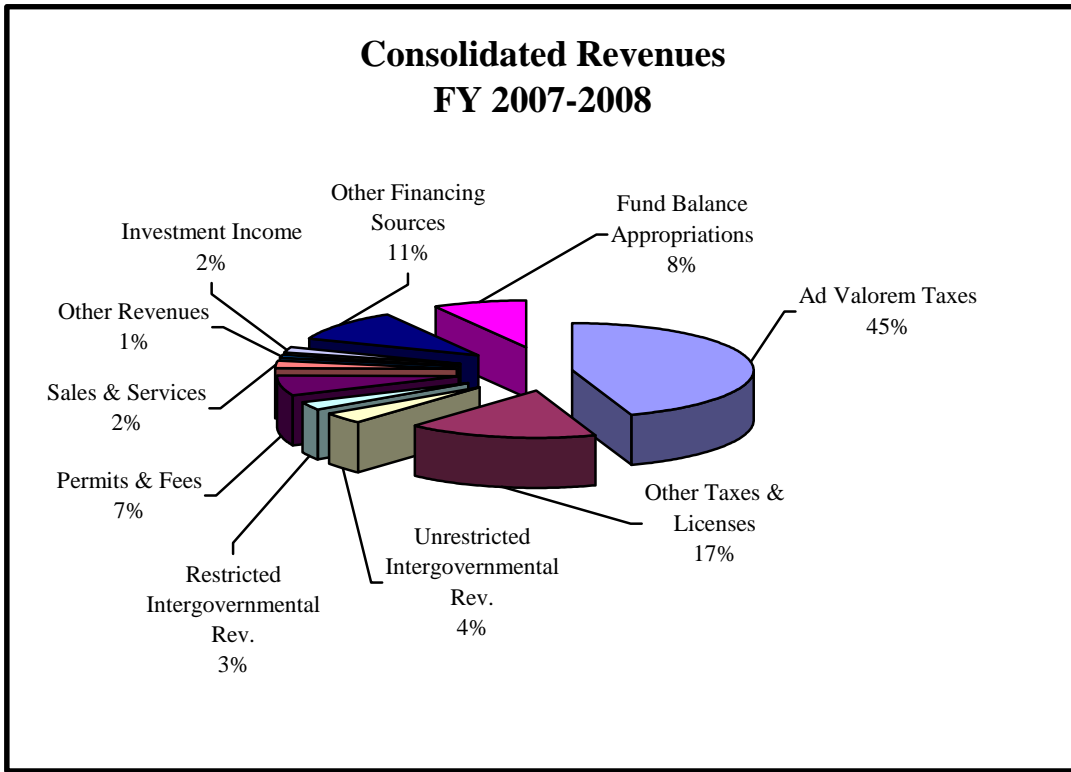
Approved as to form:

Michael J. Newman, Village Attorney



Consolidated Budget Summary

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

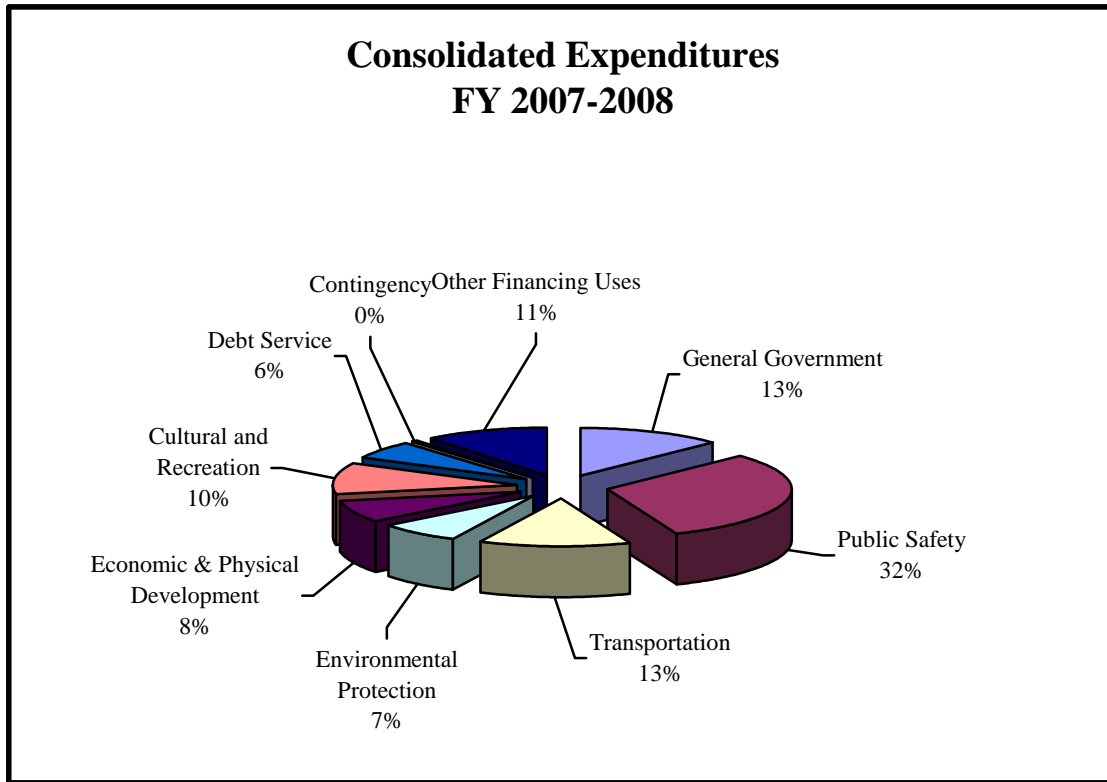


Consolidated Revenues	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,516,709	\$ 6,695,200	\$ 6,810,117	\$ 7,194,280	5.6%
Other Taxes & Licenses	2,533,980	2,636,900	2,708,000	2,728,000	0.7%
Unrestricted Intergovernmental Rev.	557,751	589,000	618,398	632,300	2.2%
Restricted Intergovernmental Rev.	475,779	607,605	467,663	454,000	-2.9%
Permits & Fees	1,134,268	1,086,840	1,107,164	1,098,500	-0.8%
Sales & Services	422,331	404,400	416,806	397,300	-4.7%
Other Revenues	163,784	193,919	226,402	185,951	-17.9%
Investment Income	249,713	333,690	345,591	312,730	-9.5%
Operating Revenues	12,054,315	12,547,554	12,700,141	13,003,061	2.4%
Other Financing Sources	1,711,696	1,700,195	1,720,736	1,739,156	1.1%
Fund Balance Appropriations	-	1,982,410	-	1,362,144	100.0%
Total Revenues	\$ 13,766,011	\$ 16,230,159	\$ 14,420,877	\$ 16,104,361	11.7%
Per Capita	\$ 1,287	\$ 1,472	\$ 1,308	\$ 1,408	



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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Government	\$ 1,536,338	\$ 2,520,140	\$ 1,659,453	\$ 2,048,975	23.5%
Public Safety	3,767,798	4,352,056	4,177,712	5,014,700	20.0%
Transportation	1,785,797	2,192,595	1,789,744	2,140,715	19.6%
Environmental Protection	698,391	1,141,514	1,063,607	1,167,525	9.8%
Economic & Physical Development	1,022,141	1,214,290	923,649	1,241,160	34.4%
Cultural and Recreation	1,122,378	1,412,224	1,216,688	1,664,350	36.8%
Debt Service	1,037,499	1,028,170	1,028,170	1,018,780	-0.9%
Contingency	-	13,635	-	69,000	100.0%
Operating Expenditures	10,970,342	13,874,624	11,859,023	14,365,205	21.1%
Other Financing Uses	2,656,735	2,355,535	2,670,482	1,739,156	-34.9%
Total Expenditures	\$ 13,627,077	\$ 16,230,159	\$ 14,529,505	\$ 16,104,361	10.8%
Per Capita	\$ 1,274	\$ 1,472	\$ 1,318	\$ 1,408	

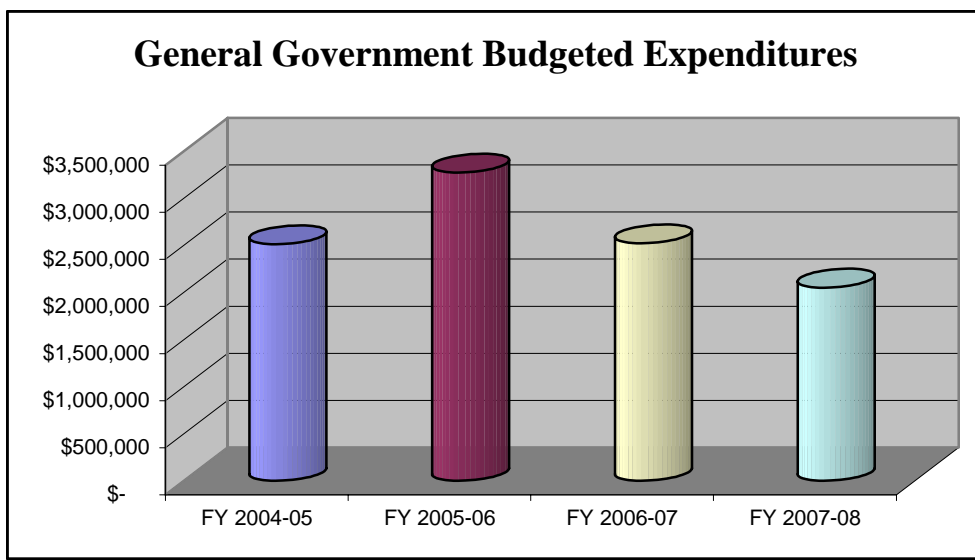


Consolidated Budget Summary

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 and the Police Department are part of the functional area known as Public Safety, as both share the common theme of protecting citizens. Grouping activities by these themes (functions), allows the decision-making process to be managed at a broader, more comprehensive level.

The following charts and graphs present the trends for all of the Village of Pinehurst's different functions and include the General Fund and all Special Revenue Funds.



General Government	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 2,509,610	\$ 3,271,508	\$ 2,520,140	\$ 2,048,975
Dollar Change	1,413,901	761,898	(751,368)	(471,165)
Percent Change	129.0%	30.4%	-23.0%	-18.7%

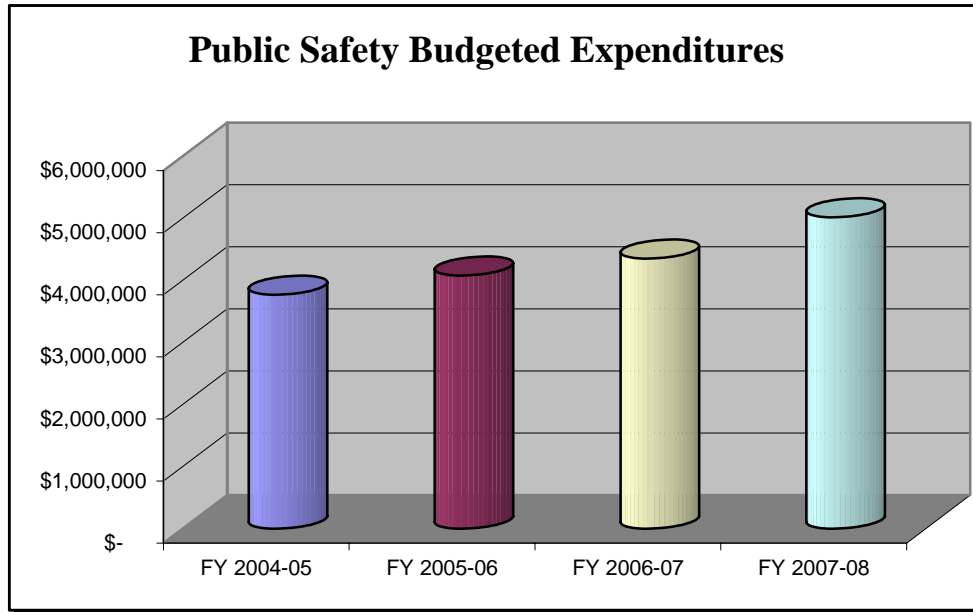
General Government Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Wages	\$ 620,762	\$ 715,100	\$ 699,400	\$ 799,500	14.3%
Operating	879,674	1,687,040	895,953	1,199,475	33.9%
Capital	35,902	118,000	64,100	50,000	-22.0%
Total Expenditures	\$ 1,536,338	\$ 2,520,140	\$ 1,659,453	\$ 2,048,975	23.5%

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

Other Funds Included: Capital Reserve Fund



Consolidated Budget Summary



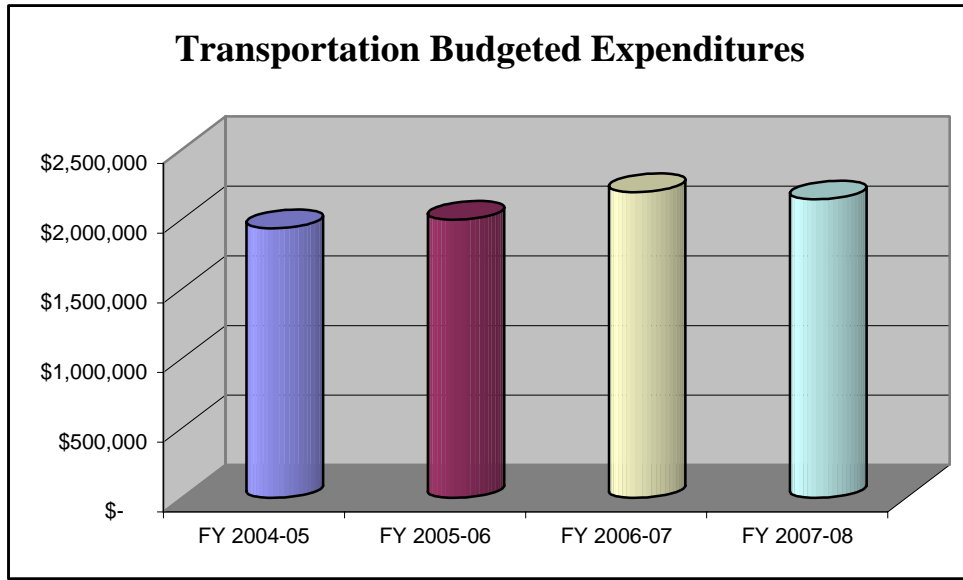
Public Safety	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 3,768,557	\$ 4,079,172	\$ 4,352,056	\$ 5,014,700
Dollar Change	773,707	310,615	272,884	662,644
Percent Change	25.8%	8.2%	6.7%	15.2%

Public Safety Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Wages	\$ 2,302,855	\$ 2,443,340	\$ 2,405,300	\$ 2,720,000	13.1%
Operating	1,286,556	1,633,816	1,501,566	1,973,700	31.4%
Capital	178,387	274,900	270,846	321,000	18.5%
Total Expenditures	\$ 3,767,798	\$ 4,352,056	\$ 4,177,712	\$ 5,014,700	20.0%

General Fund Departments/Divisions: Police, Fire, Inspections



Consolidated Budget Summary



Transportation	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 1,933,270	\$ 1,994,934	\$ 2,192,595	\$ 2,140,715
Dollar Change	403,761	61,664	197,661	(51,880)
Percent Change	26.4%	3.2%	9.9%	-2.4%

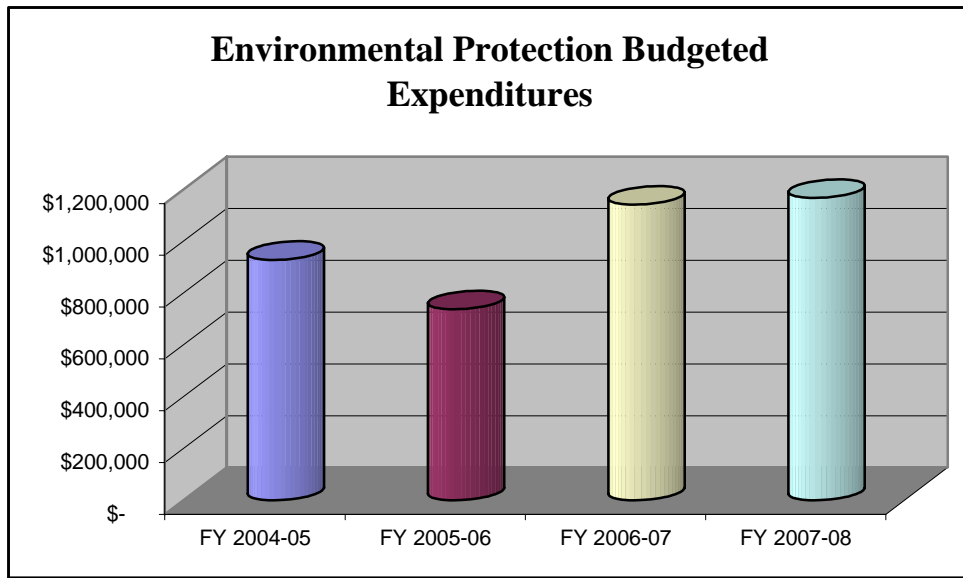
Transportation Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Wages	\$ 381,934	\$ 444,900	\$ 396,700	\$ 476,700	20.2%
Operating	1,302,556	1,679,135	1,348,484	1,573,015	16.7%
Capital	101,307	68,560	44,560	91,000	104.2%
Total Expenditures	\$ 1,785,797	\$ 2,192,595	\$ 1,789,744	\$ 2,140,715	19.6%

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

Other Funds Included: Taylorhurst Assessment Fund



Consolidated Budget Summary



Environmental Protection	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 927,938	\$ 736,999	\$ 1,141,514	\$ 1,167,525
Dollar Change	225,639	(190,939)	404,515	26,011
Percent Change	32.1%	-20.6%	54.9%	2.3%

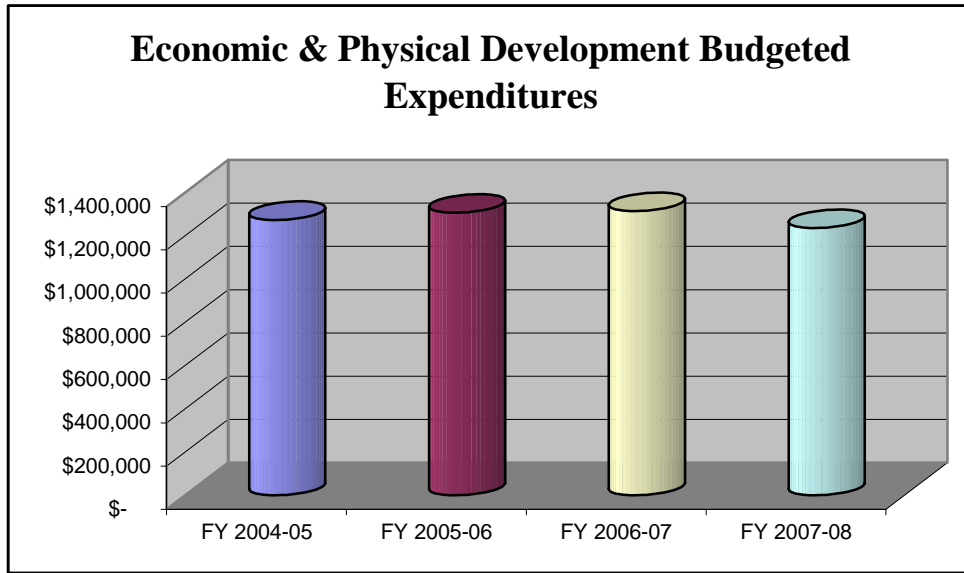
Environmental Protection Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Wages	\$ 237,073	\$ 293,900	\$ 272,500	\$ 274,300	0.7%
Operating	461,318	614,614	586,107	623,225	6.3%
Capital	-	233,000	205,000	270,000	100.0%
Total Expenditures	\$ 698,391	\$ 1,141,514	\$ 1,063,607	\$ 1,167,525	9.8%

General Fund Departments/Divisions: Solid Waste, Recycling

Other Funds Included: Municipal Service District



Consolidated Budget Summary



Economic & Physical Dev	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 1,273,135	\$ 1,306,776	\$ 1,314,290	\$ 1,241,160
Dollar Change	550,398	33,641	7,514	(73,130)
Percent Change	76.2%	2.6%	0.6%	-5.6%

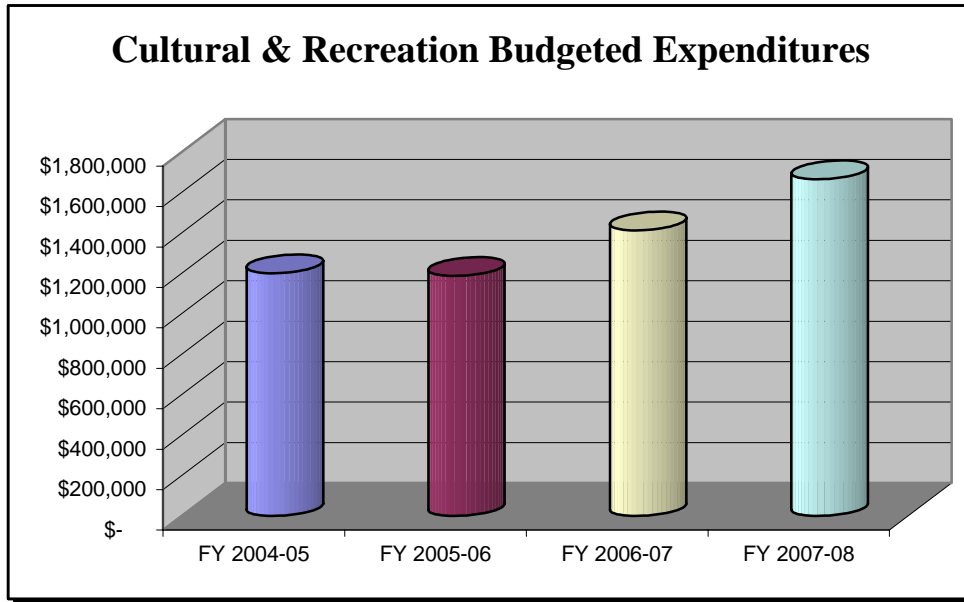
Economic & Physical Dev. Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Wages	\$ 419,280	\$ 441,850	\$ 426,500	\$ 456,000	6.9%
Operating	485,743	682,440	411,149	662,160	61.1%
Capital	117,118	190,000	86,000	123,000	43.0%
Total Expenditures	\$ 1,022,141	\$ 1,314,290	\$ 923,649	\$ 1,241,160	34.4%

General Fund Departments/Divisions: Planning, Engineering

Other Funds Included: Residential Assurance Fund - Interest



Consolidated Budget Summary



Cultural & Recreation	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 1,200,365	\$ 1,186,765	\$ 1,412,224	\$ 1,664,350
Dollar Change	(438,587)	(13,600)	225,459	252,126
Percent Change	-26.8%	-1.1%	19.0%	17.9%

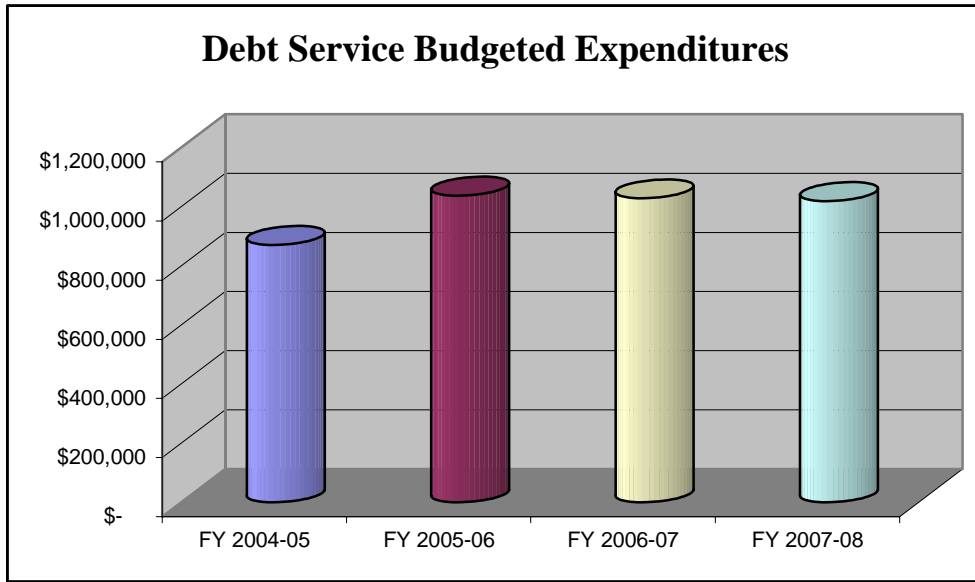
Cultural & Recreation Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Wages	\$ 241,267	\$ 333,550	\$ 297,200	\$ 349,500	17.6%
Operating	696,537	826,674	759,488	911,350	20.0%
Capital	184,574	252,000	160,000	403,500	152.2%
Total Expenditures	\$ 1,122,378	\$ 1,412,224	\$ 1,216,688	\$ 1,664,350	36.8%

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

Other Funds Included: Land Dedication Fund



Consolidated Budget Summary



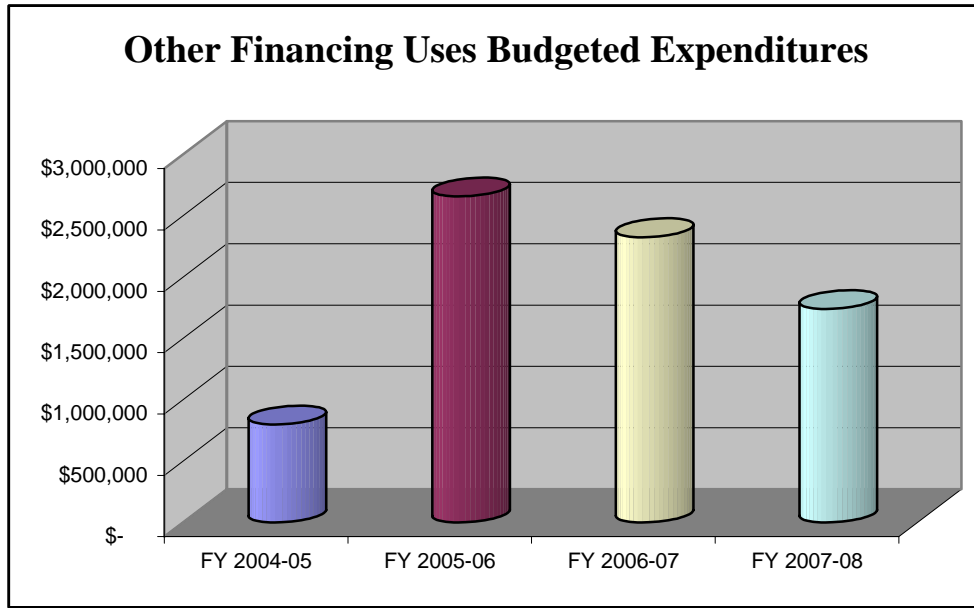
Debt Service	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 870,870	\$ 1,037,545	\$ 1,028,170	\$ 1,018,780
Dollar Change	(58,745)	166,675	(9,375)	(9,390)
Percent Change	-6.3%	19.1%	-0.9%	-0.9%

Debt Service Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Operating	\$ 1,037,499	\$ 1,028,170	\$ 1,028,170	\$ 1,018,780	-0.9%
Total Expenditures	\$ 1,037,499	\$ 1,028,170	\$ 1,028,170	\$ 1,018,780	-0.9%

Funds with Debt Service: General Fund



Consolidated Budget Summary



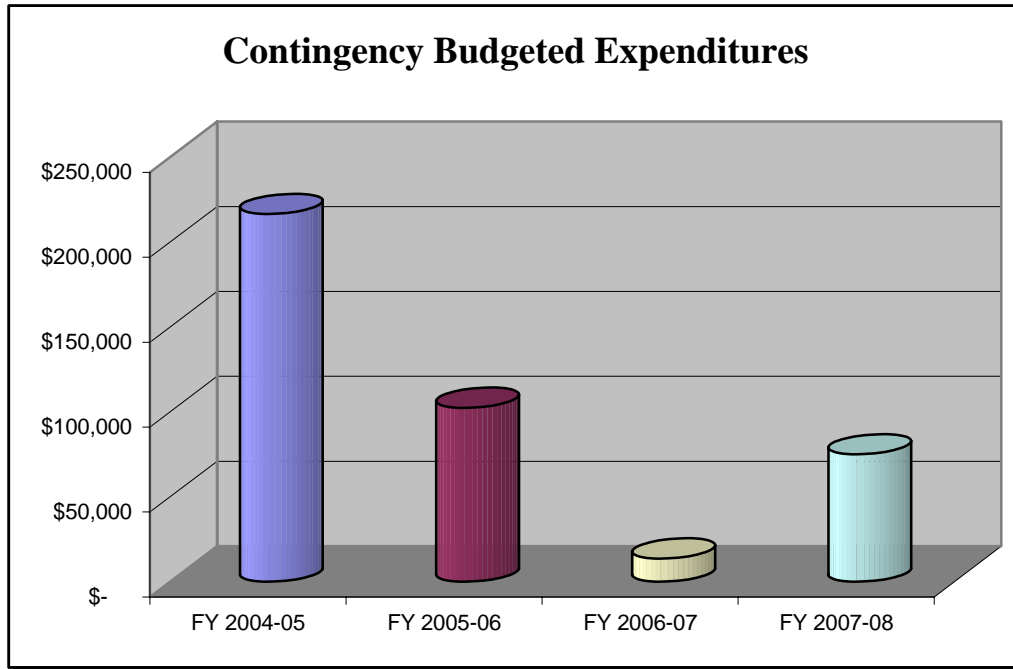
Other Financing Uses	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 797,235	\$ 2,656,735	\$ 2,324,335	\$ 1,739,156
Dollar Change	332,235	1,859,500	(332,400)	(585,179)
Percent Change	71.4%	233.2%	-12.5%	-25.2%

Other Financing Uses Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Operating	\$ 2,656,735	\$ 2,324,335	\$ 2,639,835	\$ 1,739,156	-34.1%
Total Expenditures	\$ 2,656,735	\$ 2,324,335	\$ 2,639,835	\$ 1,739,156	-34.1%

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



Consolidated Budget Summary



Contingency	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Budgeted Amount	\$ 216,495	\$ 102,400	\$ 13,635	\$ 69,000
Dollar Change	213,950	(114,095)	(88,765)	55,365
Percent Change	8406.7%	100.0%	-86.7%	406.1%

Contingency Expenditures	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Operating	\$ -	\$ 13,635	\$ -	\$ 69,000	100.0%
Total Expenditures	\$ -	\$ 13,635	\$ -	\$ 69,000	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:

Fund Balances	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Estimated
General Fund	\$ 3,674,629	\$ 5,067,382	\$ 5,539,289	\$ 5,346,233
Taylorhurst Assessment Fund	29,101	30,048	25,473	21,445
Land Dedication Fund	5,069	5,552	6,047	5,741
Residential Assurance - Interest Fund	11,382	11,477	11,676	19,242
Municipal Service District Fund	3,157	3,822	6,323	8,838
Capital Reserve Fund	331,262	492,075	160,487	239,168
Fund Totals	\$ 4,054,600	\$ 5,610,356	\$ 5,749,295	\$ 5,640,667

The following schedule outlines the percentage 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 24% 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 28% of the next year's budgeted expenditures in accordance with the Village's Fund Balance Policy. On the other hand, the Capital Reserve Fund is increasing by 10% due to the \$840,000 transfer from the General Fund for the transfer for excess fund balance and 75% of the Article 44 local option sales tax.

