



NORTH CAROLINA



2012-2013 Budget



VILLAGE OF PINEHURST

**Budget for the Fiscal Year
Ended June 30, 2013**



*Council Member John R. Cashion, Council Member Mark W. Parson, Mayor Nancy R. Fiorillo,
Treasurer John C. Strickland, Mayor Pro-Tem Douglas A. Lapins*



VILLAGE OF PINEHURST

395 MAGNOLIA ROAD

PINEHURST, NC 28374

910.295.1900

www.vopnc.org

Vision

The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions, enhanced by a unique combination of cultural arts and recreational activities.

Mission

To preserve and enhance the community's character and ambience by guiding growth, managing change, and providing services in a financially responsible manner.

VILLAGE SENIOR LEADERSHIP

Village Manager

Assistant Village Manager

Assistant Village Manager

Village Clerk

Director of Financial Services

Director of Human Resources

Police Chief

Fire Chief

Director of Planning and Inspections

Director of Public Services

Director of Parks & Recreation

Manager of Fleet Maintenance

Director of Information Technology

Andrew Wilkison

Natalie Dean

Jeff Batton

Linda Brown

John Frye

Angela Kantor

Earl Phipps

Carlton Cole

Andrea Correll

Walt Morgan

Mark Wagner

Randy Kuhn

Jason Whitaker



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Welcome to the Village of Pinehurst! This budget document represents the plans of the Village Council and staff to improve the Village while preserving its rare and unique personality in support of our vision and mission statements. 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 Budget Overview provides an executive summary of the contents of the budget. It helps the reader quickly understand the key elements of the budget. In the Budget Message, the Village Manager discusses the proposed budget and any outside factors that were used in determining the budgeted expenditures and the revenues needed to cover these expenditures.

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

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

Budget Guide: This section details the steps in preparing and adopting the annual budget. A summary of key financial policies affecting the budget process is given. This section also includes the budget calendar, the budget planning phases, and a description of how the process works. Finally, it has a brief description of fund accounting and an outline of all Village funds.



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

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

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

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

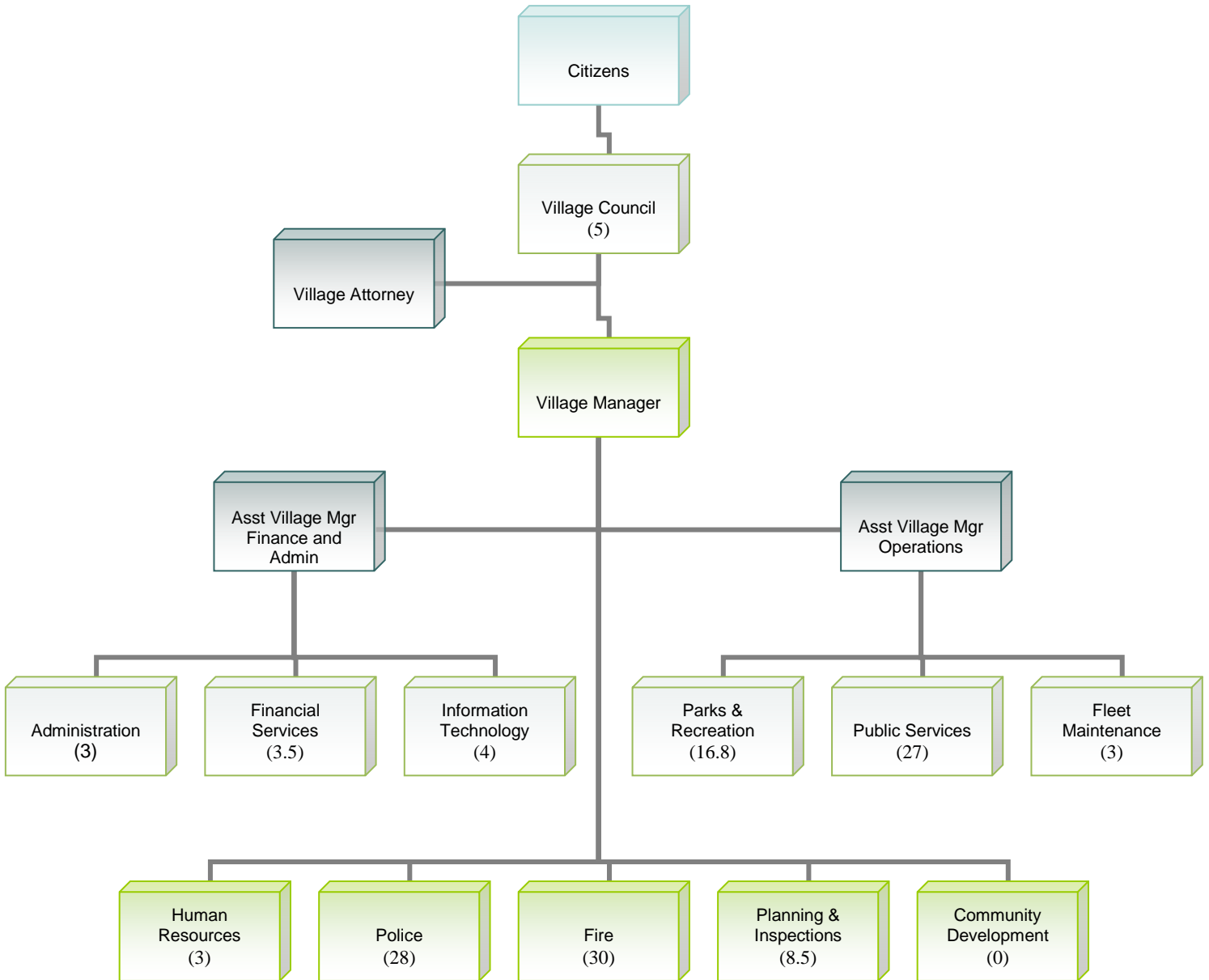
Budget Glossary: This section includes a list of common budget terms, acronyms and abbreviations. A detailed definition of these terms is provided to aid the reader in understanding the budget process.

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

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



Organizational Chart





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Pinehurst
North Carolina**

For the Fiscal Year Beginning

July 1, 2011

Linda C. Danson Jeffrey R. Enos

President

Executive Director



The FY 2012-2013 Budget for the Village of Pinehurst was developed based on directives from the Village Council and other sound budgetary principles. These key directives included maintaining basic Village services, investing in our infrastructure, and maintaining the current tax rate. The budget also recommends maintaining fund balance in the range of 30% to 40% of budgeted expenditures, per the Village's Fund Balance Policy.

The FY 2012-2013 recommended Net Budget, which includes all funds less transfers between funds, totals \$17,264,964. This is an increase of 5.56% above the prior year's amended Net Budget at December 31, 2011. In the General Fund, the current ad valorem tax rate of \$0.28 per \$100 valuation is maintained for the upcoming year. The General Fund Budget also maintains fund balance at 35% of FY 2012-2013 expenditures, which is well within the recommended range of 30%-40%.

Growth for most revenue sources is conservatively estimated based on current economic conditions. For FY 2012-2013 we have appropriated \$1,405,864 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 appropriated this year exceeds this budget variance amount by approximately \$572,000. These funds are being appropriated to complete capital projects downtown prior to the 2014 U.S. Open Golf Championships.

Capital outlays of \$2,989,500 are included in the recommended budget. This represents an increase of \$814,800 or 37% over the previous year.

The major initiatives of the recommended budget include enhancing the historic downtown business area with a new park, improved parking lot, streetscape improvements, as well as enhanced signage, landscaping, and lighting. Other initiatives include adding brick sidewalks, replacing a fire engine, improving the Village's transportation system, and completing drainage projects. The budget also provides an initial contribution of \$100,000 toward a \$1,000,000 pledge to the Given Memorial Library's capital campaign.

For FY 2012-2013, the budgeted number of employees is one higher than in the previous year. Merit pay increases of up to 2% are provided for employees in the budget and current fringe benefits are maintained.

The Village will also continue its participation in the NC Awards for Excellence Program, implementing the national Baldrige Performance Excellence Criteria.

Although the budget does not fund all the requests made by departments, it is set to maintain the provision of quality services for our citizens during these challenging economic times.

The annual budget as presented serves as a policy document, operations guide, financial plan and a communications device. We trust that the budget document provides you with a clear vision of the Village's operations for the upcoming fiscal year.



May 22, 2012

The Honorable Nancy Roy Fiorillo, Mayor
Members of the Village Council
Pinehurst, North Carolina

Dear Mayor Fiorillo 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) 2012-2013 for your review and consideration. This document has been prepared in compliance with the requirements of the Government Finance Officers Association's Distinguished Budget Award program to provide a comprehensive view of the Village's budget for the upcoming year.

There are a few improvements in this year's budget document. We have continued to improve our performance measures as directed by our Results Based Management Program. This year we have added 13 new performance measures, focusing on measures of efficiency and effectiveness. We have also redesigned our fund balance tables to more clearly illustrate changes in our fund balances over time. Finally, we have endeavored to tie departmental goals and objectives to the overall goals and initiatives of the Village. This budget also reflects the closure of two capital project funds and the addition of one new capital project fund.

The budget as presented was developed in conjunction with the Village's 2010 Comprehensive Long-Range Plan, Capital Improvement Plan (CIP), Results Based Management Program (RBM), 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 the recommended budget moves us toward our mission and vision.

The focus in this budget preparation process has been ensuring the long-term financial viability of our historic downtown retail center and maintaining our capital infrastructure investment in the current economic environment. Tourism, corporate travel in particular, continues to be down from historical averages, which has had a negative impact on our local businesses and the Pinehurst Resort, the Village's largest taxpayer and second largest employer.

Economic concerns include the unemployment rate, which is currently 8.7% in our county. This is higher than the national rate of 8.1%, but lower than North Carolina's rate of 9.7%. The Village has also not been immune to the national housing crisis. Although housing prices have remained somewhat stable, fewer new homes are being constructed with values considerably lower than in recent years. This has significantly reduced the growth rate of our tax base, which challenges the Village to determine how to provide high quality municipal services in times of slower revenue growth.

Besides the economy, other external factors have affected our budget planning process. The Village has worked with the National Park Service (NPS) in relation to capital improvements



planned for the downtown area. The NPS has voiced concerns that these improvements in and around the Village Green may compromise the Village's National Historic Landmark status that has been in place since 1996. In 2009, the NPS placed the Village's landmark designation on a "watch" status. These developments have delayed these improvements as staff has strived to minimize any adverse effects on historic properties. However, these projects are planned to be completed before the 2014 Men's and Women's U. S. Open Golf Championships.

