

# VILLAGE OF PINEHURST

NORTH CAROLINA



## 2008-2009 Budget

# VILLAGE OF PINEHURST

**Budget for the Fiscal Year  
Ended June 30, 2009**



*Council Member Virginia F. Fallon, Mayor George P. Lane, Mayor Pro-Tem Lorraine A. Tweed,  
Treasurer Jeffery P. Dawson, Council Member Joan M. Thurman*



**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	Vacant
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



# Table of Contents

## ***Introduction***

Introduction.....	iii
Organizational Chart.....	v
GFOA Distinguished Budget Presentation Award .....	vi

## ***Budget Message and Overview***

Budget Message and Overview .....	1
-----------------------------------	---

## ***Council Priorities and Initiatives***

Council Priorities and Initiatives .....	11
--	----

## ***About Village Services***

About Village Services .....	15
------------------------------	----

## ***Budget Guide***

Budget Guide .....	24
Financial Policies .....	25
Budget Development Calendar .....	27
Budget Planning.....	28
Budget Requirements.....	29
Budget Format .....	31

## ***Annual Budget Ordinance***

Annual Budget Ordinance.....	35
------------------------------	----

## ***Consolidated Budget Summary***

Consolidated Revenues .....	41
Consolidated Expenditures .....	42
General Government.....	43
Public Safety .....	44
Transportation.....	45
Environmental Protection .....	46
Economic & Physical Development .....	47
Cultural & Recreation .....	48
Debt Service.....	49
Other Financing Uses.....	50
Contingency .....	51
Consolidated Fund Balance .....	52

## ***General Fund***

Summary.....	53
General Fund Revenues .....	58
Governing Body.....	76
Administration .....	78
Financial Services .....	80
Human Resources .....	82
Police.....	84
Fire .....	86
Inspections .....	88
Public Services Administration.....	90
Streets & Grounds.....	92



## Table of Contents

Powell Bill .....	94
Solid Waste .....	96
Planning .....	98
Engineering .....	100
Recreation .....	102
Harness Track .....	104
Fair Barn .....	106
Buildings & Grounds Maintenance .....	108
Fleet Maintenance .....	110
Information Technology .....	112
Contingency .....	114
Non-Departmental .....	116
Debt Service .....	118
Other Financing Uses .....	120
<b><i>Special Revenue Funds</i></b>	
Summary .....	122
Taylorhurst Assessment .....	124
Land Dedication .....	125
Residential Assurance-Interest .....	126
Municipal Service District .....	127
Capital Reserve .....	128
<b><i>Capital Project Funds</i></b>	
Summary .....	129
Public Services Facility .....	131
Recreation Center .....	132
Jackson Hamlet Sewer CDBG .....	133
<b><i>Debt Service</i></b>	
Debt Service .....	134
<b><i>Capital Expenditures</i></b>	
Summary .....	137
Five-Year Capital Improvement Plan FY 2009-2013 .....	140
<b><i>Budget Glossary</i></b>	
Budget Glossary .....	158
<b><i>Supplementary Information</i></b>	
History .....	163
Demographic & Geographic Characteristics .....	166
Operating Indicators by Function .....	167
Principal Property Tax Payers .....	168
Personnel Classification Schedule .....	169





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.



*Annual 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.

*Capital Expenditures:* This section summarizes information regarding capital expenditures for the Village. Information is provided on capital items contained in the current year budget along with planning information for future years. This future information is contained in a summary of the Village's separately adopted Five-Year Capital Improvement Plan.

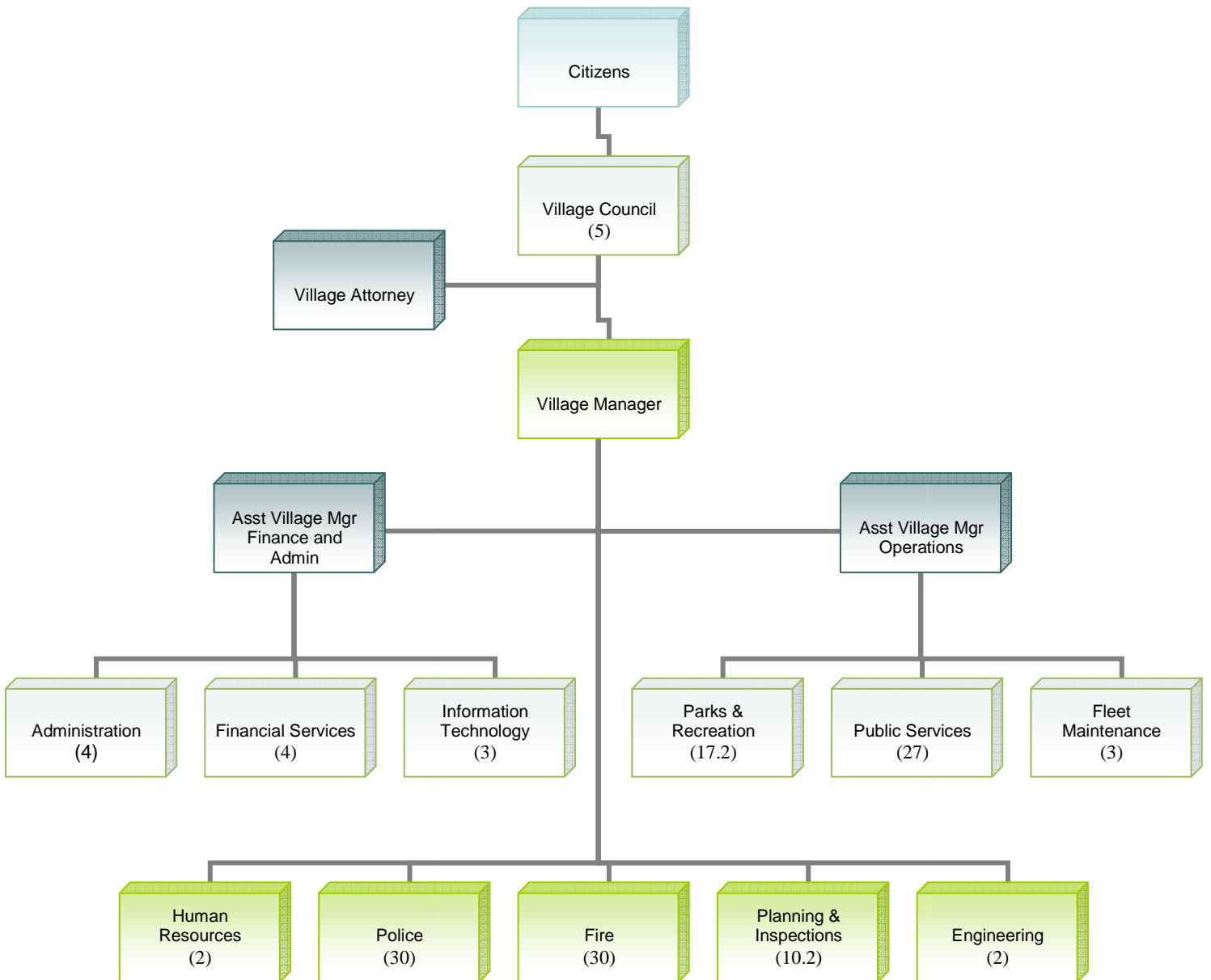
*Budget Glossary:* This section includes a list of common budget terms, acronyms and abbreviations. A detailed definition of these terms is provided to aid the reader in understanding the budget process.

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

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



# Organizational Chart







The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Village of Pinehurst, North Carolina** for its annual budget for the fiscal year beginning **July 1, 2007**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to confirm to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



May 13, 2008

The Honorable George P. Lane, Mayor  
Members of the Village Council  
Pinehurst, North Carolina

Dear Mayor Lane 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 fiscal year (FY) 2008-2009 for your review and consideration. This document has been improved in order to continue to comply with the requirements of the Government Finance Officers Association's Distinguished Budget Award and to present more useful information to our readers.

Some of the more significant changes to the format of this document include the addition of a section summarizing all capital expenditures. Additional information has been added to this budget message to more fully explain the key priorities and initiatives of the Village and how the proposed budget addresses these issues. We have also improved our departmental goals, objective and performance measures and more closely linked those with the overall vision and goals of the Village.

The budget as presented was developed in conjunction with the Village's Capital Improvement Plan (CIP) and the Village's ongoing strategic planning process. The results of these planning processes are the foundation upon which the budget is developed to ensure that the recommended budget moves us toward our mission and vision. This year there was a concerted effort to more closely link the revenue and expenditure projections of the CIP with the annual budget. This resulted in capital outlay budgets that very closely resemble the items approved in the CIP.

Many external factors affect our budget planning process. Our progress on the development of the New Core area directly affects progress on relocating the Public Services Facility. The legal challenges to the Pinewild annexation, roundabout, and our architecture standards have greatly increased our legal defense costs. Long-term concerns include, improving our water supply and road networks for our growing population, slower growth in our tax base due to the availability of buildable lots, and diversification of our economy that is concentrated in the services sector.

The Recommended Budget as presented 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 tax rate of \$0.28 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 2008-2009 Recommended Net Budget, which includes all funds less transfers between funds, totals \$15,649,627. This is an increase of 3.6% over the prior year's amended Net Budget at March 31, 2008 of \$15,111,047. 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 2008-2009 per capita expenditure is \$1,343 compared to our peer group's average per capita net budget of \$1,275. The Village's estimated population is 11,655 while the peer group includes municipalities with populations between 10,000 and 49,999.

### INITIATIVES

The budget includes new initiatives and several initiatives that are continuations from prior years. Some of the more significant initiatives include:

- Focus on storm water issues including the completion of drainage control projects
- Continued focus on guiding and managing residential and business development
- Focus on continuing to conserve and protect our natural resources
- Improve the Village's transportation system
- Continued expansion of the automated trash collection system

The Village is committed to continuing our efforts to correct storm water runoff problems. As many of the higher priority areas identified in our basin studies are addressed, new areas of concern arise as new development concentrates runoff. The budget as presented contains \$430,000 to address issues in the Pitch Pine and Pinehurst Trace areas as well as other small drainage projects.

Over the past six months, the Council has worked closely with the Planning Department in reviewing the zoning regulations for the New Core area. It is our desire to ensure that the zoning for this area is in keeping with the Council's wishes and develops in a manner that will enhance the unique character and ambiance of the historic Village Center. Funding for professional services related to the New Core planning process is included in the recommended budget. Also, an appropriation is included to update the Village's 2003 Comprehensive Long Range Plan.

We have continued our focus on conserving our natural resources on several fronts. We recommend continuing the work of the Conservation Commission in the upcoming year. The budget calls for the extension of automated trash collection services to an additional section of the Village. At the time of this writing, Village staff is analyzing a potential change in service levels that would result in a reduction in the frequency of household garbage collection from



twice per week to once a week, while increasing the frequency of collecting recyclables from once every two weeks to once a week.

In order to maintain an average life-cycle of 15-20 years for Village maintained streets, the budget contains funding to resurface approximately 4-5 miles of roadways. Our intent is to improve the overall serviceability of our streets by raising our pavement condition rating. In addition the budget includes funds for traffic intersection studies and professional services for the Western Connector initiative.

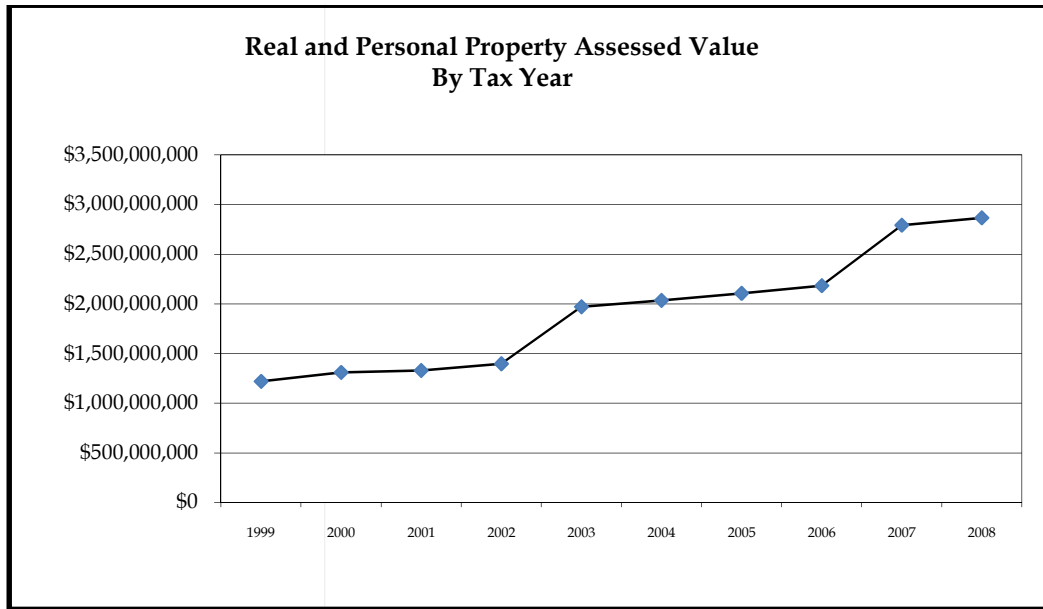
Our original plan was to implement the automated solid waste collection system in four phases implementing one phase each fiscal year. In FY 2007-2008 we purchased a 30-yard automated arm solid waste vehicle and a smaller 10-yard automated truck. The recommend budget contains an appropriation to purchase an additional 10-yard solid waste vehicle and 500 bins. This will allow us to continue to expand the automated system to an additional 250 homes in the Village during the upcoming fiscal year.

The Village adopted an ordinance to annex the Pinewild Country Club of Pinehurst effective June 30, 2008. Pinewild is a 1,683 acre gated community that contains approximately 700 homes. Lawsuits in both federal and state courts opposing the annexation have been filed delaying the effective date of the annexation until at least June 30, 2009. Although, the budget does not include any revenues or expenditures related to the annexation, the Village stands ready to provide services to this area as soon as legally allowable.

### **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 2008-2009 General Fund is balanced with a property tax rate of \$0.28 per \$100 valuation and is the lowest municipal tax rate in Moore County. This is the same rate that was in effect in the previous fiscal year. This rate will provide approximately \$8,014,300 in property tax revenues based on an anticipated collection rate of 99.9% for real and personal property and 96.7% for motor vehicles. The Village has historically achieved one of the highest tax collection rates in the State of North Carolina. A penny on the tax rate is projected to generate approximately \$280,000 in revenue.



The average growth in the property tax base of 3% is fueled by continued residential and commercial development activity. On average, 200 new homes have been constructed in the Village and its extraterritorial jurisdiction (ETJ) on an annual basis. However, new homes are projected to be approximately 160 in FY 2008-2009.

The Village's second largest revenue source, Local Option Sales Tax, is expected to generate approximately 17% of the Village's total General Fund budget, or \$2,610,000 in FY 2008-2009.

The FY 2008-2009 Recommended Budget for the General Fund totals \$15,487,144, or 2.7% more than the amended FY 2007-2008 Budget of \$15,074,267 as of March 31, 2008.

Overall, the Recommended Budget for the General Fund utilizes \$752,672 of appropriated fund balance and contemplates the transfer in of \$200,000 from 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 30.6%.

### **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 2008-2009 under this policy is \$350,000. The Village's Fund Balance Policy provides for fund balance in excess of 33% of the following year's budgeted expenditures to be transferred to the Capital Reserve Fund in the following year. As we expect fund balance to be within the desired range at June 30, 2008, no transfer is planned from the General Fund to the Capital Reserve Fund in FY 2008-2009.

The Recommended Budget for the Capital Reserve Fund also calls for the transfer of \$200,000 to the General Fund in FY 2008-2009. After the transfers in and out, the Capital Reserve Fund's fund balance should approximate \$362,000 at the end of FY 2008-2009.



## 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 68% 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 has increased as a result. This year the Village can expect modest revenue growth due to the current economic slow-down.

### **Ad Valorem Taxes (Property Taxes)**

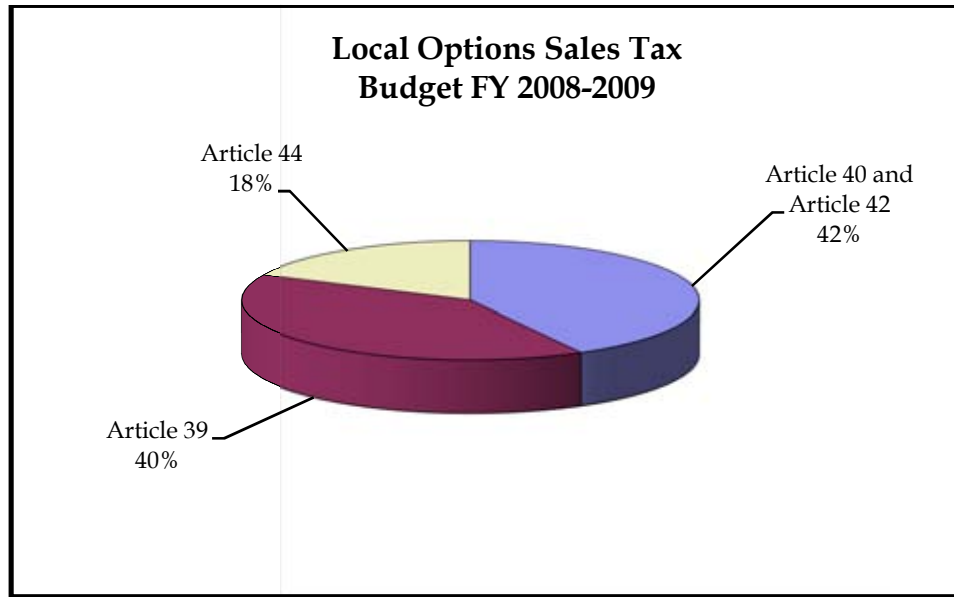
Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by the value of the property, 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 \$0.28 per \$100 of valuation. This means that for every \$100,000 in value of property, \$280 is due. Total Ad Valorem Tax revenues are projected to be \$8,014,300 in FY 2008-2009. In North Carolina, the Ad Valorem tax is the only significant source of revenue that the State allows local governments to control. This revenue accounts for 52% of the General Fund's total revenues.

### **Local Option Sales Taxes**

Two and one-half cents ( $2\frac{1}{2}$ ) 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 \$2,610,000 in FY 2008-2009, which accounts for 17% of total revenues for the General Fund.





### **Intergovernmental Revenues**

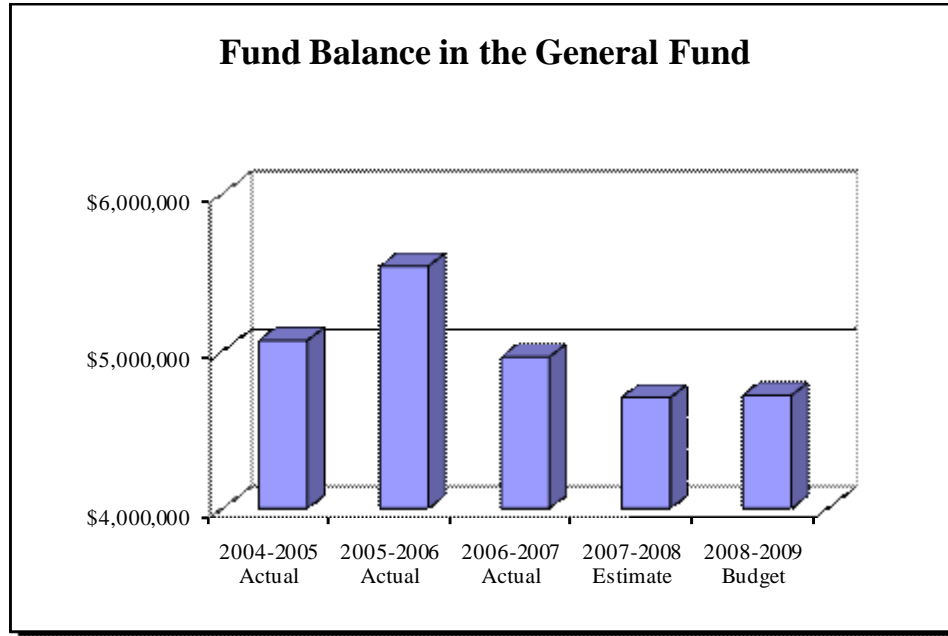
Intergovernmental revenues consist primarily of the Electricity Franchise Tax and the Powell Bill Allocation. The Electricity Franchise Tax is collected by the State and is distributed to the Village based on the actual receipts from the providers of electricity within the Village's limits. The Powell Bill Allocation from the State is restricted to maintaining, repairing, or constructing Village owned streets and rights-of-way. Total intergovernmental revenue is estimated to be \$1,390,600 for FY 2008-2009.

### **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 \$1,252,220 in FY 2008-2009, or approximately 8% of the total General Fund budget.

## **FUND BALANCES**

On June 30, 2008, the Village's fund balance in the General Fund is projected to be approximately \$4,704,449, or 33% of the FY 2008-2009 Budget. This is within the Village's target of 27% - 33% of budgeted expenditures. 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, 2008 are as follows:

FUND	ESTIMATED AMOUNT
General Fund	\$ 4,704,449
Taylorhurst Assessment Fund	20,974
Land Dedication Fund	5,692
Residential Assurance Fund – Interest	23,868
Municipal Service District Fund	12,136
Capital Reserve Fund	248,891
	<u>\$ 5,016,010</u>

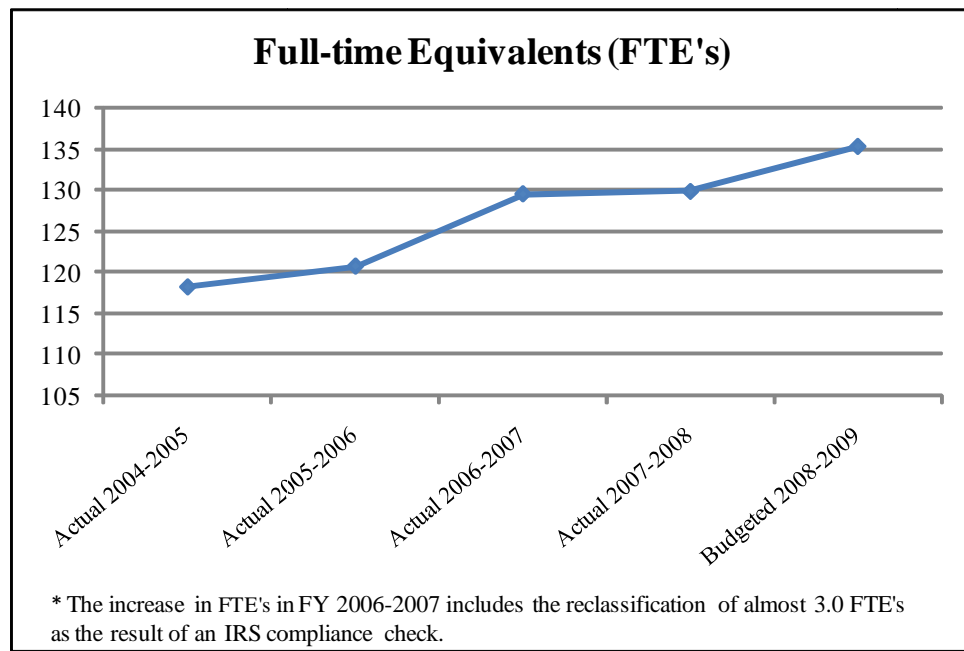
**EXPENDITURES BY CATEGORY**

**Salaries and Wages**

Salaries and wages, excluding benefits, for the Village’s 133 full-time equivalents (FTEs) accounts for \$5,790,000 or 37% of the total Net Budget. This percentage has increased slightly compared to prior years. The Village’s peer group spends on average 35% of its consolidated budget (including capital project funds) on salaries and wages, excluding benefits.

The FY 2008-2009 General Fund budget recommends the addition of two new full-time employees and the transition of a part-time employee to a full-time position for a total of 2.5 FTE’s. The positions added include:

- Streets and Grounds Maintenance Worker (1.0 FTE),
- Recreation Program Coordinator (1.0 FTE),
- Administration Administrative Assistant (0.5 FTE).



Of the recommended FTEs, the Maintenance Worker and Recreation Program Coordinator provide services directly to our citizens and will increase the level of service in their respective areas.

A total of \$121,000 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 Bureau of Labor Statistics reported an increase in the consumer price index (CPI-U) from December 2006 to December 2007 of 4.1%. We believe that the average rate of 4.5% as recommended is consistent with this rate of inflation.

### **Operating Costs**

This category of expenditures accounts for \$7,666,645 or 49% 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. The Village's peer group typically spends 45% of its Budget on operating costs. Notable operating costs include the funding for an update of the Village's Comprehensive Plan, annual resurfacing funds for 4-5 miles of Village-owned streets, and the purchase of rolling refuse carts for the extension of the automated arm household refuse collection system.

Group insurance costs have historically escalated at a very rapid pace. This past year, the Village received a 5% increase at renewal which was further reduced to 0% by adjusting our deductibles and co-pays. This positive outcome was the result of fewer in-patient hospital admissions for our employees and our wellness initiatives. 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.

### **Capital**

This category of expenditures accounts for \$1,680,400, or 11% of the total Net Budget. This is in comparison to our peers who spend 20% 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. Detailed information on capital purchases for FY 2008-2009 can be found in the Capital Expenditures section of the budget document. The list below highlights some of the more notable items:

- Police communications and dispatching system,
- Replacement of a 1988 fire engine,
- Stormwater projects,
- Small automated 10-yard solid waste vehicle, and
- Arboretum comfort station.

### **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 an ad valorem tax rate of \$0.28 per \$100 valuation for the General Fund. The Recommended Budget also maintains a fund balance of 30.6% of FY 2008-2009 General Fund expenditures, which is within the Council's stated range of 27% to 33%.

For FY 2008-2009 we have appropriated \$752,672 of the Village's fund balance as a revenue source. Historically, operating revenues come in at 101% of budget while operating expenditures typically fall 5% below budget. The amount of fund balance that is appropriated this year approximates this budget variance amount. If this historical trend continues for FY 2008-09, we will not actually use any of these reserves. The amount of fund balance appropriated in FY 2008-2009 is 54% lower than the previous fiscal year. In the previous fiscal year approximately \$402,000 in fund balance was appropriated for expenditures related to the annexation of the Pinewild Country Club of Pinehurst. This annexation was subsequently delayed by a legal challenge.

The Recommended Budget for FY 2008-2009 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 funding for the Comprehensive Plan update, small and mid-sized storm drainage projects, roundabout costs, traffic studies for intersection improvements, and increased funding for the annual resurfacing project. The total of these items equates to \$0.03 of the Village's tax rate.



# Budget Message

The following table is a summary of the balanced Recommended Budget for each of the Village’s funds for FY 2008-2009:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$15,487,144	\$15,487,144
Taylorhurst Assessment Fund	25,956	25,956
Land Dedication Fund	150	150
Residential Assurance Fund – Interest	3,000	3,000
Municipal Service District Fund	20,705	20,705
Capital Reserve Fund	<u>355,000</u>	<u>355,000</u>
	15,891,955	15,891,955
Less: Transfers between funds*	( <u>242,328</u> )	( <u>242,328</u> )
<b>TOTAL NET BUDGET</b>	<b><u>\$ 15,649,627</u></b>	<b><u>\$ 15,649,627</u></b>

\* 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 \$547,000 in order to balance the budget. This amount is considerably lower than in previous years due to the concerted effort to link the CIP process to the annual budget preparation. Although the budget does not fund all the requests made by departments or external groups, it is set to maintain the provision of quality services for our citizens and in some instances improve current service levels.

A Public Hearing to receive public comment on the Recommended Budget is set for 11:00 am in the Council Conference Room of the Pinehurst Village Hall on Tuesday, May 27, 2008. A copy of the proposed budget is available for inspection at Village Hall and on the Village’s website [www.villageofpinhurst.org](http://www.villageofpinhurst.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.*

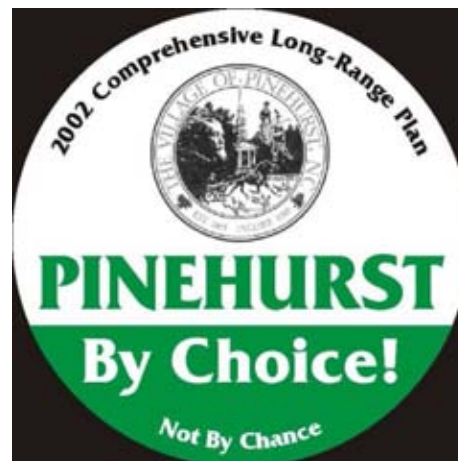
This vision statement guides the Village's strategic planning process, along with the Village Council's philosophy and long term priorities. The Council's philosophy and long-term priorities are described in detail in the Village's Comprehensive Long Range Plan that was adopted in April 2003.

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

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

**The primary goals of the Village are to:**

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







## Council Priorities and Initiatives

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

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

The FY 2008-2009 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
  - The proposed budget contains an appropriation of \$100,000 in the Planning department to update the Village's 2003 Comprehensive Long Range Plan.

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

#### *ST Initiatives*

- Implement the New Core Master Plan
  - Funding for professional services related to the New Core planning is included in the Planning department in proposed budget.
- Monitor and refine as necessary the Village Mixed Use Area zoning district classification.
- Monitor and refine as necessary extra-territorial jurisdiction (ETJ) zoning classifications.

### **Conserving Natural Resources**

#### *ST Initiatives*

- Support Conservation Commission initiatives to increase public awareness of conservation issues such as recycling education, and other educational workshops
  - Funding at the \$9,000 level is continued in the proposed budget for the Conservation Commission.
- Study further service adjustments that can be made to the solid waste collection and recycling processes to realize efficiencies and increase recycling participation
  - Funding is included for one small automated solid waste truck and 500 waste containers.



## **Council Priorities and Initiatives**

- Seek Tree City USA designation for 3<sup>rd</sup> consecutive year
- Continue implementation of Wetland Protection Plan

### **Preserve Open Space**

#### *ST Initiatives*

- Plan for the development of West Pinehurst Community Park.

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

#### *ST Initiatives*

- Complete design and begin construction of the new Public Services facility.
- Support the Moore County Board of Education officials in their efforts to ensure adequate school facilities exist for Pinehurst children.
- Begin planning for the establishment of the Recreation Center.

### **Protecting Historic Resources**

#### *ST Initiatives*

- Support Historic Preservation Commission initiatives such as nominating properties to the National Register of Landmark Properties.
  - Continuation funding of \$6,600 is included for the Historic Preservation Commission.

### **Enhancing the Village Center**

#### *ST Initiatives*

- Implement aesthetic improvements in the Village commercial area
  - The proposed budget funds \$25,000 for downtown beautification projects.
- Solicit input from the Downtown Beautification Committee on preferred aesthetic improvements.

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

#### *ST Initiatives*

- Complete Western Connector Feasibility Study
  - Funding of \$10,000 is included in the Engineering department professional services for this project.
- Facilitate construction of a roundabout at Carolina Vista
  - Funding of \$15,000 is included in the Engineering department professional services for this project.
- Continue funding for resurfacing an average of five miles of Village-owned streets annually
  - Funding is included to resurface approximately 4.5 miles of roadways at current prices.



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

#### *ST Initiatives*

- Continue to improve storm water control
  - Funding of \$30,000 is included in Engineering for professional services related to small drainage projects.
  - Funding of \$400,000 is included to complete Pitch Pine, Pinehurst Trace and other drainage projects.
- 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.
- Publicize water conservation measures year round.



Visit the Village of Pinehurst's web site: [www.villageofpinehurst.org](http://www.villageofpinehurst.org)

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



*Old Town*

This section was created to aid the reader in learning the duties and responsibilities of each department and division. A new way to get additional information about the budget this year is the "Citizen Service Desk" on our web site. This service will direct your request for information to the appropriate staff member and track its progress to fulfillment. We have also provided an email address for each department and a phone list at the end of this section for common requests and services.

### **GENERAL GOVERNMENT**

#### **GOVERNING BODY ([lbrown@villageofpinehurst.org](mailto:lbrown@villageofpinehurst.org))**

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

#### **ADMINISTRATION ([awilkison@villageofpinehurst.org](mailto:awilkison@villageofpinehurst.org))**

The Administration Department provides top-level support to the Village Council and Village Manager. It also serves as a support and liaison to the 17 other departments of the Village to ensure that services are provided to Village residents in an efficient, responsive, and cost efficient manner. The office of the Village Manager is responsible for the overall operations of the Village.



### **FINANCIAL SERVICES ([jfrve@villageofpinehurst.org](mailto: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 ([awilkison@villageofpinehurst.org](mailto:awilkison@villageofpinehurst.org))**

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

### **PUBLIC SAFETY**

#### **POLICE ([rdavis@villageofpinehurst.org](mailto:rdavis@villageofpinehurst.org))**

The Police Department is responsible for the protection of life and property of the citizens and visitors of the Village. Patrol officers respond to police related calls for service at the request of citizens or other persons, initiate service calls when necessary, direct traffic when needed and conduct follow up investigations on reported and non-reported crimes. Dispatcher personnel monitor, receive, and dispatch emergency and routine police calls for service through interface with the County E911 system. Investigative personnel are responsible for the investigation of criminal activity in the Village by means of interviews and gathering physical evidence. The Police Department provides dedicated and compassionate assistance by promoting leadership, cooperation and creativity and aspires to improve the quality of life in partnership with the community.



*Traffic enforcement officer and vehicle purchased with grant funding*



## About Village Services

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

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

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

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



*Floyd Fritz (Fire) and Jesse Joyce (Inspections)*

## **TRANSPORTATION**

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

The Director of Public Services reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Department provides administrative and technical functions for the public services divisions. Its responsibilities include establishing priorities for the departments, training and supervising staff, developing plans and specifications for infrastructure, and interacting with citizens and governmental regulatory agencies.

### **STREETS AND GROUNDS ([wmorgan@villageofpinehurst.org](mailto:wmorgan@villageofpinehurst.org))**

The Streets and Grounds Division of the Public Services Department reports directly to the Director of Public Services. The Streets and Grounds Division is responsible for keeping all public transportation





## About Village Services

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](mailto:wmorgan@villageofpinehurst.org))

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



*Automated Solid Waste Collection Vehicle*

### ECONOMIC & PHYSICAL DEVELOPMENT

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

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



### **ENGINEERING ([ygibson@villageofpinehurst.org](mailto:ygibson@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](mailto:ewilliams@villageofpinehurst.org))**

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

#### **FAIR BARN ([msilhol@villageofpinehurst.org](mailto:msilhol@villageofpinehurst.org))**

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



*Fair Barn at the Harness Track*

#### **RECREATION ([mwagner@villageofpinehurst.org](mailto:mwagner@villageofpinehurst.org))**

The Recreation Department is charged with providing the citizens of Pinehurst with a variety of recreational pursuits that permit the participants to truly enrich the quality of their lives. Leisure services provided give the participants the opportunity to learn and respect their abilities, strengths and weaknesses as they move toward self-fulfillment and self-actualization of their expected potentials in



## About Village Services

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.