Fund Balances	FY 2006-07 Estimated	Increases/ (Decreases)	FY 2007-08 Estimated	% Increase/ (% Decrease)
General Fund	\$ 5,346,233	\$ (1,362,144)	\$ 3,984,089	-25%
Taylorhurst Assessment Fund	21,445	-	21,445	0%
Land Dedication Fund	5,741	250	5,991	4%
Residential Assurance - Interest Fund	19,242	8,000	27,242	42%
Municipal Service District Fund	8,838	-	8,838	0%
Capital Reserve Fund	239,168	23,000	262,168	10%
Fund Totals	\$ 5,640,667	\$ (1,330,894)	\$ 4,309,773	-24%

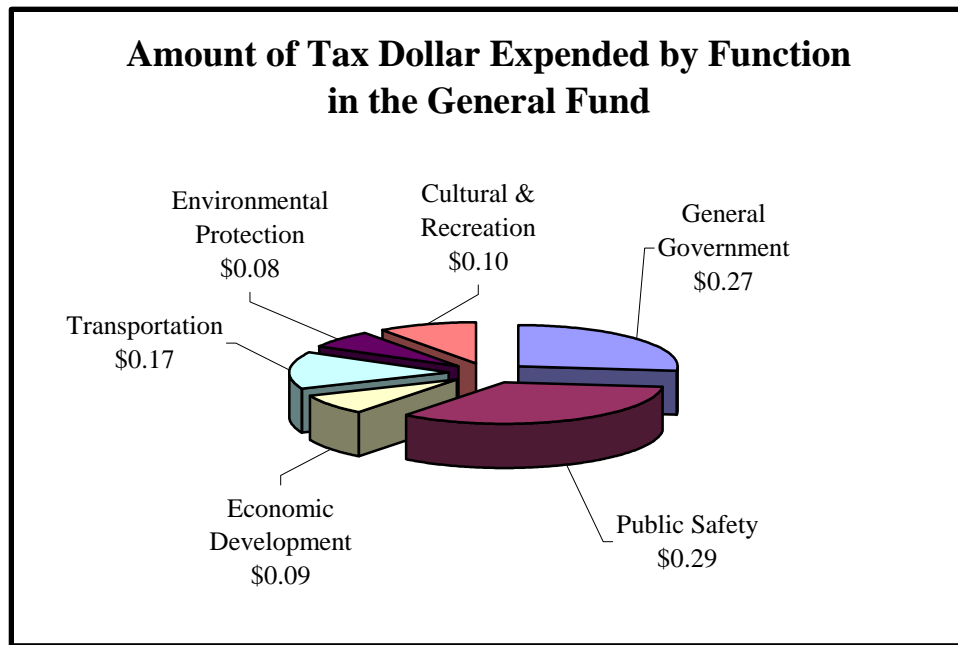


General Fund Summary

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 47% over this time period, or up from \$8.8 million in FY 2002-2003 to \$12.9 million in FY 2007-2008. Operating expenditures have also increased significantly over the same time frame, up 70% from \$8.4 million to \$14.3 million in FY 2007-2008. During this same time period, the Village's population has increased almost 13%. The following information indicates the Village's results from operations before any other financing sources or uses for the past five years:



General Fund Summary

	<u>Operating Revenues</u>	<u>Operating Expenditures</u>	<u>Income (Loss)</u>
6/30/03 Actual	\$ 8,836,000	\$ 8,437,500	\$ 398,500
6/30/04 Actual	10,650,900	9,944,500	706,400
6/30/05 Actual	11,882,500	10,608,000	1,274,500
6/30/06 Actual	12,002,725	10,965,520	1,037,205
6/30/07 Estimated	12,559,980	11,855,440	704,540
6/30/08 Budgeted	12,907,125	14,328,425	(1,421,300)

All real and personal property in the Village has been revalued by Moore County for FY 2007-08, which resulted in a 15% increase in property values. As a result, the FY 2007-08 Budget reflects a reduced tax rate of \$0.28, down from \$0.31. After subtracting other net Financing Uses of \$840,000 and adding Other Financing Sources of \$899,156 and Appropriated Fund Balance of \$1,362,144 the Village's Recommended Budget is balanced in accordance with North Carolina General Statutes in FY 2007-08.

Revenues

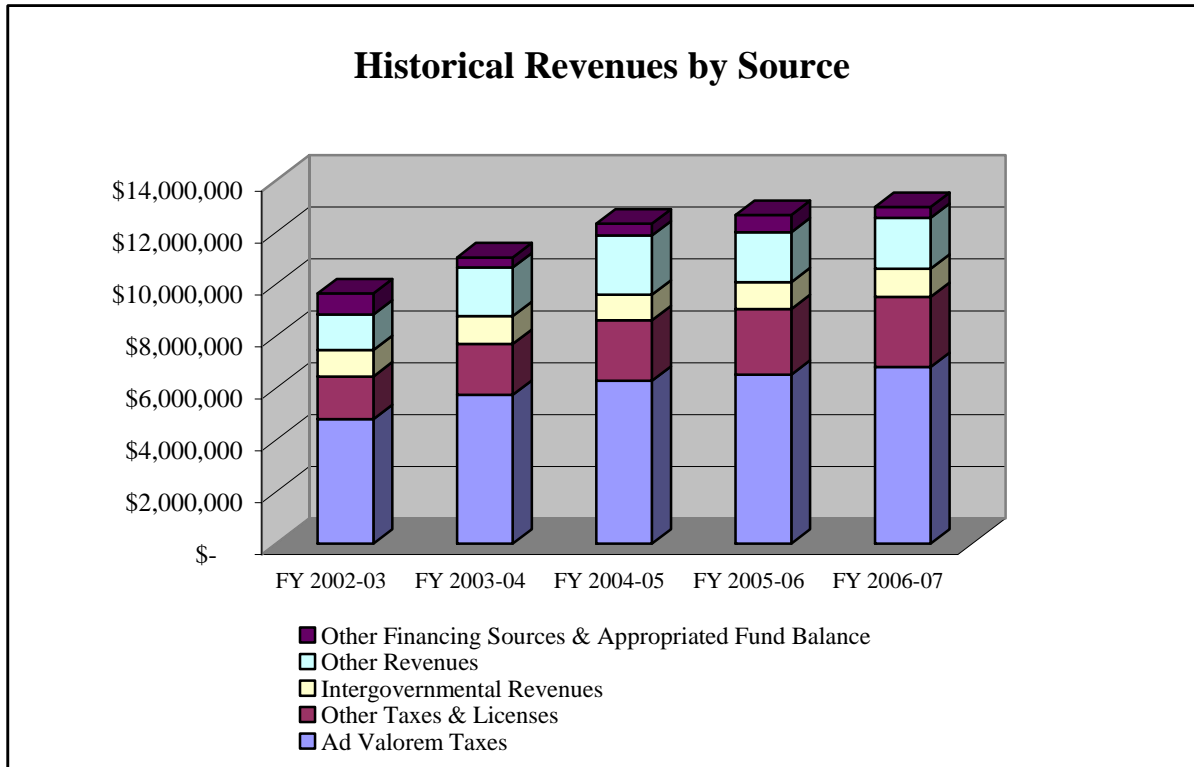
General Fund Revenue by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,509,641	\$ 6,689,700	\$ 6,804,617	\$ 7,189,350	5.7%
Other Taxes & Licenses	2,533,980	2,636,900	2,708,000	2,728,000	0.7%
Unrestricted Intergovernmental Rev.	557,751	589,000	618,398	632,300	2.2%
Restricted Intergovernmental Rev.	475,779	607,605	467,663	454,000	-2.9%
Permits & Fees	1,134,268	1,086,840	1,107,164	1,098,500	-0.8%
Sales & Services	422,331	404,400	416,806	397,300	-4.7%
Other Revenues	137,077	132,304	134,814	137,675	2.1%
Investment Income	231,898	311,000	302,520	270,000	-10.7%
Operating Revenues	12,002,725	12,457,749	12,559,982	12,907,125	2.8%
Other Financing Sources	666,696	424,095	423,500	899,156	112.3%
Fund Balance Appropriations	-	1,711,410	-	1,362,144	100.0%
Total Revenues	\$ 12,669,421	\$ 14,593,254	\$ 12,983,482	\$ 15,168,425	16.8%

Budget Highlights:

The Approved Budget for FY 2007-2008 represents a 3.6% increase over the FY 2006-2007 amended budget. Excluding Fund Balance Appropriations and Other Financing Sources, revenues are estimated to increase by approximately 2.8% over FY 2006-2007. Ad Valorem taxes, which represent roughly 50% of total revenues, have increased at a rate of approximately 6% due to continued growth in the tax base. Interest rates for the upcoming year are expected to remain stable. Investment Income, however, is projected to be down 10.7% due to a similar decline in funds available for investment.



General Fund Summary



Expenditures

General Fund Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 5,539,171	\$ 6,253,052	\$ 6,004,749	\$ 6,864,600	14.3%
Operating	3,771,562	4,954,472	3,992,013	5,186,545	29.9%
Capital	617,288	1,036,460	830,506	1,258,500	51.5%
Debt Service	1,037,499	1,028,170	1,028,170	1,018,780	-0.9%
Operating Expenditures	10,965,520	13,272,154	11,855,438	14,328,425	20.9%
Other Financing Uses	1,232,000	1,321,100	1,321,100	840,000	-36.4%
Total Expenditures	\$ 12,197,520	\$ 14,593,254	\$ 13,176,538	\$ 15,168,425	15.1%

Budget Highlights:

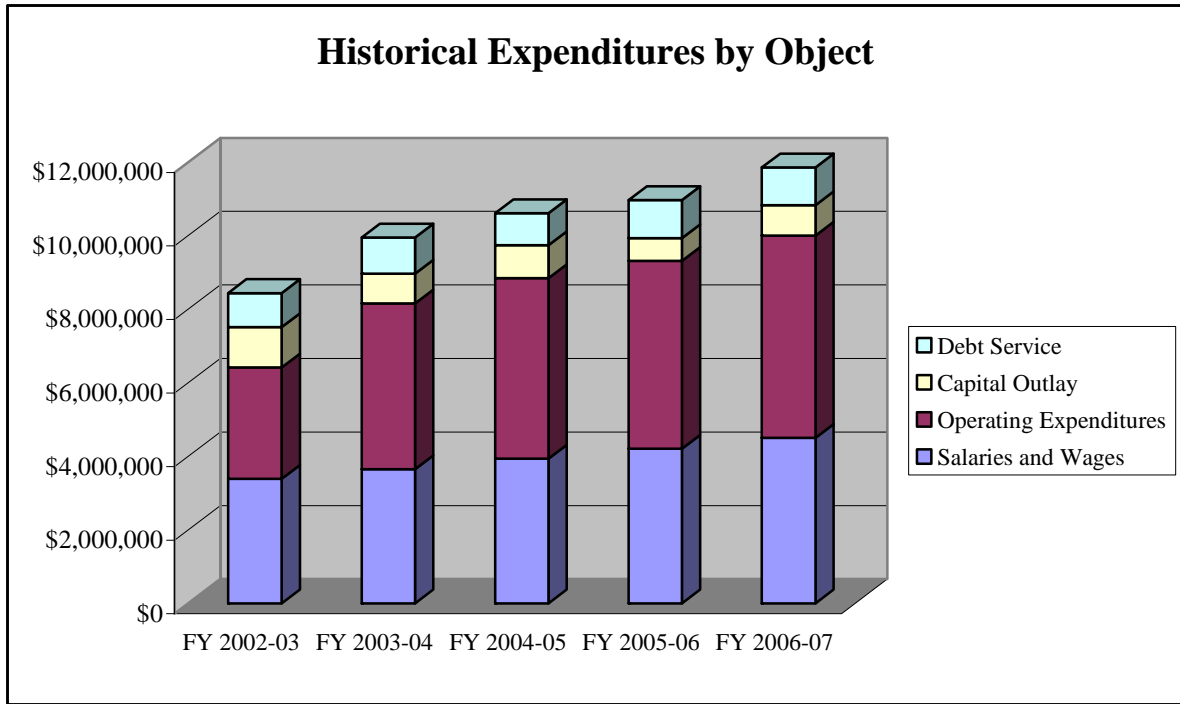
Costs totaling \$402,000 are included in this fiscal year to prepare to serve the Pinewild Country Club of Pinehurst, which is expected to be annexed effective June 30, 2008. Included in the budget are solid waste and police vehicles and the addition of four employees in the fourth quarter. These costs will be paid from fund balance since tax revenues from the annexation area will not be collected until the following year.

The increase in Salaries & Benefits in FY 2007-2008 is the result of the addition of new full and part-time positions and a projected 15% increase in group insurance premiums. The increase in Operating



General Fund Summary

expenditures is due to inflation and other operational demands. Significant Operating expenditures include continued investment in information technology, road resurfacing, and automated solid waste collection. Capital spending in the General Fund has increased by 21% to fund capital related to the Pinewild annexation and building repairs at Fire Station 92 and the Harness Track. All other capital expenditures are for the routine replacement of capital items.



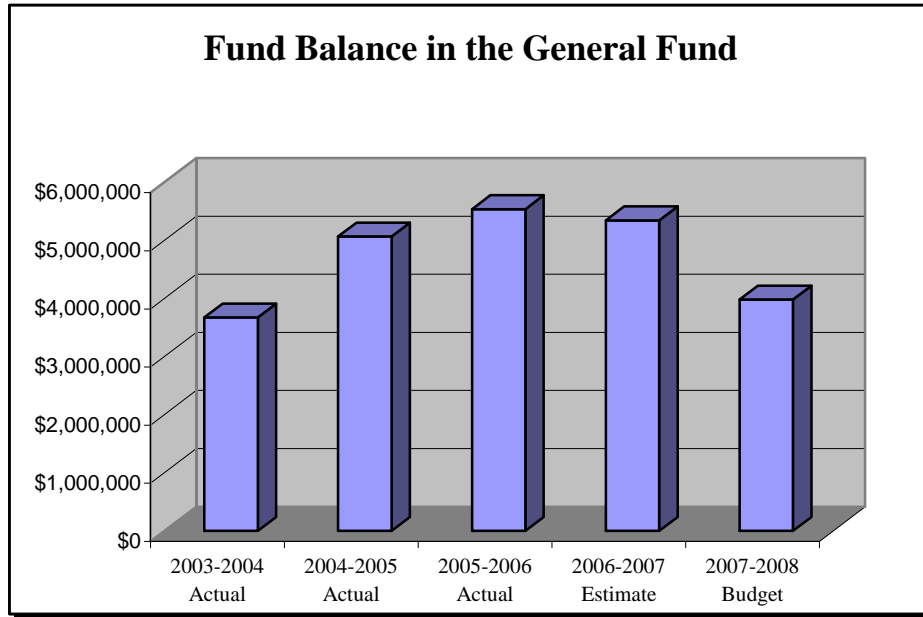
Fund Balance

N. C. General Statutes require that municipal budgets be balanced. They also require that expenditure budgets not be overspent, even by a small amount. A common way that municipalities deal with these requirements is to over-budget expenditures slightly and appropriate some of their savings (fund balance) as an off-setting revenue source. Revenues are conservatively estimated as well. If expenditures come in under budget as expected, and revenues come in ahead of estimates, the appropriated fund balance is never used. For the past three years, this “spread” between budgeted and actual revenues and expenditures has averaged \$1.6 million.

Fund Balance is estimated to be \$5,346,232 at June 30, 2007. This represents 41% of the total General Fund budgeted expenditures. The Village’s Fund Balance 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 \$500,000 to the Capital Reserve Fund in FY 2007-2008, in accordance with this policy.



General Fund Summary





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.

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Ad Valorem Taxes					
Real & Personal - Current Year	\$ 6,081,330	\$ 6,252,000	\$ 6,350,000	\$ 6,760,242	6.5%
Real & Personal - Prior Years	4,574	5,000	4,616	5,000	8.3%
Motor Vehicles - Current Year	411,918	427,700	440,000	416,108	-5.4%
Motor Vehicles - Prior Years	8,756	5,000	8,697	8,000	-8.0%
Discounts/Reliefs/Refunds	(4,841)	(5,000)	(2,681)	(5,000)	86.5%
Tax Interest	7,904	5,000	3,985	5,000	25.5%
Total Ad Valorem Tax Revenue	\$ 6,509,641	\$ 6,689,700	\$ 6,804,617	\$ 7,189,350	5.7%

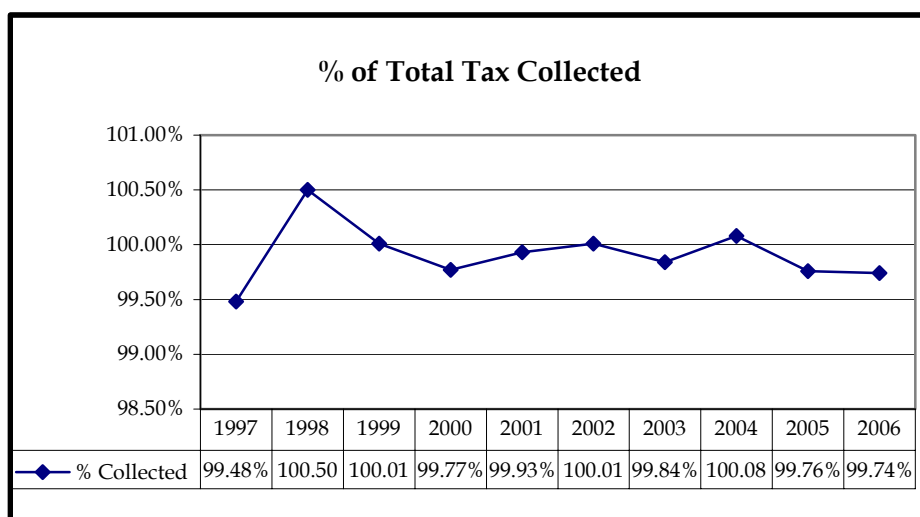
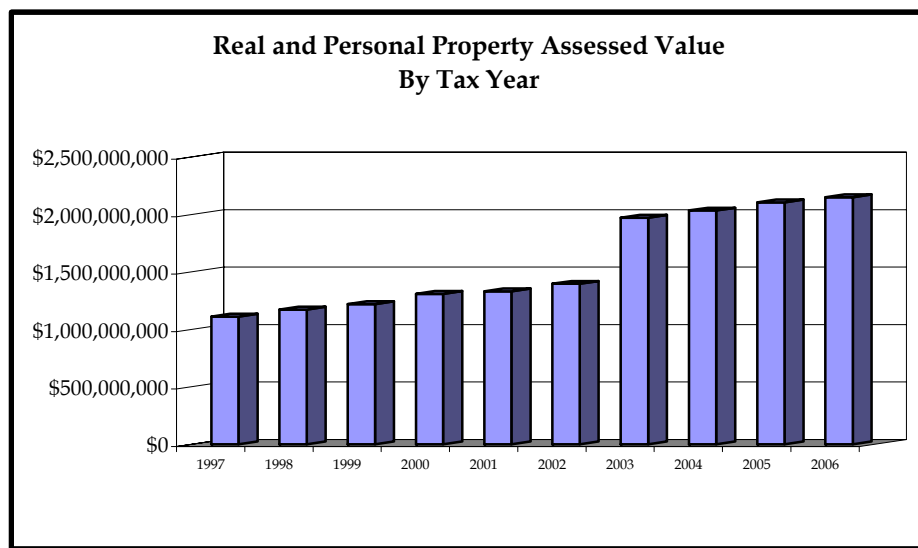
Revenue Assumptions

- Property revaluation by the Moore County Tax Department resulted in an estimated 15% increase in property values. As a result, the budget reflects a reduced tax rate of \$0.28, down from \$0.31. A tax rate of \$0.28 per \$100 valuation is expected to generate \$7,189,350 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$2,575,000,000, of which \$2,421,000,000 is real property valuation and \$154,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.



Ad Valorem Taxes

- In addition to revaluation of existing property, a normal growth factor included in the estimate of the real property valuation is 3.0%, which is fueled primarily by consistent growth in the residential tax base in excess of \$50 million annually. The growth factor for the motor vehicles valuation is 2.0%. Taking these factors into account, the \$0.28 proposed tax rate is the revenue neutral tax rate rounded to the next highest penny.
- 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. Historically, 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. Beginning in FY2007-2008, the North Carolina legislature changed this revenue source from a locally negotiated franchise tax to a state imposed video programming sales tax shared by all local governments.

Other Taxes & Licenses	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Local Option Sales Tax	\$ 2,316,972	\$ 2,400,000	\$ 2,470,000	\$ 2,490,000	0.8%
Cablevision Franchise Fees	217,008	236,900	238,000	238,000	0.0%
Total Other Taxes & Licenses	\$ 2,533,980	\$ 2,636,900	\$ 2,708,000	\$ 2,728,000	0.7%

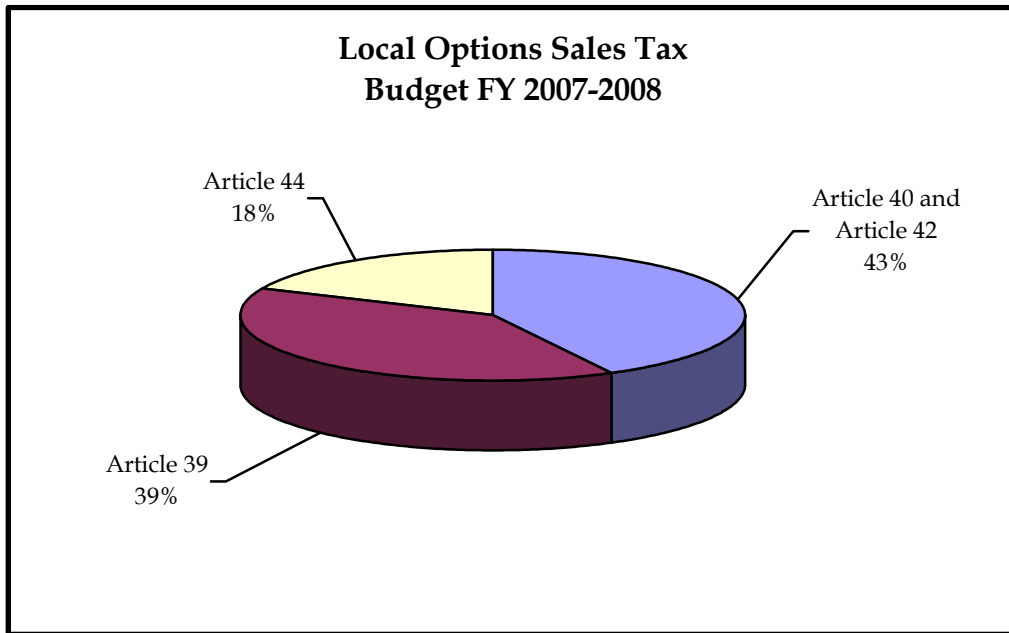
Revenue Assumptions

- Local Option Sales Tax estimates are based on a 3.0% expected statewide growth factor for Articles 39, 40, 42 and 44. The statewide rates are estimated by the North Carolina League of Municipalities (NCLM) in conjunction with economists from the North Carolina General Assembly. These estimates are communicated to all municipalities to aid them in budgeting state-collected revenues.
- Cablevision Franchise Fees/Video Programming Sales Taxes are estimated to remain at the same level as the previous fiscal year. This is the conservative approach suggested by the NCLM as revenues from the new video programming sales tax on cable are unclear due to the change from a locally negotiated fee to a state generated sales tax.