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, Mission, 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,
- Uphold sound budgetary principles such as the inclusion of contingency funding, and conservative revenue estimates,
- Seek to contain operating costs while adequately funding infrastructure replacement, and
- Maintain a fund balance in the range of 30% to 40% of budgeted expenditures, per the Village's Fund Balance Policy.

The FY 2012-2013 Recommended Net Budget, which includes all funds less transfers between funds, totals \$17,214,964. This is an increase of 5.26% above the prior year's amended Net Budget at December 31, 2011 of \$16,354,310. 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 2012-2013 per capita expenditure is \$1,156 compared to our peer group's average per capita net budget of \$1,364. The Village's peer group consists of four comparable towns in North Carolina with similar populations and service demands. The Village's projected population is 14,886 while the peer group's population average is 17,529.

INITIATIVES

The budget includes new initiatives and several initiatives that are continuations from prior years. Significant funding is included in the Recommended Budget to implement higher priority strategies from the 2010 Comprehensive Long-Range Plan. Some of the more significant initiatives include:

- Enhancing the historic downtown business area with a new park, improved parking lot, and streetscape improvements,
- Enhancing gateway and way-finding signage, landscaping, and lighting,
- Adding brick sidewalks for greater connectivity,
- Funding \$100,000 toward a \$1,000,000 pledge to the Given Memorial Library's capital campaign,



- Replacing a fire engine,
- Improving the Village's transportation system, and
- Completion of storm water drainage control projects.

Over the past two years, the Council has focused much attention on preserving and improving 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. This past year, the Village Center Enhancement Committee commissioned the North Carolina Downtown Development Association (NCDDA) to perform a study and provide recommendations on ways to improve the vibrancy of the Village Center. Based on those recommendations, which follow the national Main Street model, the Committee formulated and the Village Council approved a Village Center Enhancement Strategy. The Village Center Enhancement Strategy defines the Vision for the Village Center, along with the Committee's mission, goals, and specific strategies. Staff also conducted a Business Needs Survey this year and are using the data accumulated from that survey when making decisions about enhancement efforts.

Over the past year the Village Center Enhancement Committee has been instrumental in studying the downtown area and making recommendations on ways to revitalize the historic downtown area including:

- Completed a downtown lighting survey to devise where additional lighting may be needed and developed a three phase plan to address the needs,
- Conducted parking availability surveys, with short and long term parking strategies,
- Researched enhanced street sign and regulatory sign posts and ordered samples for evaluation,
- Completed a branding initiative which will lead to the establishment of gateway and way-finding signage,
- Researched options for public restrooms,
- Completed a regulatory sign review to eventually reduce sign clutter,
- Initiated enhanced landscape planning of public spaces,
- Completed a business needs survey,
- Researched business incentive options and reported to Council,
- Completed a survey for desired community and retail events,
- Began design of a new annual calendar of events, and
- Planned quarterly meetings between Village officials and merchants.

The proposed budget provides funding to address many items identified through the activities of the Village Center Enhancement Committee.

We have also continued our focus on conserving natural resources on several fronts. We recommend continuing the work of the Conservation Commission in the upcoming year. During



FY 2012 the Village automated the collection of recyclables. Making recycling more convenient has increased recycling participation and the tonnage collected, thus conserving natural resources.

In FY 2012 the Village worked to expand its greenway system by extending a trail out Linden Road toward the Pinehurst Marina. The project has been delayed due to difficulties in obtaining the required property easements. The Village plans to re-appropriate \$225,000 for the project in FY 2013 and complete the project.

In order to maintain the pavement condition rating of Village maintained streets, the budget contains funding to resurface approximately 3 miles of roadways. Our intent is to maintain the overall serviceability of our streets by monitoring our pavement condition rating. A study to update our pavement condition rating was completed in 2010 and is updated every three years. Due to the Village's consistent investment in resurfacing, our pavement condition rating climbed from 76 to 83 in 2010. Based on that study, 67% of the Village's street segments were rated 85 or higher on a scale of 1-100.

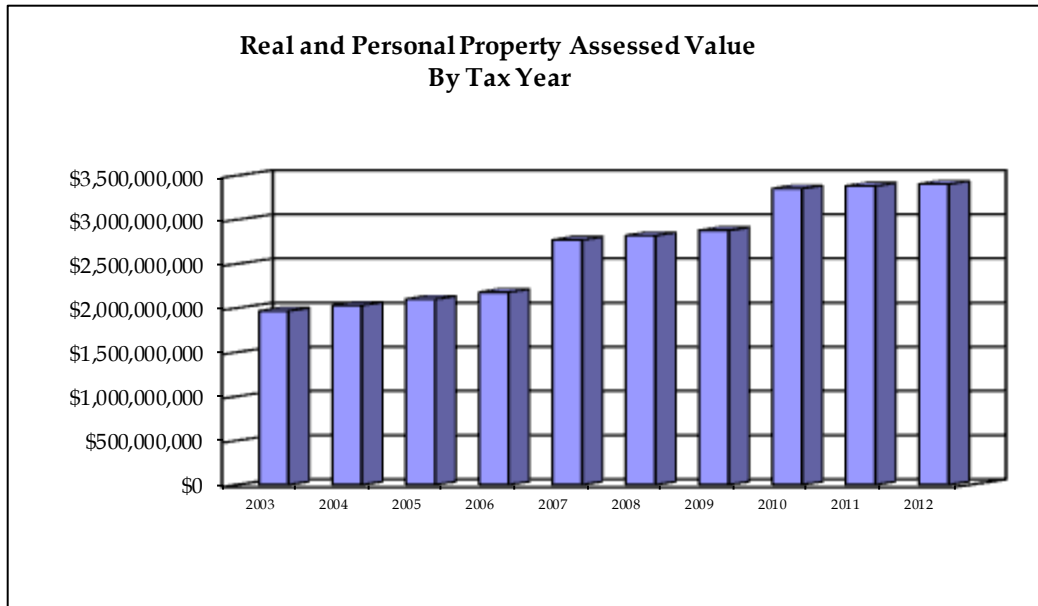
The Village also remains committed to continuing our efforts to correct storm water runoff problems. As many of the higher priority areas identified in our basin studies have been addressed, we are able to shift our focus to smaller areas of concern. The budget as presented contains \$120,000 to address these small drainage projects.

The Village will also continue its participation in the NC Awards for Excellence Program (NCAfE), implementing the national Baldrige Performance Excellence Criteria.

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 2012-2013 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 rate has remained unchanged since the revaluation in FY 2007-2008. This rate will provide approximately \$9,500,500 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 \$334,000 in revenue.



Our budget estimates assume an average growth in the real property tax base of 0.5%. This is considerably lower than historical growth averages due to continued lower levels of residential and commercial development activity. During the ten-year period prior to 2008, an average of 230 new homes were constructed annually in the Village and its extraterritorial jurisdiction (ETJ). For FY 2009, FY 2010, and FY 2011 we have averaged 53 new homes per year and project approximately 53 new homes for the upcoming year.

The Village's second largest revenue source, Local Option Sales Tax, is expected to generate approximately 14% of the Village's total General Fund budget, or \$2,430,000 in FY 2012-2013. This represents an increase of 8.0% from the previous year and is due to the economic recovery.

The FY 2012-2013 Recommended Budget for the General Fund totals \$17,211,074, which is \$860,984 or 5.27% higher than the amended FY 2011-2012 Budget of \$16,350,090 as of December 31, 2011.

Overall, the Recommended Budget for the General Fund utilizes \$1,355,864 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 approximately 35%.

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 69% of all General Fund revenue comes from ad valorem taxes and local option sales taxes. In the past few years, the Village's revenue sources have become much less diversified due to the repeal of taxes at the state level and dependence on the ad valorem tax has increased as a result. This year the Village can expect little revenue growth due to the slow economic recovery.

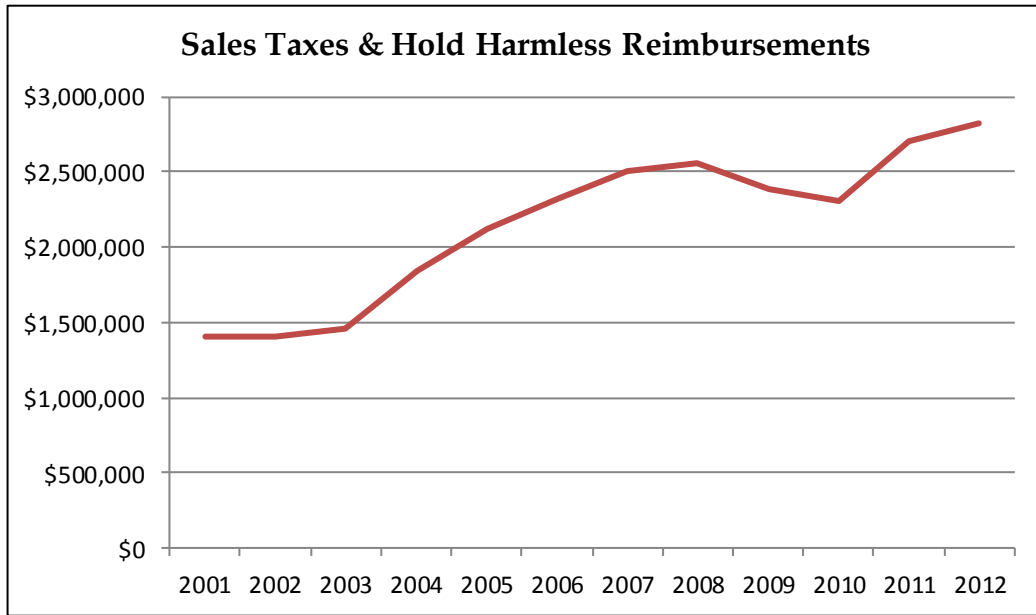
Ad Valorem Taxes (Property Taxes)

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 \$9,500,500 in FY 2012-2013. 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 55% of the General Fund's total revenues.

Local Option Sales Taxes

Two (2) cents of the six and three-quarters ($6\frac{3}{4}$) cents paid in sales tax on retail sales in North Carolina represents the local share of this tax. This tax consists of a one percent tax that was first levied in 1971, a one-half cent tax levied in 1983, and a one-half cent tax levied in 1986. In October 2009 the State of North Carolina replaced the Article 44 sales tax 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 \$2,430,000 in FY 2012-2013, which accounts for 14% of total revenues for the General Fund.



Intergovernmental Revenues

Intergovernmental revenues consist primarily of the Electricity Franchise Tax, Hold Harmless Sales Tax Reimbursements, 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. Hold Harmless Sales Tax Reimbursements were granted to municipalities after the Article 44 Sales Tax was repealed by the State. 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 \$2,168,395 for FY 2012-2013, or approximately 13% of General Fund revenues.

