

VILLAGE OF PINEHURST

NORTH CAROLINA



2009-2010 Budget

VILLAGE OF PINEHURST

**Budget for the Fiscal Year
Ended June 30, 2010**



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



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Introduction

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.



Introduction

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.

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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Village of Pinehurst

North Carolina

For the Fiscal Year Beginning

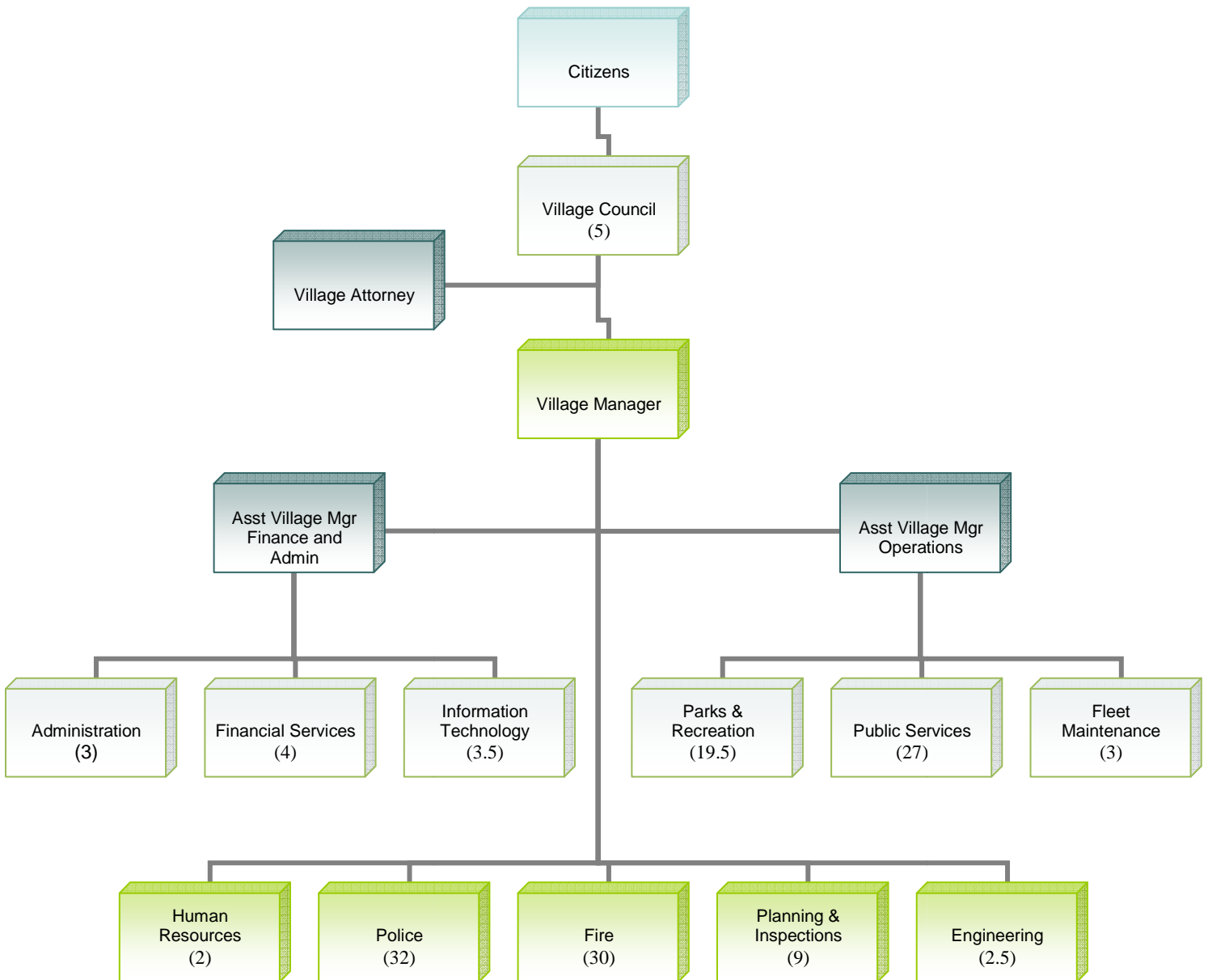
July 1, 2008

President

Executive Director



Organizational Chart





May 12, 2009

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) 2009-2010 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 table on page 10 of the Budget Message which shows the relationship between the budgeted funds and their functional areas of expenditure. In addition we have attempted to more clearly define short-term and long-term goals and to include timelines for their accomplishment where feasible. Also, all debt service information has been combined into one section in the General Fund. Finally, we have continued to improve our performance measures and created stronger links between the goals and objectives of each department to the overall 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 organizational 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 more than any previous year, the economy has taken center stage in the budget preparation process. Unemployment for our county is currently 10.8% which is above the national average and nearing an all-time record for our area. Tourism, corporate travel in particular, has fallen off sharply in the past year. This is having a serious negative financial impact on our area and Resorts of Pinehurst in particular. The Village of Pinehurst has also not been immune to the national housing crisis. Although housing prices have remained somewhat stable, new home construction has fallen off significantly impacting our tax base growth and inspections fee revenues. The impact of each of these areas will be discussed throughout this document.

Besides the economy, there are other external factors which affect our budget planning process. The outcome of the Pinewild annexation appeal will greatly impact our tax base and controls



over future growth. Other long-term concerns include, improving our water supply 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 the current 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 2009-2010 Recommended Net Budget, which includes all funds less transfers between funds, totals \$15,024,070. This is a decrease of 2.5% below the prior year's amended Net Budget at March 31, 2009 of \$15,415,785. 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 2009-2010 per capita expenditure is \$1,266 compared to our peer group's average per capita net budget of \$1,346. The Village's projected population is 11,865 while the peer group average population is 20,620.

INITIATIVES

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

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

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 the appeal process is exhausted, which is expected to be around September 30, 2009. Although, the budget does not include any revenues related to the annexation, expenditure appropriations have been made to ensure the Village is ready to provide services to this area as soon as legally allowable.

Over the past year, the Council has worked diligently to preserve and improve the downtown area of Old Town. Aesthetic improvements along with zoning adjustments have been made to



ensure that the downtown historic business district remains a viable center of commerce and tourism. The Council also worked closely with the Planning Department to refine the zoning regulations for the New Core area. This area has been identified for expansion of the Village Center. 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.

The Council is also committed to preserving the unique character of Pinehurst. To that end, in FY 2008-2009 the Village began the process of updating the 2003 Comprehensive Long-Range Plan. An appropriation is included in this budget to complete the plan update.

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 have been addressed, we are able to shift our focus to smaller areas of concern. The budget as presented contains \$130,000 to address these small drainage projects.

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. Village staff recommended a 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. This change which takes effect in July 2009 is designed to increase recycling participation, thus conserving natural resources. In addition, the Village plans to utilize the anticipated labor savings to maintain Village right-of-ways.

The Village continues to implement the automated solid waste collection system. In FY 2008-2009 we purchased a 14-yard automated arm solid waste vehicle. The recommended budget contains an appropriation to purchase an additional 14-yard solid waste vehicle and 500 rolling refuse carts. This will allow us to continue to expand the automated system to an additional 500 homes in the Village during the upcoming fiscal year.

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 other professional services.

While not included in this budget, the Village plans to begin the Public Services Facility project as approved in the FY 2010-2014 CIP. The project is slated to begin in the Spring of 2010. Debt service and operating expenditures for the project will begin in FY 2010-2011.

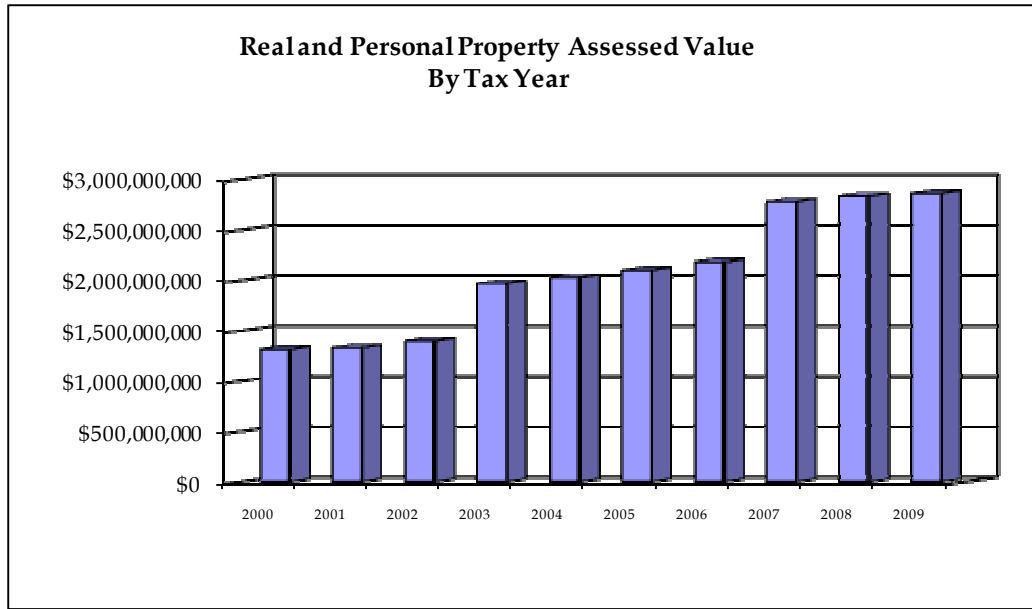
FUNDS OF THE RECOMMENDED BUDGET

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 2009-2010 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 \$7,979,550 in property tax revenues based on an anticipated collection rate of 99.9% for real and personal property and 97.0% 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.



Our budget estimates assume an average growth in the real property tax base of 1%. This is considerably lower than previous growth estimates due to sharp reductions in residential and commercial development activity. On average for the past ten years, 200 new homes have been constructed each year in the Village and its extraterritorial jurisdiction (ETJ). For FY 2009-2010 approximately 72 new homes are projected to be constructed.

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 \$2,500,000 in FY 2009-2010. This represents a decrease of 1.4% from the previous year and is due in part to higher unemployment and a decline in tourism.

The FY 2009-2010 Recommended Budget for the General Fund totals \$15,347,067, or \$89,755 less than the amended FY 2008-2009 Budget of \$15,436,822 as of March 31, 2009.

Overall, the Recommended Budget for the General Fund utilizes \$1,086,707 of appropriated fund balance. The Recommended Budget complies with the Village's Fund Balance Policy, resulting in a fund balance as a percentage of expenditures that is roughly 31%.

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 2009-2010 under this policy is \$340,000. 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, 2009, no transfer of excess fund balance is planned from the General Fund to the Capital Reserve Fund in FY 2009-2010.

After the transfers in and out, the Capital Reserve Fund's fund balance should approximate \$107,000 at the end of FY 2009-2010. This is below the Village's desired minimum of \$200,000. As the economy recovers and revenues return to normal growth levels, we plan to replenish the fund.

SOURCES OF REVENUE

The General Funds' primary sources of revenue include:

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

Approximately 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 little revenue growth due to the current economic recession.

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".

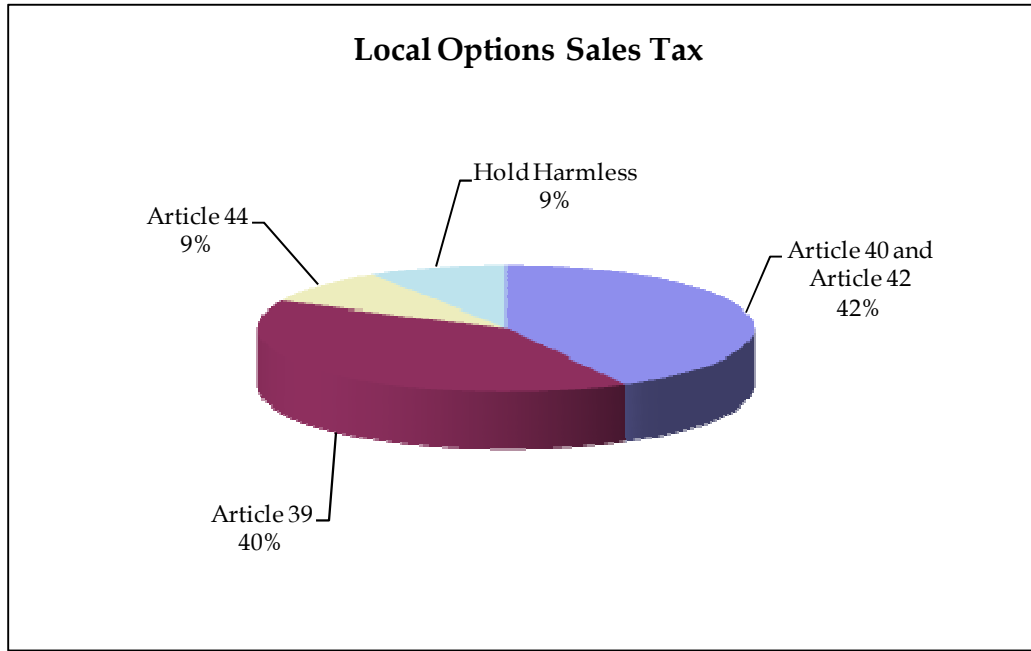
In North Carolina, property tax rates are customarily expressed in dollars per \$100 valuation. The maximum property tax rate allowed in North Carolina is \$1.50 per \$100 of valuation. This proposed budget recommends a property tax rate of \$0.28 per \$100 of valuation. This means that for every \$100,000 in value of property, \$280 is due. Total Ad Valorem Tax revenues are projected to be \$7,979,550 in FY 2009-2010. 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 57% of the General Fund's total revenues.

Local Option Sales Taxes

Two and one-half cents (2 ½) of the six and three-quarters (6 ¾) 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. In October 2009 the State of North Carolina replaced one-half of the Article 44 sales tax implemented in 2002 with a "hold harmless" reimbursement as part of the Medicaid funding relief program for counties. The state 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 \$2,500,000 in FY 2009-2010, which accounts for 16% of total revenues for the General Fund.



Intergovernmental Revenues

Intergovernmental revenues consist primarily of the Electricity Franchise Tax and the Powell Bill Allocation. The Electricity Franchise Tax is collected by the State and is distributed to the Village based on the actual receipts from the providers of electricity within the Village's limits. The Powell Bill Allocation from the State is restricted to maintaining, repairing, or constructing Village owned streets and rights-of-way. Total intergovernmental revenue is estimated to be \$1,344,200 for FY 2009-2010.

Permits and Fees

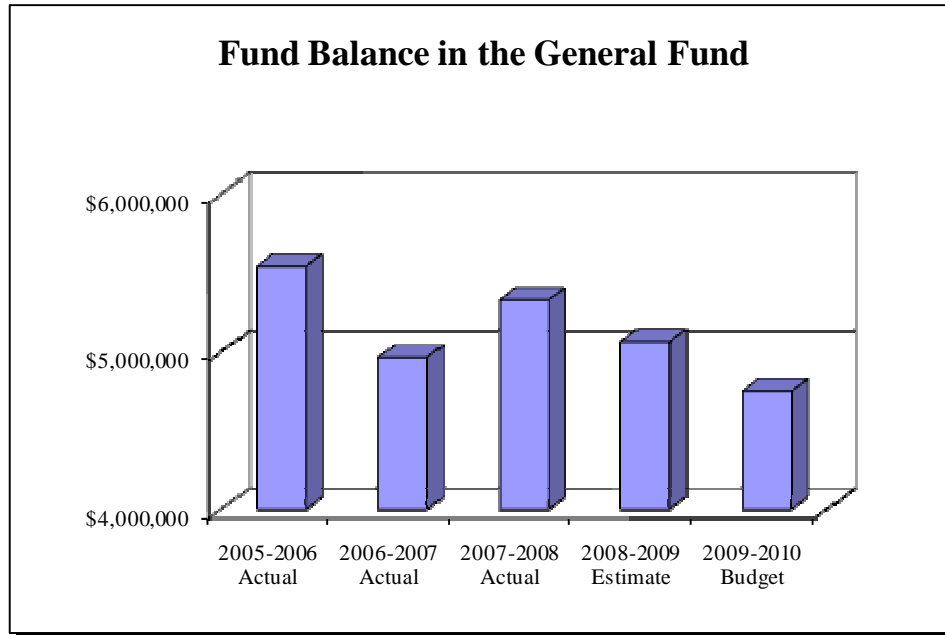
Permits and Fees consist primarily of planning and inspection fees associated with residential and non-residential development within the Village and its extraterritorial jurisdiction (ETJ). In addition, Fire District Revenue accounts for a large percentage of Permits and Fees. Fire District Revenue 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 \$925,250 in FY 2009-2010, or approximately 6% of the total General Fund budget.

FUND BALANCES

On June 30, 2009, the Village's fund balance in the General Fund is projected to be approximately \$5,065,416, or 33% of the FY 2009-2010 Budget. This is at the top of the Village's target of 27% - 33% of budgeted expenditures. This should position the Village well to



maintain services during the current economic downturn. The Village’s peer group typically maintains an average fund balance available for appropriation around 43 % of expenditures.



A summary of all funds and their estimated fund balances as of June 30, 2009 are as follows:

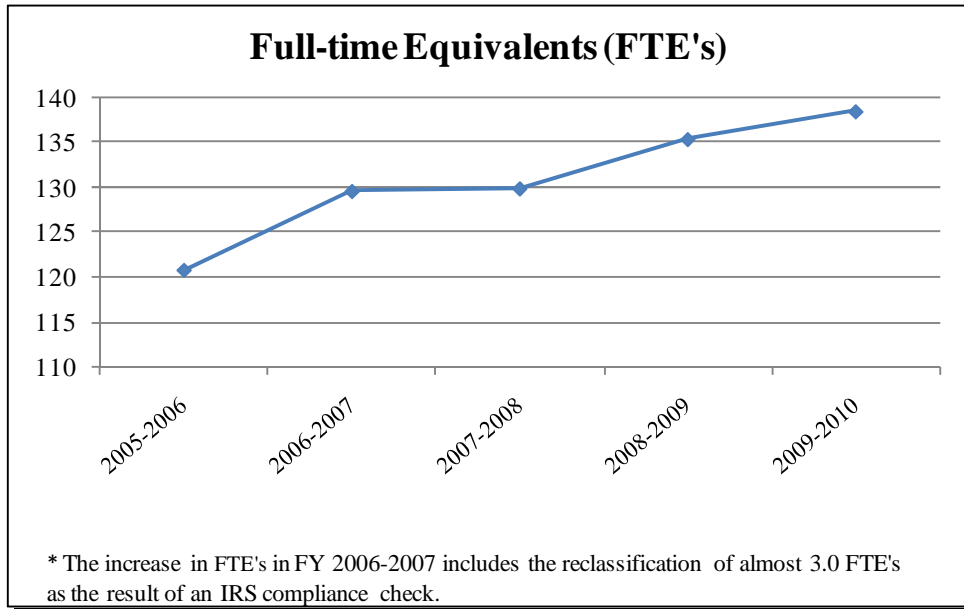
FUND	ESTIMATED AMOUNT
General Fund	\$ 5,065,416
Land Dedication Fund	96
Residential Assurance Fund – Interest	7,602
Municipal Service District Fund	12,193
Capital Reserve Fund	110,300
	<u>\$ 5,195,607</u>

EXPENDITURES BY CATEGORY

Salaries and Wages

Salaries and wages, excluding benefits, for the Village’s 138.5 full-time equivalents (FTEs) accounts for \$6,048,250 or 40% of the total Net Budget. This percentage has increased slightly compared to prior years. The Village’s peer group spends on average 34% of its consolidated budget (including capital project funds) on salaries and wages, excluding benefits.

The FY 2009-2010 General Fund budget recommends the addition of two new full-time Police Officers at mid-year to service the Pinewild area for a total addition of 1 FTE. In addition, the Village is eliminating a Building Inspector position due to reduced construction activity and adding a Buildings & Grounds Maintenance Technician position. Also, several departments have minor increases or decreases in FTE’s due to the planned use of seasonal or part-time employees.



A total of \$98,000 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 5%. However, the funds available for merit raises have been reduced from 4.5% to 3% of total salaries and are prorated based on staggered review dates.

Operating Costs

This category of expenditures accounts for \$7,281,948 or 48% 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 44% 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 7.3% increase at renewal. This positive outcome was better than expected and was due in part to 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 2010 renewal. Also, the appropriation for worker’s compensation insurance has been increased by 35% in the proposed budget due to adverse claims experience in the previous year.

Capital

This category of expenditures accounts for \$1,201,800, or 8% of the total Net Budget. This is in comparison to our peers who spend 22% 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 2009-2010 can be found in the Capital Expenditures section of the budget document. The list below highlights some of the more notable items:

- Police patrol vehicle replacements,
- Replacement of a 1988 fire engine,
- Stormwater projects,
- Small automated 14-yard solid waste vehicle, and
- Expansion of office space in Village Hall.

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 31% of FY 2009-2010 General Fund expenditures, which is within the Council's stated range of 27% to 33%.

The Recommended Budget for FY 2009-2010 incorporates several items identified in the Village's Comprehensive Long-Range 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, traffic studies for intersection improvements, and increased funding for the annual resurfacing project. The total of these items equates to \$0.022 of the Village's tax rate. While this is below the target of \$0.03 this year due to funding constraints, the Village has averaged funding these items at \$0.037 of the tax rate over the past five years.

Departmental requests were reduced by approximately \$412,000 in order to balance the budget. This amount is considerably lower than in previous years due to good departmental cooperation during the annual budget preparation process. 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.

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Budget Message

The following table is a summary of the balanced Recommended Budget for each of the Village's funds for FY 2009-2010:

Function	Fund						Total
	General	Land Dedication	Residential Assurance	Municipal Service District	Capital Reserve		
Revenues	\$ 13,404,740	\$ 50	\$ 2,500	\$ 20,073	\$ 10,000	\$ 13,437,363	
Other Financing Sources	855,620				340,000	1,195,620	
Fund Balance Appropriated	1,086,707					1,086,707	
Total Revenues	\$ 15,347,067	\$ 50	\$ 2,500	\$ 20,073	\$ 350,000	\$ 15,719,690	
General Government	\$ 2,160,540					\$ 2,160,540	
Public Safety	5,668,440					5,668,440	
Transportation	1,992,950					1,992,950	
Environmental Protection	1,236,685			4,453		1,241,138	
Economic & Physical Development	1,147,625					1,147,625	
Cultural and Recreation	1,751,065					1,751,065	
Debt Service	999,762					999,762	
Reserve for Future Expenditures	-	50	2,500		10,000	12,550	
Other Financing Uses	340,000			15,620	340,000	695,620	
Contingency	50,000					50,000	
Total Expenditures	\$ 15,347,067	\$ 50	\$ 2,500	\$ 20,073	\$ 350,000	\$ 15,719,690	
Less transfers between funds *						(695,620)	
Net Budget						\$ 15,024,070	

* 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.

A Public Hearing to receive public comment on the Recommended Budget is set for 9:00 am in the Council Conference Room of the Pinehurst Village Hall on Tuesday, May 26, 2009. A copy of the proposed budget is available for inspection at Village Hall and on the Village's website www.villageofpinehurst.org.

I wish to express my thanks to the Mayor and the Village Council for their support and recognition of all the Village employees who have accomplished so much this past year. Please let me know if I can be of any further assistance as you review this proposal.

Respectfully Submitted,

Andrew M. Wilkison
Village Manager





Council Priorities and Initiatives

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.

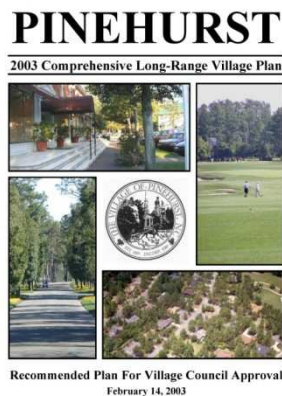
This vision statement guides the Village's strategic planning process, along with the Village Council's philosophy and long term priorities. The Council's philosophy and long-term priorities are described in detail in the Village's Comprehensive Long-Range Plan that was adopted in April 2003. Many of the goals from the 2003 plan have now been accomplished. In FY 2008-2009 the Village initiated an update of the Long-Range Comprehensive Plan. The update is expected to be completed in February of 2010.

The overall philosophy adopted as part of the 2003 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.**





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 2009-2010 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 \$79,000 in the Planning department to complete the update of the Village's 2003 Comprehensive Long-Range Plan by February 2010.

Guiding Residential and Business Development

ST Initiatives

- Complete the annexation of Pinewild Country Club by December 2009.
 - Funding is included that will enable the Village to provide municipal services to this area beginning January 1, 2010.
- Monitor and refine as necessary extra-territorial jurisdiction (ETJ) zoning classifications.
- Monitor and refine as necessary the Village Mixed Use Area zoning district classification.

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 is increased slightly to \$9,420 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



Council Priorities and Initiatives

- Increasing the collection frequency of recyclables to weekly while decreasing the collection of household garbage and yard debris to weekly starting in July 2009.
- Funding is included for one 14 yard automated solid waste truck and 500 waste containers.
- Seek Tree City USA designation for 3rd consecutive year
- Continue implementation of Wellhead Protection Plan

Preserve Open Space

ST Initiatives

- Plan for the development of West Pinehurst Community Park.

Ensuring Adequate Community Facilities and Services

ST Initiatives

- Maintain adequate fire protection capability.
 - Budgeting to replace a 1988 fire engine for \$500,000 by November 2009.
- Complete design of the new Public Services facility.
- Begin planning for the establishment of the Recreation Center.
 - Funding of \$30,000 is included to update the Parks & Recreation Master Plan by December 2009. The plan is required in order for to apply for a PARTF grant in January 2010 to support the construction of the facility.

Protecting Historic Resources

ST Initiatives

- Support Historic Preservation Commission initiatives such as nominating properties to the National Register of Landmark Properties.
 - Funding of \$500 is included for the Historic Preservation Commission.

Enhancing the Village Center

ST Initiatives

- Support Downtown economic development efforts.
 - \$10,000 has been earmarked for this purpose in the proposed budget.
- Implement aesthetic improvements in the Village commercial area.
 - The proposed budget funds \$17,500 for downtown beautification projects.
- Solicit input from the Downtown Beautification Committee on preferred aesthetic improvements.

Managing the Village's Transportation System

ST Initiatives

- Continue funding for resurfacing an average of five miles of Village-owned streets annually.
 - Funding of \$750,000 is included to resurface approximately 4-5 miles of roadways in April 2010.



Council Priorities and Initiatives

- Complete annual traffic study to identify intersections that need improvements.
 - The proposed budget contains \$18,500 to complete a traffic survey in May 2010.

Ensuring Adequate Public Utilities are Available

ST Initiatives

- 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.
 - Continue negotiations with Moore County and other municipalities to secure additional water supplies for the Village of Pinehurst.
- Continue to improve storm water control
 - Funding of \$130,000 is included in Engineering for expenditures related to small drainage projects.
- Publicize water conservation measures year round.
 - \$2,500 is included to support the Community Appearance Commission's xeriscape (low water use) demonstration garden.
 - Continue to publicize daily water use on the Village's web site.



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

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



Old Town Clock

This section was created to aid the reader in learning the duties and responsibilities of each department and division. You may also get additional information about the budget through 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)

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

ADMINISTRATION (awilkison@villageofpinehurst.org)

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



FINANCIAL SERVICES (jfrve@villageofpinehurst.org)

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

HUMAN RESOURCES (akantor@villageofpinehurst.org)

The Human Resources department provides the traditional personnel services for both management and staff, but also extends that role to include the design and implementation of services and programs to enhance employee job satisfaction, retention, and a balanced family/work life. Reward and recognition of both the employees and volunteers are also critical to the success of our organization. All activities are performed in direct support of the Vision Statement to ensure a progressive, responsive, and proactive environment for our employees and for those with which we build external relationships.

PUBLIC SAFETY

POLICE (rdavis@villageofpinehurst.org)

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



Directing Traffic at Pinehurst Elementary School



FIRE (jmccaskill@villageofpinehurst.org)

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



Fire Truck and Fire Response Rescue Vehicle

INSPECTIONS (acorrell@villageofpinehurst.org)

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

TRANSPORTATION

PUBLIC SERVICES (wmorgan@villageofpinehurst.org)

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

STREETS AND GROUNDS (wmorgan@villageofpinehurst.org)

The Streets and Grounds Division of the Public Services Department reports directly to the Director of Public Services. The Streets and Grounds Division is responsible for keeping all public transportation routes open and in a safe traveling condition. This department maintains 104 miles of paved streets in



the Village, which is the largest amount of any local government in Moore County. In addition to maintaining the streets, this department also maintains certain off-street drainage facilities and affects minor construction activities of the same nature. Routine tasks include pot hole and utility cut patching, installing storm drain pipe and other improvements, installing and maintaining traffic and street name signs, repairing brick and sand/clay sidewalks, street sweeping and cleaning, and tree trimming and removal. This division also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.

ENVIRONMENTAL PROTECTION

SOLID WASTE (wmorgan@villageofpinehurst.org)

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



14 Yard Automated Solid Waste Collection Vehicle

ECONOMIC & PHYSICAL DEVELOPMENT

PLANNING (acorrell@villageofpinehurst.org)

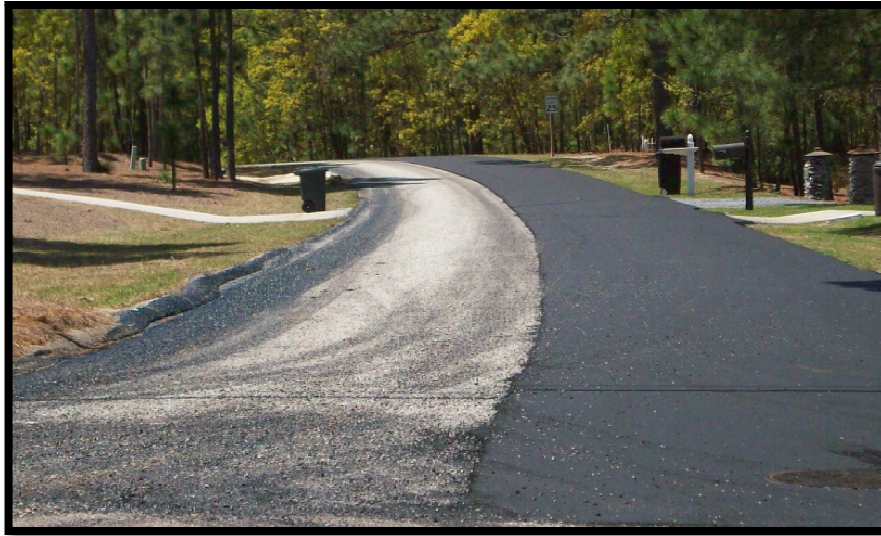
It is the mission of the Planning Department to preserve and enhance the unique character of the Village of Pinehurst and to manage and guide growth in ways that complement the quality of life. This mission contributes to the Vision of the Village of Pinehurst through progressive, responsive and proactive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

ENGINEERING (jgibson@villageofpinehurst.org)

The Engineering Department is the primary staff agency for ensuring that the quality and quantity of infrastructure is sufficient to provide for the current and anticipated needs of the community in order to



protect the character and quality of lifestyle associated with the Village. The department works to accomplish and facilitate this vision by ensuring that roadway, drainage, pedestrian, and utility improvements are planned for, constructed, and completed in a manner that will enhance the quality of life for our residents.



Resurfacing

CULTURAL AND RECREATION

HARNESS TRACK (rskellington@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)

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.

RECREATION (mwagner@villageofpinehurst.org)

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



Easter Egg Hunt Participant

INTERNAL SERVICE DEPARTMENTS

FLEET MAINTENANCE (rkuhn@villageofpinehurst.org)

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

repairs. Fleet Maintenance personnel also maintain, repair, and replace pumps, motors, and generators at the ponds in the Municipal Service District and at the police and fire stations.

BUILDINGS & GROUNDS MAINTENANCE (mwagner@villageofpinehurst.org)

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

INFORMATION TECHNOLOGY (jwhitaker@villageofpinehurst.org)

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



BOARDS AND COMMISSIONS

BOARD OF ADJUSTMENT (acorrell@villageofpinehurst.org)

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

CONSERVATION COMMISSION (acorrell@villageofpinehurst.org)

The Conservation Commission was started in 2003 as part of the Village's Comprehensive Long-Range Plan to meet the conservation goals of Pinehurst. It has now grown into a large entity with six committees and many members. Over the past several years, the commission has 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.