*Arts in the Park at Cannon Park*

### INTERNAL SERVICE DEPARTMENTS

#### **FLEET MAINTENANCE ([rkuhn@villageofpinehurst.org](mailto:rkuhn@villageofpinehurst.org))**

The Director of Fleet Maintenance reports directly to the Assistant Manager of Operations and is a member of the Senior Leadership Team. The Fleet Maintenance Department is responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. This department performs lube, oil, and filter changes, tires replacements and repairs, and engine and pump repairs. Fleet Maintenance personnel also maintain, repair, and replace pumps, motors, and generators at the ponds in the Municipal Service District and at the police and fire stations.

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

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

#### **INFORMATION TECHNOLOGY ([jwhitaker@villageofpinehurst.org](mailto:jwhitaker@villageofpinehurst.org))**

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



### BOARDS AND COMMISSIONS

#### **COMMUNITY APPEARANCE COMMISSION ([acorrell@villageofpinehurst.org](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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.



### Need More Information?

The best source for additional information is our web site [www.villageofpinehurst.org](http://www.villageofpinehurst.org).

You can also call the numbers in the telephone listing below to get answers to specific questions.

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.....	<b>911</b>
FIRE DEPARTMENT – NON-EMERGENCY .....	910.295.5575
FIRE DEPARTMENT PUBLIC EDUCATION SERVICES .....	910.295.5575
FIRE PREVENTION.....	910.295.5575
GARBAGE AND TRASH COLLECTION .....	910.295.5021
GENERAL VILLAGE INFORMATION.....	910.295.1900
GEOGRAPHIC INFORMATION SYSTEM (GIS) .....	910.295.1900
HARNESS TRACK.....	910.295.4446
HISTORIC PROPERTIES .....	910.295.2581
HUMAN RESOURCES .....	910.295.1900





## About Village Services

---

JUNK CARS.....	910.295.2581
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 .....	<b>911</b>
POLICE – NON EMERGENCY.....	910.295.3141
PUBLIC INFORMATION .....	910.295.1900
RECYCLING .....	910.295.5021
REZONING MATTERS .....	910.295.2581
SETBACK REQUIREMENTS .....	910.295.2581
SEWER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
SIGN REQUIREMENTS .....	910.295.2581
STREET RESURFACING .....	910.295.1900
TAXES .....	910.295.1900
TRAFFIC.....	910.295.1900
UNKEPT LOTS/YARDS.....	910.295.2581
VILLAGE CLERK.....	910.295.1900
VILLAGE MANAGER.....	910.295.1900
VOTING (MOORE COUNTY BOARD OF ELECTIONS).....	910.947.3868
WATER AND SEWER LINE MAINTENANCE (MOORE COUNTY UTILITIES).....	910.947.6315
WATER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
WATERSHED REQUIREMENTS.....	910.295.2581
ZONING.....	910.295.2581





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

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

### **What's New in the Budget This Year?**

The Village of Pinehurst was presented the Government Finance Officer's Distinguished Budget Award for its FY 2007-2008 Budget. The award represents a significant achievement by the Village. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the Village had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the Village's budget serves as a policy document, financial plan, operations guide, and communications device. This is the first time the Village has received this award.

This year during the preparation of the Capital Improvement Plan (CIP), staff worked to refine the process of estimating future revenues and operating expenditures to help more closely link the CIP to the annual budget. This resulted in a budget that very closely resembles the CIP as approved.

The Village of Pinehurst is moving towards a results-based management process. Last year, each department began including performance measures for the first time. This year we have continued to build upon this effort and improve our performance measures for each department. We have also attempted to link the goals and objectives for each department to the overall goals of the village. If performance measure data was not available for previous years, it is marked "n/a" in the performance measures table. Also, performance data presented in the table for FY 2007-2008 are estimated and for the upcoming budget year they are a goal. We hope that this aids the reader in seeing trends related to specific performance measures. A summary of operating indicators by function can also be found in the supplementary information section.

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. A balanced budget as defined by the North Carolina Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.

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. The CIP process provides much of the information upon which the operating budget is developed each year.



## Budget Development Calendar

---

The Village has utilized the following schedule in preparing and adopting the budget for the fiscal year ending June 30, 2009:

Wednesday, February 6, 2008	Financial Services Department holds “Budget Kickoff” meeting and distributes the 2008-2009 Budget Manual to department heads
Wednesday, March 7, 2008	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 2 – April 4, 2008	Village Manager and Assistant Village Managers hold budget review meetings with Human Resources and Internal Service Department Heads
April 9 – April 11, 2008	Village Manager and Assistant Village Managers hold budget review meetings with all other Department Heads
Friday, May 9, 2008	Village Manager and Assistant Village Manager submit the draft budget to the Village Council
Tuesday, May 13, 2008	Village Manager presents the budget to the Village Council at a Council work session
May 14 – May 26, 2008	Village Council holds budget work sessions
Tuesday, May 27, 2008	Village holds a public hearing on the 2008-2009 budget
Tuesday, June 10, 2008	Village Council adopts the 2008-2009 budget
Sunday, July 1, 2008	The budget is implemented
Thursday, July 11, 2008	Financial Services Department publishes the final budget and distributes it to department heads



### Budgeting Process

#### Phase I

Throughout the year, three Strategic Planning Committees meet to update and implement their respective strategic plans. The committees are focused on *People*, *Technology*, and *Community Outreach*. The mission of these committees is to provide a road map for how to carry out the Village's vision and purpose. The annual goals provided by these committees help us to make steady, consistent progress toward our overall mission and vision.

#### Phase II

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 aid departments in creating their annual budget requests. Overall, the CIP process provides the foundation upon which the operating budget is developed each year.

#### Phase III

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 IV

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 V

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

#### Phase VI

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 30<sup>th</sup> 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:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.





## **Budget Requirements**

---

- 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 upcoming year. A table of performance measures is provided to show progress toward the stated goals and objectives. The following illustration is an example of the expenditure tables that can be found throughout the document:

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 162,143	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	245,299	300,000	296,540	310,500	3.5%
Capital	15,156	30,000	29,950	25,000	-16.7%
Expenditures Total	\$ 422,598	\$ 480,000	\$ 473,075	\$ 490,500	2.2%

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.

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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 162,143	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	245,299	300,000	296,540	310,500	3.5%
Capital	15,156	30,000	29,950	33,000	10.0%
<b>Expenditures Total</b>	<b>\$ 422,598</b>	<b>\$ 480,000</b>	<b>\$ 473,075</b>	<b>\$ 498,500</b>	<b>3.9%</b>

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.

The table of performance measures is in the same three year format as expenditure information. The goal for the upcoming year has been added to provide the reader a clear picture of the trend involved with the particular measure. Below is an example explaining the column headings:

Performance Measures	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated	FY 2008-09 Goal
% of inspections completed next bus. day	n/a	90%	90%	95%
# of days to review building plans	n/a	15	10	10
Inspection compliance rate	n/a	n/a	n/a	70%
# of builder's workshops conducted	0	3	4	4

Specific performance outcome that is being measured.

The level of performance the Village expects to achieve for the fiscal year.

Historical performance data is provided whenever available.

The level of performance the Village expects to achieve in the upcoming fiscal year.



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 2008-2009

**BE IT ORDAINED AND ESTABLISHED** by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 10<sup>th</sup> day of June 2008 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, 2008 and ending June 30, 2009, in accordance with the chart of accounts heretofore established for this Village:

#### OPERATING EXPENDITURES:

Governing Body	\$ 308,300
Administration	872,270
Financial Services	537,160
Human Resources	321,070
Police	2,540,960
Fire	2,086,950
Inspections	326,780
Public Services	330,570
Streets & Grounds	911,940
Powell Bill	754,300
Solid Waste	874,350
Planning	698,845
Engineering	373,450
Recreation	722,465
Harness Track	510,090
Fair Barn	257,410
Contingency	50,000
Non-Departmental	60,000
Debt Service	1,003,354
Other Financing Uses	<u>350,000</u>
Total Operating Expenditures	<u>\$ 13,890,264</u>





## Annual Budget Ordinance

### CAPITAL EXPENDITURES:

Administration	\$ 15,100
Police	261,200
Fire	556,300
Inspections	20,000
Streets & Grounds	110,000
Solid Waste	115,000
Engineering	400,000
Recreation	130,000
Harness Track	66,000
Fair Barn	<u>6,800</u>
Total Capital Expenditures	\$ <u>1,680,400</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>15,570,664</u></b>

**SECTION 2.** It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Ad Valorem Tax Revenue	\$ 8,014,300
Other Taxes and Licenses	2,645,000
Unrestricted Intergovernmental Revenue	882,600
Restricted Intergovernmental Revenue	508,000
Permits and Fees	1,252,220
Sales and Services	382,300
Other Revenues	130,824
Investment Income	176,900
Other Financing Sources	825,848
Appropriated Fund Balance	<u>752,672</u>
<b>TOTAL REVENUES</b>	<b>\$ <u>15,570,664</u></b>

**SECTION 3.** The following amounts are hereby appropriated in the Taylorhurst Assessment Special Revenue Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009 in accordance with the chart of accounts heretofore approved for the Village:

Transfer to the General Fund	\$ <u>25,956</u>
------------------------------	------------------



## 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, 2008, and ending June 30, 2009:

Assessment Income	\$ 24,956
Investment Income	<u>1,000</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 25,956</u></b>

**SECTION 5.** The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Future Recreation	<u>\$ 150</u>
-------------------------------	---------------

**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, 2008, and ending June 30, 2009:

Investment Income	<u>\$ 150</u>
-------------------	---------------

**SECTION 7.** The following amounts are hereby appropriated in the Residential Assurance Interest Special Revenue Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Beautification	<u>\$ 3,000</u>
----------------------------	-----------------

**SECTION 8.** It is estimated that the following revenues will be available in the Residential Assurance Interest Special Revenue Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009:

Investment Income	<u>\$ 3,000</u>
-------------------	-----------------

**SECTION 9.** The following amounts are hereby appropriated in the Municipal Service District Special Revenue Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009 in accordance with the chart of accounts heretofore approved for the Village:

Operating Expenditures	\$ 4,333
Transfer to General Fund	<u>16,372</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 20,705</u></b>



## Annual Budget Ordinance

**SECTION 10.** It is estimated that the following revenues will be available in the Municipal Service District Special Revenue Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009:

Ad Valorem Tax Revenue	\$ 4,083
Assessments	16,372
Investment Income	<u>250</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 20,705</u></b>

**SECTION 11.** The following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Capital	\$ 71,480
Transfer to General Fund	<u>283,520</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 355,000</u></b>

**SECTION 12.** It is estimated that the following revenues will be available in the General Capital Reserve Fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009:

Investment Income	\$ 5,000
Transfer from the General Fund	<u>350,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 355,000</u></b>

**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, 2008, 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 \$2,868,000,000 and an estimated collection rate of 99.9% for real and personal property and 96.7% for motor vehicles.

There is hereby levied a tax at the rate of six cents (\$0.06) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2008, 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 \$6,805,262 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 10th day of June, 2008.

(Municipal Seal)



Attest:

Linda S. Brown  
Linda S. Brown, Village Clerk

VILLAGE OF PINEHURST  
VILLAGE COUNCIL

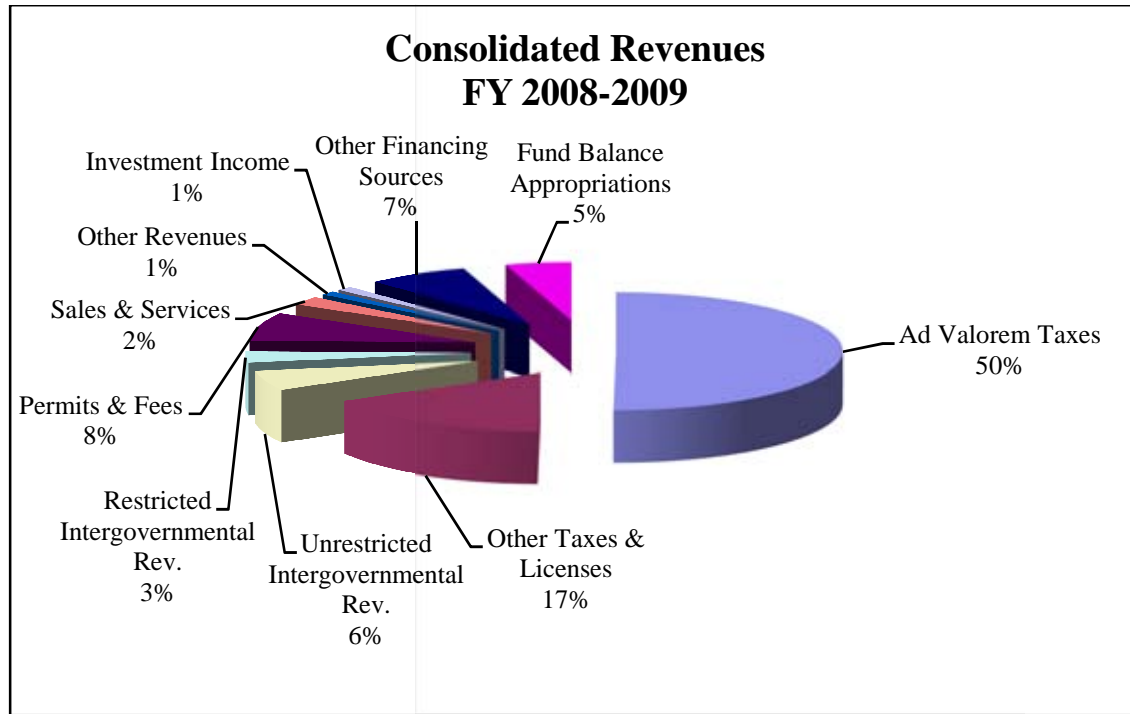
By: George P. Lane  
George P. Lane, Mayor

Approved as to Form:  
Michael J. Newman  
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.



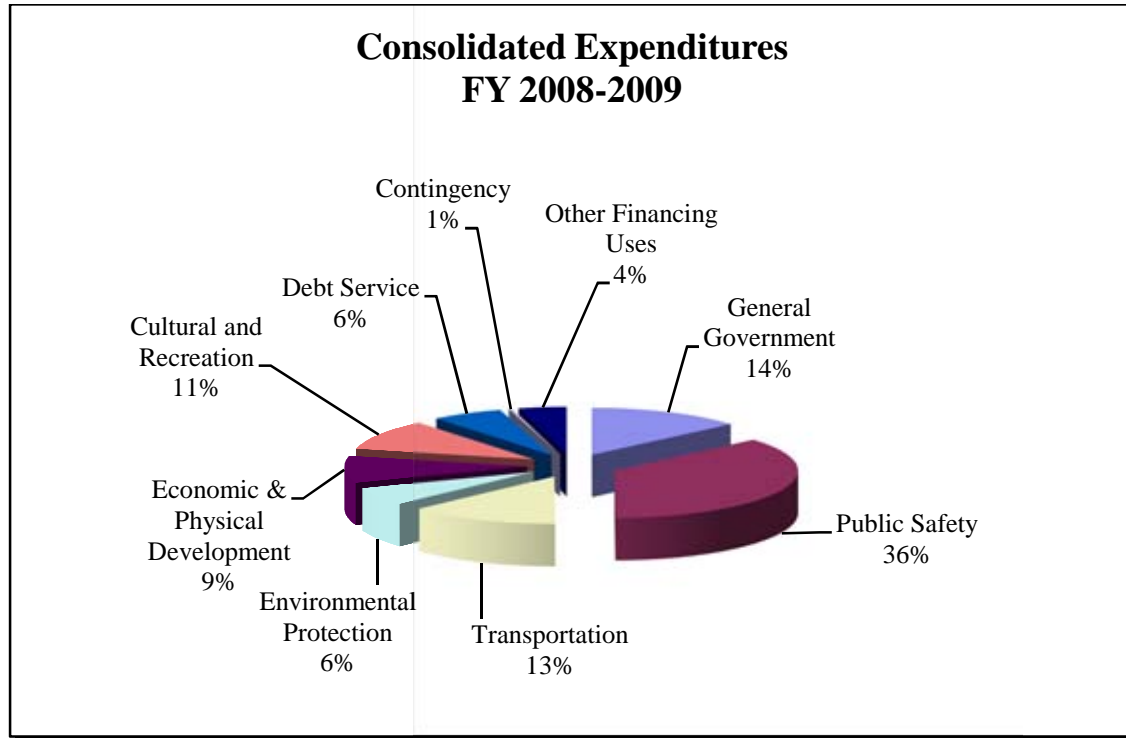
Consolidated Revenues	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,766,300	\$ 7,194,280	\$ 7,740,052	\$ 8,018,383	3.6%
Other Taxes & Licenses	2,634,796	2,524,000	2,617,000	2,645,000	1.1%
Unrestricted Intergovernmental Rev.	697,670	836,300	873,000	882,600	1.1%
Restricted Intergovernmental Rev.	588,027	550,950	578,793	508,000	-12.2%
Permits & Fees	1,079,571	1,098,500	1,082,140	1,252,220	15.7%
Sales & Services	407,677	397,300	375,690	382,300	1.8%
Other Revenues	214,817	185,951	173,614	172,152	-0.8%
Investment Income	341,978	312,730	282,737	186,300	-34.1%
<b>Operating Revenues</b>	<b>12,730,836</b>	<b>13,100,011</b>	<b>13,723,026</b>	<b>14,046,955</b>	<b>2.4%</b>
Other Financing Sources	1,859,761	739,156	739,156	1,175,848	59.1%
Fund Balance Appropriations	-	1,671,036	-	752,672	100.0%
<b>Total Revenues</b>	<b>\$ 14,590,597</b>	<b>\$ 15,510,203</b>	<b>\$ 14,462,182</b>	<b>\$ 15,975,475</b>	<b>10.5%</b>
<b>Per Capita</b>	<b>\$ 1,323</b>	<b>\$ 1,371</b>	<b>\$ 1,278</b>	<b>\$ 1,371</b>	





## Consolidated Budget Summary

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



Consolidated Expenditures	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Government	\$ 1,829,728	\$ 2,057,775	\$ 2,057,938	\$ 2,185,380	6.2%
Public Safety	4,335,510	5,036,942	4,902,936	5,792,190	18.1%
Transportation	1,895,464	2,130,715	2,036,975	2,106,810	3.4%
Environmental Protection	1,088,038	1,194,650	1,083,365	993,683	-8.3%
Economic & Physical Development	1,070,307	1,471,035	1,320,065	1,475,295	11.8%
Cultural and Recreation	1,147,154	1,814,950	1,553,136	1,692,915	9.0%
Debt Service	1,028,063	1,018,780	1,018,780	1,003,354	-1.5%
Contingency	-	46,000	-	50,000	100.0%
Operating Expenditures	12,394,264	14,770,847	13,973,195	15,299,627	9.5%
Other Financing Uses	2,679,449	739,156	739,156	675,848	-8.6%
<b>Total Expenditures</b>	<b>\$ 15,073,713</b>	<b>\$ 15,510,003</b>	<b>\$ 14,712,351</b>	<b>\$ 15,975,475</b>	<b>8.6%</b>
<b>Per Capita</b>	<b>\$ 1,367</b>	<b>\$ 1,371</b>	<b>\$ 1,300</b>	<b>\$ 1,371</b>	

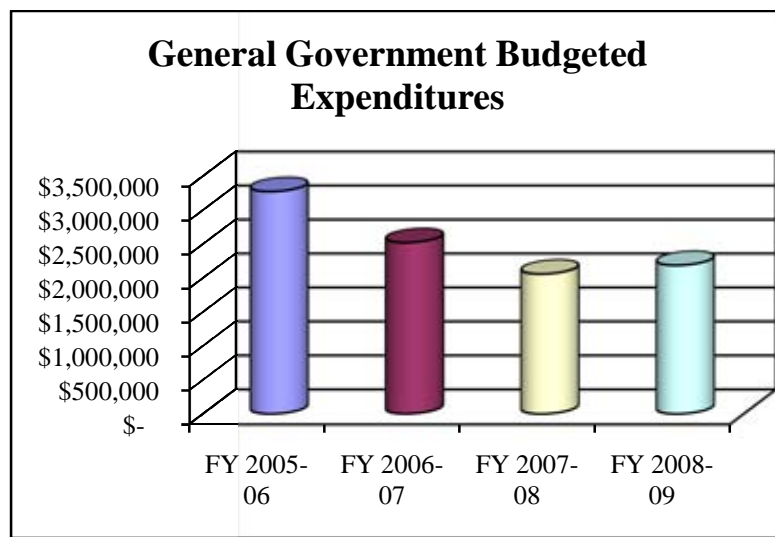


# Consolidated Budget Summary

## Functional Expenditure Trend Summary

While the Village of Pinehurst’s budget contains multiple departments and divisions, each conducts Village government activities as part of a functional area. For example, the Fire Department 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 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 3,271,508	\$ 2,520,140	\$ 2,057,775	\$ 2,185,380
Dollar Change	2,175,799	(751,368)	(462,365)	127,605
Percent Change	198.6%	-23.0%	-18.3%	6.2%

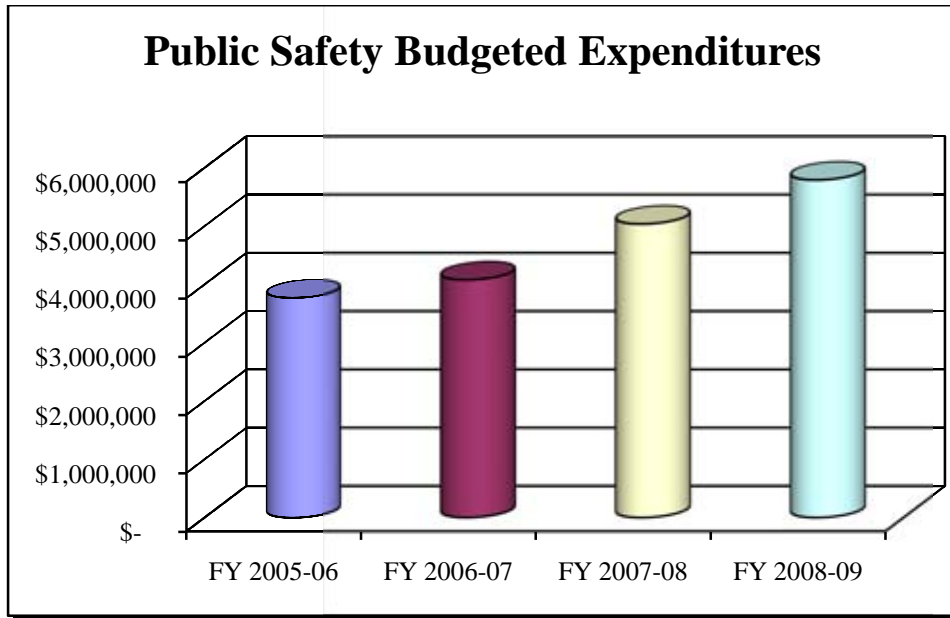
General Government Expenditures	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Wages	\$ 715,910	\$ 799,500	\$ 789,700	\$ 860,500	9.0%
Operating	1,022,922	1,208,275	1,238,238	1,309,780	5.8%
Capital	90,896	50,000	30,000	15,100	-49.7%
<b>Total Expenditures</b>	<b>\$ 1,829,728</b>	<b>\$ 2,057,775</b>	<b>\$ 2,057,938</b>	<b>\$ 2,185,380</b>	<b>6.2%</b>

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

**Other Funds Included:** Capital Reserve Fund



## Consolidated Budget Summary



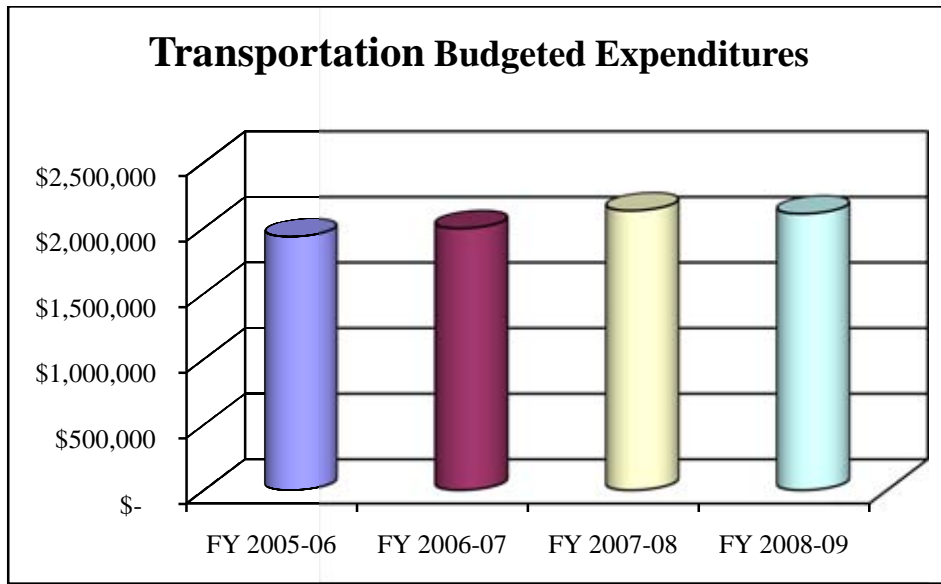
<b>Public Safety</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 3,768,557	\$ 4,079,172	\$ 5,036,942	\$ 5,792,190
Dollar Change	773,707	310,615	957,770	755,248
Percent Change	25.8%	8.2%	23.5%	15.0%

<b>Public Safety Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Wages	\$ 2,450,832	\$ 2,720,000	\$ 2,644,400	\$ 2,849,620	7.8%
Operating	1,621,960	2,000,942	1,955,536	2,105,070	7.6%
Capital	262,718	316,000	303,000	837,500	176.4%
<b>Total Expenditures</b>	\$ 4,335,510	\$ 5,036,942	\$ 4,902,936	\$ 5,792,190	18.1%

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



## Consolidated Budget Summary



<b>Transportation</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 1,933,270	\$ 1,994,934	\$ 2,130,715	\$ 2,106,810
Dollar Change	403,761	61,664	135,781	(23,905)
Percent Change	26.4%	3.2%	6.8%	-1.1%

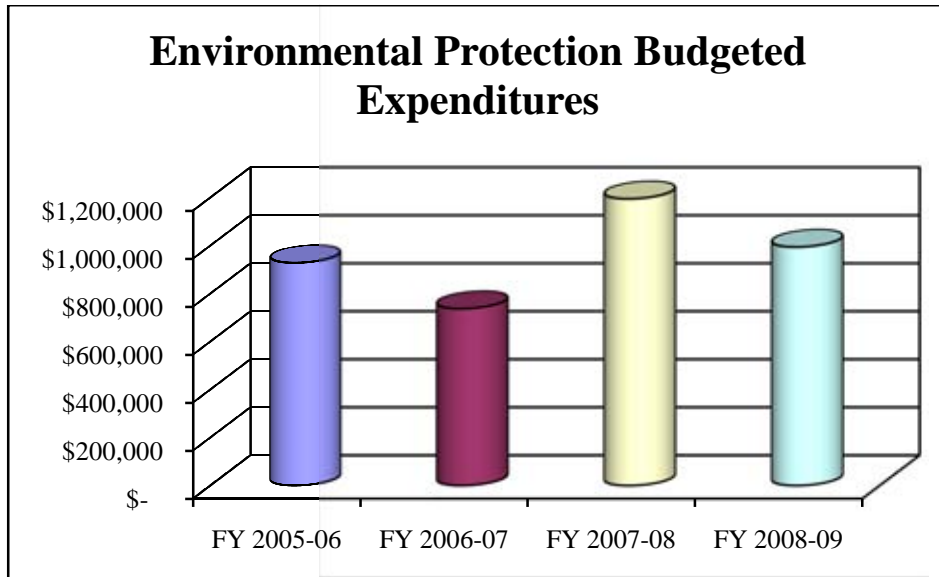
<b>Transportation Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Wages	\$ 424,029	\$ 476,700	\$ 459,700	\$ 548,500	19.3%
Operating	1,432,038	1,573,015	1,497,275	1,448,310	-3.3%
Capital	39,397	81,000	80,000	110,000	37.5%
<b>Total Expenditures</b>	<b>\$ 1,895,464</b>	<b>\$ 2,130,715</b>	<b>\$ 2,036,975</b>	<b>\$ 2,106,810</b>	<b>3.4%</b>

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

**Other Funds Included:** Taylorhurst Assessment Fund



## Consolidated Budget Summary



<b>Environmental Protection</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 927,938	\$ 736,999	\$ 1,194,650	\$ 993,683
Dollar Change	225,639	(190,939)	457,651	(200,967)
Percent Change	32.1%	-20.6%	62.1%	-16.8%

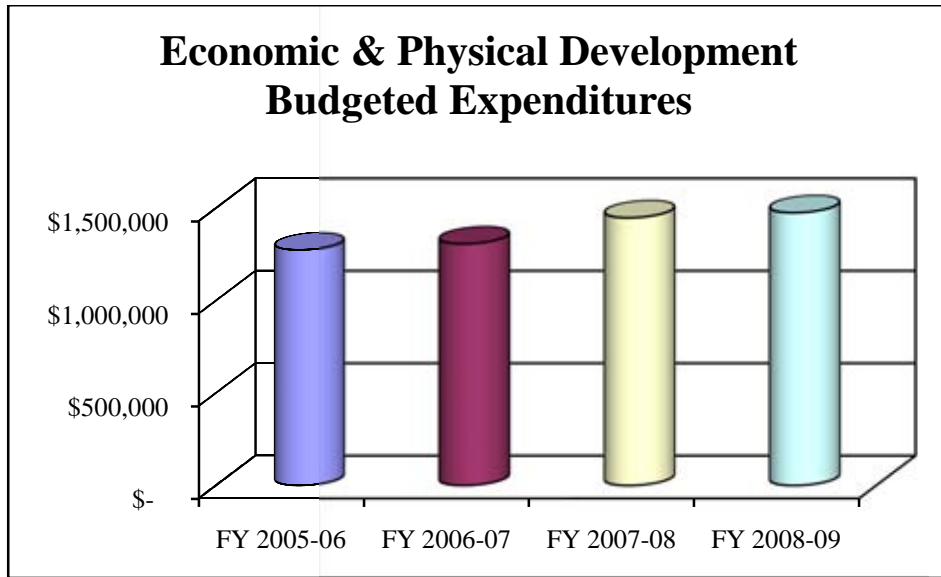
<b>Environmental Protection Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Wages	\$ 267,705	\$ 274,300	\$ 226,200	\$ 263,000	16.3%
Operating	619,596	610,350	547,165	615,683	12.5%
Capital	200,737	310,000	310,000	115,000	100.0%
<b>Total Expenditures</b>	<b>\$ 1,088,038</b>	<b>\$ 1,194,650</b>	<b>\$ 1,083,365</b>	<b>\$ 993,683</b>	<b>-8.3%</b>

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

**Other Funds Included:** Municipal Service District



## Consolidated Budget Summary



<b>Economic &amp; Physical Dev</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 1,273,135	\$ 1,306,776	\$ 1,448,035	\$ 1,475,295
Dollar Change	550,398	33,641	141,259	27,260
Percent Change	76.2%	2.6%	10.8%	1.9%

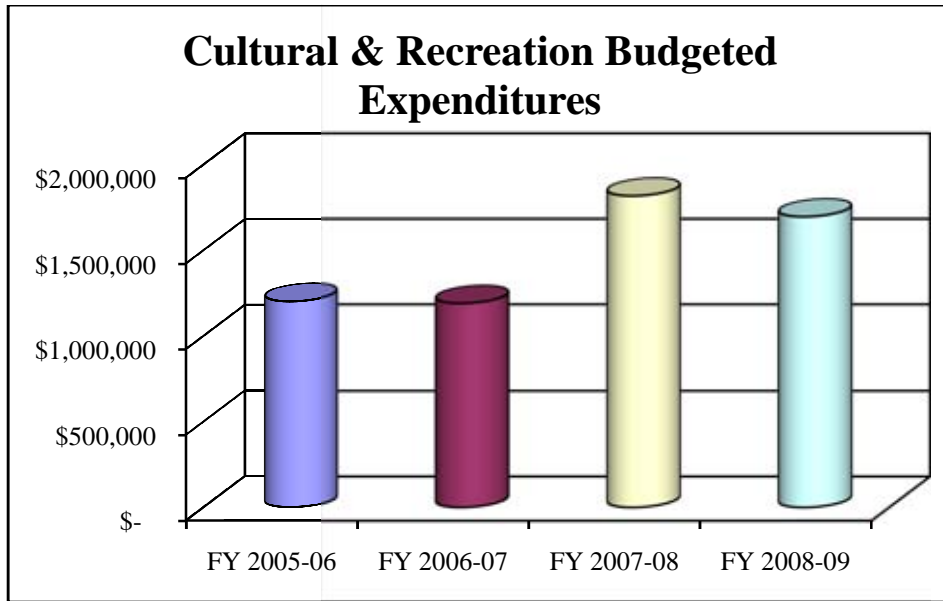
<b>Economic &amp; Physical Dev. Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Wages	\$ 431,795	\$ 456,000	\$ 446,300	\$ 476,000	6.7%
Operating	542,729	802,035	706,765	599,295	-15.2%
Capital	95,783	190,000	167,000	400,000	139.5%
<b>Total Expenditures</b>	<b>\$ 1,070,307</b>	<b>\$ 1,448,035</b>	<b>\$ 1,320,065</b>	<b>\$ 1,475,295</b>	<b>11.8%</b>

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

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



## Consolidated Budget Summary



<b>Cultural &amp; Recreation</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 1,200,365	\$ 1,186,765	\$ 1,814,950	\$ 1,692,915
Dollar Change	(438,587)	(13,600)	628,185	(122,035)
Percent Change	-26.8%	-1.1%	52.9%	-6.7%

<b>Cultural &amp; Recreation Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Wages	\$ 308,603	\$ 357,300	\$ 331,150	\$ 409,500	23.7%
Operating	744,122	916,750	785,886	1,080,615	37.5%
Capital	94,429	540,900	436,100	202,800	-53.5%
<b>Total Expenditures</b>	\$ 1,147,154	\$ 1,814,950	\$ 1,553,136	\$ 1,692,915	9.0%

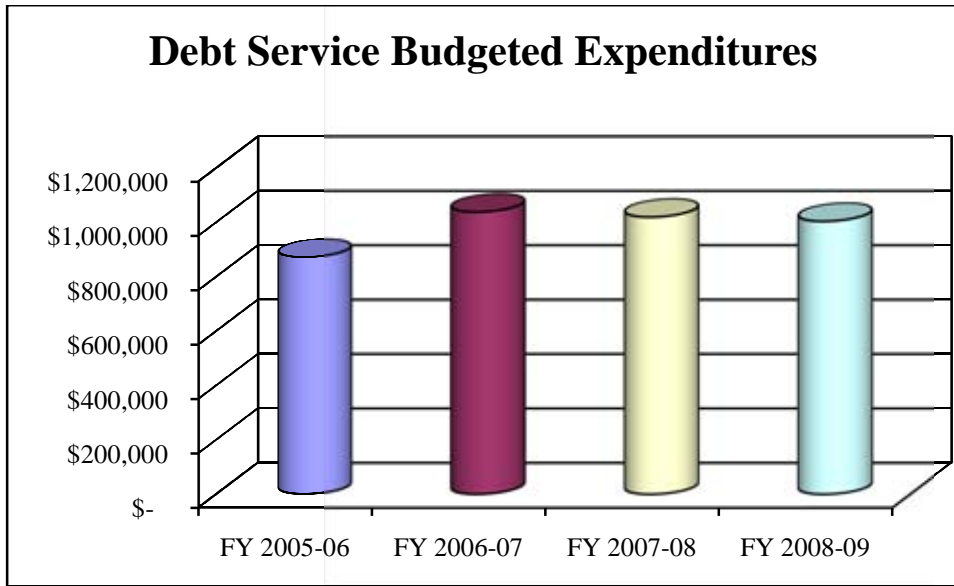
**General Fund Departments/Divisions:** Recreation, Harness Track, Fair Barn