Permits and Fees

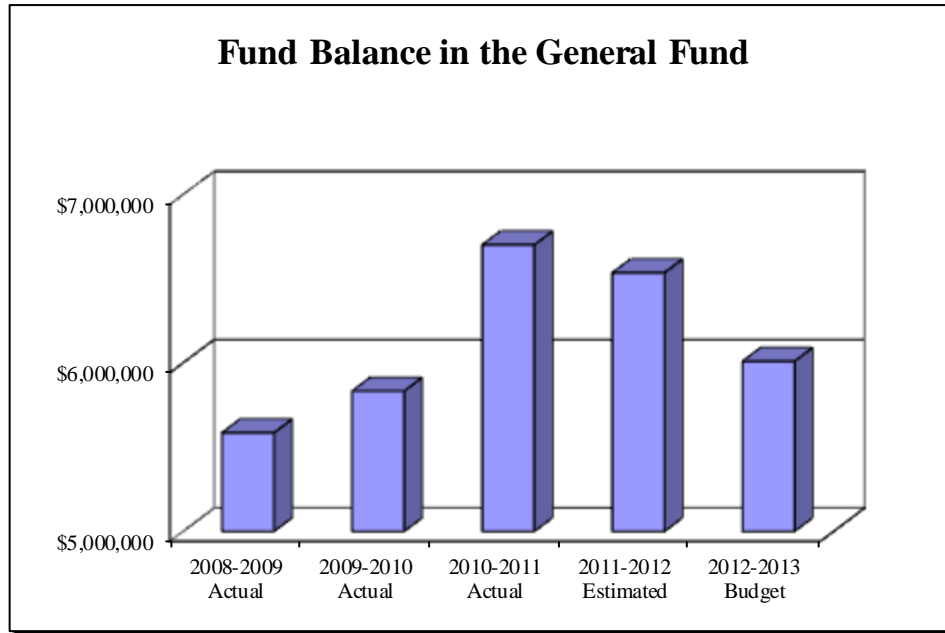
Permits and Fees consist primarily of planning and inspection fees associated with residential and non-residential development within the Village and its extraterritorial jurisdiction (ETJ). In addition, Fire District Revenues are included with Permits and Fees. Fire District Revenue comes from Moore 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 \$477,100 in FY 2012-2013, or approximately 2.8% of total General Fund revenues.

FUND BALANCES

On June 30, 2012, the Village's fund balance in the General Fund is projected to be approximately \$6,536,145, or 40% of the FY 2011-2012 Budget. This is at the top end of the Village's targeted range of 30%-40% of budgeted expenditures. Management is proposing to use a portion of these reserves to complete much needed capital improvements downtown prior to the 2014 Men's and Women's U.S. Open Golf Championships. The Village's peer group



typically maintains an average fund balance available for appropriation around 58% of expenditures.



A summary of all funds and their estimated fund balances as of June 30, 2012 are as follows:

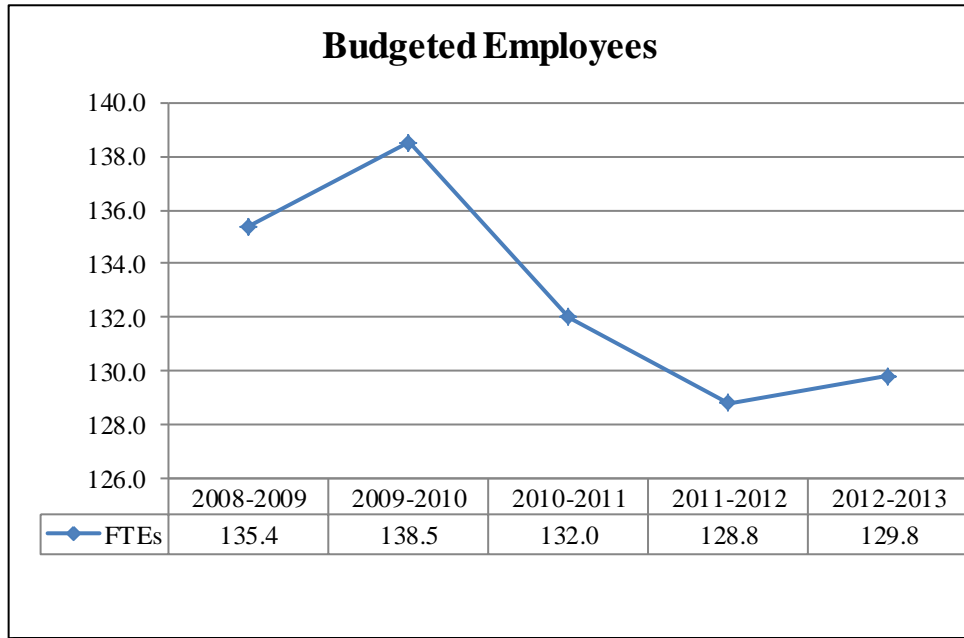
<u>FUND</u>	<u>ESTIMATED AMOUNT</u>
General Fund	\$ 6,536,145
Land Dedication Fund	2,875
Residential Assurance Fund – Interest	7,655
Municipal Service District Fund	<u>14,559</u>
	<u>\$ 6,561,234</u>

EXPENDITURES BY CATEGORY

Salaries and Wages

Salaries and wages, excluding benefits, for the Village’s 130 full-time equivalents (FTEs) accounts for \$5,516,125 or 32% of the total Net Budget. This percentage has decreased slightly compared to prior years. The Village’s peer group spends on average 38% on salaries and wages, excluding benefits. The budgeted number of employees is one FTE higher than in the previous year’s adopted budget.

The budget recommends the addition of one position. An Administrative Assistant is being recommended for the Human Resources Department. This position will assist with duties related to the NCAfE and Baldrige Performance Excellence programs as well as other general administrative duties.



A total of \$104,000 has been included in the recommended budget to fund the Village’s merit pay system. The merit pay raises available to employees range from 0%-2% and are prorated based on staggered review dates. This is the same range as provided in the previous year.

Operating Costs

This category of expenditures accounts for \$8,026,825 or 47% of the total Net Budget. These expenditures include all costs other than salaries and wages, debt service, and capital costs. Benefit costs, such as insurance and retirement are included in operating costs. The Village’s peer group typically spends 34% of its Budget on operating costs. Notable operating costs include funding for items included in the Village’s updated Comprehensive Plan, the transfer to the new Library Fund, and annual resurfacing funds for approximately 3 miles of Village-owned streets.

Group insurance costs have historically escalated at a very rapid pace. This past year, the Village received a 6% increase at renewal. 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 10% increase in group insurance costs at our January 2013 renewal.

Capital

This category of expenditures accounts for \$3,019,500, or 18% of the total Net Budget. This represents an increase of \$844,800 or 39% over the previous year. Comparatively, our peers spend approximately 19% of their budgets on capital. The Village tends to spend more on resurfacing and less on capital than its peers due to our high number of street miles per capita. This budget does not contain any significant non-routine capital expenditures such as a new building that would significantly impact operating costs of the Village in the future.



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 2012-2013 can be found in the Capital Expenditures section of the budget document. The list below highlights some of the more notable items:

- Construction of Tufts Memorial Park in the Village Green,
- Downtown sand lot parking and streetscape improvements,
- Replacement of a fire engine pumper/tanker,
- Replacement of the Cannon Park Field House, and
- Stormwater projects.

Debt Service

This category of expenditures accounts for \$548,624, or 3% of the total Net Budget. This represents a decrease of \$316,991 or 37% over the previous year. Comparatively, our peers spend approximately 9% of their budgets on debt service.

In FY 2013, the Village will make the final debt payment on the Police Station. The issuance of \$550,000 in new debt is planned for the replacement of a fire truck.

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 will result in a fund balance of 35% of FY 2012-2013 General Fund expenditures, which is well within our policy range of 30% to 40%.

The Recommended Budget for FY 2012-2013 incorporates several items identified in the Village's 2010 Comprehensive Long-Range Plan. Funding is provided for capital items such as the construction of Tufts Memorial Park in the Village Green, downtown parking and streetscape improvements, and storm drainage projects. More significant operating items that address the 2010 Comprehensive Long-Range Plan include funding for gateway signage, enhanced landscaping, downtown promotion, community events, aesthetic improvements to downtown and right of ways, and conservation initiatives.

Departmental requests were reduced by approximately \$746,000 in order to balance the budget. 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.



Budget Message

The following table is a summary of the balanced Recommended Budget for each of the Village's funds for FY 2012-2013:

Function	Fund					Total
	General	Land	Dedication	Residential Assurance	Municipal Service District	
Revenues	\$ 15,292,800	\$ 10	\$ 180	\$ 16,110	\$ 15,309,100	
Other Financing Sources	562,410				562,410	
Fund Balance Appropriated	1,355,864				1,355,864	
Total Revenues	\$ 17,211,074	\$ 10	\$ 180	\$ 16,110	\$ 17,227,374	
General Government	\$ 2,194,170				\$ 2,194,170	
Public Safety	5,959,540				5,959,540	
Transportation	2,449,280				2,449,280	
Environmental Protection	1,467,030			3,700	1,470,730	
Economic & Physical Development	2,317,285				2,317,285	
Cultural and Recreation	2,125,145				2,125,145	
Debt Service	548,624				548,624	
Reserve for Future Expenditures	-	10	180		190	
Other Financing Uses	100,000			12,410	112,410	
Contingency	50,000				50,000	
Total Expenditures	\$ 17,211,074	\$ 10	\$ 180	\$ 16,110	\$ 17,227,374	
Less transfers between funds *					(12,410)	
Net Budget					\$ 17,214,964	

* 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 7:00 pm in the Council Conference Room of the Pinehurst Village Hall on Tuesday, June 12, 2012. A copy of the proposed budget is available for inspection at Village Hall and on the Village's website www.vopnc.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



In May 2012, the Village Council adopted the Village's vision and mission statement.

Vision

The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions, enhanced by a unique combination of cultural arts and recreational activities.

Mission Statement

To preserve and enhance the community's character and ambience by guiding growth, managing change, and providing services in a financially responsible manner.

This vision statement guides the Village and the mission statement indicates the actions the Village needs to take in order to achieve its vision. These statements were developed as part of the Village's performance excellence program, as the Village strives to seek the national Malcolm Baldrige Award for Performance Excellence.