COMMUNITY APPEARANCE COMMISSION (acorrell@villageofpinehurst.org)

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



Xeriscape Garden



HISTORIC PRESERVATION COMMISSION (acorrell@villageofpinehurst.org)

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



Historical District Sign

PLANNING AND ZONING BOARD (acorrell@villageofpinehurst.org)

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



Need More Information?

The best source for additional information is our web site 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	911
FIRE DEPARTMENT – NON-EMERGENCY	910.295.5575
FIRE DEPARTMENT PUBLIC EDUCATION SERVICES	910.295.5575
FIRE PREVENTION	910.295.5575
GARBAGE AND TRASH COLLECTION	910.295.5021
GENERAL VILLAGE INFORMATION	910.295.1900
GEOGRAPHIC INFORMATION SYSTEM (GIS)	910.295.1900
HARNESS TRACK	910.295.4446
HISTORIC PROPERTIES	910.295.2581
HUMAN RESOURCES	910.295.1900



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



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

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

What's New in the Budget This Year?

The Village of Pinehurst was presented the Government Finance Officer's Distinguished Budget Award for its FY 2008-2009 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 second time the Village has received this award.

This year we have attempted to more clearly define short-term and long-term goals and to include timelines for their accomplishment where feasible. We have also added a table on page 10 of the Budget Message to show the relationship between the budgeted funds and their functional areas of expenditure. Another improvement was to combine all information related to debt service into one section. Lastly, the demographics information was expanded.

The Village of Pinehurst is moving towards a results-based management process. For the past two years the Village has worked to include meaningful performance measures for all departments. This year we have continued to build upon this effort and improve our performance measures. We have also attempted to create a stronger link between the goals and objectives of 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 2008-2009 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 Local Government 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 27% to 33% 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 approved CIP is the foundation upon which the capital outlay budget is developed each year. Departments which request capital items in their annual budget that were not approved in the CIP are required to submit additional information justifying the request.



Budget Development Calendar

The Village has utilized the following schedule in preparing and adopting the budget for the fiscal year ending June 30, 2010:

Wednesday, February 11, 2009	Financial Services Department releases the 2009-2010 Budget Manual to department heads
Friday, March 13, 2009	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 3, 2009	Village Manager and Assistant Village Managers hold budget review meetings with Human Resources and Internal Service Department Heads
April 6 – April 8, 2009	Village Manager and Assistant Village Managers hold budget review meetings with all other Department Heads
Friday, May 8, 2009	Village Manager and Assistant Village Manager submit the draft budget to the Village Council
Tuesday, May 12, 2009	Village Manager presents the budget to the Village Council at a Council work session
May 13 – May 22, 2009	Village Council holds budget work sessions
Tuesday, May 26, 2009	Village holds a public hearing on the 2009-2010 budget
Tuesday, June 9, 2009	Village Council adopts the 2009-2010 budget
Wednesday, July 1, 2009	The budget is implemented
Friday, July 10, 2009	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 *Organizational Commitment*. 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 are communicated to department leaders to 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. The approved CIP is the foundation upon which the capital outlay budget is developed each year. Departments which request capital items in their annual budget that were not approved in the CIP are required to submit additional information justifying the request.

Phase III

In January, the Financial Services Department compiles the Budget Manual and worksheets used by departments in making their budget requests. All capital items that were approved the CIP are pre-loaded into the departmental capital worksheets. In February, the Financial Services Department releases the 2009-2010 Budget Manual to 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 30th of each year, a balanced budget must be adopted.



Budget Requirements

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

The budget is prepared using the modified accrual method of accounting for all funds. This approach to accounting recognizes revenues when they become measurable and expenditures at the time liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered shall lapse. The Village of Pinehurst uses the modified accrual method as the basis for budgeting and for accounting.

The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) controls how municipalities budget and spend money. The major effects of the LGBFCA on the budgetary process are as follows:

Budget Calendar

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (G.S. 159-10 through 13). These dates are as follows:

- Departmental requests must be submitted to the budget officer by April 30.
- Revenue requests must be submitted to the budget officer by April 30.
- The recommended annual budget must be submitted to the Governing Board by June 1.
- The Governing Board must adopt the annual budget ordinance by June 30.

Budget Forms and Procedures

The budget officer must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests “shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe.” G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

Departmental Requests

G.S. 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

Recommended Budget

G.S. 159-11 requires that the budget officer’s recommended budget be balanced unless the Governing Board insists that an unbalanced budget be submitted. **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.** 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.



Budget Requirements

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

Board Review

Once the recommended budget is presented to the Governing Board, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least 10 days must pass between the submission of the recommended budget and adoption of the budget ordinance.
- On the same day the budget is submitted to the Governing Board, the Budget Officer must file a copy of it in the Village Clerk's Office where it is made available to the public and press.
- The Village Clerk must publish a notice that the budget has been delivered to the Governing Board and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the time between submission and adoption, the Governing Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meeting Law (G.S. 143-318.9 through 318.18) applies to the budget preparation and adoption process.

Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, and the property tax levy as well as rate.

Budget Adoption and Amendment

The operations conducted by the Village are guided by the annual budget ordinance adopted in accordance with the provisions of the North Carolina Local Government Budget and Fiscal Control Act. The Budget Ordinance must be balanced and adopted prior to the beginning of the Fiscal Year. Adoption of the budget by the Village Council establishes the legal authority to incur expenditures in the ensuing fiscal year.

After the adoption of the Budget Ordinance, the Village Manager (Budget Officer) is authorized to transfer appropriations between line-item expenditures within a department without making an official report to the Village Council. He may also transfer amounts not to exceed \$10,000 between functional areas, including contingency appropriations, within the same fund. These transfers, however, require an official report at the next regular meeting of the Village Council. All other revisions or budget amendments must be approved by the Village Council through legislative action.



Budget Format

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:

Adopted budget for the the current fiscal year, as amended through February 28. The fiscal year begins July 1 of each calendar year.

Audited data from the last completed fiscal year.

Amounts the Village expects to expend for the entire fiscal year.

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 162,370	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	258,385	300,000	296,540	310,500	3.5%
Capital	32,277	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 453,032	\$ 480,000	\$ 473,075	\$ 495,500	3.2%

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

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



Budget Format

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 162,370	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	258,385	300,000	296,540	310,500	3.5%
Capital	32,277	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 453,032	\$ 480,000	\$ 473,075	\$ 495,500	3.2%

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

All expenditures not directly related to Salaries & Benefits or Capital.

Includes expenditures for land, buildings, equipment, vehicles, and other expenditures exceeding \$5,000, with a life expectancy of more than 1 year.

Some departments do not have activity in all categories and the reader will note that they are not included in the summary. For example, the Powell Bill department does not have any employees and therefore, does not show any Salaries & Benefits. The same is noted for revenues as each department is funded by different revenue sources.

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 2007-08 Actual	FY 2008-09 Actual	FY 2008-09 Estimated	FY 2009-10 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.



Budget Format

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 **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).



VILLAGE OF PINEHURST Budget Ordinance Fiscal Year 2009-2010

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 9th day of June 2009 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, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for this Village:

OPERATING EXPENDITURES:

Governing Body	\$ 287,400
Administration	884,640
Financial Services	537,110
Human Resources	300,140
Police	2,523,120
Fire	2,188,920
Inspections	225,600
Public Services	327,450
Streets & Grounds	880,500
Powell Bill	765,000
Solid Waste	1,091,685
Planning	669,945
Engineering	347,680
Recreation	867,900
Harness Track	513,785
Fair Barn	278,380
Contingency	50,000
Non-Departmental	66,250
Debt Service	999,762
Other Financing Uses	<u>340,000</u>

Total Operating Expenditures \$ 14,145,267



Annual Budget Ordinance

CAPITAL EXPENDITURES:

Administration	\$ 85,000
Police	181,500
Fire	549,300
Streets & Grounds	20,000
Solid Waste	145,000
Engineering	130,000
Recreation	61,000
Harness Track	<u>30,000</u>

Total Capital Expenditures \$ 1,201,800

TOTAL EXPENDITURES \$ 15,347,067

SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Ad Valorem Tax Revenue	\$ 7,979,550
Other Taxes and Licenses	2,536,000
Unrestricted Intergovernmental Revenue	961,200
Restricted Intergovernmental Revenue	383,000
Permits and Fees	925,250
Sales and Services	404,860
Other Revenues	143,275
Investment Income	71,605
Other Financing Sources	855,620
Appropriated Fund Balance	<u>1,086,707</u>

TOTAL REVENUES \$ 15,347,067

SECTION 3. The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2009, and ending June 30, 2010 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Future Recreation \$ 120

SECTION 4. It is estimated that the following revenues will be available in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2009, and ending June 30, 2010:

Investment Income \$ 120



Annual Budget Ordinance

SECTION 5. The following amounts are hereby appropriated in the Residential Assurance Interest Special Revenue Fund for the fiscal year beginning July 1, 2009, and ending June 30, 2010 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Beautification	\$ <u>3,000</u>
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SECTION 6. 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, 2009, and ending June 30, 2010:

Investment Income	\$ <u>3,000</u>
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SECTION 7. The following amounts are hereby appropriated in the Municipal Service District Special Revenue Fund for the fiscal year beginning July 1, 2009, and ending June 30, 2010 in accordance with the chart of accounts heretofore approved for the Village:

Operating Expenditures	\$ 4,453
Transfer to General Fund	<u>15,620</u>

TOTAL EXPENDITURES	\$ <u>20,073</u>
--------------------	------------------

SECTION 8. 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, 2009, and ending June 30, 2010:

Ad Valorem Tax Revenue	\$ 4,153
Assessments	15,620
Investment Income	<u>300</u>

TOTAL REVENUES	\$ <u>20,073</u>
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SECTION 9. The following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2009, and ending June 30, 2010 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Capital	\$ 10,000
Transfer to General Fund	<u>340,000</u>

TOTAL REVENUES	\$ <u>350,000</u>
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Annual Budget Ordinance

SECTION 10. It is estimated that the following revenues will be available in the General Capital Reserve Fund for the fiscal year beginning July 1, 2009, and ending June 30, 2010:

Investment Income	\$ 10,000
Transfer from the General Fund	<u>340,000</u>
TOTAL EXPENDITURES	<u>\$ 350,000</u>

SECTION 11. 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, 2009, 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 \$2,859,000,000 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, 2009, 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 \$6,921,070 and an estimated collection rate of 100.0%.

SECTION 12. 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 13. 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;



Annual Budget Ordinance

- 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 14. 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 9th day of June, 2009

(Municipal Seal)

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By:

George P. Lane, Mayor

Attest:

Linda S. Brown, Village Clerk

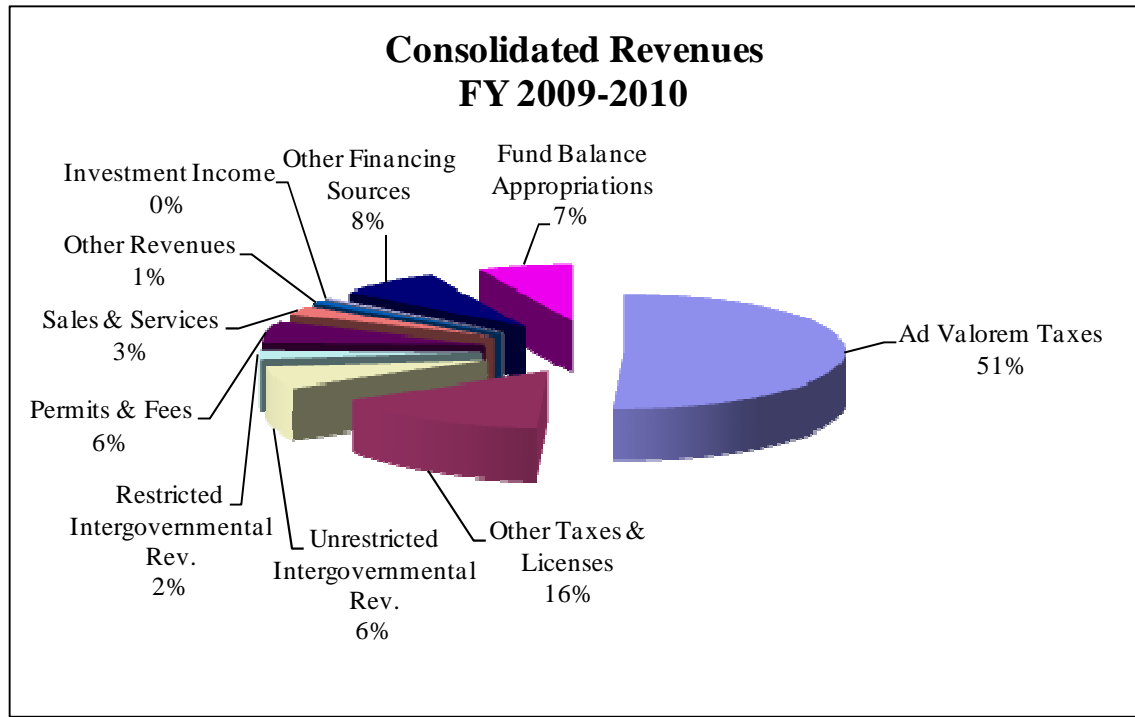
Approved as to form:

Michael J. Newman, Village Attorney



Consolidated Budget Summary

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

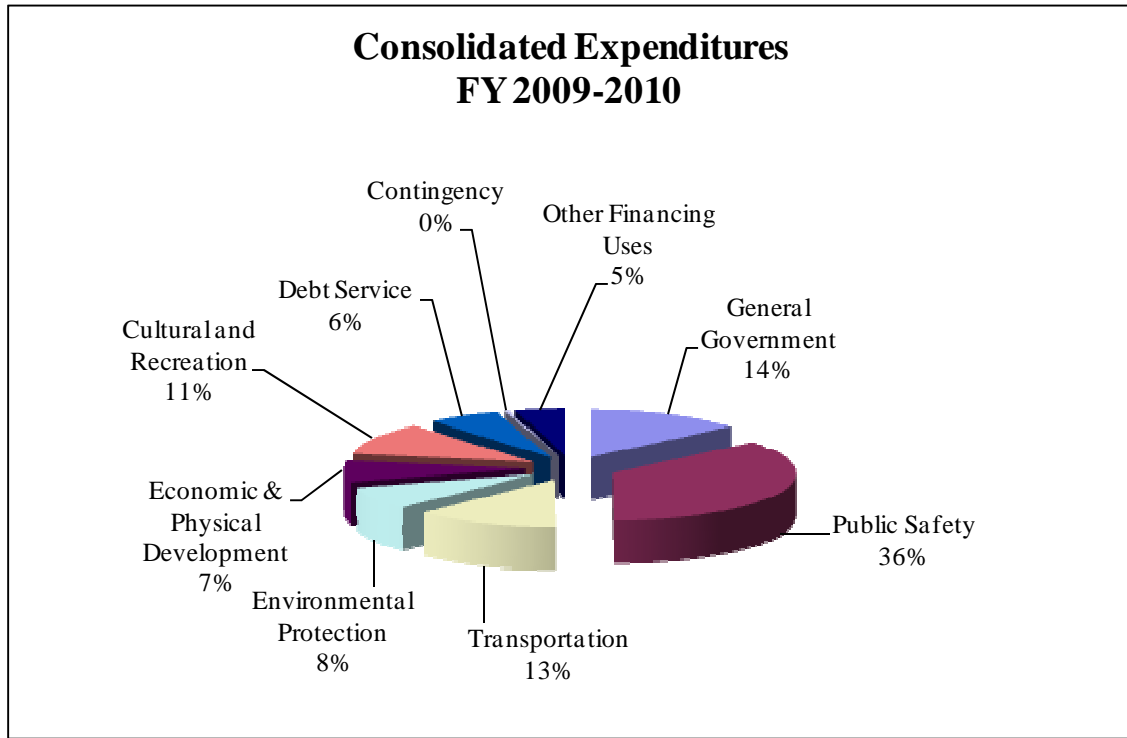


Consolidated Revenues	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Ad Valorem Taxes	\$ 7,785,759	\$ 8,018,383	\$ 7,920,158	\$ 7,983,703	0.8%
Other Taxes & Licenses	2,591,313	2,645,000	2,571,000	2,536,000	-1.4%
Unrestricted Intergovernmental Rev.	904,898	882,600	922,450	961,200	4.2%
Restricted Intergovernmental Rev.	624,261	515,900	513,525	383,000	-25.4%
Permits & Fees	1,071,151	1,002,220	986,073	925,250	-6.2%
Sales & Services	400,419	382,300	429,988	404,860	-5.8%
Other Revenues	176,961	163,096	195,504	158,895	-18.7%
Investment Income	306,007	185,300	128,743	84,455	-34.4%
Operating Revenues	13,860,769	13,794,799	13,667,441	13,437,363	-1.7%
Other Financing Sources	767,910	1,302,454	796,796	1,195,620	50.1%
Fund Balance Appropriations	-	1,063,100	-	1,086,707	100.0%
Total Revenues	\$ 14,628,679	\$ 16,160,353	\$ 14,464,237	\$ 15,719,690	8.7%
Per Capita	\$ 1,293	\$ 1,389	\$ 1,243	\$ 1,323	



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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Government	\$ 2,214,298	\$ 2,206,890	\$ 1,919,763	\$ 2,170,540	13.1%
Public Safety	4,819,675	5,669,231	4,927,967	5,668,440	15.0%
Transportation	1,930,192	2,052,475	1,908,872	1,992,950	4.4%
Environmental Protection	1,166,982	969,260	886,058	1,241,138	40.1%
Economic & Physical Development	1,146,072	1,562,485	1,321,031	1,150,125	-12.9%
Cultural and Recreation	1,370,156	1,897,866	1,852,229	1,751,115	-5.5%
Debt Service	1,018,709	1,003,354	1,003,219	999,762	-0.3%
Contingency	-	37,600	-	50,000	100.0%
Operating Expenditures	13,666,084	15,399,161	13,819,139	15,024,070	8.7%
Other Financing Uses	776,145	761,192	1,011,192	695,620	-31.2%
Total Expenditures	\$ 14,442,229	\$ 16,160,353	\$ 14,830,331	\$ 15,719,690	6.0%
Per Capita	\$ 1,276	\$ 1,389	\$ 1,275	\$ 1,323	

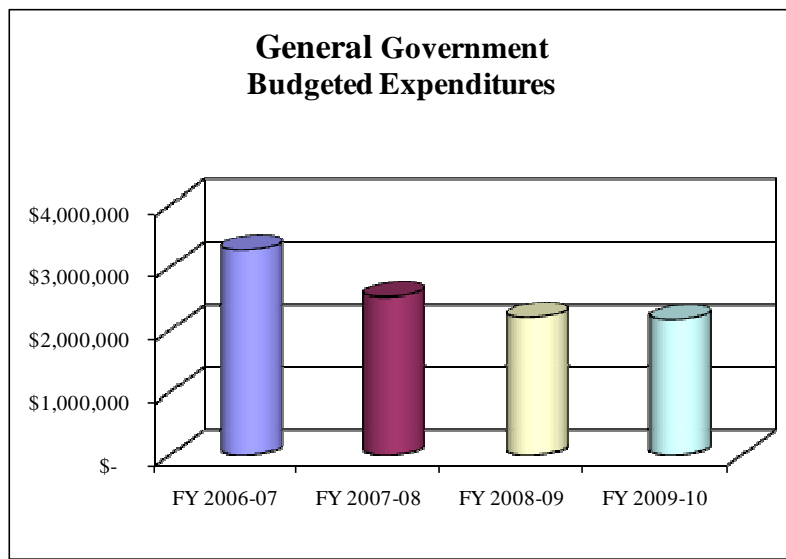


Consolidated Budget Summary

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 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 3,271,508	\$ 2,520,140	\$ 2,206,890	\$ 2,170,540
Dollar Change	2,175,799	(751,368)	(313,250)	(36,350)
Percent Change	198.6%	-23.0%	-12.4%	-1.6%

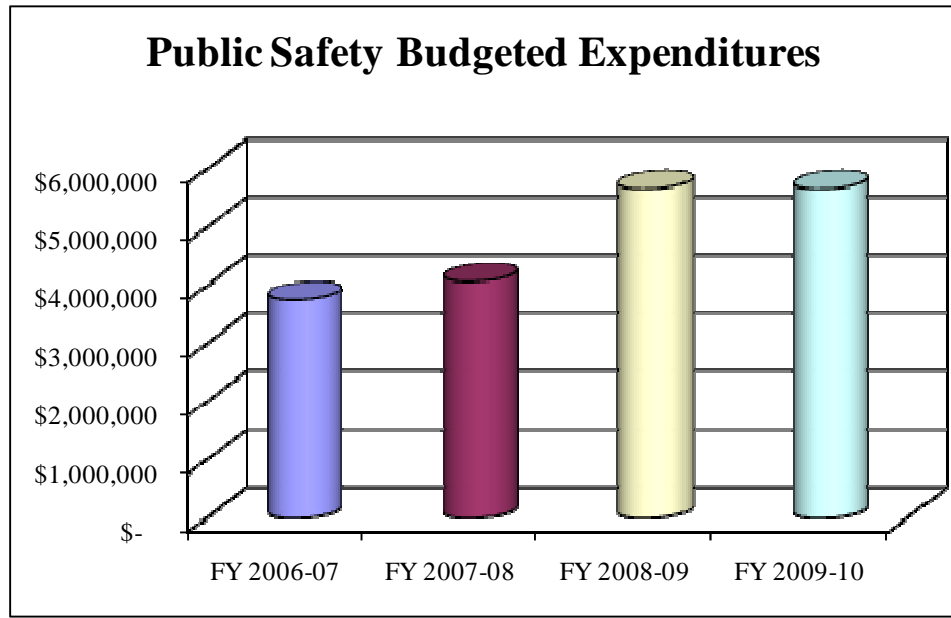
General Government Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Wages	\$ 803,111	\$ 846,500	\$ 823,400	\$ 865,000	5.1%
Operating	1,396,993	1,337,280	1,079,853	1,220,540	13.0%
Capital	14,194	23,110	16,510	85,000	414.8%
Total Expenditures	\$ 2,214,298	\$ 2,206,890	\$ 1,919,763	\$ 2,170,540	13.1%

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

Other Funds Included: Capital Reserve Fund



Consolidated Budget Summary



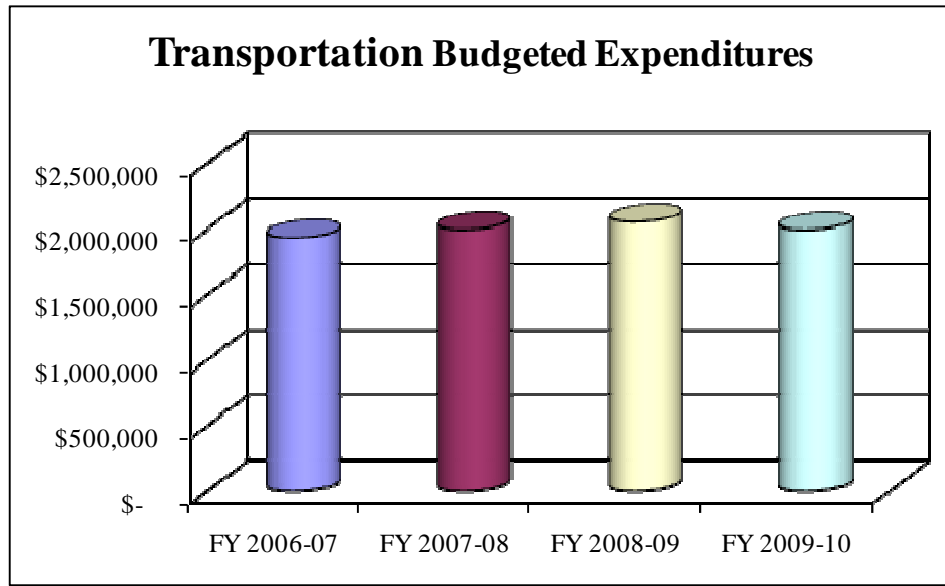
Public Safety	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 3,768,557	\$ 4,079,172	\$ 5,669,231	\$ 5,668,440
Dollar Change	773,707	310,615	1,590,059	(791)
Percent Change	25.8%	8.2%	39.0%	0.0%

Public Safety Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Wages	\$ 2,705,249	\$ 2,849,920	\$ 2,772,000	\$ 2,856,810	3.1%
Operating	1,799,484	2,095,161	1,946,317	2,080,830	6.9%
Capital	314,942	724,150	209,650	730,800	248.6%
Total Expenditures	\$ 4,819,675	\$ 5,669,231	\$ 4,927,967	\$ 5,668,440	15.0%

General Fund Departments/Divisions: Police, Fire, Inspections



Consolidated Budget Summary



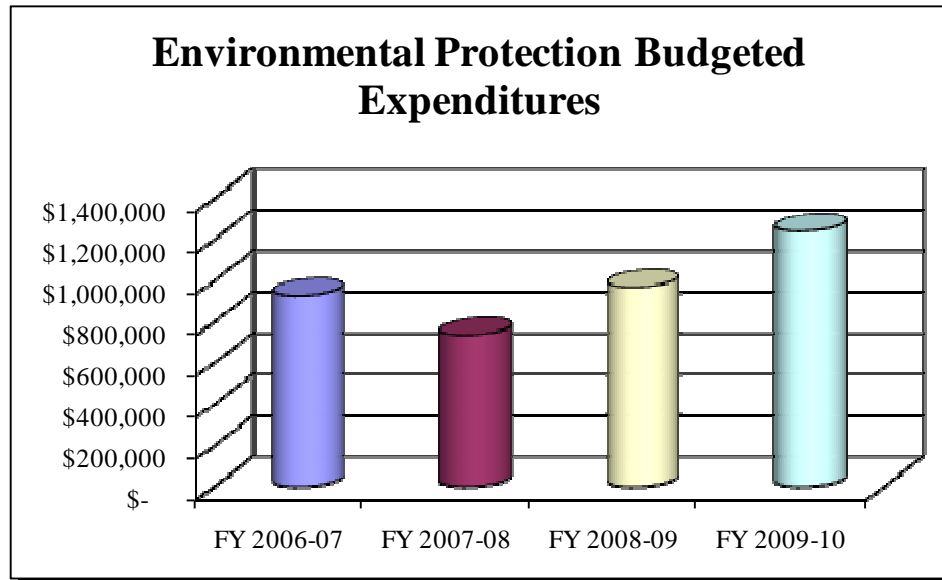
Transportation	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 1,933,270	\$ 1,994,934	\$ 2,052,475	\$ 1,992,950
Dollar Change	403,761	61,664	57,541	(59,525)
Percent Change	26.4%	3.2%	2.9%	-2.9%

Transportation Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Wages	\$ 454,010	\$ 548,500	\$ 478,800	\$ 565,500	18.1%
Operating	1,404,532	1,402,975	1,329,072	1,407,450	5.9%
Capital	71,650	101,000	101,000	20,000	-80.2%
Total Expenditures	\$ 1,930,192	\$ 2,052,475	\$ 1,908,872	\$ 1,992,950	4.4%

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



Consolidated Budget Summary



Environmental Protection	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 927,938	\$ 736,999	\$ 969,260	\$ 1,241,138
Dollar Change	225,639	(190,939)	232,261	271,878
Percent Change	32.1%	-20.6%	31.5%	28.1%

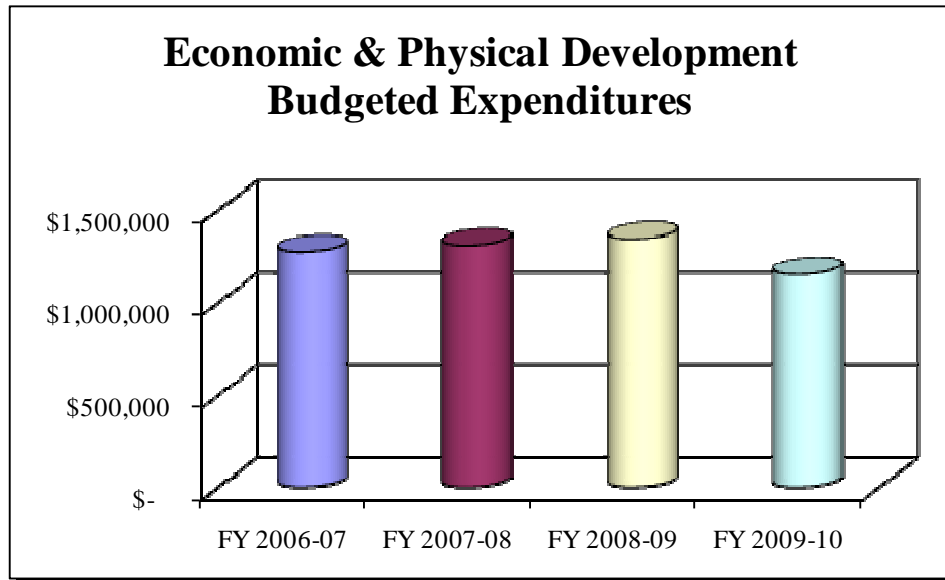
Environmental Protection Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2007-08 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Wages	\$ 232,873	\$ 256,000	\$ 230,300	\$ 273,000	18.5%
Operating	627,133	598,260	552,757	823,138	48.9%
Capital	306,976	115,000	103,001	145,000	100.0%
Total Expenditures	\$ 1,166,982	\$ 969,260	\$ 886,058	\$ 1,241,138	40.1%

General Fund Departments/Divisions: Solid Waste

Other Funds Included: Municipal Service District



Consolidated Budget Summary



Economic & Physical Dev	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 1,273,135	\$ 1,306,776	\$ 1,341,779	\$ 1,150,125
Dollar Change	550,398	33,641	35,003	(191,654)
Percent Change	76.2%	2.6%	2.7%	-14.3%

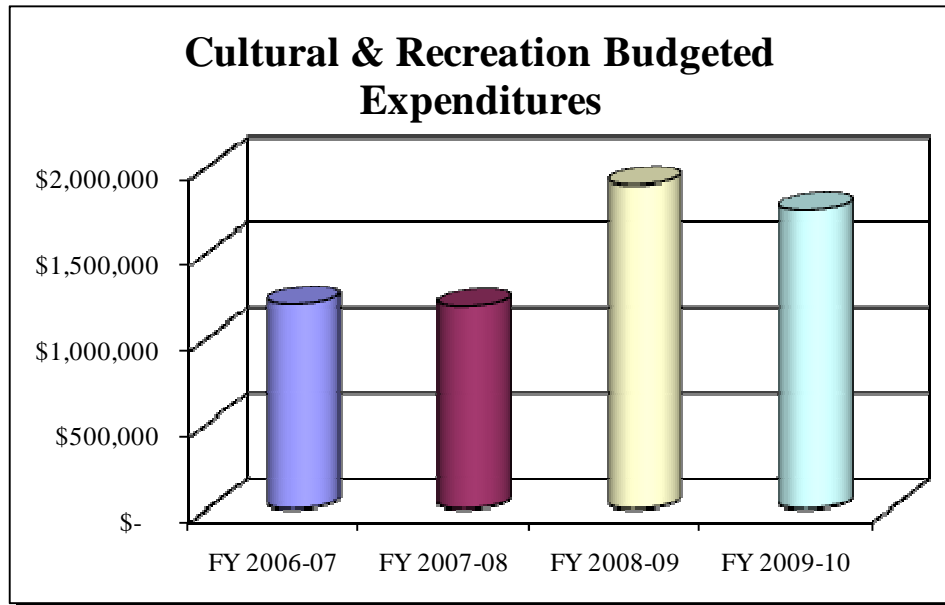
Economic & Physical Dev. Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2007-08 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Wages	\$ 460,193	\$ 478,000	\$ 481,500	\$ 527,000	9.4%
Operating	530,251	673,779	539,531	493,125	-8.6%
Capital	155,628	190,000	300,000	130,000	-56.7%
Total Expenditures	\$ 1,146,072	\$ 1,341,779	\$ 1,321,031	\$ 1,150,125	-12.9%