**Other Funds Included:** Land Dedication Fund





## Consolidated Budget Summary



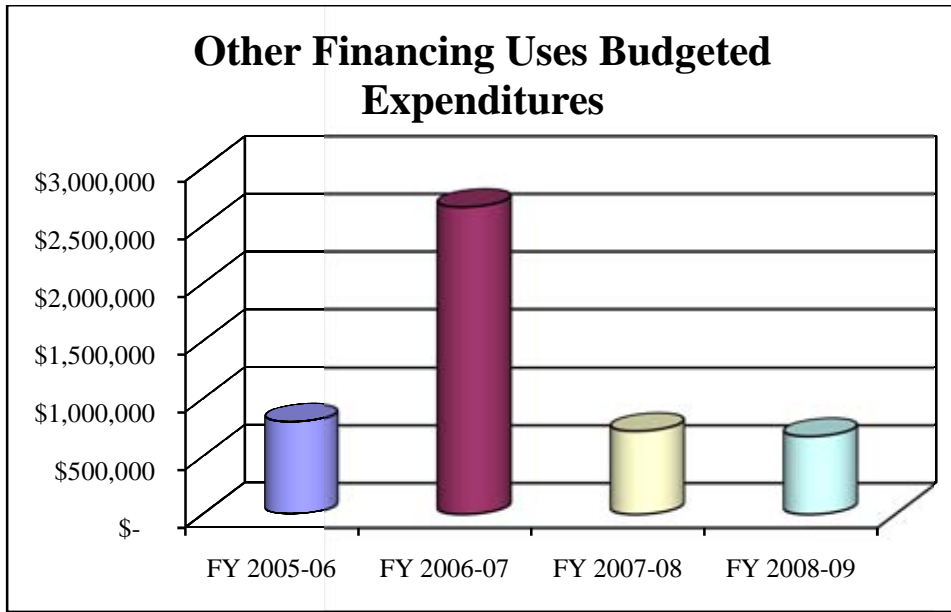
<b>Debt Service</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 870,870	\$ 1,037,545	\$ 1,018,780	\$ 1,003,354
Dollar Change	(58,745)	166,675	(18,765)	(15,426)
Percent Change	-6.3%	19.1%	-1.8%	-1.5%

<b>Debt Service Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Operating	\$ 1,028,063	\$ 1,018,780	\$ 1,018,780	\$ 1,003,354	-1.5%
<b>Total Expenditures</b>	\$ 1,028,063	\$ 1,018,780	\$ 1,018,780	\$ 1,003,354	-1.5%

**Funds with Debt Service:** General Fund



## Consolidated Budget Summary



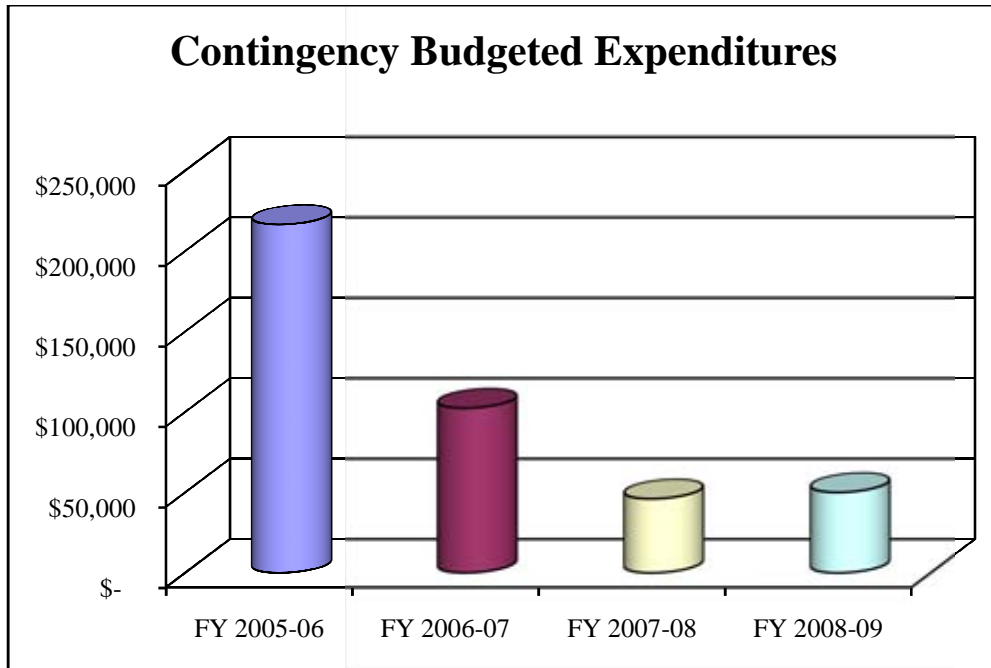
<b>Other Financing Uses</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 797,235	\$ 2,656,735	\$ 721,765	\$ 675,848
Dollar Change	332,235	1,859,500	(1,934,970)	(45,917)
Percent Change	71.4%	233.2%	-72.8%	-6.4%

<b>Other Financing Uses Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Operating	\$ 2,648,249	\$ 721,765	\$ 721,765	\$ 675,848	-6.4%
<b>Total Expenditures</b>	\$ 2,648,249	\$ 721,765	\$ 721,765	\$ 675,848	-6.4%

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



## Consolidated Budget Summary



<b>Contingency</b>	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Budgeted Amount	\$ 216,495	\$ 102,400	\$ 46,000	\$ 50,000
Dollar Change	213,950	(114,095)	(56,400)	4,000
Percent Change	8406.7%	100.0%	-55.1%	8.7%

<b>Contingency Expenditures</b>	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Operating	\$ -	\$ 46,000	\$ -	\$ 50,000	100.0%
<b>Total Expenditures</b>	\$ -	\$ 46,000	\$ -	\$ 50,000	100.0%

**Funds with Contingency:** General Fund



## Consolidated Budget Summary

### Consolidated Fund Balance Discussion

Fund balance is the amount of assets in excess of liabilities in a fund. It is also referred to as surplus funds. The North Carolina Local Government Commission recommends that units of government retain an amount of unreserved fund balance in the General Fund of at least equal to 8% of appropriations of the fund. The Village of Pinehurst Council has a financial policy recommending that the fund balance in the General Fund remain between 27% and 33% of budgeted expenditures to avoid cash flow interruptions, generate investment income, eliminate the need for short-term borrowing, and have a reserve available for emergencies or opportunities.

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

<b>Fund Balances</b>	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated
General Fund	\$ 5,067,382	\$ 5,539,289	\$ 4,962,534	\$ 4,704,449
Taylorhurst Assessment Fund	30,048	25,473	21,648	20,974
Land Dedication Fund	5,552	6,047	5,692	5,692
Residential Assurance - Interest Fund	11,477	11,676	17,868	23,868
Municipal Service District Fund	3,822	6,323	9,546	12,136
Capital Reserve Fund	492,075	160,487	248,891	248,891
<b>Fund Totals</b>	<b>\$ 5,610,356</b>	<b>\$ 5,749,295</b>	<b>\$ 5,266,179</b>	<b>\$ 5,016,010</b>

The following schedule outlines the percentage increase or decrease for each of the Village's annually appropriated funds. Historically in the General Fund operating revenues come in at 101% of budget while operating expenditures typically fall 5% below budget. The amount of fund balance that is appropriated this year in the General Fund approximates this budget variance amount. If this historical trend continues for FY 2008-09, we will not actually use any of these reserves maintaining our current fund balance level. This amount of fund balance is equivalent to 30.3% of budgeted expenditures in accordance with the Village's Fund Balance Policy. The Capital Reserve Fund is increasing 29% due to the transfer of 75% of the Article 44 local option sales tax per Village policy. Also, the Residential Assurance Interest Fund balance is increasing by 13% due to additional funds being available for investment.

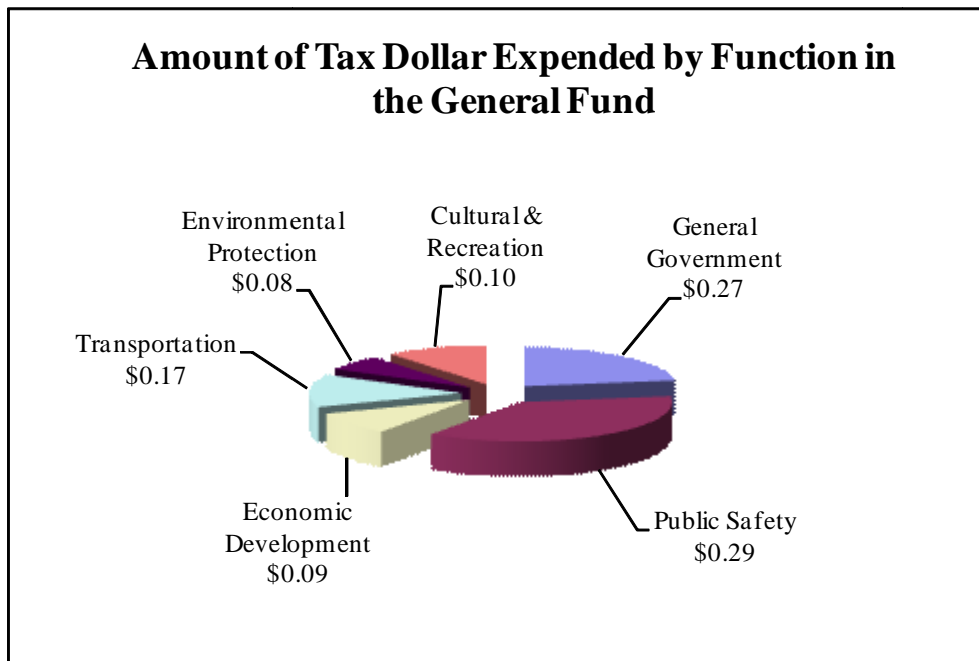
<b>Fund Balances</b>	FY 2007-08 Estimated	Increases/ (Decreases)	FY 2008-09 Estimated	% Increase/ (% Decrease)
General Fund	\$ 4,704,449	\$ 14,095	\$ 4,718,544	0%
Taylorhurst Assessment Fund	20,974	-	20,974	0%
Land Dedication Fund	5,692	150	5,842	3%
Residential Assurance - Interest Fund	23,868	3,000	26,868	13%
Municipal Service District Fund	12,136	-	12,136	0%
Capital Reserve Fund	248,891	71,480	320,371	29%
<b>Fund Totals</b>	<b>\$ 5,016,010</b>	<b>\$ 88,725</b>	<b>\$ 5,104,735</b>	<b>2%</b>



## 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 continues to reflect the overall economy with slowing revenue growth from both locally generated revenues to statewide intergovernmental revenues. The recession in the national housing market has slowed new home starts and this budget reflects a decline in the related revenues.

The proposed General Fund budget for FY 2008-2009 is approximately \$15,600,000, an increase of 3.2% over the previous year's budget. This increase includes additional funding for capital outlays that are described in greater detail on the following pages.

The following table 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>
6/30/04 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 Actual	12,597,606	12,394,667	202,939
6/30/08 Estimated	13,652,864	13,970,105	(317,241)
6/30/09 Budgeted	13,992,144	15,220,664	(1,228,520)

The FY 2008-2009 Budget recommends maintaining the current ad valorem tax rate of \$0.28 per \$100 valuation. This is expected to generate \$8,014,300 in ad valorem tax revenues. After subtracting other net financing uses of \$350,000 from expenditures and adding other financing sources of \$825,848 and appropriated fund balance of \$752,672 to revenues the Village's FY 2008-2009 Recommended Budget is balanced in accordance with North Carolina General Statutes.

### Revenues

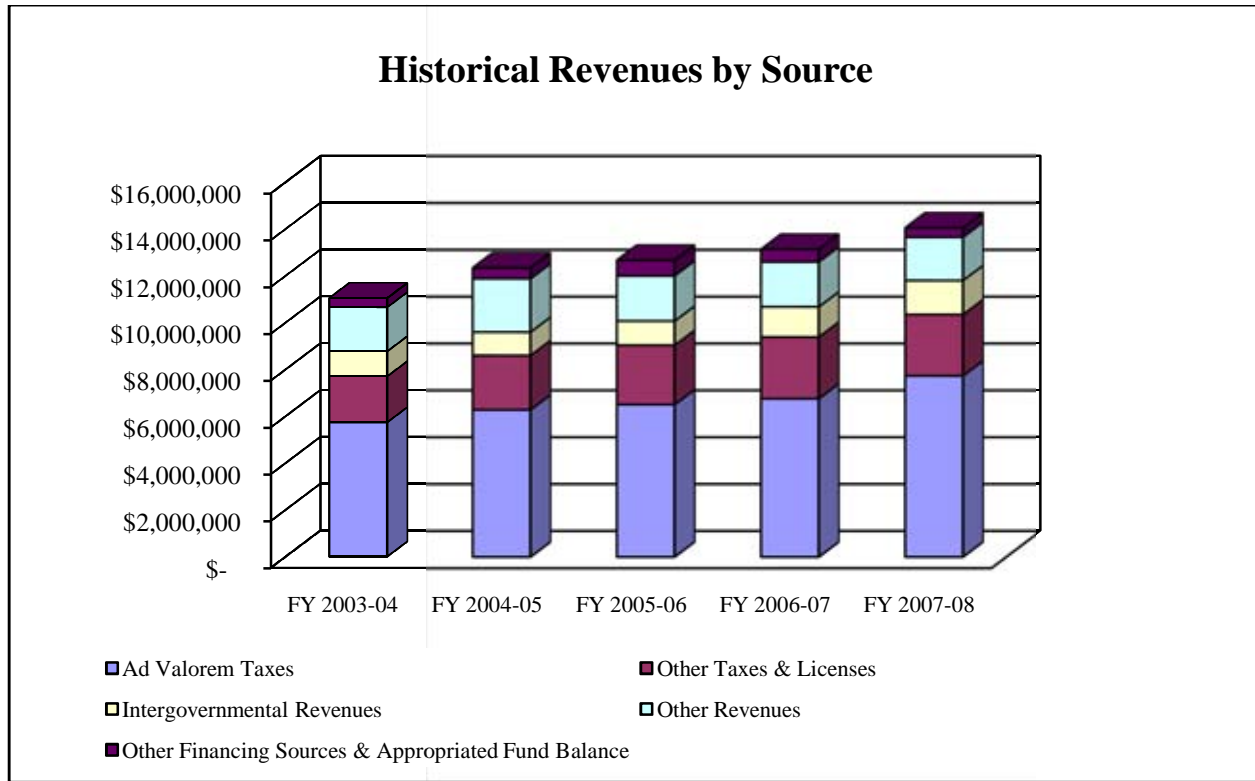
General Fund Revenue by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Ad Valorem Taxes	\$ 6,760,991	\$ 7,189,350	\$ 7,735,122	\$ 8,014,300	3.6%
Other Taxes & Licenses	2,634,796	2,524,000	2,617,000	2,645,000	1.1%
Unrestricted Intergovernmental Rev.	697,670	836,300	873,000	882,600	1.1%
Restricted Intergovernmental Rev.	588,027	550,950	578,793	508,000	-12.2%
Permits & Fees	1,079,571	1,098,500	1,082,140	1,252,220	15.7%
Sales & Services	407,677	397,300	375,690	382,300	1.8%
Other Revenues	122,677	137,675	126,132	130,824	3.7%
Investment Income	306,197	270,000	264,987	176,900	-33.2%
Operating Revenues	12,597,606	13,004,075	13,652,864	13,992,144	2.5%
Other Financing Sources	538,407	399,156	399,156	825,848	106.9%
Fund Balance Appropriations	-	1,671,036	-	752,672	100.0%
Total Revenues	\$ 13,136,013	\$ 15,074,267	\$ 14,052,020	\$ 15,570,664	10.8%

### Budget Highlights:

The approved budget for FY 2008-2009 represents a 3.2% increase over the FY 2007-2008 amended budget. Operating revenues are estimated to increase by approximately 2.5% over FY 2007-2008. Ad Valorem taxes, which represent roughly 51% of total revenues, have increased at a rate of approximately 4% due to continued growth in the tax base. Interest rates for the upcoming year are expected to remain low causing investment income to be down 33.2%. The low investment rates are due to the sharp reduction in short-term interest rates by the Federal Reserve in early 2008.



# General Fund Summary



## Expenditures

General Fund Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 6,128,098	\$ 6,873,300	\$ 6,569,088	\$ 7,275,620	10.8%
Operating	4,454,546	5,331,287	5,056,137	5,261,290	4.1%
Capital	783,960	1,510,900	1,326,100	1,680,400	26.7%
Debt Service	1,028,063	1,018,780	1,018,780	1,003,354	-1.5%
Operating Expenditures	12,394,667	14,734,267	13,970,105	15,220,664	9.0%
Other Financing Uses	1,321,100	340,000	340,000	350,000	2.9%
<b>Total Expenditures</b>	<b>\$ 13,715,767</b>	<b>\$ 15,074,267</b>	<b>\$ 14,310,105</b>	<b>\$ 15,570,664</b>	<b>8.8%</b>

### Budget Highlights:

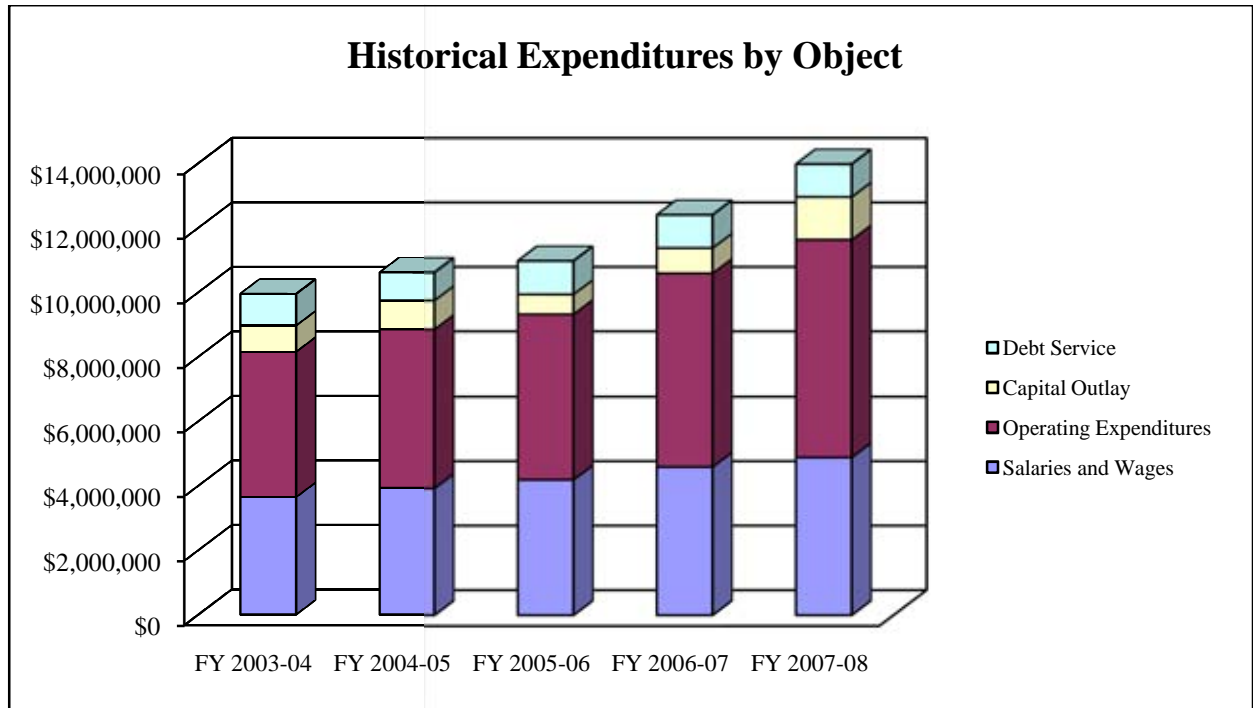
The increase in Salaries & Benefits in FY 2008-2009 is the result of the addition of four new full-time employees and the transition of a part-time employee to a full-time position. Average merit raises of 4.5% and a projected 15% increase in group insurance premiums are also included in the proposed budget. The increase in Operating expenditures is due to inflation, and other operational demands.





## General Fund Summary

Capital spending in the General Fund has increased by 26.7%. This increase is primarily due to the appropriation of \$500,000 for the replacement of a 1988 fire engine and \$105,000 for a new Police dispatch system. The balance of the funding is for routine replacement of capital items.



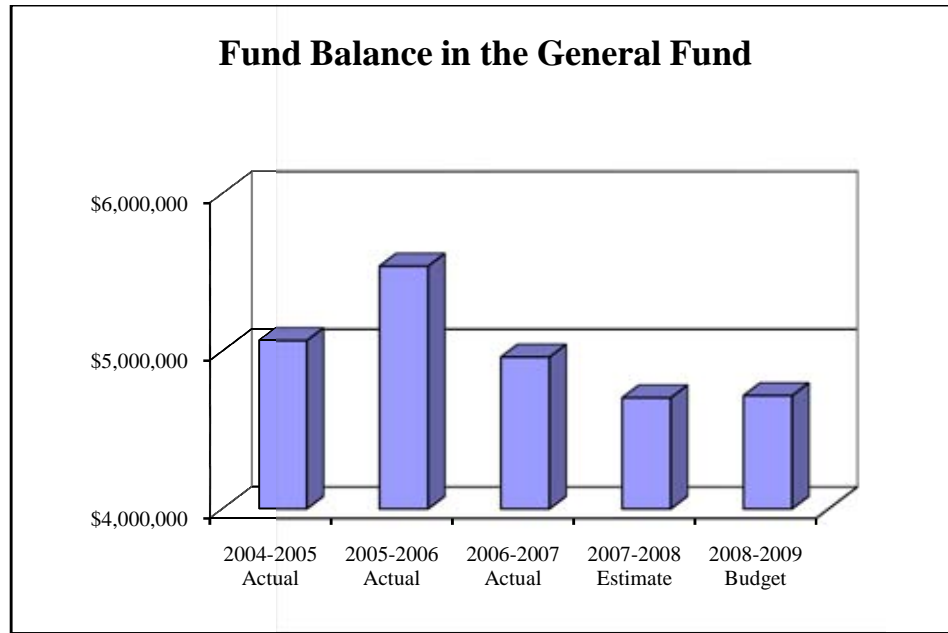
### Fund Balance

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. For FY 2008-2009 we have appropriated \$752,672 of the Village's fund balance as a revenue source. This amount is 54% lower than the previous fiscal year

Fund balance is estimated to be \$4,704,449 at June 30, 2008. This represents 33% 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 no excess fund balance to transfer to the Capital Reserve Fund in FY 2008-2009. Fund balance at June 30, 2009 is estimated to be \$4,718,544 or 30.3% of budgeted expenditures.



## 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 is revalued by the Moore County Tax Department every four years, with the last revaluation completed in the 2007 tax year, or FY 2007-2008.

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

The Village contracts with the Moore County Tax Department to levy and collect ad valorem taxes on behalf of the Village. Amounts collected by Moore County on behalf of the Village are remitted to the Village on a monthly basis.

Historically, ad valorem taxes have comprised approximately one-half of all Village General Fund revenues. This includes current year’s collections, prior year’s collections, penalties and interest, and refunds.

Ad Valorem Taxes	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Real & Personal - Current Year	\$ 6,325,059	\$ 6,760,242	\$ 7,300,000	\$ 7,576,000	3.8%
Real & Personal - Prior Years	5,148	5,000	5,210	5,000	-4.0%
Motor Vehicles - Current Year	418,006	416,108	419,925	427,800	1.9%
Motor Vehicles - Prior Years	9,715	8,000	8,687	8,000	-7.9%
Discounts/Reliefs/Refunds	(5,155)	(5,000)	(3,700)	(5,000)	35.1%
Tax Interest	8,218	5,000	5,000	2,500	-50.0%
<b>Total Ad Valorem Tax Revenue</b>	<b>\$ 6,760,991</b>	<b>\$ 7,189,350</b>	<b>\$ 7,735,122</b>	<b>\$ 8,014,300</b>	<b>3.6%</b>

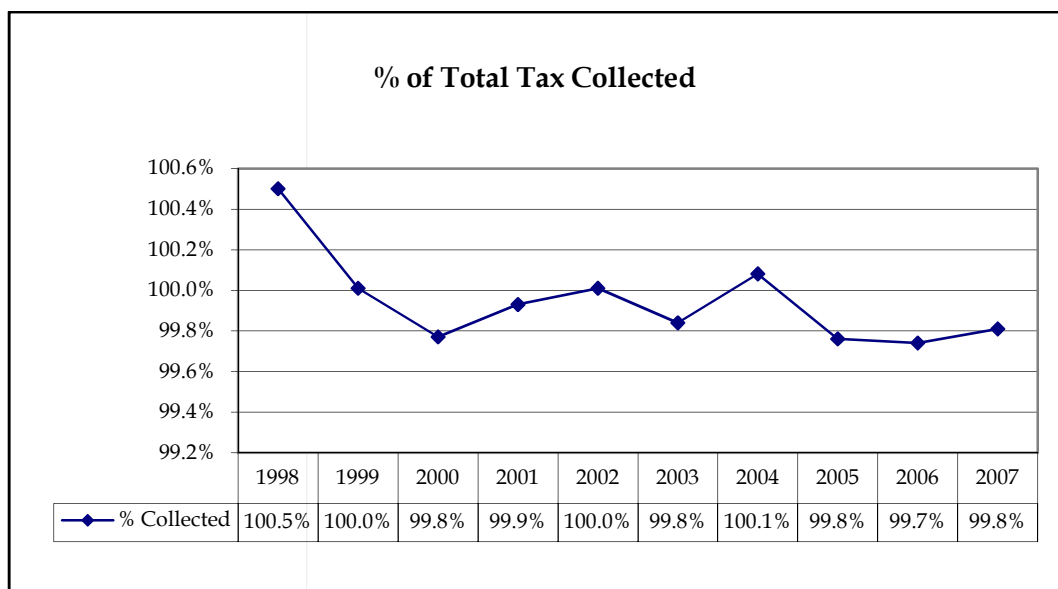
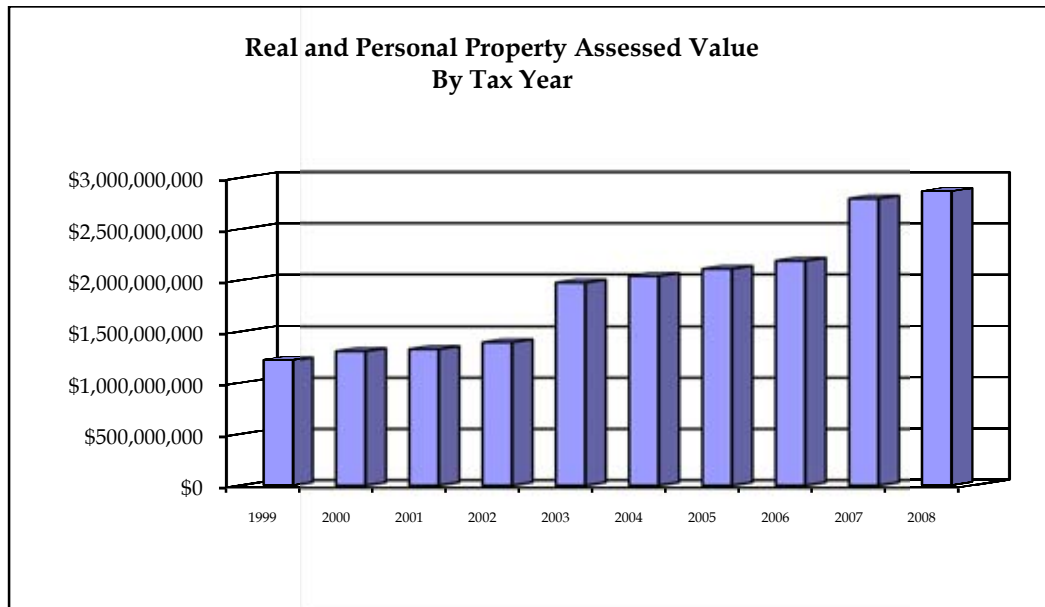
### Revenue Assumptions

- The ad valorem tax rate for the Village of Pinehurst will remain at a rate of \$0.28 per \$100 valuation for the fiscal year ending June 30, 2009. This is expected to generate \$8,014,300 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$2,868,000,000, of which \$2,710,000,000 is real property valuation and \$158,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.



## Ad Valorem Taxes

- The growth factor used to estimate the total 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 also 3.0%.
- The historical collection rates used to determine actual ad valorem tax revenue are 99.9% for real and personal property and 96.7% 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 FY 2007-2008, 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. This explains the sharp decrease from FY 2006-2007 levels. Information on the new video programming sales tax is included under unrestricted intergovernmental revenues.

	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Other Taxes & Licenses					
Local Option Sales Tax	\$ 2,501,361	\$ 2,490,000	\$ 2,582,000	\$ 2,610,000	1.1%
Cablevision Franchise Fees	133,435	34,000	35,000	35,000	0.0%
Total Other Taxes & Licenses	\$ 2,634,796	\$ 2,524,000	\$ 2,617,000	\$ 2,645,000	1.1%

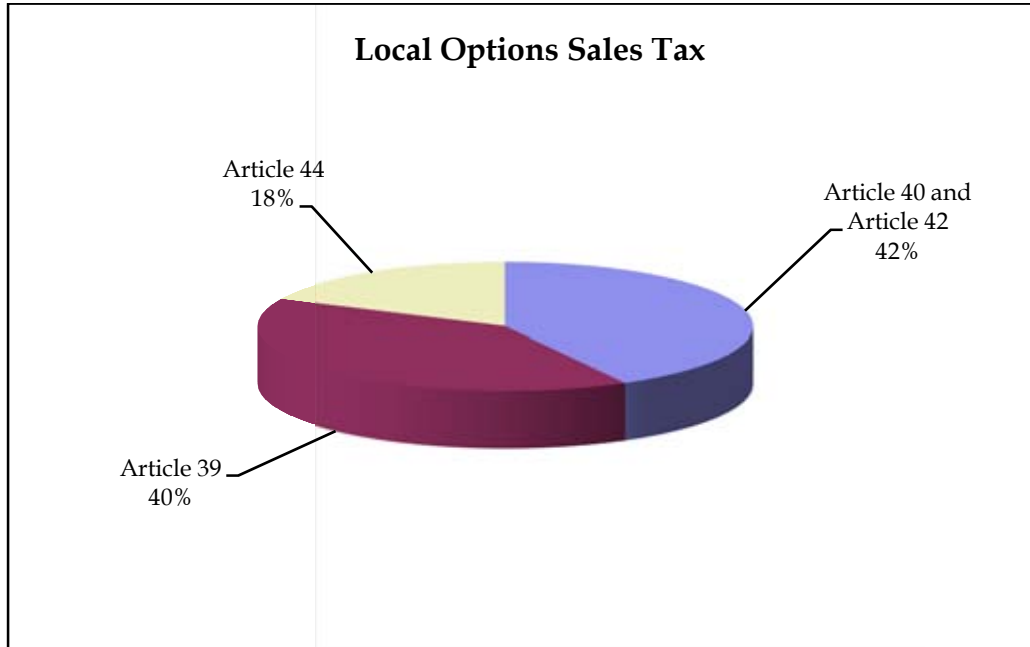
### Revenue Assumptions

- Local Option Sales Tax estimates are based on a 1.0% expected statewide growth factor for Articles 39, 40, 42 and 44. The statewide rates are estimated by the North Carolina League of Municipalities 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 are estimated to remain at the same level as the previous fiscal year. This is the conservative approach suggested by the North Carolina League of Municipalities 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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Unrestricted Intergovernmental Revenue					
Telecommunications Tax	\$ 139,277	\$ 153,000	\$ 128,000	\$ 132,000	3.1%
Electricity Franchise Tax	413,656	430,000	479,000	483,000	0.8%
Video Programming Sales Tax	94,913	204,000	218,000	218,000	0.0%
Wine & Beer Tax	49,824	49,300	48,000	49,600	3.3%
Total Unrest. Intergovernmental Rev.	\$ 697,670	\$ 836,300	\$ 873,000	\$ 882,600	1.1%

### Revenue Assumptions

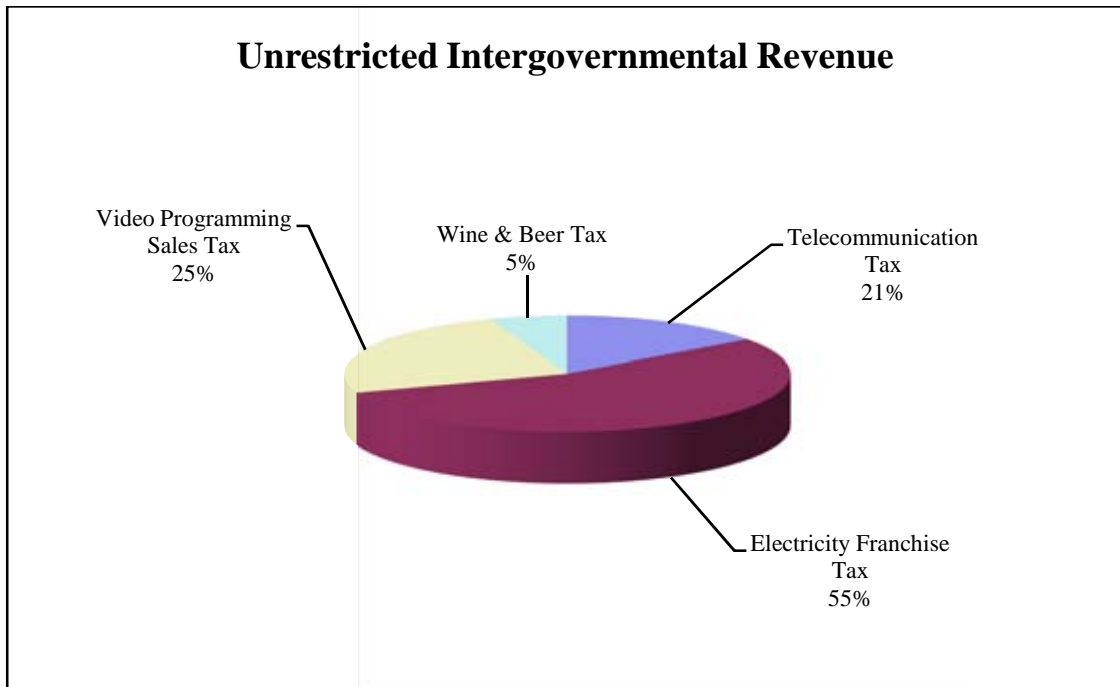
- Telecommunications Taxes are projected based upon growth assumptions provided by the North Carolina League of Municipalities. Based on these estimates, we are expecting a 3.0% increase in revenue for Telecommunications Taxes in FY 2008-09.
- Electricity Franchise Taxes are also projected based upon growth assumptions provided by the North Carolina League of Municipalities. Applying these conservative statewide revenue growth assumptions, revenue for Electricity Franchise Taxes is estimated to increase by 1.0% in FY 2008-2009.
- 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 North Carolina League of Municipalities 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.
- Applying the conservative statewide revenue growth assumption for Beer & Wine Tax revenues, these revenues are projected to increase by 3.0% in FY 2008-2009.