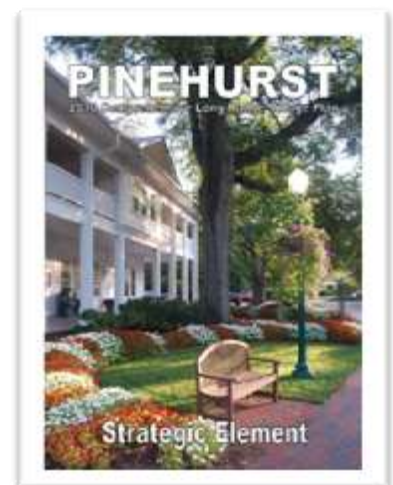
In FY 2011-2012, the Village embarked on its performance excellence journey by partnering with the Industrial Extension Services Department of North Carolina State University and participating in its North Carolina Awards for Excellence program. Through this program, the Council is committed to continuous improvement and is using the Baldrige Criteria to enhance and improve service delivery.

In addition, the Council's philosophy and long-term priorities are described in detail in the Village's Comprehensive Long-Range Plan that was updated in May 2010. This plan is divided into a Strategic Element and an Implementation Element.

The Strategic Element indicates the 2010 Comprehensive Long-Range Plan is based on the following goal:

“The Village of Pinehurst intends to:

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



In December 2011, the Village Council held a retreat to prioritize the initiatives included in the Implementation Element of the 2010 Comprehensive Long-Range Plan that would have an impact on the Village's five year *Capital Improvements Plan*. During this retreat, the Council considered the current economic environment and the projected revenues and expenditures of the Village. All capital



expenditures indicated in the 2010 Comprehensive Long Range plan were discussed and slated in one of the next five years or beyond the planning horizon. The FY 2012-13 Recommended Budget includes funding for those capital items the Village Council has indicated they want to pursue at this time.

Listed below are the Council's priorities and initiatives contained in the Village's 2010 Comprehensive Long-Range Plan. In addition, both capital and operating funding included in the FY 2012-2013 Recommended Budget for various initiatives is also included below. Please note that some items listed appear under more than one initiative.

Enhance Character & Ambience

- Maintain and Enhance Community Character and Ambience
 - *\$250,000 is included in the budget for the construction of Tuft's Memorial Park on the Village Green*
 - *\$250,000 is included in the budget for implementation of Village Center streetscape improvements*
 - *The proposed budget provides \$30,900 to continue downtown beautification projects*
 - *\$20,000 is planned for enhanced signposts for downtown*
- Preserve and Enhance Landscaping
 - *\$2,000 is included for right-of-way tree planting programs*
 - *Beautification grants of \$4,000 for home owner associations are included*
 - *Enhanced landscaping for the downtown area is funded at \$15,000*
- Implement Other Strategies to Enhance Character and Ambience
 - *\$6,000 is budgeted for the Community Appearance Commission's Commercial Appearance Incentive Program*

Enhance Quality of Life

- Promote Special Events/Activities
 - *The budget includes funding of \$10,800 for Village sponsored downtown events*
 - *Funding of \$50,000 is included to support Arboretum and Fair Barn special events*
- Utilize Other Ways To Enhance Quality of Life
 - *The budget includes \$7,500 for the production of 3 Village Newsletters*

Enhance Image/Reputation

- Maintain and Strengthen The Image/Reputation
 - *Funding of \$20,000 is included in Community Development for general promotions*
 - *\$3,000 is appropriated for Business Information packets*
 - *Three (3) informational kiosks for downtown are funded at \$9,500*
- Enhance External Presentation of Pinehurst
 - *\$16,000 of funding is included to operate the Village Welcome Center*
- Develop A Distinctive Mark or Image
 - *A new logo and tagline were adopted in April 2012*



Preserve Open Space

- Expand The Greenway Trail System
- Add New Open Space
- Preserve Existing Open Space
 - *Tufts Memorial Park is funded to be constructed on the Village Green for \$250,000*
- Increase Open Space Connectivity
 - *Brick sidewalks are funded at \$100,000*

Preserve Natural Resources

- Protect Water Quality
 - *The budget includes \$9,200 for Household Hazardous Waste collection events*
- Enhance Water Quantity
 - *The Harness Track Water Quality project is funded at \$55,000 to control runoff*
- Protect Biologic Resources
 - *The budget includes \$2,700 for the Conservation Commission's Greenway Wildlife Habitat Committee*
 - *Funding of \$1,000 is included for the Conservation Commission's Tree Preservation Committee*

Preserve Sustainability

- Encourage Sustainability
 - *Funding of \$10,500 is included to support the efforts of the Conservation Commission*
- Reduce Water Use
 - *Funding of \$600 is included for the Water Committee of the Conservation Commission*
- Reduce Energy Use
 - *Funding in this budget for the Alternative Energy Committee of the Conservation Commission totals \$4,900*

Guide Village Center

- Expand/Improve the Village Center
 - *\$850,000 is included for Tuft's Memorial Park, streetscape, and parking improvements*
 - *\$20,000 is included to rent space for public restrooms downtown*
- Expand Along An Organizing Spine
- Proceed Incrementally
- Revise Regulations To Accomplish The Vision
- Provide For Parking
 - *\$300,000 is included in the budget for sand lot parking improvements*
 - *Parking signs and other signage for downtown is funded at \$3,000*



- Address Traffic Circulation
 - *Gateway and way finding signage is funded at \$75,000*
 - *DOT business signage is funded at \$1,500*
- Plan Out The Approach and Schedule
- Nurture The Village Center
 - *Assistant Village Manager has been assigned to serve as Downtown Development Director*

Guide Extra-Territorial Areas

- As Appropriate, Expand Pinehurst's Jurisdiction and Corporate Limits
- Maintain Annexation Agreements With Adjacent Communities
- Apply New Residential Development Concepts in the ETJ Area
- Review Business Development Locations in the ETJ Area
- Undertake Special Studies



Guide Residential Development

- Protect Existing Residential Neighborhoods
 - *The budget includes funding for neighborhood beautification grants of \$4,000*
 - *There is \$2,000 included in the budget for street tree planting*
- Guide Residential Development To Address Housing Needs

Business/Institution Development

- Review Existing Business Zones
- Establish New Business Zones
- Enhance The Character of Development In Business Zones
 - *Construction of Spur Road is included at \$252,000 to serve the proposed brewery in Village Place*

Utility Infrastructure

- Establish Reliable Sources of Water Within A Regional Framework
- Enhance Community Drainage Systems
 - *Funding of \$120,000 is included in Community Development for expenditures related to small drainage projects*
- Continue to Manage Wired Utilities
- Enhance Wireless Communications Coverage
- Establish a Dependable Sewage Disposal System
- Expand The Natural Gas System In Pinehurst



- Address Street Lighting
 - *Street and pathway lighting is funded at \$25,000*

Vehicular Transportation

- Retain Community Character When Addressing Transportation Issues
- Increase Regional Connectivity/Mobility
- Manage Improvements To Major Roadways
- Manage Other Transportation Issues
 - *Funding of \$850,000 is included to resurface approximately 3 miles of roadways*
 - *The proposed budget contains \$15,000 to complete a traffic survey*

Community Facilities

- Address Current Needs
 - *\$136,000 is provided to construct a field house at Cannon Park*
- Prepare for Mid-Range Needs
- Plan For Possible Long-Range Needs
- Support Other Entities
 - *Operating support of \$40,000 is provided for the Given Memorial Library*

Other Transportation

- Prepare A Pedestrian/Bicycle Master Plan
- Promote Pedestrian Circulation
 - *Brick sidewalks are funded at \$100,000*
- Provide For Bicycle Circulation
- Evaluate Provision of Other Transportation Services



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



Historic Downtown Business District

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@vopnc.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@vopnc.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 (jfrye@vopnc.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@vopnc.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 pro-active environment for our employees and for those with which we build external relationships.

PUBLIC SAFETY

POLICE (ephipps@vopnc.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.



Police bicycle patrol implemented in 2012



FIRE (jccole@vopnc.org)

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

INSPECTIONS (acorrell@vopnc.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 and businesses 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.



New Home Construction

TRANSPORTATION

PUBLIC SERVICES (wmorgan@vopnc.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@vopnc.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 106 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@vopnc.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.

ECONOMIC & PHYSICAL DEVELOPMENT

PLANNING (acorrell@vopnc.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.



Village Welcome Center

COMMUNITY DEVELOPMENT (jbatton@vopnc.org or n dean@vopnc.org)

The Community Development Department is the primary department for managing the function of economic development, downtown enhancement, and community infrastructure such as roadways and



right of ways. The purpose of investing in economic development and downtown enhancement is to build and maintain a vibrant downtown for businesses, residents and visitors alike and to improve upon the high quality of life already enjoyed in the Village. Economic development and downtown enhancement fall primarily into three categories in the Pinehurst: Downtown Facility Enhancement, Business and Community Relations and Business Recruitment and Retention.

CULTURAL AND RECREATION

RECREATION (mwagner@vopnc.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.



Lacrosse

FAIR BARN (ahunt@vopnc.org)

The Fair Barn Division of the Parks and Recreation Department provides the management for the operations and maintenance of the 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 renovated to serve as a multi-purpose community gathering place. 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.

HARNESS TRACK (rskellington@vopnc.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 manages major and minor capital improvements while providing services to the standardbred trainers and other equine and non-equine related clients of the property. The facility consists of multiple harness tracks, a show ring, and 285 horse stalls in 20 barns.



All-Weather Show Ring at Harness Track

INTERNAL SERVICE DEPARTMENTS

BUILDINGS & GROUNDS MAINTENANCE (mwagner@vopnc.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.

FLEET MAINTENANCE (rkuhn@vopnc.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, tire 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.

INFORMATION TECHNOLOGY (jwhitaker@vopnc.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, COMMISSIONS AND COMMITTEES

HISTORIC PRESERVATION COMMISSION (acorrell@vopnc.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.



Historic District signage

BOARD OF ADJUSTMENT (acorrell@vopnc.org)

The Zoning Board of Adjustment hears and decides applications for approval of variances from the terms of the Pinehurst Development Ordinance, appeals from any order, requirement, permit, decision, or determination issued or made by an administrative officer of the Village in enforcing any provision of the Pinehurst Development Ordinance, and applications for special use permits. The Board of Adjustment also considers requests for variances and appeals of administrative decisions or interpretations of the Ordinance.

COMMUNITY APPEARANCE COMMISSION (acorrell@vopnc.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.

CONSERVATION COMMISSION (acorrell@vopnc.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 celebration, and promoting conservation by participating in community events. The subcommittees identify plants along the greenway, and promote recycling, tree planting, water conservation, open space preservation, and energy conservation.



Greenway trail to Given Library

PLANNING AND ZONING BOARD (acorrell@vopnc.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, all proposed major site plans, and makes 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.