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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Unrestricted Intergovernmental Revenue					
Telecommunications Tax	\$ 104,897	\$ 150,000	\$ 150,000	\$ 153,000	2.0%
Electricity Franchise Tax	405,619	390,000	419,982	430,000	2.4%
Wine & Beer Tax	47,235	49,000	48,416	49,300	1.8%
Total Unrest. Intergovernmental Rev.	\$ 557,751	\$ 589,000	\$ 618,398	\$ 632,300	2.2%

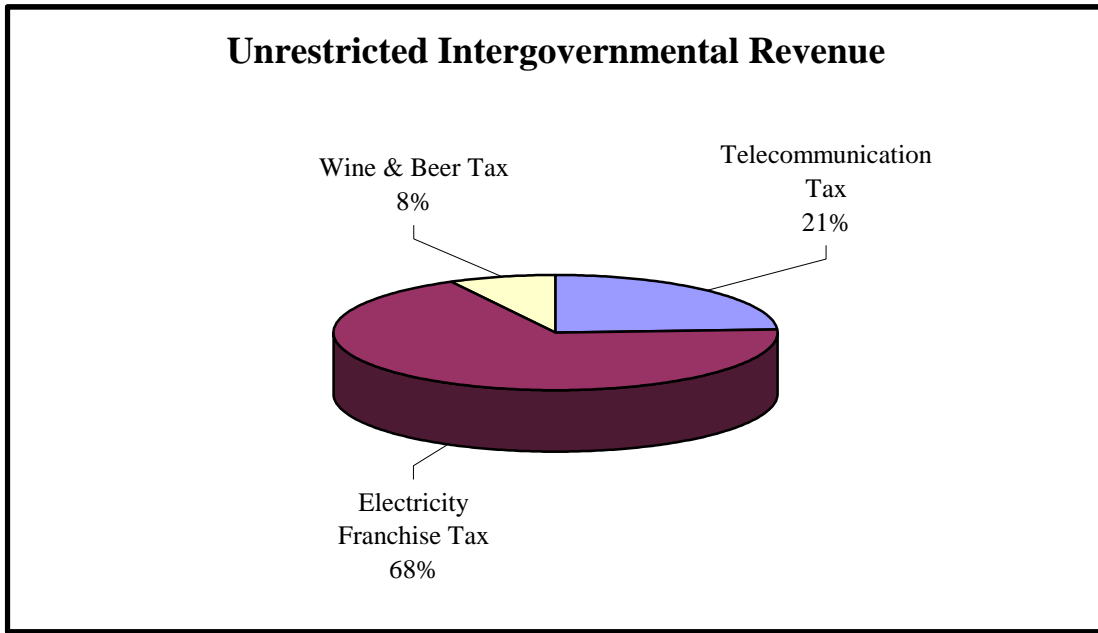
Revenue Assumptions

- Telecommunications Taxes are projected based upon growth assumptions provided by the NCLM. Based on these estimates, we are expecting a 2.0% increase in revenue for Telecommunications Taxes in FY 2007-08.
- Electricity Franchise Taxes are also projected based upon growth assumptions provided by the NCLM. Applying these conservative statewide revenue growth assumptions, revenue for Electricity Franchise Taxes is estimated to increase by 2.4% in FY 2007-2008.
- Applying the conservative statewide revenue growth assumption for Beer & Wine Tax revenues, these revenues are projected to increase by 2.0% in FY 2007-2008.



Unrestricted Intergovernmental Revenues

The following graph shows that the Village receives approximately 68% 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.

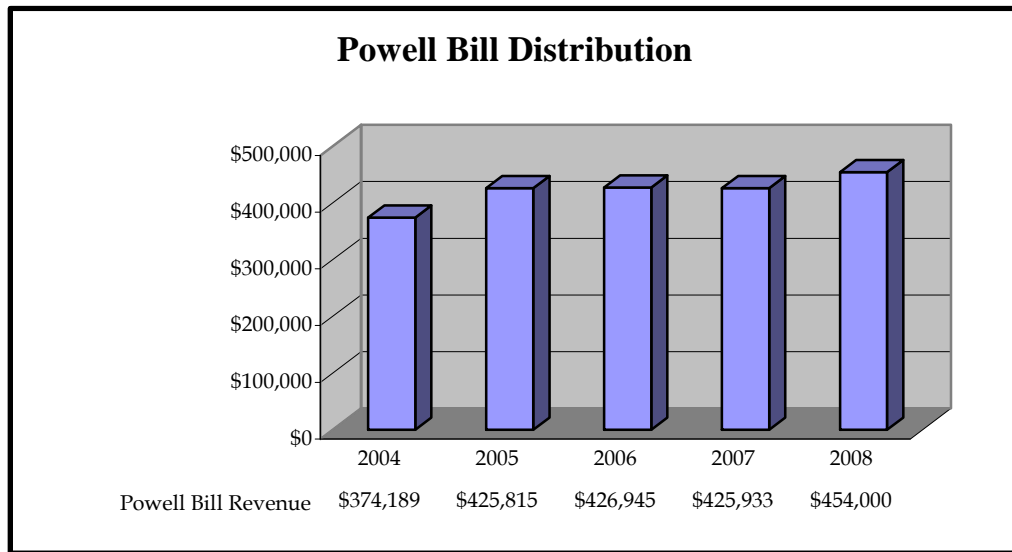
Restricted Intergovernmental Revenue	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Powell Bill	\$ 426,945	\$ 437,000	\$ 425,933	\$ 454,000	6.6%
Other Grants	48,834	170,605	41,730	-	-100.0%
Total Rest. Intergovernmental Rev.	\$ 475,779	\$ 607,605	\$ 467,663	\$ 454,000	-2.9%

Revenue Assumptions

- Given the impact of the modestly improving economy and increased fuel consumption, the per capita rate used in the estimation of Powell Bill revenue is \$23.85, which is up approximately 5% from the previous year's actual distribution rate. Additionally, the street mile rate utilized to project the allocation is \$1,779 per street mile maintained, which is up \$93 from the FY 2006-07 distribution. Both of these estimated distribution rates were provided by the NCLM.
- The Village has an application pending with the U. S. Federal Highway Administration for a grant to study the environmental impact of the Western Connector transportation improvement project. The Village does not, however, budget for grant revenues until a grant award notification has been received. The Village has not yet received a notice of award for a grant for FY 2007-2008, thus the grant revenue has not been budgeted.



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.

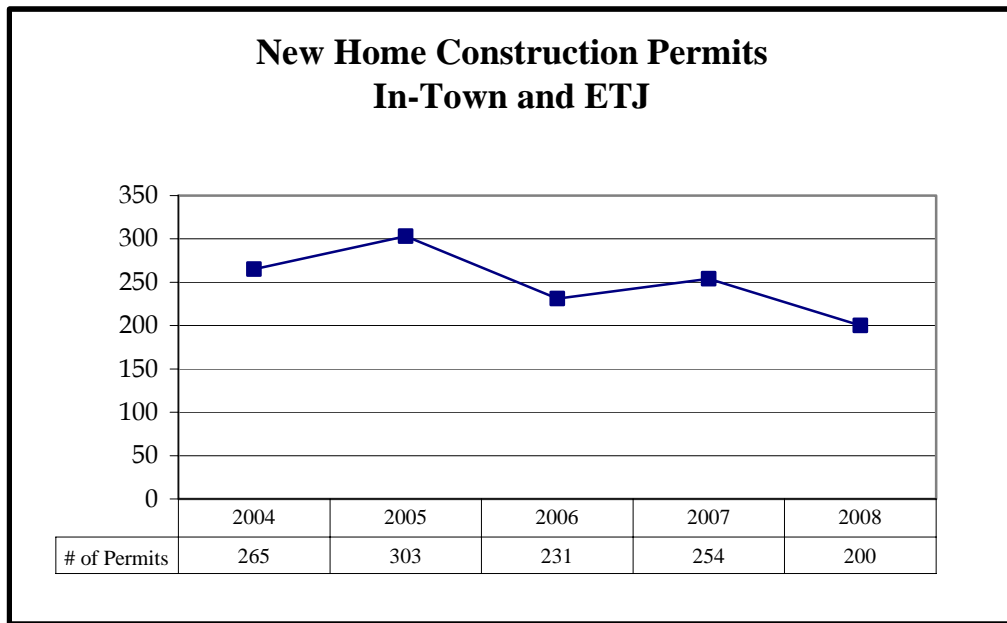
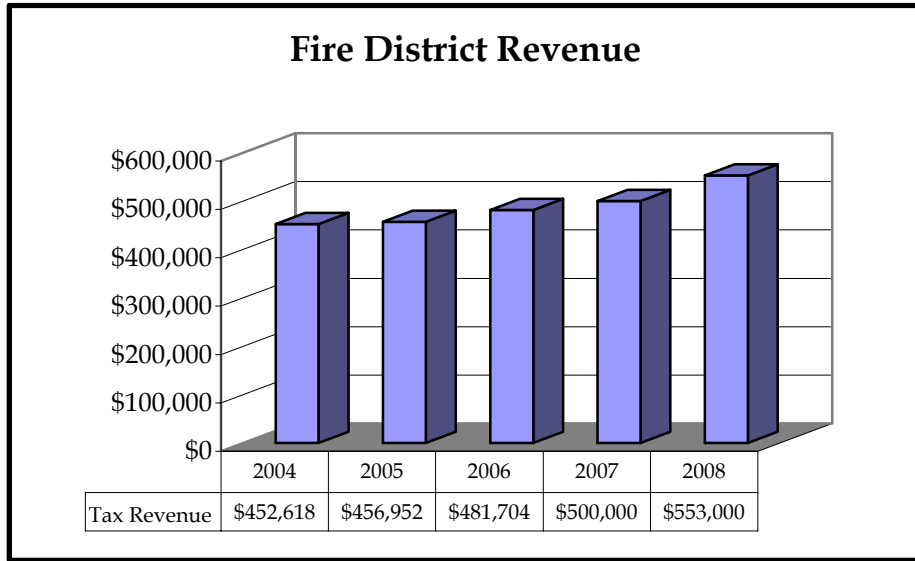
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village’s growth is generated 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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Permit & Inspection Fees	\$ 507,596	\$ 487,000	\$ 484,064	\$ 449,500	-7.1%
Planning & Zoning Fees	100,121	80,000	90,000	78,000	-13.3%
Fire District Revenue	481,704	500,000	510,000	553,000	8.4%
Other Fees	44,847	19,840	23,100	18,000	-22.1%
Total Permit & Fees	\$ 1,134,268	\$ 1,086,840	\$ 1,107,164	\$ 1,098,500	-0.8%

Revenue Assumptions

- Permit & Inspection Fees and Planning & Zoning Fees are expected to decrease from the estimated revenue for FY 2006-2007 as construction begins to slow and the number of available building lots continues to decline. The Village anticipates a decrease of approximately 20% in the levels of new home construction, from approximately 250 to 200 homes next year in the Village limits and ETJ.
- Fire district revenue is based upon a tax rate of \$0.09 per \$100 of property valuation, which is a decrease from the current rate of \$0.10 due to revaluation.





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.

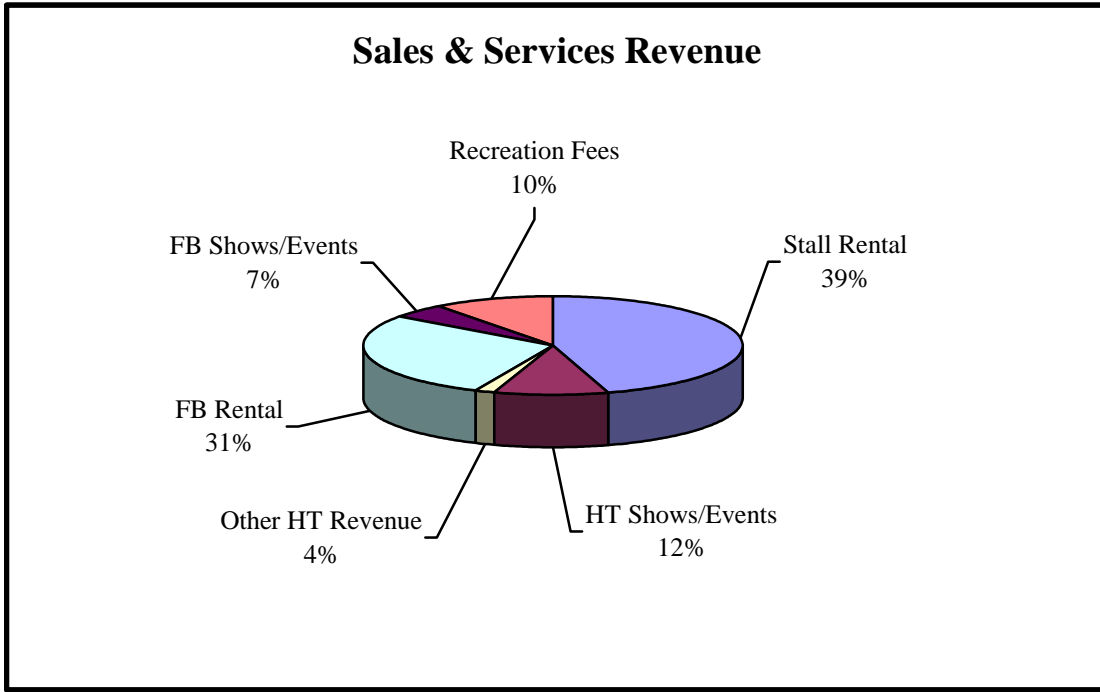
The second primary revenue source in this category is revenue generated from the Village's Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering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

Sales & Services	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Stall Rental Revenue	\$ 176,438	\$ 180,000	\$ 180,000	\$ 180,000	0.0%
Harness Track Shows/Events Revenue	48,879	42,500	42,500	38,350	-9.8%
Other Harness Track Revenue	6,943	5,900	5,953	6,700	12.5%
Fair Barn Rental Revenue	115,818	115,000	115,000	112,500	-2.2%
Fair Barn Shows/Events Revenue	33,794	26,000	26,000	18,750	-27.9%
Recreation Fees	40,459	35,000	47,353	41,000	-13.4%
Total Sales & Services	\$ 422,331	\$ 404,400	\$ 416,806	\$ 397,300	-4.7%

Revenue Assumptions

- The events held at the Fair Barn continue to be successful. Revenues are expected to remain fairly steady at \$112,500 for FY 2007-2008 as the number and types of events is expected to be similar to FY 2006-2007.
- Harness Track stall rental fees and event fees are also expected to remain steady for FY 2007-2008 as stall rental is at maximum capacity and the number and types of other events is expected to be similar to FY 2006-2007.





Other Revenues

Description of Revenue Source

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

Other Revenues	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
ABC Revenues	\$ 73,493	\$ 85,500	\$ 85,300	\$ 95,700	12.2%
Other Miscellaneous Revenues	63,584	46,804	49,514	41,975	-15.2%
Total Other Revenues	\$ 137,077	\$ 132,304	\$ 134,814	\$ 137,675	2.1%

Revenue Assumptions

- ABC revenue is projected to increase by approximately 12.0% for the FY 2007–2008, which is based on a nine-year historical average. The largest contributing factor to the increase is the increase in counter sales of alcoholic beverages in Pinehurst as a result of relocating the ABC Store from the core Village out to a major thoroughfare.
- Other miscellaneous revenues are expected to remain fairly consistent with previous years. The increase in FY 2006-07 was due to receiving approximately \$6,000 in insurance proceeds. These funds are appropriated upon receipt each year.



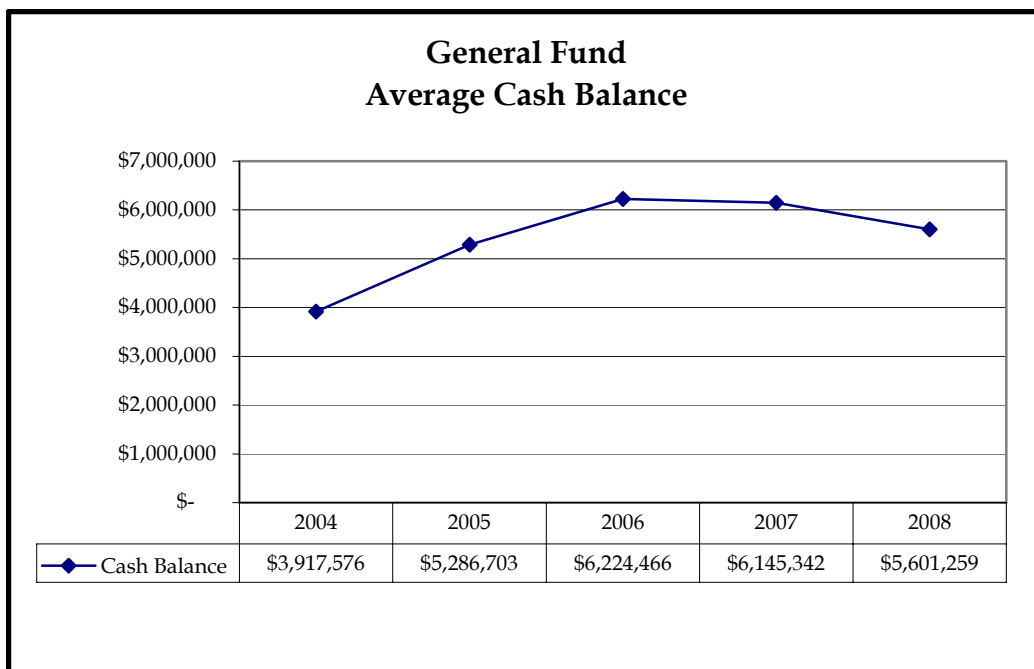
Description of Revenue Source

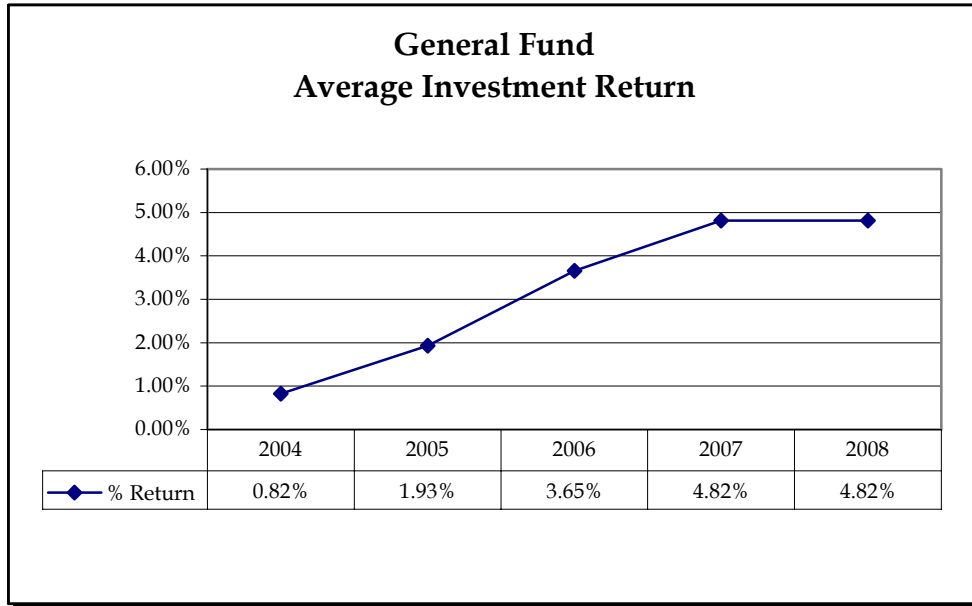
Investment Income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, U. S. Treasury and Agency securities, high grade commercial paper and other investment vehicles.

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Investment Income	\$ 231,898	\$ 311,000	\$ 302,520	\$ 270,000	-10.7%
Total Investment Income	\$ 231,898	\$ 311,000	\$ 302,520	\$ 270,000	-10.7%

Revenue Assumptions

- Investment income is estimated to be down 10.7% due a decrease in the overall size of the Village's investment portfolio. The estimated revenue is based upon an average cash balance of \$5.6 million and a conservative average rate of return of 4.82%.







Other Financing Sources

Description of Revenue Source

Other Financing Sources is comprised of Operating Transfers from other funds. 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.

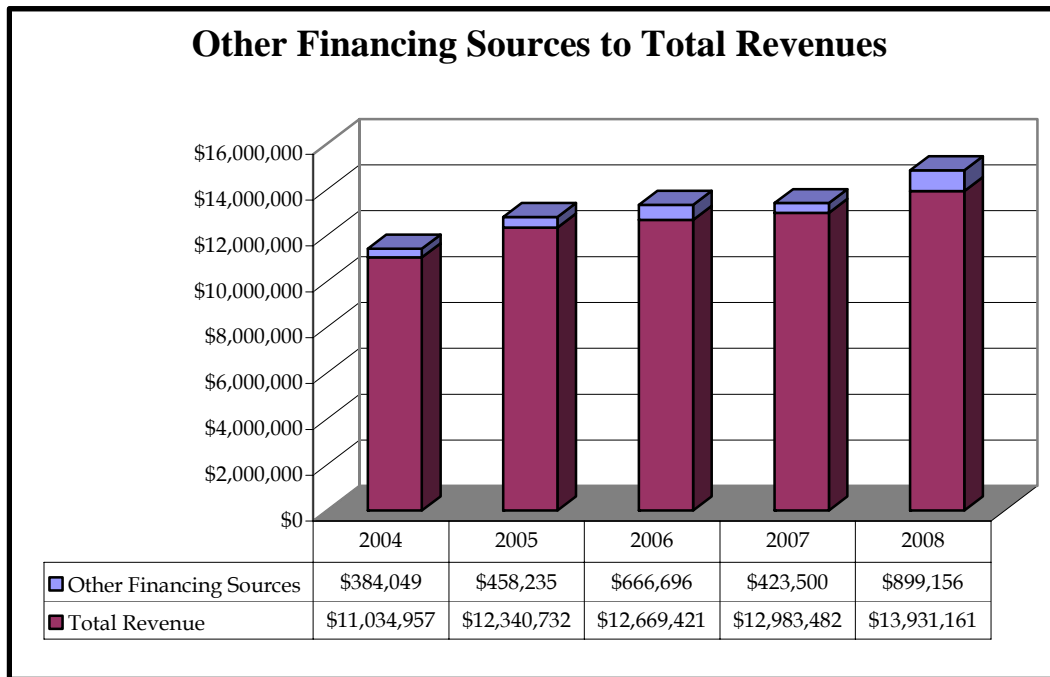
Other Financing Sources	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Transfer from Land Dedication	\$ -	\$ 35,000	\$ 35,000	\$ -	-100.0%
Transfer from Capital Project Funds	53,961	25,660	25,618	-	-100.0%
Transfer from Capital Reserve Fund	580,500	300,000	300,000	850,000	183.3%
Transfer from Special Rev Funds	32,235	63,435	62,882	49,156	-21.8%
Total Other Financing Sources	\$ 666,696	\$ 424,095	\$ 423,500	\$ 899,156	112.3%

Revenue Assumptions

- An Operating Transfer of \$31,765 from the Taylorhurst Special Revenue Fund for debt service and \$17,391 from the Municipal Service District Special Revenue Fund resulting from an assessment for dam repairs will occur in the 2007-2008 fiscal year.
- An Operating Transfer of \$850,000 will come from the Capital Reserve Fund in FY 2007-2008.



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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,711,410	\$ -	\$ 1,362,144	100.0%
Total Fund Balance Appropriations	\$ -	\$ 1,711,410	\$ -	\$ 1,362,144	100.0%

Revenue Assumptions:

- The FY 2007–2008 Budget contemplates the use of \$1,362,144 of appropriated fund balance.
- Approximately \$402,000 in fund balance is being appropriated for expenditures related to the annexation of the Pinewild Country Club of Pinehurst. These expenditures are included in the FY 2007-08 Budget in order for the Village to be prepared to serve this area beginning June 30, 2008. Fund balance is needed for these expenditures since the revenues related to this annexation will not be received until the 2008-09 fiscal year.



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 2006-2007:

- Adopted a Master Plan for the New Core Area
- Adopted various items to effect the annexation of Pinewild Country Club of Pinehurst on June 30, 2008
- Acquired land for a new Public Services Facility
- Completed Special Assessments for the Municipal Service District
- Continued to fill a leading role in the Moore County Summit Initiative

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To set priorities for the Village Manager and his/her staff in order to protect and enhance the quality of life for Village residents.

Objective: To increase the number of planning meetings with Senior Staff to discuss Council direction from 1 to 2, toward a target of 4 per year.

Objective: To increase the percentage of the 2003 Comprehensive Long Range Plan initiatives implemented by 9%, from 88% to 97% toward a target of 97%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
Number of planning meetings	1	1	1
% of Comp Plan initiatives implemented	68%	74%	88%



Governing Body

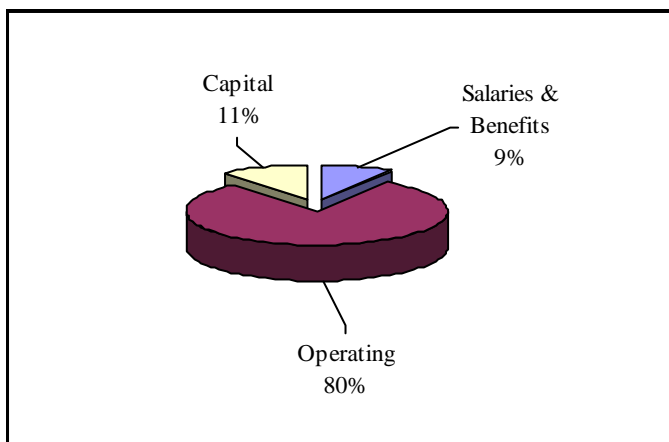
The Governing Body Department is located on the first floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 24,676	\$ 28,000	\$ 25,428	\$ 25,500	0.3%
Operating	184,046	215,600	176,099	220,400	25.2%
Capital	35,902	40,000	35,600	30,000	-15.7%
Expenditures Total	\$ 244,624	\$ 283,600	\$ 237,127	\$ 275,900	16.4%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 244,624	\$ 283,600	\$ 237,127	\$ 275,900	16.4%
Revenues Total	\$ 244,624	\$ 283,600	\$ 237,127	\$ 275,900	16.4%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	5.00	5.00	5.00	5.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	5.00	5.00	5.00	5.00	0.0%



Budget Highlights:

The Budget for the Governing Body includes salaries for the Mayor and four council members. The FY 2007-2008 budget also includes capital expenditures for the purchase of two 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 2006-2007:

- Facilitated the implementation of a Results Based Management (RBM) program for two pilot programs: recycling and athletic programs
- Implemented statutory procedures required to effect the annexation of Pinewild Country Club of Pinehurst on June 30, 2008
- Oversaw the development and implementation of an organization strategic plan
- Participated in the Moore County Summit initiative

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To provide leadership to the Village staff in order to execute the priorities established by the Village Council.

Objective: To maintain the number of programs that implement a RBM program at two (2) toward an eventual target of ten (10).

Objective: To increase the percentage of strategic action plans implemented in the stated time frame by 100%, from 0% to 100%.

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

Objective: To increase the percentage of Council meeting minutes published to the Village's website within 10 calendar days, from 88.5% to 100%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# of programs implementing RBM	n/a	n/a	2
% of Strategic Action Plans implemented	n/a	n/a	n/a
% of minutes published to the website	n/a	83.25%	88.5%



Administration

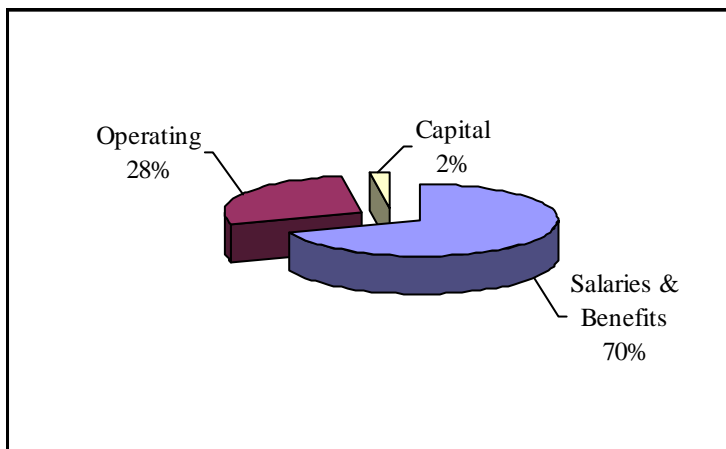
The Administration Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 352,335	\$ 540,940	\$ 529,041	\$ 583,800	10.4%
Operating	170,801	222,840	166,964	233,605	39.9%
Capital	-	78,000	28,500	20,000	-29.8%
Expenditures Total	\$ 523,136	\$ 841,780	\$ 724,505	\$ 837,405	15.6%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 523,136	\$ 841,780	\$ 724,505	\$ 837,405	15.6%
Revenues Total	\$ 523,136	\$ 841,780	\$ 724,505	\$ 837,405	15.6%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	4.00	5.00	6.00	6.00	0.0%
Part Time	0.50	1.00	0.50	0.50	0.0%
Total Authorized Personnel	4.50	6.00	6.50	6.50	0.0%



Budget Highlights:

The FY 2007-2008 Budget reflects a full year's worth of the transition of a part-time customer service representative to a full-time employee that was approved in late FY 2006-07. Capital includes the costs to install and implement fiber connectivity between the Village Hall, Police and Fire Stations.