## Unrestricted Intergovernmental Revenues

The following graph shows that the Village receives approximately 55% 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.

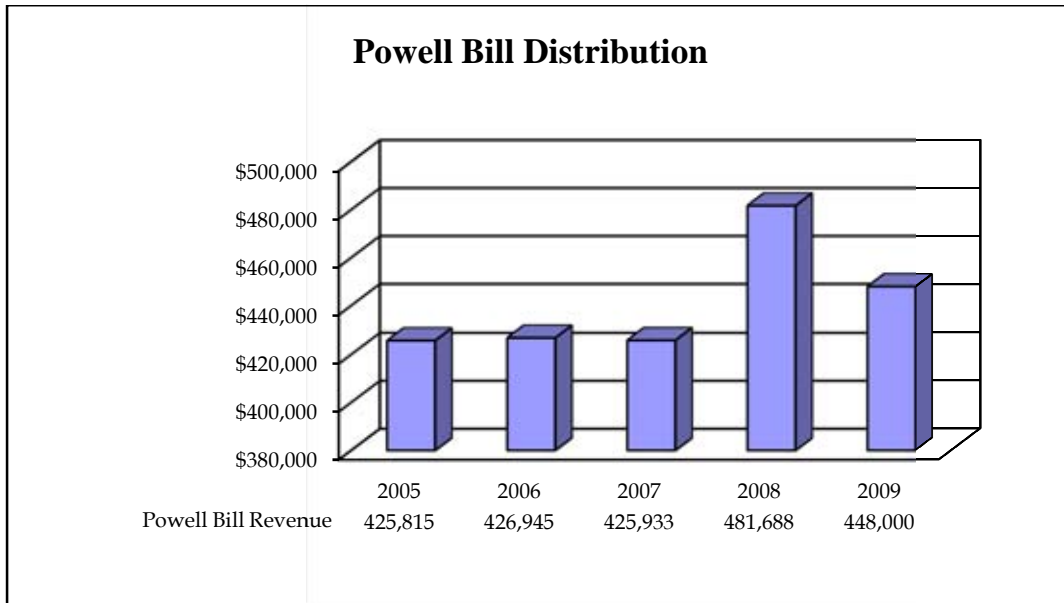
Restricted Intergovernmental Revenue	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Powell Bill	\$ 425,933	\$ 454,000	\$ 481,688	\$ 448,000	-7.0%
Other Grants	162,094	96,950	97,105	60,000	-38.2%
Total Rest. Intergovernmental Rev.	\$ 588,027	\$ 550,950	\$ 578,793	\$ 508,000	-12.2%

### Revenue Assumptions

- Given the impact of the slowing economy and increased fuel prices, the per capita rate used in the estimation of Powell Bill revenue is \$22.90, which is down approximately 3% from the previous year's actual distribution rate. Additionally, the street mile rate utilized to project the allocation is \$1,758 per street mile maintained, which is down \$21 from the FY 2007-08 distribution. Both of these estimated distribution rates were provided by the North Carolina League of Municipalities. Also, actual revenues received in FY 2007-08 were higher due to a one-time repayment of funds borrowed from the state's Highway Trust Fund by the Governor.
- Under Other Grants, we are currently in the third year of our N.C. Governor's Highway Safety grant for our traffic enforcement team. The grant reimbursement percentage declines annually until it is phased out over the four-year life of the program.



## 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.

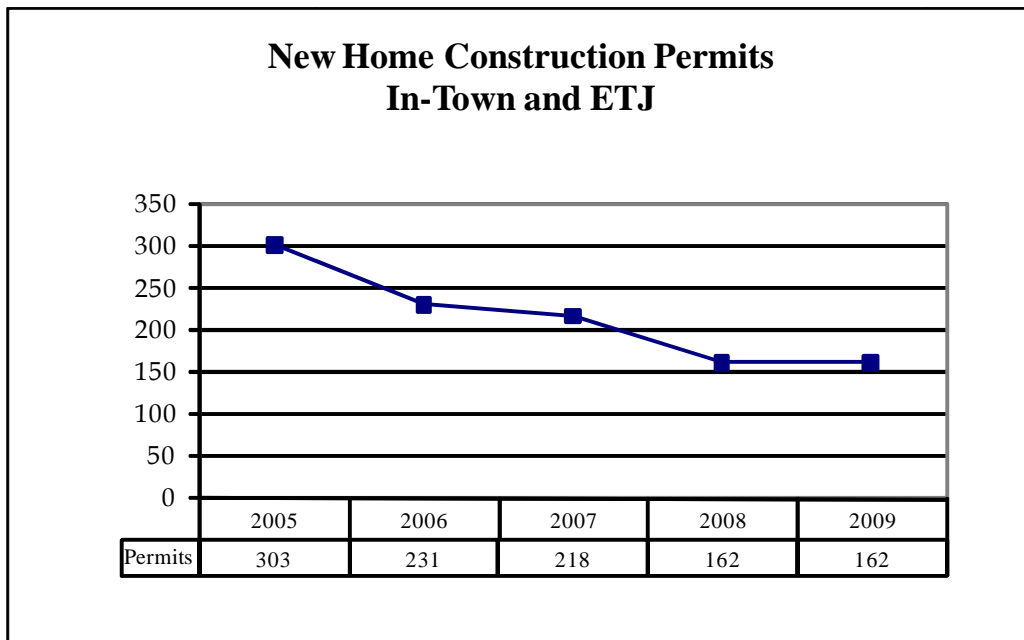
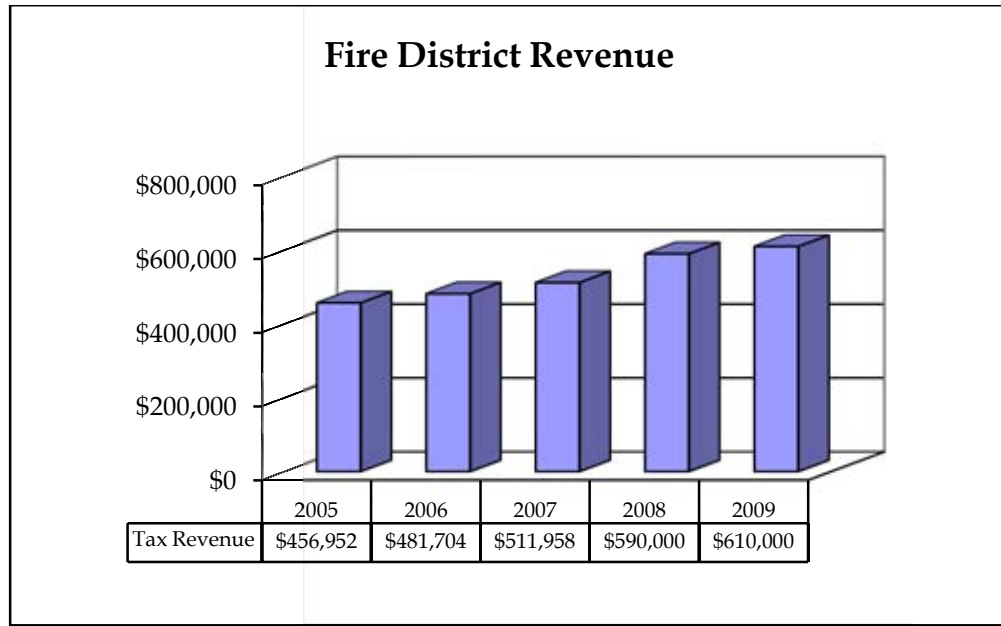
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village's growth is generated 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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Permit & Inspection Fees	\$ 445,730	\$ 449,500	\$ 343,000	\$ 553,000	61.2%
Planning & Zoning Fees	92,494	78,000	76,000	76,000	0.0%
Fire District Revenue	511,958	553,000	590,540	610,000	3.3%
Other Fees	29,389	18,000	72,600	13,220	-81.8%
Total Permit & Fees	\$ 1,079,571	\$ 1,098,500	\$ 1,082,140	\$ 1,252,220	15.7%

### Revenue Assumptions

- Permit & Inspection Fees and Planning & Zoning Fees for residential construction are expected to stay the same compared to the estimated revenue for FY 2007-2008 as construction remains slow. On the other hand, several large medical and commercial projects are expected to begin in the early part of the fiscal year, increasing our overall fees significantly. The Village expects approximately 160 homes to be constructed next year in the Village limits and ETJ.
- Fire district revenue is based upon a tax rate of \$0.086 per \$100 of property valuation, which is consistent with the current tax rate and normal growth of 3.0%.





## 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.

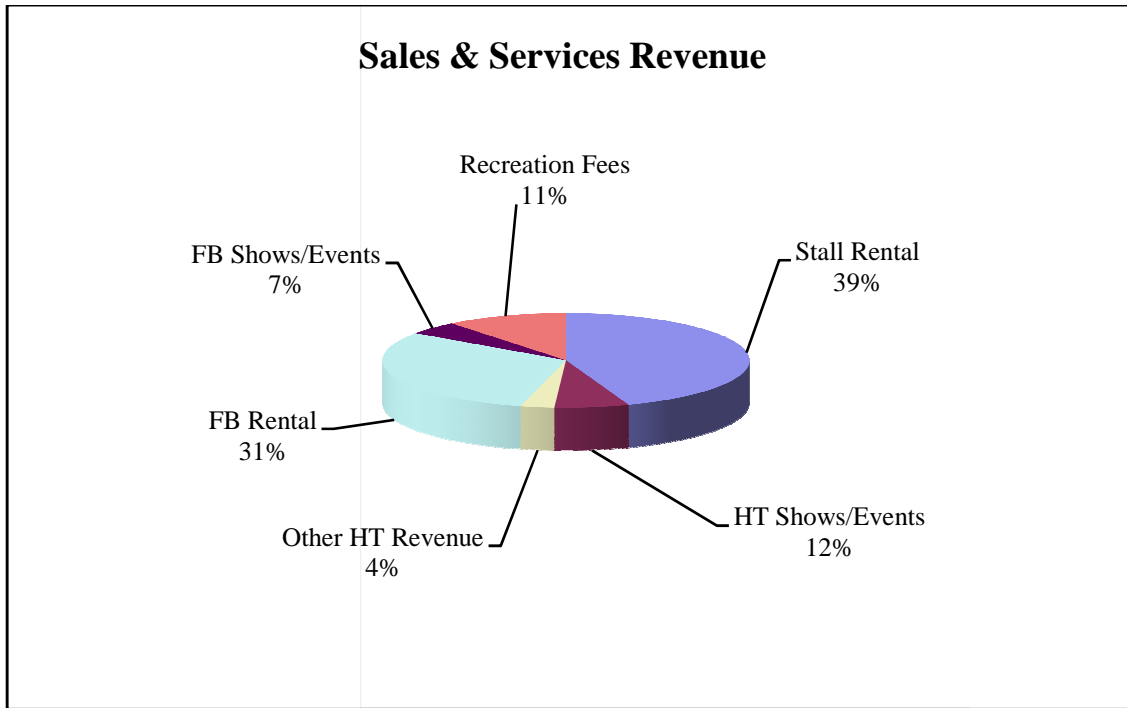
The second primary revenue source in this category is revenue generated from the Village’s Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering 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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Stall Rental Revenue	\$ 181,384	\$ 180,000	\$ 162,600	\$ 170,000	4.6%
Harness Track Shows/Events Revenue	33,904	38,350	30,775	25,000	-18.8%
Other Harness Track Revenue	6,573	6,700	6,500	11,300	73.8%
Fair Barn Rental Revenue	122,492	112,500	121,300	117,500	-3.1%
Fair Barn Shows/Events Revenue	14,725	18,750	10,700	17,500	63.6%
Recreation Fees	48,599	41,000	43,815	41,000	-6.4%
<b>Total Sales &amp; Services</b>	<b>\$ 407,677</b>	<b>\$ 397,300</b>	<b>\$ 375,690</b>	<b>\$ 382,300</b>	<b>1.8%</b>

## Revenue Assumptions

- The events held at the Fair Barn continue to be successful. Revenues are expected to remain fairly steady at \$117,500 for FY 2008-2009 as the number and types of events is expected to be similar to FY 2007-2008.
- Overall Harness Track stall rental fees and event fees are also expected to remain steady for FY 2008-2009 based upon current occupancy rates and the number and types of other events is expected to be similar to FY 2007-2008.







## 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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
ABC Revenues	\$ 97,761	\$ 95,700	\$ 97,800	\$ 101,600	3.9%
Other Miscellaneous Revenues	24,916	41,975	28,332	29,224	3.1%
Total Other Revenues	\$ 122,677	\$ 137,675	\$ 126,132	\$ 130,824	3.7%

### Revenue Assumptions

- ABC revenue is projected to increase by approximately 3.9% for the FY 2008–2009, which is based on a projection provided by the Moore County ABC Board Executive Director. The largest contributing factor to the increase is the increase in counter sales of alcoholic beverages in Pinehurst as a result of the closure of an ABC Store nearby in Aberdeen.
- Other miscellaneous revenues are expected to remain fairly consistent with previous years. The reason for the variance between the FY 2007-2008 budget and actual is an expected donation from FirstHealth of the Carolinas was not received.



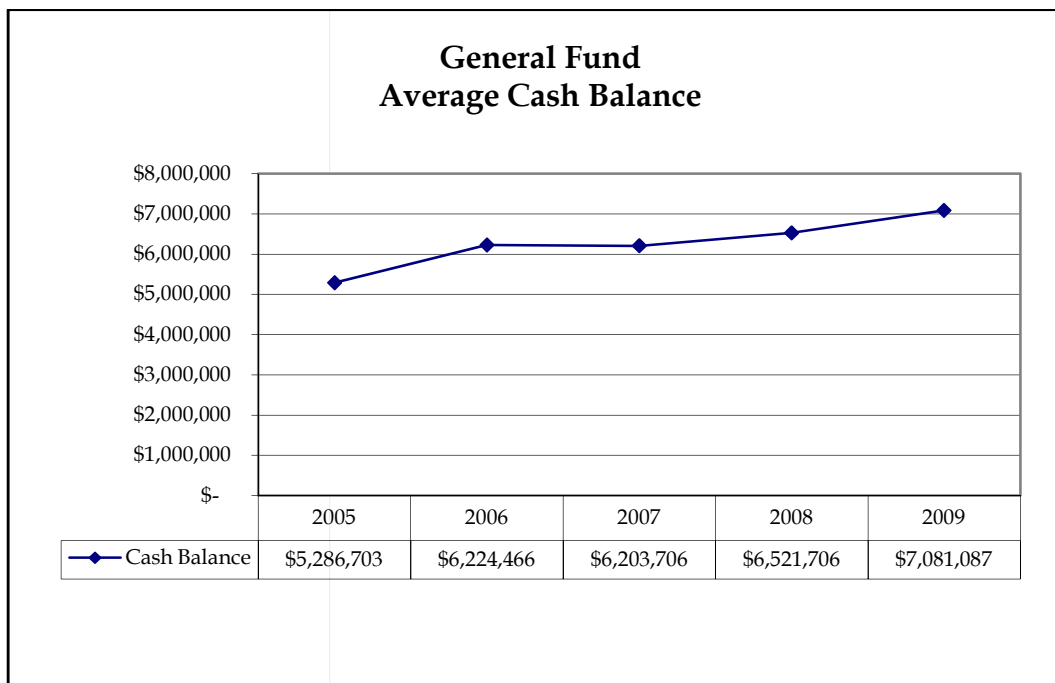
## Description of Revenue Source

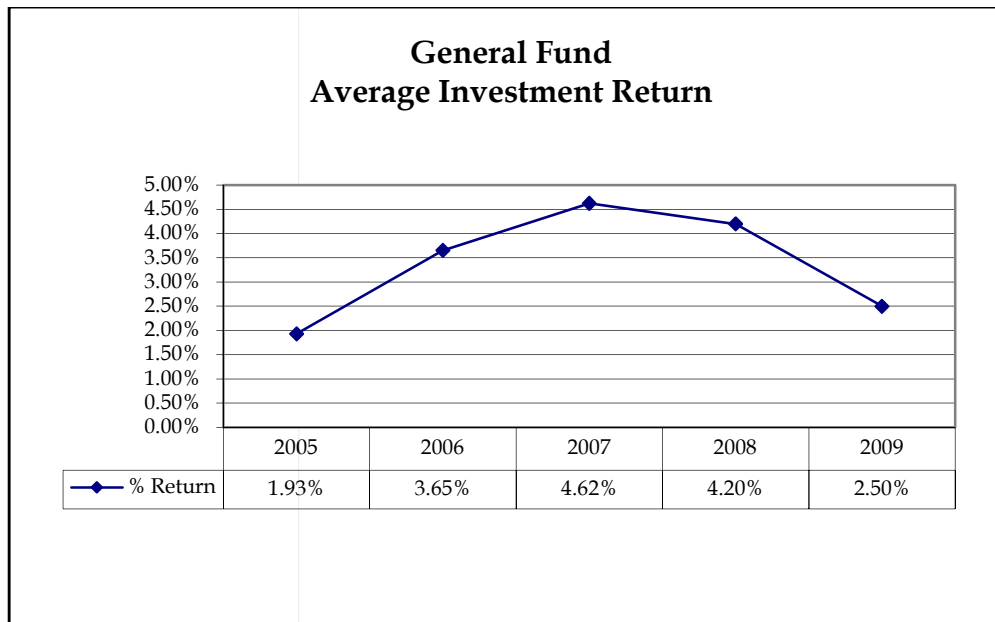
Investment Income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, U. S. Treasury and Agency securities, high grade commercial paper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

	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Investment Income	\$ 306,197	\$ 270,000	\$ 264,987	\$ 176,900	-33.2%
Total Investment Income	\$ 306,197	\$ 270,000	\$ 264,987	\$ 176,900	-33.2%

## Revenue Assumptions

- Investment income is estimated to be down 33% due a sharp decline in short-term interest rates by the Federal Reserve in early 2008. The estimated revenue is based upon an average cash & investments balance of \$7 million and an average rate of return of 2.5% compared to 4.2% the previous year.







## 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.

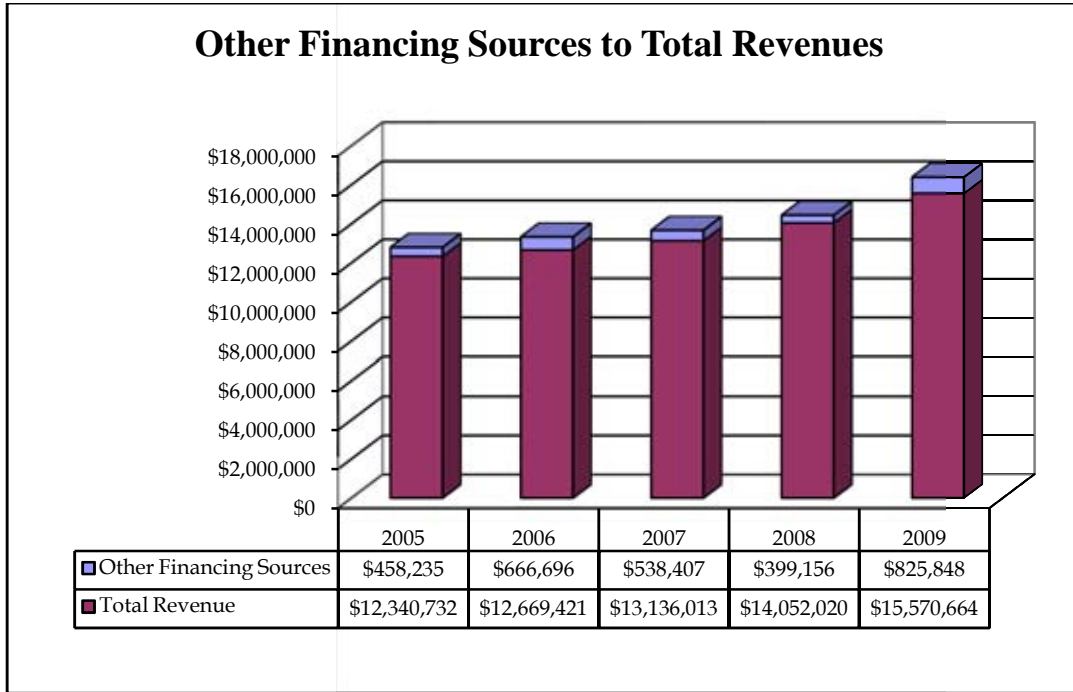
Other Financing Sources	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Loan Proceeds	\$ -	\$ -	\$ -	\$ 500,000	100.0%
Transfer from Capital Project Funds	21,058	-	-	-	0.0%
Transfer from Capital Reserve Fund	418,914	350,000	350,000	283,520	-19.0%
Transfer from Special Rev Funds	98,435	49,156	49,156	42,328	-13.9%
<b>Total Other Financing Sources</b>	<b>\$ 538,407</b>	<b>\$ 399,156</b>	<b>\$ 399,156</b>	<b>\$ 825,848</b>	<b>106.9%</b>

### Revenue Assumptions

- Loan proceeds of \$500,000 are anticipated to facilitate the purchase of a replacement fire truck in the fourth quarter of the 2008-2009 fiscal year. Debt service for this installment purchase will begin the following fiscal year.
- An Operating Transfer of \$25,956 from the Taylorhurst Special Revenue Fund for debt service and \$16,372 from the Municipal Service District Special Revenue Fund resulting from an assessment for dam repairs will occur in the 2008-2009 fiscal year.
- An Operating Transfer of \$283,520 will come from the Capital Reserve Fund in FY 2008-2009 to support investments in capital per the Five-Year Capital Improvement Plan.



## 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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,671,036	\$ -	\$ 752,672	100.0%
Total Fund Balance Appropriations	\$ -	\$ 1,671,036	\$ -	\$ 752,672	100.0%

### Revenue Assumptions:

- For FY 2008-2009 we have appropriated \$752,672 of the Village's fund balance as a revenue source. Historically, operating revenues come in at 101% of budget while operating expenditures typically fall 5% below budget. The amount of fund balance that is appropriated this year approximates this budget variance amount. If this historical trend continues for FY 2008-09, we will not actually use any of these reserves.
- The amount of fund balance appropriated in FY 2008-2009 is 54% lower than the previous fiscal year. In the previous fiscal year approximately \$402,000 in fund balance was appropriated for expenditures related to the annexation of the Pinewild Country Club of Pinehurst. This annexation was subsequently delayed by a legal challenge.



### **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 2007-2008:**

- Established the Neighborhood Advisory Committee and the Downtown Merchants Committee
- Participated in the Moore County Summit
- Participated in training on quasi-judicial hearings

### **Goals and Objectives for Fiscal Year 2008-2009:**

Please see the goals for the personnel included in the Administration department.



## Governing Body

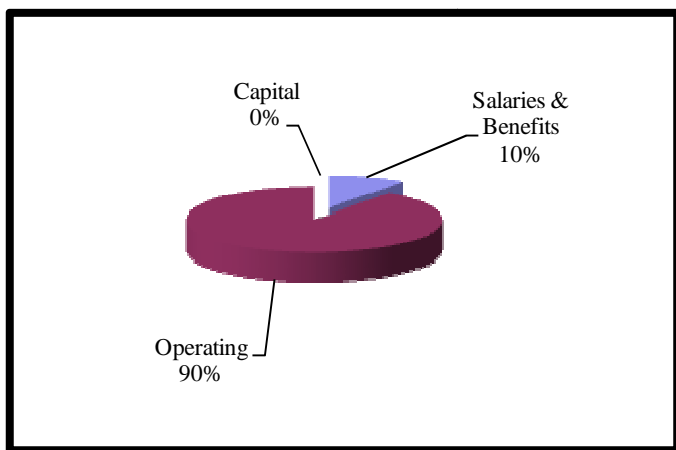
The Governing Body Department is located on the first floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 25,275	\$ 25,500	\$ 24,288	\$ 31,000	27.6%
Operating	229,769	220,400	340,250	277,300	-18.5%
Capital	35,571	30,000	10,000	-	-100.0%
<b>Expenditures Total</b>	<b>\$ 290,615</b>	<b>\$ 275,900</b>	<b>\$ 374,538</b>	<b>\$ 308,300</b>	<b>-17.7%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 290,615	\$ 275,900	\$ 374,538	\$ 308,300	-17.7%
<b>Revenues Total</b>	<b>\$ 290,615</b>	<b>\$ 275,900</b>	<b>\$ 374,538</b>	<b>\$ 308,300</b>	<b>-17.7%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	5.00	5.00	5.00	5.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>0.0%</b>



### **Budget Highlights:**

The budget for the Governing Body includes salaries for the Mayor and four council members. Operating expenditures reflect a reduction in professional fees for legal services. There are no capital items in the FY 2008-2009 Budget.





**Description:**

The Administration Department, which includes the Village Manager, Assistant Village Managers, the Village Clerk, and Front Desk Administrative Support Staff, provide top-level support to the Village Council. It also serves as a support and liaison to the other 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 2007-2008:**

- Expanded the Results Based Management (RBM) program to three other programs: building inspections, police and fire. These programs will be implemented in FY 2009.
- Led the Moore County Shared Services initiative that resulted in the creation of a Cooperative Purchasing Group
- Managed the successful litigation of the Pinewild annexation and Roundabout lawsuits
- Oversaw the implementation of the 2007 Strategic Plan
- Oversaw the redesign of the Village’s website

**Goals and Objectives for Fiscal Year 2008-2009:**

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

**Objective:** To increase the number of programs that implement a RBM program to 10.

**Objective:** To increase the percentage of strategic action plan steps implemented in the stated time frame to 100%.

**Objective:** To increase the percentage of 2003 Comprehensive Long Range Plan initiatives implemented to 97%.

Performance Measures	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated	FY 2008-09 Goal
# of programs implementing RBM	n/a	0	2	5
% of Strategic Action Plans steps implemented in the stated time frame	n/a	n/a	85%	100%
% of Comp Plan initiatives implemented	74%	88%	93%	97%



## Administration

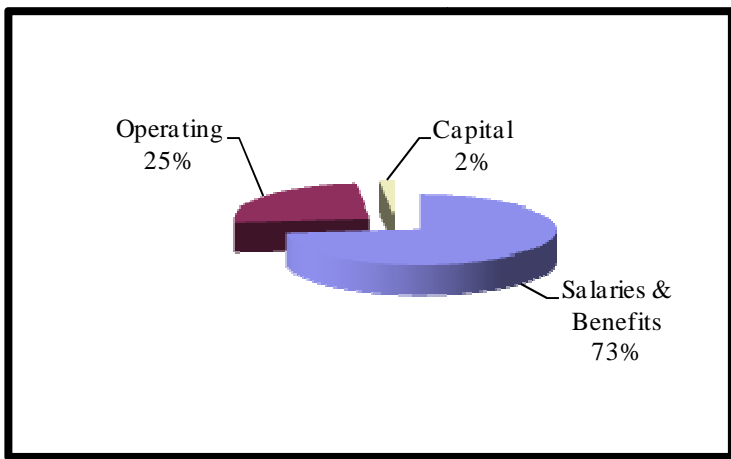
The Administration Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 534,208	\$ 583,800	\$ 581,900	\$ 650,000	11.7%
Operating	208,839	242,405	219,950	222,270	1.1%
Capital	55,325	20,000	20,000	15,100	-24.5%
Expenditures Total	\$ 798,372	\$ 846,205	\$ 821,850	\$ 887,370	8.0%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 798,372	\$ 846,205	\$ 821,850	\$ 887,370	8.0%
Revenues Total	\$ 798,372	\$ 846,205	\$ 821,850	\$ 887,370	8.0%

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	4.00	5.00	6.00	7.00	16.7%
Part Time	0.50	1.00	0.50	-	-100.0%
Total Authorized Personnel	4.50	6.00	6.50	7.00	7.7%



### **Budget Highlights:**

The FY 2008-2009 Budget reflects the transition of a part-time customer service representative to a full-time employee. Capital includes the costs to install and implement internet connection backup devices as well as an allocation for the purchase of a 30' scissor lift for use in the Assembly Hall, Fire Station and Fair Barn.



**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 2007-2008:**

- Received the Government Finance Officer’s Association (GFOA) Distinguished Budget Presentation Award for the FY 2007-08 Budget. This is the Village’s first receipt of this award which is earned by fewer than 4% of governmental units in North Carolina.
- Prepared the Comprehensive Annual Financial Report in-house and received the GFOA Certificate of Achievement for Financial Reporting for the 15<sup>th</sup> consecutive year
- Created a financial documents library on the Village website expanding the financial information provided to the public
- Improved purchasing processes including joint purchasing with other governments and piggybacking a solid waste truck
- Began distributing monthly financial statements electronically

**Goals and Objectives for Fiscal Year 2008-2009:**

**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 incorporate 100% of the requirements of the Government Finance Officer’s Association (GFOA) Distinguished Budget Award Program and implement reviewer’s suggested improvements.

**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 to 100%.

Performance Measures	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated	FY 2008-09 Goal
% of GFOA Distinguished Budget Award requirements met	75%	85%	100%	100%
% of months financial statements are distributed by the tenth	50%	75%	95%	100%



## Financial Services

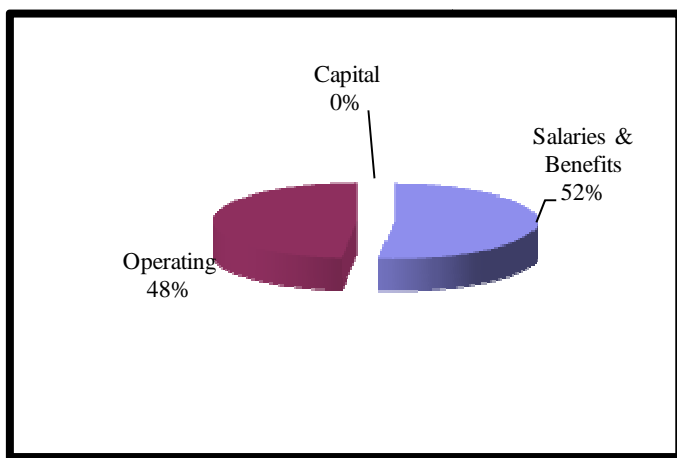
The Financial Services Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 228,374	\$ 267,450	\$ 253,500	\$ 277,650	9.5%
Operating	259,924	321,430	308,800	259,510	-16.0%
Capital	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 488,298</b>	<b>\$ 588,880</b>	<b>\$ 562,300</b>	<b>\$ 537,160</b>	<b>-4.5%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 488,298	\$ 588,880	\$ 562,300	\$ 537,160	-4.5%
<b>Total Revenues</b>	<b>\$ 488,298</b>	<b>\$ 588,880</b>	<b>\$ 562,300</b>	<b>\$ 537,160</b>	<b>-4.5%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	4.00	4.00	4.00	4.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.0%</b>



### **Budget Highlights:**

The Financial Services department operating expenditures decreased due to a change in the methodology for allocating Information Technology (IT) internal service charges. Prior year allocations were based on the cost of IT assets by department. The new methodology allocates IT expenditures based on the number of IT assets by department. There are no capital expenditures in the FY 2008-2009 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 2007-2008:**

- Developed a 2008 training calendar based on results of an employee training survey.
- Continued “BE A S.P.O.R.T.” employee wellness initiative which resulted in a decrease of inpatient hospital stays, greater use of preventive care and generic drugs and no increase in medical insurance premiums to the Village
- Researched, wrote, secured approvals for and distributed an Employee Handbook
- Implemented Employee Ambassador Program to enhance communication between senior staff and employees

**Goals and Objectives for Fiscal Year 2008-2009:**

**Goal:** To ensure the timeliness of employee performance reviews and monitor the rate of merit increases in order to enhance the Village’s Performance Management Program.

**Objective:** To increase the percentage of employees receiving their annual performance review before or on their due date to 98%.

**Objective:** To increase the percentage of departments that complies with the average budgeted merit increase to 100%.

**Goal:** To provide effective on-boarding and training opportunities, ensure competitive compensation, and support internal promotions in order to enhance employee job satisfaction and retention.

**Objective:** To maintain an average rate of total employee turnover at a maximum of 10% annually.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
% of employees receiving performance reviews on time	n/a	n/a	80%	90%
% of departments complying with average budgeted merit increase	n/a	n/a	82%	91%
% rate of average employee turnover	10%	7.4%	5.9%	10%



## Human Resources

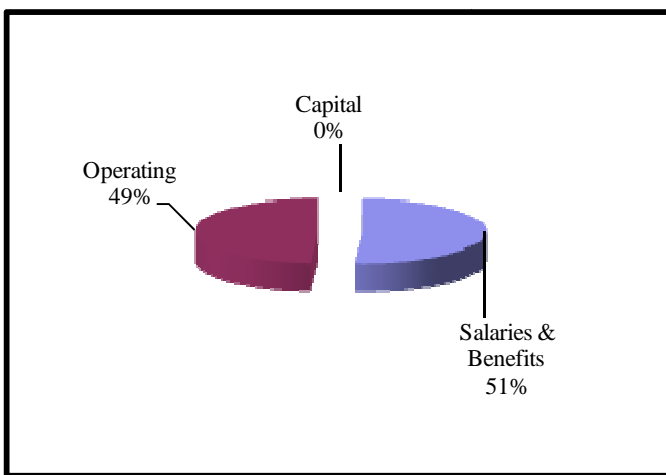
The Human Resources Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 124,074	\$ 158,250	\$ 157,000	\$ 163,850	4.4%
Operating	82,949	115,540	96,750	157,220	62.5%
Capital	-	-	-	-	0.0%
<b>Expenditures Total</b>	<b>\$ 207,023</b>	<b>\$ 273,790</b>	<b>\$ 253,750</b>	<b>\$ 321,070</b>	<b>26.5%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 207,023	\$ 273,790	\$ 253,750	\$ 321,070	26.5%
<b>Revenues Total</b>	<b>\$ 207,023</b>	<b>\$ 273,790</b>	<b>\$ 253,750</b>	<b>\$ 321,070</b>	<b>26.5%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	1.00	1.00	2.00	2.00	0.0%
Part Time	-	0.50	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>1.00</b>	<b>1.50</b>	<b>2.00</b>	<b>2.00</b>	<b>0.0%</b>



### **Budget Highlights:**

The Human Resources department FY 2008-2009 Operating budget includes the purchase of new software to manage various human resource activities. Operating expenditures also reflect an increase for pre-employment drug screens and higher utilization of the staffing pool. There are no capital outlay items in the 2008-2009 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 24 sworn police officers, four dispatchers and one administrative assistant.