BEAUTIFICATION COMMITTEE (mwagner@vopnc.org)

The Beautification Committee serves as an advisory committee to the Village Council for the purpose of enhancing the appearance of the Village Center and surrounding residential areas. The Committee also assists the Public Services Department in beautifying key intersections and street corners in and near the Village Center.

VILLAGE CENTER ENHANCEMENT COMMITTEE (ndean@vopnc.org)

The Village Center Enhancement Committee serves as an advisory committee to the Village Council for the purpose of formulating actionable recommendations designed to enhance the health and vibrancy of the Village Center. The Committee works cooperatively with and establishes liaisons with business and property owners in the Village Center. The Committee also assists with the implementation of tasks and programs from the 2010 Comprehensive Long Range Plan that relate to the Village Center.

WATER COMMITTEE (bthompson@vopnc.org)

The Water Committee serves as an advisory committee to the Village Council for the purpose of promoting the Village's interests in water resources. The Committee works cooperatively with key strategic partners to advance and help meet the Village's water resource needs. The Committee also assists with the implementation of tasks and programs from the 2010 Comprehensive Long Range Plan that relate to the preservation and support of water production and distribution resources, in addition to sewer collection resources.



Need More Information?

The best source for additional information is our web site www.vopnc.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 (Hotline).....	910.295.3192
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).....	910.295.2581
HARNESS TRACK.....	910.295.4446
HISTORIC PROPERTIES.....	910.295.2581
HUMAN RESOURCES	910.295.1900



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	910.295.5021
TAXES (MOORE COUNTY TAX OFFICE)	910.947.2255
TRAFFIC	910.295.1900
UNKEMPT 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's FY 2012-2013 Budget earned the Government Finance Officer's Distinguished Budget Award. 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 sixth consecutive year the Village has received this award.

Last year we added a Budget Overview to help readers quickly understand the key elements of the budget. The Debt Service section now includes a table that illustrates principal and interest requirements to maturity for all Village debts. We have improved our performance measures by adding numerous efficiency and effectiveness measures throughout the document. Finally, we have provided a more detailed explanation related to personnel changes in the proposed budget.

The Village of Pinehurst continues to develop its results-based management process. For the past five years, the Village has worked to include meaningful performance measures for all departments. This year we have added a dozen new effectiveness and efficiency measures. We have also attempted to strengthen the 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. In addition, performance data presented in the table for FY 2011-2012 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. Each month, electronic financial information is prepared for department heads and management along 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 30% to 40% of General Fund expenditures.

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, 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, 2013:

Friday, March 2, 2012	Financial Services Department released the 2012-2013 Budget Manual to department heads
Monday, March 26, 2012	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 9 – April 11, 2012	Village Manager and Assistant Village Managers hold budget review meetings with Human Resources and Internal Service Department Heads
April 12 – April 17, 2012	Village Manager and Assistant Village Managers hold budget review meetings with all other Department Heads
Friday, May 18, 2012	Village Manager and Assistant Village Manager submit the draft budget to the Village Council
Tuesday, May 22, 2012	Village Manager presents the budget to the Village Council at a Council work session
May 23 – May 31, 2012	Village Council holds budget work sessions
Tuesday, June 12, 2012	Village holds a public hearing on the 2012-2013 Budget
Tuesday, June 26, 2012	Village Council adopts the 2012-2013 Budget
Sunday, July 1, 2012	Budget implemented
Friday, July 13, 2012	Financial Services Department publishes the final budget and distributes it to department heads



Budgeting Process

Strategic Planning

The Village Council provides the Vision for the community via the Vision Statement and the Comprehensive Long-Range Planning Process. Retreats with Council and staff are held to determine specific directives that support the Village's Comprehensive Long-Range Plan. Council directives and environmental scan feedback are taken into account when staff prepares the Village's internal organizational Strategic Plan in odd numbered years. The initiatives included in the internal organizational Strategic Plan are then budgeted for accordingly.

Phase I – Long-Range Capital Planning

In November and December of each year, projections of personnel, operating and capital expenditures are estimated for the remainder of the 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 II-Budget Requests Solicited

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 2012-2013 Budget Manual to all department heads.

Phase III – Budget Review Committee Meets

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

Phase IV – Budget Finalized

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

Phase V – Budget Presented for Adoption

The Budget is presented to Council for review in May. They hold one or more budget work sessions and conduct a public hearing on the budget proposal to allow for public comment. Before June 30th of each year, a balanced budget is adopted.



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 (Village Manager) 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:



Budget Requirements

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

Board Review

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

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

Adoption of the Budget Ordinance

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

Budget Adoption and Amendment

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

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



The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

A fund is one of two types: an operational fund or a project fund. Council appropriates operational funds on an annual basis and an activity's funding lapses at the close of the fiscal 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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 162,090	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	287,650	300,000	296,540	310,500	3.5%
Capital	48,613	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 498,353	\$ 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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 162,090	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	287,650	300,000	296,540	310,500	3.5%
Capital	48,613	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 498,353	\$ 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 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of inspections completed next bus. day	n/a	90%	90%	95%
# of days to review building plans	n/a	15	10	10
Inspection compliance rate	n/a	n/a	n/a	70%
# of builder's workshops conducted	0	3	4	4

Specific performance outcome that is being measured.

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

Historical performance data is provided whenever available.

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



All of the individual department revenues and expenditure totals are consolidated for each fund, which present the “bottom line” of the budget. The following information details the types of funds the Village has and a list of the various funds within each fund type:

General Fund

The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception for a government and exists throughout the government’s life. The General Fund is appropriated annually and is included in the budget document.

Special Revenue Funds

Special Revenue Funds are used to account for special revenues that are legally restricted to expenditure for particular purposes. The **Land Dedication Fund**, **Residential Assurance-Interest Fund**, and **Municipal Service District** 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 two capital project funds at this time; the **Public Services Facility Project Fund** and the **Library Capital Reserve Fund**. The Library Capital Reserve Fund is new this year. The Village Council previously appropriated funding for the Public Service Facility Project Fund, but it is 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 2012-2013

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 12th day of June 2012 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, 2012 and ending June 30, 2013, in accordance with the chart of accounts heretofore established for this Village:

OPERATING EXPENDITURES:

Governing Body	\$ 203,500
Administration	967,500
Financial Services	561,620
Human Resources	365,140
Police	2,644,460
Fire	2,397,325
Inspections	221,865
Public Services	355,250
Streets & Grounds	1,092,230
Powell Bill	852,500
Solid Waste	1,245,020
Planning	661,710
Community Development	292,000
Recreation	951,710
Harness Track	503,400
Fair Barn	257,720
Contingency	50,000
Debt Service	548,624
Other Financing Uses	<u>100,000</u>

Total Operating Expenditures \$ 14,271,574



Annual Budget Ordinance

CAPITAL EXPENDITURES:

Governing Body	\$ 75,000
Administration	15,380
Financial Services	4,020
Human Resources	2,010
Police	89,760
Fire	605,050
Inspections	1,080
Public Services	5,050
Streets & Grounds	144,250
Solid Waste	222,010
Planning	1,575
Community Development	1,442,000
Recreation	189,350
Harness Track	168,840
Fair Barn	<u>24,125</u>
Total Capital Expenditures	\$ <u>2,989,500</u>

TOTAL EXPENDITURES \$ 17,261,074

SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Ad Valorem Tax Revenue	\$ 9,500,500
Other Taxes and Licenses	2,431,800
Unrestricted Intergovernmental Revenue	1,682,500
Restricted Intergovernmental Revenue	485,895
Permits and Fees	477,100
Sales and Services	497,915
Other Revenues	188,300
Investment Income	28,790
Other Financing Sources	562,410
Appropriated Fund Balance	<u>1,405,864</u>

TOTAL REVENUES \$ 17,261,074

SECTION 3. The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2012, and ending June 30, 2013 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Future Use	<u>\$ 10</u>
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Annual Budget Ordinance

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, 2012, and ending June 30, 2013:

Investment Income \$ 10

SECTION 5. The following amounts are hereby appropriated in the Residential Assurance Interest Special Revenue Fund for the fiscal year beginning July 1, 2012, and ending June 30, 2013 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Beautification \$ 180

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, 2012, and ending June 30, 2013:

Investment Income \$ 180

SECTION 7. The following amounts are hereby appropriated in the Municipal Service District Special Revenue Fund for the fiscal year beginning July 1, 2012, and ending June 30, 2013 in accordance with the chart of accounts heretofore approved for the Village:

Operating Expenditures \$ 3,700
Transfer to General Fund 12,410

TOTAL EXPENDITURES \$ 16,110

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, 2012, and ending June 30, 2013:

Ad Valorem Tax Revenue \$ 3,680
Assessments 12,410
Investment Income 20

TOTAL REVENUES \$ 16,110

SECTION 9. 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, 2012, 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 \$3,403,000,000 and an estimated collection rate of 99.9% for real and personal property and 97.0% for motor vehicles.



Annual Budget Ordinance

There is hereby levied a tax at the rate of five cents (\$0.05) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2012, for the purpose of raising revenue in the Municipal Service District Fund in Section 8 of this ordinance. This rate is based on a total valuation of property for the purposes of taxation of \$7,348,170 and an estimated collection rate of 100.0%.

SECTION 10. 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 11. The Village Manager or his designee is hereby authorized to execute the necessary agreements within funds included in the Budget Ordinance for the following purposes:

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

SECTION 12. Copies of this Budget Ordinance shall be furnished to the Clerk of the Village Council and to the Village Manager and Assistant Village Manager of Finance and Administration to be kept on file by them for their direction in the disbursements of the funds.