General Fund Departments/Divisions: Planning, Engineering

Other Funds Included: Residential Assurance Fund – Interest



Consolidated Budget Summary



Cultural & Recreation	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 1,200,365	\$ 1,186,765	\$ 1,897,866	\$ 1,751,115
Dollar Change	(438,587)	(13,600)	711,101	(146,751)
Percent Change	-26.8%	-1.1%	59.9%	-7.7%

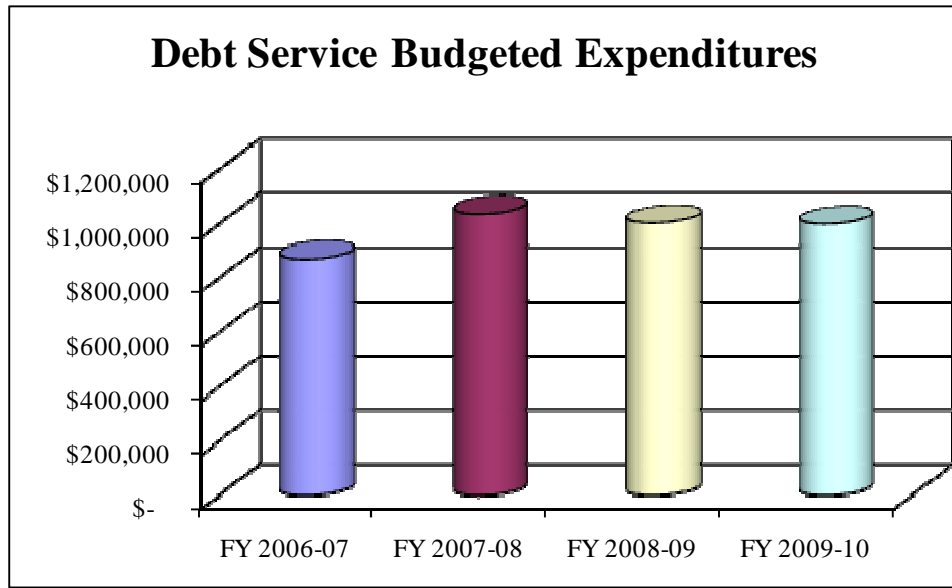
Cultural & Recreation Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2007-08 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Wages	\$ 344,697	\$ 394,855	\$ 413,100	\$ 453,250	9.7%
Operating	815,157	1,052,628	1,005,796	1,206,865	20.0%
Capital	210,302	450,383	433,333	91,000	-79.0%
Total Expenditures	\$ 1,370,156	\$ 1,897,866	\$ 1,852,229	\$ 1,751,115	-5.5%

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

Other Funds Included: Land Dedication Fund



Consolidated Budget Summary



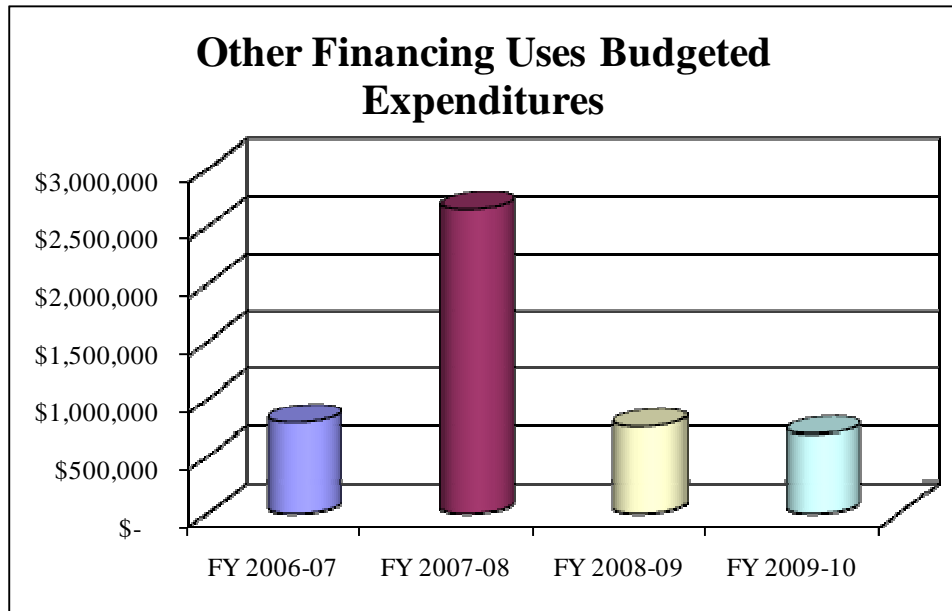
Debt Service	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 870,870	\$ 1,037,545	\$ 1,003,354	\$ 999,762
Dollar Change	(58,745)	166,675	(34,191)	(3,592)
Percent Change	-6.3%	19.1%	-3.3%	-0.4%

Debt Service Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2007-08 Estimated	FY 2009-10 Budgeted	Percent Change
Operating	\$ 1,018,709	\$ 1,003,354	\$ 1,003,219	\$ 999,762	-0.3%
Total Expenditures	\$ 1,018,709	\$ 1,003,354	\$ 1,003,219	\$ 999,762	-0.3%

Funds with Debt Service: General Fund



Consolidated Budget Summary



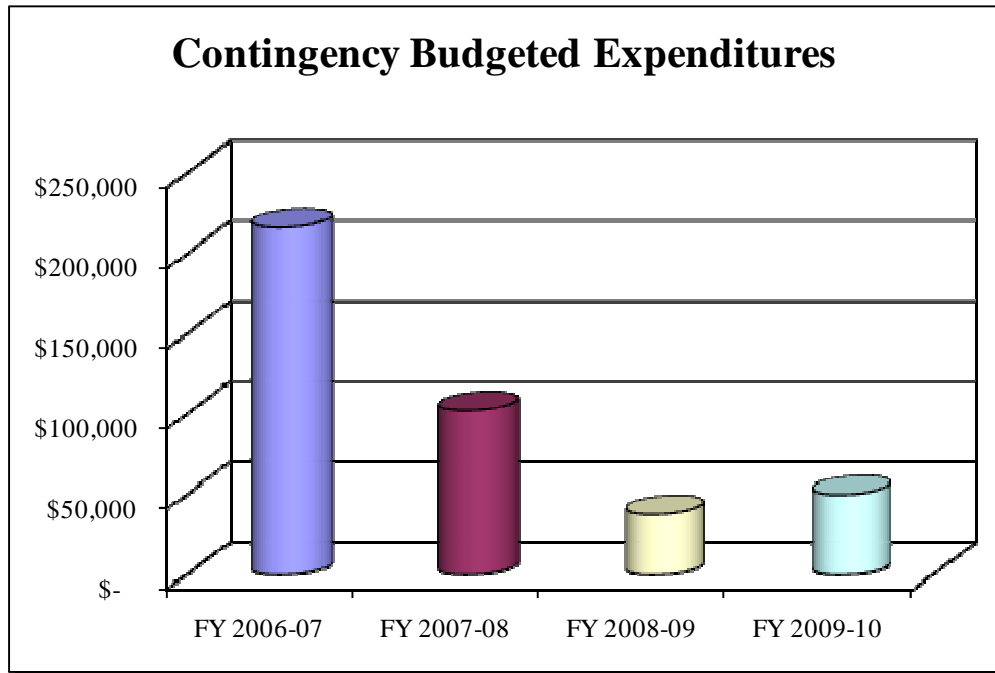
Other Financing Uses	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 797,235	\$ 2,656,735	\$ 761,192	\$ 695,620
Dollar Change	332,235	1,859,500	(1,895,543)	(65,572)
Percent Change	71.4%	233.2%	-71.3%	-8.6%

Other Financing Uses Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2007-08 Estimated	FY 2009-10 Budgeted	Percent Change
Operating	\$ 776,145	\$ 761,192	\$ 1,011,192	\$ 695,620	-31.2%
Total Expenditures	\$ 776,145	\$ 761,192	\$ 1,011,192	\$ 695,620	-31.2%

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



Consolidated Budget Summary



Contingency	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Budgeted Amount	\$ 216,495	\$ 102,400	\$ 37,600	\$ 50,000
Dollar Change	213,950	(114,095)	(64,800)	12,400
Percent Change	8406.7%	100.0%	-63.3%	33.0%

Contingency Expenditures	FY 2007-08 Actual	FY 2008-09 Budget	FY 2007-08 Estimated	FY 2009-10 Budgeted	Percent Change
Operating	\$ -	\$ 37,600	\$ -	\$ 50,000	100.0%
Total Expenditures	\$ -	\$ 37,600	\$ -	\$ 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:

Fund Balances	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated
General Fund	\$ 5,539,289	\$ 5,093,169	\$ 5,328,960	\$ 5,065,416
Land Dedication Fund	6,047	5,692	5,934	96
Residential Assurance - Interest Fund	11,676	17,868	4,602	7,602
Municipal Service District Fund	6,323	9,546	12,710	12,193
Capital Reserve Fund	160,487	248,891	209,420	110,300
Fund Totals	\$ 5,723,822	\$ 5,375,166	\$ 5,561,626	\$ 5,195,607

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 exceeds this budget variance amount by \$312,000. If this historical trend continues for FY 2009-10, the current fund balance level will decrease approximately 6%. This amount of fund balance is equivalent to 30.97% of budgeted expenditures in accordance with the Village's Fund Balance Policy. The Capital Reserve Fund is increasing 9% 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 33% due to additional funds being available for investment.

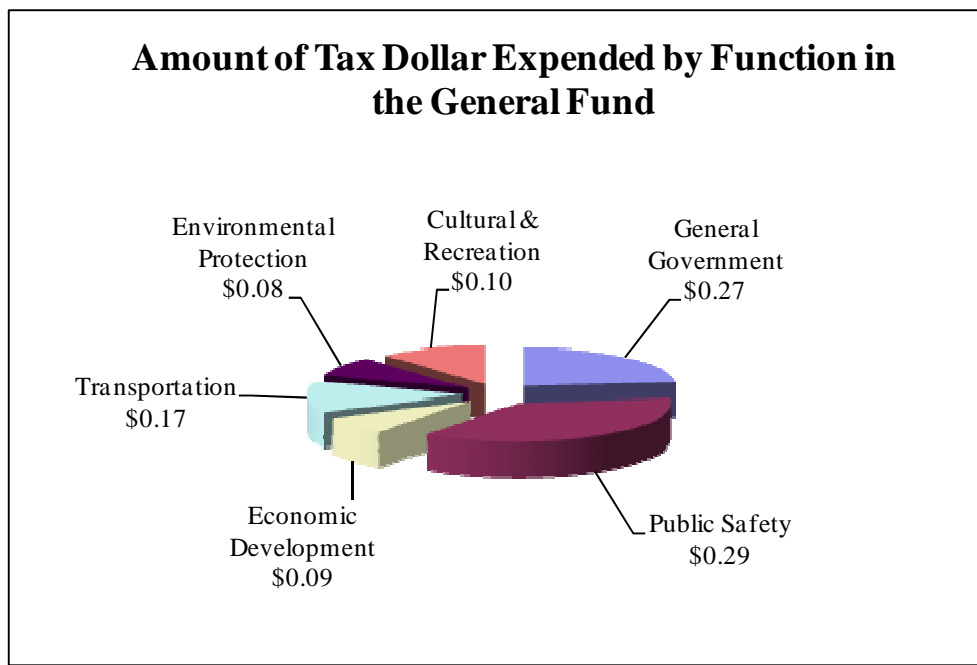
Fund Balances	FY 2008-09 Estimated	Increases/ (Decreases)	FY 2009-10 Estimated	% Increase/ (% Decrease)
General Fund	\$ 5,065,416	\$ (312,384)	\$ 4,753,032	-6%
Land Dedication Fund	96	50	146	52%
Residential Assurance - Interest Fund	7,602	2,500	10,102	33%
Municipal Service District Fund	12,193	-	12,193	0%
Capital Reserve Fund	110,300	10,000	120,300	9%
Fund Totals	\$ 5,195,607	\$ (299,834)	\$ 4,895,773	-6%



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 2009-2010 is approximately \$15,350,000, a decrease of 2.1% over the previous year's budget. This decrease includes an overall reduction in operating revenues and expenditures and requires the use of fund balance to maintain the current level of services 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>
6/30/05 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 Actual	13,811,328	13,663,457	147,871
6/30/09 Estimated	13,615,659	13,814,199	(198,540)
6/30/10 Budgeted	13,404,740	15,007,067	(1,602,327)

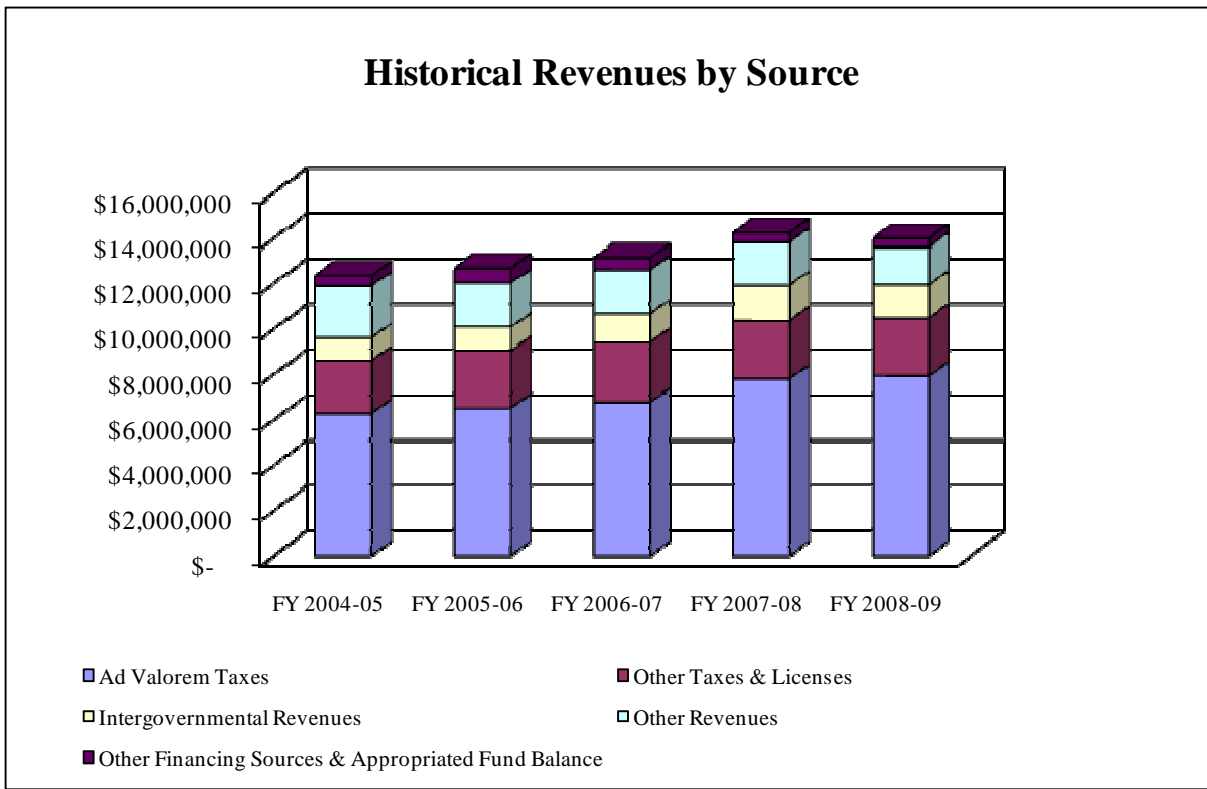
The FY 2009-2010 Budget recommends maintaining the current ad valorem tax rate of \$0.28 per \$100 valuation. This is expected to generate \$7,979,550 in ad valorem tax revenues. After subtracting other net financing uses of \$340,000 from expenditures and adding other financing sources of \$855,620 and appropriated fund balance of \$1,086,707 to revenues, the Village's FY 2009-2010 Recommended Budget is balanced in accordance with North Carolina General Statutes.

Revenues

General Fund Revenue by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Ad Valorem Taxes	\$ 7,780,483	\$ 8,014,300	\$ 7,916,060	\$ 7,979,550	0.8%
Other Taxes & Licenses	2,591,313	2,645,000	2,571,000	2,536,000	-1.4%
Unrestricted Intergovernmental Rev.	904,898	882,600	922,450	961,200	4.2%
Restricted Intergovernmental Rev.	624,261	515,900	513,525	383,000	-25.4%
Permits & Fees	1,071,151	1,002,220	986,073	925,250	-6.2%
Sales & Services	400,419	382,300	429,988	404,860	-5.8%
Other Revenues	150,574	130,824	163,145	143,275	-12.2%
Investment Income	288,229	176,900	113,418	71,605	-36.9%
Operating Revenues	13,811,328	13,750,044	13,615,659	13,404,740	-1.5%
Other Financing Sources	427,910	871,554	365,896	855,620	133.8%
Fund Balance Appropriations	-	1,057,100	-	1,086,707	100.0%
Total Revenues	\$ 14,239,238	\$ 15,678,698	\$ 13,981,555	\$ 15,347,067	9.8%

Budget Highlights:

The approved budget for FY 2009-2010 represents a 2.1% decrease over the FY 2008-2009 amended budget. Operating revenues are estimated to decrease by approximately 1.5% over FY 2008-2009. Ad Valorem taxes, which represent roughly 51.9% of total revenues, have historically increased by a rate of approximately 4% annually. However, due to the continued recession affecting the housing market, Ad Valorem taxes are expected to increase at a rate of approximately 1%. Interest rates for the upcoming year are expected to decline significantly causing investment income to be down 36.9%. The low investment rates are due to the continued reduction in short-term interest rates by the Federal Reserve.



Expenditures

General Fund Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 6,674,989	\$ 7,247,815	\$ 6,917,042	\$ 7,512,060	8.6%
Operating	4,896,067	5,172,280	4,730,444	5,293,445	11.9%
Capital	1,073,692	1,824,349	1,163,494	1,201,800	3.3%
Debt Service	1,018,709	1,003,354	1,003,219	999,762	-0.3%
Operating Expenditures	13,663,457	15,247,798	13,814,199	15,007,067	8.6%
Other Financing Uses	340,000	430,900	430,900	340,000	-21.1%
Total Expenditures	\$ 14,003,457	\$ 15,678,698	\$ 14,245,099	\$ 15,347,067	7.7%

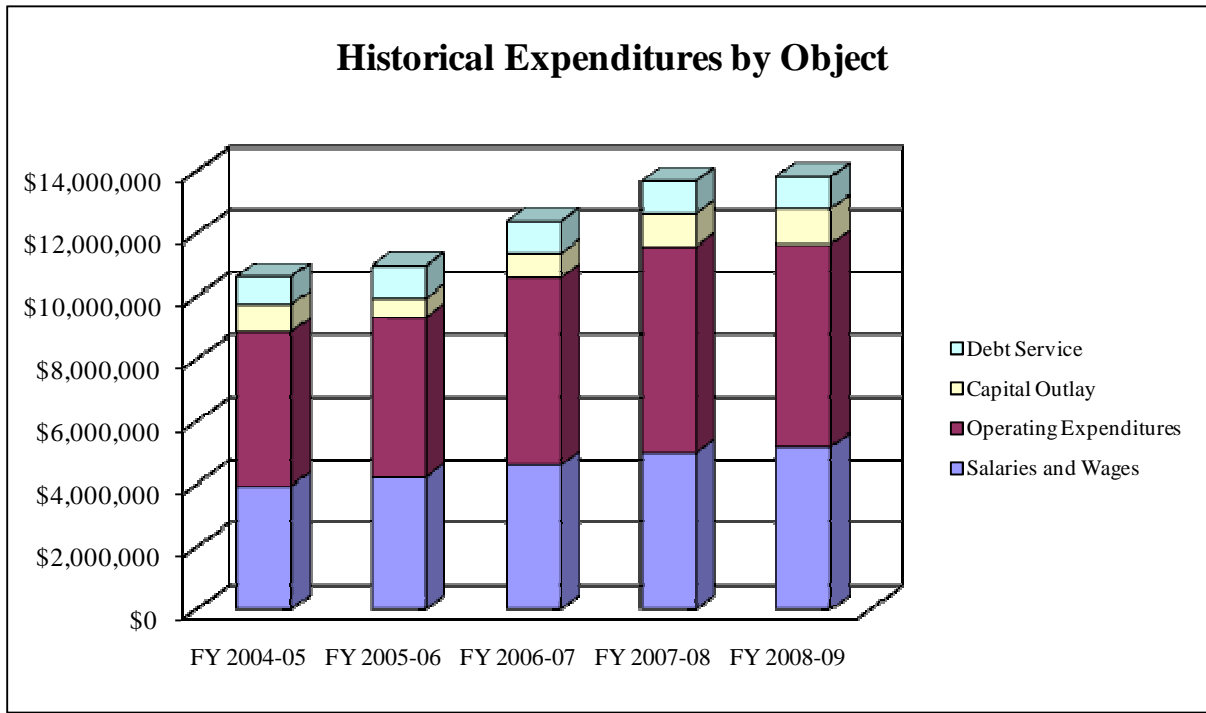
Budget Highlights:

The increase in Salaries & Benefits in FY 2009-2010 is the result of the addition of two new full-time employees to service a large residential area known as Pinewild County Club of Pinehurst that the Village anticipates to annex in the Fall or Winter of 2009. Average merit increases of 3.0%, a projected 15% increase in group insurance, and 35% increase in workers' compensation 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 3.3%. This increase is primarily due to the appropriation of \$500,000 for the replacement of a 1988 fire engine that was deferred from the FY 2008-2009 budget. The balance of the funding is for routine replacement of capital items.



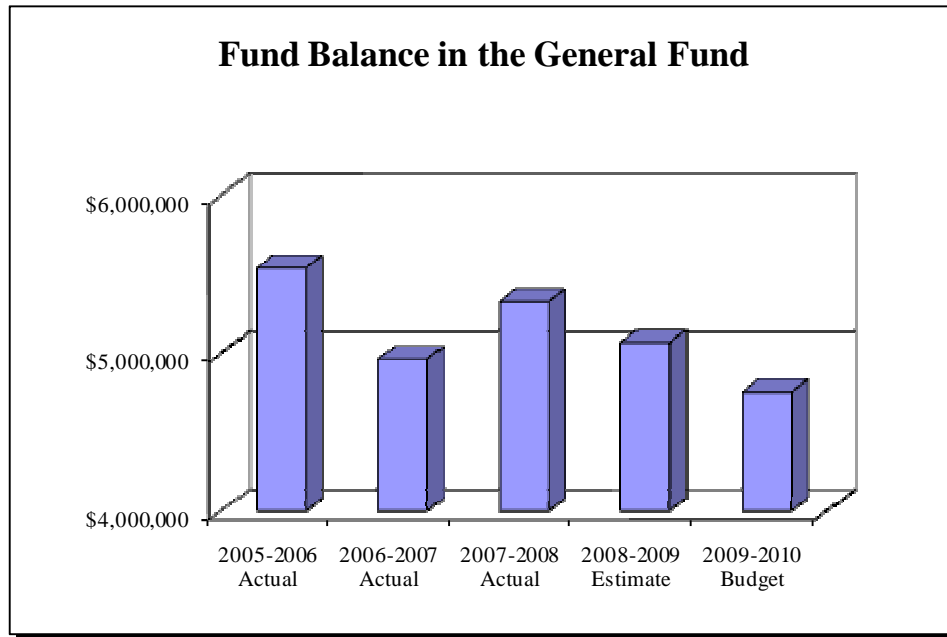
Fund Balance

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 2009-2010 we have appropriated \$1,086,707 of the Village's fund balance as a revenue source. This amount is 2.8% higher than the previous fiscal year

Fund balance is estimated to be \$5,065,416 at June 30, 2009. This is 33.0% of the budgeted FY 2009-2010 expenditures of \$15,347,067. 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 2009-2010. Fund balance at June 30, 2010 is estimated to be \$4,753,032 or 30.9% 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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Real & Personal - Current Year	\$ 7,365,470	\$ 7,576,000	\$ 7,499,888	\$ 7,589,000	1.2%
Real & Personal - Prior Years	1,202	5,000	1,556	5,000	221.3%
Motor Vehicles - Current Year	398,839	427,800	408,848	380,050	-7.0%
Motor Vehicles - Prior Years	8,810	8,000	8,268	8,000	-3.2%
Discounts/Reliefs/Refunds	(4,240)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	10,402	2,500	2,500	2,500	0.0%
Total Ad Valorem Tax Revenue	\$ 7,780,483	\$ 8,014,300	\$ 7,916,060	\$ 7,979,550	0.8%

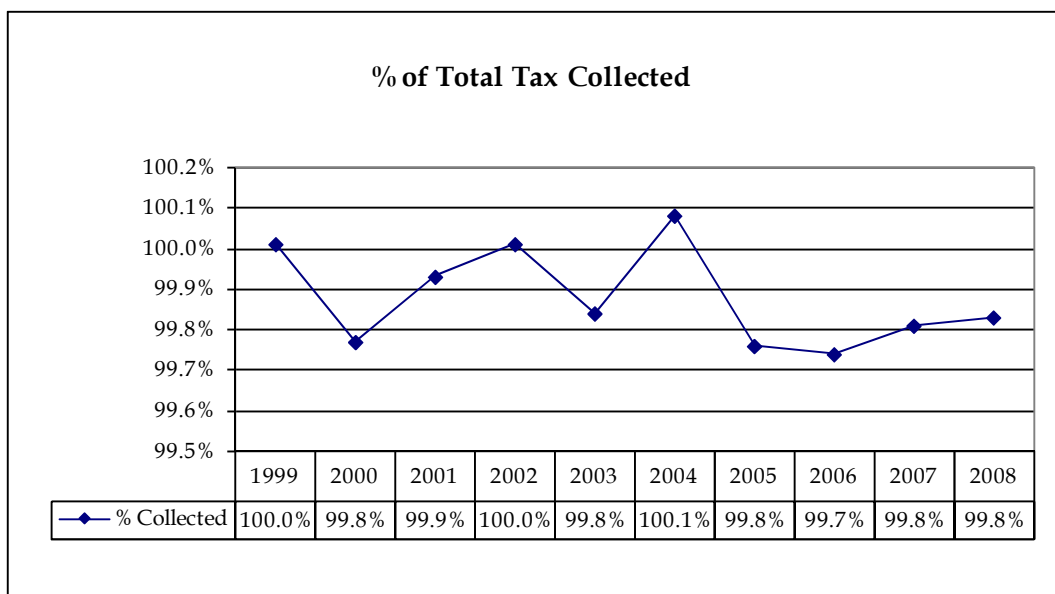
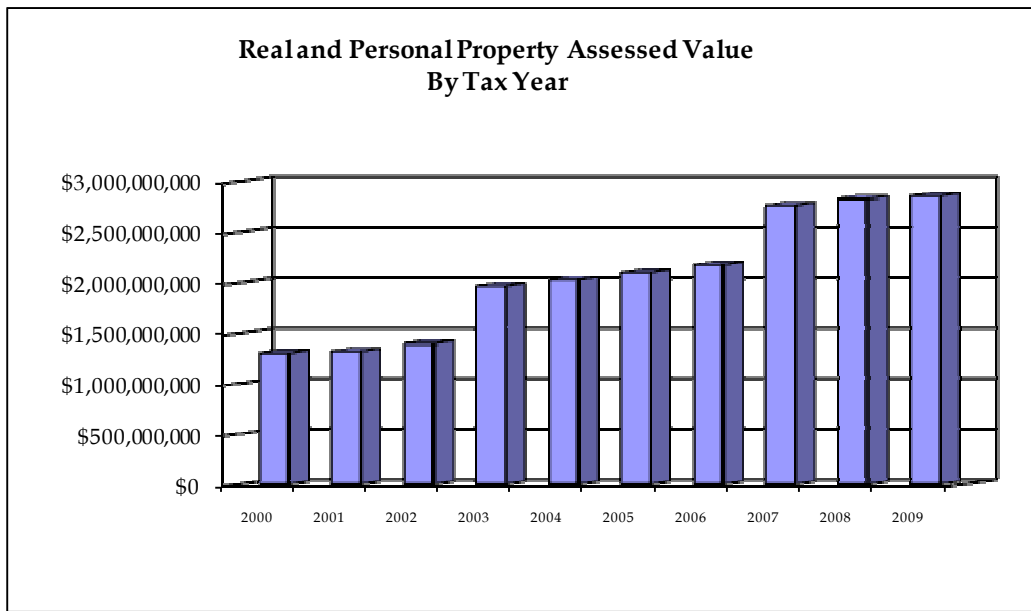
Revenue Assumptions

- 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, 2010. This is expected to generate \$7,589,000 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$2,859,000,000, of which \$2,715,000,000 is real property valuation and \$144,000,000 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 1.0%. The local real estate market has been impacted by the global recession and we are expecting the growth in the residential tax base to be relatively flat. The growth factor for the motor vehicles valuation is also 1.0%.
- The historical collection rates used to determine actual ad valorem tax revenue are 99.9% for real and personal property and 97.0% for motor vehicles. These have historically been some of the highest tax collection rates in the State.





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. In October of 2008 the State eliminated the per capita portion of the Article 44 sales tax and replaced it with a “hold harmless” reimbursement. 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 revenues, excluding those revenues from video services that are now included under the North Carolina cable law. 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.

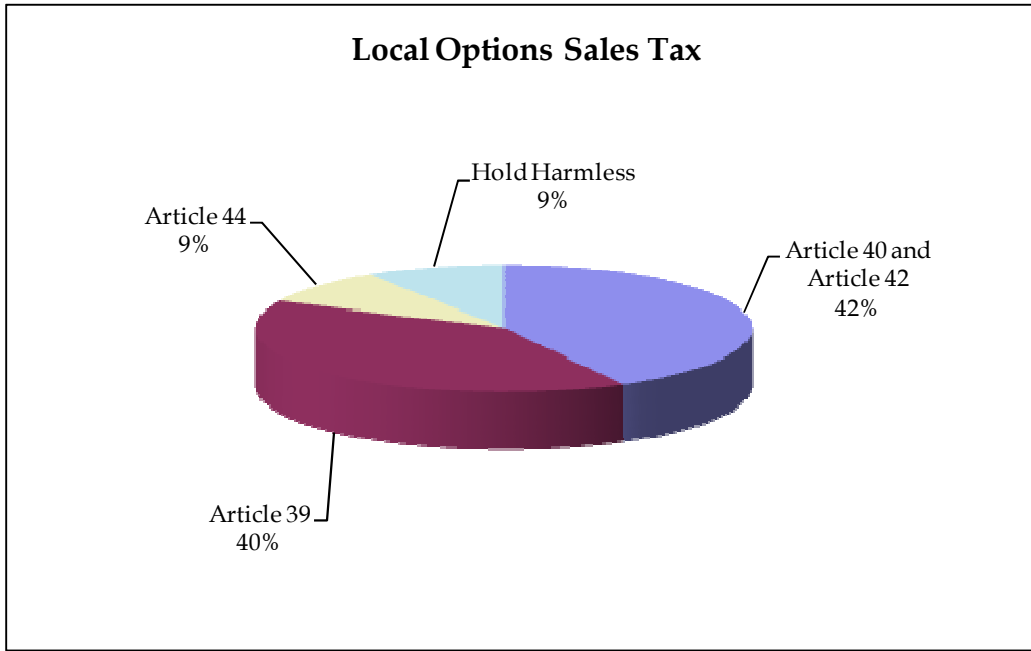
	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Other Taxes & Licenses					
Local Option Sales Tax	\$ 2,557,685	\$ 2,610,000	\$ 2,536,000	\$ 2,500,000	-1.4%
Cablevision Franchise Fees	33,628	35,000	35,000	36,000	2.9%
Total Other Taxes & Licenses	\$ 2,591,313	\$ 2,645,000	\$ 2,571,000	\$ 2,536,000	-1.4%

Revenue Assumptions

- Local Option Sales Tax estimates are based on a combination of the expected statewide growth or loss factor for Articles 39, 40, 42 and 44 adjusted for local economic conditions. 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. Locally, tourism is down and as a result we estimate that local option sales taxes will decrease by approximately 1.4%.
- Cablevision Franchise Fees are estimated to increase slightly from the previous fiscal year. This is the conservative approach until historical data can be accumulated to provide growth patterns for this revenue source. In FY 2007-2008, the North Carolina legislature changed video programming from a locally negotiated fee to a state generated sales tax.