**Major Accomplishments for Fiscal Year 2007-2008:**

- Received \$97,000 in grants from the Governor’s Highway Safety Program and the Governor’s Crime Commission to partially fund a Traffic Team and purchase various equipment to enhance enforcement initiatives
- One Sergeant received the “Eastern NC Police DWI Hero Award” by the NC Chapter of Mothers Against Drunk Drivers
- Participated in 32 separate DWI, seat belt and driver’s license checkpoints
- Received the “2007 Outstanding Traffic Safety Award” by the AAA Motor Club of NC and the “Hometown Heroes Award” by the Modern Woodmen of America
- Continued to participate in the Fatal Vision and Safe Kids programs

**Goals and Objectives for Fiscal Year 2008-2009:**

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

**Objective:** To conduct an average of 6 seat belt and driver’s license checkpoints per month.

**Objective:** To place the speed limit trailer in service an average of 15 days per month.

**Objective:** To achieve an 80% compliance rate with posted speed limits.

**Objective:** To conduct quarterly DWI checkpoints for a total of 4 per year.

**Objective:** To minimize the % of vehicle collisions that result in an injury or fatality to less than 20%.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
# of seat belt/license checkpoints per month	n/a	0.75	2.1	6
# of days per month speed limit trailer is in service	3.5	9.5	13.3	15
Speed limit compliance rate	n/a	n/a	70%	80%
# of scheduled DWI checkpoints	n/a	4	4	4
% of collisions w/injuries & fatalities	16.5%	16.7%	14.4%	20%



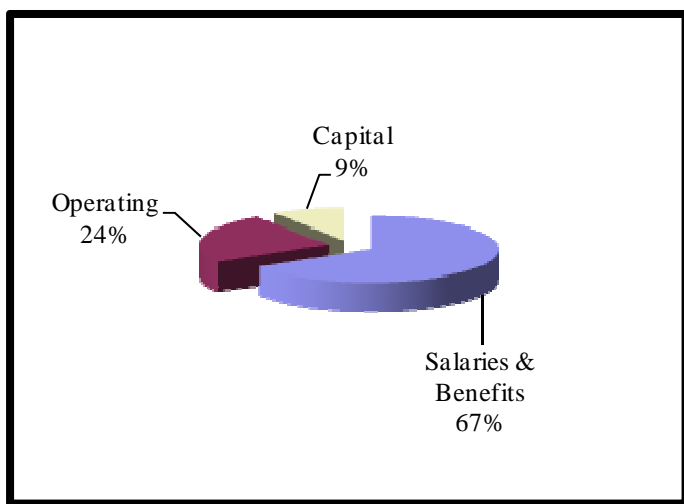
The Police Department is located at 420 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 1,492,868	\$ 1,790,550	\$ 1,703,600	\$ 1,860,770	9.2%
Operating	423,335	665,602	680,006	680,190	0.0%
Capital	172,522	177,000	165,000	261,200	58.3%
<b>Expenditures Total</b>	<b>\$ 2,088,725</b>	<b>\$ 2,633,152</b>	<b>\$ 2,548,606</b>	<b>\$ 2,802,160</b>	<b>9.9%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 1,930,080	\$ 2,531,894	\$ 2,443,748	\$ 2,730,960	11.8%
Police Grants	142,715	89,858	89,858	60,000	0.0%
Parking Fines	4,793	4,000	4,000	1,000	-75.0%
Miscellaneous Police Revenues	11,137	7,400	11,000	10,200	-7.3%
<b>Revenues Total</b>	<b>\$ 2,088,725</b>	<b>\$ 2,633,152</b>	<b>\$ 2,548,606</b>	<b>\$ 2,802,160</b>	<b>9.9%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	28.00	28.00	30.00	30.00	0.0%
Part Time	-	-	-	-	100.0%
<b>Total Authorized Personnel</b>	<b>28.00</b>	<b>28.00</b>	<b>30.00</b>	<b>30.00</b>	<b>0.0%</b>



**Budget Highlights:**

The Police department’s Salaries & Benefits budget includes separation allowance for two retiring police officers. The separation allowance is a single-employer retirement defined benefit pension plan provided by the Village of Pinehurst which is funded when expenditures become due. Capital expenditures reflect an upgrade to the communication system in the 2008-2009 fiscal year budget.





**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 2007-2008:**

- Received the 2006 Life Safety Achievement Award which recognizes fire departments that had zero deaths in structure fires in the previous calendar year
- Received a grant of 20 child passenger safety seats from the NC Department of Insurance
- Hosted the NC Public Fire and Life Safety Education conference and the FIRETEAM USA group for statewide presentations. Also hosted the NC Safe Kids state conference.
- Active member in the newly formed North Carolina Home Fire Sprinkler Alliance and the North Carolina Residential Fire Sprinkler Committee. Installed over 40 fire sprinkler systems and introduced two fire departments to the program

**Goals and Objectives for Fiscal Year 2008-2009:**

**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 and visitors.

**Objective:** To increase the rate of fire code violations corrected within a 30 day period to 80%.

**Objective:** To increase the rate of fire code violations corrected within a 60 day period to 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 to 85% of calls.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
% of fire code violations corrected in 30 days	49%	47%	53%	59%
% of fire code violations corrected in 60 days	78%	74%	69%	75%
% of first-in-engine response time within five minutes of dispatch	64%	70%	67%	72%



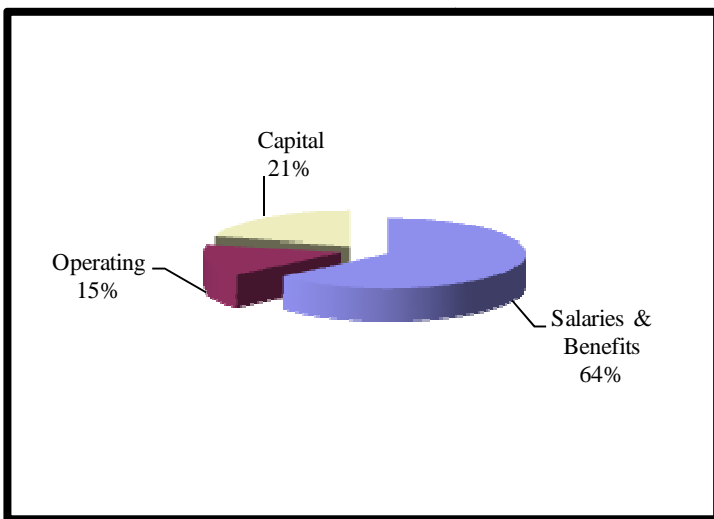
The Fire Department has two fire stations. The main station is located at 405 Magnolia Road and the second station is located at 15 Parker Lane, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 1,554,476	\$ 1,641,150	\$ 1,605,800	\$ 1,685,250	4.9%
Operating	346,826	339,180	334,880	401,700	20.0%
Capital	90,196	139,000	138,000	556,300	303.1%
<b>Expenditures Total</b>	<b>\$ 1,991,498</b>	<b>\$ 2,119,330</b>	<b>\$ 2,078,680</b>	<b>\$ 2,643,250</b>	<b>27.2%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 1,461,884	\$ 1,566,330	\$ 1,488,140	\$ 2,033,250	36.6%
Fire Grants	17,656	-	-	-	0.0%
Fire District Revenue	511,958	553,000	590,540	610,000	3.3%
<b>Revenues Total</b>	<b>\$ 1,991,498</b>	<b>\$ 2,119,330</b>	<b>\$ 2,078,680</b>	<b>\$ 2,643,250</b>	<b>27.2%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	30.00	30.00	30.00	30.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>	<b>0.0%</b>



**Budget Highlights:**

The Fire department's FY 2008-2009 Operating budget increased due to a change in the methodology for allocating IT internal service charges. Prior year allocations were based on the cost of IT assets by department. The new methodology allocates IT expenditures based on the number of IT assets by department. Capital outlay expenditures include the purchase of a fire truck to replace a 1988 pumper unit.



**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 2007-2008:**

- Review and building inspections of approximately 100 rooms at the Resorts of Pinehurst and the new comfort stations along the golf courses
- Review and inspection of First Health projects including a demolition of three buildings to make room for the Heart Hospital and a new Energy Plant
- Inspected multiple commercial projects including Razooks, Arnette Office Building, Darling House Pub and the CCNC golf maintenance facility
- Reviewed and inspected homes in Cotswold Phase II as well as the Villas at Forest Hills
- Actively participated on the technical review team which reviews all non-residential projects

**Goals and Objectives for Fiscal Year 2008-2009:**

**Goal:** To respond to customer requests for inspections services in a timely manner in order to provide responsive and efficient services.

**Objective:** To perform inspections the business day following the request 95% of the time.

**Objective:** To review 95% of single-family plans within 10 business days of being received.

**Goal:** To educate customers about the Building Code, the Pinehurst Development Ordinance, plan review process, and other issues of interest in order to ensure appropriate and compliant development in Pinehurst.

**Objective:** To achieve an inspection compliance rate of 70%.

**Objective:** To conduct 4 builder’s workshops per year.

Performance Measures	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated	FY 2008-09 Goal
% of inspections completed next bus. day	n/a	90%	90%	95%
# of days to review single family building plans	n/a	15	10	10
Inspection compliance rate	n/a	n/a	n/a	70%
# of builder’s workshops conducted	0	3	4	4



## Inspections

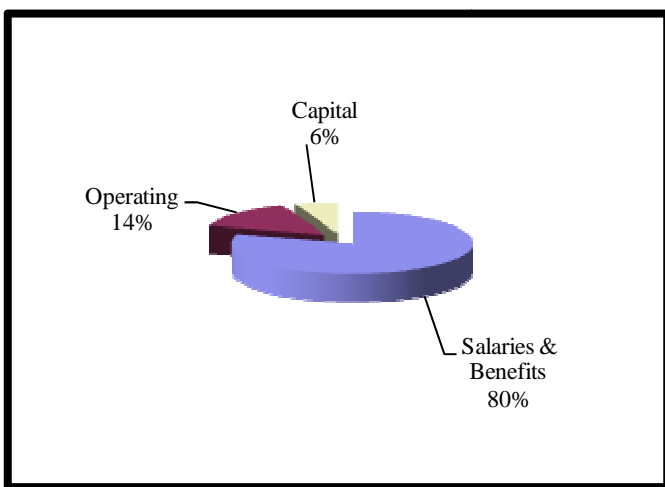
The Inspections Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 230,558	\$ 247,400	\$ 244,900	\$ 276,100	12.7%
Operating	24,729	37,060	30,750	50,680	64.8%
Capital	-	-	-	20,000	0.0%
Expenditures Total	\$ 255,287	\$ 284,460	\$ 275,650	\$ 346,780	25.8%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Inspection Permit Revenue	255,287	284,460	275,650	346,780	25.8%
Revenues Total	\$ 255,287	\$ 284,460	\$ 275,650	\$ 346,780	25.8%

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 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 for the purchase of laptops and printers to be used by Inspectors in their vehicles. Capital expenditures in FY 2008-2009 include the purchase of a 4-door sedan to replace a 1999 model.



## **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 and Solid Waste. 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 2007-2008:**

- Promoted residential recycling services
- Managed implementation of two additional areas for the use of automated arm refuse collection system
- Coordinated selection, purchase and delivery of 1,800 refuse containers for the automated collection system
- Organized task oriented crews for streets and grounds maintenance to reduce costs and improve operating efficiencies
- Oversaw the installation of new speed limit and stop signs in various areas of the Village

### **Goals and Objectives for Fiscal Year 2008-2009:**

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



## Public Services Administration

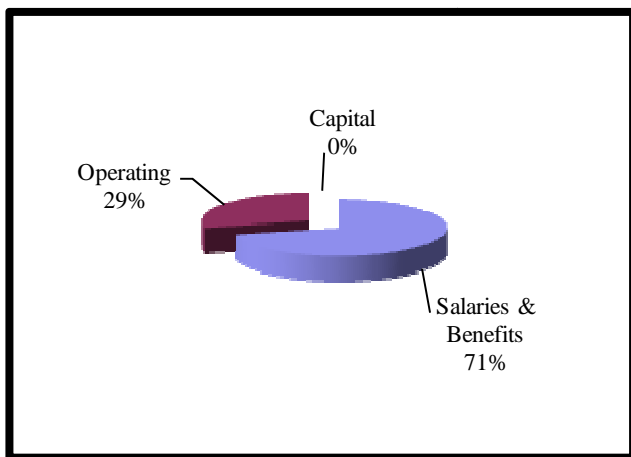
Public Services Administration is located at 700 McCaskill Road, Pinehurst, NC.

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](mailto:wmorgan@villageofpinehurst.org).

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 178,138	\$ 202,115	\$ 196,850	\$ 235,550	19.7%
Operating	67,954	65,560	56,825	95,020	67.2%
Capital	-	-	-	-	100.0%
Expenditures Total	\$ 246,092	\$ 267,675	\$ 253,675	\$ 330,570	30.3%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 246,092	\$ 267,675	\$ 253,675	\$ 330,570	30.3%
Revenues Total	\$ 246,092	\$ 267,675	\$ 253,675	\$ 330,570	30.3%

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 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:**

The Public Services Administration Operating budget increased due to a change in the methodology for allocating IT internal service charges. Prior year allocations were based on the cost of IT assets by department. The new methodology allocates IT expenditures based on the number of IT assets by department. There are no capital items in the Public Services Administration budget for fiscal year 2008-2009.



**Description:**

The Streets and Grounds Division of the Public Services Department reports directly to the Director of Public Services. There are 15 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 2007-2008:**

- Completed installation of reflective street signs on all Village-maintained streets
- Installed and replaced traffic regulatory signs within the Village limits
- Managed task specific crews to reduce costs and improve operating efficiencies

**Goals and Objectives for Fiscal Year 2008-2009:**

**Goal:** To provide visible street signs for emergency services personnel and the motoring public in order to enhance mobility on Village streets while preserving the Village’s unique character.

**Objective:** To maintain the reflective street signs within the Village limits and install new signs as necessary to replace damaged or missing signs.

**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 inspect and repair 15% of shoulders on Village maintained roadways per year.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
% of old street signs replaced	50%	85%	100%	100%
% of right of way lane miles shoulders inspected and repaired	n/a	n/a	7%	15%



## Streets & Grounds

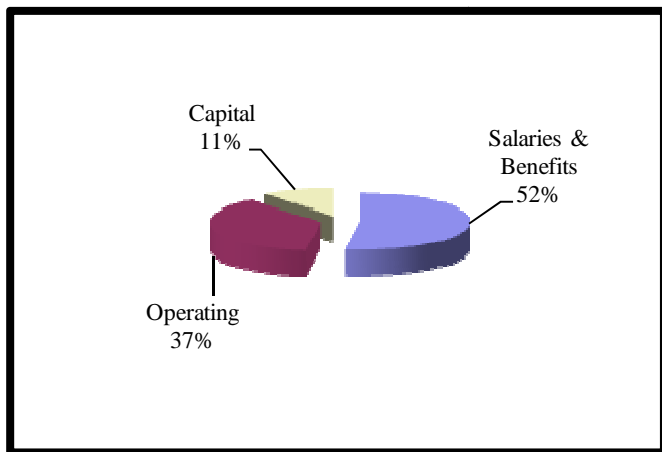
The Streets and Grounds Division is located at 700 McCaskill Road, Pinehurst, NC.

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](mailto:wmorgan@villageofpinehurst.org).

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 410,198	\$ 465,300	\$ 448,600	\$ 533,200	18.9%
Operating	313,943	335,990	306,700	378,740	23.5%
Capital	39,397	81,000	80,000	110,000	37.5%
<b>Expenditures Total</b>	<b>\$ 763,538</b>	<b>\$ 882,290</b>	<b>\$ 835,300</b>	<b>\$ 1,021,940</b>	<b>22.3%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 707,538	\$ 832,790	\$ 807,300	\$ 993,940	23.1%
Street Cut Permit Revenues	56,000	49,500	28,000	28,000	0.0%
<b>Revenues Total</b>	<b>\$ 763,538</b>	<b>\$ 882,290</b>	<b>\$ 835,300</b>	<b>\$ 1,021,940</b>	<b>22.3%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	13.00	13.00	13.00	15.00	15.4%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>15.00</b>	<b>15.4%</b>



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

The FY 2008-2009 Budget includes the addition of two maintenance workers. The Streets & Grounds division budget includes funds for the patching and maintenance of Village-owned streets and rights of way. Operating expenditures reflect an increase in the cost of fuel. The Capital budget includes \$110,000 for the replacement of a dump truck, a mower and a full-size truck.





**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 2007-2008:**

- Resurfaced approximately 5.5 miles of Village maintained roadways
- Painted approximately 4 centerline miles, crosswalks and miscellaneous traffic and pedestrian markings

**Goals and Objectives for Fiscal Year 2008-2009:**

**Goal:** To manage street resurfacing/rehabilitations of Village maintained streets in order to improve the pavement condition rating and maintain a 15-20 year life cycle.

**Objective:** To develop plans, specifications and bid documents and provide project management for 4-5 miles of resurfacing, based on available funding.

**Objective:** To increase the Pavement Condition Rating (PCR) of the Village’s overall surface transportation system to 80 (The PCR rating is done in 4 year intervals).

Please see the goals identified for the personnel included in the Engineering departments for additional information.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
# of miles of Village roadways resurfaced	5.0	6.5	5.5	4.5
% of centerline miles of Village roadways resurfaced	4.8%	6.2%	5.3%	4.3%
Pavement Condition Rating (PCR)	76	76	76	78



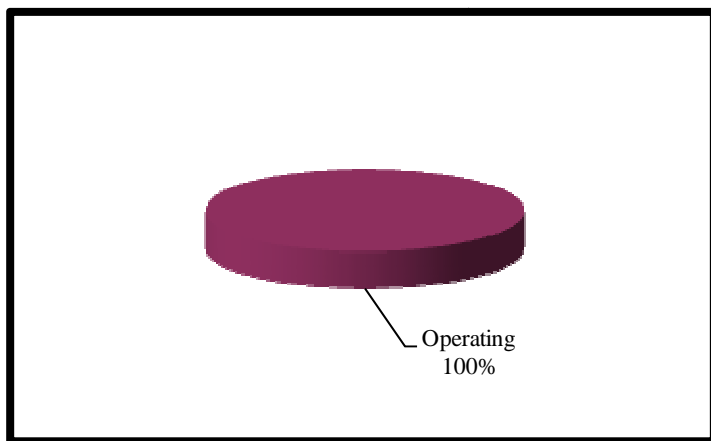
## Powell Bill

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	885,834	980,750	948,000	754,300	-20.4%
Capital	-	-	-	-	0.0%
<b>Expenditures Total</b>	<b>\$ 885,834</b>	<b>\$ 980,750</b>	<b>\$ 948,000</b>	<b>\$ 754,300</b>	<b>-20.4%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 459,901	\$ 526,750	\$ 466,312	\$ 306,300	-34.3%
Powell Bill Revenue	425,933	454,000	481,688	448,000	-7.0%
<b>Revenues Total</b>	<b>\$ 885,834</b>	<b>\$ 980,750</b>	<b>\$ 948,000</b>	<b>\$ 754,300</b>	<b>-20.4%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	-	-	-	-	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>



### **Budget Highlights:**

The Powell Bill department includes funding for the resurfacing of four (4) to five (5) miles of Village-owned streets. The FY 2008-2009 Budget also includes \$13,000 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 2007-2008:**

- Implemented Automated Arm Trash Collection service to two additional routes
- Delivered 1,800 refuse containers for the automated collection system
- Participated in the development of a video promoting recycling
- Distributed informational brochures for the automated pickup system

**Goals and Objectives for Fiscal Year 2008-2009:**

**Goal:** To provide a household trash collection system to the residents of Pinehurst in order to enhance the quality of life by maintaining a clean and healthy environment.

**Objective:** To increase the number of households utilizing automated trash collection service to 4,500 households, or 75% of the Village.

**Goal:** To provide a curbside recycling program to Village of Pinehurst residents in order to conserve natural resources.

**Objective:** To ultimately achieve a participation rate of 65% in the curbside recycling program.

**Objective:** To divert at least 25% of total refuse from the landfill.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
# of households served with auto collection method	0	1,741	3,392	3,692
% of households served with auto collection method	0	26.1%	50.2%	53.9%
# of households participating in curbside recycling	n/a	1,619	1,996	2,353
% of households participating in curbside recycling	n/a	24%	29.5%	35%
# of tons recycled	320	568	977	1,000
Tons recycled as a % of total refuse	n/a	11.45%	24.47%	25%



## Solid Waste

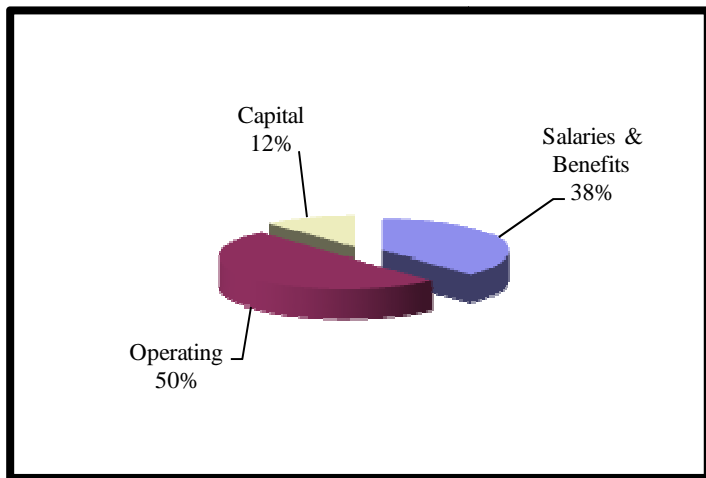
The Solid Waste Division is located at 700 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 376,519	\$ 402,135	\$ 324,100	\$ 374,000	15.4%
Operating	508,185	476,985	446,425	500,350	12.1%
Capital	200,737	310,000	310,000	115,000	-62.9%
Expenditures Total	\$ 1,085,441	\$ 1,189,120	\$ 1,080,525	\$ 989,350	-8.4%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 1,085,441	\$ 1,189,120	\$ 1,080,525	\$ 989,350	-8.4%
Revenues Total	\$ 1,085,441	\$ 1,189,120	\$ 1,080,525	\$ 989,350	-8.4%

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	9.00	9.00	9.00	9.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	9.00	9.00	9.00	9.00	0.0%



### **Budget Highlights:**

The Solid Waste Operating budget for FY 2008-2009 reflects an increase in fuel costs and a \$2 per ton excise tax on all municipal solid waste effective 7/1/2008. Capital expenditures include the purchase of a small automated truck that will replace two (2) small trucks.



**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, the Historic Preservation Commission, and the Village Council.

**Major Accomplishments for Fiscal Year 2007-2008:**

- Adopted Special Village Zoning Districts supporting New Core
- Reviewed plans for major development projects including East Lake at CCNC, Midland Green, and demolition of three (3) buildings by First Health
- 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
- Began update of the Wellhead Protection Plan

**Goals and Objectives for Fiscal Year 2008-2009:**

**Goal:** To enforce the provisions of the Pinehurst Development Ordinance (PDO) and the Municipal Code to ensure compliance.

**Objective:** To resolve 85% of code violations within 45 days of notification.

**Goal:** To promptly review development plans for builders in order to deliver responsive service.

**Objective:** To receive comments from the Technical Review Committee (TRC) within 3 weeks 85% of the time.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
% of code violations resolved in 45 days	85%	91%	95%	85%
% of comments received from TRC in 3 weeks	n/a	74%	50%	75%



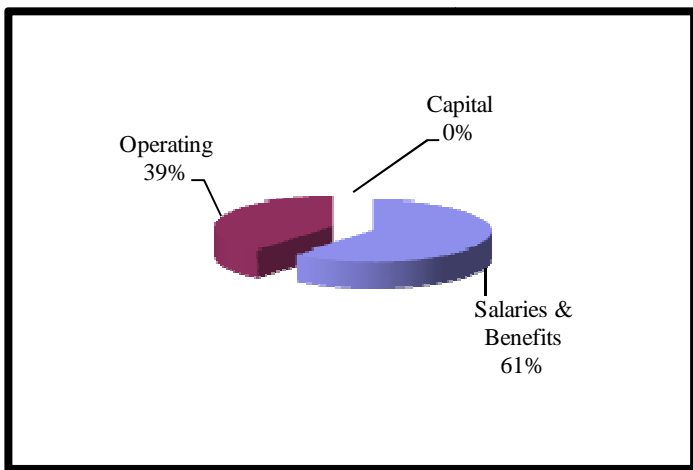
The Planning Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 393,701	\$ 419,850	\$ 408,100	\$ 426,050	4.4%
Operating	172,950	179,935	129,165	272,795	111.2%
Capital	-	23,000	17,000	-	100.0%
<b>Expenditures Total</b>	<b>\$ 566,651</b>	<b>\$ 622,785</b>	<b>\$ 554,265</b>	<b>\$ 698,845</b>	<b>26.1%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 474,072	\$ 544,285	\$ 477,765	\$ 622,725	30.3%
Planning Permit Revenue	92,579	78,500	76,500	76,120	-0.5%
<b>Revenues Total</b>	<b>\$ 566,651</b>	<b>\$ 622,785</b>	<b>\$ 554,265</b>	<b>\$ 698,845</b>	<b>26.1%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	7.00	7.00	7.00	7.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>0.0%</b>



### **Budget Highlights:**

The FY 2008-2009 Operating budget includes professional service fees to update the 2003 Comprehensive Long Range Plan. Operating expenditures also include an increase in the allocation for information technology internal service charges. There are no capital expenditures in the Planning department's FY 2008-2009 budget.



## Description:

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

## Major Accomplishments for Fiscal Year 2007-2008:

- Developed and managed the annual resurfacing project for approximately 5.5 miles of Village-maintained roadways
- Developed and completed nearly \$130,000 of small drainage projects
- Closed NCDOT Enhancement which funded the Old Town brick sidewalk project, resulting in \$45,000 in grant funding to the Village
- Provided project management for Phase 1 of Jackson Hamlet sewer improvements and began work on Preliminary Engineering Report for Phase 2 grant application
- Continued to provide expertise on the design and development of the NC-2/NC-5 intersection improvements and NC-2 Roundabout project

## Goals and Objectives for Fiscal Year 2008-2009:

**Goal:** Use data-driven solutions from stormwater studies, citizen complaints, and the Village’s stormwater policy, to provide a clear, comprehensive strategy for improving drainage conditions throughout the Village in order to ensure an environmentally acceptable and aesthetically pleasing community.

**Objective:** To complete at least 2 key small drainage projects per year.

**Goal:** To evaluate in a quantitative, data-driven manner, the Level of Service at key Village intersections in order to develop a clear, comprehensive strategy for improving roadways and intersections throughout the Village.

**Objective:** To complete Level of Service (LOS) studies annually for seven key intersections.

Performance Measures	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated	FY 2008-09 Goal
# of key small drainage projects completed	4	6	4	3
# of LOS studies completed for key intersections	15	7	8	7



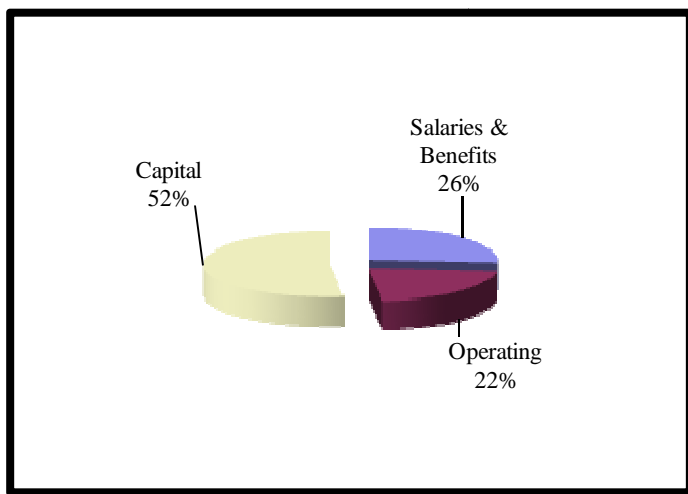
The Engineering Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 178,508	\$ 193,050	\$ 187,900	\$ 203,650	8.4%
Operating	229,365	457,200	427,900	169,800	-60.3%
Capital	95,783	190,000	150,000	400,000	166.7%
<b>Expenditures Total</b>	<b>\$ 503,656</b>	<b>\$ 840,250</b>	<b>\$ 765,800</b>	<b>\$ 773,450</b>	<b>1.0%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 487,028	\$ 832,250	\$ 707,800	\$ 765,450	8.1%
Engineering Fee Revenue	16,628	8,000	58,000	8,000	-86.2%
<b>Revenues Total</b>	<b>\$ 503,656</b>	<b>\$ 840,250</b>	<b>\$ 765,800</b>	<b>\$ 773,450</b>	<b>1.0%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	0.50	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>2.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>0.0%</b>



**Budget Highlights:**

There are no individually significant operating expenditures in the Engineering department's FY 2008-2009 budget. Prior year operating expenditures included professional fees for stormwater master planning and traffic studies for the NC-2 Roundabout and Western Connector. Capital includes expenditures for 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, Harness Track, Fair Barn and Buildings & Grounds. In addition to the Director, the Recreation Division includes two Program Coordinators who, in conjunction with the Director, are 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 2007-2008:**

- Added additional parking areas to Rassie Wicker Park
- Created a new adult drawing class which was attended by 12 participants
- Reached full capacity for full day and half day summer day camps for all eight weeks
- Assumed responsibility for youth in-line hockey league with 188 youth participants on 23 teams
- Established an adult in-line hockey league with 44 adult participants on 4 teams
- Completed Phase IV of the Greenway Trail System, extending to Chicken Plant Road

**Goals and Objectives for Fiscal Year 2008-2009:**

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

**Objective:** To increase enrollment in youth athletic programs to 95% of capacity.

**Objective:** To increase the number of youth sport specific programs offered annually to 8.

**Objective:** To increase the overall number of recreation programs offered to 50.

**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 maintain a 100% capacity in full-day and half-day summer day camps.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
Youth athletic program capacity reached	96%	90%	91%	92%
# of youth sport specific programs	4	4	5	6
# of overall recreation programs	33	34	37	39
Summer day camp capacity reached	93%	100%	100%	100%
# full day camp participants per week	28	30	40	50



## Recreation

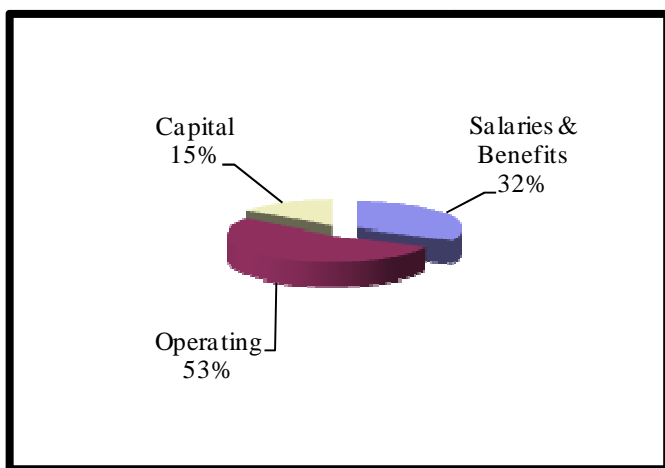
The Recreation Division is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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](mailto:mwagner@villageofpinehurst.org).

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 158,436	\$ 193,750	\$ 184,750	\$ 274,550	48.6%
Operating	297,576	381,410	286,717	447,915	56.2%
Capital	49,445	288,600	275,000	130,000	-52.7%
<b>Expenditures Total</b>	<b>\$ 505,457</b>	<b>\$ 863,760</b>	<b>\$ 746,467</b>	<b>\$ 852,465</b>	<b>14.2%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 491,022	\$ 841,760	\$ 722,652	\$ 830,465	14.9%
Recreation Services	14,435	22,000	23,815	22,000	-7.6%
<b>Revenues Total</b>	<b>\$ 505,457</b>	<b>\$ 863,760</b>	<b>\$ 746,467</b>	<b>\$ 852,465</b>	<b>14.2%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	3.00	50.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>3.00</b>	<b>50.0%</b>



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

The Recreation division FY 2008-2009 Salaries & Benefits budget reflects the addition of a full-time Program Coordinator. Operating expenditures include increased costs for building and grounds maintenance related to Rassie Wicker Park and the Greenway system. Capital items include \$85,000 for a comfort station at the Rassie Wicker Park Arboretum and \$45,000 for the replacement of two (2) vehicles.



**Description:**

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

**Major Accomplishments for Fiscal Year 2007-2008:**

- Modified the organizational structure to more effectively manage the administrative and operating functions
- Continued improving the quality, safety and functions of the facility through barn repairs, roof replacements and conditioning the track footing
- Improved access to Barn 6 by paving and or installing tack/gravel road surface

**Goals and Objectives for Fiscal Year 2008-2009:**

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

**Objective:** To increase the depth of sand/clay on the ½ mile track to 6” overall.

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

**Objective:** To increase advertising efforts and recruiting trips to 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 to 40 shows/events annually.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
Depth of sand/clay on track, in inches	4”	4”	4”	6”
# of recruiting trips	0	0	1	2
# of days the facilities are reserved	45	29	34	37



## Harness Track

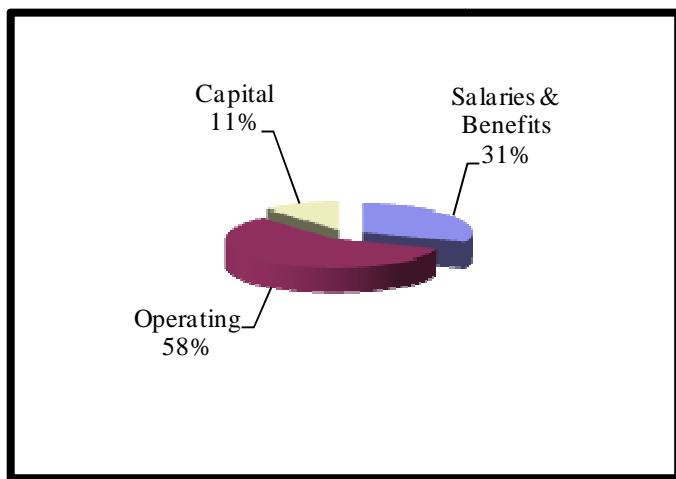
The Harness Track Division is located at 200 Beulah Hill Road, Pinehurst, NC.

Additional information about the Harness Track Division of the Parks and Recreation Department may be obtained by contacting Mark Wager, Director of Parks and Recreation, at 910.295.2817 or [mwager@villageofpinehurst.org](mailto:mwager@villageofpinehurst.org).

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 162,143	\$ 173,200	\$ 160,300	\$ 178,500	11.4%
Operating	245,299	240,180	229,519	331,590	44.5%
Capital	15,156	201,300	110,100	66,000	-40.1%
<b>Expenditures Total</b>	<b>\$ 422,598</b>	<b>\$ 614,680</b>	<b>\$ 499,919</b>	<b>\$ 576,090</b>	<b>15.2%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 200,737	\$ 389,630	\$ 300,044	\$ 369,790	23.2%
Harness Track Services	221,861	225,050	199,875	206,300	3.2%
<b>Revenues Total</b>	<b>\$ 422,598</b>	<b>\$ 614,680</b>	<b>\$ 499,919</b>	<b>\$ 576,090</b>	<b>15.2%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 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%
<b>Total Authorized Personnel</b>	<b>4.00</b>	<b>4.40</b>	<b>4.40</b>	<b>4.40</b>	<b>0.0%</b>



### **Budget Highlights:**

The Operating expenditures in the Harness Track department's FY 2008-2009 budget includes electrical upgrades for 11 barns, painting three barns, replacing barn siding and repair to the ½ mile track to improve drainage. Capital includes \$15,000 for a mower replacement, \$30,000 for the replacement of a maintenance vehicle and \$21,000 for the replacement of the roof on Barn 10 and the Tack Shop.