Annual Budget Ordinance

ADOPTED this 12th day of June, 2012.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: _____
Nancy R. Fiorillo, Mayor

Attest:

Approved as to Form:

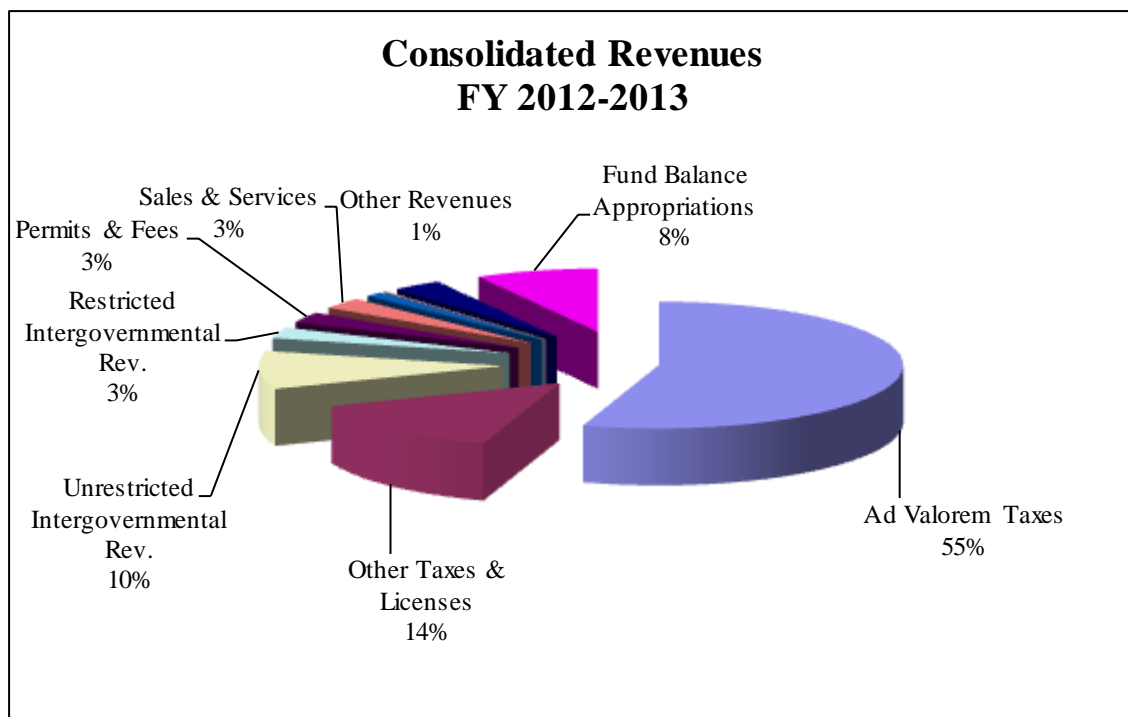
Linda S. Brown, Village Clerk

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.

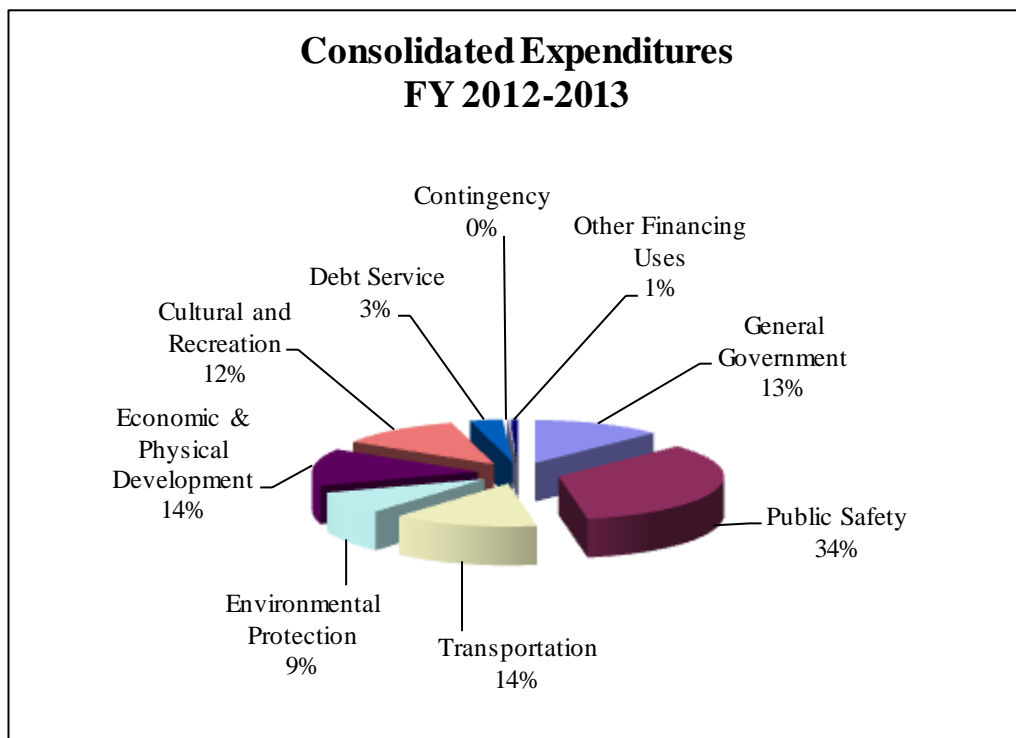


Consolidated Revenues	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,609,611	\$ 9,444,180	\$ 9,444,180	\$ 9,504,180	0.6%
Other Taxes & Licenses	2,356,264	2,252,820	2,252,820	2,431,800	7.9%
Unrestricted Intergovernmental Rev.	1,583,062	1,562,800	1,570,800	1,682,500	7.1%
Restricted Intergovernmental Rev.	534,183	474,500	483,060	485,895	0.6%
Permits & Fees	446,838	486,150	481,300	477,100	-0.9%
Sales & Services	497,714	474,080	491,570	497,915	1.3%
Other Revenues	234,964	197,600	206,528	200,710	-2.8%
Investment Income	23,949	53,360	23,750	29,000	22.1%
Operating Revenues	15,286,585	14,945,490	14,954,008	15,309,100	2.4%
Other Financing Sources	34,648	13,600	15,412	562,410	3549.2%
Fund Balance Appropriations	-	1,408,640	-	1,405,864	100.0%
Total Revenues	\$ 15,321,233	\$ 16,367,730	\$ 14,969,420	\$ 17,277,374	15.4%
Per Capita	\$ 1,126	\$ 1,107	\$ 1,013	\$ 1,161	



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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Government	\$ 1,840,989	\$ 2,075,509	\$ 1,955,867	\$ 2,194,170	12.2%
Public Safety	5,049,620	5,249,360	5,144,519	5,959,540	15.8%
Transportation	2,378,445	2,600,325	2,715,106	2,449,280	-9.8%
Environmental Protection	1,268,744	1,513,053	1,441,889	1,470,730	2.0%
Economic & Physical Development	1,049,156	1,592,694	1,167,889	2,397,465	105.3%
Cultural and Recreation	1,781,382	2,420,574	2,318,915	2,095,155	-9.6%
Debt Service	1,042,399	865,615	865,615	548,624	-36.6%
Contingency	-	37,000	-	50,000	100.0%
Operating Expenditures	14,410,735	16,354,130	15,609,800	17,164,964	10.0%
Other Financing Uses	34,648	13,600	15,412	112,410	629.4%
Total Expenditures	\$ 14,445,383	\$ 16,367,730	\$ 15,625,212	\$ 17,277,374	10.6%
Per Capita	\$ 1,277	\$ 1,407	\$ 1,343	\$ 1,465	

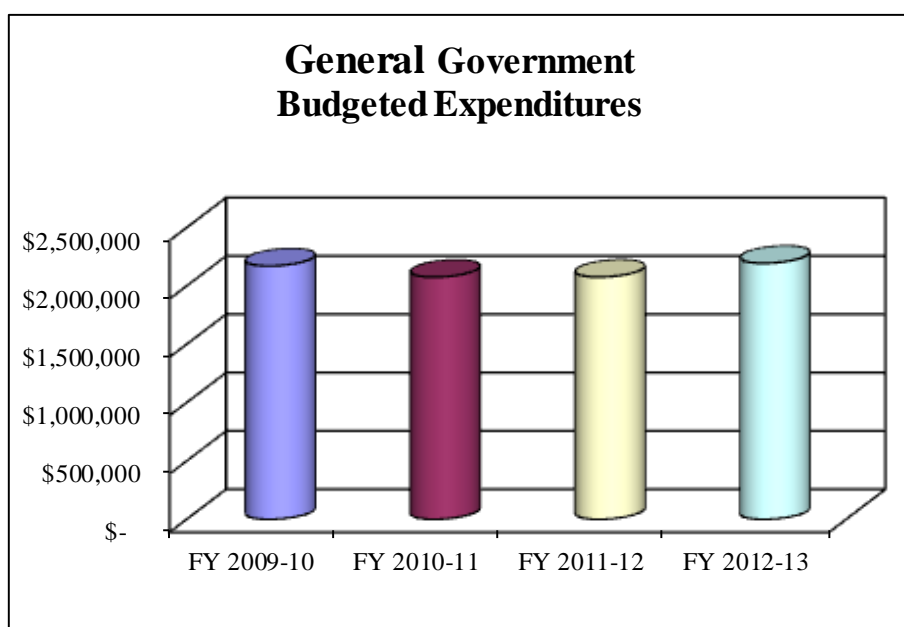


Consolidated Budget Summary

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.



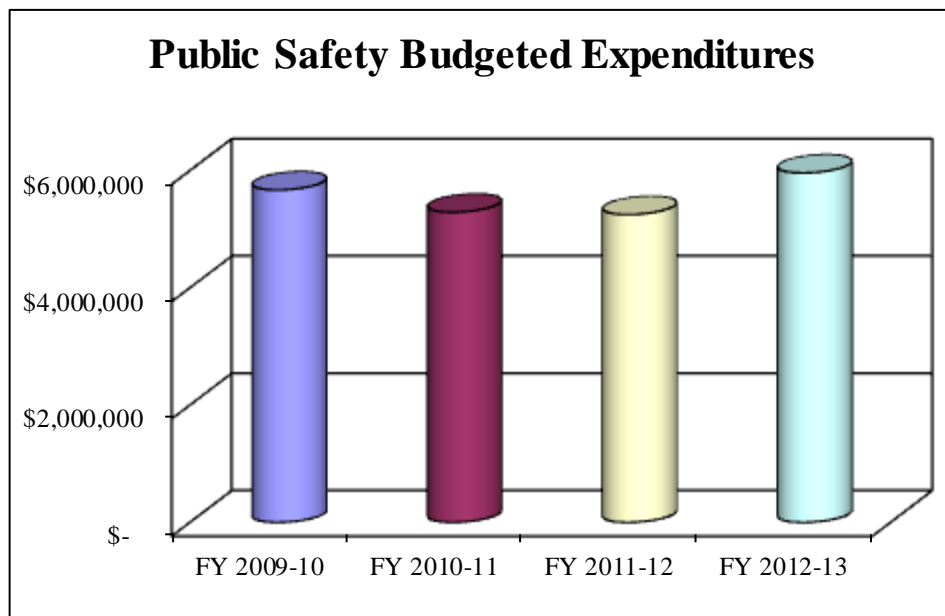
General Government	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 2,170,540	\$ 2,074,780	\$ 2,075,509	\$ 2,194,170
Dollar Change	(36,350)	(95,760)	729	118,661
Percent Change	-1.6%	-4.4%	0.0%	5.7%