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, Video Programming Sales Tax and Wine & Beer Tax. All four 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.

Video programming sales tax is applied to the gross receipts of cable service and direct-to-home satellite service retailers on the video programming provided to subscribers in the State. Programming provided by, or generally considered comparable to programming provided by, a television broadcast station, regardless of the method of delivery is subject to the tax. Gross receipts are taxed at the combined general sales tax rate.

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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Unrestricted Intergovernmental Revenue					
Telecommunications Tax	\$ 132,722	\$ 132,000	\$ 146,203	\$ 154,000	5.3%
Electricity Franchise Tax	475,929	483,000	474,519	484,000	2.0%
Video Programming Sales Tax	244,121	218,000	248,038	269,000	8.5%
Wine & Beer Tax	52,126	49,600	53,690	54,200	0.9%
Total Unrest. Intergovernmental Rev.	\$ 904,898	\$ 882,600	\$ 922,450	\$ 961,200	4.2%

Revenue Assumptions

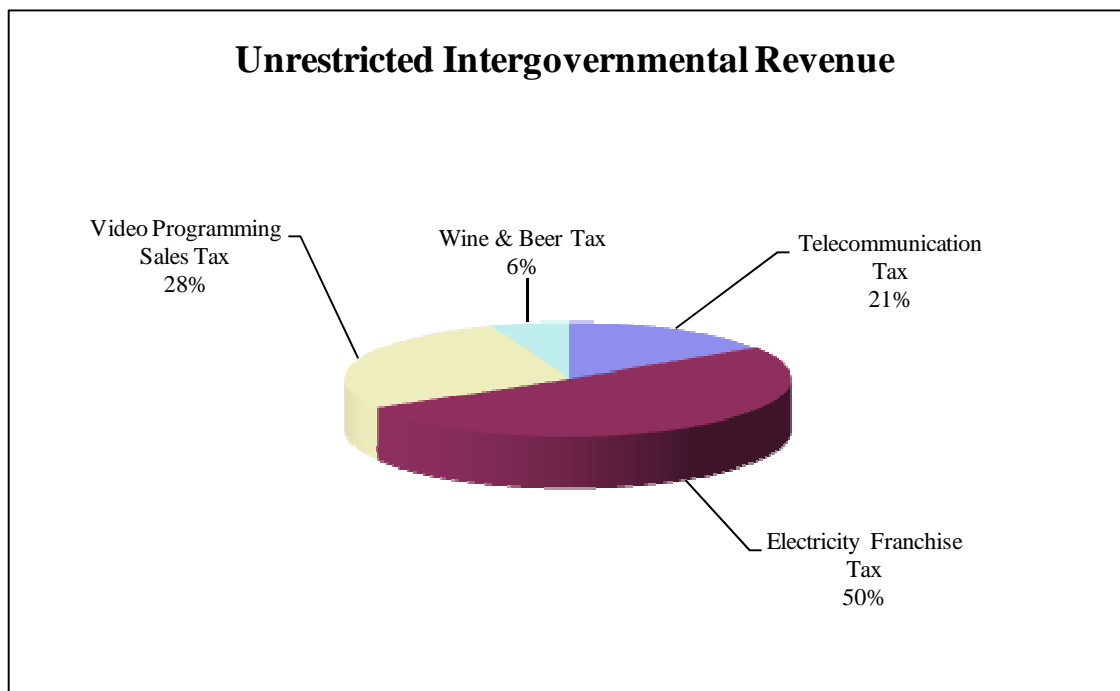
- Telecommunications Taxes are projected based upon growth assumptions provided by the North Carolina League of Municipalities. Based on these estimates, we are expecting a 5.0% increase in revenue for Telecommunications Taxes in FY 2009-10.
- Electricity Franchise Taxes are also projected based upon 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 2.0% in FY 2009-2010.



Unrestricted Intergovernmental Revenues

- Video Programming Sales Taxes are estimated to increase by 8.5% based upon growth assumptions provided by the North Carolina League of Municipalities. A portion of this increase is due to the increase in the State tax rate on telecommunications, satellite and cable that took effect in April 2008.
- Applying the conservative statewide revenue growth assumption for Beer & Wine Tax revenues, these revenues are projected to increase by 1.0% in FY 2009-2010.

The following graph shows that the Village receives approximately 50% 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.

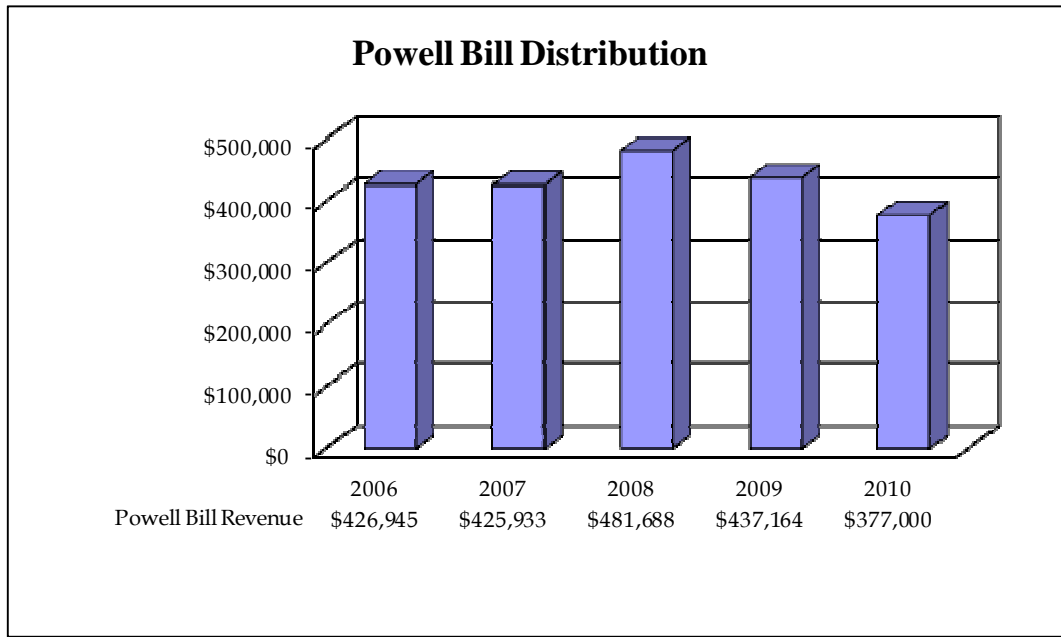
Restricted Intergovernmental Revenue	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Powell Bill	\$ 481,688	\$ 448,000	\$ 437,164	\$ 377,000	-13.8%
Other Grants	142,573	67,900	76,361	6,000	-92.1%
Total Rest. Intergovernmental Rev.	\$ 624,261	\$ 515,900	\$ 513,525	\$ 383,000	-25.4%

Revenue Assumptions

- Given the impact of the slowing economy and decreased demand for gasoline, the per capita rate used in the estimation of Powell Bill revenue is \$18.81, which is down approximately 15.6% from the previous year's actual distribution rate. Additionally, the street mile rate utilized to project the allocation is \$1,475 per street mile maintained, which is down \$225 from the FY 2008-09 distribution. Also, a portion of the 3% sales tax on motor vehicles is included in Powell Bill funding. This has declined sharply over the previous year as motor vehicle sales have languished. Both of these estimated distribution rates were provided by the North Carolina League of Municipalities.
- Under Other Grants, the N.C. Governor's Highway Safety grant for our traffic enforcement team ended in FY 2008-09.



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.

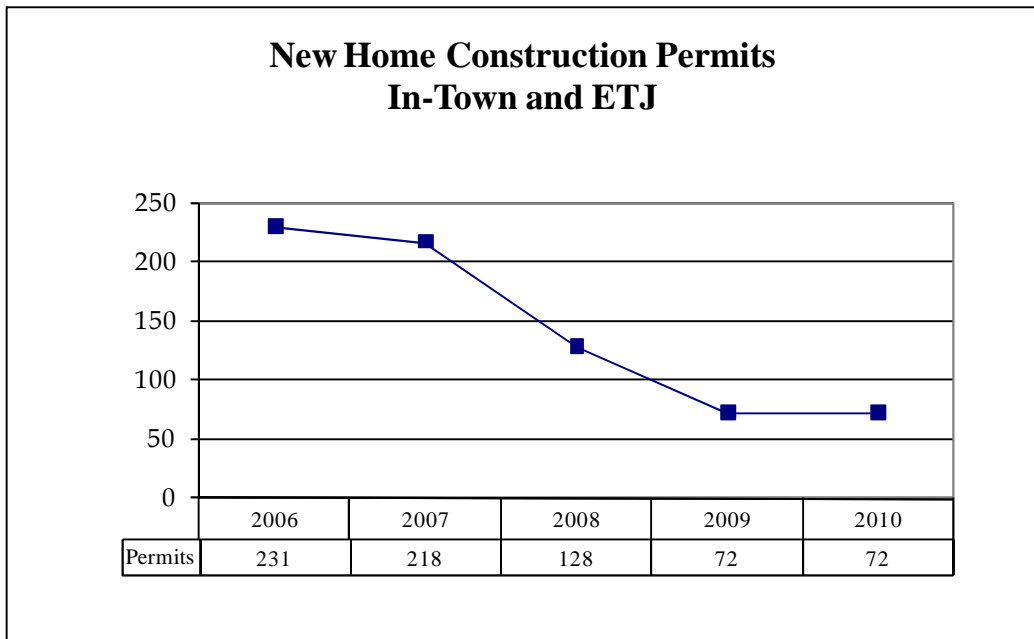
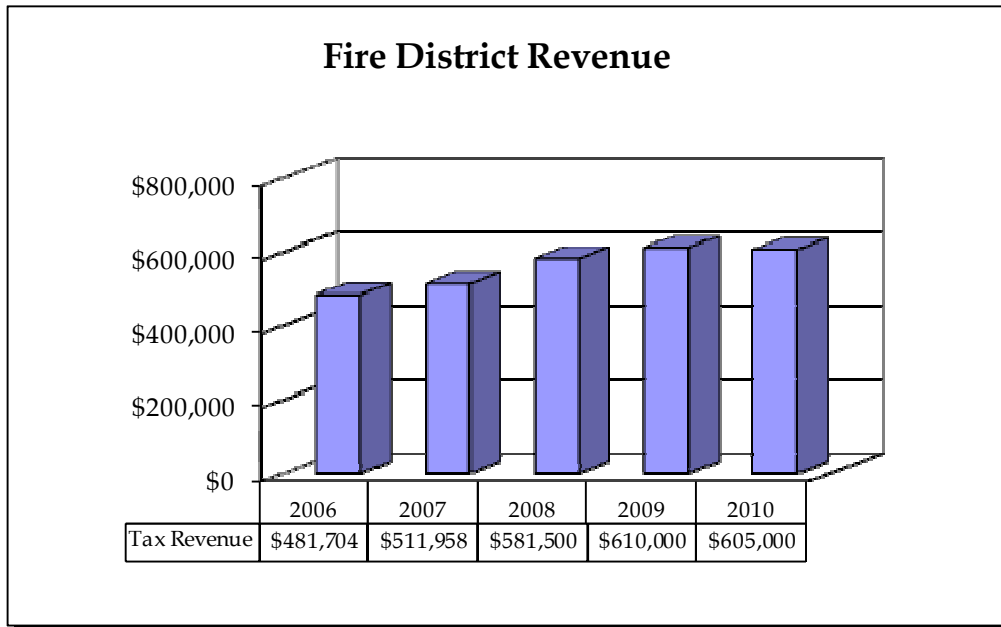
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village's growth is generated 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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Permit & Inspection Fees	\$ 340,128	\$ 328,000	\$ 332,814	\$ 257,500	-22.6%
Planning & Zoning Fees	68,916	51,000	45,000	54,100	20.2%
Fire District Revenue	581,500	610,000	596,185	605,000	1.5%
Other Fees	80,607	13,220	12,074	8,650	-28.4%
Total Permit & Fees	\$ 1,071,151	\$ 1,002,220	\$ 986,073	\$ 925,250	-6.2%

Revenue Assumptions

- Permit & Inspection Fees and Planning & Zoning Fees for residential construction are expected to decline compared to the estimated revenue for FY 2008-2009 as new home construction remains slow. In addition, we do not anticipate any significant new commercial projects to commence during the fiscal year. The Village expects approximately 72 homes to be constructed next year in the Village limits and ETJ which is approximately a 45% decline in new home construction from FY 2007-2008.
- 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 a conservative growth rate of 1.0%.





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 shows 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.

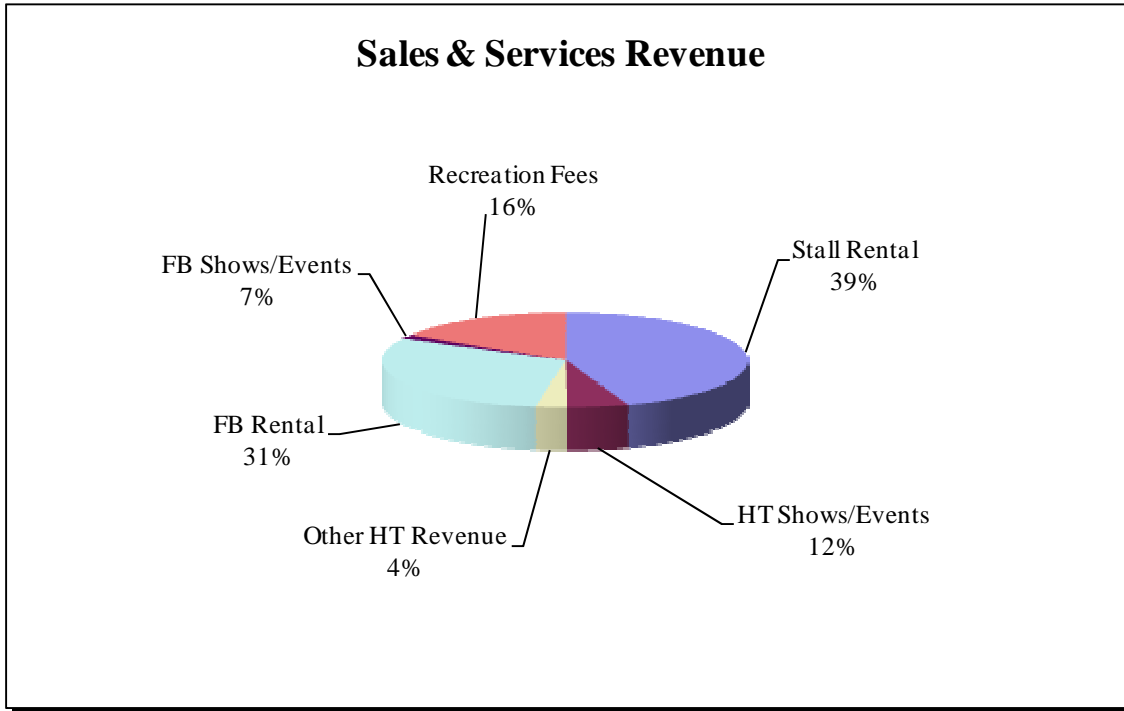
The second primary revenue source in this category is revenue generated from the Village's Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering 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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Stall Rental Revenue	\$ 162,869	\$ 170,000	\$ 199,045	\$ 180,000	-9.6%
Harness Track Shows/Events Revenue	29,821	25,000	23,126	22,000	-4.9%
Other Harness Track Revenue	7,364	11,300	7,232	10,860	50.2%
Fair Barn Rental Revenue	120,902	117,500	127,500	122,000	-4.3%
Fair Barn Shows/Events Revenue	10,545	17,500	8,085	5,000	-38.2%
Recreation Fees	68,918	41,000	65,000	65,000	0.0%
Total Sales & Services	\$ 400,419	\$ 382,300	\$ 429,988	\$ 404,860	-5.8%

Revenue Assumptions

- The events held at the Fair Barn continue to be successful. Revenues are expected to remain fairly steady at \$122,000 for FY 2009-2010 as the number and types of events is expected to be similar to FY 2008-2009.
- Overall Harness Track stall rental fees and event fees are also expected to remain steady for FY 2009-2010 based upon current occupancy rates and the number and types of other events is expected to be similar to FY 2008-2009.





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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
ABC Revenues	\$ 96,847	\$ 101,600	\$ 96,000	\$ 96,000	0.0%
Other Miscellaneous Revenues	53,727	29,224	67,145	47,275	-29.6%
Total Other Revenues	\$ 150,574	\$ 130,824	\$ 163,145	\$ 143,275	-12.2%

Revenue Assumptions

- ABC revenue is projected to remain flat for the FY 2009–2010. This is based on a 4% historical growth factor adjusted for a prolonged decrease in tourism and the expectation that it is unlikely to recover quickly when the economy begins to turn around.
- Other miscellaneous revenues are expected to remain fairly consistent with previous years. The largest contributor to the 25.9% decrease between FY 2009-2010 budget and FY 2008-2009 actual is the reimbursement of insurance claims that are not budgeted.



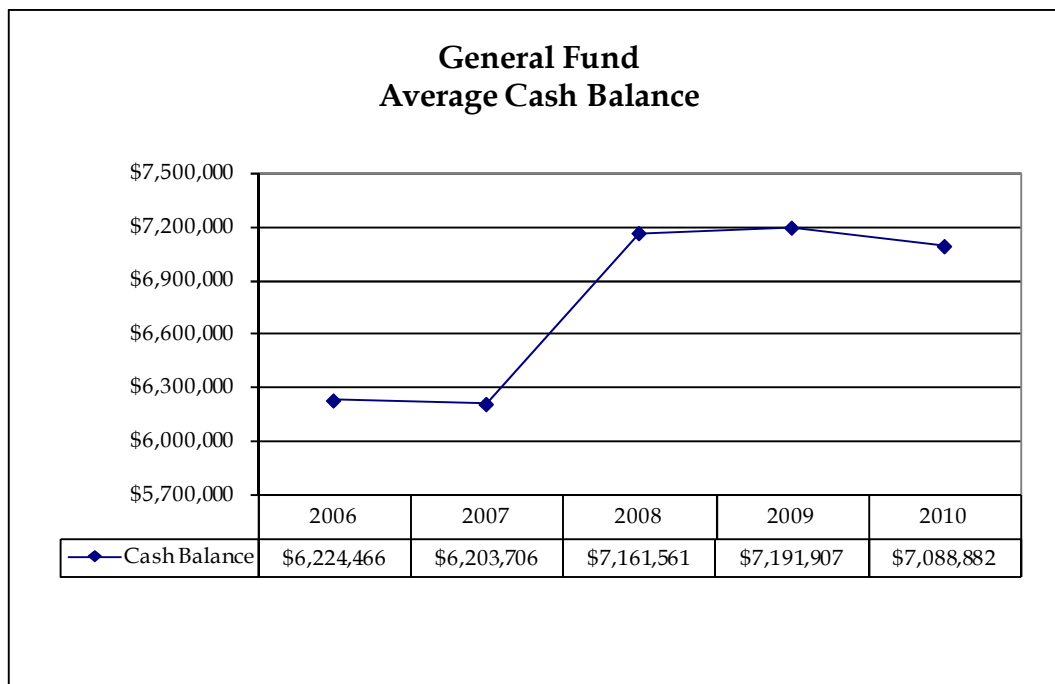
Description of Revenue Source

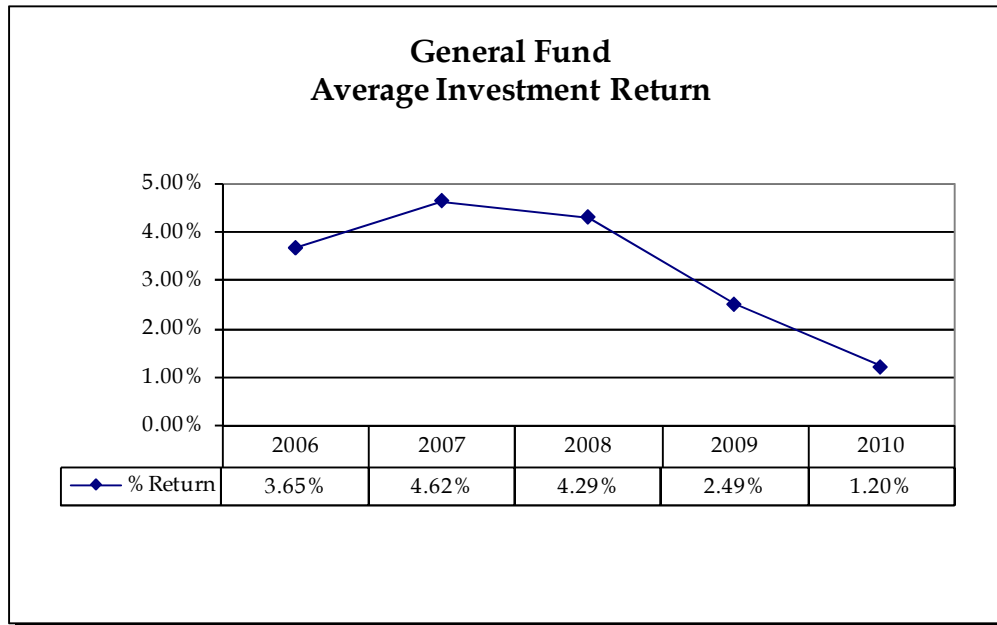
Investment Income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, U. S. Treasury and Agency securities, high grade commercial paper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

	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Investment Income	\$ 288,229	\$ 176,900	\$ 113,418	\$ 71,605	-36.9%
Total Investment Income	\$ 288,229	\$ 176,900	\$ 113,418	\$ 71,605	-36.9%

Revenue Assumptions

- Investment income is estimated to be down 36.9% due a continued decline in short-term interest rates by the Federal Reserve. The estimated revenue is based upon an average cash and investments balance of \$7 million and an average rate of return of 1.2% compared to 2.5% the previous year.







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.

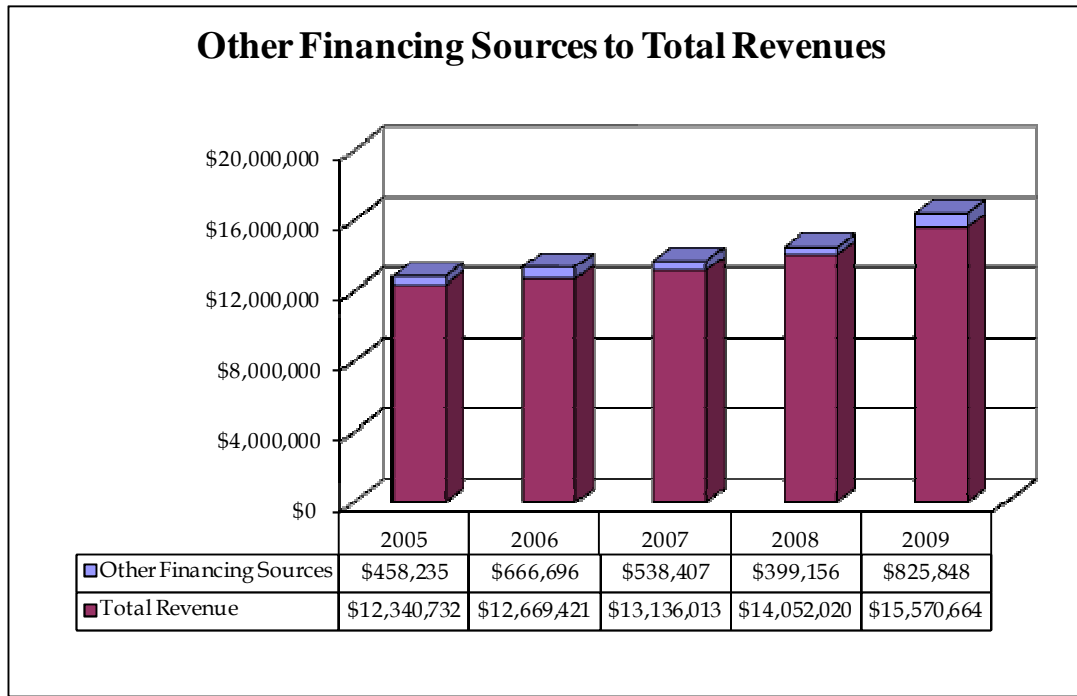
Other Financing Sources	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Loan Proceeds	\$ -	\$ 500,000	\$ -	\$ 500,000	100.0%
Transfer from Capital Reserve Fund	350,000	283,520	283,520	340,000	19.9%
Transfer from Special Rev Funds	77,910	88,034	82,376	15,620	-81.0%
Total Other Financing Sources	\$ 427,910	\$ 871,554	\$ 365,896	\$ 855,620	133.8%

Revenue Assumptions

- Loan proceeds of \$500,000 are anticipated to facilitate the purchase of a replacement fire truck in the second quarter of the 2009-2010 fiscal year. Debt service of \$31,938 is anticipated for this installment purchase and will begin in the third quarter.
- An Operating Transfer of \$15,620 from the Municipal Service District Special Revenue Fund resulting from an assessment for dam repairs will occur in the 2009-2010 fiscal year.
- An Operating Transfer of \$340,000 will come from the Capital Reserve Fund in FY 2009-2010 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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,057,100	\$ -	\$ 1,086,707	100.0%
Total Fund Balance Appropriations	\$ -	\$ 1,057,100	\$ -	\$ 1,086,707	100.0%

Revenue Assumptions:

- For FY 2009-2010 we have appropriated \$1,086,707 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 exceeds this budget variance amount. If this historical trend continues for FY 2009-10, we will use approximately \$312,000 of these reserves.
- The amount of fund balance appropriated in FY 2009-2010 is 2.8% higher than the previous fiscal year. Approximately \$150,000 in fund balance is appropriated for expenditures related to the annexation of the Pinewild Country Club of Pinehurst. This annexation is expected to be effective in the Fall or Winter of 2009.



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 2008-2009:

- Established the Downtown Beautification Committee.
- Began discussions and negotiations with the Town of Robbins to secure a greater and more reliable water source for southern Moore County.
- Initiated an update to the Comprehensive Long-Range Plan which is expected to be completed in February 2010.

Goals and Objectives for Fiscal Year 2009-2010:

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



Governing Body

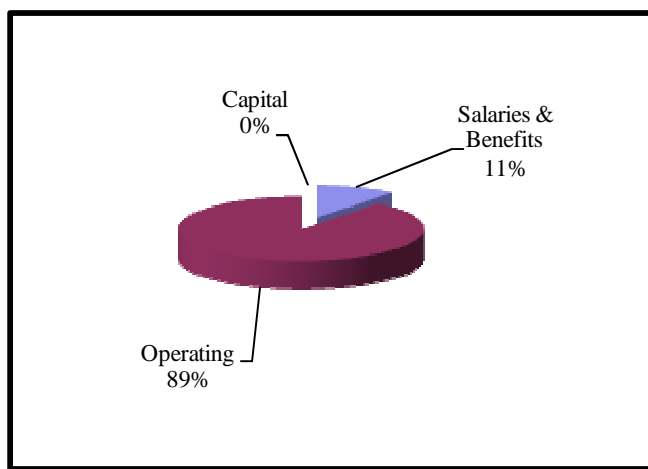
The Governing Body Department is located on the first floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 24,757	\$ 31,000	\$ 29,100	\$ 31,000	6.5%
Operating	519,356	267,373	260,873	256,400	-1.7%
Capital	-	8,010	8,010	-	-100.0%
Expenditures Total	\$ 544,113	\$ 306,383	\$ 297,983	\$ 287,400	-3.6%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 544,113	\$ 306,383	\$ 297,983	\$ 287,400	-3.6%
Revenues Total	\$ 544,113	\$ 306,383	\$ 297,983	\$ 287,400	-3.6%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	5.00	5.00	5.00	5.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	5.00	5.00	5.00	5.00	0.0%



Budget Highlights:

The budget for the Governing Body includes salaries for the Mayor and four council members. Operating expenditures reflect a reduction in professional fees for legal services. There are no capital items in the FY 2009-2010 Budget.



Description:

The Administration Department, which includes the Village Manager, Assistant Village Managers, the Village Clerk, and 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 2008-2009:

- Implemented Results Based Management (RBM) in four other programs: building inspections, police –crime control, police-traffic enforcement, fire prevention and human resources.
- Initiated an update to the 2003 Comprehensive Long-Range Plan to be completed in February 2010.
- Established and facilitated the Council’s Neighborhood Advisory Committee, increasing citizen participation in Village Government.
- Completed a two-year update of the Village’s Organizational Strategic Plan.
- Established and facilitated the Village Green Study Commission.

Goals and Objectives for Fiscal Year 2009-2010:

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 Organizational Strategic Action Plan steps implemented in the stated time frame to 95%.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
# of programs implementing RBM	2	2	6	8
% of Strategic Action Plan steps implemented in the stated time frame	n/a	85%	91%	95%



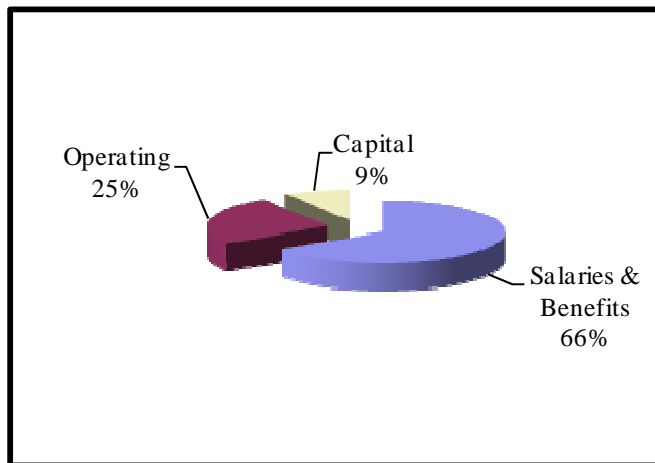
The Administration Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 586,671	\$ 650,000	\$ 636,763	\$ 636,300	-0.1%
Operating	215,440	209,193	199,253	248,340	24.6%
Capital	14,194	15,100	8,500	85,000	900.0%
Expenditures Total	\$ 816,305	\$ 874,293	\$ 844,516	\$ 969,640	14.8%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 816,305	\$ 874,293	\$ 844,516	\$ 969,640	14.8%
Revenues Total	\$ 816,305	\$ 874,293	\$ 844,516	\$ 969,640	14.8%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	6.00	7.00	7.00	6.00	-14.3%
Part Time	0.50	-	-	-	0.0%
Total Authorized Personnel	6.50	7.00	7.00	6.00	-14.3%



Budget Highlights:

The FY 2009-2010 Salaries & Benefits budget reflects the transfer of a full-time Administrative Assistant to the Engineering and Information Technology (IT) departments on a part-time basis. Operating expenditures include election costs which are incurred every two years. Capital includes the costs to renovate and furnish second floor office space in the Village Hall.



Description:

The Director of Financial Services reports directly to the Assistant Village Manager of Finance and Administration and serves as a member of the senior leadership team. The Financial Services Department, 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 2008-2009:

- Received the Government Finance Officer’s Association (GFOA) Distinguished Budget Presentation Award for the second year in a row.
- Prepared the Comprehensive Annual Financial Report in-house and received the GFOA Certificate of Achievement for Financial Reporting for the 16th consecutive year.
- Prepared the Village’s first “Financial Condition Assessment” using the template developed by the UNC School of Government.
- Implemented electronic distribution of pay stubs and W-2s.
- Implemented the Financial Assistance Support Team (FAST) to provide expanded financial services to other departments.

Goals and Objectives for Fiscal Year 2009-2010:

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 purchase orders processed in one day to 100%.

Objective: To increase the percentage of months that financial statements are distributed by the tenth of the month to 100%.

Goal: To expand the scope of the services provided by Financial Services to other departments.