**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 2007-2008:**

- Hosted a 4<sup>th</sup> of July event in conjunction with the Village fireworks display
- Repainted exterior of Fair Barn and installed ridge caps to prevent leaks
- Rented the facility 84 times for a total of 98 days
- Increased the total number of rentals and the total number of weekday rentals

**Goals and Objectives for Fiscal Year 2008-2009:**

**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 that reflects the unique character and ambiance of the Village.

**Objective:** To secure 36 single-weekday rentals.

**Objective:** To secure 95 rentals annually.

**Objective:** To rent the facility 35% of the available days annually.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
# of single-weekday rentals	23	14	23	26
# of total rentals	85	76	84	86
% of days facility is rented	35.6%	30.7%	26.9%	27.9%



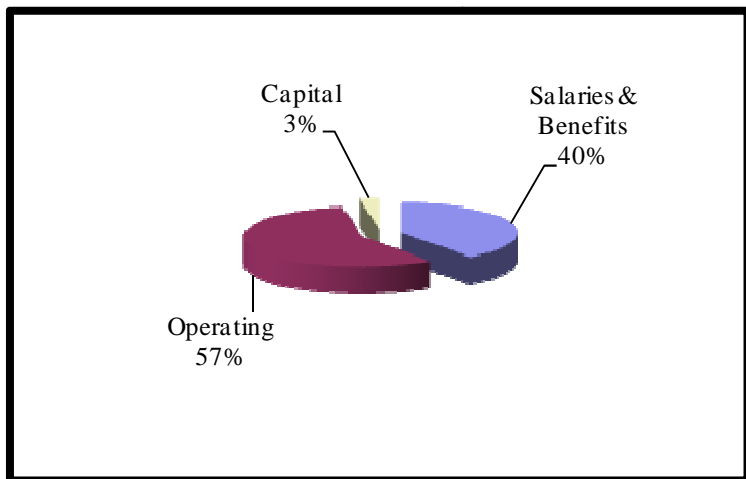
The Fair Barn Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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](mailto:mwagner@villageofpinehurst.org).

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 80,622	\$ 109,800	\$ 87,500	\$ 105,500	20.6%
Operating	111,649	175,660	168,000	151,910	-9.6%
Capital	29,828	51,000	51,000	6,800	-86.7%
<b>Expenditures Total</b>	<b>\$ 222,099</b>	<b>\$ 336,460</b>	<b>\$ 306,500</b>	<b>\$ 264,210</b>	<b>-13.8%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 84,882	\$ 205,210	\$ 174,500	\$ 129,210	-26.0%
Fair Barn Revenues	137,217	131,250	132,000	135,000	2.3%
<b>Revenues Total</b>	<b>\$ 222,099</b>	<b>\$ 336,460</b>	<b>\$ 306,500</b>	<b>\$ 264,210</b>	<b>-13.8%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 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%
<b>Total Authorized Personnel</b>	<b>1.00</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>0.0%</b>



**Budget Highlights:**

The Fair Barn FY 2008-2009 Operating expenditures include maintenance and repair to the building such as painting interior rooms and trim. Capital Outlay provides for the purchase of a 30” scissor lift to be used in the Assembly Hall, Fire Station and Fair Barn.



## Buildings & Grounds Maintenance

**Description:**

The Buildings & Grounds Maintenance Division reports directly to the Director of Parks and Recreation. The Building & Grounds Division includes a Park Supervisor, Maintenance Technician and four 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 2007-2008:**

- Developed forest management plans for Rassic Wicker Park and West Pinehurst Community
- Removed undesirable tree species, in accordance with the Forest Management plan, from Rassic Wicker Park in order to reestablish a Longleaf Pine Ecosystem
- Improved the greenway system by changing materials used in areas that were prone to wash out, resulting in a more aesthetically pleasing walking trail system and reducing maintenance costs
- Oversaw the installation of a new flagpole at Village Hall

**Goals and Objectives for Fiscal Year 2008-2009:**

**Goal:** To provide a scheduled maintenance program for all Village facilities in order to efficiently provide safe and attractive facilities and grounds.

**Objective:** To regularly repaint 100% of interior spaces every 10 years.

**Objective:** To reduce the number of written and verbal maintenance requests received to 150 requests or less per year.

**Objective:** To perform a thorough maintenance inspection of 100% of facilities on a quarterly basis.

Performance Measures	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated	FY 2008-09 Goal
% of interior spaces painted every 10 years	30%	45%	64%	74%
# of maintenance requests received	840	696	215	194
% of facilities inspected quarterly	n/a	n/a	n/a	100%



## Buildings & Grounds Maintenance

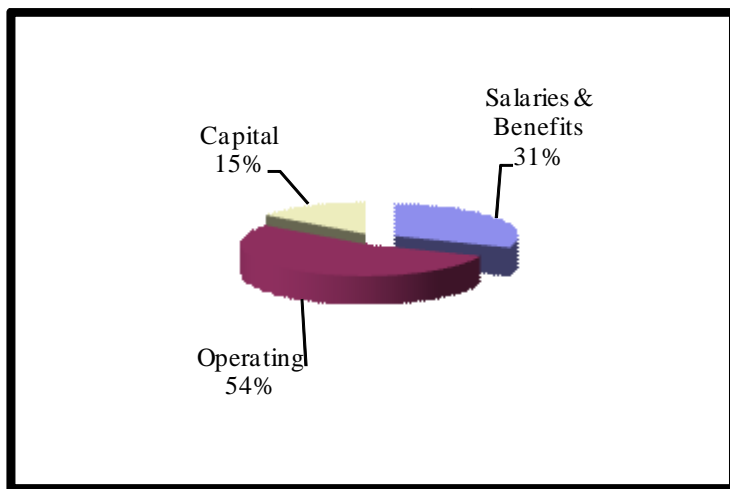
The Building and Grounds Maintenance Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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](mailto:mwagner@villageofpinehurst.org).

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 202,784	\$ 223,900	\$ 219,500	\$ 272,500	24.1%
Operating	294,107	437,100	425,200	474,690	11.6%
Capital	16,283	320,500	320,500	131,000	-59.1%
<b>Expenditures Total</b>	<b>\$ 513,174</b>	<b>\$ 981,500</b>	<b>\$ 965,200</b>	<b>\$ 878,190</b>	<b>-9.0%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ 513,174	\$ 981,500	\$ 965,200	\$ 878,190	-9.0%
<b>Revenues Total</b>	<b>\$ 513,174</b>	<b>\$ 981,500</b>	<b>\$ 965,200</b>	<b>\$ 878,190</b>	<b>-9.0%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	3.00	5.00	5.00	6.00	20.0%
Part Time	0.50	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>3.50</b>	<b>5.00</b>	<b>5.00</b>	<b>6.00</b>	<b>20.0%</b>



### **Budget Highlights:**

The Buildings & Grounds FY 2008-2009 Salaries & Benefits budget reflects the addition of a full-time Grounds Specialist. Operating expenditures include costs to improve the electrical system at the Harness Track as well as maintenance on the Village Hall. The Capital items for this division include the costs for improvements to buildings and grounds that are purchased or made for the other departments. See the Capital Expenditures section for the detail by department.





### 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 2007-2008:

- Assisted in the purchase of an 30-yard automated arm garbage truck and a 10-yard curb side loader truck
- Supervised the fabrication of shelves in the Fire Department service truck
- Assisted in the building of fire hose racks for the Fire Department
- Researched and assisted in the purchase of a Vintrac, a multi-purpose piece of equipment to streamline mowing and seeding operations

### Goals and Objectives for Fiscal Year 2008-2009:

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

**Objective:** To perform 90% of the scheduled preventative maintenance service on time.

**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 complete 80% of work order requests received within 24 hours.

**Objective:** To reduce the percentage of repeat repairs performed within 30 days to 1%.

<b>Performance Measures</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Estimated</b>	<b>FY 2008-09 Goal</b>
% of PM performed on time	n/a	25%	25%	35%
% of work orders completed within 24 hours	n/a	50%	50%	65%
% of work orders requiring repeat repairs within 30 days	n/a	15%	15%	10%



## Fleet Maintenance

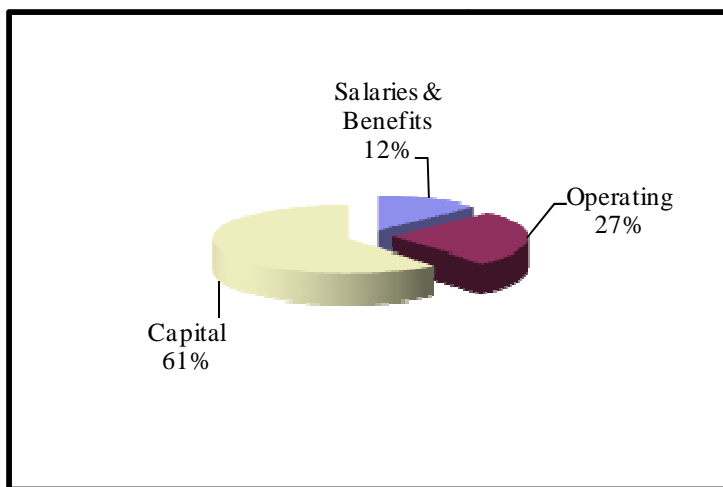
The Fleet Maintenance Department is located at 500 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 179,787	\$ 195,050	\$ 184,800	\$ 199,050	7.7%
Operating	327,356	338,740	380,400	426,530	12.1%
Capital	328,285	709,000	639,000	986,200	54.3%
Expenditures Total	\$ 835,428	\$ 1,242,790	\$ 1,204,200	\$ 1,611,780	33.8%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 835,428	\$ 1,242,790	\$ 1,204,200	\$ 1,611,780	33.8%
Revenues Total	\$ 835,428	\$ 1,242,790	\$ 1,204,200	\$ 1,611,780	33.8%

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 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 \$116,000 and fuel expenditures of \$241,000. This is a 15% increase over prior year actual due to rising fuel prices. The Capital items for this department include the vehicles and equipment to be purchased for all departments. See the Capital Expenditures section 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 Administrator 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 2007-2008:**

- Installed fiber optic ring between Police Station, Fire Station and Village Hall
- Created a dynamic and interactive internet site
- Completed Phase I of the Intranet Communications strategic initiative
- Upgraded all Village systems to Microsoft Office 2007
- Installed surveillance equipment at the Police Station
- Coordinated and conducted numerous technology training courses for a participants with a variety of skill level

**Goals and Objectives for Fiscal Year 2008-2009:**

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

**Objective:** To achieve a 90% overall satisfaction rating from Village employees who attend Village sponsored technology training.

**Objective:** To achieve a 90% satisfaction rating from Village employees on adequate technology training resources.

**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 to an average of 2 days.

Performance Measures	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Estimated	FY 2008-09 Goal
% satisfaction rating by employees on training received	n/a	n/a	n/a	90%
% satisfaction rating by employees on adequacy of training resources	n/a	n/a	n/a	90%
Average # of days to resolve work orders	n/a	4.0	1.9	2.0



## Information Technology

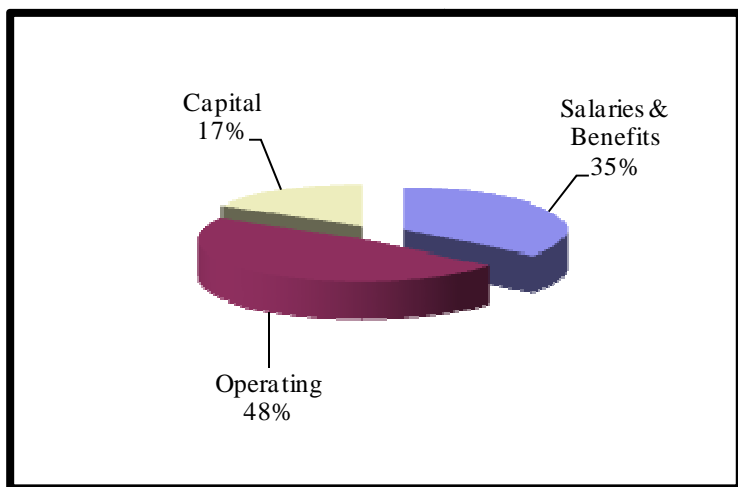
The Information Technology Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ 130,580	\$ 248,450	\$ 210,900	\$ 243,050	15.2%
Operating	234,714	265,100	250,100	326,110	30.4%
Capital	57,016	49,000	49,000	113,500	131.6%
<b>Expenditures Total</b>	<b>\$ 422,310</b>	<b>\$ 562,550</b>	<b>\$ 510,000</b>	<b>\$ 682,660</b>	<b>33.9%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Charges for Services - IT	\$ 422,310	\$ 562,550	\$ 510,000	\$ 682,660	33.9%
<b>Revenues Total</b>	<b>\$ 422,310</b>	<b>\$ 562,550</b>	<b>\$ 510,000</b>	<b>\$ 682,660</b>	<b>33.9%</b>

Authorized Personnel	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Full Time	2.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	-	100.0%
<b>Total Authorized Personnel</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>100.0%</b>



### **Budget Highlights:**

Included in the FY 2008-2009 Operating expenditures are costs to upgrade the dispatch and video systems at the Police department. The Capital items for this department include the equipment to be purchased for all departments. See the Capital Expenditures section for the detail by department.



**Purpose and Description:**

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2008-2009 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 2007-2008:**

- None.

**Goals and Objectives for Fiscal Year 2008-2009:**

- None.

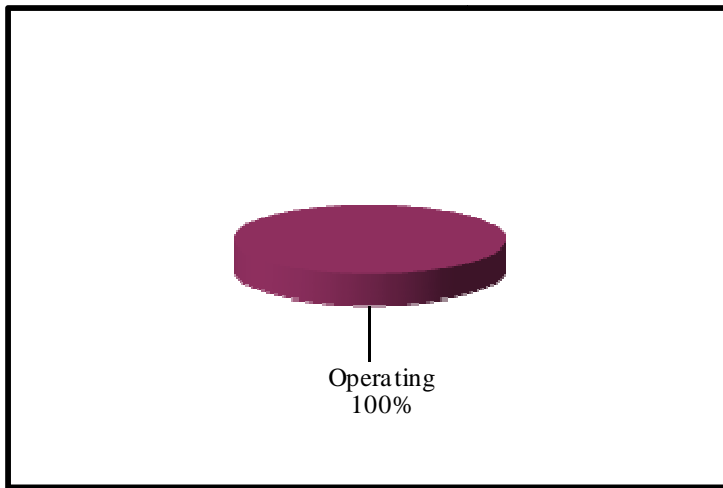


## Contingency

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](mailto:jfrye@villageofpinehurst.org)

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	-	46,000	-	50,000	100.0%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ -	\$ 46,000	\$ -	\$ 50,000	100.0%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ -	\$ 46,000	\$ -	\$ 50,000	100.0%
Revenues Total	\$ -	\$ 46,000	\$ -	\$ 50,000	100.0%



**Budget Highlights:**

The Contingency budget that is not allocated to any department totals \$50,000. This amount is 0.3% of the total General Fund budget.



**Purpose and Description:**

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

**Major Accomplishments for Fiscal Year 2007-2008:**

- None

**Goals and Objectives for Fiscal Year 2008-2009:**

- None

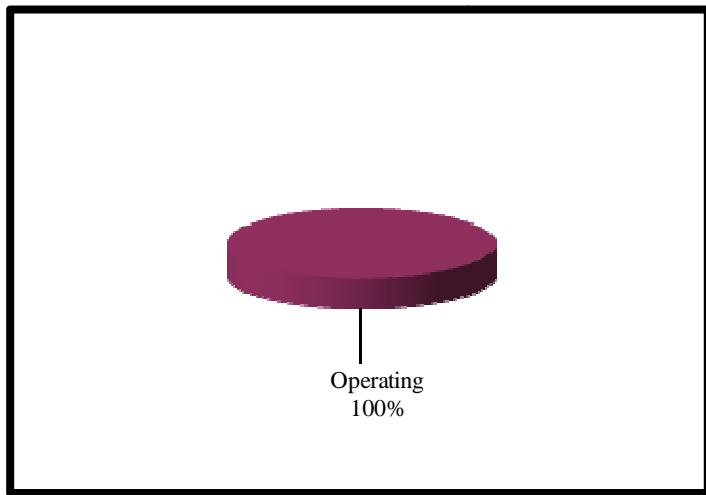


## Non-Departmental

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](mailto:jfrye@villageofpinehurst.org)

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	45,420	50,000	45,500	60,000	31.9%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 45,420	\$ 50,000	\$ 45,500	\$ 60,000	31.9%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 45,420	\$ 50,000	\$ 45,500	\$ 60,000	31.9%
Revenues Total	\$ 45,420	\$ 50,000	\$ 45,500	\$ 60,000	31.9%



**Budget Highlights:**

The Non-Departmental budget for FY 2008-2009 includes a \$22,000 contribution to Partners for Progress, a \$20,000 grant to the Given Memorial Library, \$4,000 for Animal Advocates and \$3,000 for the Pinehurst Rescue Squad. Also, \$5,000 is allocated to fund the newly created Neighborhood Beautification Grants program.





### **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 2007-2008:**

- None

### **Goals and Objectives for Fiscal Year 2008-2009:**

- None

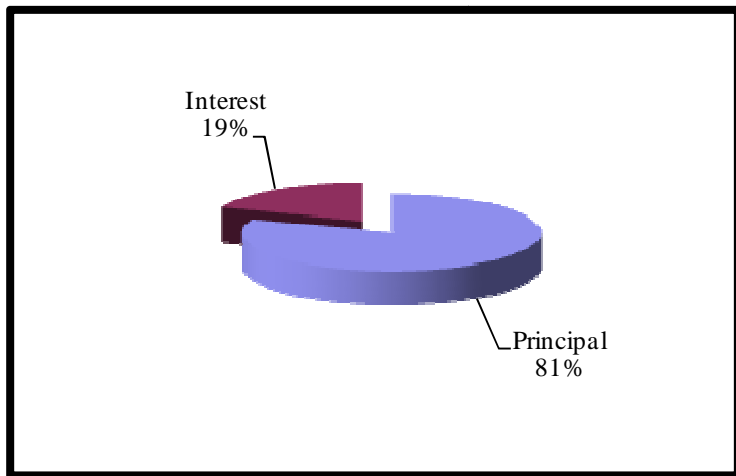


## Debt Service

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](mailto:jfrye@villageofpinehurst.org)

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Principal	\$ 776,602	\$ 796,764	\$ 796,764	\$ 808,990	1.5%
Interest	251,461	222,016	222,016	194,364	-12.5%
Expenditures Total	\$ 1,028,063	\$ 1,018,780	\$ 1,018,780	\$ 1,003,354	-1.5%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 1,028,063	\$ 1,018,780	\$ 1,018,780	\$ 1,003,354	-1.5%
Revenues Total	\$ 1,028,063	\$ 1,018,780	\$ 1,018,780	\$ 1,003,354	-1.5%



***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. The final installment for the Taylorhurst Project Special Assessment will be made in FY 2008-09. In addition, new debt of \$500,000 will be incurred in the fourth quarter for the purchase of a fire truck. Debt service on this loan would begin in FY 2009-2010.



## Other Financing Uses

---

### **Purpose and Description:**

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

### **Major Accomplishments for Fiscal Year 2007-2008:**

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

### **Goals and Objectives for Fiscal Year 2008-2009:**

- None

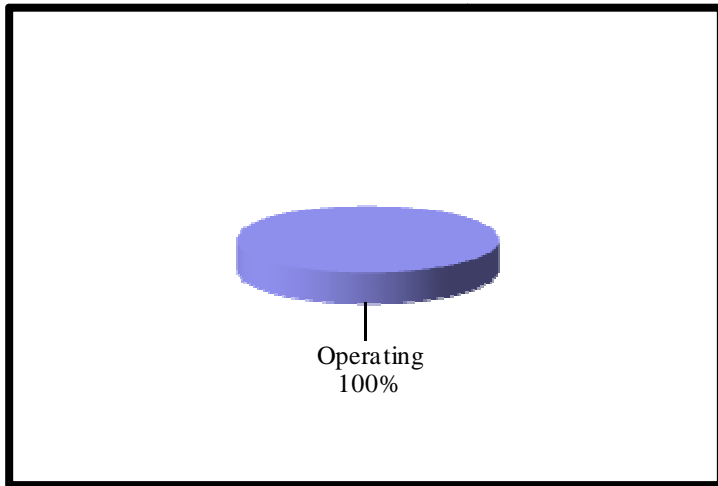


## Other Financing Uses

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](mailto:jfrye@villageofpinehurst.org)

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Operating	\$ 1,321,100	\$ 340,000	\$ 340,000	\$ 350,000	2.9%
Expenditures Total	\$ 1,321,100	\$ 340,000	\$ 340,000	\$ 350,000	2.9%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
General Revenues	\$ 1,321,100	\$ 340,000	\$ 340,000	\$ 350,000	2.9%
Revenues Total	\$ 1,321,100	\$ 340,000	\$ 340,000	\$ 350,000	2.9%



**Budget Highlights:**

Other Financing Uses includes the transfer of \$350,000 to the Capital Reserve Fund, which equals 75% of projected Article 44 Local Option Sales Tax revenues.

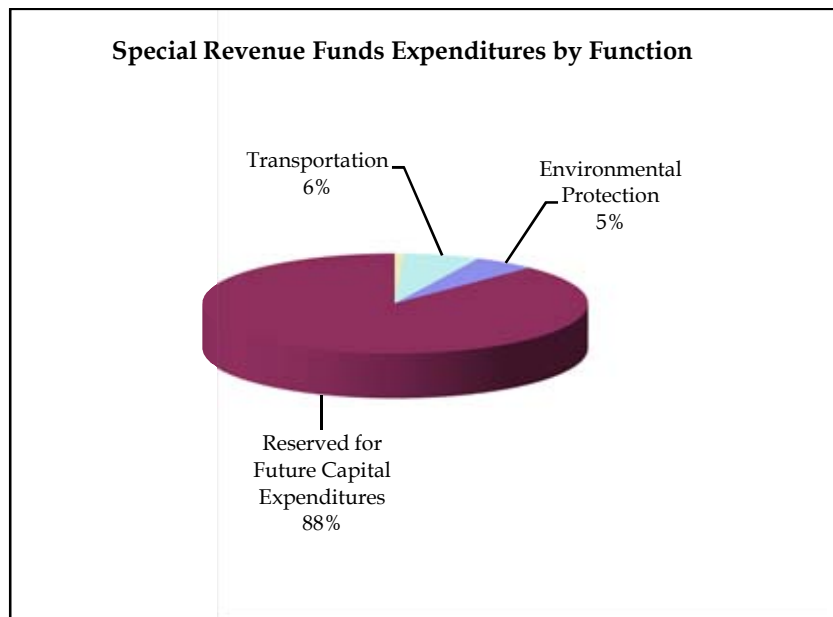


## Special Revenue Funds Summary

### *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 Village's Fund Balance Policy 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. These funds are then used to support investments in capital assets in accordance with the Village's Capital Improvement Plan.



## Special Revenue Funds Summary

### Revenues

Consolidated Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Ad Valorem Taxes	\$ 5,309	\$ 4,930	\$ 4,930	\$ 4,083	-17.2%
Assessments	58,526	48,276	47,482	41,328	-13.0%
Other Revenues	33,614	-	-	-	0.0%
Investment Income	35,781	42,730	17,750	9,400	-47.0%
Transfers from Other Funds	1,321,354	340,000	340,000	350,000	2.9%
Fund Balance Appropriated	-	-	-	-	0.0%
Revenues Total	\$ 1,454,584	\$ 435,936	\$ 410,162	\$ 404,811	-7.1%

### Budget Highlights:

The Village has budgeted for a \$350,000 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 2008-2009 in accordance with the Village's Capital Reserve Policy. The Capital Reserve Fund is also expected to transfer \$283,520 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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Utilities	\$ 1,791	\$ 2,440	\$ 1,000	\$ 1,500	50.0%
R&M: Equipment	-	1,420	-	833	100.0%
Departmental Supplies	806	1,670	1,840	2,000	8.7%
Transfer to General Fund	482,349	399,156	399,156	325,848	-18.4%
Transfer to Capital Project Funds	876,000	-	-	-	0.0%
Reserve for Future Use	-	31,250	250	74,630	100.0%
Expenditures Total	\$ 1,360,946	\$ 435,936	\$ 402,246	\$ 404,811	-7.1%

### Budget Highlights:

Transfers to the General Fund total \$325,848. The largest transfer, \$283,520, is from the Capital Reserve Fund for general capital expenditures. The remaining transfer of \$42,328 to the General Fund is for \$25,956 in Taylorhurst assessments and \$16,372 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

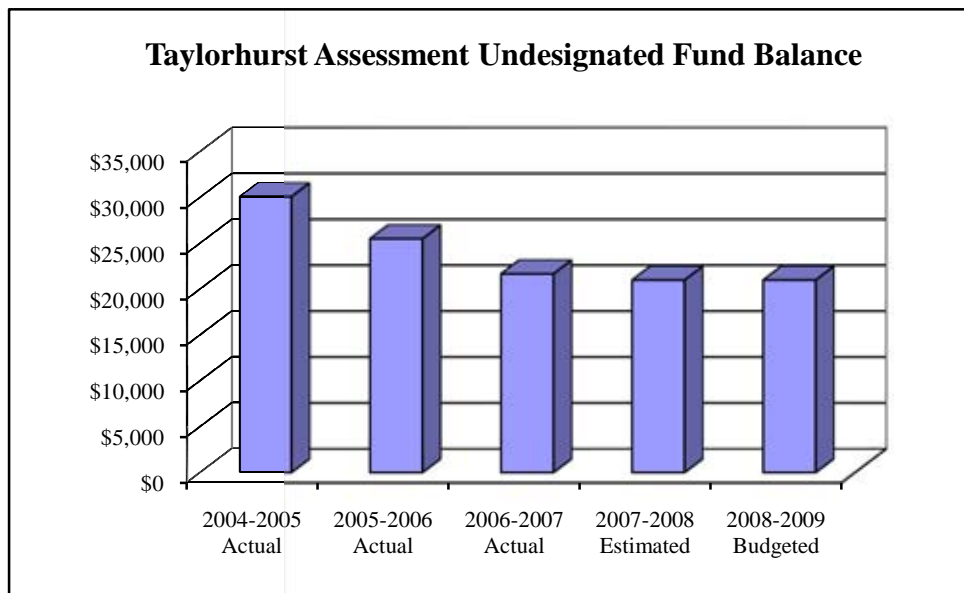
The Taylorhurst Assessment Fund is used to account for the revenues and expenditures relating to the special assessment, resulting from the Taylorhurst road surfacing project. The assessments are billed in August to the residents over a period not to exceed ten years. The only expenditures of the fund 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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Transfer to General Fund	\$ 32,235	\$ 31,765	\$ 31,765	\$ 25,956	-18.3%
Expenditures Total	\$ 32,235	\$ 31,765	\$ 31,765	\$ 25,956	-18.3%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Assessments	\$ 27,327	\$ 30,885	\$ 30,091	\$ 24,956	-17.1%
Investment Income	1,083	880	1,000	1,000	0.0%
Revenues Total	\$ 28,410	\$ 31,765	\$ 31,091	\$ 25,956	-16.5%

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.





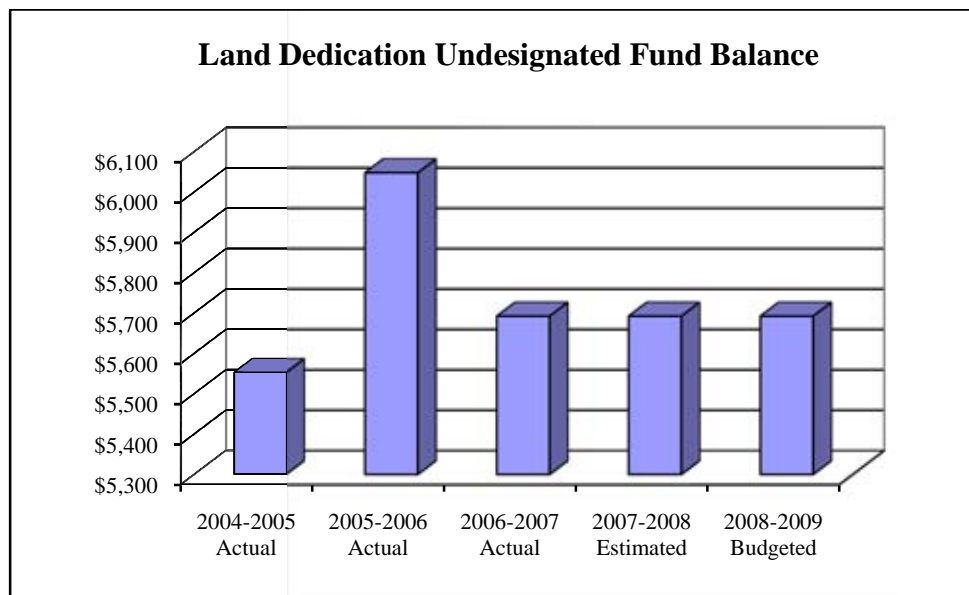
## Land Dedication Fund

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. The assets of this fund are used to preserve open space within the Village.

### Land Dedication Expenditures and Revenues

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Departmental Supplies	\$ -	\$ -	\$ -	\$ -	0.0%
Transfer to General Fund	35,000	-	-	-	-100.0%
Reserve for Future Use	-	250	250	150	100.0%
Expenditures Total	\$ 35,000	\$ 250	\$ 250	\$ 150	-40.0%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Land Dedication Payments	\$ 33,614	\$ -	\$ -	\$ -	-100.0%
Investment Income	1,031	250	250	150	-40.0%
Revenues Total	\$ 34,645	\$ 250	\$ 250	\$ 150	-40.0%







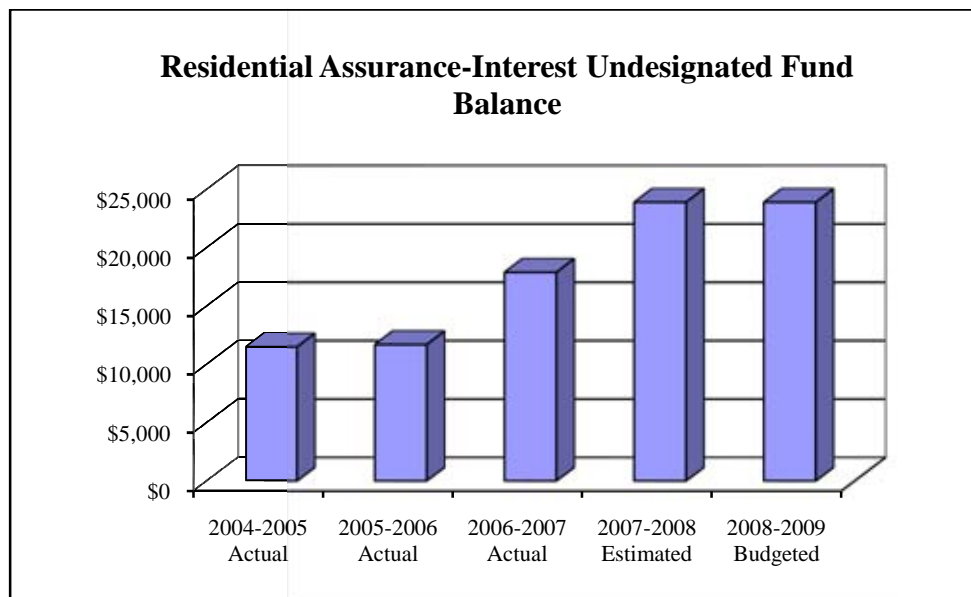
## Residential Assurance-Interest Fund

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 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Service Charges/Fees	\$ -	\$ -	\$ -	\$ -	0.0%
Contracted Services	-	-	-	-	0.0%
Reserve for Future Use	-	8,000	-	3,000	100.0%
Expenditures Total	\$ -	\$ 8,000	\$ -	\$ 3,000	100.0%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Investment Income	\$ 6,191	\$ 8,000	\$ 6,000	\$ 3,000	-50.0%
Miscellaneous Revenue	-	-	-	-	0.0%
Revenues Total	\$ 6,191	\$ 8,000	\$ 6,000	\$ 3,000	-50.0%





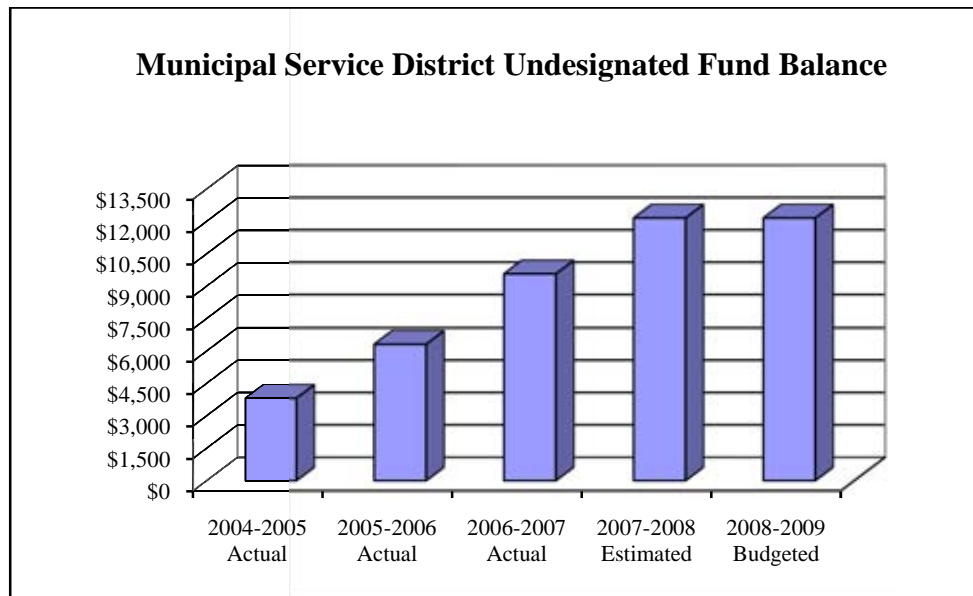
## Municipal Service District Fund

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 2008-09 is \$0.06 per \$100 valuation. This represents a tax rate reduction of \$0.02 compared to the previous year.