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 2006-2007:

- Prepared the Comprehensive Annual Financial Report in-house and received the Government Finance Officers' Association (GFOA) Certificate of Achievement for Financial Reporting for the 14th consecutive year
- Reduced turnaround time on purchase orders from two days to one
- Successfully upgraded financial accounting software to Microsoft Dynamics GP version 9.0
- Billed and collected the Municipal Service District assessments for the first year with a 100% collection rate

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To prepare a high quality 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 15%, from 85% 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%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of GFOA Distinguished Budget Award requirements met	n/a	75%	85%
% of months financial statements are distributed by the tenth	n/a	n/a	75%



Financial Services

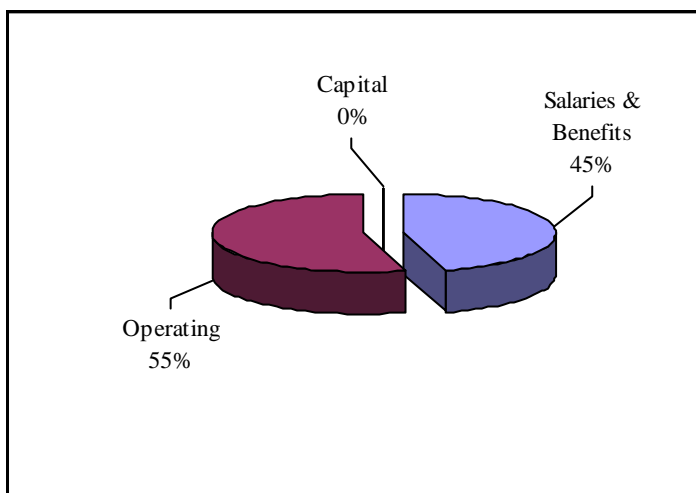
The Financial Services Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

Additional information about the Financial Services Department may be obtained by contacting John G. Frye, CPA, Director of Financial Services, at 910.295.1900 or jfrye@villageofpinehurst.org.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 308,110	\$ 235,520	\$ 220,428	\$ 267,450	21.3%
Operating	235,942	278,180	246,118	321,430	30.6%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 544,052	\$ 513,700	\$ 466,546	\$ 588,880	26.2%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 544,052	\$ 513,700	\$ 466,546	\$ 588,880	26.2%
Total Revenues	\$ 544,052	\$ 513,700	\$ 466,546	\$ 588,880	26.2%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	4.00	4.00	4.00	4.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	4.00	4.00	4.00	4.00	0.0%



Budget Highlights:

The Financial Services Department Operating expenditures include tax collection fees paid to Moore County. There are no capital expenditures in the FY 2007-2008 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 Human Resources Generalist provides a strategic service for recruitment, retention and recognition of competent staff.

Major Accomplishments for Fiscal Year 2006-2007:

- Implemented an employee referral award program to reward employees for sourcing qualified new hires
- Introduced a series of wellness initiatives to Village employees designed to encourage a proactive approach to personal health and wellness
- Developed and implemented a policy for employee use of exercise equipment at Fire Station 91
- Established a staffing pool to cover duties of regular staff during periods of extended absence

Goals and Objectives for Fiscal Year 2007-2008:

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 10% from an average of 60% to 70%, toward a target of 75% participation.

Goal: To design and implement education, training, advancement and compensation programs in order to enhance employee job satisfaction and retention.

Objective: To maintain or decrease an average rate of total employee turnover of 10%, toward a target of consistently achieving an average rate of total turnover of 10%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of terminating employees participating in exit interviews	n/a	43%	60%
% rate of average employee turnover	10%	10%	10%



Human Resources

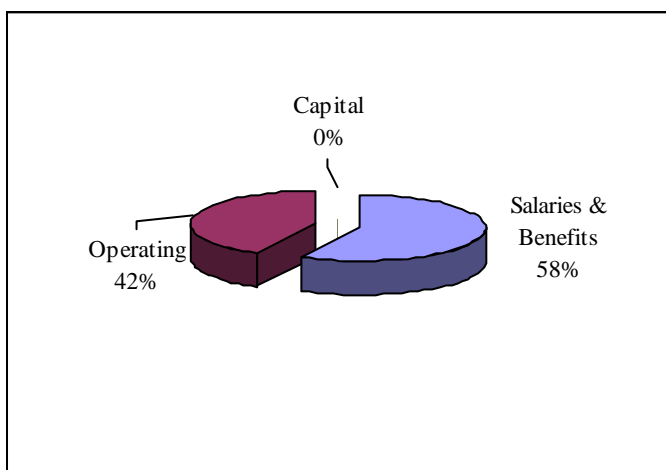
The Human Resources Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 100,884	\$ 120,680	\$ 119,206	\$ 158,250	32.8%
Operating	67,820	113,280	66,569	115,540	73.6%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 168,704	\$ 233,960	\$ 185,775	\$ 273,790	47.4%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 168,704	\$ 233,960	\$ 185,775	\$ 273,790	47.4%
Revenues Total	\$ 168,704	\$ 233,960	\$ 185,775	\$ 273,790	47.4%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	2.00	100.0%
Part Time	-	0.50	0.50	-	0.0%
Total Authorized Personnel	1.00	1.50	1.50	2.00	33.3%



Budget Highlights:

The Human Resources Department FY 2007-2008 budget reflects the transition of a part-time employee to full-time and additional costs for a staffing pool to replace regular staff during periods of extended absences. There are no capital outlay items in the 2007-2008 fiscal year budget.



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 27 police officers, one part-time trainee, four dispatchers and one administrative assistant.

Major Accomplishments for Fiscal Year 2006-2007:

- Equipped all patrol vehicles with Electronic Citation software
- One Sergeant completed the FBI National Academy training at Quantico, Virginia
- Received a grant totaling more than \$195,000 from the Governor’s Highway Safety Program which funded two officers, equipment and two cars, with a required match of \$25,000
- Participated in 20 separate DWI, seat belt and driver’s license 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 2007-2008:

Goal: To increase roadway safety through fair and consistent traffic enforcement and public education.

Objective: To increase the number of scheduled seat belt and driver’s license checkpoints by 15, from 9 to 24, toward a target of 24 per year.

Objective: To increase the average number of days per month the speed limit trailer is in service by 10.5, from 9.5 to 20, toward a target of 20 days per month.

Objective: To maintain DWI checkpoint participation at one per quarter or 4 per year.

Objective: To reduce the percentage of vehicle collisions with injuries and fatalities by 5%, from 25% to 20%, with a target of 10%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# of scheduled seat belt/license checkpoints	n/a	n/a	9
# of days per month speed limit trailer is in service	6.5	3.5	9.5
# of scheduled DWI checkpoints	n/a	n/a	4
# of vehicle collisions	664	332	370
% of collisions w/injuries & fatalities	11%	25%	25%



Police

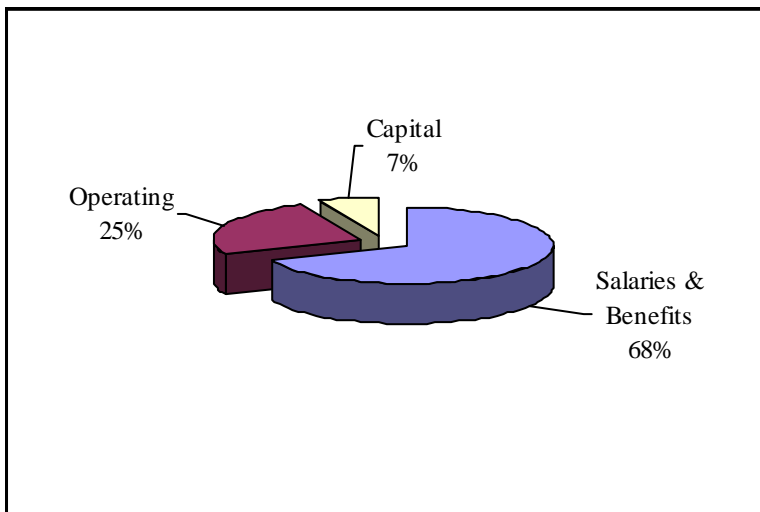
The Police Department is located at 420 Magnolia Drive, Pinehurst, NC.

Additional information about the Police Department may be obtained by contacting Ronnie Davis, Police Chief, at 910.295.3141 or rdavis@villageofpinehurst.org.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 1,391,301	\$ 1,495,087	\$ 1,449,086	\$ 1,790,550	23.6%
Operating	289,548	430,428	365,045	646,360	77.1%
Capital	122,460	184,650	180,650	177,000	-2.0%
Expenditures Total	\$ 1,803,309	\$ 2,110,165	\$ 1,994,781	\$ 2,613,910	31.0%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 1,792,707	\$ 1,927,960	\$ 1,981,681	\$ 2,602,510	31.3%
Police Grants	-	170,605	-	-	0.0%
Parking Fines	3,630	4,000	4,000	4,000	0.0%
Miscellaneous Police Revenues	6,972	7,600	9,100	7,400	-18.7%
Revenues Total	\$ 1,803,309	\$ 2,110,165	\$ 1,994,781	\$ 2,613,910	31.0%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	28.00	28.00	29.00	30.50	5.2%
Part Time	-	-	-	1.00	100.0%
Total Authorized Personnel	28.00	28.00	29.00	31.50	8.6%



Budget Highlights:

The Police Department's budget reflects the additional staff, fleet maintenance expenditures and new vehicles required to provide service to Pinewild Country Club of Pinehurst upon annexation at June 30, 2008.



Description:

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department includes 30 uniformed firefighters, including the Fire Chief and one fire/life safety educator.

Major Accomplishments for Fiscal Year 2006-2007:

- Received the 2005 Life Safety Achievement Award which recognizes fire departments that had zero deaths in structure fires in the previous calendar year
- Purchased a 2006 Brush Truck
- Completed the NC Public Fire and Life Safety Education certification program giving the department a force with 100% Level 1, 65% Level 2 and 20% Level 3 certifications.
- Received a grant of 20 child passenger safety seats from the NC Department of Insurance as part of the department’s commitment to our Permanent Child Fitting Station

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To provide a comprehensive fire and life safety inspection program in order to preserve the quality of life enjoyed by the Village of Pinehurst citizens.

Objective: To increase the rate of fire code violations corrected within a 30 day period by 6%, from 49% to 55%, toward a target of 80%.

Objective: To increase the rate of fire code violations corrected within a sixty day period by 2%, from 78% to 80%, toward a target of 90%.

Goal: To provide fire suppression, hazardous materials mitigation and technical rescue within the fire district to reduce the degree of injuries and property damage.

Objective: To increase the amount of first-in-engine response times within five minutes of dispatch by 6%, from 64% to 70%, toward a target of 85% of calls.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of fire code violations corrected in 30 days	n/a	n/a	49%
% of fire code violations corrected in 60 days	n/a	n/a	78%
% of first-in-engine response time within five minutes of dispatch	n/a	n/a	64%



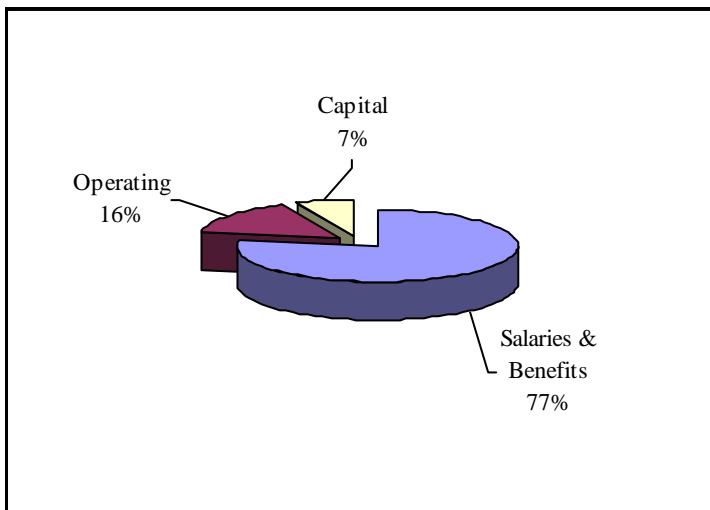
The Fire Department has two fire stations. The main station is located at 405 Magnolia Road and the second station is located at 15 Parker Lane, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 1,422,080	\$ 1,542,836	\$ 1,544,634	\$ 1,641,150	6.2%
Operating	247,577	345,545	296,914	331,180	11.5%
Capital	55,927	90,250	90,196	144,000	59.7%
Expenditures Total	\$ 1,725,584	\$ 1,978,631	\$ 1,931,744	\$ 2,116,330	9.6%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 1,221,543	\$ 1,477,631	\$ 1,381,684	\$ 1,563,330	13.1%
Fire Grants	22,337	-	40,060	-	-100.0%
Fire District Revenue	481,704	500,000	510,000	553,000	8.4%
Fire Inspection Fees	-	1,000	-	-	0.0%
Revenues Total	\$ 1,725,584	\$ 1,978,631	\$ 1,931,744	\$ 2,116,330	9.6%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	30.00	30.00	30.00	30.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	30.00	30.00	30.00	30.00	0.0%



Budget Highlights:

There are no individually significant operating expenditures in the Fire department's FY 2007-2008 budget. Capital outlay expenditures include repair and renovation of Station 92.



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 2006-2007:

- Reviewed and inspected all phases of construction for various First Health renovations and approximately 100 rooms at the Carolina Hotel
- 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 2007-2008:

Goal: To provide responsive and efficient inspection services to the building community in order to provide a safe and aesthetically pleasing community.

Objective: To increase the percentage of inspections completed in 24 hours by 5%, from 90% to 95%, toward a target of 95%.

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 5 days, from 15 to 10 days, toward a target of 10 days.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of inspections completed in 24 hours	n/a	n/a	90%
# of days to review building plans	n/a	n/a	15



Inspections

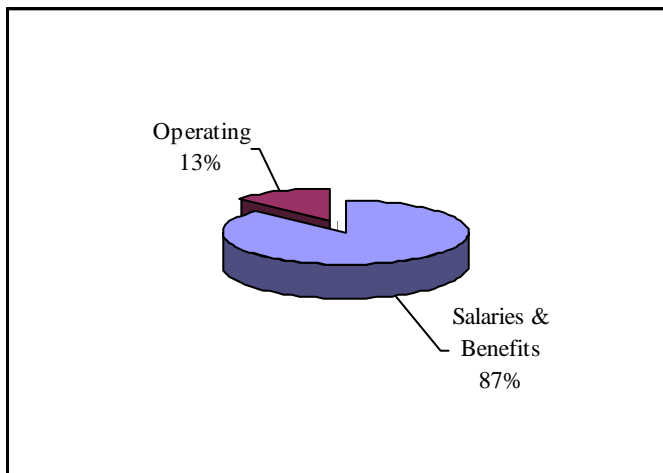
The Inspections Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 218,935	\$ 234,560	\$ 227,995	\$ 247,400	8.5%
Operating	19,970	28,700	23,192	37,060	59.8%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 238,905	\$ 263,260	\$ 251,187	\$ 284,460	13.2%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Inspection Permit Revenue	238,905	263,260	251,187	284,460	13.2%
Revenues Total	\$ 238,905	\$ 263,260	\$ 251,187	\$ 284,460	13.2%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	0.20	0.20	100.0%
Total Authorized Personnel	3.00	3.00	3.20	3.20	0.0%



Budget Highlights:

The increase in operating expenditures reflects additional costs related to information technology. There are no capital items in the Inspection department's budget for fiscal year 2007-2008.



Public Services Administration

Description:

Public Services Administration is a division of the Public Services Department. It provides management and administrative and technical support to all of the divisions in the department, which includes Administration, Streets and Grounds, Solid Waste and Recycling. The Director of the Public Services Department reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Administration Division consists of the Director, the Assistant Director and an Administrative Assistant.

Major Accomplishments for Fiscal Year 2006-2007:

- Acquired 41 acres for new Public Services facility
- Developed implementation plan for the use of automated arm refuse collection system throughout the Village of Pinehurst
- Coordinated selection, purchase and delivery of 1,650 refuse containers for the automated collection system
- Created schedule to clean the core Village streets with a new street sweeper
- Reorganized recycling collection method and routes to reduce costs and improve operating efficiencies
- Implemented commingled recycling system

Goals and Objectives for Fiscal Year 2007-2008:

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



Public Services Administration

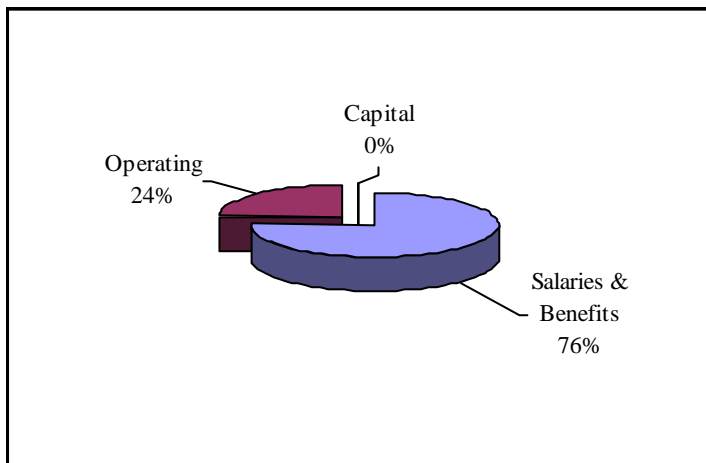
Public Services Administration is located at 700 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 168,340	\$ 199,301	\$ 172,647	\$ 202,115	17.1%
Operating	62,022	67,650	60,982	65,560	7.5%
Capital	-	4,560	4,560	-	100.0%
Expenditures Total	\$ 230,362	\$ 271,511	\$ 238,189	\$ 267,675	12.4%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 230,362	\$ 271,511	\$ 238,189	\$ 267,675	12.4%
Revenues Total	\$ 230,362	\$ 271,511	\$ 238,189	\$ 267,675	12.4%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	2.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	2.00	3.00	3.00	3.00	0.0%



Budget Highlights:

There are no individually significant operating items and no capital items in the Public Services Administration budget for fiscal year 2007-2008.



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 2006-2007:

- Installed reflective street signs according to the FY 2006-2007 plan
- Initiated cleaning the core Village streets with a new street sweeper
- Began replacing regulatory signs within the Village limits

Goals and Objectives for Fiscal Year 2007-2008:

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 old street signs replaced within the Village limits by 15%, from 85% 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 culverts located in the Village right-of-ways annually.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of old street signs replaced	n/a	50%	85%
# of culverts in the Village	135	135	135



Streets & Grounds

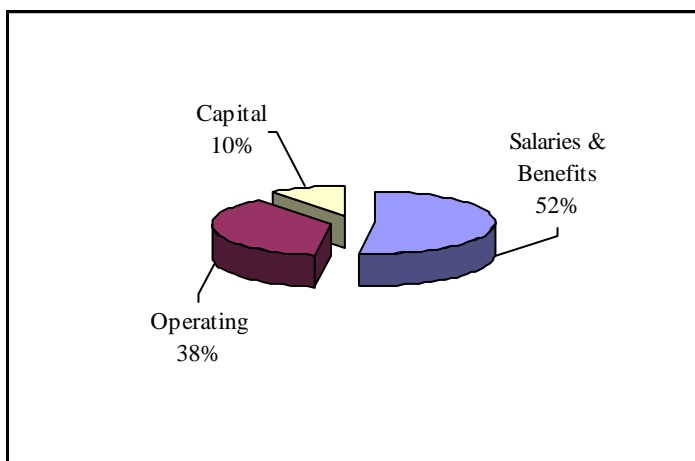
The Streets and Grounds Division is located at 700 McCaskill Road, Pinehurst, NC.

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.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 361,514	\$ 414,459	\$ 382,590	\$ 465,300	21.6%
Operating	373,800	360,325	290,725	335,990	15.6%
Capital	101,307	64,000	40,000	91,000	127.5%
Expenditures Total	\$ 836,621	\$ 838,784	\$ 713,315	\$ 892,290	25.1%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 787,121	\$ 776,784	\$ 663,815	\$ 842,790	27.0%
Street Cut Permit Revenues	49,500	62,000	49,500	49,500	0.0%
Revenues Total	\$ 836,621	\$ 838,784	\$ 713,315	\$ 892,290	25.1%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	13.00	13.00	14.00	13.00	-7.1%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	13.00	13.00	14.00	13.00	-7.1%



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 \$91,000 for the replacement of two (2) full size trucks and two (2) mowers.



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 2006-2007:

- Resurfaced approximately 6 miles of Village maintained roadways
- Painted approximately 4 centerline miles, crosswalks and miscellaneous traffic and pedestrian markings

Goals and Objectives for Fiscal Year 2007-2008:

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



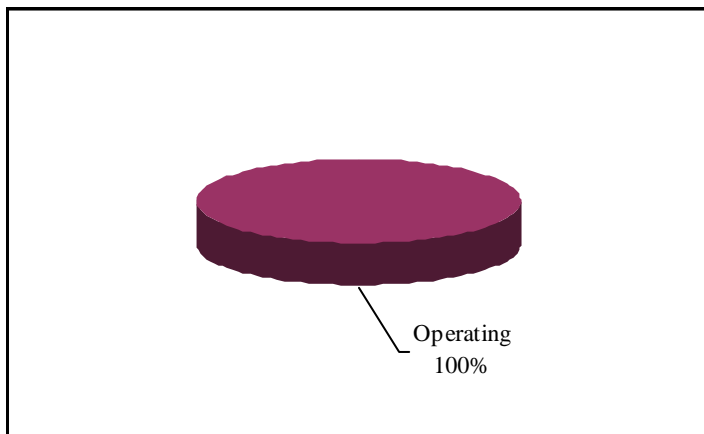
Powell Bill

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.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	718,814	1,082,300	838,240	980,750	17.0%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 718,814	\$ 1,082,300	\$ 838,240	\$ 980,750	17.0%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 291,869	\$ 645,300	\$ 412,307	\$ 526,750	27.8%
Powell Bill Revenue	426,945	437,000	425,933	454,000	6.6%
Revenues Total	\$ 718,814	\$ 1,082,300	\$ 838,240	\$ 980,750	17.0%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	-	-	-	-	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	-	-	-	-	0.0%



Budget Highlights:

The Powell Bill Department includes funding for the resurfacing of six (6) to seven (7) miles of Village-owned streets. The FY 2007-2008 Budget also includes \$20,000 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 2006-2007:

- Implemented Automated Arm Trash Collection service to two routes
- Delivered 1,650 refuse containers for the automated collection system
- Designed an informational brochure for the automated pickup system

Goals and Objectives for Fiscal Year 2007-2008:

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 utilizing automated trash collection service from 1,650 households to 3,200 households, toward a goal of 4,500 households, or 75% of the Village.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# of households served with auto collection method	0	0	1,650
% of households served with auto collection method	0	0	36.6%



Solid Waste

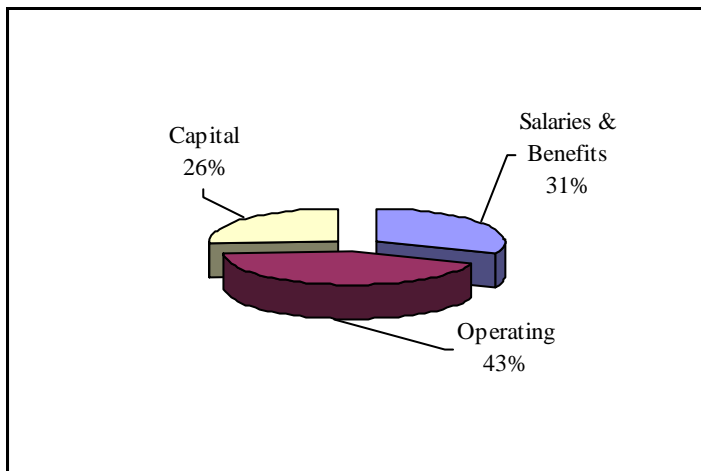
The Solid Waste Division is located at 700 McCaskill Road, Pinehurst, NC.

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.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 320,402	\$ 305,330	\$ 292,733	\$ 318,500	8.8%
Operating	373,167	464,244	446,654	448,000	0.3%
Capital	-	233,000	205,000	270,000	31.7%
Expenditures Total	\$ 693,569	\$ 1,002,574	\$ 944,387	\$ 1,036,500	9.8%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 693,569	\$ 1,002,574	\$ 944,387	\$ 1,036,500	9.8%
Revenues Total	\$ 693,569	\$ 1,002,574	\$ 944,387	\$ 1,036,500	9.8%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	9.00	9.00	9.00	9.50	5.6%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	9.00	9.00	9.00	9.50	5.6%



Budget Highlights:

The Solid Waste Budget for FY 2007-2008 includes the purchase of an automated arm trash collection truck for Pinewild in the Capital budget. Operating costs include \$78,200 for the purchase of 1,700 trash receptacles that are compatible with the new truck and will be distributed to Village residents in Phase II of a four-year implementation plan.



Description:

Recycling is a program within the Solid Waste Division of the Public Services Department. The Recycling program does not contain any staff. Glass, plastic containers, cardboard and paper is picked up every other week at each household curbside. In addition, the division operates a recycle drop-off site.

Major Accomplishments for Fiscal Year 2006-2007:

- Changed site to dispose of recyclable materials which reduced tipping fee, allows for all materials to be commingled and expanded menu of recyclable items
- Created and distributed recycling brochure
- Eliminated fee paid to a third party vendor to haul corrugated cardboard

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To provide a curbside recycling program to Village of Pinehurst residents in order to achieve a high household participation rate in the recycling program.

Objective: To increase the participation rate in the curbside recycling program by 10 percentage points from 21% to 31%, toward a target of 65%.

Objective: To increase the % of total refuse diverted from the landfill by 3 percentage points from 9% to 12%, towards a target of 15%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# of participating households	n/a	n/a	1,372
% of household participating	n/a	n/a	21%
# of tons recycled	305	320	424
Tons recycled as a % of total refuse	n/a	n/a	9%



Recycling

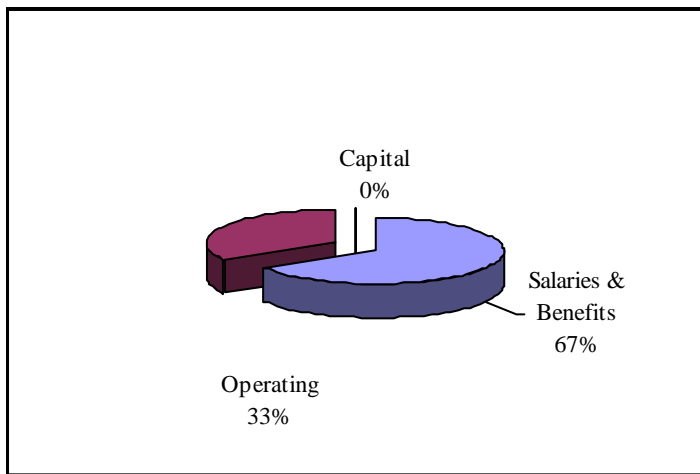
The Recycling Program is located at 700 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ 99,800	\$ 86,735	\$ 83,635	-3.6%
Operating	-	33,400	28,900	41,860	44.8%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ -	\$ 133,200	\$ 115,635	\$ 125,495	8.5%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ -	\$ 133,200	\$ 115,635	\$ 125,495	8.5%
Revenues Total	\$ -	\$ 133,200	\$ 115,635	\$ 125,495	8.5%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	-	-	-	-	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	-	-	-	-	0.0%



Budget Highlights:

The Recycling budget for FY 2007-2008 includes direct expenditures as well as an allocation of salaries and benefits and select operating costs incurred by the Solid Waste and Public Services Administration Divisions of the Public Services Department.