Objective: To increase the number of Financial Assistance Service Team (FAST) projects started to 12.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of purchase orders processed in one day or less	80%	85%	90%	95%
% of months financial statements are distributed by the tenth	50%	75%	92%	100%
# of Financial Assistance Service Team (FAST) projects completed	n/a	n/a	4	12



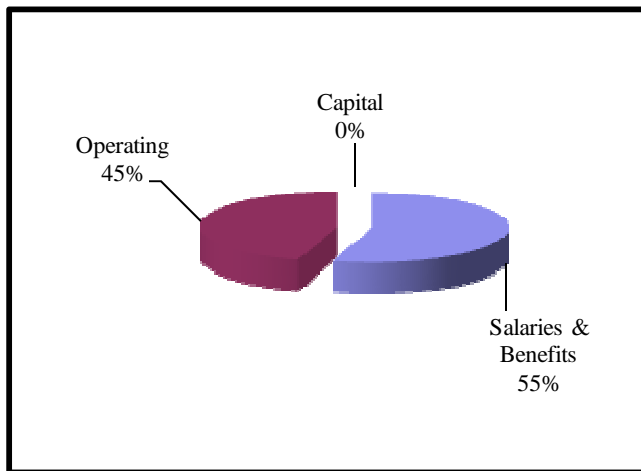
The Financial Services Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 256,728	\$ 277,650	\$ 272,821	\$ 293,000	7.4%
Operating	307,012	240,742	216,942	244,110	12.5%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 563,740	\$ 518,392	\$ 489,763	\$ 537,110	9.7%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 563,740	\$ 518,392	\$ 489,763	\$ 537,110	9.7%
Total Revenues	\$ 563,740	\$ 518,392	\$ 489,763	\$ 537,110	9.7%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	4.00	4.00	4.00	4.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	4.00	4.00	4.00	4.00	0.0%



Budget Highlights:

The Financial Services department Salaries & Benefits budgeted expenditures reflect a 15% increase in group insurance and 35% increase in workers' compensation premiums due to adverse claim history. Operating expenditures increased due to a planned upgrade of the enterprise-wide accounting and reporting system. There are no capital expenditures in the FY 2009-2010 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 2008-2009:

- Established a Wellness Committee to focus on wellness activities and education.
- Successfully implemented the first electronic benefits enrollment.
- In conjunction with the Policy Committee, made changes to the Absenteeism Policy to improve effectiveness. Also made changes to the Vacation Policy to eliminate forfeiture of unused vacation time.
- Implemented monthly departmental OSHA inspections through the Safety Committee.

Goals and Objectives for Fiscal Year 2009-2010:

Goal: To ensure the timeliness of employee performance reviews by having employee reviews delivered before or on their due date.

Objective: To increase the percentage of employees receiving their annual performance review before or on their due date to 90%.

Goal: To ensure the salaries of Village employees are competitive when compared to peers.

Objective: To compare the salary ranges of at least 25% of all positions on an annual basis with peers, so that all positions are reviewed at least every 4 years.

Goal: To improve the workers' compensation program by educating and training employees, partnering with physicians and implementing transitional positions throughout the organization.

Objective: To reduce the number of lost time days to 14 days per claim.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of employees receiving performance reviews on time	n/a	n/a	70%	90%
% of positions reviewed for salary range competitiveness	n/a	n/a	n/a	25%
# of lost time days per workers' comp claim	n/a	n/a	35	14



Human Resources

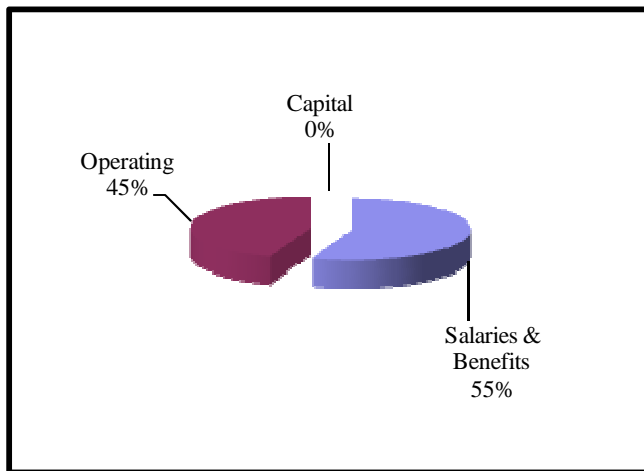
The Human Resources Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

Additional information about the Human Resources Department may be obtained by contacting Angela Kantor, Director of Human Resources, at 910.295.1900 or akantor@villageofpinehurst.org.

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 161,756	\$ 149,850	\$ 122,960	\$ 166,200	35.2%
Operating	79,762	144,092	94,541	133,940	41.7%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 241,518	\$ 293,942	\$ 217,501	\$ 300,140	38.0%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 241,518	\$ 293,942	\$ 217,501	\$ 300,140	38.0%
Revenues Total	\$ 241,518	\$ 293,942	\$ 217,501	\$ 300,140	38.0%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	2.00	2.00	2.00	2.00	0.0%



Budget Highlights:

The Director of Human Resources position was vacant for several months in FY 2008-2009 which is reflected in the 35.2% increase in salaries & benefits. The Human Resources department FY 2009-2010 Operating budget includes funds for “hot jobs” market adjustments that were deferred from the FY 2008-2009 budget. There are no capital outlay items in the 2009-2010 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 2008-2009:

- Received \$61,862 in grants from the Governor’s Highway Safety Program and the Governor’s Crime Commission.
- Participated in 64 separate seat belt and driver’s license checkpoints and eight “Booze It and Loose It” check points.
- Received the “2008 Outstanding Traffic Safety Award” by the AAA Motor Club of NC and the “DWI Hero Award” by the NC Chapter of MADD for the second consecutive year.
- Assisted with Community Watch National Night Out.

Goals and Objectives for Fiscal Year 2009-2010:

Goal: To patrol Village streets, educate residents and investigate crimes in order to deter crime and ensure a safe community.

Objective: To minimize the crime rate per 1,000 residents to 14.5.

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

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

Objective: To minimize the percentage of vehicle collisions that result in an injury or fatality to less than 15%.

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

Objective: To conduct and average of 6 scheduled checkpoints per month.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
Crime rate per 1,000 residents	17.0	18.4	10.2	14.5
% of vehicles complying with posted speed limit	n/a	61%	61%	80%
% of vehicle collisions with injuries or fatalities	17.0%	14.0%	16.0%	<15%
Average # of days per month speed trailer is in service	9.5	15	15	15
Average # of scheduled checkpoints per month	6	6	7	6



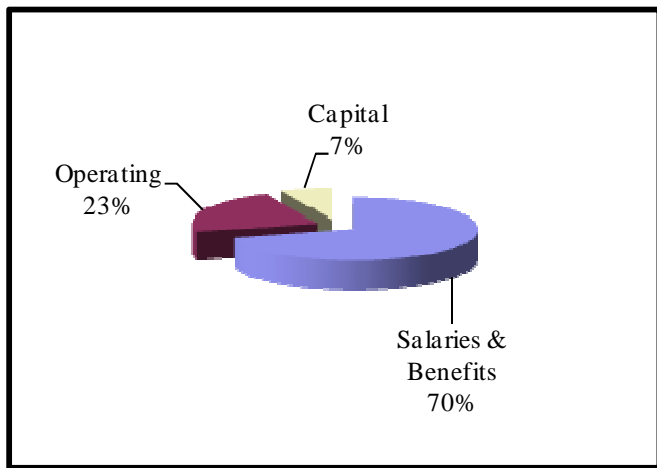
The Police Department is located at 420 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 1,741,587	\$ 1,861,070	\$ 1,757,161	\$ 1,910,010	8.7%
Operating	564,570	654,584	623,892	613,110	-1.7%
Capital	176,760	192,550	184,650	181,500	-1.7%
Expenditures Total	\$ 2,482,917	\$ 2,708,204	\$ 2,565,703	\$ 2,704,620	5.4%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 2,378,162	\$ 2,629,104	\$ 2,487,723	\$ 2,692,720	8.2%
Police Grants	89,311	67,900	67,900	-	-100.0%
Parking Fines	2,974	1,000	-	100	100.0%
Miscellaneous Police Revenues	12,470	10,200	10,080	11,800	17.1%
Revenues Total	\$ 2,482,917	\$ 2,708,204	\$ 2,565,703	\$ 2,704,620	5.4%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	30.00	30.00	30.00	32.00	6.7%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	30.00	30.00	30.00	32.00	6.7%



Budget Highlights:

The Police department's Salaries & Benefits budget includes a 15% increase in group insurance and 35% increase in workers' compensation premiums due to adverse claim history. In addition, we expect to hire two officers upon the annexation of Pinewild Country Club of Pinehurst which is expected January 1, 2010. Capital expenditures reflect an upgrade to the building security system in the 2009-2010 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 2008-2009:

- Received the 2007 Life Safety Achievement Award for the fourth consecutive year which recognizes fire departments that had zero deaths in structure fires in the previous calendar year.
- Deputy Chief received the 2008 NC Firefighter of the Year Award by the NC Fire Chief’s Association, which was the first award recipient nominated for fire prevention.
- Certified as a rescue service provider by the State of North Carolina.
- Active member in the North Carolina Home Fire Sprinkler Alliance and the North Carolina Residential Fire Sprinkler Committee. Installed over 27 fire sprinkler systems and introduced eight fire departments to the program.

Goals and Objectives for Fiscal Year 2009-2010:

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 63%.

Objective: To increase the rate of fire code violations corrected within a 60 day period to 84%.

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.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of fire code violations corrected in 30 days	44%	51%	58%	63%
% of fire code violations corrected in 60 days	74%	68%	82%	84%
% of first-in-engine response time within five minutes of dispatch	70%	68%	79%	81%



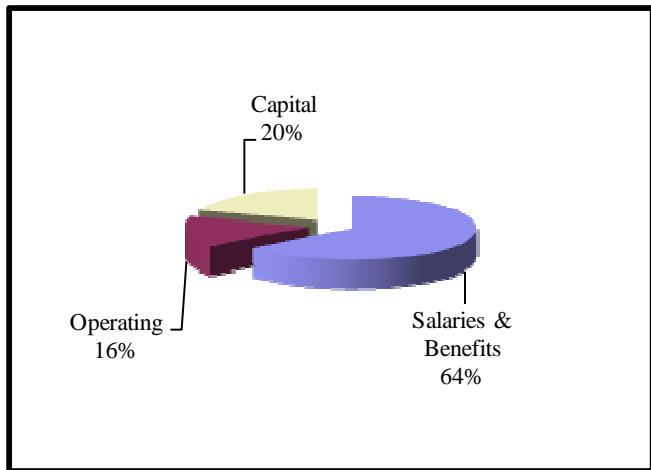
The Fire Department has two fire stations. The main station is located at 405 Magnolia Road and the second station is located at 15 Parker Lane, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 1,637,594	\$ 1,683,790	\$ 1,654,424	\$ 1,763,500	6.6%
Operating	286,647	426,181	382,501	425,420	11.2%
Capital	138,182	531,600	25,000	549,300	2097.2%
Expenditures Total	\$ 2,062,423	\$ 2,641,571	\$ 2,061,925	\$ 2,738,220	32.8%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 1,480,153	\$ 2,031,571	\$ 1,465,740	\$ 2,133,220	45.5%
Fire Grants	770	-	-	-	0.0%
Fire District Revenue	581,500	610,000	596,185	605,000	1.5%
Revenues Total	\$ 2,062,423	\$ 2,641,571	\$ 2,061,925	\$ 2,738,220	32.8%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	30.00	30.00	30.00	30.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	30.00	30.00	30.00	30.00	0.0%



Budget Highlights:

The Fire department's FY 2009-2010 Salaries & Benefits budget reflects a 15% increase in group insurance and 35% increase in workers' compensation premiums due to adverse claim history. The Operating budget includes an increase in the allocation for information technology internal service charges. Capital outlay expenditures include the purchase of a fire truck to replace a 1988 pumper that was deferred from FY 2008-2009.



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 two building inspectors. Inspections personnel both review and enforce compliance with the North Carolina and International Building Code.

Major Accomplishments for Fiscal Year 2008-2009:

- Reviewed and inspected approximately 100 rooms at the Resorts of Pinehurst and a comfort station at the Arboretum.
- Reviewed and inspected several First Health projects including a demolition of three buildings to make room for a new Heart Hospital and Heliport facility to be completed by September 2010.
- Inspected Christ Community Church.
- Reviewed and inspected homes in East Lake at Country Club of North Carolina as well as Old Traditions.
- Actively participated on the technical review team which reviews all non-residential projects.

Goals and Objectives for Fiscal Year 2009-2010:

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 90%.

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

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of inspections completed next bus. day	90%	90%	99%	95%
# of days to review single family building plans	15	10	10	10
Inspection compliance rate	n/a	n/a	95%	90%
# of builder’s workshops conducted	3	4	4	4



Inspections

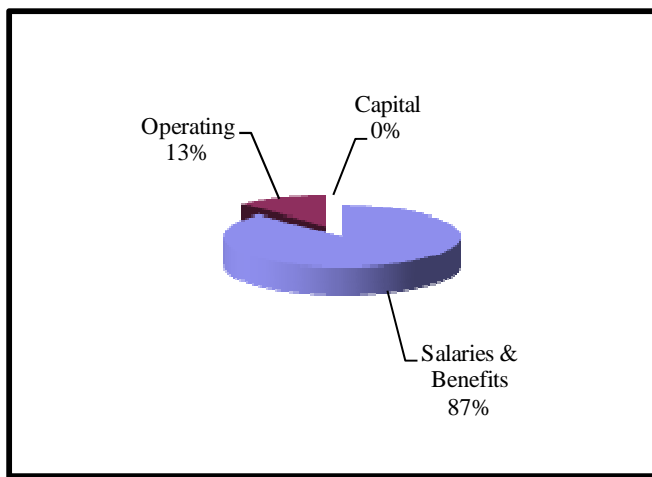
The Inspections Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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.

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 245,006	\$ 275,500	\$ 255,473	\$ 197,200	-22.8%
Operating	29,329	43,956	44,866	28,400	-36.7%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 274,335	\$ 319,456	\$ 300,339	\$ 225,600	-24.9%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Inspection Permit Revenue	274,335	319,456	300,339	225,600	-24.9%
Revenues Total	\$ 274,335	\$ 319,456	\$ 300,339	\$ 225,600	-24.9%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	2.00	-33.3%
Part Time	0.20	0.20	0.20	-	-100.0%
Total Authorized Personnel	3.20	3.20	3.20	2.00	-37.5%



Budget Highlights:

The decrease in salaries and benefits and operating expenditures reflects the transfer of a Building Inspector to the Buildings and Grounds department due to a 45% decline in new home construction from FY 2007-08. There are no capital expenditures in the FY 2009-2010 budget.



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 2008-2009:

- Designed new residential recycling logo to be used on marketing material and vehicles.
- Managed implementation of two additional areas for the use of automated arm refuse collection system.
- Completed extensive evaluation of services provided by the Streets and Grounds and Solid Waste departments resulting in changes to the frequency of solid waste and yard debris collection effective July 1, 2009.
- Planned and managed completion of six drainage and/or shoulder projects to improve storm water runoff and improve overall appearance of the Village right-of-ways.
- Oversaw the installation of new speed limit and stop signs in various areas of the Village.

Goals and Objectives for Fiscal Year 2009-2010:

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



Public Services Administration

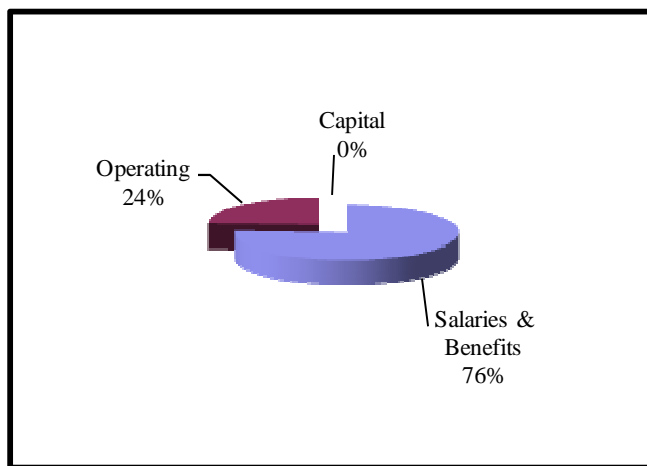
Public Services Administration is located at 700 McCaskill Road, Pinehurst, NC.

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.

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 198,404	\$ 233,750	\$ 226,010	\$ 248,150	9.8%
Operating	61,287	91,627	86,397	79,300	-8.2%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 259,691	\$ 325,377	\$ 312,407	\$ 327,450	4.8%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 259,691	\$ 325,377	\$ 312,407	\$ 327,450	4.8%
Revenues Total	\$ 259,691	\$ 325,377	\$ 312,407	\$ 327,450	4.8%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 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 Salaries & Benefits budget reflects a 15% increase in group insurance and 35% increase in workers' compensation premiums due to adverse claim history. Operating expenditures decreased due to a decrease in the allocation for information technology internal service charges. There are no capital items in the Public Services Administration budget for fiscal year 2009-2010.



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 2008-2009:

- Completed six drainage and/or shoulder projects to improve storm water runoff and improve overall appearance of the Village right-of-ways.
- Changed speed limit signs on all streets in Village Acres to 25 miles per hour.
- Created two new four-way stop intersections in Clarendon Gardens.

Goals and Objectives for Fiscal Year 2009-2010:

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 elevate 10% of street signs at main intersections within the Village to 7’ for improved visibility.

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.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of right of way lane miles shoulders inspected and repaired	n/a	7%	15%	15%
% of street signs elevated to 7’ at main intersections	n/a	n/a	1%	10%



Streets & Grounds

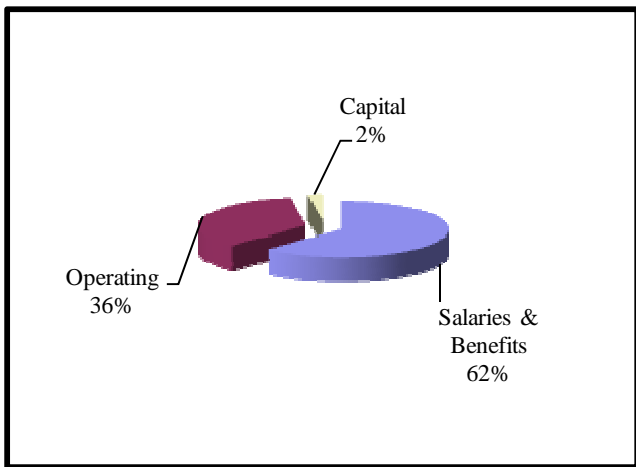
The Streets and Grounds Division is located at 700 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 437,610	\$ 551,000	\$ 463,502	\$ 558,500	20.5%
Operating	307,219	335,798	307,663	322,000	4.7%
Capital	71,650	101,000	101,000	20,000	-80.2%
Expenditures Total	\$ 816,479	\$ 987,798	\$ 872,165	\$ 900,500	3.2%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 796,479	\$ 969,798	\$ 859,665	\$ 888,000	3.3%
Street Cut Permit Revenues	20,000	18,000	12,500	12,500	0.0%
Revenues Total	\$ 816,479	\$ 987,798	\$ 872,165	\$ 900,500	3.2%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	13.00	15.00	15.00	15.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	13.00	15.00	15.00	15.00	0.0%



Budget Highlights:

The Streets & Grounds Salaries and Benefits budget assumes full employment in FY 2009-2010. Beginning with fiscal year 2009-2010, operating expenditures reflect an allocation for the services provided by the Information Technology department. The Capital budget includes \$20,000 for the replacement of 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 2008-2009:

- Resurfaced approximately 4.9 miles of Village maintained roadways.
- Painted approximately 4 centerline miles, crosswalks and miscellaneous traffic and pedestrian markings.

Goals and Objectives for Fiscal Year 2009-2010:

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.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
# of miles of Village roadways resurfaced	6.3	5.6	4.9	4.5
% of centerline miles of Village roadways resurfaced	6.2%	5.3%	4.3%	4.3%
Pavement Condition Rating (PCR)	76	76	76	78

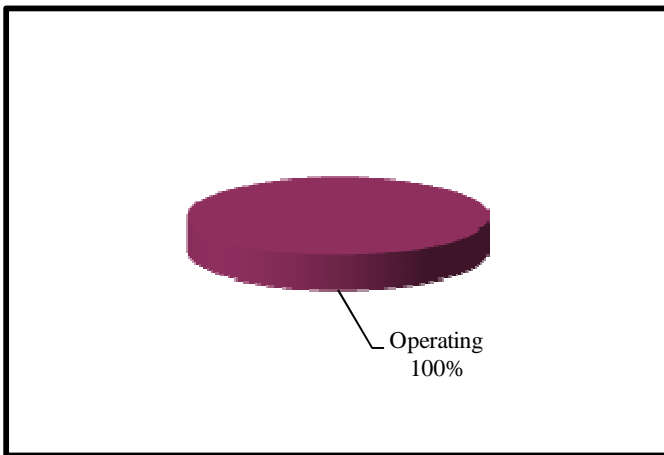


The Powell Bill department does not contain any staff. However, additional information about the Powell Bill Department may be obtained by contacting Jay Gibson, PE, Director of Engineering, at 910.295.1900 or jgibson@villageofpinehurst.org.

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	854,022	739,300	724,300	765,000	5.6%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 854,022	\$ 739,300	\$ 724,300	\$ 765,000	5.6%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 372,334	\$ 291,300	\$ 287,136	\$ 388,000	35.1%
Powell Bill Revenue	481,688	448,000	437,164	377,000	-13.8%
Revenues Total	\$ 854,022	\$ 739,300	\$ 724,300	\$ 765,000	5.6%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	-	-	-	-	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	-	-	-	-	0.0%



Budget Highlights:

The Powell Bill department includes funding for the resurfacing of four (4) to five (5) miles of Village-owned streets. The FY 2009-2010 Budget also includes \$12,500 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 2008-2009:

- Implemented two additional areas for the use of automated arm refuse collection system.
- Completed extensive evaluation of services resulting in changes to the frequency of solid waste and yard debris collection effective July 1, 2009.
- Completed new contract to haul recyclables to a local transfer station.
- Developed Municipal Code changes to regulate the storage of trash receptacles when not in use.

Goals and Objectives for Fiscal Year 2009-2010:

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 5,500 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.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
# of households served with auto collection method	1,741	3,392	3,747	4,402
% of households served with auto collection method	24%	47%	58%	61%
# of households participating in curbside recycling	1,619	2,008	2,434	2,850
% of households participating in curbside recycling	24%	30%	36%	39%
# of tons recycled	568	943	1,050	1,100
Tons recycled as a % of total refuse	11%	19%	24%	24%



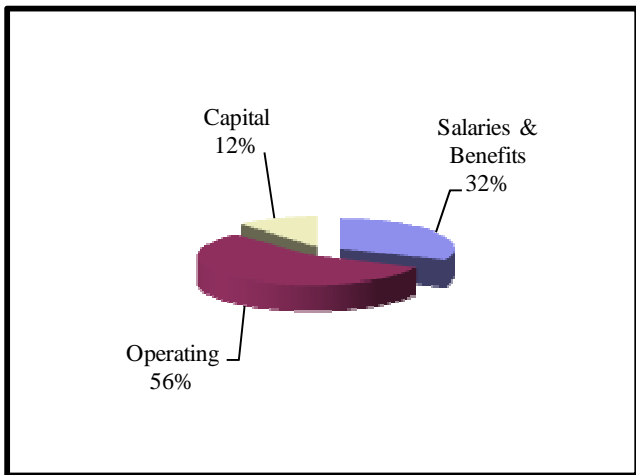
The Solid Waste Division is located at 700 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 330,825	\$ 367,000	\$ 328,588	\$ 393,000	19.6%
Operating	526,554	482,927	449,529	698,685	55.4%
Capital	306,976	115,000	103,001	145,000	40.8%
Expenditures Total	\$ 1,164,355	\$ 964,927	\$ 881,118	\$ 1,236,685	40.4%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 1,164,355	\$ 964,927	\$ 881,118	\$ 1,236,685	40.4%
Revenues Total	\$ 1,164,355	\$ 964,927	\$ 881,118	\$ 1,236,685	40.4%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	8.00	9.00	9.00	9.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	8.00	9.00	9.00	9.00	0.0%



Budget Highlights:

Salaries and Benefits expenditures reflect a 15% increase in group insurance and 35% increase in workers' compensation premiums. The Solid Waste Operating budget for FY 2009-2010 includes an additional \$150,000 for a waste hauling contract to service Pinewild Country Club of Pinehurst which is expected to be annexed effective January 1, 2010. Capital expenditures include the purchase of a small automated truck.



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 2008-2009:

- Provided leadership on the process to update the Comprehensive Long-Range Village Plan, which is to be completed in February 2010.
- Adopted amendments to the Pinehurst Development Ordinance to protect Village right-of-ways, community appearance and economic development.
- Reviewed plans for major development projects including Carolina Eye, Rassie Wicker Park Arboretum, Old Town Traditions, Christ Community Church, Lake Pinehurst Lift Stations and the Carolina Hotel Conference patio.
- 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.
- Updated the Wellhead Protection Plan.

Goals and Objectives for Fiscal Year 2009-2010:

Goal: Provide high quality planning enforcement services to the residents through efficient enforcement of the Pinehurst Development Ordinance (PDO) and the Municipal Code.

Objective: To resolve 95% 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 60% of the time.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of code violations resolved in 45 days	91%	95%	93%	95%
% of comments received from TRC in 3 weeks	70%	50%	17%	50%



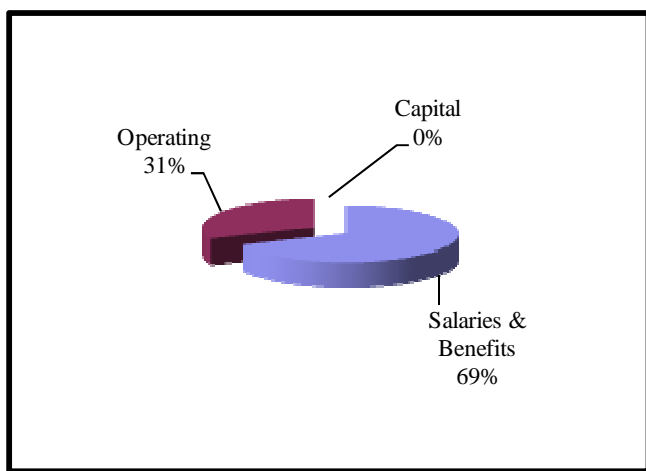
The Planning Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 417,644	\$ 429,650	\$ 428,694	\$ 459,700	7.2%
Operating	143,010	341,532	255,932	210,245	-17.9%
Capital	17,389	-	-	-	0.0%
Expenditures Total	\$ 578,043	\$ 771,182	\$ 684,626	\$ 669,945	-2.1%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 509,127	\$ 720,062	\$ 639,506	\$ 615,845	-3.7%
Planning Permit Revenue	68,916	51,120	45,120	54,100	19.9%
Revenues Total	\$ 578,043	\$ 771,182	\$ 684,626	\$ 669,945	-2.1%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	7.00	7.00	7.00	7.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	7.00	7.00	7.00	7.00	0.0%



Budget Highlights:

The Planning department Salaries & Benefits budget reflects a 15% increase in group insurance and 35% increase in workers' compensation premiums due to adverse claim history. The FY 2009-2010 Operating budget reflects a decrease in professional service fees to complete the update of the 2003 Comprehensive Long-Range Plan which began in fiscal year 2008-2009. There are no capital expenditures in the Planning department's FY 2009-2010 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 2008-2009:

- Developed and managed the annual resurfacing project for approximately 4.9 miles of Village-maintained roadways.
- Developed and completed nearly \$300,000 of small drainage projects.
- Managed contract to install 16 new fire hydrants around the Village.
- Provided project management for design and construction of Jackson Hamlet sewer improvements.
- Continued to provide expertise on the construction of the NC-2/NC-5 intersection improvements and NC-2 Roundabout project, both of which were completed in FY 2010.
- Provided technical expertise for various infrastructure and site development improvements including Linden Clos, Traditions of Old Town, and CCNC development projects.

Goals and Objectives for Fiscal Year 2009-2010:

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 two (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 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
# of key small drainage projects completed	6	4	5	3
# of LOS studies completed for key intersections	7	8	8	8



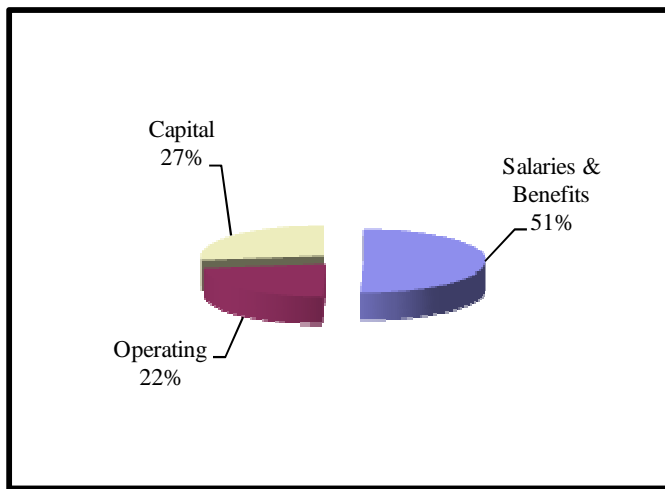
The Engineering Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 191,524	\$ 205,050	\$ 205,337	\$ 240,800	17.3%
Operating	238,266	172,547	131,068	106,880	-18.5%
Capital	138,239	410,706	300,000	130,000	-56.7%
Expenditures Total	\$ 568,029	\$ 788,303	\$ 636,405	\$ 477,680	-24.9%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 501,893	\$ 780,303	\$ 628,405	\$ 472,680	-24.8%
Engineering Fee Revenue	66,136	8,000	8,000	5,000	-37.5%
Revenues Total	\$ 568,029	\$ 788,303	\$ 636,405	\$ 477,680	-24.9%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	-	-	-	0.50	100.0%
Total Authorized Personnel	2.00	2.00	2.00	2.50	25.0%



Budget Highlights:

The Engineering department Salaries & Benefits budget reflects the addition of a part-time Administrative Assistant transferred from Administration. There are no individually significant operating expenditures. Prior year operating expenditures included professional fees for transportation improvements for the NC-2 Roundabout and NC-2/NC-5 intersection improvements. Capital includes expenditures for small drainage projects.



Description:

Recreation is a division within the Parks and Recreation Department. The Parks and Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Director provides management support to all of the divisions in the department, which includes Recreation, 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 2008-2009:

- Increased full-day camp capacity to 50 participants per week.
- Completed expansion of parking areas to Rassie Wicker Park.
- Created a new adult painting class, now with three (3) classes per week.
- Maintained full capacity for full day and half day summer day camps for all eight weeks.
- Added a girls cheerleading program which had 32 participants.
- Established new programs for stroller fitness, lacrosse camps and family movie nights.

Goals and Objectives for Fiscal Year 2009-2010:

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 9.

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.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
Youth athletic program capacity reached	90%	91%	88%	91%
# of youth sport specific programs	4	5	8	9
# of overall recreation programs	34	37	41	43
% of capacity reached in summer day camp	100%	100%	100%	100%
# full-day camp participants per week	30	40	50	50



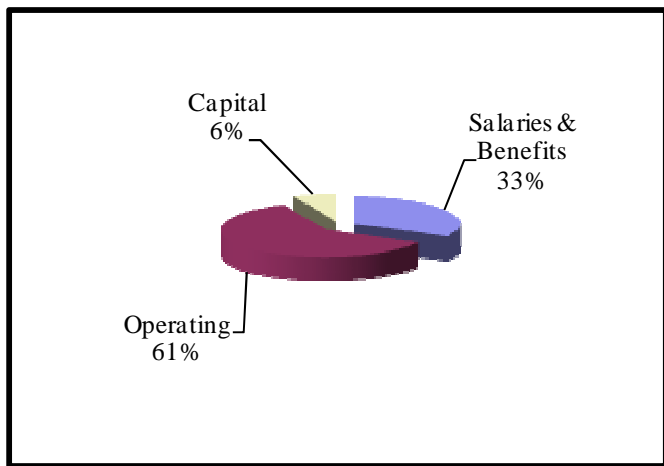
The Recreation Division is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 192,637	\$ 259,550	\$ 257,883	\$ 304,800	18.2%
Operating	303,649	451,701	442,476	563,100	27.3%
Capital	178,025	264,033	264,033	61,000	-76.9%
Expenditures Total	\$ 674,311	\$ 975,284	\$ 964,392	\$ 928,900	-3.7%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 638,268	\$ 953,284	\$ 924,392	\$ 888,900	-3.8%
Recreation Services	36,043	22,000	40,000	40,000	0.0%
Revenues Total	\$ 674,311	\$ 975,284	\$ 964,392	\$ 928,900	-3.7%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	2.00	3.00	3.00	3.00	0.0%
Part Time	1.30	1.30	1.30	2.00	53.8%
Total Authorized Personnel	3.30	4.30	4.30	5.00	16.3%



Budget Highlights:

The Recreation division FY 2009-2010 Salaries & Benefits budget reflects the addition of a part-time Camp Counselor as well as a 15% increase in group insurance and 35% increase in workers' compensation premiums. Operating expenditures include an increase in the allocation for buildings and grounds internal service charges. Capital items include Cannon Park lot improvements, Rassic Wicker Park hockey rink repairs and the replacement of a service truck.