### Municipal Service District Expenditures and Revenues

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Departmental Supplies	\$ 806	\$ 1,670	\$ 1,840	\$ 2,000	8.7%
Utilities	1,791	2,440	1,000	1,500	50.0%
R&M: Equipment	-	1,420	-	833	100.0%
Transfer to General Fund	31,200	17,391	17,391	16,372	100.0%
Expenditures Total	\$ 33,797	\$ 22,921	\$ 20,231	\$ 20,705	2.3%

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Ad Valorem Taxes-CY and PY	\$ 5,309	\$ 4,930	\$ 4,930	\$ 4,083	-17.2%
Assessments	31,199	17,391	17,391	16,372	-5.9%
Investment Income	512	600	500	250	-50.0%
Revenues Total	\$ 37,020	\$ 22,921	\$ 22,821	\$ 20,705	-9.3%





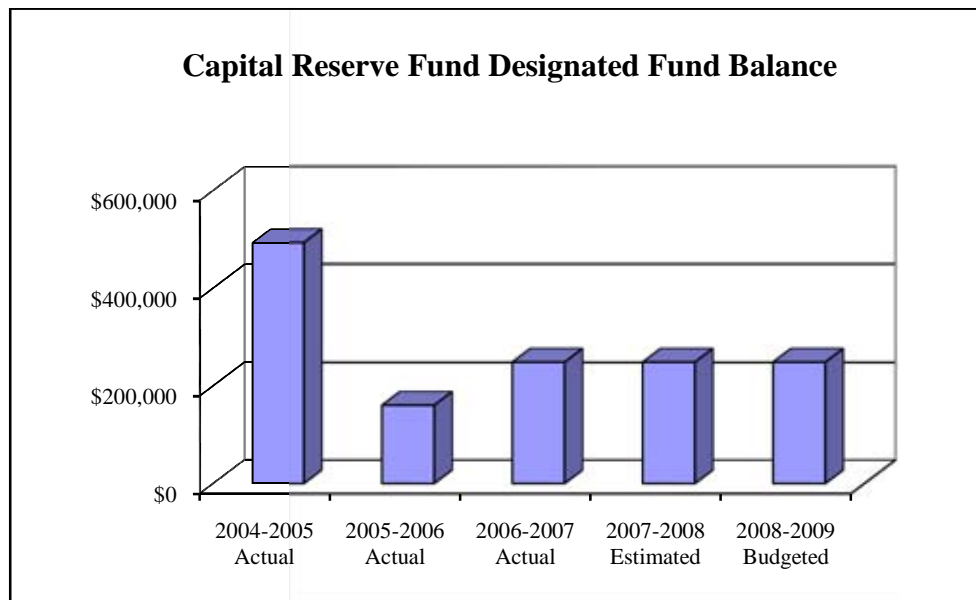
## Capital Reserve Fund

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 2008-2009 will be used to support investment in capital assets in accordance with the Village's Capital Improvement Plan.

### Capital Reserve Fund Expenditures and Revenues

Expenditures by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Transfer to General Fund	\$ 418,914	\$ 350,000	\$ 350,000	\$ 283,520	-19.0%
Transfer to Capital Project Funds	841,000	-	-	-	0.0%
Reserve for Future Use	-	23,000	-	71,480	100.0%
<b>Expenditures Total</b>	<b>\$ 1,259,914</b>	<b>\$ 373,000</b>	<b>\$ 350,000</b>	<b>\$ 355,000</b>	<b>1.4%</b>

Revenues by Type	FY 2006-07 Actual	FY 2007-08 Budget	FY 2007-08 Estimated	FY 2008-09 Budgeted	Percent Change
Transfers from Other Funds	\$ 1,321,354	\$ 340,000	\$ 340,000	\$ 350,000	2.9%
Investment Income	26,964	33,000	10,000	5,000	-50.0%
Fund Balance Appropriated	-	-	-	-	0.0%
<b>Revenues Total</b>	<b>\$ 1,348,318</b>	<b>\$ 373,000</b>	<b>\$ 350,000</b>	<b>\$ 355,000</b>	<b>1.4%</b>





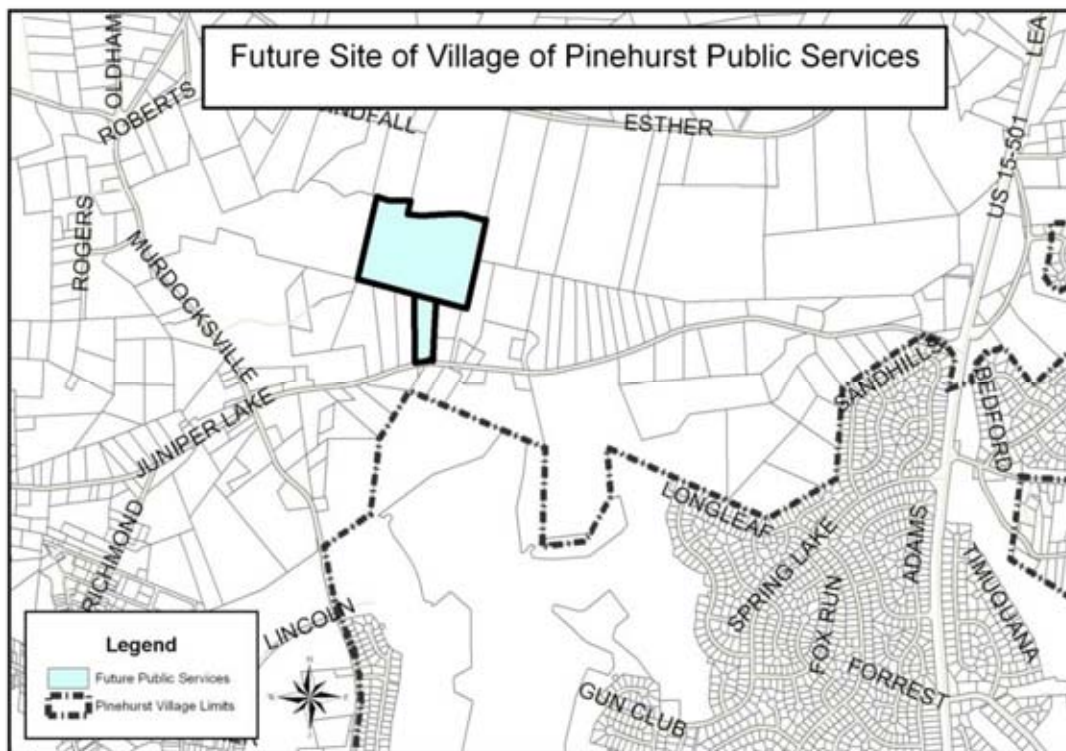
## Capital Project Funds Summary

### *Description*

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. The Village of Pinehurst currently has three capital project funds. These funds are detailed later in this section and include:

- ❖ Public Services Facility Capital Project Fund
- ❖ Recreation Center Capital Project Fund
- ❖ Jackson Hamlet Sewer CDBG Project Fund

This section will provide information regarding 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.*

### *Summary*

With the development of the New Core area, the Village intends to relocate its Public Services Facility. Also, the Village is planning to construct a recreation center to serve the athletic and recreation programming needs of the Village. Finally, the Village has been awarded a Community Development Block Grant to extend sewer service in the Jackson Hamlet community.



## Capital Project Funds Summary

### Revenues

Consolidated Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 870,000	\$ 870,000	\$ -
Transfer from General Fund	45,000	45,000	-
Moore County Matching Funds	70,000	-	70,000
Community Development Block Grant	750,000	55,265	694,735
Investment Income	-	-	-
Revenues Total	\$ 1,735,000	\$ 970,265	\$ 764,735

### Budget Highlights:

Of the \$870,000 transferred from the Capital Reserve Fund for these projects, \$840,000 was for the Public Services Facility project. Also, it is expected that Moore County will provide their matching funds for the Jackson Hamlet project this fiscal year.

### Expenditures

Consolidated Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Project Administration	\$ 75,000	\$ 15,537	\$ 59,463
Engineering Costs	311,000	56,574	254,426
Construction Costs	777,500	37,660	739,840
Land Acquisition Costs	571,500	569,125	2,375
Expenditures Total	\$ 1,735,000	\$ 678,896	\$ 1,056,104

### Budget Highlights:

The majority of the amount spent to date has been for the purchase of the land for the Public Services facility on Juniper Lake Road. This was paid with funds from the Village's Capital Reserve Fund. The Village intends to use installment financing to pay for the remainder of this project and will amend the budget accordingly once the design phase is completed.

The Jackson Hamlet CDBD project is nearing the end of the design phase and construction should begin in the 2008-2009 Fiscal Year.



## 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.

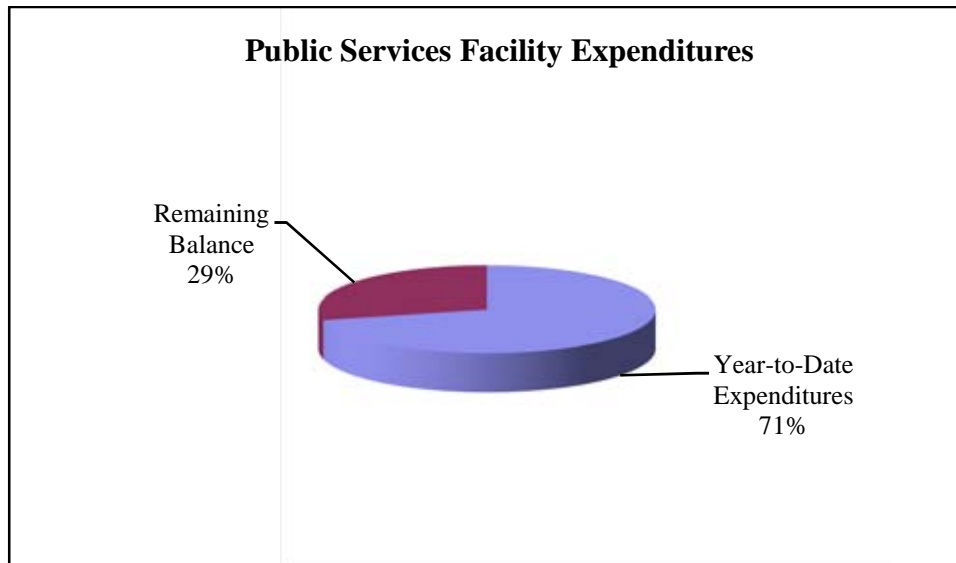
### Public Services Facility Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Engineering Costs	\$ 266,000	\$ 27,651	\$ 238,349
Construction Costs	2,500	134	2,366
Land Acquisition Costs	571,500	569,125	2,375
Expenditures Total	\$ 840,000	\$ 596,910	\$ 243,090

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 840,000	\$ 840,000	\$ -
Revenues Total	\$ 840,000	\$ 840,000	\$ -

### Impact on Operating Budget

The impact on the operating budget for the FY 2008-2009 will be negligible. Once the facility is completed as planned in FY 2010, operational costs are expected to increase by \$40,500 during the first full year of operation. These costs include the increased utilities and operational costs for the larger facility, but no additional personnel. 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. The project budget detailed below was adopted by the Village Council on February 27, 2007 by Ordinance #07-04.

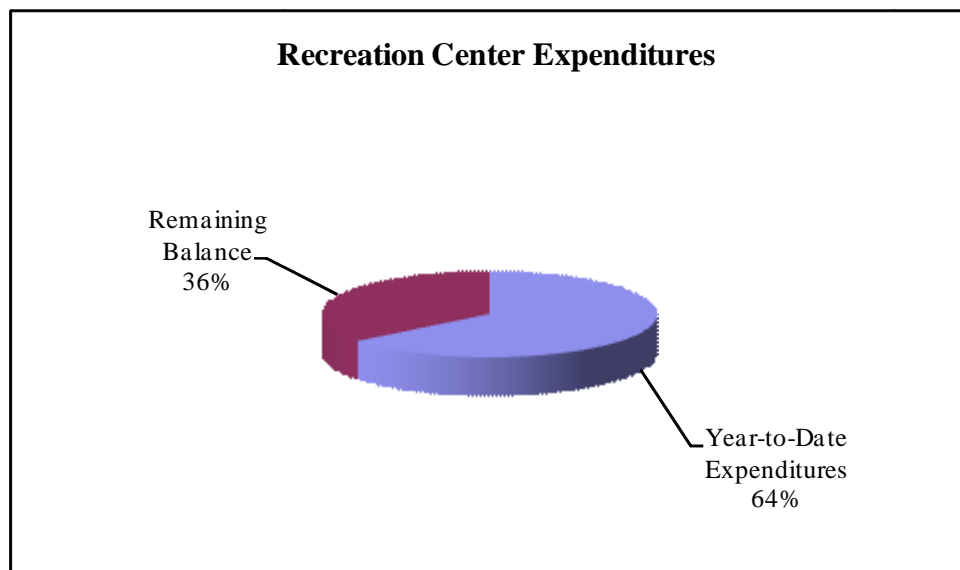
### Recreation Center Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 45,000	\$ 28,923	\$ 16,077
Expenditures Total	\$ 45,000	\$ 28,923	\$ 16,077

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

There will be no impact on the operating budget for FY 2008-2009. Once the center is completed as planned in FY 2011, operational costs are expected to increase by \$132,000 during the first full year of operation. This cost includes two additional staff members, utilities, and other operational expenditures for the new facility. 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.

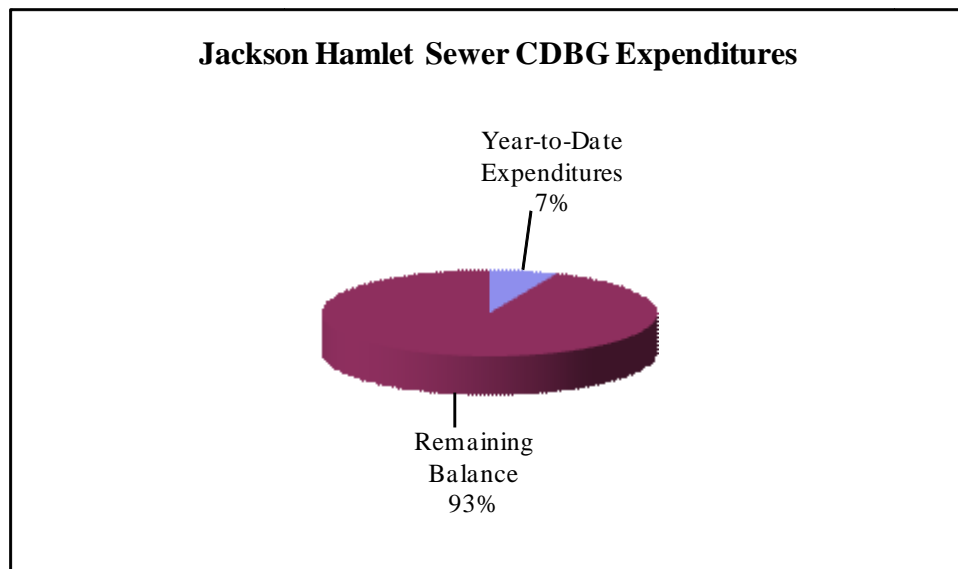
### Jackson Hamlet Sewer CDBG Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Project Administration	\$ 75,000	\$ 18,537	\$ 56,463
Construction Costs	775,000	37,526	737,474
Expenditures Total	\$ 850,000	\$ 56,063	\$ 793,937

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 2008-2009 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 North Carolina statutes, but also by Council policy. The *Debt Service* section presents specifics of the Village's current outstanding debt, and includes a brief review of the planned debt issuances for the next five years. For complete information on anticipated debt, 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

The total amount of debt outstanding at June 30, 2008 will be \$5,296,472. This is a relatively small amount of direct debt compared to our taxable property of \$2,800,000,000. All of the Village's debt is in the form of installment purchase agreements.

In the fourth quarter of FY 2008-2009 the Village is budgeting to purchase a replacement fire truck. This budget contains the \$500,000 capital appropriation and the anticipated loan proceeds for this purchase, however, debt service on this installment purchase will not begin until FY 2009-2010. Also within the five-year planning horizon, the Village intends to issue \$3.8 million in debt for a public services facility and \$2.6 million for a recreation center. As debt service increases for these projects, it will decrease due to the retirement of other debts. In the five-year planning period the Taylorhurst, Village Hall, and Police Station debts will be paid off. Additional information regarding the impact of these debt issuances and retirements is contained in the *Five-Year Capital Improvement Plan* section of this document.

The Village's policy is to generally maintain debt service expenditures as a percentage of total expenditures around 10%. The complete debt policy is located in the Budget Guide under Financial Policies.

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 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 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13
<b>INSTALLMENT PURCHASE AGREEMENTS</b>					
<b>Taylorhurst Project Special Assessment Debt</b> \$250,000; due in 10 annual payments of \$32,235; collateralized by street; property owners are assessed for each of the 10 years beginning in 1999; final payment due on 11/27/08; interest at 4.91%	\$ 23,517	\$ -	\$ -	\$ -	\$ -
<b>Fire Station</b> \$2,500,000; due in 30 semi-annual payments consisting of fixed principal of \$83,334 plus interest @ 3.44%; collateralized by Fire Station bldg; final payment due on 03/15/20.	234,034	225,434	219,700	213,967	211,100
<b>Village Hall</b> \$4,000,000; due in 25 semi-annual payments of \$143,629; collateralized by building; final payment due on 09/17/11; interest @ 3.57% (Note: Original loan was refinanced in 05/05/99 & 02/19/04)	287,258	287,258	287,258	143,629	-
<b>Police Station</b> \$3,800,000; due in 25 semi-annual payments of \$140,064; collateralized by building; final payment due on 09/20/12; interest at 3.71% (Note: Original loan was refinanced 05/05/99 & 02/19/04)	280,128	280,128	280,128	280,128	140,064
<b>Fair Barn</b> \$1,000,000; due in 40 semi-annual payments consisting of fixed principal of \$25,000 plus interest @ 4.60%; collateralized by Fair Barn bldg; final payment due on 3/11/22.	81,625	79,325	77,025	74,725	72,425
<b>67.04 Acres (Chicken Plant Road)</b> \$500,000; due in 30 semi-annual payments consisting of fixed principal of \$16,667 plus interest @ 3.98%; collateralized by 67.04 acres of land	48,921	44,942	43,615	42,288	43,615
<b>Firetruck</b> \$374,731; due in 20 semi-annual payments of \$23,936; collateralized by firetruck; final payment due on 08/16/11; interest @ 4.91%	47,871	47,871	47,871	23,936	-
<b>DEBT SERVICE TOTAL</b>	<b>\$1,003,354</b>	<b>\$ 964,958</b>	<b>\$ 955,597</b>	<b>\$ 778,673</b>	<b>\$ 467,204</b>



### Computation of Legal Debt Limit

Net Assessed Value - June 30, 2007	\$ 2,184,856,056
	<u>8.0%</u>
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 174,788,484
Gross Debt:	
Total Bonded Debt	-
Installment Purchase Agreements	<u>5,296,472</u>
Total Gross Debt:	5,296,472
Less: Water Bonds	<u>-</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>5,296,472</u>
<b>Legal Debt Margin</b>	<b><u><u>\$ 169,492,012</u></u></b>

The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village's net debt as a percentage of assessed valuation at June 30, 2007 is 0.242% compared to the legal debt limit of 8%.



## Capital Expenditures Summary

### *Description*

Capital expenditures are appropriated within each fund, primarily the General Fund and Capital Project Funds. This section is provided to give the reader a summary of all capital expenditures and to provide trend data related to capital expenditures.

Also included in this section is a summary of the Village's 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. The Village takes a systematic approach to capital improvement programming to ensure that all operating costs affected by capital spending decisions are included in the plan and ultimately in the annual or project budget. Although adoption of the CIP does not constitute a commitment to fund a particular item, it is however the basis upon which the budget for the ensuing year is founded.

The Village is committed to protect and maintain its capital investments. The chart below illustrates the historical capital expenditure levels by the Village. The construction of a new fire station and park in FY 2005-2006 accounts for the sharp increase in capital expenditures during that year.

### Capital Expenditures - All Funds

\$4,500,000  
\$4,000,000  
\$3,500,000  
\$3,000,000  
\$2,500,000  
\$2,000,000  
\$1,500,000  
\$1,000,000  
\$500,000  
\$-

\* estimated

### *Summary*

Capital expenditures are accounted in either the General Fund or the Capital Project Funds. In the General Fund appropriations are made on an annual basis. These capital outlays are included in the General Fund Expenditure section by department. In the Capital Project Funds a project ordinance is adopted for a multi-year period and remains in effect until the project is completed. The following sections highlight capital expenditures in both the General and Capital Project funds.



## Capital Expenditures Summary

### General Fund Capital Expenditures:

The schedule on the following pages details the specific capital items that were requested and funded in the FY 2008-2009 Budget. In addition to routine vehicle replacements, the Village intends to replace one fire truck, upgrade our Police communications system, expand our automated solid waste collection system and continue to make storm water drainage improvements. Please refer to the General Fund section for additional information on these items.

General Fund Capital Items	Budget Department	Requested Amount	Approved Amount	Unfunded Amount
<b>Governing Body</b>				
Lot Acquisition	Governing Body	\$ 30,000	\$ -	\$ 30,000
<b>Total Governing Body</b>		<b>30,000</b>	<b>-</b>	<b>30,000</b>
<b>Human Resources</b>				
HRIS Software	Human Resources	25,000	-	25,000
<b>Total Human Resources</b>		<b>25,000</b>	<b>-</b>	<b>25,000</b>
<b>Fire</b>				
Drafting Pit	Fire	30,000	30,000	-
Traffic Light System	Fire	10,500	-	10,500
Thermal Imaging Camera	Fire	19,700	19,700	-
<b>Total Fire</b>		<b>60,200</b>	<b>49,700</b>	<b>10,500</b>
<b>Planning</b>				
Gateway Signs	Planning	71,000	-	71,000
<b>Total Planning</b>		<b>71,000</b>	<b>-</b>	<b>71,000</b>
<b>Engineering</b>				
Envirosight Quick View Camera	Engineering	15,000	-	15,000
Old Town Sidewalks	Engineering	139,500	-	139,500
Stormwater Projects	Engineering	513,900	400,000	113,900
<b>Total Engineering</b>		<b>668,400</b>	<b>400,000</b>	<b>268,400</b>
<b>Buildings &amp; Grounds Maintenance</b>				
Upgrade Security System	Police	25,000	25,000	-
WP Longleaf Pine Forest Restoration	Recreation	20,000	-	20,000
Cannon Park Fence	Recreation	17,500	-	17,500
Cannon Park Fieldhouse Replacement	Recreation	103,000	-	103,000
Arboretum Comfort Station	Recreation	85,000	85,000	-
Upgrade Sand/Clay Track Surface	Harness Track	30,000	-	30,000
Barn 10 Roof Replacement	Harness Track	21,000	21,000	-
Road Improvements - Restaurant to Barn 6	Harness Track	75,000	-	75,000
Sewer Hookups - Barns 9 & 10	Harness Track	25,000	-	25,000
Overflow Lot Improvements	Fair Barn	62,000	-	62,000
Computer Training Room	Administration	49,500	-	49,500
<b>Total Buildings &amp; Grounds Maintenance</b>		<b>513,000</b>	<b>131,000</b>	<b>382,000</b>
<b>Information Technology</b>				
Dispatch/Communication Upgrade	Police	105,000	105,000	-
Fatpipe Internet Failover System	Various	8,500	8,500	-
Voice Over IP Phone System	Various	90,000	-	90,000
Training Lab Equipment	Various	15,000	-	15,000
<b>Total Information Technology</b>		<b>218,500</b>	<b>113,500</b>	<b>105,000</b>



## Capital Expenditures Summary

### General Fund Capital Expenditures (continued):

General Fund Capital Items	Budget Department	Requested Amount	Approved Amount	Unfunded Amount
<b>Fleet Maintenance</b>				
4 Patrol Vehicles	Police	164,000	131,200	32,800
4x4 Pickup Truck	Police	25,000	-	25,000
Minivan	Administration	25,000	-	25,000
Fire Inspection Car	Fire	22,500	-	22,500
Fire Truck - Unit 924	Fire	500,000	500,000	-
One Arm Garbage Truck	Solid Waste	230,000	-	230,000
Small Automated Truck	Solid Waste	115,000	115,000	-
4-Door Sedan	Inspections	23,000	20,000	3,000
Small Pickup Truck	Streets & Grounds	25,000	25,000	-
Small Pickup Truck	Streets & Grounds	25,000	-	25,000
Tandom Trailer	Streets & Grounds	15,000	-	15,000
Dump Truck	Streets & Grounds	70,000	70,000	-
Zero Turn Mower	Streets & Grounds	15,000	15,000	-
Tractor	Streets & Grounds	50,000	-	50,000
Skidskeer Loader	Streets & Grounds	62,000	-	62,000
Motor Grader	Streets & Grounds	175,000	-	175,000
Mid-Size Truck	Engineering	25,000	-	25,000
Mid-Size Truck	Engineering	25,000	-	25,000
4x4 Pickup Truck	Harness Track	30,000	30,000	-
Zero Turn Mower	Harness Track	15,000	15,000	-
Water Truck	Harness Track	80,000	-	80,000
Work Van	Buildings & Grounds	25,000	-	25,000
Full-Size Pickup Truck	Buildings & Grounds	25,000	25,000	-
Full-Size Pickup Truck	Buildings & Grounds	25,000	-	25,000
Compaction Roller	Buildings & Grounds	45,000	-	45,000
4x4 Mule	Buildings & Grounds	17,000	-	17,000
30' Scissor Lift	Buildings & Grounds	20,000	20,000	-
15-Passenger Van	Recreation	28,000	-	28,000
4-Door Sedan	Recreation	20,000	20,000	-
<b>Total Fleet Maintenance</b>		<b>1,921,500</b>	<b>986,200</b>	<b>935,300</b>
<b>General Fund Total</b>		<b>\$ 3,507,600</b>	<b>\$ 1,680,400</b>	<b>\$ 1,827,200</b>

### Capital Project Fund Capital Expenditures:

Capital Items	Amount
<b>Capital Projects</b>	
Public Services Facility Land & Design	\$ 840,000
Recreation Center Design	45,000
Jackson Hamlet Sewer CDBG	850,000
<b>Capital Project Fund Total</b>	<b>\$ 1,735,000</b>

See the Capital Project Fund section for details on each of these current projects.



*Village of Pinehurst  
Capital Improvement Plan  
FY 2009-2013*

January 22, 2008

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) 2009 through 2013. 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 the Village 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.

**Overview**

The CIP includes improvements with a total estimated cost of \$19,793,650 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 2008-2012 totaled \$20,424,942. This year's CIP total represents a decrease of \$631,292, or approximately 3.1%, from the previous year. It is worth noting that departmental requests this year exceeded \$30,000,000. Maintaining the current property tax rate in the proposed CIP resulted in nearly \$10,000,000 in requests being deferred or unfunded.

There are a total of four (4) capital projects identified, three (3) of which were included in last year's CIP. Specific criterion is used to determine whether or not a capital request is 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. Funding for additional development in Rassie Wicker Park and the greenway system expansion are discontinued to provide funding to proceed with the Cannon Park Recreation Center. Also, based on an increase in the estimated cost to renovate Barn 5, that project has been reclassified from an improvement to a capital project.

Of the total \$19,793,650 in capital expenditures, the anticipated costs of the three major groupings are detailed in the following table.

**Table 1 - Capital Cost By Major Area**

Major Area	Cost of Capital	% of Total
Vehicles/Equipment	\$ 5,576,800	28%
Capital Improvements	5,965,150	30%
Capital Projects	8,251,700	42%
TOTAL	<u>\$ 19,793,650</u>	<u>100%</u>



# Five-Year Capital Improvement Plan FY 2009-2013

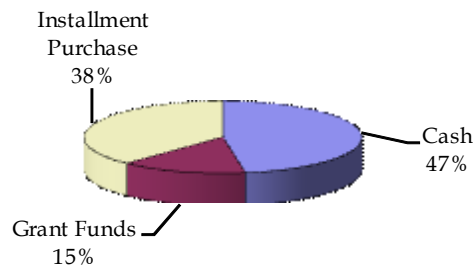
## Funding Sources

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 two fire trucks, 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	\$ 9,386,950
Grant	2,900,000
Installment Financing	7,506,700
<b>TOTAL</b>	<b>\$ 19,793,650</b>

Village of Pinehurst  
Capital Improvements by Funding Source  
FY 2009 - 2013



As you can see, the majority of the capital improvements are funded with available Village funds or cash, while another 38% is funded with installment purchase financing. Installment financing is appropriately used to spread the cost of acquiring assets with longer useful lives over longer periods of time. The available Village funds utilized in the CIP 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 sell our current facility, secure installment financing, and commence construction in FY2009.
- Funding for the construction of the Cannon Park Recreation Center is planned for FY 2010 and 2011.
- Funding for additional development in Rassie Wicker Park and the greenway system expansion is discontinued to provide funding to proceed with the Cannon Park Recreation Center.
- Drainage or storm water improvements are increased by 11% to \$1,500,000.
- Transportation items include the annual resurfacing and striping of roughly five (5) miles per year of Village roadways, maintaining a twenty-year life cycle for resurfaced streets on average.
- The plan also includes intersection improvements, and other miscellaneous traffic improvements.





## Five-Year Capital Improvement Plan FY 2009-2013

### General Fund

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.

**Table 3 - General Fund Impact of the CIP**

	2009	2010	2011	2012	2013
Projects Paid with Cash	\$ 310,000	\$ 200,000	\$ 280,000	\$ 530,000	\$ -
Improvements Paid with Cash	893,500	574,550	945,500	537,600	614,000
Vehicle/Equipment	901,200	896,400	730,000	805,600	1,168,600
<b>CIP in General Fund</b>	<b>2,104,700</b>	<b>1,670,950</b>	<b>1,955,500</b>	<b>1,873,200</b>	<b>1,782,600</b>
Additional Debt Service	71,000	480,931	755,095	734,986	796,527
Annual Operating Impact	-	-	53,292	189,770	195,463
<b>Annual General Fund Impact</b>	<b>2,175,700</b>	<b>2,151,881</b>	<b>2,763,887</b>	<b>2,797,956</b>	<b>2,774,589</b>
Capital Reserve Funds Utilized	(1,150,000)	(1,300,000)	(450,000)	(450,000)	(450,000)
<b>Net General Fund Impact</b>	<b>\$ 1,025,700</b>	<b>\$ 851,881</b>	<b>\$ 2,313,887</b>	<b>\$ 2,347,956</b>	<b>\$ 2,324,589</b>

To estimate the cash available to fund the CIP, the Village projects revenues and expenditures through the 5-year planning period. Revenues and expenditures are projected based on historical trends and future growth expectations.

Management expects to sell approximately 6.9 acres of land in the New Core area in 2009 and transfer the proceeds to the Capital Reserve Fund for capital expenditures. Approximately \$800,000 will be transferred back to the General Fund in 2009 and the remainder in 2010 to fund capital items that are included in the CIP. As the Village's FY 2009 and 2010 budgets rely heavily upon the proceeds from the sale of the New Core land, it would be prudent to delay \$800,000 of capital purchases or operating expenditures until those proceeds become available for use. In addition, should the proceeds not be available at the beginning of FY 2010, the Village should defer an additional \$700,000 of expenditures. If a sale is imminent, other short term financing options could be used to fund capital expenditures until the sale proceeds become available. The decision about whether to defer expenditures or seek short term financing should be made as the Council considers the annual budget.

Projected expenditures incorporate the Village's Five-year Staffing Forecast that identifies the anticipated increases to staffing levels in the planning horizon. Currently, the Village anticipates adding twenty-one positions (or 20.5 FTEs) during the 5 year planning horizon. Four (4) of those positions are related to the annexation of Pinewild Country Club in FY 2011. Other planned positions include a Fire Marshall, a Detective, four (4) Streets & Grounds Maintenance Workers, two (2) Engineering Technicians, two (2) Buildings & Grounds positions, a Recreation Coordinator, a part-time Gym Supervisor, a Permitting Specialist, an IT Applications Specialist, two (2) administrative support positions, and a Communication Specialist. The vast majority of the new positions included in the plan are positions that provide services directly to the residents of Pinehurst and are not administrative in nature.

The previously adopted CIP anticipated the annexation of a large residential area known as Pinewild effective June 30, 2008. Due to a lawsuit challenging the annexation, the effective date of the annexation has been delayed until FY 2011 in the proposed CIP. Population as a result of this annexation will



## Five-Year Capital Improvement Plan FY 2009-2013

increase by approximately 1,350 residents or 11%. The financial impact of this annexation is included in the projected amounts included in Table 4 below. Also included in Table 4 is the impact of the revaluation of real and personal property in FY 2012, with a projected revenue neutral tax rate.

**Table 4 - Projected Budgeted General Government Revenues and Expenditures**

	2009	2010	2011	2012	2013
<b>Population</b>	<b>11,924</b>	<b>12,334</b>	<b>14,425</b>	<b>14,917</b>	<b>15,409</b>
<b>Revenues</b>	\$ 16,732,000	\$ 15,715,000	\$ 16,870,000	\$ 17,241,000	\$ 17,873,000
Tax Rate	0.28	0.28	0.28	0.24	0.24
<b>Expenditures</b>					
Salaries	5,274,000	5,642,000	5,982,000	6,349,000	6,654,000
Personnel in FTEs	134	139	147	151	152
Operating	8,674,000	7,416,000	7,694,000	7,998,000	8,280,000
Pinewild Annexation	-	-	388,334	406,764	432,857
<b>Operating Expenditures</b>	8,674,000	7,416,000	8,082,334	8,404,764	8,712,857
Debt Service	1,130,000	1,505,000	1,768,000	1,517,000	1,262,000
<b>Exp before Capital</b>	15,078,000	14,563,000	15,832,334	16,270,764	16,628,857
<b>Amt Left for Capital</b>	\$ 1,654,000	\$ 1,152,000	\$ 1,037,666	\$ 970,236	\$ 1,244,143
CIP in General Fund	2,104,700	1,670,950	1,955,500	1,873,200	1,782,600
<b>Net Impact on General Funds</b>	\$ (450,700)	\$ (518,950)	\$ (917,834)	\$ (902,964)	\$ (538,457)

### Projected Impact on General Fund Balance

	2009	2010	2011	2012	2013
<b>Beginning General Fund</b>	\$ 4,479,634	\$ 4,893,654	\$ 5,184,754	\$ 5,119,420	\$ 5,106,216
Net Impact on General Fund	(450,700)	(518,950)	(917,834)	(902,964)	(538,457)
Budget to Actual Variance*	864,720	810,050	852,500	889,760	925,430
Projected Actual Gain/(Loss)	414,020	291,100	(65,334)	(13,204)	386,973
<b>Projected Ending GF Bal</b>	4,893,654	5,184,754	5,119,420	5,106,216	5,493,190
<b>% of Total Budget</b>	28.5%	31.9%	28.8%	28.1%	29.8%

\*Assumes actual revenues of 101% of budget and actual expenditures of 95% of budget

### **Fund Balance**

The Village's fund balance continues to remain healthy and can absorb the anticipated capital expenditures that exceed available resources. In the planning horizon, fund balance is projected to be 28%-32% of expenditures which falls within the Council's desired range of 27%-33%. These projections include the assumption that operating revenues typically come in at 101% of budget while operating expenditures typically fall 5% below budget.