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, 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 2006-2007:

- Adopted New Core Master plan
- Issued permits for extensive renovations and construction at Moore Regional Hospital
- 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 2007-2008:

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 percentage of code violations resolved within 45 days of notification by 10%, from 65% to 75%, towards a target of 85% annually.

Objective: To increase the number of education seminars for builders, realtors and citizens by 1, from 3 to 4, toward a target of 4 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 (TRC) by 25%, from 50% to 75%, toward a target of 85% of comments received in 3 weeks.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of code violations resolved in 45 days	n/a	n/a	65%
# of education seminars conducted	n/a	1	3
% of comments received from TRC in 3 weeks	n/a	n/a	50%



Planning

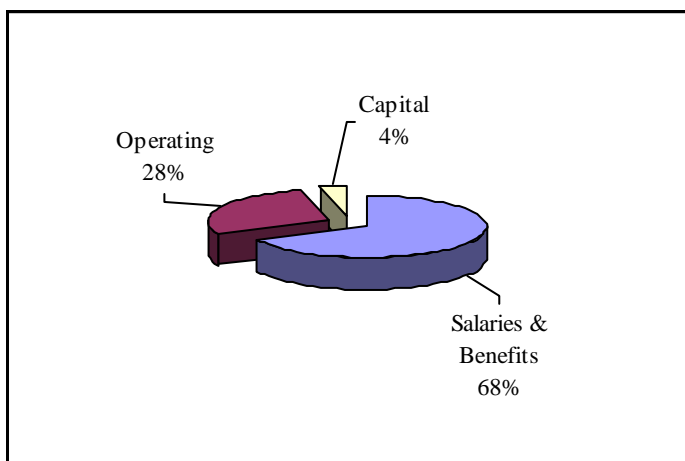
The Planning Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 363,167	\$ 398,010	\$ 390,078	\$ 419,850	7.6%
Operating	164,431	187,290	150,210	176,560	17.5%
Capital	-	-	-	23,000	100.0%
Expenditures Total	\$ 527,598	\$ 585,300	\$ 540,288	\$ 619,410	14.6%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 421,736	\$ 503,300	\$ 449,788	\$ 540,910	20.3%
Planning Permit Revenue	105,862	82,000	90,500	78,500	-13.3%
Revenues Total	\$ 527,598	\$ 585,300	\$ 540,288	\$ 619,410	14.6%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	7.00	7.00	7.00	7.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	7.00	7.00	7.00	7.00	0.0%



Budget Highlights:

There are no individually significant operating expenditures in the Planning department's FY 2007-2008 budget. Capital expenditures include the replacement of a 4-door sedan used by code enforcement.



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 2006-2007:

- Developed and managed resurfacing project for approximately 6 miles of Village-maintained roadways
- Developed and completed nearly \$70,000 of small drainage projects
- Closed out Pond #1 Rehabilitation project including final warranty inspection
- Authored Preliminary Engineering Report (PER) used to secure a \$750,000 grant that funded Phase I of Jackson Hamlet sewer improvements
- Provided expertise on the design and development of the NC-2 Roundabout project

Goals and Objectives for Fiscal Year 2007-2008:

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 Composite Pavement Condition rating (CPC) of the Village’s overall surface transportation system by 4 from a composite rating of 76, toward a target of 80. (The CPC rating was last measured in 2003.)

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.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# of street miles resurfaced	4.9	5	6.5
# of Stormwater Masterplan phases completed	n/a	1	2



Engineering

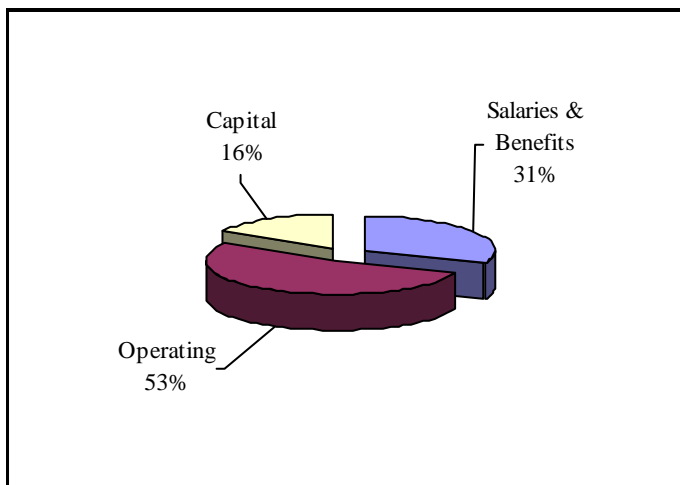
The Engineering Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 187,009	\$ 195,650	\$ 178,139	\$ 193,050	8.4%
Operating	190,416	342,960	119,222	320,700	169.0%
Capital	117,118	90,000	86,000	100,000	16.3%
Expenditures Total	\$ 494,543	\$ 628,610	\$ 383,361	\$ 613,750	60.1%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 480,723	\$ 619,110	\$ 371,361	\$ 605,750	63.1%
Engineering Fee Revenue	13,820	9,500	12,000	8,000	-33.3%
Revenues Total	\$ 494,543	\$ 628,610	\$ 383,361	\$ 613,750	60.1%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	0.50	-	-	-	0.0%
Total Authorized Personnel	2.50	2.00	2.00	2.00	0.0%



Budget Highlights:

The Engineering Department FY 2007-2008 Operating expenditures include professional fees for additional work on the Stormwater Masterplan as well as annual Traffic Study updates. Capital includes expenditures for small drainage projects.



Description:

Recreation is a division within the Parks and Recreation Department. The Parks and Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Director provides management support to all of the divisions in the department, which includes Recreation, Athletics, Harness Track, Fair Barn and Buildings & Grounds. In addition to the Director, the Recreation Division 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 2006-2007:

- Completed Phase IV of the Greenway System adding approximately one mile in length
- Completed Phase I of Rassie Wicker Park construction
- Continued to increase Full Day Summer Camp participation
- Nearly doubled participation in St. Patrick's Day Parade

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To provide quality recreation programs for participants of all ages and ability that enriches the overall quality of life of the participants.

Objective: To increase the number of new program participants from 0 to 8, with a target of 8 participants.

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 10, from 30 to 40, toward a target of 50 campers per week.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# participants in new recreational programs	0	0	0
# full day camp participants per week	n/a	28	30



Recreation

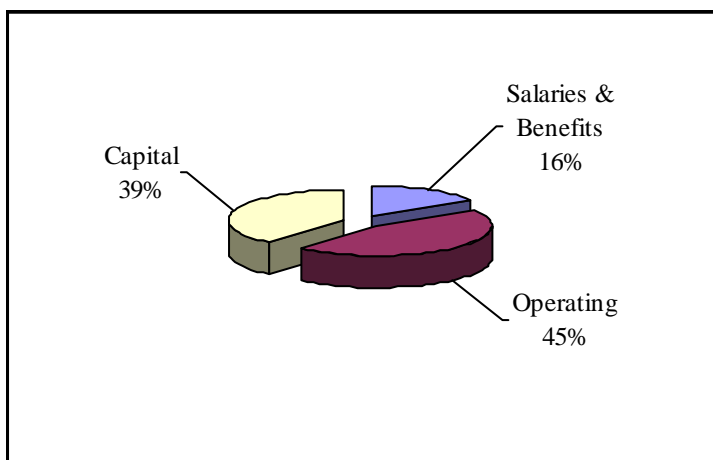
The Recreation Division is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Recreation Division may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.2817 or mwagner@villageofpinehurst.org.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 124,245	\$ 86,122	\$ 85,992	\$ 97,100	12.9%
Operating	222,294	251,255	235,685	271,210	15.1%
Capital	91,414	115,000	115,000	233,000	102.6%
Expenditures Total	\$ 437,953	\$ 452,377	\$ 436,677	\$ 601,310	37.7%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 397,494	\$ 417,377	\$ 401,677	\$ 579,310	44.2%
Recreation Services	40,459	35,000	35,000	22,000	-37.1%
Revenues Total	\$ 437,953	\$ 452,377	\$ 436,677	\$ 601,310	37.7%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	2.00	2.00	2.00	2.00	0.0%



Budget Highlights:

Operating expenditures include increased costs for building and grounds maintenance related to Rassie Wicker Park and the Greenway system. Capital items include \$100,000 for Phase V of the Greenways trails and \$75,000 for Phase II of Rassie Wicker Park development.



Description:

Athletics is a program within the Recreation Division of the Parks and Recreation Department. The Athletics program has several part-time employees including a Field Supervisor and In-line Hockey Rink Supervisor. The Athletic program is designed to promote a healthy lifestyle by enhancing the physical, mental and social well-being of the community. Activities are offered to meet the needs of a diverse population and accommodate participants of all ages and ability.

Major Accomplishments for Fiscal Year 2006-2007:

- Continued to expand the Youth Basketball program
- Named Basketball Coordinator for Statewide Athletic Committee

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To provide quality athletic programs for participants of all ages and ability to promote a healthy lifestyle by enhancing the physical, mental and social well being of the community.

Objective: To increase the percentage of repeat participants by 5%, from 40% to 45%, toward a goal of 60%.

Objective: To increase percentage of program capacity reached by 1%, from 90% to 91%, toward a goal of 95%.

Objective: To increase the number of youth in-line hockey teams by 24, from 0 to 24, toward a target of 24 teams.

Objective: To increase the number of adult in-line hockey teams by 4, from 0 to 4, toward a target of 4 teams.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# youth in-line hockey teams	0	0	0
# of adult in-line hockey teams	0	0	0
% of repeat participants	n/a	n/a	40%
% of program capacity reached	n/a	n/a	90%



Athletics

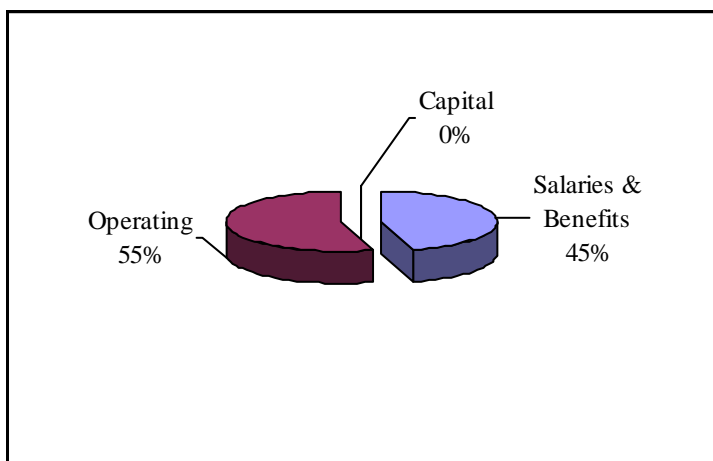
The Athletics Program is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Athletics Program may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.2817 or mwagner@villageofpinehurst.org.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ 75,527	\$ 70,300	\$ 87,950	25.1%
Operating	-	79,990	79,990	105,500	31.9%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ -	\$ 155,517	\$ 150,290	\$ 193,450	28.7%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ -	\$ 155,517	\$ 137,937	\$ 174,450	26.5%
Athletic Fees	-	-	12,353	19,000	53.8%
Revenues Total	\$ -	\$ 155,517	\$ 150,290	\$ 193,450	28.7%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	-	-	-	-	0.0%
Part Time	-	1.30	1.30	1.30	0.0%
Total Authorized Personnel	-	1.30	1.30	1.30	0.0%



Budget Highlights:

The Athletics budget for FY 2007-2008 includes direct expenditures as well as an allocation of salaries and benefits and select operating costs incurred by the Recreation division of the Parks and Recreation department.



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 2006-2007:

- Installed handrails in the lofts of 14 barns to improve safety
- 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

Goals and Objectives for Fiscal Year 2007-2008:

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

Objective: To increase the depth of sand/clay on the ½ mile track by 2 inches, from 4” to 6”, toward a target of 6” 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.

Objective: To increase the number of days the track facilities are reserved for shows/events by 3, from 29 to 32, toward a target of 40 shows/events annually.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
Depth of sand/clay on track, in inches	n/a	4”	4”
# of recruiting trips	0	0	0
# of days the facilities are reserved	62	45	29



Harness Track

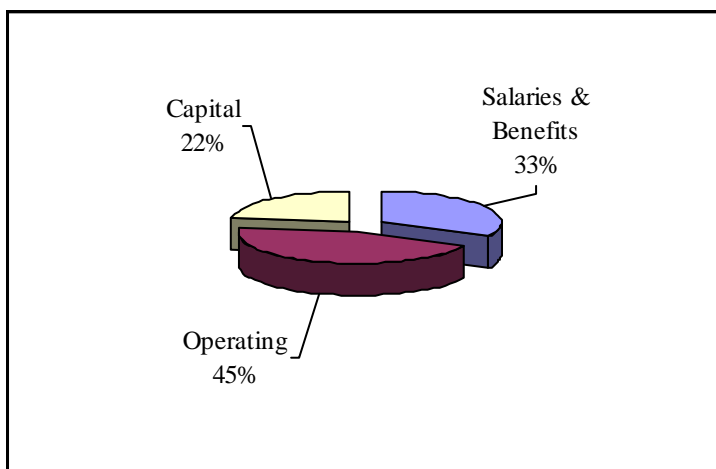
The Harness Track Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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 910.295.2817 or mwager@villageofpinehurst.org.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 145,480	\$ 165,030	\$ 153,714	\$ 173,200	12.7%
Operating	268,960	266,950	239,162	240,180	0.4%
Capital	93,160	97,000	15,000	119,500	696.7%
Expenditures Total	\$ 507,600	\$ 528,980	\$ 407,876	\$ 532,880	30.6%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 275,340	\$ 300,580	\$ 179,423	\$ 307,830	71.6%
Harness Track Services	232,260	228,400	228,453	225,050	-1.5%
Revenues Total	\$ 507,600	\$ 528,980	\$ 407,876	\$ 532,880	30.6%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	4.00	4.00	4.00	4.00	0.0%
Part Time	-	0.40	0.40	0.40	0.0%
Total Authorized Personnel	4.00	4.40	4.40	4.40	0.0%



Budget Highlights:

There are no individually significant operating expenditures in the Harness Track department's FY 2007-2008 budget. Capital includes \$94,500 for the roof replacement on Barn 8, road improvements for better access to the restaurant and foundation repairs for Barns 2 and 16.



Description:

The Fair Barn 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, a part-time assistant, and several part-time laborers who provide the manpower, supplies, expertise and management for the operations and maintenance of the Fair Barn.

Major Accomplishments for Fiscal Year 2006-2007:

- Hosted a 4th of July event in conjunction with the Village fireworks display
- Established annual Oktoberfest celebration
- Booked 21 annual events through 2009

Goals and Objectives for Fiscal Year 2007-2008:

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

Objective: To increase the number of single day rentals during the week by 5, from 14 to 19, toward a target of 36 rentals.

Objective: To increase the total number of rentals by 4, from 76 to 80, toward a target of 95 rentals.

Objective: To increase the percentage of days the facility is rented from 30.7% to 31.7% toward a target of 35%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
# of single weekday rentals	20	23	14
# of total rentals	68	85	76
% of days facility is rented	33.9%	35.6%	30.7%



Fair Barn

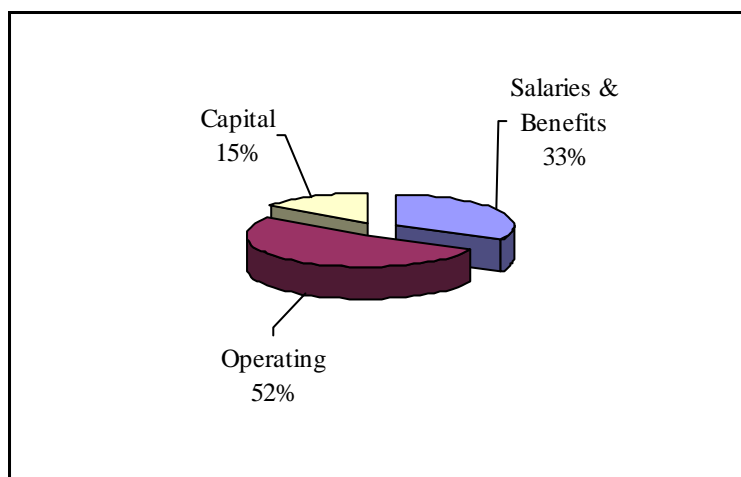
The Fair Barn Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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 910.295.2817 or mwagner@villageofpinehurst.org.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 50,693	\$ 116,200	\$ 76,003	\$ 109,800	44.5%
Operating	126,132	118,900	115,842	175,660	51.6%
Capital	-	40,000	30,000	51,000	70.0%
Expenditures Total	\$ 176,825	\$ 275,100	\$ 221,845	\$ 336,460	51.7%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 27,213	\$ 134,100	\$ 80,845	\$ 205,210	153.8%
Fair Barn Revenues	149,612	141,000	141,000	131,250	-6.9%
Revenues Total	\$ 176,825	\$ 275,100	\$ 221,845	\$ 336,460	51.7%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	-	1.50	1.50	1.50	0.0%
Total Authorized Personnel	1.00	2.50	2.50	2.50	0.0%



Budget Highlights:

The Fair Barn FY 2007-2008 Operating expenditures include maintenance and repair to the building such as painting exterior trim, roof repair and light bulb/ballasts replacement. Capital Outlay provides for the paving of the overflow parking lot in the FY 2007-2008 budget.



Buildings & Grounds Maintenance

Description:

The Buildings & Grounds Maintenance Division reports directly to the Director of Parks and Recreation. The Building & Grounds Division 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. All expenditures of this department are charged back to other departments in the form of internal service charges.

Major Accomplishments for Fiscal Year 2006-2007:

- Hired a Buildings and Grounds Supervisor to oversee and supervise capital projects and daily maintenance for all Park facilities
- Repaired acrylic panel wall at the Hockey Rink to improve stability and safety
- Implemented a turf and shrub maintenance program for Wicker Park, Cannon Park, core Village, Police and Fire Stations, Village Hall, Fair Barn and Harness Track

Goals and Objectives for Fiscal Year 2007-2008:

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 45% to 70%, toward a target of 100%.

Objective: To reduce the number of written and verbal maintenance requests received by 10%, from 697 to 626, toward a target of 150 requests or less per year.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of offices painted every 10 years	n/a	30%	45%
# of maintenance requests received	360	840	696
% change in maintenance requests received from prior year	120%	133%	-17%



Buildings & Grounds Maintenance

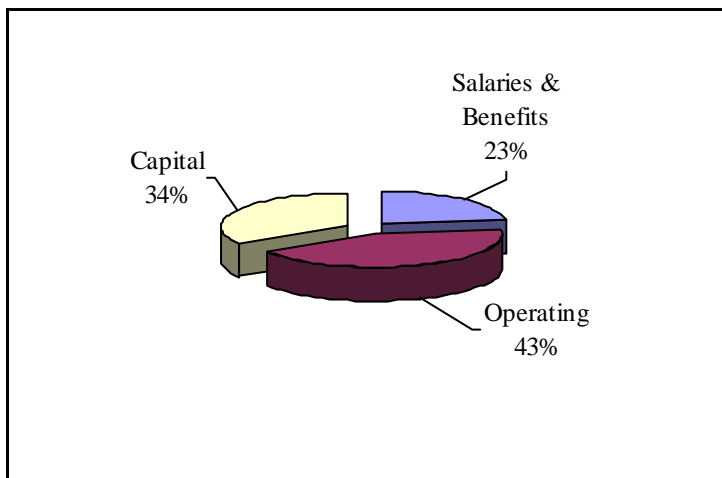
The Building and Grounds Maintenance Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 133,952	\$ 224,400	\$ 199,504	\$ 223,900	12.2%
Operating	261,572	341,890	326,326	427,100	30.9%
Capital	-	18,000	18,000	330,500	1736.1%
Expenditures Total	\$ 395,524	\$ 584,290	\$ 543,830	\$ 981,500	80.5%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ 395,524	\$ 584,290	\$ 543,830	\$ 981,500	80.5%
Revenues Total	\$ 395,524	\$ 584,290	\$ 543,830	\$ 981,500	80.5%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	3.00	5.00	5.00	5.00	0.0%
Part Time	0.50	-	-	-	0.0%
Total Authorized Personnel	3.50	5.00	5.00	5.00	0.0%



Budget Highlights:

Included in the FY 2007-2008 Operating expenditures are additional costs to maintain Rassic Wicker Park and the Greenway system as well as maintenance on the Fair Barn. The Capital items for this division include the costs for building and ground improvements purchased for other departments. See the General Fund Capital Outlay schedule for the detail by department.



Fleet Maintenance

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. All expenditures of this department are charged back to other departments in the form of internal service charges.

Major Accomplishments for Fiscal Year 2006-2007:

- Implemented the use of Bio Diesel Fuel and Ethanol Blend (E10) gasoline
- Assisted in the purchase of an automated arm garbage truck
- Supervised the fabrication of dump beds on new small pickups
- Assisted in refurbishing the Fire Department brush truck

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To perform regular preventative maintenance (PM) on all vehicles for the Village staff in order to minimize the need for emergency repairs and keep vehicles in optimum working condition.

Objective: To increase the percentage of scheduled preventative maintenance performed on schedule by 10%, from 25% to 35%, toward a target of 90%.

Goal: To perform effective repairs on vehicles and equipment in a timely manner in order to minimize down time and promote departmental efficiency.

Objective: To increase the percentage of work order requests completed within 24 hours by 15%, from 50% to 65%, toward a target of 80%.

Objective: To reduce the percentage of repeat repairs performed within 30 days by 5%, from 15% to 10%, toward a target of 1%.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% of PM performed on time	n/a	n/a	25%
% of work orders completed within 24 hours	n/a	n/a	50%
% of work orders requiring repeat repairs within 30 days	n/a	n/a	15%



Fleet Maintenance

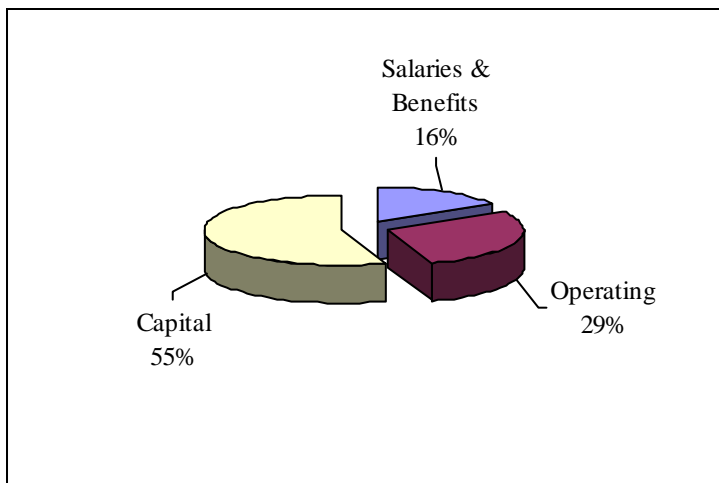
The Fleet Maintenance Department is located at 500 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 165,352	\$ 186,050	\$ 178,980	\$ 195,050	9.0%
Operating	260,088	315,325	302,397	353,740	17.0%
Capital	19,830	416,650	334,000	679,000	103.3%
Expenditures Total	\$ 445,270	\$ 918,025	\$ 815,377	\$ 1,227,790	50.6%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 445,270	\$ 918,025	\$ 815,377	\$ 1,227,790	50.6%
Revenues Total	\$ 445,270	\$ 918,025	\$ 815,377	\$ 1,227,790	50.6%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	3.00	3.00	3.00	3.00	0.0%



Budget Highlights:

The Fleet Maintenance budget includes vehicle and equipment repairs and maintenance expenditures of \$95,000 and gas, oil and tires expenditures of \$176,000. 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 and Systems Analyst who, in conjunction with the Director, is responsible for the support, maintenance, and security of hardware, software and network infrastructure. All expenditures of this department are charged back to other departments in the form of internal service charges.

Major Accomplishments for Fiscal Year 2006-2007:

- Upgraded audio visual equipment in the Assembly Hall & Council Conference Room
- Created a mobile training lab and initiated a technology training program
- Upgraded ERP system from version 8.0 to 9.0
- Contracted with Code Red to implement reverse 911 service
- Installed generator and air conditioning in server room

Goals and Objectives for Fiscal Year 2007-2008:

Goal: To provide technical training for Village employees in order to enhance employee performance and maximize use of our investment in technology.

Objective: To increase the percentage of employees who participate in Village sponsored technology training and improve their proficiency level at least one category by 20%, from zero to 20%, toward a target of 80%.

Goal: To provide timely response to work order service requests submitted by Village employees in order to ensure continuity of technology operations.

Objective: To decrease the average time between when a work order is submitted and when it is resolved by two days, from 4 to 2, toward a target of two days on average.

Performance Measures:

Objective	FY 2004-05	FY 2005-06	FY 2006-07
% increase in employee proficiency level	n/a	n/a	n/a
Average # of days to resolve work orders	n/a	n/a	4



Information Technology

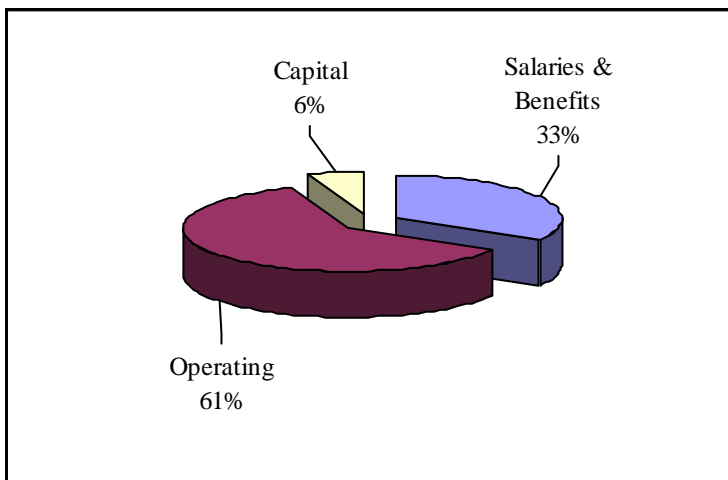
The Information Technology Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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.

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ 70,352	\$ 158,250	\$ 117,756	\$ 248,450	111.0%
Operating	130,480	253,840	227,186	258,100	13.6%
Capital	6,407	75,000	52,000	49,000	-5.8%
Expenditures Total	\$ 207,239	\$ 487,090	\$ 396,942	\$ 555,550	40.0%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Charges for Services - IT	\$ 207,239	\$ 487,090	\$ 396,942	\$ 555,550	40.0%
Revenues Total	\$ 207,239	\$ 487,090	\$ 396,942	\$ 555,550	40.0%

Authorized Personnel	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Full Time	1.00	2.00	2.00	3.00	50.0%
Part Time	-	-	0.20	0.20	100.0%
Total Authorized Personnel	1.00	2.00	2.20	3.20	150.0%



Budget Highlights:

The Information Technology FY 2007-2008 Salaries & Benefits budget reflects the addition of a Systems Analyst and a full year's worth of a part-time intern. 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.



Contingency

Purpose and Description:

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2007-2008 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 2006-2007:

- None.

Goals and Objectives for Fiscal Year 2007-2008:

- None.