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 2008-2009:

- Continued improving the quality, safety and functions of the facility through barn repairs, roof replacements and conditioning the track footing.
- Renovated Tack Shop and secured new tenant.
- Paved access road from NC-5 entrance to Barn 6.

Goals and Objectives for Fiscal Year 2009-2010:

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 improve appearance and function of barns by renovating and updating at least one barn annually to renovate 100% or 17 barns over a 15-year period.

Objective: To increase the number of stalls reserved annually to achieve 100% capacity or 285 reserved stalls.

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 the number of days the track facilities are reserved for shows/events to 40 shows/events annually.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
# of barns renovated	n/a	n/a	2	3
# of stalls reserved annually	249	220	267	275
# of days the facilities are reserved	32	29	25	28
% of capacity reached for stall reservations	87%	77%	94%	96%



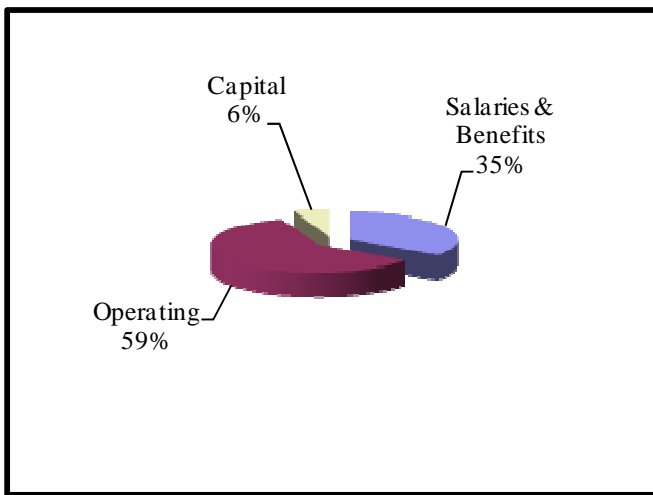
The Harness Track Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 162,370	\$ 176,855	\$ 166,105	\$ 191,000	15.0%
Operating	258,385	317,249	302,354	322,785	6.8%
Capital	32,277	128,550	118,300	30,000	-74.6%
Expenditures Total	\$ 453,032	\$ 622,654	\$ 586,759	\$ 543,785	-7.3%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 252,978	\$ 416,354	\$ 357,356	\$ 330,925	-7.4%
Harness Track Services	200,054	206,300	229,403	212,860	-7.2%
Revenues Total	\$ 453,032	\$ 622,654	\$ 586,759	\$ 543,785	-7.3%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	4.00	4.00	4.00	4.00	0.0%
Part Time	0.40	0.40	0.40	0.50	25.0%
Total Authorized Personnel	4.40	4.40	4.40	4.50	2.3%



Budget Highlights:

The FY 2009-2010 Salaries & Benefits budget reflects a 15% increase in group insurance and 35% increase in workers' compensation premiums and a slight increase in the use of part-time staff to perform maintenance. Operating expenditures include materials to rehabilitate two barns and build a foundation for equine waste boxes, a new fire ant control program and installing heat in three barns. Capital includes replacement of the roof on Barn 10.



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 2008-2009:

- Hosted a 4th of July event in conjunction with the Village fireworks display.
- Held Oktoberfest with in excess of 400 people attending.
- Repainted annex interior, including storage area, halls, dressing rooms and kitchen.
- Rented the facility 84 times for a total of 97 days.
- Paved access road from NC-5 entrance to parking area.

Goals and Objectives for Fiscal Year 2009-2010:

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.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
# of single-weekday rentals	19	30	21	24
# of total rentals	82	84	81	84
% of days facility is rented	31%	27%	27%	28%



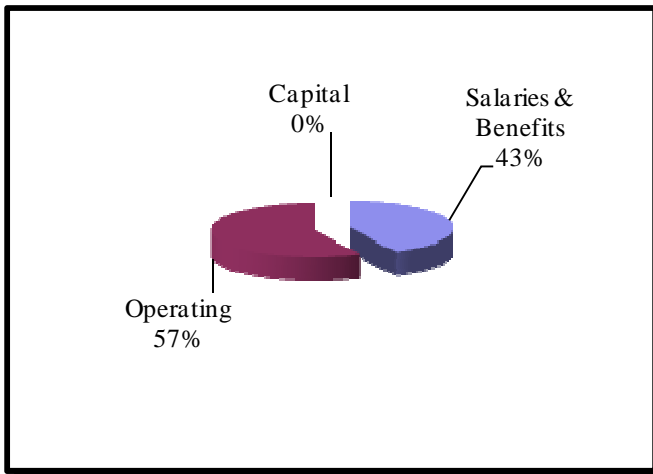
The Fair Barn Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 89,876	\$ 96,100	\$ 112,221	\$ 118,900	6.0%
Operating	152,937	145,878	137,857	159,480	15.7%
Capital	-	57,800	51,000	-	-100.0%
Expenditures Total	\$ 242,813	\$ 299,778	\$ 301,078	\$ 278,380	-7.5%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 111,366	\$ 164,778	\$ 165,493	\$ 151,380	-8.5%
Fair Barn Revenues	131,447	135,000	135,585	127,000	-6.3%
Revenues Total	\$ 242,813	\$ 299,778	\$ 301,078	\$ 278,380	-7.5%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	1.50	1.50	1.50	1.50	0.0%
Total Authorized Personnel	2.50	2.50	2.50	2.50	0.0%



Budget Highlights:

The Fair Barn FY 2009-2010 Salaries & Benefits budget reflects a 15% increase in group insurance and 35% increase in workers' compensation premiums due to adverse claim history. Operating expenditures include maintenance and repair to the building including the repair of the flashing on two towers. There are no capital items in the Fair Barn budget for fiscal year 2009-2010.



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, two Maintenance Technicians 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 2008-2009:

- Expanded parking at Rassie Wicker Park for the soccer field and hockey rink.
- Constructed a comfort station in the Arboretum near the site of the future Pavilion.
- Hired a Grounds Specialist to maintain the expanding greenway trails and Arboretum grounds.

Goals and Objectives for Fiscal Year 2009-2010:

Goal: To provide regularly scheduled maintenance in order to efficiently provide safe and attractive facilities.

Objective: To repaint 10% of occupied interior square footage each year.

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

Goal: To respond to and complete maintenance requests in a timely manner.

Objective: To respond to 90% of maintenance requests within 2 days.

Objective: To close 95% of maintenance requests within 14 days.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of occupied interior square footage painted	n/a	19%	0%	10%
% of facilities inspected quarterly	n/a	n/a	57%	100%
% of requests responded to within 2 days	n/a	n/a	90%	90%
% of requests closed within 14 days	n/a	n/a	95%	95%



Buildings & Grounds Maintenance

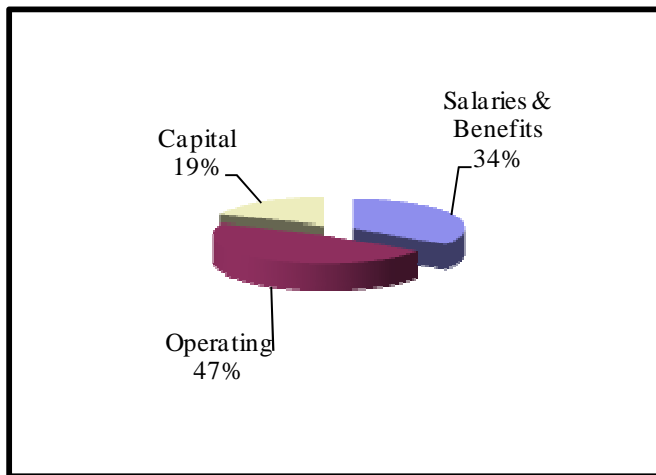
The Building and Grounds Maintenance Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 224,458	\$ 272,500	\$ 264,837	\$ 345,500	30.5%
Operating	396,166	452,690	459,550	467,140	1.7%
Capital	98,634	123,183	124,000	186,000	50.0%
Expenditures Total	\$ 719,258	\$ 848,373	\$ 848,387	\$ 998,640	17.7%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ 719,258	\$ 848,373	\$ 848,387	\$ 998,640	17.7%
Revenues Total	\$ 719,258	\$ 848,373	\$ 848,387	\$ 998,640	17.7%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	5.00	6.00	6.00	7.00	16.7%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	5.00	6.00	6.00	7.00	16.7%



Budget Highlights:

The Buildings & Grounds FY 2009-2010 Salaries & Benefits budget reflects the addition of a full-time Maintenance Technician as well as the impact of an increase in group insurance and workers' compensation premiums. Operating expenditures include costs to improve barns at the Harness Track as well as maintenance on the Fair Barn. 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 2008-2009:

- Assisted in the purchase of a 14-yard automated garbage truck.
- Supervised the fabrication of mounting brackets for the winch and the Jaws of Life tool on the Fire Department rescue truck.
- Assisted in the moving and setting of three flag poles.
- Mounted Slow Moving Vehicle emblems and caution lights on road-side mowers.

Goals and Objectives for Fiscal Year 2009-2010:

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%.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of PM performed on time	n/a	35%	25%	35%
% of work orders completed within 24 hours	n/a	60%	50%	65%
% of work orders requiring repeat repairs within 30 days	n/a	10%	15%	10%



Fleet Maintenance

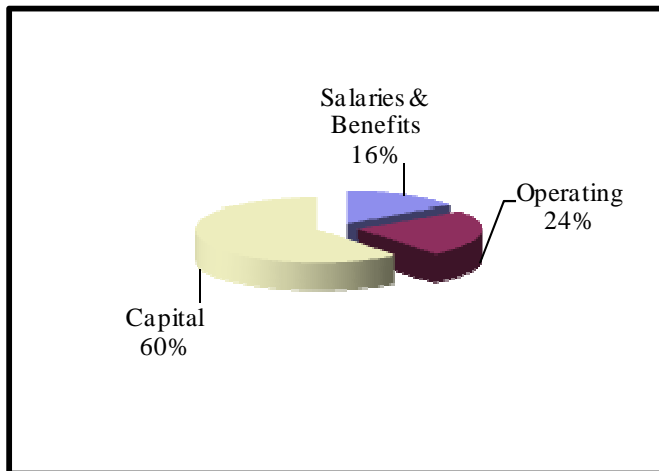
The Fleet Maintenance Department is located at 500 McCaskill Road, Pinehurst, NC.

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.

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 187,177	\$ 199,050	\$ 194,641	\$ 211,050	8.4%
Operating	368,776	420,530	381,630	319,290	-16.3%
Capital	668,767	941,200	189,042	816,500	331.9%
Expenditures Total	\$ 1,224,720	\$ 1,560,780	\$ 765,313	\$ 1,346,840	76.0%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 1,224,720	\$ 1,560,780	\$ 765,313	\$ 1,346,840	76.0%
Revenues Total	\$ 1,224,720	\$ 1,560,780	\$ 765,313	\$ 1,346,840	76.0%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 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 \$111,200 and fuel expenditures of \$149,500. This is a 20.8% decrease over prior year actual due to declining 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 2008-2009:

- Upgraded network domain to Windows Server 2008.
- Converted email infrastructure to Exchange 2007.
- Implemented Computer Aided Dispatch System and upgraded Star Witness Video System for the Police department.
- Assisted the Financial Services department in the implementation of Employee Desk.
- Coordinated and conducted numerous technology training courses for participants with a variety of skill level.

Goals and Objectives for Fiscal Year 2009-2010:

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 95% 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 1.8 days.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% satisfaction rating by employees on training received	n/a	n/a	90%	90%
% satisfaction rating by employees on adequacy of training resources	n/a	n/a	90%	90%
Average # of days to resolve work orders	4.0	1.9	2.0	1.8



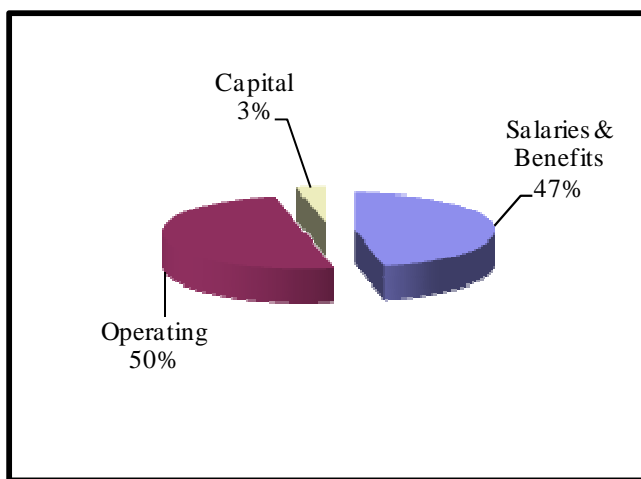
The Information Technology Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ 223,138	\$ 243,200	\$ 245,647	\$ 285,500	16.2%
Operating	251,318	299,720	294,710	308,020	4.5%
Capital	41,850	61,950	61,950	20,000	-67.7%
Expenditures Total	\$ 516,306	\$ 604,870	\$ 602,307	\$ 613,520	1.9%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Charges for Services - IT	\$ 516,306	\$ 604,870	\$ 602,307	\$ 613,520	1.9%
Revenues Total	\$ 516,306	\$ 604,870	\$ 602,307	\$ 613,520	1.9%

Authorized Personnel	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	0.50	100.0%
Total Authorized Personnel	3.00	3.00	3.00	3.50	100.0%



Budget Highlights:

The Information Technology department Salaries & Benefits budget reflects the addition of a part-time Administrative Assistant transferred from Administration as well as a 15% increase in group insurance and 35% increase in workers' compensation premiums. Operating expenditures include costs to upgrade the enterprise-wide accounting and reporting system. 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 2009-2010 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.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	-	37,600	-	50,000	100.0%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ -	\$ 37,600	\$ -	\$ 50,000	100.0%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ -	\$ 37,600	\$ -	\$ 50,000	100.0%
Revenues Total	\$ -	\$ 37,600	\$ -	\$ 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 easy or appropriate to allocate to the various departments. Expenditures include economic development and other contributions or grants, as well as other miscellaneous items.

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	48,622	70,000	70,000	66,250	-5.4%
Capital	-	-	-	-	0.0%
Expenditures Total	\$ 48,622	\$ 70,000	\$ 70,000	\$ 66,250	-5.4%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 48,622	\$ 70,000	\$ 70,000	\$ 66,250	-5.4%
Revenues Total	\$ 48,622	\$ 70,000	\$ 70,000	\$ 66,250	-5.4%

Budget Highlights:

The Non-Departmental budget for FY 2009-2010 includes a \$22,000 contribution to Partners for Progress, a \$20,000 grant to the Given Memorial Library and \$10,000 for Downtown economic development. Also, \$5,000 is allocated to fund the Neighborhood Beautification Grants program.



Purpose and Description:

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. For complete information on anticipated debt, please refer to the *Five-Year Capital Improvement Plan* sections.

The total amount of debt outstanding at June 30, 2009 will be \$4,487,480. 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 second quarter of FY 2009-2010 the Village is budgeting to purchase a replacement fire truck. This budget contains the \$500,000 capital appropriation, the anticipated loan proceeds for this purchase, as well as the first installment for the debt service. Also within the five-year planning horizon, the Village intends to issue \$4.2 million in debt for a public services facility and \$2.9 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 Village Hall, Police Station and a Firetruck debt 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.



Computation of Legal Debt Limit

Net Assessed Value - June 30, 2008	\$ 2,777,644,600
	<u>8.0%</u>
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 222,211,568
Gross Debt:	
Total Bonded Debt	-
Installment Purchase Agreements	<u>4,487,480</u>
Total Gross Debt:	4,487,480
Less: Water Bonds	<u>-</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>4,487,480</u>
Legal Debt Margin	<u>\$ 217,724,088</u>

The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village's net debt as a percentage of assessed valuation at June 30, 2008 is 0.161% compared to the legal debt limit of 8%.



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 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14
INSTALLMENT PURCHASE AGREEMENTS					
Firetruck \$500,000; due in 20 semi-annual payments of \$31,938; collateralized by firetruck; final payment due on 01/15/20; interest at 3.5%	\$ 31,938	\$ 63,876	\$ 63,876	\$ 63,876	\$ 63,876
Fire Station \$2,500,000; due in 30 semi-annual payments consisting of fixed principal of \$83,334 plus interest @ 3.44%; collateralized by Fire Station bldg; final payment due on 03/15/20.	228,300	222,567	216,833	211,100	205,367
Village Hall \$4,000,000; due in 25 semi-annual payments of \$143,629; collateralized by building; final payment due on 09/17/11; interest @ 3.57% (Note: Original loan was refinanced in 05/05/99 & 02/19/04)	287,258	287,258	143,629	-	-
Police Station \$3,800,000; due in 25 semi-annual payments of \$140,064; collateralized by building; final payment due on 09/20/12; interest at 3.71% (Note: Original loan was refinanced 05/05/99 & 02/19/04)	280,128	280,128	280,128	140,064	-
Fair Barn \$1,000,000; due in 40 semi-annual payments consisting of fixed principal of \$25,000 plus interest @ 4.60%; collateralized by Fair Barn bldg; final payment due on 3/11/22.	79,325	77,025	74,725	72,425	70,125
67.04 Acres (Chicken Plant Road) \$500,000; due in 30 semi-annual payments consisting of fixed principal of \$16,667 plus interest @ 3.98%; collateralized by 67.04 acres of land; final payment due 4/15/18.	44,942	43,615	42,288	40,962	39,635
Firetruck \$374,731; due in 20 semi-annual payments of \$23,936; collateralized by firetruck; final payment due on 08/16/11; interest @ 4.91%	47,871	47,871	23,936	-	-
DEBT SERVICE TOTAL	\$ 999,762	\$ 1,022,340	\$ 845,415	\$ 528,427	\$ 379,003

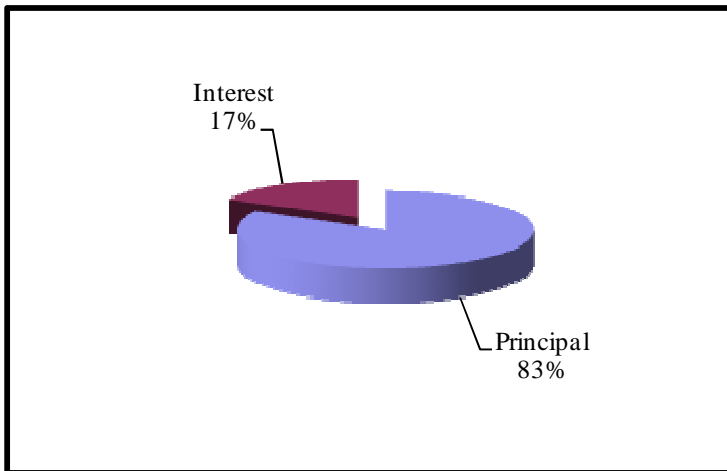


Debt Service

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Principal	\$ 796,762	\$ 808,990	\$ 808,886	\$ 829,991	2.6%
Interest	221,947	194,364	194,333	169,771	-12.6%
Expenditures Total	\$ 1,018,709	\$ 1,003,354	\$ 1,003,219	\$ 999,762	-0.3%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 1,018,709	\$ 1,003,354	\$ 1,003,219	\$ 999,762	-0.3%
Revenues Total	\$ 1,018,709	\$ 1,003,354	\$ 1,003,219	\$ 999,762	-0.3%



Budget Highlights:

The Debt Service budget includes principal and interest payments on the financing agreements. The final installment for the Taylorhurst Project Special Assessment was made in FY 2008-09. In addition, new debt of \$500,000 will be incurred in the second quarter for the purchase of a fire truck. Debt service on this loan would begin in FY 2009-2010.



Purpose and Description:

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

Major Accomplishments for Fiscal Year 2008-2009:

- Transferred \$430,900 to the Capital Reserve Fund to be used for capital improvements.

Goals and Objectives for Fiscal Year 2009-2010:

Goal: To transfer amounts from the General Fund to other Funds for future expenditures.

Objective: To transfer 75% of the estimated Article 44 and Hold Harmless Local Option Sales Tax revenue to the Capital Reserve Fund.

Objective: To transfer any fund balance in excess of 33% of the total estimated General Fund expenditures to the Capital Reserve Fund.

Performance Measures	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Goal
% of estimated Local Option Sales Tax revenue transferred to Capital Reserve Fund	75%	75%	75%	75%
Amount of excess General Fund Balance transferred to Capital Reserve Fund	\$ 960,500	\$0	\$ 80,900	\$0

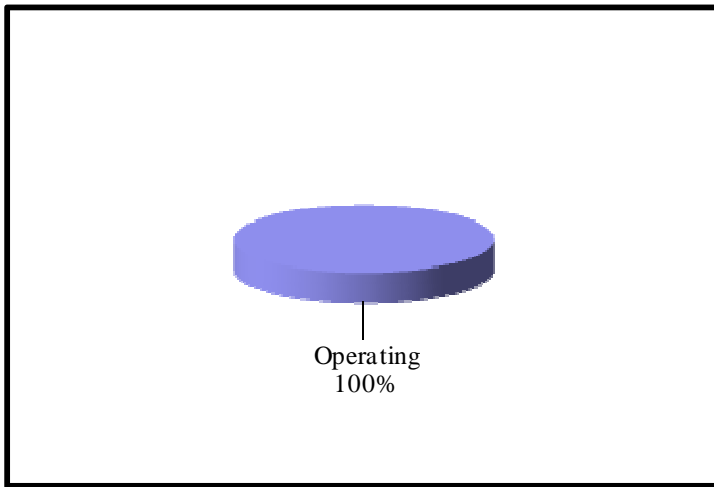


Other Financing Uses

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

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Operating	\$ 340,000	\$ 430,900	\$ 430,900	\$ 340,000	-21.1%
Expenditures Total	\$ 340,000	\$ 430,900	\$ 430,900	\$ 340,000	-21.1%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
General Revenues	\$ 340,000	\$ 430,900	\$ 430,900	\$ 340,000	-21.1%
Revenues Total	\$ 340,000	\$ 430,900	\$ 430,900	\$ 340,000	-21.1%



Budget Highlights:

Other Financing Uses includes the transfer of \$340,000 to the Capital Reserve Fund, which equals 75% of projected Article 44 and Hold Harmless Local Option Sales Tax revenue. Hold Harmless amounts are to make municipalities whole from the repeal of the per capita portion of the Article 44 sales tax effective October 2008.

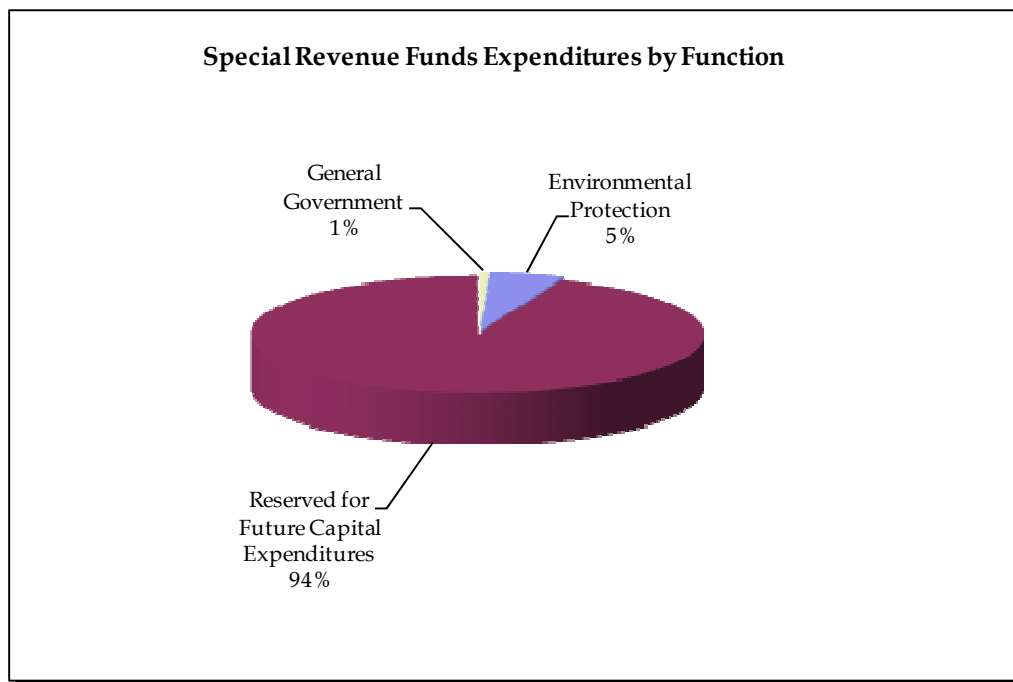


Special Revenue Funds Summary

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:

- ❖ Land Dedication Fund
- ❖ Residential Assurance-Interest Fund
- ❖ Municipal Service District Fund (MSD)
- ❖ 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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Ad Valorem Taxes	\$ 5,276	\$ 4,083	\$ 4,098	\$ 4,153	1.3%
Assessments	26,145	16,372	16,372	15,620	-4.6%
Other Revenues	-	15,900	15,987	-	0.0%
Investment Income	18,020	8,400	13,400	12,850	-4.1%
Transfers from Other Funds	340,000	430,900	430,900	340,000	-21.1%
Fund Balance Appropriated	-	-	-	-	0.0%
Revenues Total	\$ 389,441	\$ 475,655	\$ 480,757	\$ 372,623	-21.7%

Budget Highlights:

The Village has budgeted for a \$340,000 transfer from the General Fund to the Capital Reserve Fund for future capital expenditures. This transfer constitutes 75% of the estimated revenue from Article 44 of the Local Option Sales Tax for FY 2009-2010 in accordance with the Village's Capital Reserve Policy. The Capital Reserve Fund is also expected to transfer \$340,000 back to the General Fund, utilizing appropriated fund balance to do so.

Expenditures

Consolidated Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Utilities	\$ 1,701	\$ 1,500	\$ 2,440	\$ 2,400	-1.6%
R&M: Equipment	-	833	500	500	100.0%
Departmental Supplies	926	2,000	2,000	1,553	-22.4%
Transfer to General Fund	396,145	299,892	299,892	355,620	18.6%
Transfer to Capital Project Funds	40,000	8,500	280,400	-	-100.0%
Reserve for Future Use	-	147,030	-	12,550	100.0%
Expenditures Total	\$ 438,772	\$ 459,755	\$ 585,232	\$ 372,623	-19.0%

Budget Highlights:

Transfers to the General Fund total \$355,620. The largest transfer, \$340,000, is from the Capital Reserve Fund for general capital expenditures. The remaining transfer to the General Fund is for \$15,620 in MSD dam repair assessments that will be used by the General Fund to repay itself for the dam repair and rehabilitation.



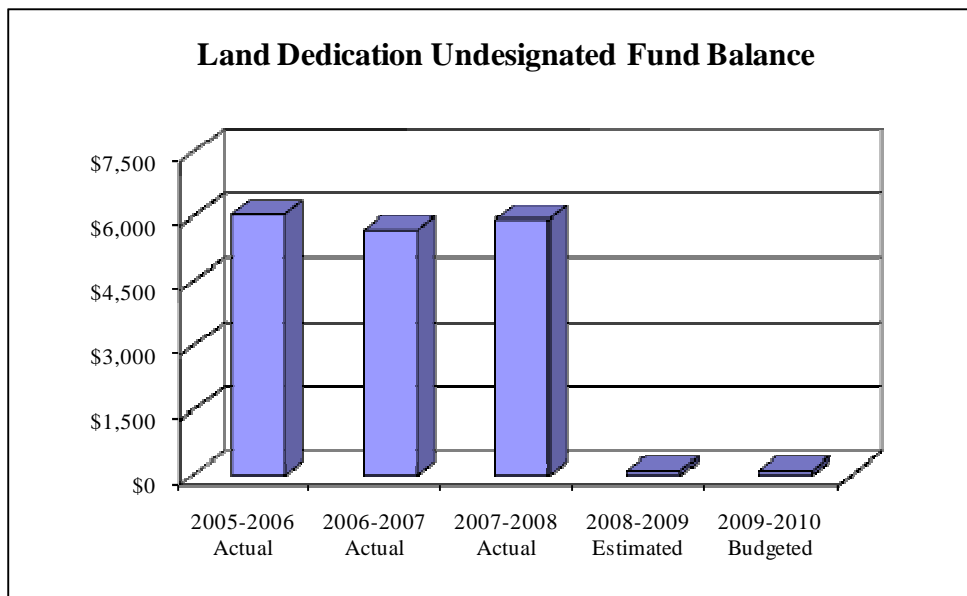
Land Dedication Fund

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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Departmental Supplies	\$ -	\$ -	\$ -	\$ -	0.0%
Transfer to General Fund	-	21,900	21,900	-	0.0%
Reserve for Future Use	-	150	-	50	100.0%
Expenditures Total	\$ -	\$ 22,050	\$ 21,900	\$ 50	-99.8%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Land Dedication Payments	\$ -	\$ 15,900	\$ 15,987	\$ -	0.0%
Investment Income	242	150	75	50	-33.3%
Revenues Total	\$ 242	\$ 16,050	\$ 16,062	\$ 50	-99.7%





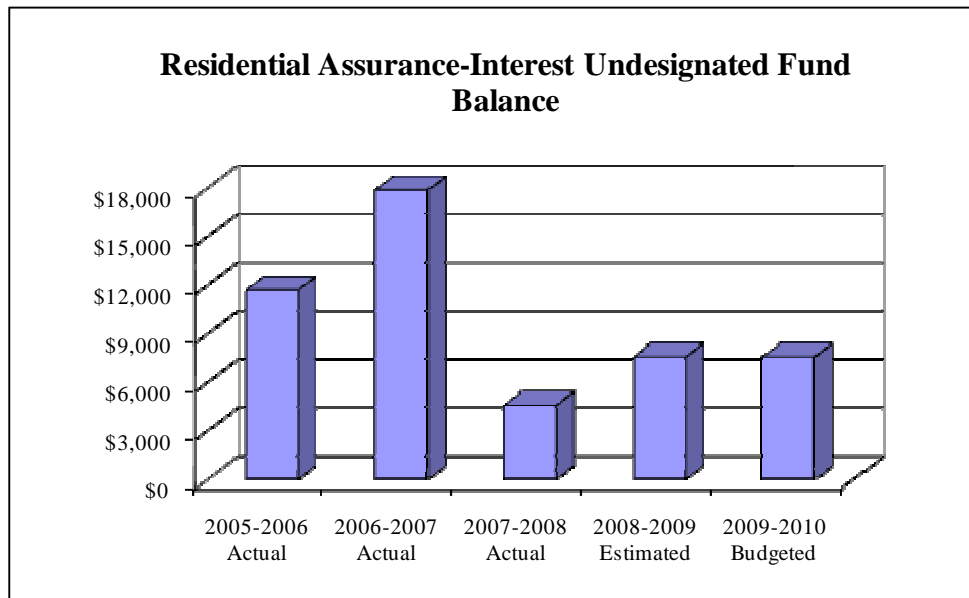
Residential Assurance-Interest Fund

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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Service Charges/Fees	\$ -	\$ -	\$ -	\$ -	0.0%
Contracted Services	-	-	-	-	0.0%
Reserve for Future Use	-	3,000	-	2,500	100.0%
Expenditures Total	\$ 20,000	\$ 3,000	\$ -	\$ 2,500	100.0%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Investment Income	\$ 6,734	\$ 3,000	\$ 3,000	\$ 2,500	-16.7%
Miscellaneous Revenue	-	-	-	-	0.0%
Revenues Total	\$ 6,734	\$ 3,000	\$ 3,000	\$ 2,500	-16.7%





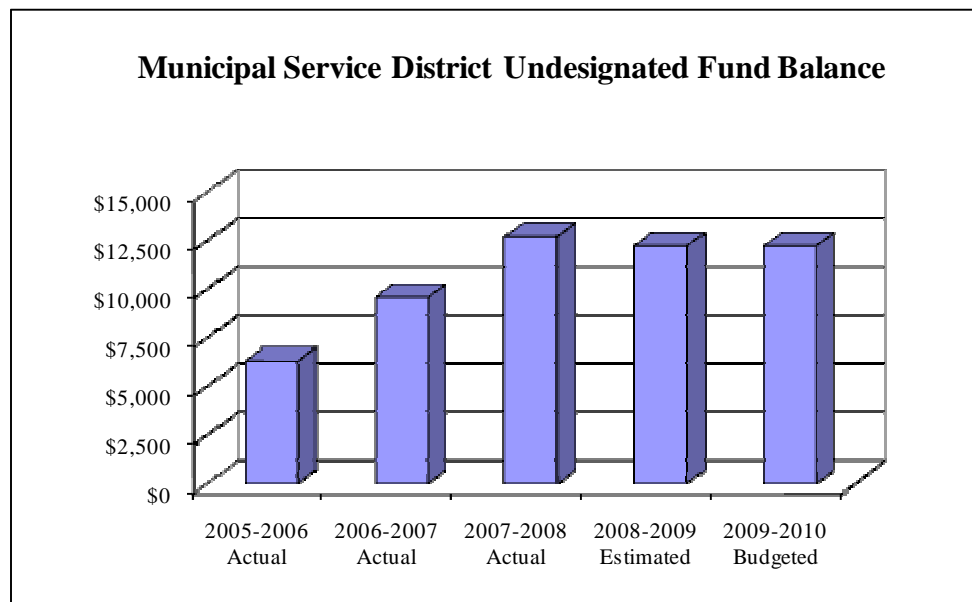
Municipal Service District Fund

The Municipal Service District fund is used to account for the annual costs of operating the dams in this subdivision and to account for the annual special assessment to residents of the service district for improvements made to the dam in FY 2006-07. The proposed tax rate for FY 2009-10 is \$0.06 per \$100 valuation. This represents no increase in the tax rate compared to the previous year.