# Five-Year Capital Improvement Plan FY 2009-2013

## Debt Service

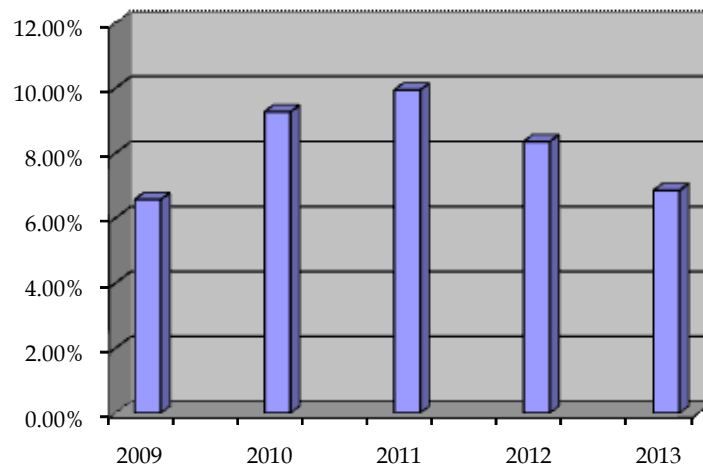
To determine estimated debt service, we assumed a 4.20% interest rate amortized over 10 years for the fire trucks and 15 years for the buildings. As presented, the Village's CIP will result in additional annual debt service costs ranging from \$71,000 up to \$796,527 during the planning horizon. However, 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 will decrease significantly starting in FY 2012. This is due to the payoff of the Village Hall debt in FY 2012 and the Police Station debt in FY 2013. Annual debt service on the Village Hall and the Police Station are \$287,000 and \$280,000 respectively.

**Table 5 - Impact of CIP Debt Issuances on Debt Ratios**

	Fiscal Year Ending June 30				
	2009	2010	2011	2012	2013
Existing Debt Service Payments	\$ 1,058,215	\$ 1,023,794	\$ 1,012,889	\$ 781,541	\$ 464,551
Additional Debt Service:					
Fire Trucks - Units 914 & 924	71,000	68,900	66,800	64,700	144,250
Public Services Facility	-	412,031	401,415	390,798	380,181
Cannon Park Rec Center	-	-	286,880	279,488	272,096
Total Additional Debt Service	71,000	480,931	755,095	734,986	796,527
<b>Total Debt Service</b>	<b>\$ 1,129,215</b>	<b>\$ 1,504,725</b>	<b>\$ 1,767,984</b>	<b>\$ 1,516,527</b>	<b>\$ 1,261,078</b>
Estimated Expenditures	17,182,700	16,233,950	17,787,834	18,143,964	18,411,457
<b>% of Expenditures</b>	<b>6.57%</b>	<b>9.27%</b>	<b>9.94%</b>	<b>8.36%</b>	<b>6.85%</b>

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 moderate to low level of debt service. Projected debt service is higher in 2010 and 2011, but falls back to historical levels in 2013.

**Village of Pinehurst  
CIP Impact on Debt Ratios  
FY 2009-2013**





## Five-Year Capital Improvement Plan FY 2009-2013

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 40% below our peer group's debt service per capita. Our peer group consists of other municipalities in North Carolina with populations between 10,000 and 50,000 that do not operate electric utilities.

**Table 6 - Projected Debt Service Expenditures vs. Peer Group**

	2009	2010	2011	2012	2013
Population	11,924	12,334	14,425	14,917	15,409
Debt Service	\$ 1,129,215	\$ 1,504,725	\$ 1,767,984	\$ 1,516,527	\$ 1,261,078
Debt Service per capita					
Village of Pinehurst	\$ 95	\$ 122	\$ 123	\$ 102	\$ 82
Peer Group*	\$ 136	\$ 136	\$ 136	\$ 136	\$ 136

\*Source: NC State Treasurer, based on fiscal year 2006

### Capital Reserve Fund

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**

	2008	2009	2010	2011	2012	2013
<b>Beginning Balance</b>	\$ 249,891	\$ 283,388	\$ 1,083,773	\$ 227,174	\$ 200,261	\$ 186,671
Plus:						
Transfers from General Fund	373,500	1,939,050	400,050	414,000	428,400	443,250
Transfers from Other Funds	-	-	-	-	-	-
Interest Income	9,996	11,336	43,351	9,087	8,010	7,467
Total Other Financing Sources	383,496	1,950,386	443,401	423,087	436,410	450,717
Amount Available for CIP	633,388	2,233,773	1,527,174	650,261	636,671	637,388
Less:						
Transfers to General Fund	350,000	1,150,000	1,300,000	450,000	450,000	450,000
Transfers to Other Funds	-	-	-	-	-	-
Total Other Financing Uses	350,000	1,150,000	1,300,000	450,000	450,000	450,000
<b>Ending Balance</b>	\$ 283,388	\$ 1,083,773	\$ 227,174	\$ 200,261	\$ 186,671	\$ 187,388

### Peer Comparisons

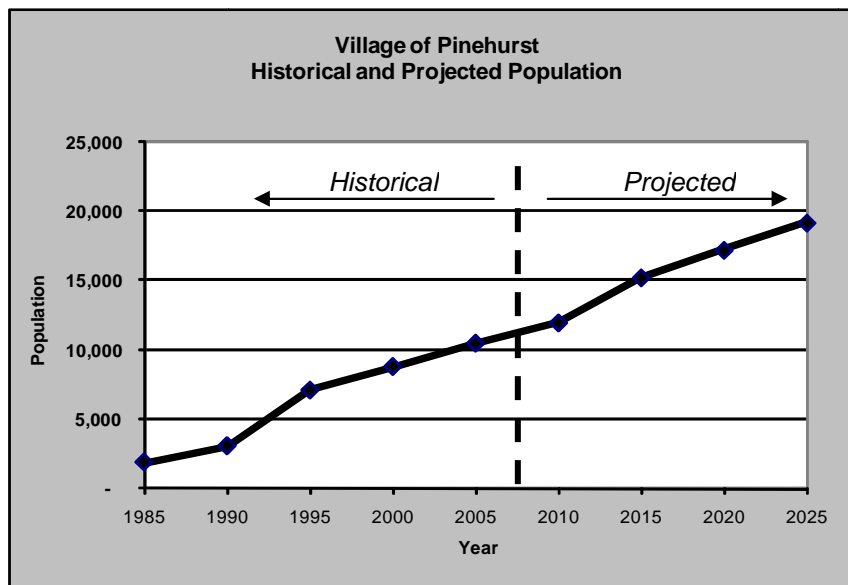
One way the Village can determine if it is spending an appropriate amount on capital expenditures is to compare itself to its peer group. The Local Government Commission, which is a division of the NC Department of State Treasurer, compiles financial data for all local governments in the State. There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



## Five-Year Capital Improvement Plan FY 2009-2013

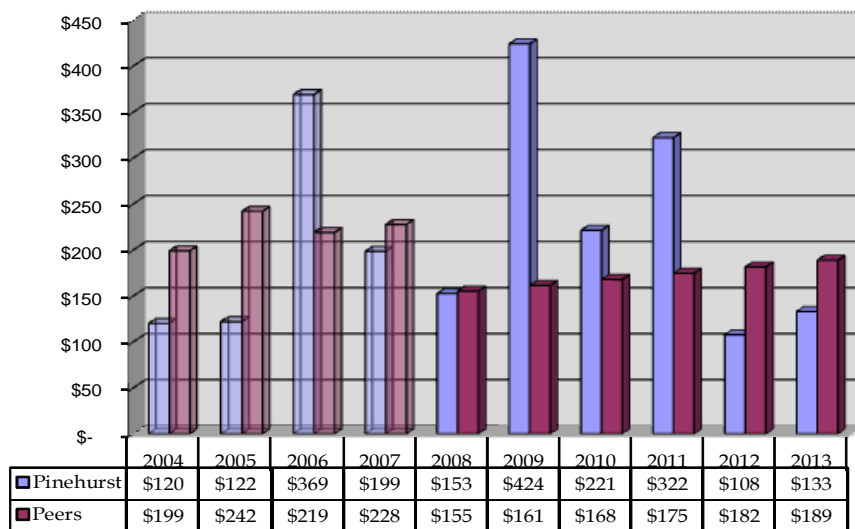
The second method is to compare the amount of capital expenditures as a percentage of total expenditures.

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 316 people annually. Upon the annexation of Pinewild, the population growth is expected to approximate 400 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. The peer group per capita amounts are assumed to increase at an annual rate of 4%.

**Capital Expenditures Per Capita**





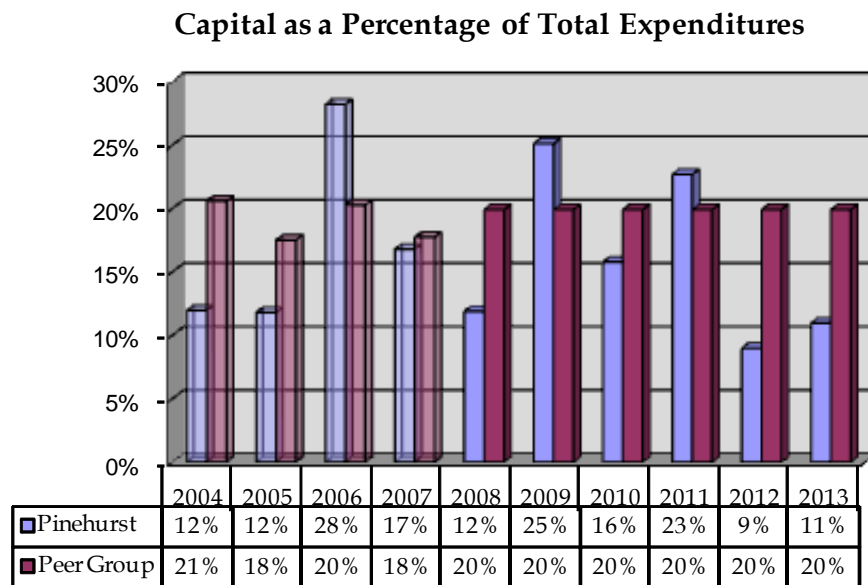
## Five-Year Capital Improvement Plan FY 2009-2013

Review of this graph indicates that in FY 2006, FY 2009 and FY 2011 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 2009 this is due to the completion of a \$3.8 million public services/fleet maintenance facility. In FY 2011 this is due to the completion of the \$3.1 million Cannon Park 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 \$232 per capita on annual capital expenditures, or roughly 20% of their net consolidated budget. During that same time period, the Village has spent an average of \$182 per capita on capital expenditures, or 18% of the net consolidated budget.

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



Should the Village strive to allocate its resources for capital improvements at a level similar to its peers, the Village would aim to spend approximately \$2.7 - \$3.3 million on capital expenditures annually. This would include not only expenditures within the Village's General Fund, but would also include expenditures separately tracked in Capital Project Funds. The table below shows what the Village's CIP funding levels would be if the Village allocated resources at a level comparable to our peers. The table then indicates how the projected CIP compares to the target spending levels. Over the course of the planning horizon, total spending on capital very closely approximates the targeted spending levels, exceeding the target by roughly \$600,000.



# Five-Year Capital Improvement Plan FY 2009-2013

Table 8 - Capital Expenditures Comparable to Peer Group

	2009	2010	2011	2012	2013
<b>Target Capital Spending Levels</b>					
Average per capita	\$ 1,924,253	\$ 2,070,034	\$ 2,517,808	\$ 2,707,832	\$ 2,909,029
20% of expenditures	4,009,982	3,444,200	4,078,520	3,560,504	3,719,952
Average	2,967,117	2,757,117	3,298,164	3,134,168	3,314,490
Projected Capital Outlay*	5,056,200	2,730,400	4,646,000	1,606,600	2,049,100
<b>Over (under) Funded CIP</b>					
Compared to Target	\$ 2,089,083	\$ (26,717)	\$ 1,347,836	\$ (1,527,568)	\$ (1,265,390)

\*Total CIP Reduced by Road Resurfacing

### Summary

To summarize, the CIP represents a \$20 million plan to address the capital improvement needs of the Village. Capital expenditures are driven by the types and levels of services the Village chooses to provide to its citizens. The Village’s projected capital spending over the planning horizon is roughly 4% higher than its peers. This is due to the construction of two major facilities. This proposal allows us to maintain the current level of most services to our citizens and expand others. 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. Although not increasing the tax rate is a worthy goal, several capital and staffing needs will go unfunded or be deferred under this assumption.

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 then appropriates 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 levels during the annual budget process.

We believe the CIP as presented is a solid proposal and has been prepared in accordance with the guidance and direction provided 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 discussing this proposal with the Council and jointly continuing to serve the citizens of the Village of Pinehurst.

Sincerely,

Andrew M. Wilkison  
Village Manager

Natalie E. Dean  
Assistant Village Manager

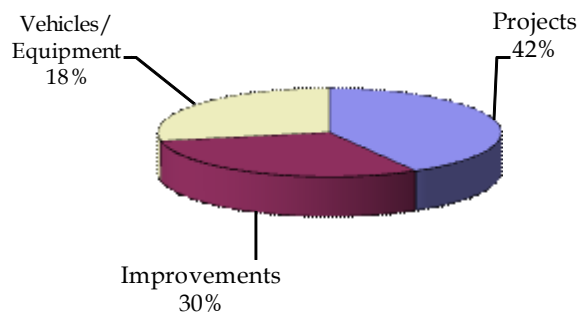


# Five-Year Capital Improvement Plan FY 2009-2013

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

	Total	Fiscal Year Ending June 30				
		2009	2010	2011	2012	2013
<b>General Government Projects</b>						
Roadway Improvements	\$ 1,120,000	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
Public Services Facility	3,791,700	2,684,000	1,107,700	-	-	-
Cannon Park Rec Center	3,140,000	-	195,000	2,945,000	-	-
Barn 5 Renovations	200,000	-	-	-	200,000	-
<b>Subtotal</b>	<b>\$ 8,251,700</b>	<b>\$ 2,994,000</b>	<b>\$ 1,502,700</b>	<b>\$ 3,225,000</b>	<b>\$ 530,000</b>	<b>\$ -</b>
<b>Vehicles/Equipment</b>	<b>\$ 5,576,800</b>	<b>\$ 1,401,200</b>	<b>\$ 896,400</b>	<b>\$ 730,000</b>	<b>\$ 805,600</b>	<b>\$ 1,743,600</b>
<b>Improvements</b>						
Road Resurfacing & Imp	\$ 3,705,350	\$ 692,500	\$ 713,250	\$ 734,500	\$ 756,600	\$ 808,500
Drainage Projects	1,500,000	500,000	300,000	250,000	250,000	200,000
Recreation	405,300	106,000	31,300	141,500	21,000	105,500
Public Safety	305,000	55,000	-	250,000	-	-
Other	49,500	-	-	49,500	-	-
<b>Subtotal</b>	<b>\$ 5,965,150</b>	<b>\$ 1,353,500</b>	<b>\$ 1,044,550</b>	<b>\$ 1,425,500</b>	<b>\$ 1,027,600</b>	<b>\$ 1,114,000</b>
<b>GRAND TOTAL</b>	<b>\$19,793,650</b>	<b>\$ 5,748,700</b>	<b>\$ 3,443,650</b>	<b>\$ 5,380,500</b>	<b>\$ 2,363,200</b>	<b>\$ 2,857,600</b>

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







# Five-Year Capital Improvement Plan FY 2009-2013

Exhibit 3 - Total Cost of CIP Projects From Inception Through 2013

Project	Pre-Planning Period Project Cost	Planning Period Project Cost	Total Project Cost
Roadway Improvements	\$ -	\$ 1,120,000	\$ 1,120,000
Public Services Facility	550,000	3,791,700	4,341,700
Cannon Park Rec Center	45,000	3,140,000	3,185,000
Barn 5 Renovations	81,800	200,000	281,800
<b>GRAND TOTAL</b>	<b>\$ 676,800</b>	<b>\$ 8,251,700</b>	<b>\$ 8,928,500</b>

Exhibit 4  
Total Cost of All CIP Projects by Function



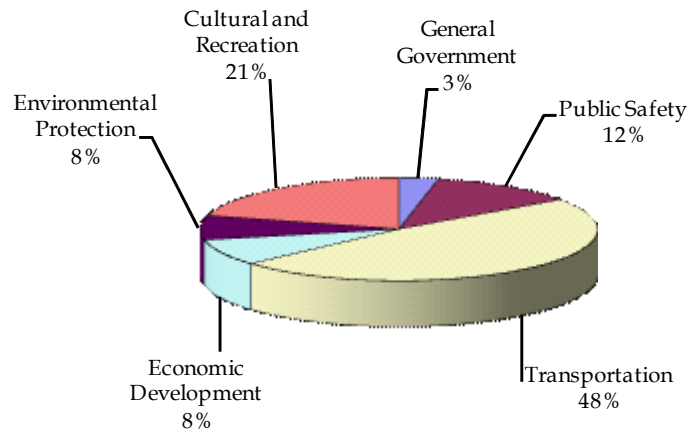


# Five-Year Capital Improvement Plan FY 2009-2013

Exhibit 5 - Detail of Total CIP by Function

	Total	Fiscal Year Ending June 30				
		2009	2010	2011	2012	2013
General Government	\$ 631,500	\$ 165,000	\$ 202,000	\$ 142,500	\$ 70,000	\$ 52,000
Public Safety	2,373,800	746,200	171,400	525,000	147,600	783,600
Transportation	9,519,550	3,829,000	2,094,950	1,188,000	1,220,600	1,187,000
Economic Development	1,644,500	517,500	345,000	268,500	294,000	219,500
Environmental Protection	1,520,000	320,000	330,000	120,000	340,000	410,000
Cultural and Recreation	4,104,300	171,000	300,300	3,136,500	291,000	205,500
<b>Total</b>	<b>\$ 19,793,650</b>	<b>\$ 5,748,700</b>	<b>\$ 3,443,650</b>	<b>\$ 5,380,500</b>	<b>\$ 2,363,200</b>	<b>\$ 2,857,600</b>

Exhibit 6 - CIP Cost by Function





## Five-Year Capital Improvement Plan FY 2009-2013

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

	Total	Fiscal Year Ending June 30				
		2009	2010	2011	2012	2013
<b>Cash</b>						
Roadway Improvements	\$ 1,120,000	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
Barn 5 Renovations	200,000	-	-	-	200,000	-
	1,320,000	310,000	200,000	280,000	530,000	-
Vehicles/Equipment	4,501,800	901,200	896,400	730,000	805,600	1,168,600
Improvements	3,565,150	893,500	574,550	945,500	537,600	614,000
<b>Subtotal</b>	9,386,950	2,104,700	1,670,950	1,955,500	1,873,200	1,782,600
<b>Grant</b>						
Street Resurfacing - PB	2,400,000	460,000	470,000	480,000	490,000	500,000
Cannon Park Rec Center	500,000	-	-	500,000	-	-
<b>Subtotal</b>	2,900,000	460,000	470,000	980,000	490,000	500,000
<b>Installment Financing</b>						
Fire Trucks - Unit 914 & 924	1,075,000	500,000	-	-	-	575,000
Public Services Facility	3,791,700	3,791,700	-	-	-	-
Cannon Park Rec Center	2,640,000	-	2,640,000	-	-	-
<b>Subtotal</b>	7,506,700	4,291,700	2,640,000	-	-	575,000
<b>Total</b>	\$ 19,793,650	\$ 6,856,400	\$ 4,780,950	\$ 2,935,500	\$ 2,363,200	\$2,857,600



## Five-Year Capital Improvement Plan FY 2009-2013

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

	Total	Fiscal Year Ending June 30				
		2009	2010	2011	2012	2013
<b>Net Annual Operating Cost</b>						
Public Services Facility	\$ 125,181	\$ -	\$ -	\$ 40,500	\$ 41,715	\$ 42,966
Cannon Park Rec Center	280,070	-	-	12,792	131,664	135,614
Barn 5 Renovations	33,273	-	-	-	16,391	16,883
Subtotal	438,525	-	-	53,292	189,770	195,463
<b>Annual Debt Service</b>						
Fire Trucks	415,650	71,000	68,900	66,800	64,700	144,250
Public Services Facility	1,584,425	-	412,031	401,415	390,798	380,181
Cannon Park Rec Center	838,464	-	-	286,880	279,488	272,096
Subtotal	2,838,539	71,000	480,931	755,095	734,986	796,527
<b>Net Budget Impact</b>	<b>\$ 3,277,064</b>	<b>\$ 71,000</b>	<b>\$ 480,931</b>	<b>\$ 808,387</b>	<b>\$ 924,756</b>	<b>\$ 991,990</b>



## Five-Year Capital Improvement Plan FY 2009-2013

### *Public Services Facility*

<b>Department</b>	Public Services/Fleet Maintenance Departments
<b>Project Cost</b>	\$4,512,187
<b>Project Priority</b>	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input checked="" type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

#### PROJECT DESCRIPTION/JUSTIFICATION

The new facility will combine the current Public 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 was 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	2009	2010	2011	2012	2013
Appropriations	\$ 4,512,187	\$ 720,487	\$ 2,684,000	\$ 1,107,700	\$ -	\$ -	\$ -
TOTAL	\$ 4,512,187	\$ 720,487	\$ 2,684,000	\$ 1,107,700	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 720,487	\$ 720,487	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Financing	3,791,700	-	3,791,700	-	-	-	-
TOTAL	\$ 4,512,187	\$ 720,487	\$ 3,791,700	\$ -	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Debt Proceeds	\$ 3,791,700	\$ -	\$ 3,791,700	\$ -	\$ -	\$ -	\$ -
Project Expenditures	4,512,187	720,487	2,684,000	1,107,700	-	-	-
Operating Expenditures	125,181	-	-	-	40,500	41,715	42,966
Debt Service	1,584,425	-	-	412,031	401,415	390,798	380,181
TOTAL	\$(2,430,093)	\$ (720,487)	\$ 1,107,700	\$ (1,519,731)	\$(441,915)	\$(432,513)	\$(423,148)



# Five-Year Capital Improvement Plan FY 2009-2013

## Roadway Improvements

<b>Department</b>	Engineering Department
<b>Project Cost</b>	\$1,120,000
<b>Project Priority</b>	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> New/expanded capital assets that eliminate deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> New/expanded capital assets that eliminate a public hazard or threat to public safety <input checked="" type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

### PROJECT DESCRIPTION/JUSTIFICATION

These projects include intersection improvements at NC5, Barrett and McCaskill roads in FY 2009; NC2 and Carolina Vista in FY2009; pedestrian improvements on NC-211 in FY 2010 through FY 2012; and intersection improvements at McKenzie-Graham roads. The projects will include turn lanes, roundabouts, traffic signals and pedestrian facilities including sidewalks along NC211. The population of Pinehurst alone is expected to reach 20,000 people by the year 2025 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	2009	2010	2011	2012	2013
Appropriations	\$ 1,120,000	\$ -	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
<b>TOTAL</b>	<b>\$ 1,120,000</b>	<b>\$ -</b>	<b>\$ 310,000</b>	<b>\$ 200,000</b>	<b>\$ 280,000</b>	<b>\$ 330,000</b>	<b>\$ -</b>
Funding Source:							
Cash	\$ 1,120,000	\$ -	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
<b>TOTAL</b>	<b>\$ 1,120,000</b>	<b>\$ -</b>	<b>\$ 310,000</b>	<b>\$ 200,000</b>	<b>\$ 280,000</b>	<b>\$ 330,000</b>	<b>\$ -</b>

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Project Expenditures	\$ 1,120,000	\$ -	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
Operating Expenditures	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$(1,120,000)</b>	<b>\$ -</b>	<b>\$(310,000)</b>	<b>\$(200,000)</b>	<b>\$(280,000)</b>	<b>\$(330,000)</b>	<b>\$ -</b>



## Five-Year Capital Improvement Plan FY 2009-2013

### *Cannon Park Recreation Center*

<b>Department</b>	Parks and Recreation Department
<b>Project Cost</b>	\$3,185,000
<b>Project Priority</b>	<input checked="" 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 Cannon Park Recreation Center would be located at the site of the old Village Hall in Cannon Park or potentially within Rassic Wicker Park near the Police Station. The Recreation Center would include restrooms, a lobby, a full size gymnasium, program/activity classrooms, multi-purpose room, office space for staff, and associated landscaping and parking. The facility will be an estimated 17,000 square feet 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, adult fitness and craft classes, and also to allow for expansion into other programs such as after-school programming and additional fitness & exercise classes all of which will improve the quality of life in the Village.

#### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Appropriations	\$ 3,185,000	\$ 45,000	\$ -	\$ 195,000	\$ 2,945,000	\$ -	\$ -
TOTAL	\$ 3,185,000	\$ 45,000	\$ -	\$ 195,000	\$ 2,945,000	\$ -	\$ -
Funding Source:							
Grants	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Cash	45,000	45,000	-	-	-	-	-
Installment Financing	2,640,000	-	-	2,640,000	-	-	-
TOTAL	\$ 3,185,000	\$ 45,000	\$ -	\$ 2,640,000	\$ 500,000	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Debt Proceeds	\$ 2,640,000	\$ -	\$ -	\$ 2,640,000	\$ -	\$ -	\$ -
Grant Proceeds	500,000	-	-	-	500,000	-	-
Project Expenditures	3,185,000	45,000	-	195,000	2,945,000	-	-
Operating Expenditures	280,070	-	-	-	12,792	131,664	135,614
Debt Service	838,464	-	-	-	286,880	279,488	272,096
TOTAL	\$(1,163,534)	\$ (45,000)	\$ -	\$ 2,445,000	\$(2,744,672)	\$ (411,152)	\$ (407,710)



# Five-Year Capital Improvement Plan FY 2009-2013

## *Barn 5 Renovations*

<b>Department</b>	Parks and Recreation Department		
<b>Project Cost</b>	\$281,800		
<b>Project Priority</b>	<u>X</u>	Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided	
	<u>X</u>	Eliminates deficiencies in providing a service at the current level of demand	
	___	Eliminates a public hazard or threat to public safety	
	<u>X</u>	Improvements or new capital assets that significantly improve the efficiency of operations	
	___	New capital assets needed to improve or expand the existing level of service or provide a new service	

### PROJECT DESCRIPTION/JUSTIFICATION

Barn 5 renovations will provide a central location for both the Harness Track and Buildings & Grounds Divisions staff. This site would include storage areas for the various equipment, supplies and tools utilized by both groups as well as office space and work stations for the functions carried out by the staff. From this location, management will be able communicate more effectively and efficiently with their staff and provide a higher level of service to customers, show promoters and Standardbred trainers.

### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Appropriations	\$ 281,800	\$ 81,800	\$ -	\$ -	\$ -	\$ 200,000	\$ -
TOTAL	\$ 281,800	\$ 81,800	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Funding Source:							
Cash	\$ 281,800	\$ 81,800	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Grants	-	-	-	-	-	-	-
Installment Financing	-	-	-	-	-	-	-
TOTAL	\$ 281,800	\$ 81,800	\$ -	\$ -	\$ -	\$ 200,000	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Expenditures	281,800	81,800	-	-	-	200,000	-
Operating Expenditures	33,273	-	-	-	-	16,391	16,883
Debt Service	-	-	-	-	-	-	-
TOTAL	\$ (315,073)	\$ (81,800)	\$ -	\$ -	\$ -	\$ (216,391)	\$ (16,883)





**Ad Valorem tax** – A tax levied in proportion to the value of a property.

**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.

**Balanced Budget** – Occurs when planned expenditures and other financing uses equal anticipated revenues and other financing source. In North Carolina, it is required that the budget submitted to the Village Council be balanced.

**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.



## Budget Glossary

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

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

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

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

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

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

**Fund Balance** – Fund balance is the amount of assets in excess of the liabilities or 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.

**Inter-fund 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).

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



## Budget Glossary

---

**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.

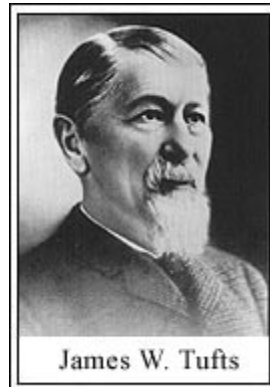


*Donald Ross*



## 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*



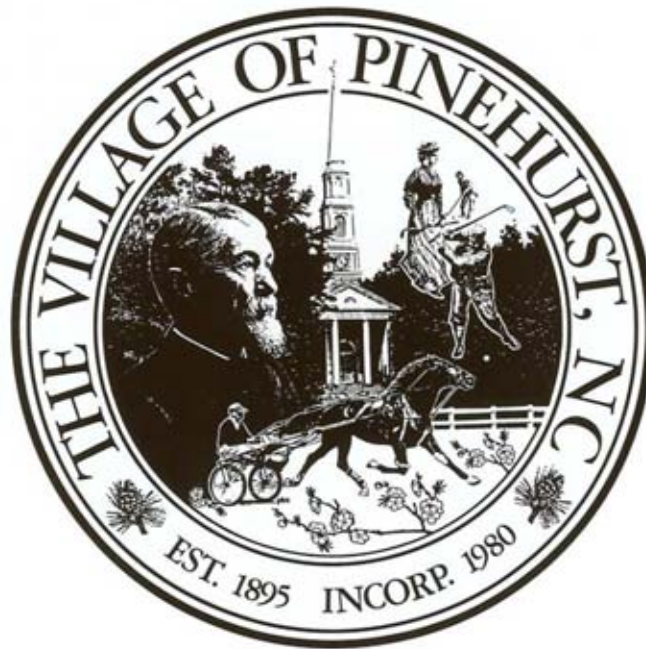


## Supplementary Information

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 average rate of about 200 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 11,655, 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 Rassic Wicker Park and Phases I, II, III, and IV of the Greenway System. The Greenway System will eventually connect most 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

### Operating Indicators by Function Last Eight Fiscal Years

Function	Fiscal Years							
	2000	2001	2002	2003	2004	2005	2006	2007
General Government								
Financial Services								
Purchase orders issued	605	680	354	509	440	323	262	207
Vendor checks issued	3,270	3,332	2,966	2,919	3,595	2,673	2,529	2,427
Human Resources								
Workers' compensation lost time (days)	n/a	n/a	n/a	n/a	n/a	322	44	4
Employee turnover rate	n/a	n/a	n/a	n/a	n/a	9.0%	9.0%	9.4%
Fleet Maintenance								
Tire work orders completed	51	65	86	100	125	150	186	132
Oil changes	361	462	480	500	300	350	200	291
Public Safety								
Fire Protection								
Public fire & life safety classes	175	447	556	341	95	95	219	204
Incident calls	n/a	712	673	715	743	842	922	827
Structure fires	24	18	24	18	24	21	26	56
Inspections	388	479	560	467	877	766	824	787
Child passenger seat inspections	n/a	n/a	n/a	n/a	389	833	579	583
Police Protection								
Physical arrests	224	211	207	178	172	206	202	262
Citations issued	969	943	902	971	1,479	1,560	1,285	3,806
Response to calls/officer initiated activity	11,543	11,116	11,482	11,588	11,782	11,500	9,801	11,866
Traffic accidents	438	410	421	446	467	447	432	483
Inspections								
Building inspections conducted	n/a	n/a	7,253	7,661	11,064	11,286	10,588	9,194
Certificates of occupancy issued	255	235	234	231	214	254	271	227
Transportation								
Street resurfacing (miles)	6.9	7.5	4.9	3.3	4.9	5.0	5.0	6.3
Miles of streets	100.6	100.6	100.6	101.4	101.4	104.7	104.7	104.7
Environmental Protection								
Refuse collected (tons annually)	5,106	6,492	5,597	4,677	5,673	4,578	4,287	4,392
Homes receiving service	5,556	5,706	5,940	6,040	n/a	6,345	6,485	6,651
Recyclables collected (tons annually)	n/a	n/a	n/a	n/a	330	305	369	568
Economic & Physical Development								
Building permits issued	453	391	353	321	374	318	378	424
Zoning compliance investigations	n/a	446	694	473	538	475	480	477
Cultural & Recreation								
Recreation								
Number of parks	3	3	3	4	4	4	4	4
Program participants	286	339	329	354	361	398	468	679
Athletics participants	1,418	1,560	1,351	1,437	1,456	1,507	1,503	1,556
Harness Track								
Standardbred stalls leased	n/a	n/a	n/a	222	270	280	285	249
Facilities reserved (days)	86	106	87	95	67	62	45	32
Fair Barn								
Events	n/a	n/a	n/a	31	61	67	87	89
Rental days	n/a	n/a	n/a	39	85	125	131	117

Source: Various Village departments

Note: n/a indicates "not available"



## Supplementary Information

### Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2007		1998	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 122,539,053	5.61%	\$ 55,809,406	5.02%
Country Club of North Carolina	19,753,635	0.90%	14,162,995	1.27%
Pinehurst Medical	12,866,622	0.59%	4,486,387	0.40%
Carolina Telephone and Telegraph	11,272,640	0.52%	8,246,342	0.74%
MTMM Associates	8,524,575	0.39%	4,487,040	0.40%
Pleasant Living Health Care (Quail Haven)	8,265,503	0.38%	5,540,380	0.50%
FirstHealth of the Carolinas	7,037,500	0.32%	6,749,389	0.61%
Francis Maser	5,876,600	0.27%	-	0.00%
Carolina Telephone and Telegraph	4,790,254	0.22%	4,094,294	0.37%
Branch Banking and Trust Co.	4,356,157	0.20%	-	0.00%
Pinehurst Nursing	-	0.00%	2,946,835	0.26%
Total	\$ 205,282,539	9.40%	\$ 106,523,068	9.57%

**Source:** Moore County Tax Department

**Note:** 2007 and 1998 data are for tax years 2006 and 1997 respectively.



*The Carolina Hotel*



## Personnel Classification Schedule

Classification Plan Summary	Actual 2004-2005	Actual 2005-2006	Actual 2006-2007	Actual 2007-2008	Budgeted 2008-2009
<b>General Government</b>					
Administration					
Administration	5	4.5	6.5	6.5	7
Financial Services	4.75	5	4	4	4
Human Resources	1	1.5	1.5	2	2
Fleet Maintenance	3	3	3	3	3
Buildings and Grounds Maintenance	3	3.5	5	5	6
Information Technology	-	1	2.2	3	3
<b>Total General Government</b>	<b>16.75</b>	<b>18.5</b>	<b>22.2</b>	<b>23.5</b>	<b>25</b>
<b>Public Safety</b>					
Police	28	28	29	30	30
Fire	30	30	30	30	30
Inspections	3	3.3	3.2	3.2	3.2
<b>Total Public Safety</b>	<b>61</b>	<b>61.3</b>	<b>62.2</b>	<b>63.2</b>	<b>63.2</b>
<b>Economic and Physical Development</b>					
Planning	6	7	7	7	7
Engineering	2.5	2.5	2	2	2
<b>Total Economic and Physical Development</b>	<b>8.5</b>	<b>9.5</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Transportation</b>					
Public Services Administration	2	2.5	3	3	3
Streets and Grounds	13	13	14	13	15
<b>Total Transportation</b>	<b>15</b>	<b>15.5</b>	<b>17</b>	<b>16</b>	<b>18</b>
<b>Environmental Protection</b>					
Solid Waste	9	9	9	8	9
Public Utilities					
Public Utilities Administration	1	0	0	0	0
<b>Total Environmental Protection</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>9</b>
<b>Cultural and Recreation</b>					
Parks and Recreation	2	2	3.3	3.3	4.3
Harness Track	4	4	4.4	4.4	4.4
Fair Barn	1	1	2.5	2.5	2.5
<b>Total Cultural and Recreation</b>	<b>7</b>	<b>7</b>	<b>10.2</b>	<b>10.2</b>	<b>11.2</b>
<b>GRAND TOTAL</b>	<b>118.25</b>	<b>120.8</b>	<b>129.6</b>	<b>129.9</b>	<b>135.4</b>

Population	10,498	10,694	11,026	11,316	11,655
EMPLOYEES PER CAPITA	0.0113	0.0113	0.0118	0.0115	0.0116