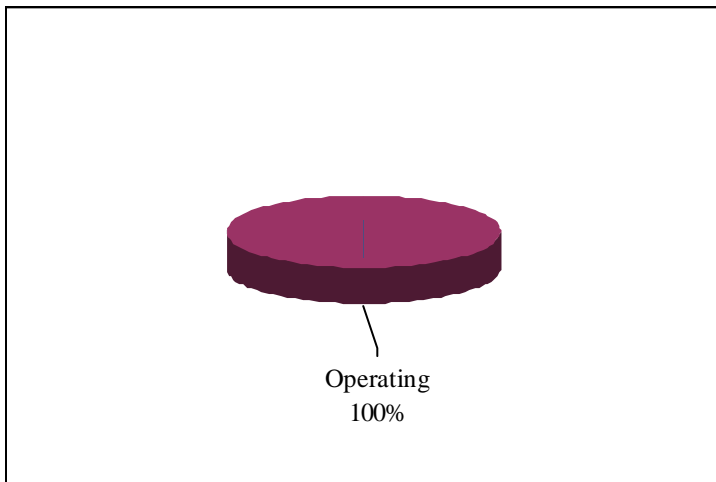


Contingency

Additional information about the Contingency Department may be obtained by contacting John G. Frye, CPA, Director of Financial Services, at 910.295.1900 or jfrye@villageofpinehurst.org

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	-	13,635	-	69,000	100.0%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ -	\$ 13,635	\$ -	\$ 69,000	100.0%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ -	\$ 13,635	\$ -	\$ 69,000	100.0%
Revenues Total	\$ -	\$ 13,635	\$ -	\$ 69,000	100.0%



Budget Highlights:

The Contingency budget that is not allocated to any department totals \$69,000. This amount is 0.5% of the total General Fund budget.



Non-Departmental

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 2006-2007:

- None

Goals and Objectives for Fiscal Year 2007-2008:

- None

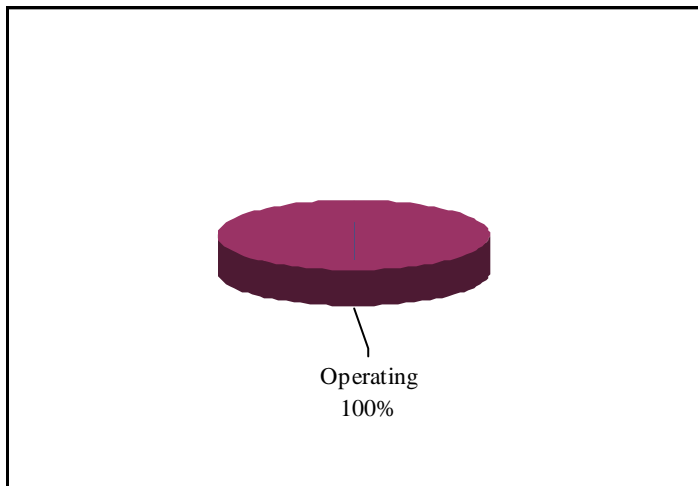


Non-Departmental

Additional information about the Non-Departmental expenditures may be obtained by contacting John G. Frye, CPA, Director of Financial Services, at 910.295.1900 or jfrye@villageofpinehurst.org

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	55,822	51,000	45,500	50,000	9.9%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 55,822	\$ 51,000	\$ 45,500	\$ 50,000	9.9%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 55,822	\$ 51,000	\$ 45,500	\$ 50,000	9.9%
Revenues Total	\$ 55,822	\$ 51,000	\$ 45,500	\$ 50,000	9.9%



Budget Highlights:

The Non-Departmental Budget for FY 2007-2008 includes primarily a \$22,000 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 2006-2007:

- None

Goals and Objectives for Fiscal Year 2007-2008:

- None

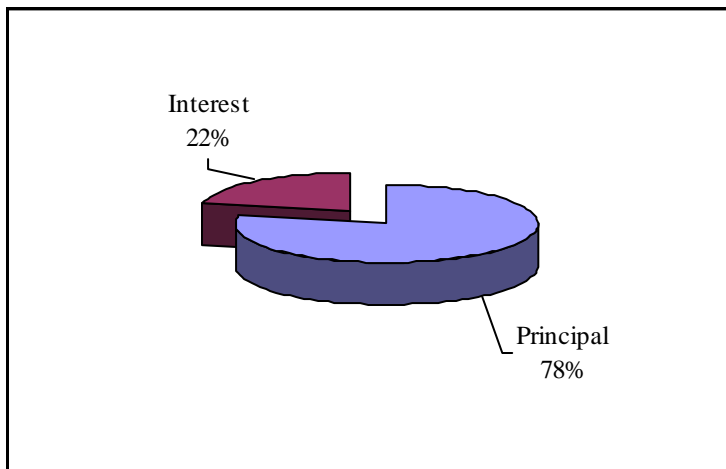


Debt Service

Additional information about Debt Service expenditures may be obtained by contacting John G. Frye, CPA, Director of Financial Services, at 910.295.1900 or jfrye@villageofpinehurst.org

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Principal	\$ 757,191	\$ 776,620	\$ 776,620	\$ 796,764	2.6%
Interest	280,308	251,550	251,550	222,016	-11.7%
Expenditures Total	\$ 1,037,499	\$ 1,028,170	\$ 1,028,170	\$ 1,018,780	-0.9%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 1,037,499	\$ 1,028,170	\$ 1,028,170	\$ 1,018,780	-0.9%
Revenues Total	\$ 1,037,499	\$ 1,028,170	\$ 1,028,170	\$ 1,018,780	-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 2007-2008 does not include the pay off of any outstanding debt and does not include the addition of any new debt.



Other Financing Uses

Purpose and Description:

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

Major Accomplishments for Fiscal Year 2006-2007:

- Transferred \$1,276,100 to the Capital Reserve Fund to be used for capital improvements

Goals and Objectives for Fiscal Year 2007-2008:

- None

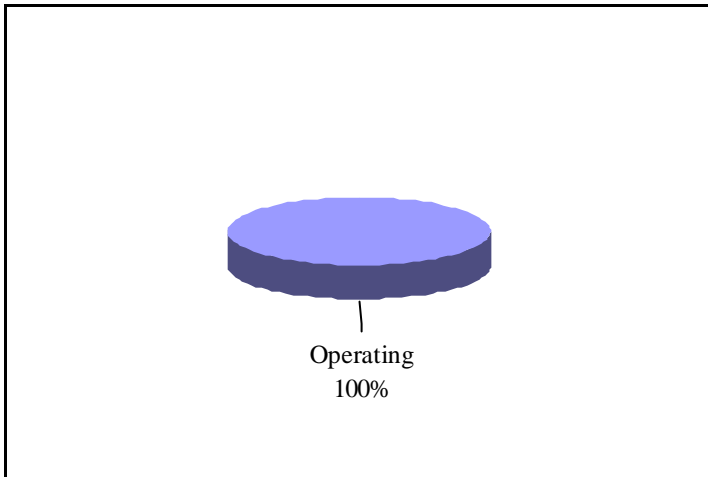


Other Financing Uses

Additional information about the Other Financing Uses Department may be obtained by contacting John G. Frye, CPA, Director of Financial Services, at 910.295.1900 or jfrye@villageofpinehurst.org

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Operating	\$ 1,232,000	\$ 1,321,100	\$ 1,321,100	\$ 840,000	-36.4%
Expenditures Total	\$ 1,232,000	\$ 1,321,100	\$ 1,321,100	\$ 840,000	-36.4%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
General Revenues	\$ 1,232,000	\$ 1,321,100	\$ 1,321,100	\$ 840,000	-36.4%
Revenues Total	\$ 1,232,000	\$ 1,321,100	\$ 1,321,100	\$ 840,000	-36.4%



Budget Highlights:

Other Financing Uses includes the transfer of \$340,000 to the Capital Reserve Fund, which equals 75% of projected Article 44 Local Option Sales Tax revenues and a transfer of \$500,000 for excess Fund Balance.



General Fund Capital Outlay

The following schedule details the specific capital items that were requested and funded in the FY 2007-2008 Budget for the General Fund:

Capital Items	Budget Department	Requested Amount	Approved Amount	Unfunded Amount
Governing Body				
Lot Acquisition	Governing Body	\$ 60,000	\$ 30,000	\$ 30,000
Total Governing Body		60,000	30,000	30,000
Fire				
Station 92 Repairs	Fire	65,000	65,000	-
Gas Dryer for Turnout Gear	Fire	5,000	5,000	-
Total Fire		70,000	70,000	-
Engineering				
Old Town Sidewalks	Engineering	70,000	-	70,000
Stormwater Projects	Engineering	100,000	100,000	-
Total Engineering		170,000	100,000	70,000
Fair Barn				
Audio Equipment	Fair Barn	8,000	-	8,000
Total Fair Barn		8,000	-	8,000
Buildings & Grounds Maintenance				
Wicker Park Trail Improvements	Recreation	17,800	10,000	7,800
West Pinehurst Park Access	Recreation	25,000	-	25,000
Cannon Park Fence	Recreation	15,500	-	15,500
Phase V Greenway Trails	Recreation	100,000	100,000	-
Wicker Park Phase II	Recreation	75,000	75,000	-
Barn 5 Renovations	Harness Track	100,000	-	100,000
Barn 8 Roof Replacement	Harness Track	18,000	18,000	-
Road Improvements - Restaurant to Barn 6	Harness Track	46,500	46,500	-
Barn 2 & 16 Foundation Repairs	Harness Track	25,000	30,000	(5,000)
Overflow Lot Improvements	Fair Barn	51,000	51,000	-
Computer Training Room	Various	45,000	-	45,000
Total Buildings & Grounds Maintenance		518,800	330,500	188,300



General Fund Capital Outlay

Capital Items	Budget Department	Requested Amount	Approved Amount	Unfunded Amount
Fleet Maintenance				
5 Patrol Vehicles	Police	189,300	158,000	31,300
Minivan	Administration	23,000	-	23,000
4x4 Small Pickup	Fire	24,000	24,000	-
Safety & Rescue Truck	Fire	40,000	40,000	-
One Arm Garbage Truck	Solid Waste	200,000	200,000	-
2 Small Garbage Trucks	Solid Waste	70,000	70,000	-
4-Door Sedan	Planning	23,000	23,000	-
4-Door Sedan	Inspections	23,000	-	23,000
Small Pickup Truck	Streets & Grounds	20,000	20,000	-
Small Pickup Truck	Streets & Grounds	20,000	20,000	-
Tandom Trailer	Streets & Grounds	11,000	-	11,000
Mower w/ attachments	Streets & Grounds	38,000	38,000	-
Zero Turn Mower	Streets & Grounds	13,000	13,000	-
Tractor	Streets & Grounds	50,000	-	50,000
Hydraulic Truck Conveyor	Streets & Grounds	9,000	-	9,000
4x4 Pickup Truck	Harness Track	25,000	25,000	-
Zero Turn Mower	Harness Track	13,000	-	13,000
Custodial Staff Work Van	Buildings & Grounds	25,000	-	25,000
Small Pickup Truck	Recreation	20,000	20,000	-
Zero Turn Mower	Recreation	13,000	13,000	-
Sand Trap Rake	Recreation	15,000	15,000	-
4x4 Mule	Buildings & Grounds	15,000	-	15,000
30' Scissor Lift	Buildings & Grounds	18,000	-	18,000
Total Fleet Maintenance		897,300	679,000	218,300
Information Technology				
Color Copier	Administration	12,000	-	12,000
Black & White Copier	Planning	6,000	-	6,000
Black & White Copier	Financial Services	6,000	-	6,000
Opticom System for Traffic Lights	Fire	9,000	-	9,000
Video Surveillance System	Police	9,000	9,000	-
Fiber to Connect Village Buildings	Various	40,000	40,000	-
Training Lab Equipment	Various	15,000	-	15,000
Total Information Technology		97,000	49,000	48,000
GRAND TOTAL		\$ 1,821,100	\$ 1,258,500	\$ 562,600

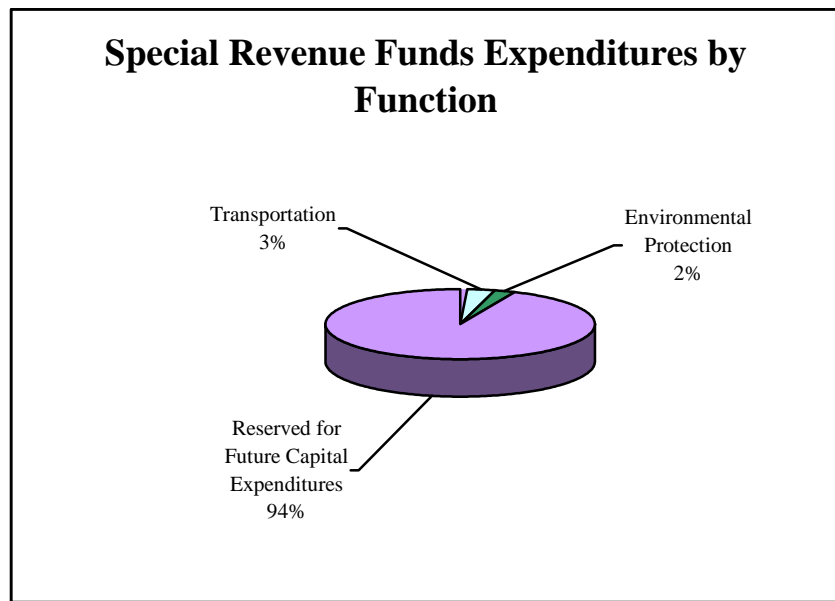


Special Revenue Funds Summary

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 2006-2007 was in accordance with the Village's Fund Balance Policy which states 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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Ad Valorem Taxes	\$ 7,068	\$ 5,500	\$ 5,500	\$ 4,930	-10.4%
Assessments	26,427	61,615	57,974	48,276	-16.7%
Other Revenues	280	-	33,614	-	-100.0%
Investment Income	17,815	22,690	43,071	42,730	-0.8%
Transfers from Other Funds	1,045,000	1,276,100	1,297,236	840,000	-35.2%
Fund Balance Appropriated	-	271,000	-	-	0.0%
Revenues Total	\$ 1,096,590	\$ 1,636,905	\$ 1,437,395	\$ 935,936	-42.8%

Budget Highlights:

The Village has budgeted for a \$340,000 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 2007-2008 in accordance with the Village's Capital Reserve Policy. An additional transfer to the Capital Reserve Fund in the amount of \$500,000 is also budgeted in anticipation of excess fund balance in the General Fund at June 30, 2007. The Capital Reserve Fund is also expected to transfer \$850,000 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 debt service resulting from the Taylorhurst road surfacing project.

Expenditures

Consolidated Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Utilities	\$ 2,016	\$ 2,240	\$ 2,085	\$ 2,440	17.0%
R&M: Equipment	1,525	1,500	500	1,420	184.0%
Departmental Supplies	1,281	2,000	1,000	1,670	67.0%
Transfer to General Fund	612,735	363,435	643,382	899,156	39.8%
Transfer to Capital Project Funds	812,000	671,000	706,000	-	-100.0%
Reserve for Future Use	-	596,730	-	31,250	100.0%
Expenditures Total	\$ 1,429,557	\$ 1,636,905	\$ 1,352,967	\$ 935,936	-42.8%

Budget Highlights:

Transfers to the General Fund total \$899,156. The largest transfer, \$850,000, is from the Capital Reserve Fund for general capital expenditures. The remaining transfer of \$49,156 to the General Fund is for \$31,765 in Taylorhurst assessments and \$17,391 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

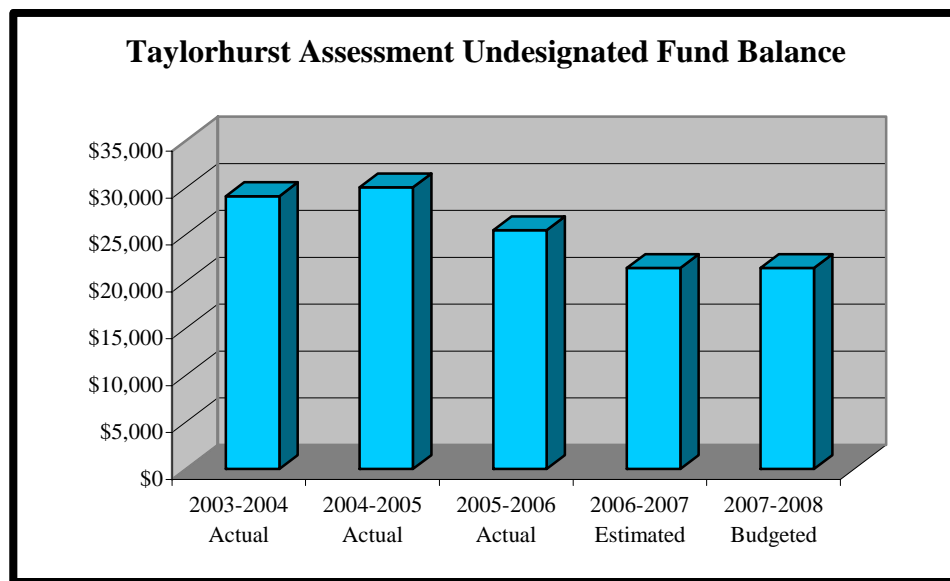
The Taylorhurst Assessment Fund is used to account for the revenues and expenditures relating to the special assessment, resulting from the Taylorhurst road surfacing project. The assessments are billed in August to the residents over a period not to exceed ten years. The only expenditures of the fund 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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Transfer to General Fund	\$ 32,235	\$ 32,235	\$ 32,235	\$ 31,765	-1.5%
Expenditures Total	\$ 32,235	\$ 32,235	\$ 32,235	\$ 31,765	-1.5%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Assessments	\$ 26,427	\$ 30,415	\$ 27,327	\$ 30,885	13.0%
Investment Income	1,233	1,820	880	880	0.0%
Revenues Total	\$ 27,660	\$ 32,235	\$ 28,207	\$ 31,765	12.6%

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.





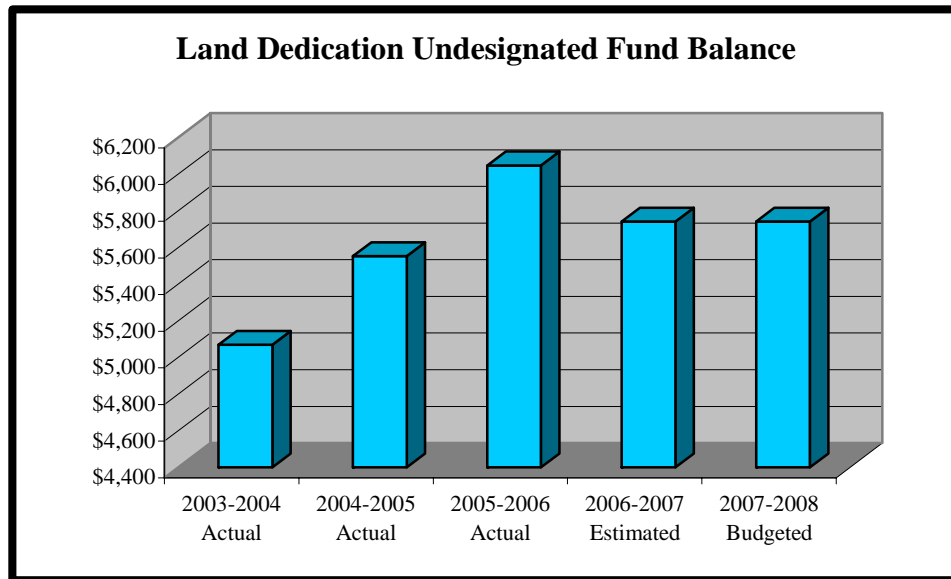
Land Dedication Fund

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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Departmental Supplies	\$ -	\$ -	\$ -	\$ -	0.0%
Transfer to Rassie Wicker Park CPF	-	-	35,000	-	-100.0%
Reserve for Future Use	-	250	-	250	100.0%
Expenditures Total	\$ -	\$ 250	\$ 35,000	\$ 250	-99.3%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Land Dedication Payments	\$ 280	\$ -	\$ 33,614	\$ -	-100.0%
Investment Income	215	250	1,080	250	-76.9%
Revenues Total	\$ 495	\$ 250	\$ 34,694	\$ 250	-99.3%





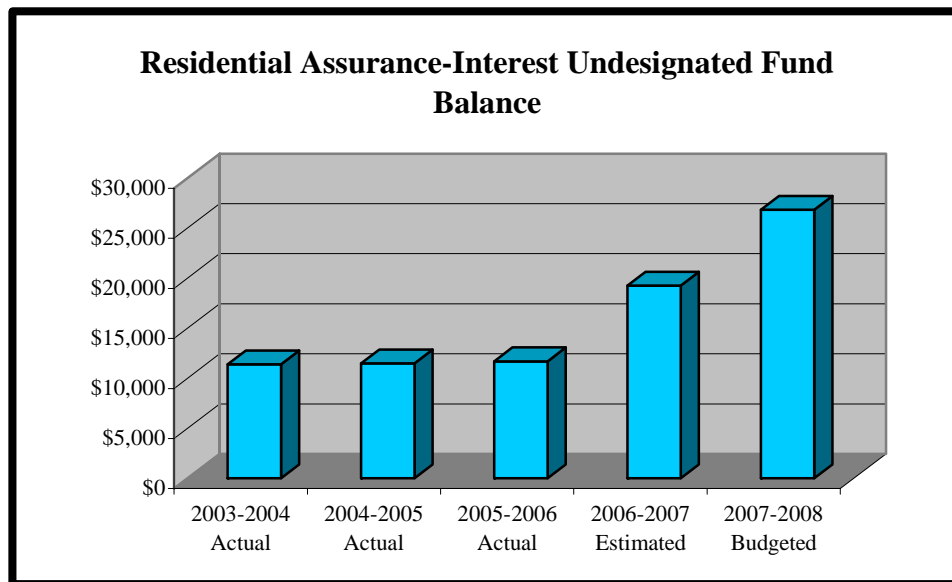
Residential Assurance-Interest Fund

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 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Service Charges/Fees	\$ -	\$ -	\$ -	\$ -	0.0%
Contracted Services	-	-	-	-	0.0%
Reserve for Future Use	-	380	-	8,000	100.0%
Expenditures Total	\$ -	\$ 380	\$ -	\$ 8,000	100.0%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Investment Income	\$ 199	\$ 380	\$ 7,566	\$ 8,000	5.7%
Miscellaneous Revenue	-	-	-	-	0.0%
Revenues Total	\$ 199	\$ 380	\$ 7,566	\$ 8,000	5.7%





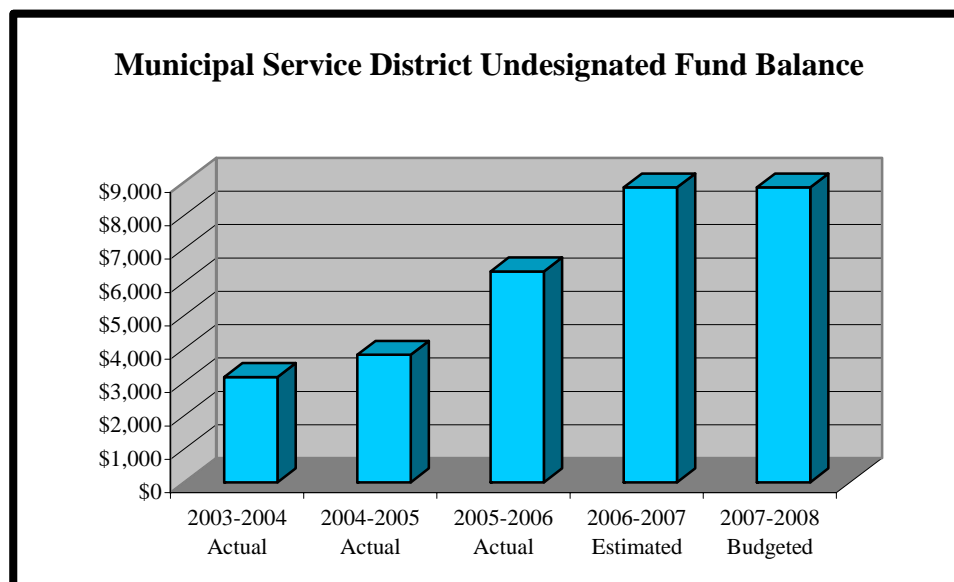
Municipal Service District Fund

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 special assessment to residents of the service district for improvements made to the dam in FY 2006-07. The proposed tax rate for FY 2007-08 is \$0.08 per \$100 valuation.

Municipal Service District Expenditures and Revenues

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Departmental Supplies	\$ 1,281	\$ 2,000	\$ 1,000	\$ 1,670	67.0%
Utilities	2,016	2,240	2,085	2,440	17.0%
R&M: Equipment	1,525	1,500	500	1,420	184.0%
Transfer to General Fund	-	31,200	30,647	17,391	100.0%
Expenditures Total	\$ 4,822	\$ 36,940	\$ 34,232	\$ 22,921	-33.0%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Ad Valorem Taxes-CY and PY	\$ 7,068	\$ 5,500	\$ 5,500	\$ 4,930	-10.4%
Assessments	-	31,200	30,647	17,391	-43.3%
Investment Income	256	240	600	600	0.0%
Revenues Total	\$ 7,324	\$ 36,940	\$ 36,747	\$ 22,921	-37.6%





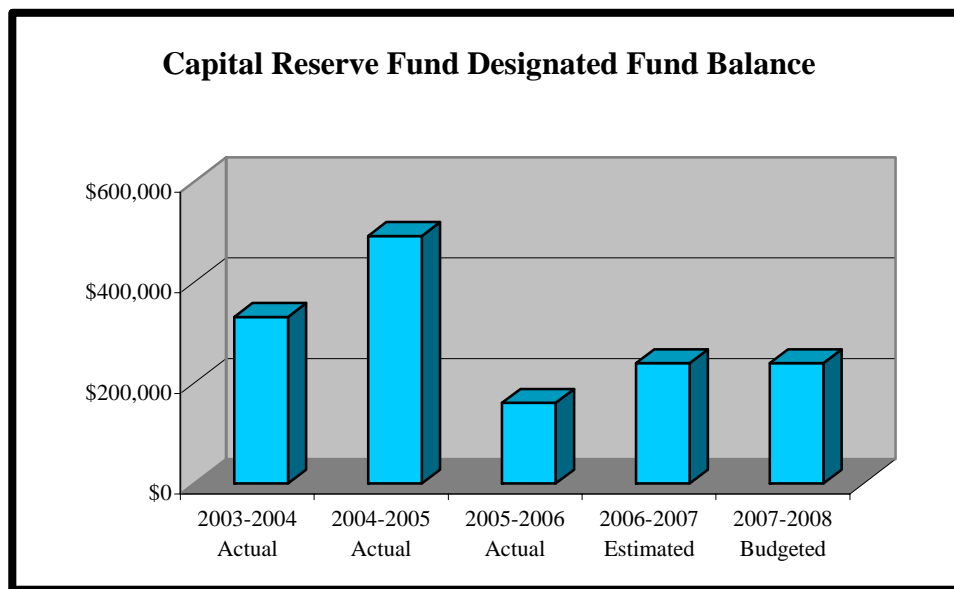
Capital Reserve Fund

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 2007-2008 has not been designated for any specific purpose.