Municipal Service District Expenditures and Revenues

Expenditures by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Departmental Supplies	\$ 926	\$ 2,000	\$ 2,000	\$ 1,553	-22.4%
Utilities	1,701	1,500	2,440	2,400	-1.6%
R&M: Equipment	-	833	500	500	100.0%
Transfer to General Fund	26,145	16,372	16,372	15,620	-4.6%
Expenditures Total	\$ 28,772	\$ 20,705	\$ 21,312	\$ 20,073	-5.8%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Ad Valorem Taxes-CY and PY	\$ 5,276	\$ 4,083	\$ 4,098	\$ 4,153	1.3%
Assessments	26,145	16,372	16,372	15,620	-4.6%
Investment Income	515	250	325	300	-7.7%
Revenues Total	\$ 31,936	\$ 20,705	\$ 20,795	\$ 20,073	-3.5%





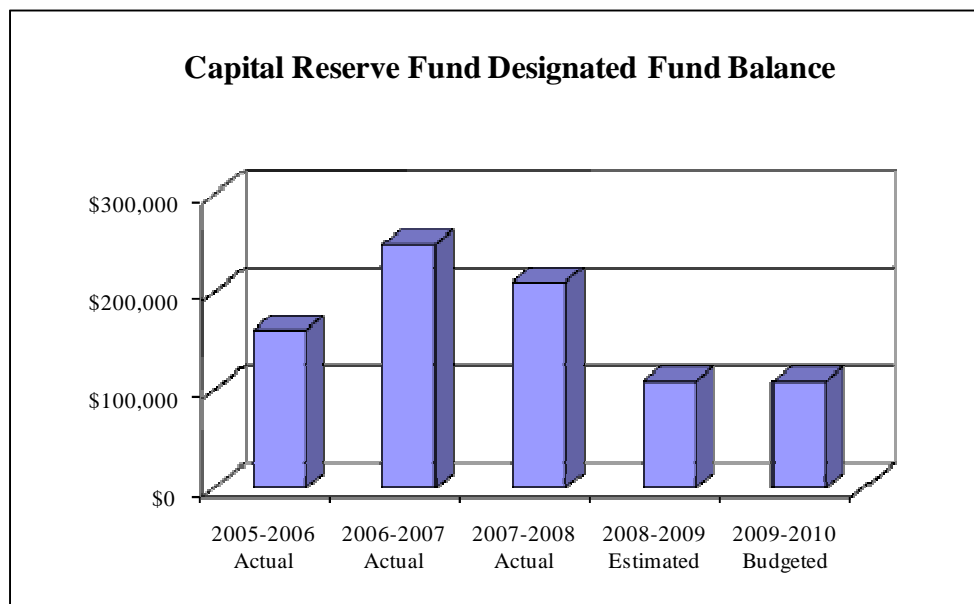
Capital Reserve Fund

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 2009-2010 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 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Transfer to General Fund	\$ 350,000	\$ 283,520	\$ 283,520	\$ 340,000	19.9%
Transfer to Capital Project Funds	40,000	8,500	258,500	-	-100.0%
Reserve for Future Use	-	143,880	-	10,000	100.0%
Expenditures Total	\$ 390,000	\$ 435,900	\$ 542,020	\$ 350,000	-35.4%

Revenues by Type	FY 2007-08 Actual	FY 2008-09 Budget	FY 2008-09 Estimated	FY 2009-10 Budgeted	Percent Change
Transfers from Other Funds	\$ 340,000	\$ 430,900	\$ 430,900	\$ 340,000	-21.1%
Investment Income	10,529	5,000	10,000	10,000	0.0%
Fund Balance Appropriated	-	-	-	-	0.0%
Revenues Total	\$ 350,529	\$ 435,900	\$ 440,900	\$ 350,000	-20.6%





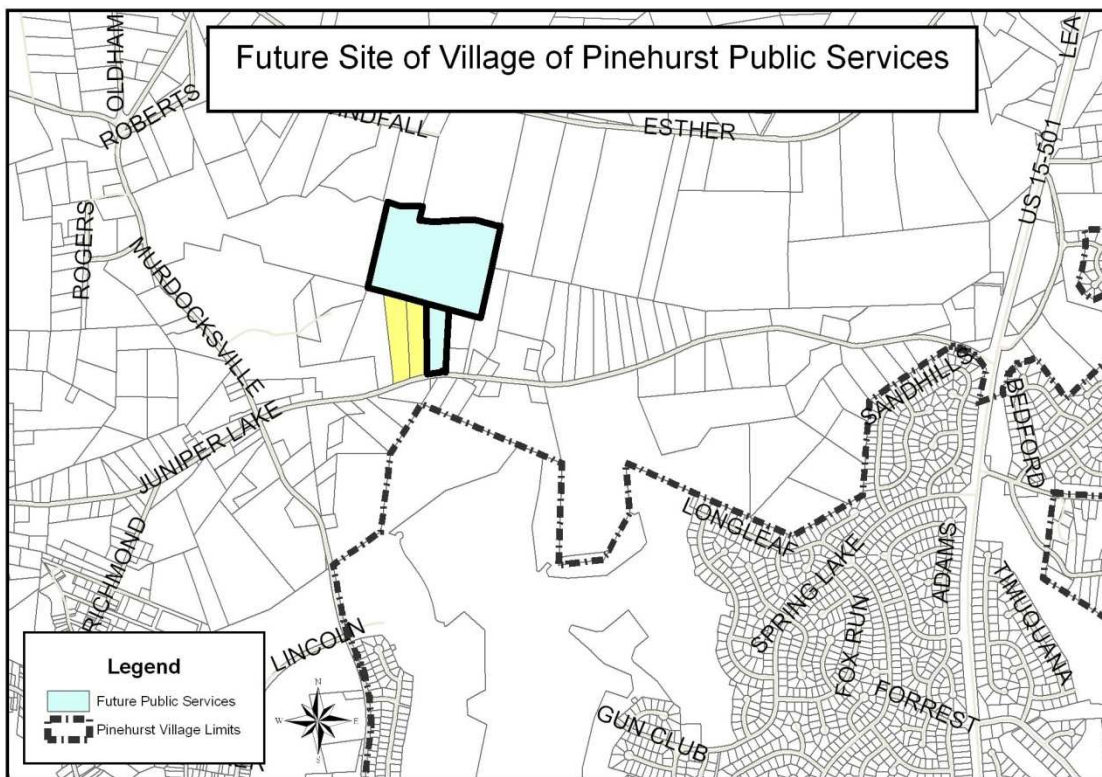
Capital Project Funds Summary

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	\$ 1,128,500	\$ 1,128,500	\$ -
Transfer from General Fund	45,000	45,000	-
Moore County Matching Funds	71,500	71,500	-
Community Development Block Grant	750,000	302,954	447,046
Revenues Total	\$ 1,995,000	\$ 1,547,954	\$ 447,046

Budget Highlights:

Of the \$1,128,500 transferred from the Capital Reserve Fund for these projects, \$1,090,000 was for the Public Services Facility project.

Expenditures

Consolidated Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Project Administration	\$ 75,000	\$ 16,995	\$ 58,005
Engineering Costs	356,000	157,082	198,918
Construction Costs	787,500	270,824	516,676
Land Acquisition Costs	776,500	770,308	6,192
Expenditures Total	\$ 1,995,000	\$ 1,215,209	\$ 779,791

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, which is anticipated to be in the Spring 2010.

The Jackson Hamlet CDBD project is nearing the end of construction and should be completed in the first quarter of the 2009-2010 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.

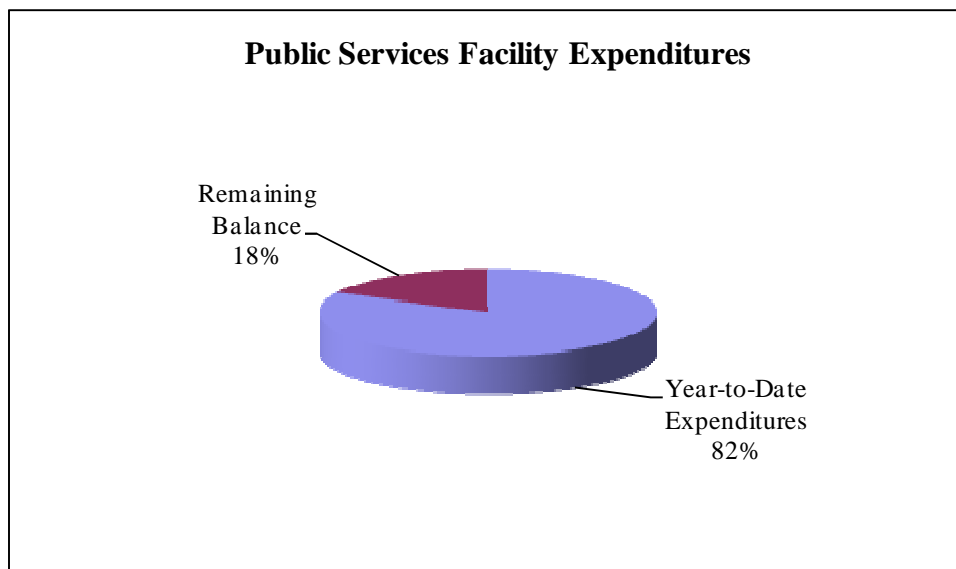
Public Services Facility Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Engineering Costs	\$ 311,000	\$ 128,159	\$ 182,841
Construction Costs	2,500	134	2,366
Land Acquisition Costs	776,500	770,308	6,192
Expenditures Total	\$ 1,090,000	\$ 898,601	\$ 191,399

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 1,090,000	\$ 1,090,000	\$ -
Revenues Total	\$ 1,090,000	\$ 1,090,000	\$ -

Impact on Operating Budget

The impact on the operating budget for the FY 2009-2010 will be negligible. Once the facility is completed as planned in FY 2011, operational costs are expected to increase by \$41,100 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's 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.

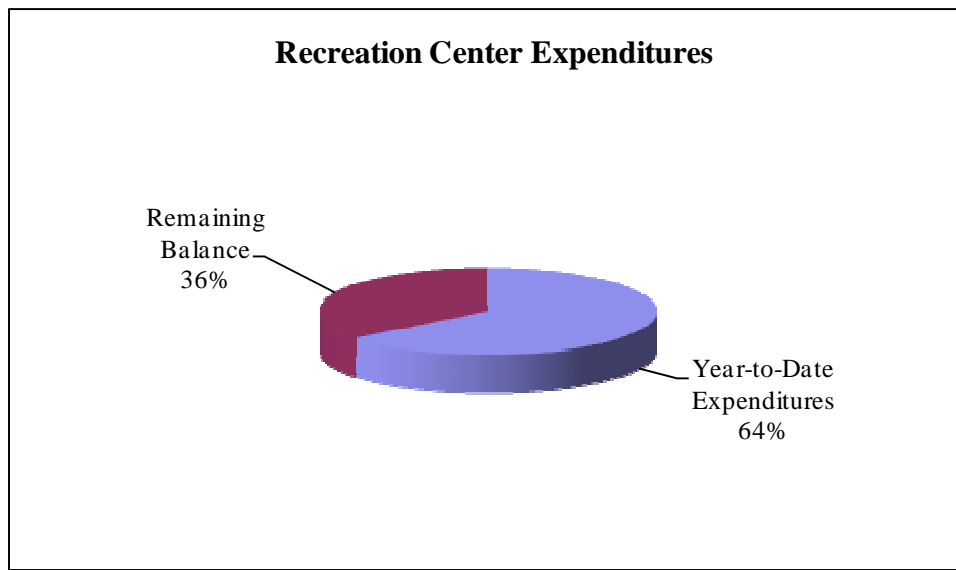
Recreation Center Expenditures and Revenues

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 2009-2010. Once the center is completed as planned in FY 2012, operational costs are expected to increase by \$98,400 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 \$38,500 and \$71,500 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.

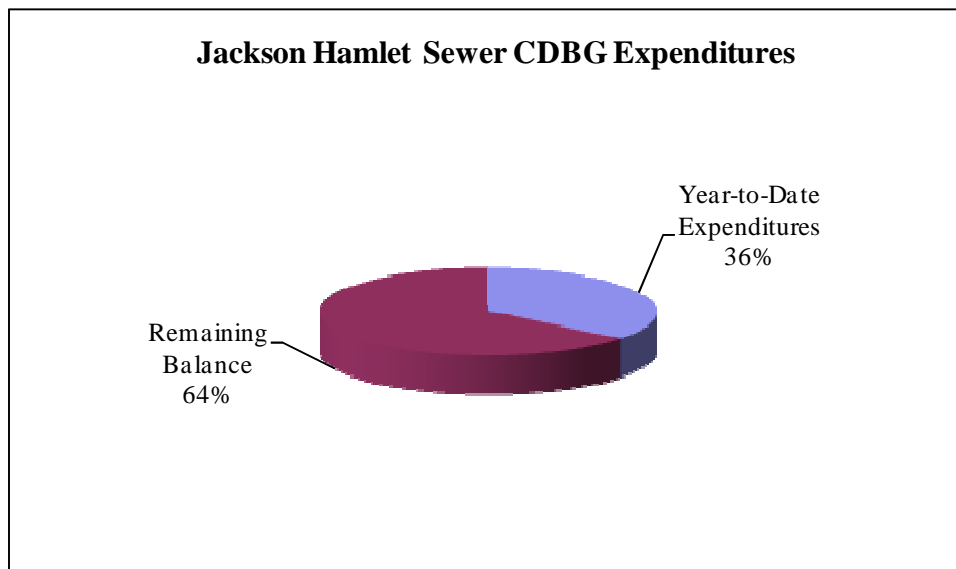
Jackson Hamlet Sewer CDBG Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Project Administration	\$ 75,000	\$ 35,532	\$ 39,468
Construction Costs	785,000	270,690	514,310
Expenditures Total	\$ 860,000	\$ 306,222	\$ 553,778

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 38,500	\$ 38,500	\$ -
Moore County Match	71,500	-	71,500
Grants	750,000	81,554	668,446
Revenues Total	\$ 860,000	\$ 120,054	\$ 739,946

Impact on Operating Budget

There will be no impact on the operating budget for the FY 2009-2010 fiscal year. Once the sewer facilities are completed, ownership of the facilities will be turned over to Moore County Public Utilities.





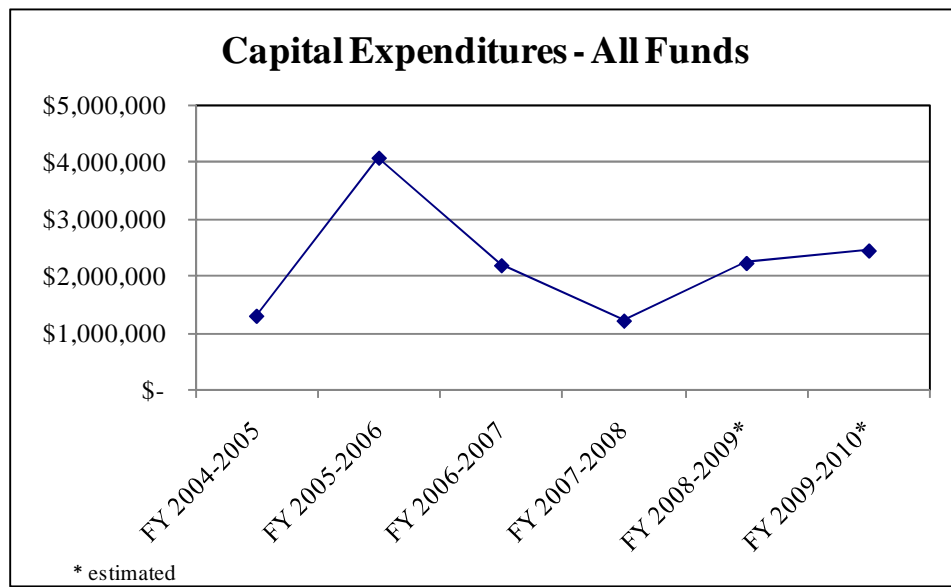
Capital Expenditures Summary

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.



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 2009-2010 Budget. In addition to routine vehicle replacements, the Village intends to replace one fire truck, implement an on-line citizen access system for Planning & Inspections, 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
Fire				
Resurface Bay Floor - Station 91	Fire	18,500	-	18,500
Drafting Pit	Fire	9,900	9,900	-
SCBA Airpacks	Fire	10,000	10,000	-
Opti-com Traffic Control	Fire	9,700	9,700	-
Traffic Light System	Fire	10,500	-	10,500
Thermal Imaging Camera	Fire	19,700	19,700	-
Total Fire		78,300	49,300	29,000
Engineering				
Envirosight Quick View Camera	Engineering	16,500	-	16,500
Stormwater Projects	Engineering	130,000	130,000	-
Total Engineering		146,500	130,000	16,500
Buildings & Grounds Maintenance				
WP Longleaf Pine Forest Restoration	Recreation	20,000	-	20,000
Cannon Park Fence	Recreation	17,500	-	17,500
Cannon Park Lot Improvements	Recreation	35,000	30,000	5,000
Hockey Rink	Recreation	16,000	16,000	-
All Weather Show Rings	Harness Track	50,000	-	50,000
Barn 5 Structural Improvements or Demo	Harness Track	20,000	-	20,000
Barn 10 Roof Replacement	Harness Track	30,000	30,000	-
Road Improvements - Entrance to Restaurant	Harness Track	75,000	-	75,000
Sewer Hookups - Barns 9 & 10	Harness Track	20,000	-	20,000
Security System Upgrade	Police	25,000	25,000	-
Overflow Lot Improvements	Fair Barn	68,000	-	68,000
Computer Training Room	Administration	80,000	85,000	(5,000)
Total Buildings & Grounds Maintenance		456,500	186,000	270,500



Capital Expenditures Summary

General Fund Capital Expenditures (continued):

General Fund Capital Items	Budget Department	Requested Amount	Approved Amount	Unfunded Amount
Information Technology				
HRIS Software	Human Resources	25,000	-	25,000
P&I Software & On-line Citizen Access	Planning & Inspections	55,000	-	55,000
Voice Over IP Phone System	Police	125,000	20,000	105,000
Police Dispatch Radio Console	Police	20,000	-	20,000
Total Information Technology		225,000	20,000	205,000
Fleet Maintenance				
4 Patrol Vehicles	Police	170,625	136,500	34,125
Minivan	Administration	25,000	-	25,000
Fire Truck	Fire	500,000	500,000	-
Fire Inspection Car	Fire	23,000	-	23,000
Utility Vehicle	Fire	35,000	-	35,000
One Arm Garbage Truck	Solid Waste	230,000	-	230,000
Small Automated Truck	Solid Waste	145,000	145,000	-
Recycle Compactor	Solid Waste	130,000	-	130,000
Debugger	Solid Waste	70,000	-	70,000
4-Door Sedan	Inspections	22,000	-	22,000
Full Size Pickup Truck	Streets & Grounds	25,000	20,000	5,000
Tandem Trailer	Streets & Grounds	15,000	-	15,000
Dump Truck	Streets & Grounds	80,000	-	80,000
Tractor	Streets & Grounds	50,000	-	50,000
Skidsteer Loader	Streets & Grounds	62,000	-	62,000
Mid-Size Truck	Engineering	22,000	-	22,000
Mid-Size Truck	Engineering	22,000	-	22,000
Water Truck	Harness Track	60,000	-	60,000
Work Van	Buildings & Grounds	25,000	-	25,000
Full-Size Pickup Truck	Recreation	25,000	15,000	10,000
4-Door Sedan	Recreation	23,000	-	23,000
4x4 Mule	Buildings & Grounds	17,000	-	17,000
Total Fleet Maintenance		1,776,625	816,500	960,125
General Fund Total		\$ 2,682,925	\$ 1,201,800	\$ 1,481,125

Capital Project Fund Capital Items	Approved Amount
Capital Projects	
Public Services Facility Land & Design	\$ 1,090,000
Recreation Center Design	45,000
Jackson Hamlet Sewer CDBG	860,000
Capital Project Fund Total	\$ 1,995,000

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



Five-Year Capital Improvement Plan FY 2010-2014

Village of Pinehurst Capital Improvement Plan FY 2010-2014

January 13, 2009

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) 2010 through 2014. 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 and is reflective of the current and projected economic environment. 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 \$21,287,020 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 2009-2013 totaled \$19,793,650. This year's CIP total represents an increase of \$1,493,370, or approximately 7.5%, from the previous year. It is worth noting that departmental requests this year were just below \$29,000,000. Maintaining the current property tax rate and reductions in other revenue projections in the proposed CIP resulted in nearly \$8,000,000 in requests being deferred or unfunded.

There are a total of five (5) capital projects identified, three of which were included in last year's CIP. The two new projects are resuming capital investments in Rassie Wicker Park and the Greenway system which were included in previous capital plans but were not funded 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.

Of the total \$21,287,020 in capital expenditures, the anticipated costs of the three major groupings are detailed in the table below.

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Vehicles/Equipment	\$ 4,765,400	22%
Capital Improvements	6,607,000	31%
Capital Projects	9,914,620	47%
TOTAL	<u>\$ 21,287,020</u>	<u>100%</u>



Five-Year Capital Improvement Plan FY 2010-2014

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 a fire truck, will be funded on a pay-as-you go basis, or with available cash. Two capital projects, the Public Services Facility and the Cannon Park Recreation Center, will be financed with either installment financing agreements or grants, while all others will be funded with available cash. The table and graph below show a summary of the revenues and funding sources for the CIP. The detail of the funding sources can be found in Exhibit 7 on page 13.

Table 2 -CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
Cash	\$ 9,951,400
Grant	2,850,000
Installment Financing	8,485,620
TOTAL	\$ 21,287,020

Capital Improvements by Funding Source FY2010-2014

Installment Purchase 40%	Cash 47%
Grant Funds 13%	

As you can see, the majority of the capital improvements are funded with available Village funds or cash, while another 40% 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 secure installment financing and commence construction in FY2010 and sell our current facility in FY2012.
- Construction of the Cannon Park Recreation Center is planned to begin in FY2011 and be completed in FY2012. Installment financing obtained in FY2011 will be used to fund this project.
- Investment in Greenway construction and Rassic Wicker Park development will begin again in FY2014 after a five-year deferral of both of these projects.
- Drainage or storm water improvements are reduced by 53% from \$1,500,000 to \$707,000.
- 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 2010-2014

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

	2010	2011	2012	2013	2014
Projects Paid with Cash	\$ 187,500	\$ 85,000	\$ 15,000	\$ 300,000	\$ 916,500
Improvements Paid with Cash	683,500	672,500	825,500	1,260,500	815,000
Vehicles/Equipment	701,200	1,072,000	800,600	918,000	698,600
CIP in General Fund	1,572,200	1,829,500	1,641,100	2,478,500	2,430,100
Additional Debt Service	-	548,039	845,499	823,350	882,850
Annual Operating Impact	401,853	413,909	499,286	579,856	597,252
Annual General Fund Impact	1,974,053	2,791,448	2,985,886	3,881,705	3,910,201
Capital Reserve Funds Utilized	(450,000)	(450,000)	(950,000)	(2,125,000)	(450,000)
Net General Fund Impact	\$ 1,524,053	\$ 2,341,448	\$ 2,035,886	\$ 1,756,705	\$ 3,460,201

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.

The current economic recession prompted the lowering of several key revenue assumptions. Declines in the rate of new home construction and the value of existing real estate resulted in lowering of property tax revenue projections. Other revenue sources related to construction were also reduced. Sales taxes and other revenues that are more reliant on the general economy are more difficult to predict. We have in turn revised our revenue estimates for the five year period down from previous levels.

Management expects to sell two capital assets during the FY2010-2014 CIP planning period. This plan includes the sale of the old Fire Station on Community Road in FY2011 and approximately 6.9 acres of land in the New Core area in FY 2012. Proceeds from both sales will be transferred to the Capital Reserve Fund for capital expenditures. Approximately \$500,000 will be transferred back to the General Fund in FY 2012 and \$1,675,000 will be transferred to the General Fund in FY 2013 to fund capital items that are included in the CIP. Due to the general uncertainty surrounding the sale of these unique properties, the CIP does not contemplate using the proceeds for capital expenditures until the year following the sale.

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 thirteen (13) positions during the 5 year planning horizon. Four (4) of those positions are related to the annexation of Pinewild Country Club in FY 2010. Other planned positions include two (2) Streets & Grounds Maintenance workers and one (1) Solid Waste worker, two (2) Engineering Technicians, one and a half (1.5) Administrative Assistants and one (1) part-time Gym Supervisor, an IT Applications Specialist, and a Communication Specialist. The vast majority of the thirteen new positions included in the plan are positions that provide services directly to the residents of Pinewild and are not administrative in nature.



Five-Year Capital Improvement Plan FY 2010-2014

At this time, the Village anticipates the annexation of a large residential area known as Pinewild effective January 1, 2010. This date represents management's best estimation of when the state legal challenge opposing the annexation will be resolved. Population as a result of this annexation will increase by approximately 1,350 residents or 11%. The financial impact of this annexation is included in the projected amounts in Table 4 below. It should be noted that the Village will incur operating expenses in FY2010 to service Pinewild but will not receive any property tax revenue to fund the expenditures until FY2011. 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 Fund Revenues and Expenditures

	2010	2011	2012	2013	2014
Population	11,948	13,617	14,015	14,413	14,811
Revenues	\$ 14,468,000	\$ 17,865,000	\$ 18,972,000	\$ 18,968,000	\$ 19,144,000
Tax Rate	0.28	0.28	0.25	0.25	0.25
Expenditures					
Salaries	5,579,000	5,902,000	6,216,000	6,600,000	6,864,000
Personnel in FTEs	137	142	145	148	148
Operating	7,460,000	8,375,000	9,830,000	8,460,000	8,733,000
Pinewild Annexation	188,200	388,334	406,764	432,857	453,534
Operating Expenditures	7,648,200	8,763,334	10,236,764	8,892,857	9,186,534
Debt Service	1,039,000	1,576,000	1,694,000	1,353,000	1,261,000
Exp before Capital	14,266,200	16,241,334	18,146,764	16,845,857	17,311,534
Amt Left for Capital	\$ 201,800	\$ 1,623,666	\$ 825,236	\$ 2,122,143	\$ 1,832,466
CIP in General Fund	1,572,200	1,829,500	1,641,100	2,478,500	2,430,100
Net Impact on General Funds	\$ (1,370,400)	\$ (205,834)	\$ (815,864)	\$ (356,357)	\$ (597,634)

Projected Impact on General Fund Balance

	2010	2011	2012	2013	2014
Beginning General Fund	\$ 5,197,820	\$ 4,624,050	\$ 5,310,716	\$ 5,486,872	\$ 6,073,196
Net Impact on General Fund	(1,370,400)	(205,834)	(815,864)	(356,357)	(597,634)
Budget to Actual Variance*	796,630	892,500	992,020	942,680	971,290
Projected Actual Gain/(Loss)	(573,770)	686,666	176,156	586,323	373,656
Projected Ending GF Bal	4,624,050	5,310,716	5,486,872	6,073,196	6,446,851
% of Total Budget	29.2%	29.4%	27.7%	31.4%	32.7%

*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 27%-33% of expenditures which is the desired range stated in the Village's Fund Balance policy. These



Five-Year Capital Improvement Plan FY 2010-2014

projections include the assumption that operating revenues typically come in at 101% of budget while operating expenditures typically fall 5% below budget.

Debt Service

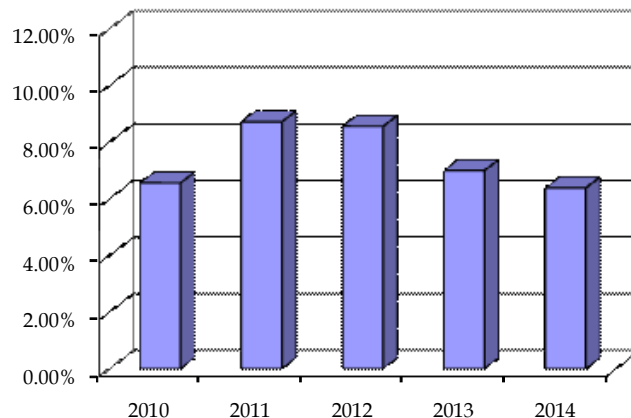
To determine estimated debt service, we assumed a 4.20% interest rate amortized over 10 years for the fire truck and 15 years for the buildings. As presented, the Village's CIP will result in additional annual debt service costs ranging from \$548,000 up to \$882,850 during the planning horizon. However, 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				
	2010	2011	2012	2013	2014
Existing Debt Service Payments	\$ 1,038,823	\$ 1,027,365	\$ 848,340	\$ 529,249	\$ 377,727
Additional Debt Service:					
Fire Truck - Unit 914	-	-	-	-	81,650
Public Services Facility	-	548,039	533,917	519,796	505,675
Cannon Park Rec Center	-	-	311,582	303,554	295,525
Total Additional Debt Service	-	548,039	845,499	823,350	882,850
Total Debt Service	\$ 1,038,823	\$ 1,575,403	\$ 1,693,839	\$ 1,352,599	\$ 1,260,577
Estimated Expenditures	15,838,400	18,070,834	19,787,864	19,324,357	19,741,634
% of Expenditures	6.56%	8.72%	8.56%	7.00%	6.39%

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 2011 and 2012, but falls back to historical levels in 2013.