General Government Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Wages	\$ 858,262	\$ 900,500	\$ 858,400	\$ 923,500	7.6%
Operating	942,077	1,153,639	1,076,097	1,174,260	9.1%
Capital	40,650	21,370	21,370	96,410	100.0%
Total Expenditures	\$ 1,840,989	\$ 2,075,509	\$ 1,955,867	\$ 2,194,170	12.2%

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



Consolidated Budget Summary



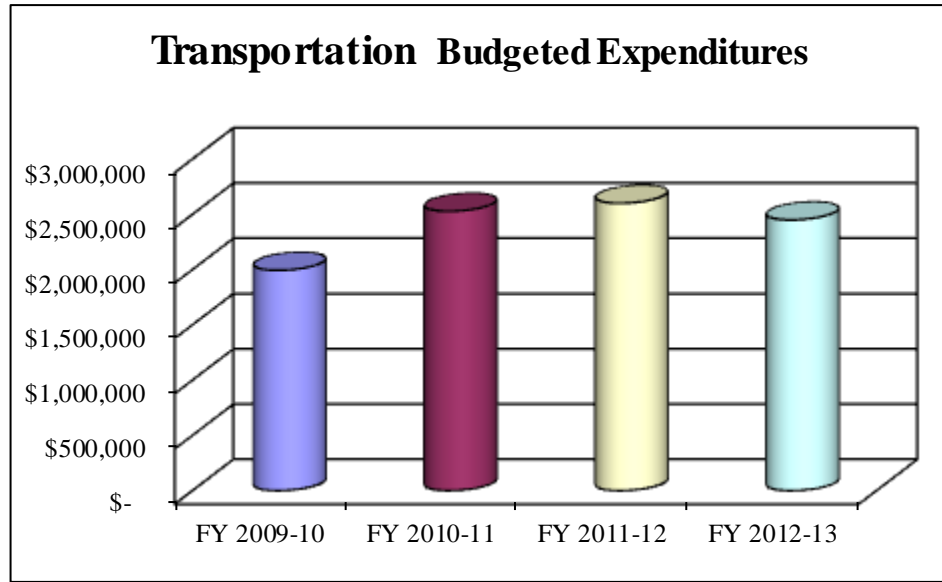
Public Safety	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 5,668,440	\$ 5,289,292	\$ 5,249,360	\$ 5,959,540
Dollar Change	(791)	(379,148)	(39,932)	710,180
Percent Change	0.0%	-6.7%	-0.8%	13.5%

Public Safety Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Wages	\$ 2,819,234	\$ 2,889,560	\$ 2,871,500	\$ 2,891,125	0.7%
Operating	1,999,538	2,178,477	2,091,696	2,372,125	13.4%
Capital	230,848	181,323	181,323	696,290	284.0%
Total Expenditures	\$ 5,049,620	\$ 5,249,360	\$ 5,144,519	\$ 5,959,540	15.8%

General Fund Departments/Divisions: Police, Fire and Inspections



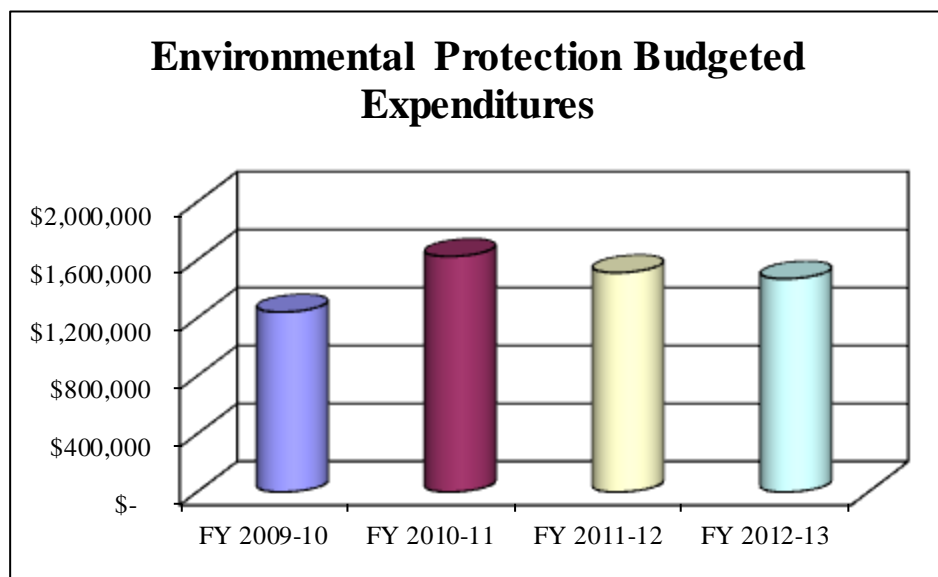
Consolidated Budget Summary



Transportation	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 1,992,950	\$ 2,527,791	\$ 2,600,325	\$ 2,449,280
Dollar Change	(59,525)	534,841	72,534	(151,045)
Percent Change	-2.9%	26.8%	2.9%	-5.8%

Transportation Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Wages	\$ 486,007	\$ 587,700	\$ 584,100	\$ 631,000	8.0%
Operating	1,821,232	1,701,492	1,856,873	1,668,980	-10.1%
Capital	71,206	311,133	274,133	149,300	-45.5%
Total Expenditures	\$ 2,378,445	\$ 2,600,325	\$ 2,715,106	\$ 2,449,280	-9.8%

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



Environmental Protection	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 1,241,138	\$ 1,624,985	\$ 1,513,053	\$ 1,470,730
Dollar Change	271,878	383,847	(111,932)	(42,323)
Percent Change	28.1%	30.9%	-6.9%	-2.8%

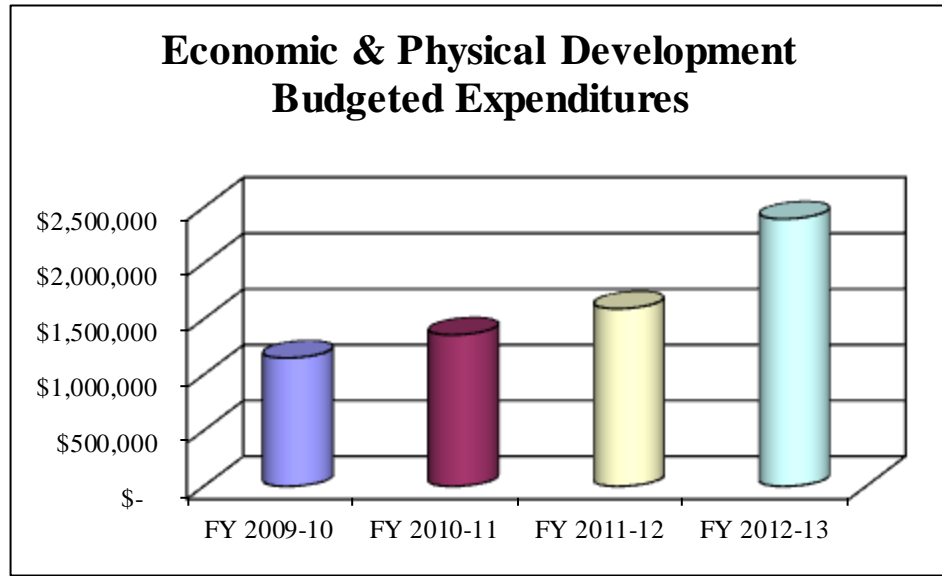
Environmental Protection Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Wages	\$ 234,078	\$ 274,200	\$ 247,100	\$ 284,000	14.9%
Operating	1,034,666	1,013,853	969,789	964,720	-0.5%
Capital	-	225,000	225,000	222,010	-1.3%
Total Expenditures	\$ 1,268,744	\$ 1,513,053	\$ 1,441,889	\$ 1,470,730	2.0%

General Fund Departments/Divisions: Solid Waste

Other Funds Included: Municipal Service District



Consolidated Budget Summary



Economic & Physical Dev	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 1,150,125	\$ 1,357,446	\$ 1,592,694	\$ 2,397,465
Dollar Change	(412,360)	207,321	235,248	804,771
Percent Change	-26.4%	18.0%	17.3%	50.5%

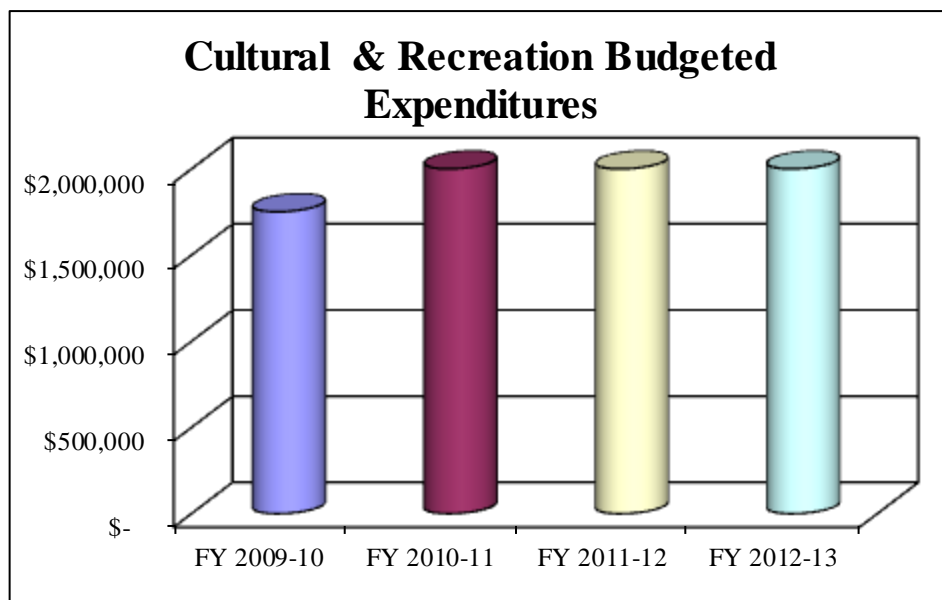
Economic & Physical Dev. Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Wages	\$ 416,352	\$ 346,000	\$ 345,700	\$ 355,000	2.7%
Operating	503,060	551,104	551,599	598,890	8.6%
Capital	129,744	695,590	270,590	1,443,575	433.5%
Total Expenditures	\$ 1,049,156	\$ 1,592,694	\$ 1,167,889	\$ 2,397,465	105.3%

General Fund Departments/Divisions: Planning and Community Development

Other Funds Included: Residential Assurance Fund – Interest



Consolidated Budget Summary



Cultural & Recreation	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 1,751,115	\$ 2,138,194	\$ 2,420,574	\$ 2,095,155
Dollar Change	(146,751)	387,079	282,380	(325,419)
Percent Change	-7.7%	22.1%	13.2%	-13.4%