Capital Reserve Fund Expenditures and Revenues

Expenditures by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Transfer to General Fund	\$ 580,500	\$ 300,000	\$ 580,500	\$ 850,000	46.4%
Transfer to Capital Project Funds	812,000	671,000	671,000	-	-100.0%
Reserve for Future Use	-	596,100	-	23,000	100.0%
Expenditures Total	\$ 1,392,500	\$ 1,567,100	\$ 1,251,500	\$ 873,000	-30.2%

Revenues by Type	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Estimated	FY 2007-08 Budgeted	Percent Change
Transfers from Other Funds	\$ 1,045,000	\$ 1,276,100	\$ 1,297,236	\$ 840,000	-35.2%
Investment Income	15,912	20,000	32,945	33,000	0.2%
Fund Balance Appropriated	-	271,000	-	-	0.0%
Revenues Total	\$ 1,060,912	\$ 1,567,100	\$ 1,330,181	\$ 873,000	-34.4%



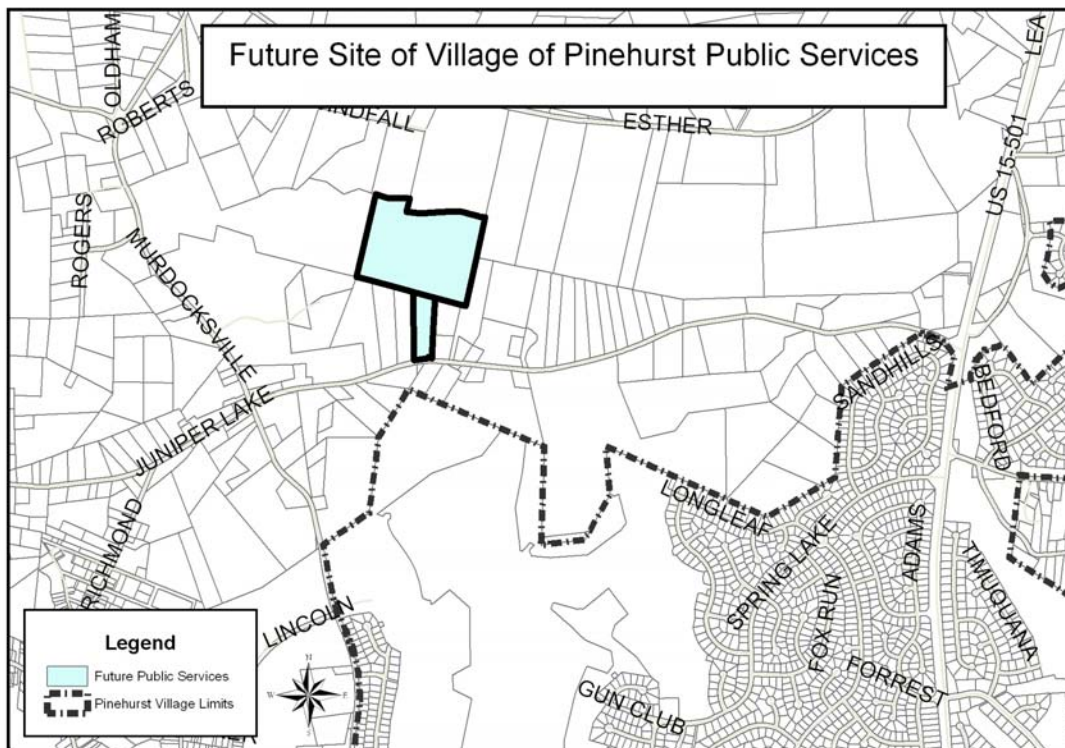


The Capital Project Fund section of the budget document contains information on the following areas:

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.



Map of proposed location for the Public Services Facility on Juniper Lake Road.



Public Services Facility Capital Project Fund

The Public Services Facility Capital Project Fund was established to account for costs incurred for the land acquisition and design of a public services facility on Juniper Lake Road. The current facility is planned to be relocated out of the center of the Village in conjunction with the re-development of the area known as New Core. The project budget detailed below was adopted by the Village Council on October 24, 2006 by Ordinance #06-33.

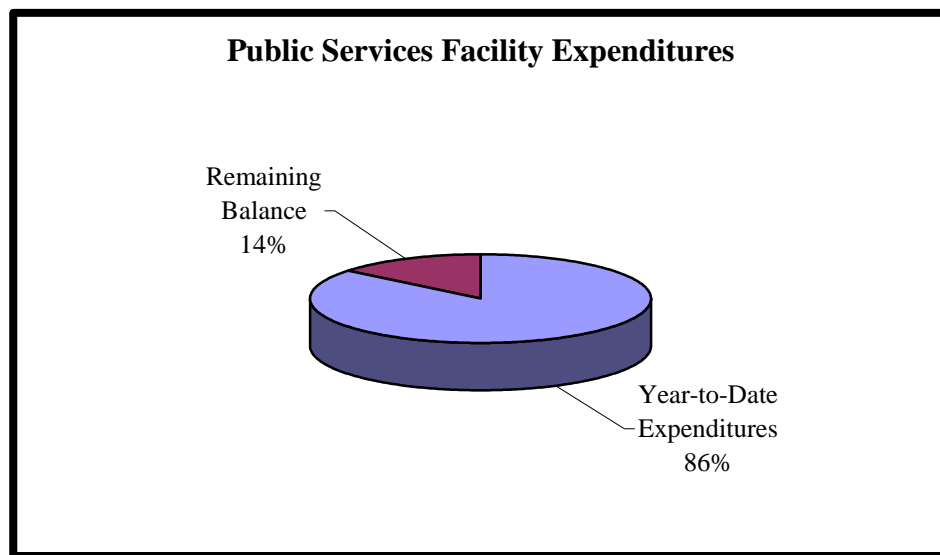
Public Services Facility Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Land Acquisition Costs	\$ 655,440	\$ 562,399	\$ 93,041
Transfer to General Fund	4,560	4,560	-
Expenditures Total	\$ 660,000	\$ 566,959	\$ 93,041

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 660,000	\$ 660,000	-
Revenues Total	\$ 660,000	\$ 660,000	-

Impact on Operating Budget

The impact on the operating budget for the FY 2007-2008 will be negligible. Once the facility is completed as planned in FY 2010, operational costs are expected to increase by \$247,242. This facility will allow for the relocation of all public service activities out of the New Core area.





Recreation Center Capital Project Fund

The Recreation Center Capital Project Fund was established to account for the costs incurred in the design of a Recreation Center at Cannon Park. The project budget detailed below was adopted by the Village Council on February 27, 2007 by Ordinance #07-04.

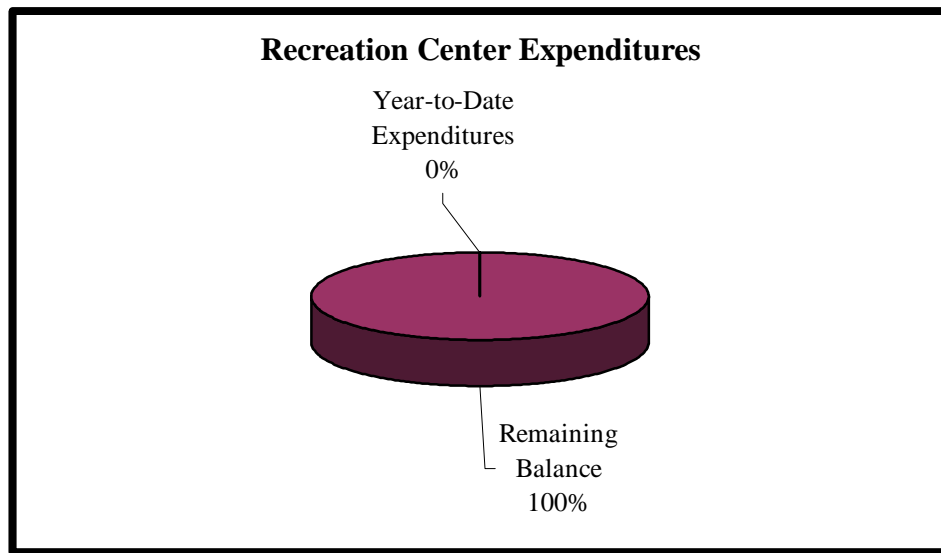
Recreation Center Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 45,000	\$ -	\$ 45,000
Expenditures Total	\$ 45,000	\$ -	\$ 45,000

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from General Fund	\$ 45,000	\$ 45,000	\$ -
Revenues Total	\$ 45,000	\$ 45,000	\$ -

Impact on Operating Budget

The impact on the operating budget for the FY 2007-2008 will be negligible. Once the center is completed as planned in FY 2010, operational costs are expected to average \$175,000 per year during the first three years of operation. This facility will allow for the expansion of youth athletics as well as other program offerings.





Jackson Hamlet Sewer CDBG Project Fund

The Jackson Hamlet Sewer CDBG Project Fund was established to account for the costs incurred in the design and construction of sewer facilities for the Jackson Hamlet community adjacent to Pinehurst. The project is funded primarily by a grant from the North Carolina Department of Commerce, Division of Community Assistance. Matching funds in the amount of \$30,000 and \$70,000 are being provided by the Village and the County of Moore, respectively. The grant project budget detailed below was adopted by the Village Council on April 10, 2007 by Ordinance #07-11.

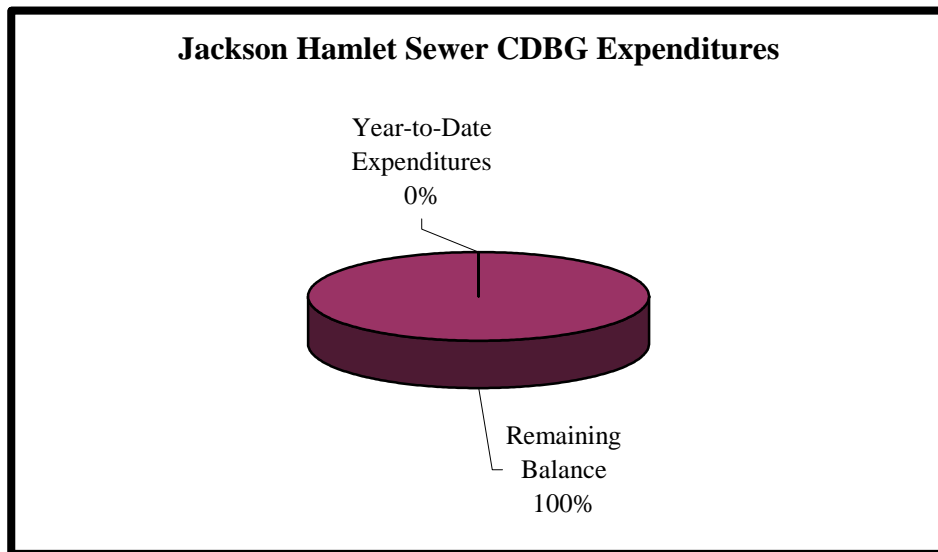
Jackson Hamlet Sewer CDBG Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Project Administration	\$ 75,000	\$ -	\$ 75,000
Construction Costs	775,000	-	775,000
Expenditures Total	\$ 850,000	\$ -	\$ 850,000

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 30,000	\$ -	\$ 30,000
Revenues Total	\$ 30,000	\$ -	\$ 30,000

Impact on Operating Budget

There will be no impact on the operating budget for the FY 2007-2008 fiscal year. Once the sewer facilities are completed, ownership of the facilities will be turned over to Moore County Public Utilities.





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. All debt service is paid from the Village's General Fund.

The Village's credit rating was increased from 83 to 85 in December of 2006 by the North Carolina Municipal Council, which is equivalent to a rating of Aa3/AA- by the national rating agencies. The North Carolina Municipal Council is a not-for-profit, non-stock group organized in 1932. Its members consist of banks, investment dealers, bond attorneys and other financial institutions, all of which are interested in ownership or distribution of bonds and notes of counties, municipalities and districts of North Carolina. As the Village has not issued any General Obligation Bonds, we have not been rated by a national rating agency such as Moody's Investment Service or Standard and Poors.

The total amount of debt outstanding at June 30, 2007 will be \$6,711,943. This is a relatively small amount of direct debt compared to our taxable property of \$2,700,000,000.

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



The Fire Station on Magnolia Road was financed through an installment purchase agreement.



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 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12
INSTALLMENT PURCHASE AGREEMENTS					
Taylorhurst Project Special Assessment Debt \$250,000; due in 10 annual payments of \$32,235; collateralized by street; property owners are assessed for each of the 10 years beginning in 1999; final payment due on 11/27/08; interest at 4.91%	\$ 32,235	\$ 23,516	\$ -	\$ -	\$ -
Fire Station \$2,500,000; due in 30 semi-annual payments consisting of fixed principal of \$83,334 plus interest @ 3.44%; collateralized by Fire Station bldg; final payment due on 03/15/20.	239,767	231,167	225,434	219,700	213,967
Village Hall \$4,000,000; due in 25 semi-annual payments of \$143,629; collateralized by building; final payment due on 09/17/11; interest @ 3.57% (Note: Original loan was refinanced in 05/05/99 & 02/19/04)	287,258	287,258	287,258	287,258	143,629
Police Station \$3,800,000; due in 25 semi-annual payments of \$140,064; collateralized by building; final payment due on 09/20/12; interest at 3.71% (Note: Original loan was refinanced 05/05/99 & 02/19/04)	280,128	280,128	280,128	280,128	140,064
Fair Barn \$1,000,000; due in 40 semi-annual payments consisting of fixed principal of \$25,000 plus interest @ 4.60%; collateralized by Fair Barn bldg; final payment due on 3/11/22.	83,925	81,265	79,325	77,025	74,725
67.04 Acres (Chicken Plant Road) \$500,000; due in 30 semi-annual payments consisting of fixed principal of \$16,667 plus interest @ 3.98%; collateralized by 67.04 acres of land	47,595	46,269	44,942	43,615	42,288
Firetruck \$374,731; due in 20 semi-annual payments of \$23,936; collateralized by firetruck; final payment due on 08/16/11; interest @ 4.91%	47,871	47,871	47,871	47,871	23,936
DEBT SERVICE TOTAL	\$ 1,018,779	\$ 997,474	\$ 964,958	\$ 955,597	\$ 638,609



Computation of Legal Debt Limit

Net Assessed Value - June 30, 2006	\$ 2,105,962,433
	<u>8.0%</u>
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 168,476,995
Gross Debt:	
Total Bonded Debt	-
Installment Purchase Agreements	<u>6,869,939</u>
Total Gross Debt:	6,869,939
Less: Water Bonds	<u>-</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>6,869,939</u>
Legal Debt Margin	<u><u>\$ 161,607,056</u></u>

The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village's net debt as a percentage of assessed valuation at June 30, 2006 is 0.326% compared to the legal debt limit of 8%.

Village of Pinehurst

Capital Improvement Plan

FY 2008-2012

March 13, 2007

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) 2008 through 2012. The CIP is a planning tool designed to aid policy makers in the acquisition and orderly replacement of capital assets. The plan is updated annually to ensure that it is based on the most accurate information available. Adoption of the CIP by council does not constitute a commitment to fund a particular item, but rather signifies an intent to fund capital outlay at the indicated level during the ensuing years.

The CIP includes improvements with a total estimated cost of \$20,424,942 over the next five years. These costs are divided into three major areas - Vehicles/Equipment, Capital Improvements and Capital Projects. The CIP adopted by the Council for FY 2007-2011 totaled \$19,149,600. This year's CIP total represents an increase of \$1,275,342, or approximately 6.6%, from the previous year.

There are a total of five (5) capital projects identified, all of which were included in last year's CIP. Specific criterion was developed this year to determine whether or not a capital request was to be classified as a project. The criterion is: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Based on this criterion, Old Town Sidewalks and Stormwater Projects from last year's CIP have been reclassified to capital improvements.

Of the total \$20,424,942 in capital expenditures, the anticipated costs of the three major groupings are detailed in the table below.

Table 1 - Capital Cost By Major Area

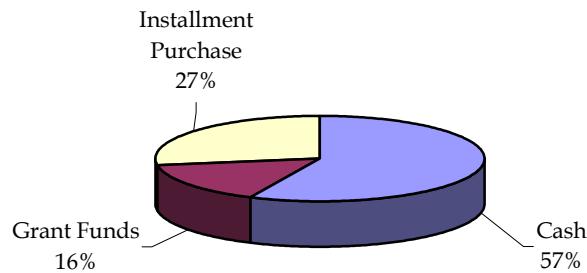
Major Area	Cost of Capital	% of Total
Vehicles/Equipment	\$ 3,829,300	19%
Capital Improvements	8,194,342	40%
Capital Projects	8,401,300	41%
TOTAL	<u>\$ 20,424,942</u>	<u>100%</u>

Revenue and funding sources for the capital expenditures identified in this plan come from a variety of sources. The replacement of all vehicles and equipment, with the exception of a fire truck, will be funded on a pay-as-you go basis, or with available cash. Two capital projects, the Public Services Facility and the Cannon Park Recreation Center, will be financed with either installment financing agreements or grants, while all others will be funded with available cash. 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 13.

Table 2 -CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
Cash	\$ 11,612,642
Grant	3,215,000
Installment Financing	5,597,300
TOTAL	\$ 20,424,942

**Village of Pinehurst
Capital Improvements by Funding Source
FY 2008 - 2012**



As you can see, the majority of the capital improvements are funded with available Village funds or cash, while another 27% is funded with installment purchase financing. Installment financing is used to spread the cost of acquiring major capital items over time. 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 services/fleet maintenance facility to replace the existing complex on McCaskill Road. The Village plans to commence construction and secure installment financing in FY2008.
- Several recreation projects such as the construction of a recreation center at Cannon Park and the development of subsequent phases of the Village’s Greenway System and Rassie Wicker Park.
- Transportation items include the annual resurfacing and striping of five (5) to six (6) 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

	2008	2009	2010	2011	2012
Projects Paid with Cash	\$ 451,000	\$ 504,000	\$ 515,000	\$ 543,000	\$ 326,000
Improvements Paid with Cash	1,110,750	902,250	1,315,959	825,683	1,789,700
Vehicle/Equipment	594,200	818,700	681,000	771,900	463,500
CIP in General Fund	2,155,950	2,224,950	2,511,959	2,140,583	2,579,200
Additional Debt Service	-	527,705	609,884	593,362	576,839
Annual Operating Impact	46,252	48,248	299,328	308,308	317,557
Annual General Fund Impact	2,202,202	2,800,903	3,421,171	3,042,252	3,473,595
Capital Reserve Funds Utilized	(1,500,000)	(750,000)	(1,000,000)	(350,000)	(350,000)
Net General Fund Impact	\$ 702,202	\$ 2,050,903	\$ 2,421,171	\$ 2,692,252	\$ 3,123,595
Tax Rate Equivalent of CIP	\$ 0.03	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.08

Management expects to sell approximately 6.7 acres of land in the New Core area in 2008 and transfer the proceeds to the Capital Reserve Fund for capital expenditures. Approximately \$1.2 million will be transferred out to the General Fund in 2008 and the remainder in future years to fund capital items that are included in the CIP.

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. Revenues and operating expenditures in 2008 reflect the sale proceeds and interfund transfers due to the expected sale of land in the New Core area. In addition, 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 included in Table 4 on the following page. Also included in Table 4 is the impact of the revaluation of real and personal property in FY 2008 and FY 2012, with a projected revenue neutral tax rate.

Table 4 - Projected General Fund Revenues and Expenditures

	2007	2008	2009	2010	2011	2012
Population	11,104	11,514	13,539	14,031	14,523	15,015
Operating Revenues						
Revenues	\$ 12,879,000	\$ 17,522,000	\$ 15,639,000	\$ 16,593,000	\$ 16,523,000	\$ 17,230,000
Tax Rate	0.31	0.28	0.28	0.28	0.28	0.22
Expenditures						
Salaries	4,378,000	4,774,000	5,042,000	5,468,000	5,713,000	5,970,000
Personnel in FTEs	128	136	142	146	149	150
Operating	7,078,000	9,122,000	7,203,000	7,767,000	7,509,000	7,774,000
Debt Service	1,029,000	1,019,000	1,586,000	1,634,000	1,607,000	1,219,000
Exp before Capital	12,485,000	14,915,000	13,831,000	14,869,000	14,829,000	14,963,000
Amt Left for Capital	\$ 394,000	\$ 2,607,000	\$ 1,808,000	\$ 1,724,000	\$ 1,694,000	\$ 2,267,000
Annexation Capital Exp.		401,968	-	-	-	-
CIP in General Fund		2,155,950	2,224,950	2,511,959	2,140,583	2,579,200
Net Impact on General Funds		\$ 49,082	\$ (416,950)	\$ (787,959)	\$ (446,583)	\$ (312,200)

To determine estimated debt service, we assumed a 4.20% interest rate amortized over 10 years for the fire truck and 15 years for the buildings. As presented, the Village's CIP will result in additional annual debt service costs ranging from \$527,700 up to \$609,900 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 that existing annual debt service payments will decrease by approximately \$371,000 in FY 2012, primarily due to the payoff of the debt for Village Hall.

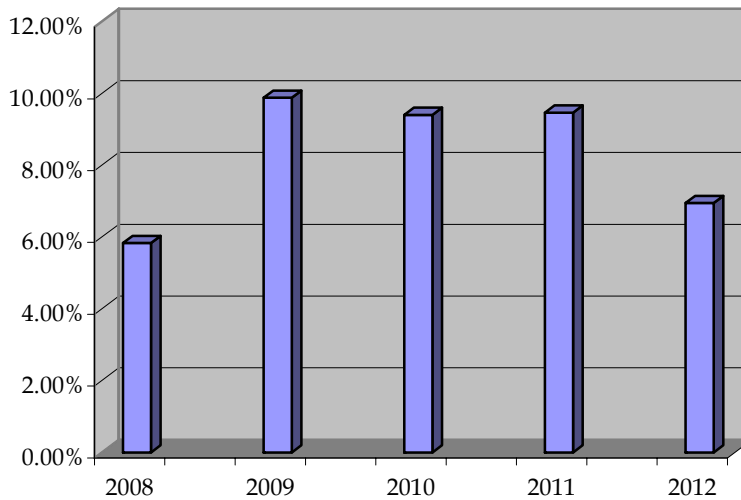
Table 5 - Impact of CIP Debt Issuances on Debt Ratios

	Fiscal Year Ending June 30				
	2008	2009	2010	2011	2012
Existing Debt Service Payments	\$ 1,018,786	\$ 1,058,215	\$ 1,023,794	\$ 1,012,889	\$ 641,477
Additional Debt Service:					
Fire Truck	-	72,500	70,250	68,000	65,750
Public Services Facility	-	356,503	347,317	338,131	328,945
Cannon Park Rec Center	-	98,702	192,317	187,231	182,144
Total Additional Debt Service	-	527,705	609,884	593,362	576,839
Total Debt Service	\$ 1,018,786	\$ 1,585,920	\$ 1,633,678	\$ 1,606,251	\$ 1,218,316
Estimated Expenditures	17,472,918	16,055,950	17,380,959	16,969,583	17,542,200
% of Expenditures	5.83%	9.88%	9.40%	9.47%	6.95%

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.

Projected debt service is higher in the three years of 2009-2011, but falls back to historical levels in 2012.

**Village of Pinehurst
CIP Impact on Debt Ratios
FY 2008-2012**



In addition, a comparison of the Village's debt service per capita to its peer group, as shown in Table 6, indicates the Village is between 10% and 38% below our peer group's debt service per capita.

Table 6 - Projected Debt Service Expenditures vs. Peer Group

	2008	2009	2010	2011	2012
Population	11,514	13,539	14,031	14,523	15,015
Debt Service	\$ 1,018,786	\$ 1,585,919	\$ 1,633,678	\$ 1,606,250	\$ 1,218,317
Debt Service per capita					
Village of Pinehurst	\$ 88	\$ 117	\$ 116	\$ 111	\$ 81
Peer Group*	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130

*Source: NC State Treasurer, based on fiscal year 2005

Table 7 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 and mentioned previously in this document.

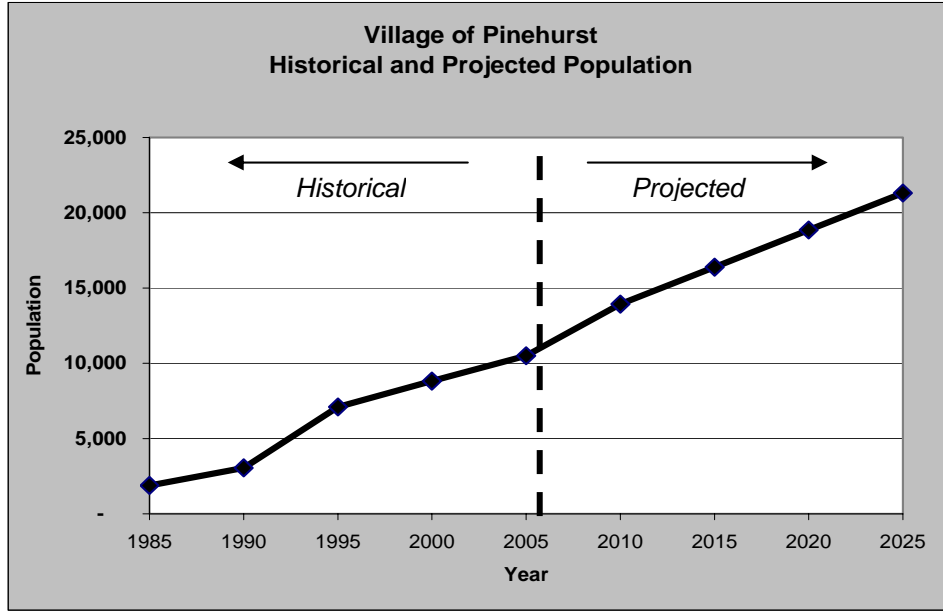
Table 7 - Projected Capital Reserve Fund

	2007	2008	2009	2010	2011	2012
Beginning Balance	\$ 160,287	\$ 455,387	\$ 1,021,203	\$ 697,552	\$ 124,304	\$ 192,075
Plus:						
Transfers from General Fund	1,276,100	2,047,600	385,500	398,850	412,800	427,200
Interest Income	20,000	18,215	40,848	27,902	4,972	7,683
Total Other Financing Sources	1,296,100	2,065,815	426,348	426,752	417,772	434,883
Amount Available for CIP	1,456,387	2,521,203	1,447,552	1,124,304	542,075	626,958
Less:						
Transfers to General Fund	340,000	1,500,000	750,000	1,000,000	350,000	350,000
Transfers to Other Funds	661,000	-	-	-	-	-
Total Other Financing Uses	1,001,000	1,500,000	750,000	1,000,000	350,000	350,000
Ending Balance	\$ 455,387	\$ 1,021,203	\$ 697,552	\$ 124,304	\$ 192,075	\$ 276,958

The Village's fund balance continues to remain healthy and can absorb the anticipated capital expenditures that exceed available resources. In the first two years of the planning horizon, fund balance is projected to be 29% of expenditures which falls within the Council's desired range of 27%-33%. In subsequent years, fund balance is projected to fall slightly below the Council's desired range.