**Village of Pinehurst
CIP Impact on Debt Ratios
FY 2010-2014**





Five-Year Capital Improvement Plan FY 2010-2014

In addition, a comparison of the Village's debt service per capita to its peer group, as shown in Table 6, indicates the Village's debt service per capita is consistent with our peer group in the first few years of the forecast and then drops to considerably lower than the peer group. The Local Government Commission (LGC), a division of the NC Department of State Treasurer, compiles financial data for all local governments in the State. The LGC defines our peer group as 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

	2010	2011	2012	2013	2014
Population	11,948	13,617	14,015	14,413	14,811
Debt Service	\$ 1,038,823	\$ 1,575,403	\$ 1,693,839	\$ 1,352,599	\$ 1,260,577
Debt Service per capita					
Village of Pinehurst	\$ 87	\$ 116	\$ 121	\$ 94	\$ 85
Peer Group*	\$ 136	\$ 136	\$ 136	\$ 136	\$ 136

*Source: NC State Treasurer, based on fiscal year 2007

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. Under the Village's Capital Reserve policy, 75% of Article 44 Sales Tax is transferred from the General Fund to the Capital Reserve Fund each year. Other noticeable transfers in the plan include the proceeds from the sale of land in the New Core area, as mentioned previously.

Table 7 - Projected Capital Reserve Fund

	2009	2010	2011	2012	2013	2014
Beginning Balance	\$ 209,420	\$ 340,180	\$ 303,087	\$ 772,460	\$ 1,943,709	\$ 320,057
Plus:						
Transfers from General Fund	472,383	399,300	907,250	2,090,350	423,600	432,000
Interest Income	8,377	13,607	12,123	30,898	77,748	12,802
Total Other Financing Sources	480,760	412,907	919,373	2,121,248	501,348	444,802
Amount Available for CIP	690,180	753,087	1,222,460	2,893,709	2,445,057	764,860
Less:						
Transfers to General Fund	350,000	450,000	450,000	950,000	2,125,000	450,000
Total Other Financing Uses	350,000	450,000	450,000	950,000	2,125,000	450,000
Ending Balance	\$ 340,180	\$ 303,087	\$ 772,460	\$ 1,943,709	\$ 320,057	\$ 314,860

Peer Comparisons

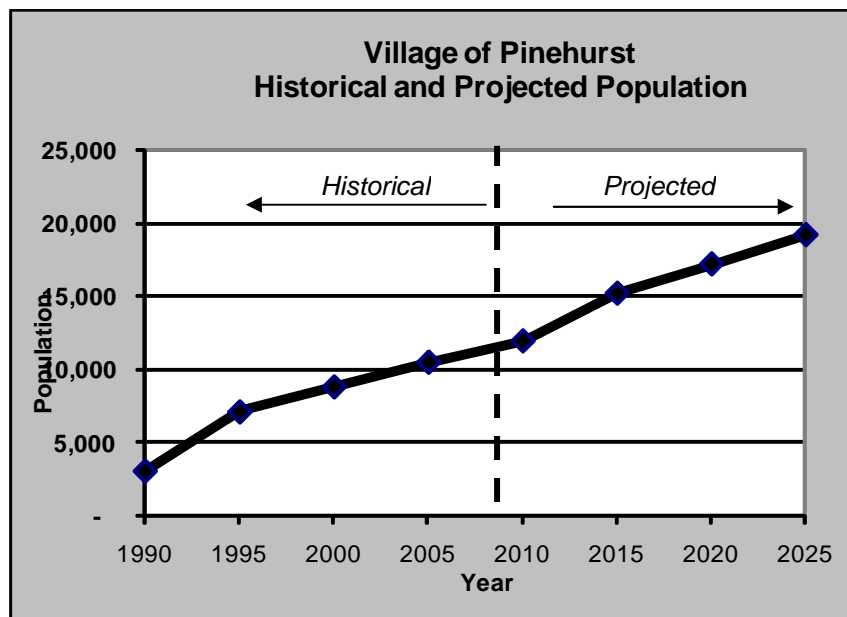
One way the Village can determine if it is spending an appropriate amount on capital expenditures is to compare itself to its peer group. There are two common ways for governments to compare its annual capital expenditures with those of its peers. The first method is to compare the Village's per capita



Five-Year Capital Improvement Plan FY 2010-2014

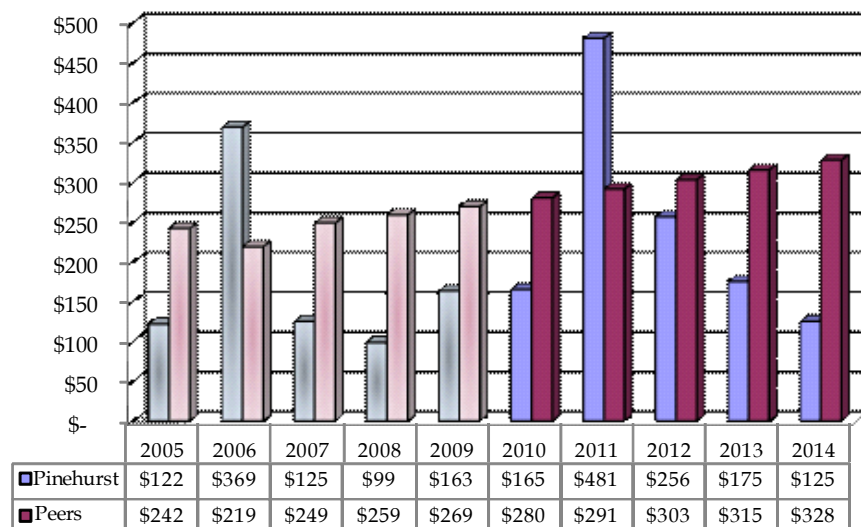
spending, or the dollar amount spent per resident. The second method is to compare the amount of capital expenditures as a percentage of total expenditures.

The per capita cost of implementing the CIP is based on the estimated population of the Village. The current population projections anticipate a growth rate of approximately 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





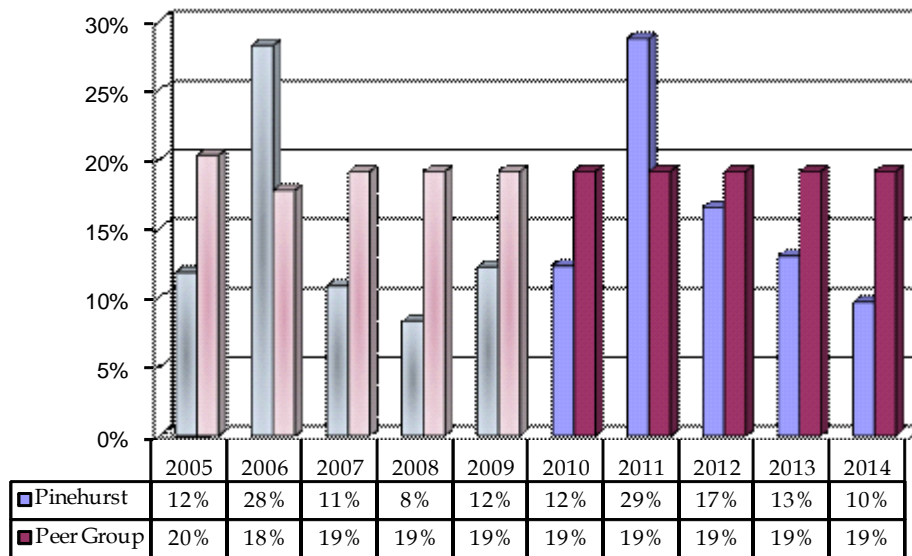
Five-Year Capital Improvement Plan FY 2010-2014

Review of this graph indicates that in FY 2006 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 2011 this is due to the completion of a \$5.6 million public services/fleet maintenance facility and expenditures of approximately \$1.0 million for the construction of a \$3.4 million Cannon Park Recreation Center to be completed in FY2012. The other years in the planning horizon indicate capital spending is consistent with or considerably below our peer group.

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.

Capital as a Percentage of Total Expenditures



Should the Village strive to allocate its resources for capital improvements at a level similar to its peers, the Village would aim to spend approximately \$3.2 - \$4.3 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 is below targeted spending levels by \$3.7 million or 18%. This is due primarily to the projected reduction in revenues available for capital expenditure. The peer data we are using is gathered looking back at historical trends. The current recession may also reduce the level of capital investment by our peer group in the future.



Five-Year Capital Improvement Plan FY 2010-2014

Table 8 - Capital Expenditures Comparable to Peer Group

	2010	2011	2012	2013	2014
Target Capital Spending Levels					
Average per capita	\$ 3,346,529	\$ 3,966,561	\$ 4,245,796	\$ 4,541,024	\$ 4,853,076
19% of expenditures	3,070,125	4,357,611	4,157,810	3,703,976	3,665,589
Average	3,208,327	4,162,086	4,201,803	4,122,500	4,259,332
Projected Capital Outlay*	1,901,400	1,975,075	6,543,747	3,593,598	2,521,500
Over (under) Funded CIP					
Compared to Target	\$ (1,306,927)	\$ (2,187,011)	\$ 2,341,944	\$ (528,902)	\$ (1,737,832)

*Total CIP Reduced by Road Resurfacing

Summary

To summarize, the CIP represents a \$21 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. 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

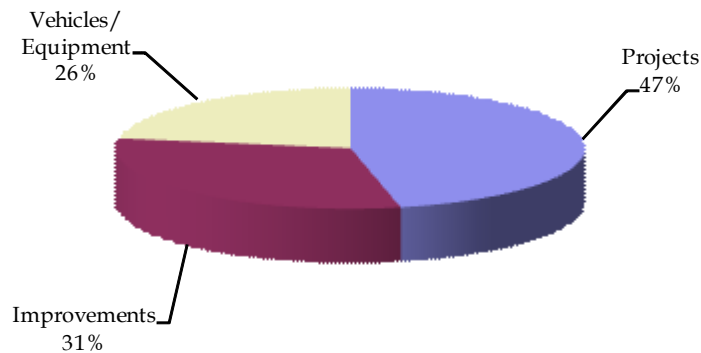


Five-Year Capital Improvement Plan FY 2010-2014

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

	Total	Fiscal Year Ending June 30				
		2010	2011	2012	2013	2014
General Government Projects						
Roadway Improvements	\$ 537,500	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
Public Services Facility	5,043,300	807,875	4,235,425	-	-	-
Fire Station 93	575,000	-	50,000	-	-	525,000
Cannon Park Rec Center	3,367,320	-	925,822	2,441,498	-	-
Greenways	126,500	-	-	-	-	126,500
Rassie Wicker Park	265,000	-	-	-	-	265,000
Subtotal	\$ 9,914,620	\$ 995,375	\$ 5,246,247	\$ 2,456,498	\$ 300,000	\$ 916,500
Vehicles/Equipment	\$ 4,765,400	\$ 701,200	\$ 1,072,000	\$ 800,600	\$ 1,493,000	\$ 698,600
Improvements						
Road Resurfacing & Imp	\$ 4,798,000	\$ 855,000	\$ 907,000	\$ 959,000	\$ 1,012,000	\$ 1,065,000
Drainage Projects	707,000	130,000	135,000	142,000	150,000	150,000
Old Town Sidewalks	205,000	-	-	-	205,000	-
Recreation	583,500	85,000	90,500	194,500	123,500	90,000
Public Safety	268,500	18,500	-	-	250,000	-
Subtotal	\$ 6,607,000	\$ 1,133,500	\$ 1,132,500	\$ 1,295,500	\$ 1,740,500	\$ 1,305,000
GRAND TOTAL	\$ 21,287,020	\$ 2,830,075	\$ 7,450,747	\$ 4,552,598	\$ 3,533,500	\$ 2,920,100

Exhibit 2
Total Cost of All CIP by Category





Five-Year Capital Improvement Plan FY 2010-2014

Exhibit 3 - Total Cost of CIP Projects From Inception Through 2014

Project	Pre-Planning Period Project Cost	Planning Period Project Cost	Total Project Cost
Roadway Improvements	\$ -	\$ 537,500	\$ 537,500
Fire Station 93	-	575,000	575,000
Public Services Facility	570,487	5,043,300	5,613,787
Cannon Park Rec Center	45,000	3,367,320	3,412,320
Greenways	514,598	126,500	641,098
Rassie Wicker Park	1,422,562	265,000	1,687,562
GRAND TOTAL	\$ 2,552,647	\$ 9,914,620	\$ 12,467,267

Exhibit 4 Total Cost of All CIP Projects by Function

Cultural and
Recreation
48%

Transportation
52%

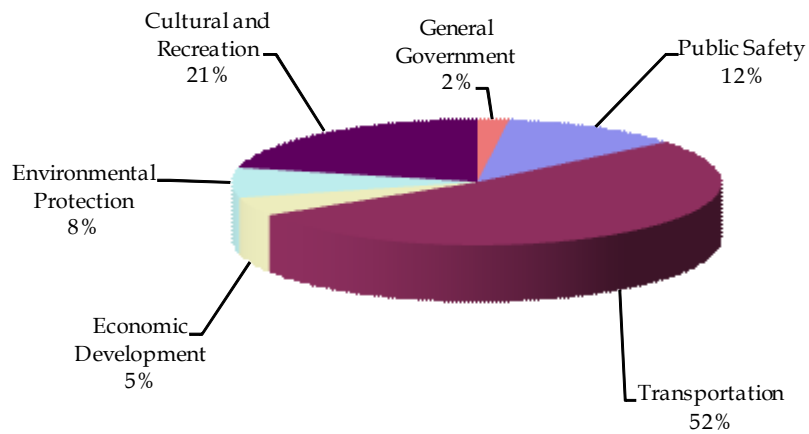


Five-Year Capital Improvement Plan FY 2010-2014

Exhibit 5 - Detail of Total CIP by Function

	Total	Fiscal Year Ending June 30				
		2010	2011	2012	2013	2014
General Government	\$ 443,000	\$ 90,000	\$ 112,000	\$ 129,000	\$ 60,000	\$ 52,000
Public Safety	2,545,900	196,700	320,000	147,600	1,052,000	829,600
Transportation	11,100,800	1,875,375	5,396,425	1,129,000	1,583,000	1,117,000
Economic Development	1,016,000	185,000	157,000	169,000	355,000	150,000
Environmental Protection	1,635,000	375,000	400,000	280,000	290,000	290,000
Cultural and Recreation	4,546,320	108,000	1,065,322	2,697,998	193,500	481,500
Total	\$ 21,287,020	\$ 2,830,075	\$ 7,450,747	\$ 4,552,598	\$ 3,533,500	\$ 2,920,100

**Exhibit 6
CIP Projects by Function**





Five-Year Capital Improvement Plan FY 2010-2014

Exhibit 7 - Detail of Total CIP By Funding Source

	Total	Fiscal Year Ending June 30				
		2010	2011	2012	2013	2014
Cash						
Roadway Improvements	\$ 537,500	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
Fire Station 93	575,000	-	50,000	-	-	525,000
Greenways	126,500	-	-	-	-	126,500
Rassie Wicker Park	265,000	-	-	-	-	265,000
	1,504,000	187,500	85,000	15,000	300,000	916,500
Vehicles/Equipment	4,190,400	701,200	1,072,000	800,600	918,000	698,600
Improvements	4,257,000	683,500	672,500	825,500	1,260,500	815,000
Subtotal	9,951,400	1,572,200	1,829,500	1,641,100	2,478,500	2,430,100
Grant						
Street Resurfacing - PB	2,350,000	450,000	460,000	470,000	480,000	490,000
Cannon Park Rec Center	500,000	-	-	500,000	-	-
Subtotal	2,850,000	450,000	460,000	970,000	480,000	490,000
Installment Financing						
Fire Truck - Unit 914	575,000	-	-	-	575,000	-
Cannon Park Rec Center	2,867,320	-	2,867,320	-	-	-
Subtotal	8,485,620	807,875	7,102,745	-	575,000	-
Total	\$ 21,287,020	\$ 2,830,075	\$ 9,392,245	\$ 2,611,100	\$ 3,533,500	\$ 2,920,100



Five-Year Capital Improvement Plan FY 2010-2014

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

	Total	Fiscal Year Ending June 30				
		2010	2011	2012	2013	2014
Net Annual Operating Cost						
Public Services Facility	\$ 127,036	\$ -	\$ -	\$ 41,100	\$ 42,333	\$ 43,603
Cannon Park Rec Center	231,626	-	-	31,860	98,407	101,359
Greenways	620,362	116,848	120,353	123,964	127,683	131,513
Rassie Wicker Park	1,513,132	285,005	293,556	302,362	311,433	320,776
Subtotal	2,492,156	401,853	413,909	499,286	579,856	597,252
Annual Debt Service						
Fire Truck	81,650	-	-	-	-	81,650
Public Services Facility	2,107,427	-	548,039	533,917	519,796	505,675
Cannon Park Rec Center	910,661	-	-	311,582	303,554	295,525
Subtotal	3,099,738	-	548,039	845,499	823,350	882,850
Net Budget Impact	\$ 5,591,894	\$ 401,853	\$ 961,948	\$ 1,344,786	\$ 1,403,205	\$ 1,480,102



Five-Year Capital Improvement Plan FY 2010-2014

Public Services Facility

Department	Public Services/Fleet Maintenance Departments
Project Cost	\$5,613,787
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input checked="" type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

The new facility will combine the current Public Services and Fleet Maintenance facilities, located on McCaskill Road, into one complex. The current facilities are in the New Core area, which has been identified for expansion of the Village Center, and do not provide an environment to insure the efficiency and effectiveness of public services and fleet maintenance operations. The site of the new complex 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, locker rooms, 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	2010	2011	2012	2013	2014
Appropriations	\$ 5,613,787	\$ 570,487	\$ 807,875	\$ 4,235,425	\$ -	\$ -	\$ -
TOTAL	\$ 5,613,787	\$ 570,487	\$ 807,875	\$ 4,235,425	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 570,487	\$ 570,487	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Financing	5,043,300		807,875	4,235,425	-	-	-
TOTAL	\$ 5,613,787	\$ 570,487	\$ 807,875	\$ 4,235,425	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Debt Proceeds	\$ 5,043,300	\$ -	\$ 807,875	\$ 4,235,425	\$ -	\$ -	\$ -
Project Expenditures	5,613,787	570,487	807,875	4,235,425	-	-	-
Operating Expenditures	127,036	-	-	-	41,100	42,333	43,603
Debt Service	2,107,427	-	-	548,039	533,917	519,796	505,675
TOTAL	\$ (2,804,950)	\$ (570,487)	\$ -	\$ (548,039)	\$ (575,017)	\$ (562,129)	\$ (549,278)



Five-Year Capital Improvement Plan FY 2010-2014

Roadway Improvements

Department	Engineering Department
Project Cost	\$537,500
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> New/expanded capital assets that eliminate deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> New/expanded capital assets that eliminate a public hazard or threat to public safety <input checked="" type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

These projects include pedestrian improvements on NC-211 in FY 2010 and intersection improvements at NC5, Barrett and McCaskill roads in FY 2011 - FY2013. The improvement specifications have not been determined but suggestions 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	2010	2011	2012	2013	2014
Appropriations	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
TOTAL	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
Funding Source:							
Cash	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
TOTAL	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Project Expenditures	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
Operating Expenditures	-	-	-	-	-	-	-
TOTAL	\$ (537,500)	\$ -	\$ (187,500)	\$ (35,000)	\$ (15,000)	\$ (300,000)	\$ -



Five-Year Capital Improvement Plan FY 2010-2014

Cannon Park Recreation Center

Department	Parks and Recreation Department
Project Cost	\$3,412,320
Project Priority	<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	2010	2011	2012	2013	2014
Appropriations	\$ 3,412,320	\$ 45,000	\$ -	\$ 925,822	\$ 2,441,498	\$ -	\$ -
TOTAL	\$ 3,412,320	\$ 45,000	\$ -	\$ 925,822	\$ 2,441,498	\$ -	\$ -
Funding Source:							
Grants	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Cash	45,000	45,000	-	-	-	-	-
Installment Financing	2,867,320	-	-	2,867,320	-	-	-
TOTAL	\$ 3,412,320	\$ 45,000	\$ -	\$ 2,867,320	\$ 500,000	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Debt Proceeds	\$ 2,867,320	\$ -	\$ -	\$ 2,867,320	\$ -	\$ -	\$ -
Grant Proceeds	500,000	-	-	-	500,000	-	-
Project Expenditures	3,412,320	45,000	-	925,822	2,441,498	-	-
Operating Expenditures	231,626	-	-	-	31,860	98,407	101,359
Debt Service	910,661	-	-	-	311,582	303,554	295,525
TOTAL	\$ (1,187,286)	\$ (45,000)	\$ -	\$ 1,941,498	\$ (2,284,940)	\$ (401,960)	\$ (396,884)



Five-Year Capital Improvement Plan FY 2010-2014

Greenways

Department	Parks and Recreation Department
Project Cost	\$641,098
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input checked="" type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

This project is a multi-phase project that eventually will create approximately 24 miles of pedestrian and non-motorized transportation paths throughout Pinehurst. Currently there are approximately 6 miles completed. The paths will be constructed of various materials depending on the terrain in the locations selected for path construction. The creation of greenways will interconnect different parts of Pinehurst and will offer a safe environment for walking, bicycling and other passive recreation and non-motorized transportation. Greenways will also promote a pollutant-free environment by reducing the need for modes of travel dependent on fuel.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Appropriations	\$ 641,098	\$ 514,598	\$ -	\$ -	\$ -	\$ -	\$ 126,500
TOTAL	\$ 641,098	\$ 514,598	\$ -	\$ -	\$ -	\$ -	\$ 126,500
Funding Source:							
Grants	\$ 36,108	\$ 36,108	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	604,990	478,490	-	-	-	-	126,500
TOTAL	\$ 641,098	\$ 514,598	\$ -	\$ -	\$ -	\$ -	\$ 126,500

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Grant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Expenditures	641,098	514,598	-	-	-	-	126,500
Operating Expenditures	733,807	113,445	116,848	120,353	123,964	127,683	131,513
TOTAL	\$(1,374,905)	\$(628,043)	\$(116,848)	\$(120,353)	\$(123,964)	\$(127,683)	\$(258,013)



Five-Year Capital Improvement Plan FY 2010-2014

Rassie Wicker Park Development

Department	Parks and Recreation Department
Project Cost	\$1,687,562
Project Priority	<input type="checkbox"/> Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided <input checked="" type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

Rassie Wicker Park is a multi-phase project which began construction in 2004. The park currently has a soccer field, an in-line hockey rink, restrooms, paved and stone screening walking trails, playground and associated parking and landscaping. The remaining project phases include construction of an additional restroom facility, spray ground, shelter, shuffleboard, horseshoe pits, a sand volleyball court and various trails, parking and landscaping. Rassie Wicker Park will provide a facility that satisfies the recreational needs of the citizens of Pinehurst and visitors to our area.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Appropriations	\$ 1,687,562	\$ 1,422,562	\$ -	\$ -	\$ -	\$ -	\$ 265,000
TOTAL	\$ 1,687,562	\$ 1,422,562	\$ -	\$ -	\$ -	\$ -	\$ 265,000
Funding Source:							
Grants	\$ 224,737	\$ 224,737	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	1,462,825	1,197,825	-	-	-	-	265,000
TOTAL	\$ 1,687,562	\$ 1,422,562	\$ -	\$ -	\$ -	\$ -	\$ 265,000

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Grant Proceeds	\$ 224,737	\$ 224,737	\$ -	\$ -	\$ -	\$ -	\$ -
Project Expenditures	1,687,562	1,422,562	-	-	-	-	265,000
Operating Expenditures	1,789,837	276,704	285,005	293,556	302,362	311,433	320,776
TOTAL	\$(3,252,661)	\$(1,474,529)	\$(285,005)	\$(293,556)	\$(302,362)	\$(311,433)	\$(585,776)



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 – A balanced budget as defined by the North Carolina Local Government 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. 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.



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.

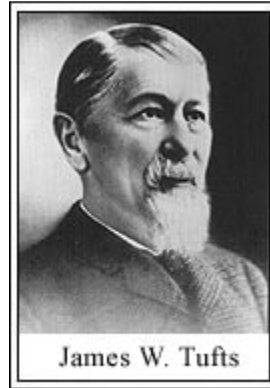
For many years, Pinehurst was a privately held resort under sole proprietorship of the Tufts family. The Tufts family controlled all aspects of the resort and closely monitored all types of activities, including the creation of its first 9-hole golf course in February 1898, and the continued acquisition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



Donald Ross



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.



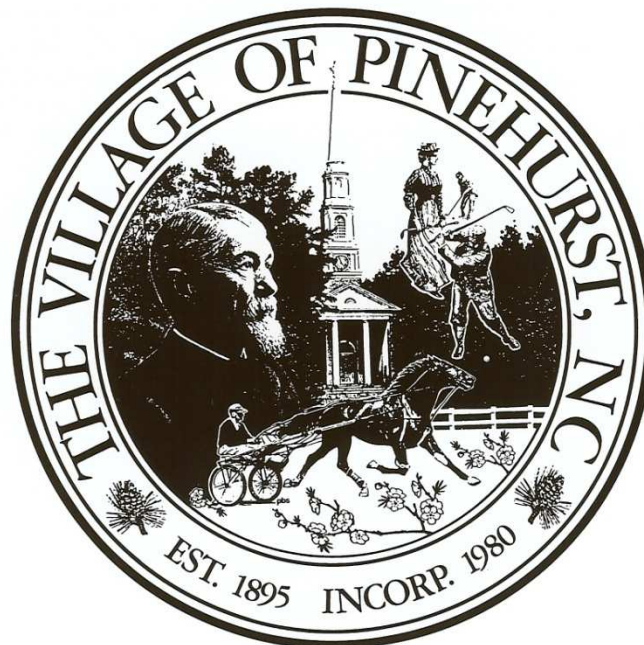
Old Diamondhead Logo



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.



Village of Pinehurst Seal



Demographic Characteristics

With a current population of 11,632, 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							
	2001	2002	2003	2004	2005	2006	2007	2008
General Government								
Financial Services								
Purchase orders issued	680	354	509	440	323	262	207	225
Vendor checks issued	3,332	2,966	2,919	3,595	2,673	2,529	2,427	2,448
Human Resources								
Workers' compensation lost time (days)	n/a	n/a	n/a	n/a	322	44	4	65
Total employee turnover rate	n/a	n/a	n/a	n/a	9.0%	9.0%	9.4%	7.8%
Fleet Maintenance								
Tire work orders completed	65	86	100	125	150	186	132	311
Oil changes	462	480	500	300	350	200	291	233
Public Safety								
Fire Protection								
Public fire & life safety classes	447	556	341	95	95	219	204	167
Incident calls	712	673	715	743	842	922	827	843
Structure fires	18	24	18	24	21	26	56	63
Inspections	479	560	467	877	766	824	787	732
Child passenger seat inspections	n/a	n/a	n/a	389	833	579	583	396
Police Protection								
Physical arrests	211	207	178	172	206	202	262	585
Citations issued	943	902	971	1,479	1,560	1,285	3,806	3,891
Response to calls/officer initiated activity	11,116	11,482	11,588	11,782	11,500	9,801	11,866	13,513
Traffic accidents	410	421	446	467	447	432	483	500
Inspections								
Building inspections conducted	n/a	7,253	7,661	11,064	11,286	10,588	9,194	7,683
Certificates of occupancy issued	235	234	231	214	254	271	227	169
Transportation								
Street resurfacing (miles)	7.5	4.9	3.3	4.9	5.0	5.0	6.3	5.6
Miles of streets	100.6	100.6	101.4	101.4	104.7	104.7	104.7	104.7
Environmental Protection								
Refuse collected (tons annually)	6,492	5,597	4,677	5,673	4,578	4,287	4,392	3,715
Homes receiving service	5,706	5,940	6,040	n/a	6,345	6,485	6,651	6,749
Recyclables collected (tons annually)	n/a	n/a	n/a	330	305	369	568	943
Economic & Physical Development								
Building permits issued	391	353	321	374	318	378	424	359
Zoning compliance investigations	446	694	473	538	475	480	477	690
Cultural & Recreation								
Recreation								
Number of parks	3	3	4	4	4	4	4	4
Program participants	339	329	354	361	398	468	679	830
Athletics participants	1,560	1,351	1,437	1,456	1,507	1,503	1,556	1,982
Harness Track								
Standardbred stalls leased	n/a	n/a	222	270	280	285	249	220
Facilities reserved (days)	106	87	95	67	62	45	32	29
Fair Barn								
Events	n/a	n/a	31	61	67	87	89	82
Rental days	n/a	n/a	39	85	125	131	117	95

Source: Various Village departments

Note: n/a indicates "not available"



Demographic and Economic Statistics Last Ten Calendar Years

Fiscal Year	Calendar Year	Population (1)	Personal Income	Per Capita Income (2)	Median Age (2)	Unemployment Rate (3)
1999	1998	8,316	327,955,062	39,437	63.8	4.1%
2000	1999	8,815	357,648,090	40,573	63.8	3.5%
2001	2000	9,755	409,631,960	41,992	60.4	3.6%
2002	2001	9,855	425,542,582	43,180	60.4	4.9%
2003	2002	9,948	436,388,334	43,867	60.4	6.4%
2004	2003	10,218	458,407,284	44,863	60.4	6.5%
2005	2004	10,498	483,590,811	46,065	60.4	5.6%
2006	2005	10,694	509,319,363	47,627	60.4	5.1%
2007	2006	11,026	542,145,667	49,170	60.4	4.8%
2008	2007	11,316	572,262,434	50,571	60.4	4.4%

Sources:

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

Notes:

Per Capita Income is adjusted annually after the Decennial Census calendar year by the annual average inflation rate.

Unemployment rate information is a calendar year adjusted annual average in Moore County.



Supplementary Information

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2008		1999	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 164,043,190	5.91%	\$ 62,021,067	5.29%
Country Club of North Carolina	25,760,090	0.93%	14,168,651	1.21%
Pinehurst Surgical Clinic	25,323,092	0.91%	-	0.00%
Pinehurst Medical	19,784,083	0.71%	4,856,921	0.41%
Progress Energy Carolinas	11,187,561	0.40%	8,612,273	0.73%
MTMM Associates	9,294,593	0.33%	4,487,040	0.38%
Pleasant Living Health Care (Quail Haven)	9,142,025	0.33%	5,837,098	0.50%
FirstHealth of the Carolinas	-	0.00%	6,297,509	0.54%
Francis Maser	7,859,330	0.28%	-	0.00%
Branch Banking and Trust Co.	5,449,226	0.20%	-	0.00%
Carolina Telephone and Telegraph	4,730,464	0.17%	4,249,212	0.36%
Pinehurst Nursing	-	0.00%	2,905,813	0.25%
Total	\$ 282,573,654	10.17%	\$ 113,435,584	9.68%

Source: Moore County Tax Department

Note: 2008 and 1999 data are for tax years 2007 and 1998 respectively.



The Carolina Hotel



Personnel Classification Schedule

Classification Plan Summary	Actual 2005-2006	Actual 2006-2007	Actual 2007-2008	Actual 2008-2009	Budgeted 2009-2010
General Government					
Administration					
Administration	4.5	6.5	6.5	7	6
Financial Services	5	4	4	4	4
Human Resources	1.5	1.5	2	2	2
Fleet Maintenance	3	3	3	3	3
Buildings and Grounds Maintenance	3.5	5	5	6	7
Information Technology	1	2.2	3	3	3.5
Total General Government	18.5	22.2	23.5	25	25.5
Public Safety					
Police	28	29	30	30	32
Fire	30	30	30	30	30
Inspections	3.3	3.2	3.2	3.2	2
Total Public Safety	61.3	62.2	63.2	63.2	64
Economic and Physical Development					
Planning	7	7	7	7	7
Engineering	2.5	2	2	2	2.5
Total Economic and Physical Development	9.5	9	9	9	9.5
Transportation					
Public Services Administration	2.5	3	3	3	3
Streets and Grounds	13	14	13	15	15
Total Transportation	15.5	17	16	18	18
Environmental Protection					
Solid Waste	9	9	8	9	9
Total Environmental Protection	9	9	8	9	9
Cultural and Recreation					
Parks and Recreation	2	3.3	3.3	4.3	5
Harness Track	4	4.4	4.4	4.4	5
Fair Barn	1	2.5	2.5	2.5	2.5
Total Cultural and Recreation	7	10.2	10.2	11.2	12.5
GRAND TOTAL	120.8	129.6	129.9	135.4	138.5

Population	10,694	11,026	11,316	11,632	11,865
EMPLOYEES PER CAPITA	0.0113	0.0118	0.0115	0.0116	0.0117