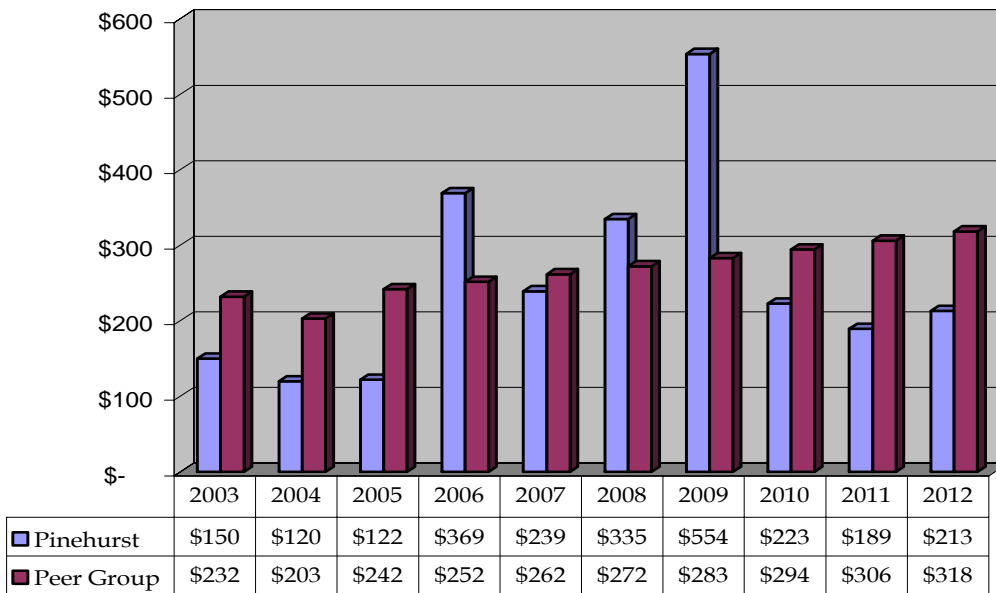
One way the Village can determine if it is spending an appropriate amount on capital expenditures is to compare itself to its peer group. The Local Government Commission, which is a division of the NC Department of State Treasurer, compiles financial data for all local governments in the State. There 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 graph on the following page 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, FY 2008 and FY 2009 the Village’s per capita spending levels exceed that of its peers considerably. In 2006 this was due to the construction of a \$2.6 million fire station, a near \$1 million park project, and a \$500,000 dam rehabilitation project. For FY 2008 and FY2009

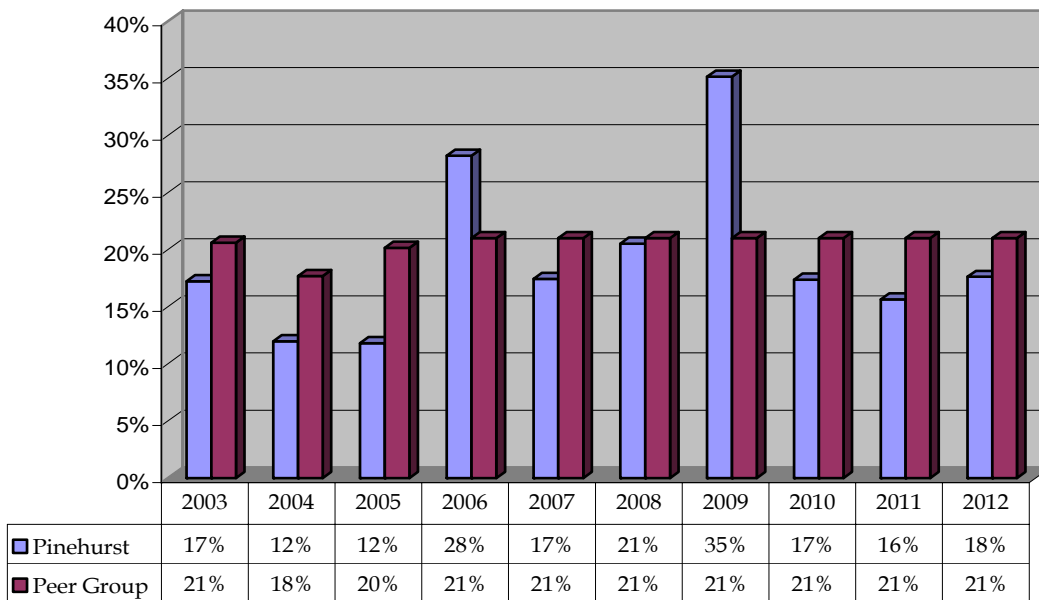
this is due to the completion of a \$3.3 million public services/fleet maintenance facility and the construction of a \$2.3 million recreation center. The other years in the planning horizon indicate capital spending is consistent with or considerably below our peer group.

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 lower 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 \$182 per capita on capital expenditures, or 13% of the net consolidated budget.

The following chart 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 \$3.4 - \$4.2 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. Over the course of the planning horizon, total spending on capital very closely approximates the targeted spending levels.

Table 8 - Capital Expenditures Comparable to Peer Group

	2008	2009	2010	2011	2012
Target Capital Spending Levels					
Average per capita	\$ 3,134,308	\$ 3,833,082	\$ 4,131,265	\$ 4,447,170	\$ 4,781,737
21% of expenditures	3,941,480	4,478,303	3,779,151	3,691,712	3,814,062
Average	3,537,894	4,155,692	3,955,208	4,069,441	4,297,899
Projected 2008-2012 CIP	3,853,950	7,494,250	3,126,959	2,750,583	3,199,200
Over (under) Funded CIP					
Compared to Target	\$ 316,056	\$ 3,338,558	\$ (828,249)	\$ (1,318,858)	\$ (1,098,699)

To summarize, the CIP represents a \$20 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 meets 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.

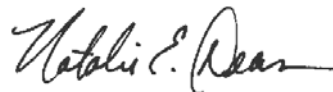
Once the capital improvements plan is prepared or updated on an annual basis, it is presented to the Village Council for their approval. After the CIP is approved, staff will attempt to include funding in the appropriate fiscal year to proceed with the project. The Village Council would then appropriate 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				
		2008	2009	2010	2011	2012
General Government Projects						
Roadway Improvements	835,000	95,000	260,000	200,000	200,000	80,000
Public Services Facility	3,280,700	666,000	2,614,700	-	-	-
Cannon Park Rec Center	2,316,600	602,000	1,714,600	-	-	-
Greenways	1,050,000	150,000	150,000	150,000	300,000	300,000
Rassie Wicker Park	919,000	206,000	94,000	330,000	193,000	96,000
Subtotal	\$ 8,401,300	\$ 1,719,000	\$ 4,833,300	\$ 680,000	\$ 693,000	\$ 476,000
Vehicles/Equipment	\$ 3,829,300	\$ 594,200	\$ 1,318,700	\$ 681,000	\$ 771,900	\$ 463,500
Improvements						
Road Resurfacing & Imp	\$ 4,931,800	\$ 927,000	\$ 955,500	\$ 985,000	\$ 1,015,800	\$ 1,048,500
Drainage Projects	1,352,700	100,000	104,000	503,500	112,000	533,200
Old Town Sidewalks	70,000	70,000	-	-	-	-
Recreation	681,000	273,750	222,750	133,250	33,250	18,000
Public Safety	695,000	65,000	-	30,000	-	600,000
Land Acquisition	300,000	60,000	60,000	60,000	60,000	60,000
Other	163,842	45,000	-	54,209	64,633	-
Subtotal	\$ 8,194,342	\$ 1,540,750	\$ 1,342,250	\$ 1,765,959	\$ 1,285,683	\$ 2,259,700
GRAND TOTAL	\$ 20,424,942	\$ 3,853,950	\$ 7,494,250	\$ 3,126,959	\$ 2,750,583	\$ 3,199,200

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

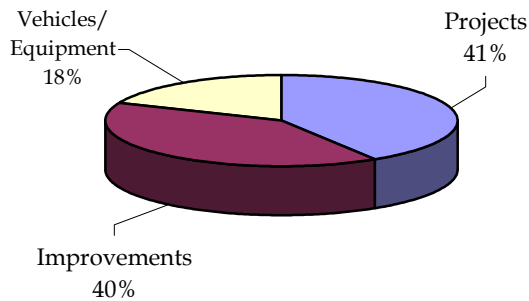


Exhibit 3 - Total Cost of CIP Projects From Inception Through 2012

Project	Pre-Planning Period Project Cost	Planning Period Project Cost	Total Project Cost
Roadway Improvements	-	835,000	835,000
Public Services Facility	550,000	3,280,700	3,830,700
Cannon Park Rec Center	-	2,316,600	2,316,600
Greenways	395,184	1,050,000	1,445,184
Rassie Wicker Park	1,262,562	919,000	2,181,562
GRAND TOTAL	\$ 2,207,746	\$ 8,401,300	\$ 10,609,046

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

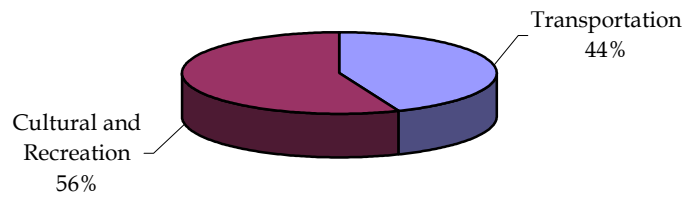


Exhibit 5 - Detail of Total CIP by Function

	Total	Fiscal Year Ending June 30				
		2008	2009	2010	2011	2012
General Government	\$ 839,000	\$ 271,000	\$ 208,000	\$ 120,000	\$ 180,000	\$ 60,000
Public Safety	2,408,300	238,200	692,200	251,500	416,900	809,500
Transportation	9,807,500	1,840,000	3,939,200	1,305,000	1,425,800	1,297,500
Economic Development	1,647,042	208,000	129,000	575,209	201,633	533,200
Environmental Protection	586,000	40,000	266,000	230,000	-	50,000
Cultural and Recreation	5,137,100	1,256,750	2,259,850	645,250	526,250	449,000
Total	\$ 20,424,942	\$ 3,853,950	\$ 7,494,250	\$ 3,126,959	\$ 2,750,583	\$ 3,199,200

Exhibit 6 - CIP Cost by Function

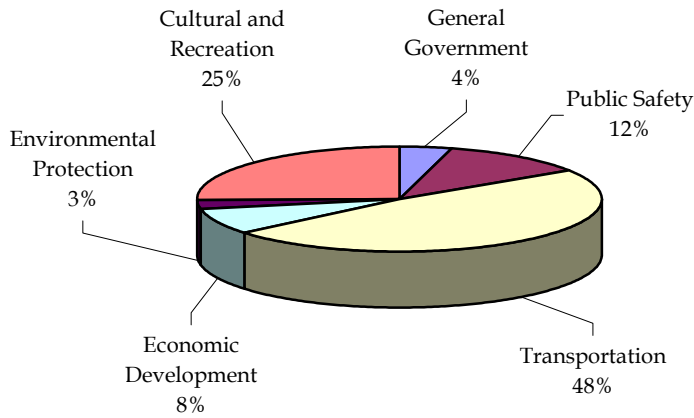


Exhibit 7 - Detail of Total CIP By Funding Source

	Total	Fiscal Year Ending June 30				
		2008	2009	2010	2011	2012
Cash						
Roadway Improvements	\$ 835,000	\$ 95,000	\$ 260,000	\$ 200,000	\$ 200,000	\$ 80,000
Greenways	750,000	150,000	150,000	150,000	150,000	150,000
Rassie Wicker Park	754,000	206,000	94,000	165,000	193,000	96,000
	2,339,000	451,000	504,000	515,000	543,000	326,000
Vehicles/Equipment	3,329,300	594,200	818,700	681,000	771,900	463,500
Improvements	5,944,342	1,110,750	902,250	1,315,959	825,683	1,789,700
Subtotal	11,612,642	2,155,950	2,224,950	2,511,959	2,140,583	2,579,200
Grant						
Street Resurfacing - PB	2,250,000	430,000	440,000	450,000	460,000	470,000
Rassie Wicker Park	165,000	-	-	165,000	-	-
Greenways	300,000	-	-	-	150,000	150,000
Cannon Park Rec Center	500,000	500,000	-	-	-	-
Subtotal	3,215,000	930,000	440,000	615,000	610,000	620,000
Installment Financing						
Fire Truck - Unit 924	500,000	-	500,000	-	-	-
Public Services Facility	3,280,700	3,280,700	-	-	-	-
Cannon Park Rec Center	1,816,600	1,816,600	-	-	-	-
Subtotal	5,597,300	5,097,300	500,000	-	-	-
Total	\$ 20,424,942	\$ 8,183,250	\$ 3,164,950	\$ 3,126,959	\$ 2,750,583	\$ 3,199,200

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

	Total	Fiscal Year Ending June 30				
		2008	2009	2010	2011	2012
Net Annual Operating Cost						
Public Services Facility	\$ 247,272	\$ -	\$ -	\$ 80,000	\$ 82,400	\$ 84,872
Cannon Park Rec Center	523,759	-	-	169,452	174,535	179,771
Greenways	54,855	10,227	10,534	11,030	11,361	11,702
Rassie Wicker Park	193,807	36,024	37,714	38,846	40,011	41,211
Subtotal	1,019,693	46,252	48,248	299,328	308,308	317,557
Annual Debt Service						
Fire Truck	276,500	-	72,500	70,250	68,000	65,750
Public Services Facility	1,370,895	-	356,503	347,317	338,131	328,945
Cannon Park Rec Center	660,395	-	98,702	192,317	187,231	182,144
Subtotal	2,307,790	-	527,705	609,884	593,362	576,839
Net Budget Impact	\$ 3,327,482	\$ 46,252	\$ 575,953	\$ 909,212	\$ 901,669	\$ 894,396

Capital Projects

Public Services Facility

Department	Public Services/Fleet Maintenance Departments
Project Cost	\$3,280,700
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input 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 Services 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 services and fleet maintenance operations. The site of the new complex is expected to be identified 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	2008	2009	2010	2011	2012
Appropriations	\$ 3,830,700	\$ 550,000	\$ 666,000	\$ 2,614,700	\$ -	\$ -	\$ -
TOTAL	\$ 3,830,700	\$ 550,000	\$ 666,000	\$ 2,614,700	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 550,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Financing	3,280,700	-	3,280,700	-	-	-	-
TOTAL	\$ 3,830,700	\$ 550,000	\$ 3,280,700	\$ -	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2008	2009	2010	2011	2012
Debt Proceeds	\$ 3,280,700	\$ -	\$ 3,280,700	\$ -	\$ -	\$ -	\$ -
Project Expenditures	3,830,700	550,000	666,000	2,614,700	-	-	-
Operating Expenditures	247,272	-	-	-	80,000	82,400	84,872
Debt Service	1,370,895	-	-	356,503	347,317	338,131	328,945
TOTAL	\$ (2,168,167)	\$ (550,000)	\$ 2,614,700	\$ (2,971,203)	\$ (427,317)	\$ (420,531)	\$ (413,817)

Roadway Improvements

Department	Engineering Department
Project Cost	\$835,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> New/expanded capital assets that eliminate deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> New/expanded capital assets that eliminate a public hazard or threat to public safety <input checked="" type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

These projects include intersection improvements at NC5, Barrett and McCaskill roads in FY 2008 and FY 2009; NC2 and Carolina Vista in FY2008; and pedestrian improvements on NC-211 in FY 2010 through FY 2012. 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	2008	2009	2010	2011	2012
Appropriations	\$ 835,000	\$ -	\$ 95,000	\$ 260,000	\$ 200,000	\$ 200,000	\$ 80,000
TOTAL	\$ 835,000	\$ -	\$ 95,000	\$ 260,000	\$ 200,000	\$ 200,000	\$ 80,000
Funding Source:							
Cash	\$ 835,000	\$ -	\$ 95,000	\$ 260,000	\$ 200,000	\$ 200,000	\$ 80,000
TOTAL	\$ 835,000	\$ -	\$ 95,000	\$ 260,000	\$ 200,000	\$ 200,000	\$ 80,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2008	2009	2010	2011	2012
Project Expenditures	\$ 835,000	\$ -	\$ 95,000	\$ 260,000	\$ 200,000	\$ 200,000	\$ 80,000
Operating Expenditures	-	-	-	-	-	-	-
TOTAL	\$ (835,000)	\$ -	\$ (95,000)	\$ (260,000)	\$ (200,000)	\$ (200,000)	\$ (80,000)

Cannon Park Recreation Center

Department	Parks and Recreation Department	
Project Cost	\$2,316,600	
Project Priority	<u>X</u>	Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided
	<u>X</u>	Eliminates deficiencies in providing a service at the current level of demand
	___	Eliminates a public hazard or threat to public safety
	<u>X</u>	Improvements or new capital assets that significantly improve the efficiency of operations
	<u>X</u>	New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

The Cannon Park 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	2008	2009	2010	2011	2012
Appropriations	\$ 2,316,600	\$ -	\$ 602,000	\$ 1,714,600	\$ -	\$ -	\$ -
TOTAL	\$ 2,316,600	\$ -	\$ 602,000	\$ 1,714,600	\$ -	\$ -	\$ -
Funding Source:							
Grants	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Cash	-	-	-	-	-	-	-
Installment Financing	1,816,600	-	1,816,600	-	-	-	-
TOTAL	\$ 2,316,600	\$ -	\$ 2,316,600	\$ -	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2008	2009	2010	2011	2012
Debt Proceeds	\$ 1,816,600	\$ -	\$ 1,816,600	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	500,000	-	500,000	-	-	-	-
Project Expenditures	2,316,600	-	602,000	1,714,600	-	-	-
Operating Expenditures	523,759	-	-	-	169,452	174,535	179,771
Debt Service	660,395	-	-	98,702	192,317	187,231	182,144
TOTAL	\$ (1,184,153)	\$ -	\$ 1,714,600	\$ (1,813,302)	\$ (361,769)	\$ (366,853)	\$ (367,002)

Greenways

Department	Parks and Recreation Department
Project Cost	\$1,050,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

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

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2008	2009	2010	2011	2012
Appropriations	\$ 1,436,598	\$ 386,598	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000
TOTAL	\$ 1,436,598	\$ 386,598	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000
Funding Source:							
Grants	\$ 336,108	\$ 36,108	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
Cash	1,100,490	350,490	150,000	150,000	150,000	150,000	150,000
TOTAL	\$ 1,436,598	\$ 386,598	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2008	2009	2010	2011	2012
Grant Proceeds	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
Project Expenditures	1,436,598	386,598	150,000	150,000	150,000	300,000	300,000
Operating Expenditures	83,085	28,230	10,227	10,534	11,030	11,361	11,702
TOTAL	\$ (1,519,683)	\$ (414,828)	\$ (160,227)	\$ (160,534)	\$ (161,030)	\$ (161,361)	\$ (161,702)

Rassie Wicker Park Development

Department	Parks and Recreation Department
Project Cost	\$919,000
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

Rassie Wicker Park is a multi-phase project, beginning in 2004 and continuing through 2012. The remaining project phases include construction of a comfort station and additional parking in FY 2008, tennis courts in FY 2009, additional parking and a spray ground in FY 2010, a shelter, shuffleboard, horseshoe pits, and sand volleyball court in FY 2011 and various trails in FY 2012. 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	2008	2009	2010	2011	2012
Appropriations	\$ 2,181,562	\$ 1,262,562	\$ 206,000	\$ 94,000	\$ 330,000	\$ 193,000	\$ 96,000
TOTAL	\$ 2,181,562	\$ 1,262,562	\$ 206,000	\$ 94,000	\$ 330,000	\$ 193,000	\$ 96,000
Funding Source:							
Grants	\$ 389,737	\$ 224,737	\$ -	\$ -	\$ 165,000	\$ -	\$ -
Cash	1,791,825	1,037,825	206,000	94,000	165,000	193,000	96,000
TOTAL	\$ 2,181,562	\$ 1,262,562	\$ 206,000	\$ 94,000	\$ 330,000	\$ 193,000	\$ 96,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2008	2009	2010	2011	2012
Grant Proceeds	\$ 389,737	\$ 224,737	\$ -	\$ -	\$ 165,000	\$ -	\$ -
Project Expenditures	2,181,562	1,262,562	206,000	94,000	330,000	193,000	96,000
Operating Expenditures	259,676	65,869	36,024	37,714	38,846	40,011	41,211
TOTAL	\$ (2,051,501)	\$ (1,103,694)	\$ (242,024)	\$ (131,714)	\$ (203,846)	\$ (233,011)	\$ (137,211)



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

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 extraterritorial jurisdiction.



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 50,000.

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.

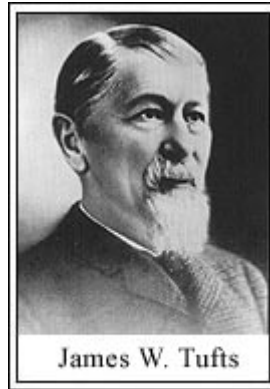


Donald Ross



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

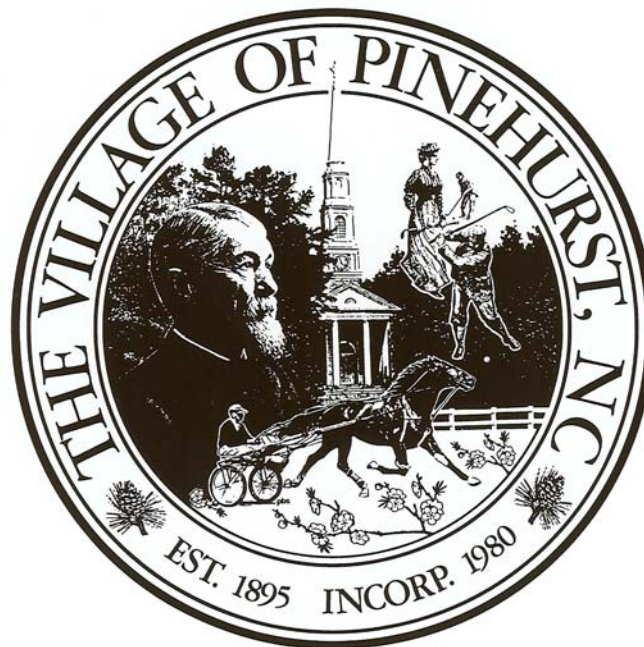


Supplementary Information

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.



Village of Pinehurst Seal



Demographic Characteristics

With a population of 11,615, 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 Resort. FirstHealth of the Carolinas is a private, not-for-profit health care network serving 15 counties in the mid-Carolinas. Pinehurst Resort, owned by Pinehurst, LLC 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, II, and III 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

Demographic and Economic Statistics Last Ten Calendar Years

Fiscal Year	Calendar Year	Population (1)	Personal Income (2)	Per Capita Income (2)	Median Age (3)	Unemployment Rate (4)
1997	1996	7,788	n/a	n/a	63.8	4.9%
1998	1997	8,059	n/a	n/a	63.8	3.8%
1999	1998	8,316	n/a	n/a	63.8	4.1%
2000	1999	8,815	n/a	n/a	63.8	3.5%
2001	2000	9,755	n/a	n/a	60.4	3.6%
2002	2001	9,855	n/a	n/a	60.4	4.9%
2003	2002	9,948	n/a	n/a	60.4	6.3%
2004	2003	10,218	n/a	n/a	60.4	6.4%
2005	2004	10,498	n/a	n/a	60.4	5.4%
2006	2005	10,694	\$ 683,036,474	\$ 63,871	60.4	4.9%

Sources:

- (1) Office of State Budget and Management.
- (2) Bureau of Economic Analysis
- (3) U.S. Census Bureau
- (4) North Carolina Employment Security Commission

Notes:

Population is based on the fiscal year estimate certified to the Secretary of Revenue by the State Budget Officer.

Median age is updated from the 1990 and 2000 Decennial Census of Population and Housing.

Unemployment rate information is a calendar year adjusted annual average.

n/a indicates "not available".



Supplementary Information

Operating Indicators by Function Last Eight Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>							
	1999	2000	2001	2002	2003	2004	2005	2006
General Government								
Fin/ancial Services								
Purchase orders issued	781	605	680	354	509	440	323	262
Vendor checks issued	3,428	3,270	3,332	2,966	2,919	3,595	2,673	2,529
Human Resources								
Workers' compensation lost time (days)	n/a	n/a	n/a	n/a	n/a	n/a	322	44
Employee turnover rate	n/a	n/a	n/a	n/a	n/a	n/a	9%	9%
Fleet Maintenance								
Tires changed/repared	117	101	130	171	200	250	300	372
Engines serviced	440	361	462	480	500	300	350	200
Public Safety								
Fire Protection								
Public fire & life safety classes	135	175	447	556	341	95	95	219
Structure fires	16	24	18	24	18	24	21	26
Inspections	399	388	479	560	467	877	766	824
Child Passenger Seat Inspections	n/a	n/a	n/a	n/a	n/a	389	833	579
Police Protection								
Physical arrests	200	224	211	207	178	172	206	202
Citations issued	1,315	969	943	902	971	1,479	1,560	1,285
Response to calls/officer initiated activity	12,728	11,543	11,116	11,482	11,588	11,782	11,500	9,801
Traffic accidents	442	438	410	421	446	467	447	432
Inspections								
Building inspections conducted	n/a	n/a	n/a	7,253	7,661	11,064	11,286	10,588
Certificates of occupancy issued	262	255	235	234	231	214	254	271
Transportation								
Street resurfacing (miles)	4.0	6.9	7.5	4.9	3.3	4.9	5.0	5.0
Environmental Protection								
Refuse collected (tons annually)	5,155	5,106	6,492	5,597	4,677	5,673	4,578	4,287
Homes receiving service	5,306	5,556	5,706	5,940	6,040	n/a	6,345	6,485
Recyclables collected (tons annually)	n/a	n/a	n/a	n/a	n/a	330	305	369
Economic & Physical Development								
Building permits issued	483	453	391	353	321	374	318	231
Zoning Compliance Investigations	n/a	n/a	446	694	473	538	475	480
Cultural & Recreation								
Recreation								
Number of parks	3	3	3	3	4	4	4	4
Program participants	461	286	339	329	354	361	398	468
Athletics participants	1,464	1,418	1,560	1,351	1,437	1,456	1,507	1,503
Harness Track								
Standardbred stalls leased	n/a	n/a	n/a	n/a	222	270	280	285
Facilities reserved (days)	n/a	86	106	87	95	67	62	45
Fair Barn								
Events	n/a	n/a	n/a	n/a	31	61	67	87
Rental days	n/a	n/a	n/a	n/a	39	85	125	131

Source: Various Village departments



Supplementary Information

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2006		1997	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Resorts of Pinehurst	\$ 124,562,427	5.91%	\$ 55,270,156	5.11%
Country Club of North Carolina	19,751,894	0.94%	13,359,251	1.24%
Pinehurst Medical	11,595,818	0.55%	2,612,520	0.24%
Carolina Power and Light	10,654,531	0.51%	8,272,266	0.77%
Pleasant Living Health Care (Quail Haven)	8,242,604	0.39%	5,861,559	0.54%
MTMM Associates	8,087,345	0.38%	4,427,100	0.41%
FirstHealth of the Carolinas	7,037,500	0.33%	6,691,597	0.62%
Francis Maser	5,518,800	0.26%	-	0.00%
Carolina Telephone and Telegraph	4,931,501	0.23%	4,814,959	0.45%
Branch Banking and Trust Co.	4,451,806	0.21%	3,469,700	0.32%
Pinehurst Nursing	-	0.00%	2,741,637	0.25%
Total	\$ 204,834,226	9.73%	\$ 107,520,745	9.94%

Source: Moore County Tax Department

Note: 2006 and 1997 data are for tax years 2005 and 1996 respectively.



The Carolina Hotel



Personnel Classification Schedule

Classification Plan Summary Budget for the Fiscal Year Ended June 30, 2008

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Actual 2006-2007	Budgeted 2007-2008
General Government					
Administration					
Administration	8	5	4.5	6.5	6.5
Financial Services	-	4.75	5	4	4
Human Resources	-	1	1.5	1.5	2
Fleet Maintenance	3	3	3	3	3
Buildings and Grounds Maintenance	3	3	3.5	5	5
Information Technology	-	-	1	2.2	3.2
Total General Government	14	16.75	18.5	22.2	23.7
Public Safety					
Police	28	28	28	29	31.5
Fire	27	30	30	30	30
Inspections	3	3	3.3	3.2	3.2
Total Public Safety	58	61	61.3	62.2	64.7
Economic and Physical Development					
Planning	6	6	7	7	7
Engineering	2.5	2.5	2.5	2	2
Total Economic and Physical Development	8.5	8.5	9.5	9	9
Transportation					
Public Services Administration	2	2	2.5	3	3
Streets and Grounds	13	13	13	14	13
Total Transportation	15	15	15.5	17	16
Environmental Protection					
Solid Waste	9	9	9	9	9.5
Public Utilities					
Public Utilities Administration	-	1	0	0	-
Total Environmental Protection	9	10	9	9	9.5
Cultural and Recreation					
Parks and Recreation	2.5	2	2	3.3	3.3
Harness Track	5	4	4	4.4	4.4
Fair Barn	1	1	1	2.5	2.5
Total Cultural and Recreation	8.5	7	7	10.2	10.2
GRAND TOTAL	113	118.25	120.8	129.6	133.1

Population	10,218	10,498	10,694	11,026	11,651
EMPLOYEES PER CAPITA	0.0111	0.0113	0.0113	0.0118	0.0114