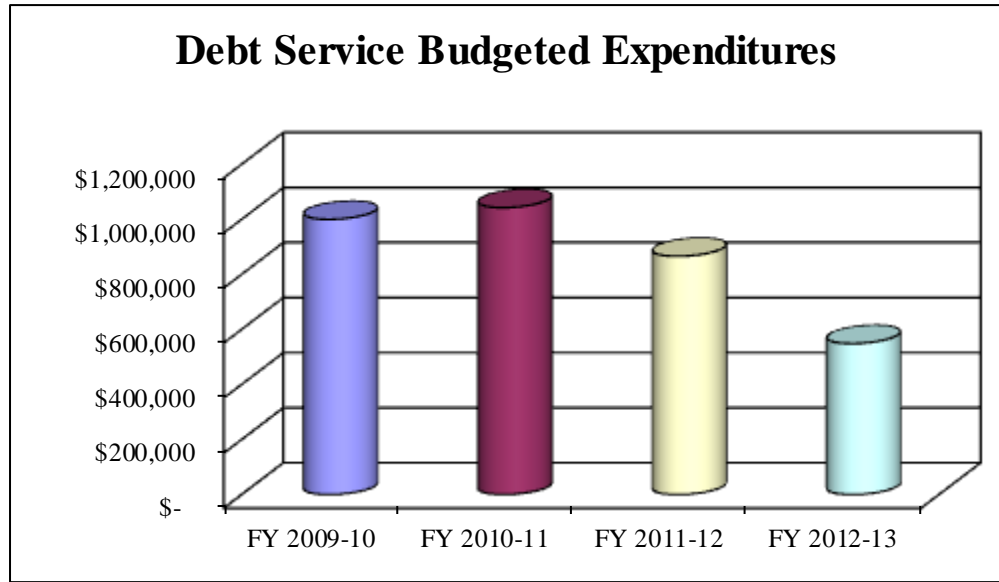
Cultural & Recreation Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Wages	\$ 402,227	\$ 414,625	\$ 433,800	\$ 431,500	-0.5%
Operating	1,078,278	1,265,649	1,150,815	1,281,340	11.3%
Capital	300,877	740,300	734,300	382,315	-47.9%
Total Expenditures	\$ 1,781,382	\$ 2,420,574	\$ 2,318,915	\$ 2,095,155	-9.6%

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

Other Funds Included: Land Dedication Fund



Consolidated Budget Summary



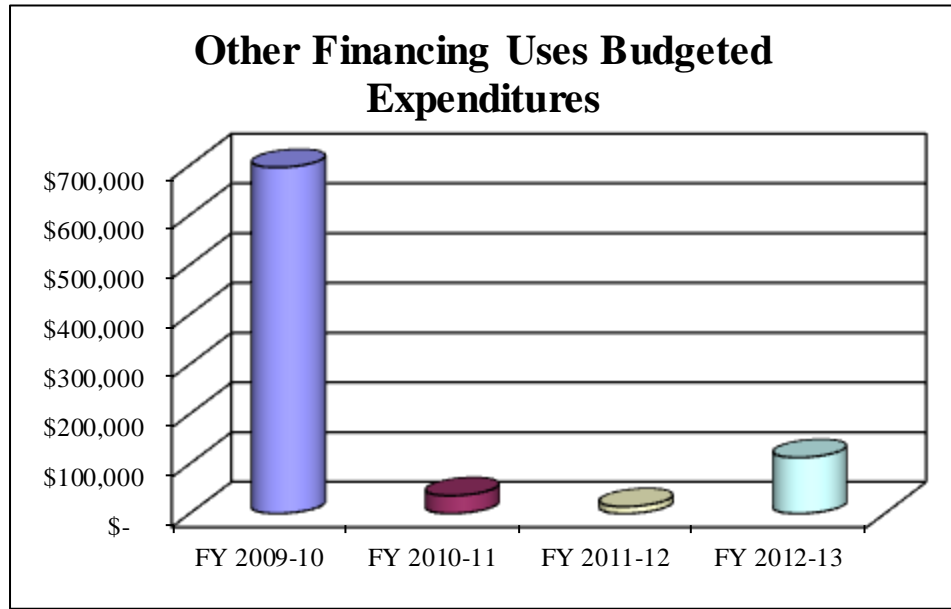
Debt Service	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 999,762	\$ 1,042,490	\$ 865,615	\$ 548,624
Dollar Change	(3,592)	42,728	(176,875)	(316,991)
Percent Change	-0.4%	4.3%	-17.0%	-36.6%

Debt Service Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Operating	\$ 1,042,399	\$ 865,615	\$ 865,615	\$ 548,624	-36.6%
Total Expenditures	\$ 1,042,399	\$ 865,615	\$ 865,615	\$ 548,624	-36.6%

Funds with Debt Service: General Fund



Consolidated Budget Summary



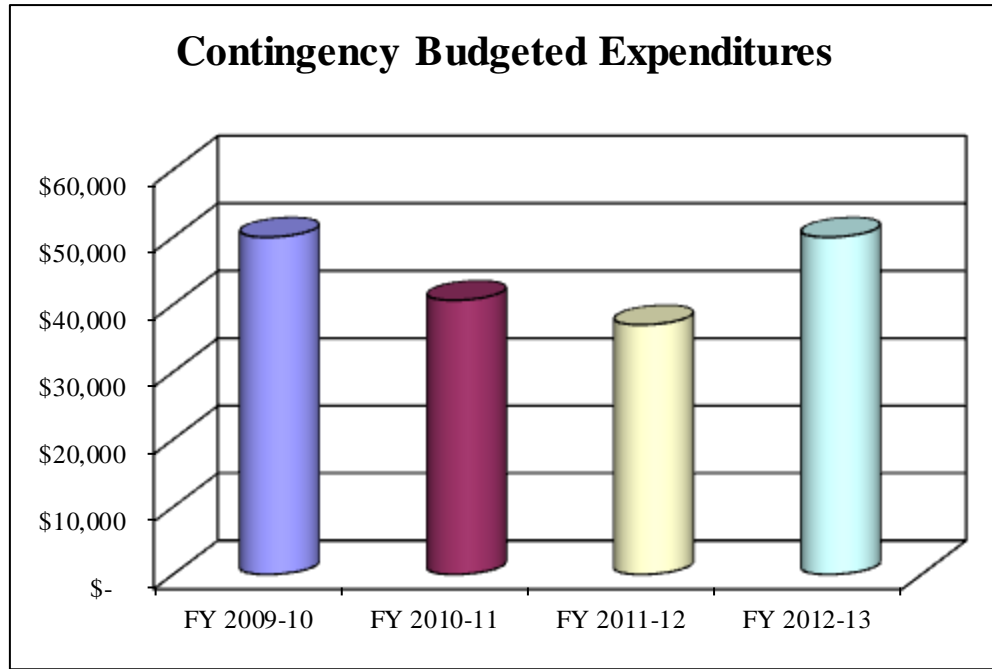
Other Financing Uses	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 695,620	\$ 35,850	\$ 13,600	\$ 112,410
Dollar Change		(65,572)	(22,250)	98,810
Percent Change		-8.6%	-62.1%	726.5%

Other Financing Uses Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Operating	\$ 34,648	\$ 13,600	\$ 15,412	\$ 112,410	629.4%
Total Expenditures	\$ 34,648	\$ 13,600	\$ 15,412	\$ 112,410	629.4%

Funds with Other Financing Uses: General Fund and Residential Assurance Fund – Interest



Consolidated Budget Summary



Contingency	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Budgeted Amount	\$ 50,000	\$ 40,639	\$ 37,000	\$ 50,000
Dollar Change	12,400	(9,361)	(3,639)	13,000
Percent Change	33.0%	100.0%	-9.0%	35.1%

Contingency Expenditures	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Operating	\$ -	\$ 37,000	\$ -	\$ 50,000	100.0%
Total Expenditures	\$ -	\$ 37,000	\$ -	\$ 50,000	100.0%

Funds with Contingency: General Fund



Consolidated Budget Summary

Consolidated Fund Balance Discussion

Fund balance is the amount of assets in excess of liabilities in a fund. It is also referred to as surplus funds. The North Carolina Local Government Commission recommends that units of government retain an amount of unreserved fund balance in the General Fund of at least equal to 8% of appropriations of the fund. The Village of Pinehurst Council has a financial policy recommending that the total fund balance in the General Fund remain between 30% and 40% 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.

The following schedules outline the percentage increase or decrease for each of the Village's annually appropriated funds for the FY 2012-2013 budget and three prior fiscal years.

Fund Balances	FY 2009-10 Beginning	FY2009-10 Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 5,585,496	\$ 5,833,296	\$ 247,800	4.4%
Land Dedication Fund	84	2,861	2,777	3306.0%
Residential Assurance - Interest Fund	6,908	7,279	371	5.4%
Municipal Service District Fund	12,116	13,070	954	7.9%
Fund Totals	\$ 5,604,604	\$ 5,856,506	\$ 251,902	4.5%

Fund Balances	FY 2010-11 Beginning	FY2010-11 Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 5,833,296	\$ 6,702,209	\$ 868,913	14.9%
Land Dedication Fund	2,861	2,863	2	0.1%
Residential Assurance - Interest Fund	7,279	7,355	76	1.0%
Municipal Service District Fund	13,070	14,084	1,014	7.8%
Fund Totals	\$ 5,856,506	\$ 6,726,511	\$ 870,005	14.9%

Fund Balances	FY 2011-12 Beginning	FY 2011-12 Estimated Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 6,702,209	\$ 6,536,145	\$ (166,064)	-2.5%
Land Dedication Fund	2,863	2,875	12	0.4%
Residential Assurance - Interest Fund	7,355	7,655	300	4.1%
Municipal Service District Fund	14,084	14,559	475	3.4%
Fund Totals	\$ 6,726,511	\$ 6,561,234	\$ (165,277)	-2.5%



Consolidated Budget Summary

Fund Balances	FY 2012-13 Beginning	FY 2012-13 Estimated Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 6,536,145	\$ 5,130,281	\$ (1,405,864)	-21.5%
Land Dedication Fund	2,875	2,885	10	0.3%
Residential Assurance - Interest Fund	7,655	7,835	180	2.4%
Municipal Service District Fund	14,559	14,559	-	0.0%
Fund Totals	\$ 6,561,234	\$ 5,155,560	\$ (1,405,674)	-21.4%

Of the \$1,405,864 fund balance appropriated, \$850,000 is appropriated for capital improvements downtown. These improvements include the construction of Tufts Memorial Park, sand lot parking improvements, and other downtown streetscape improvements.

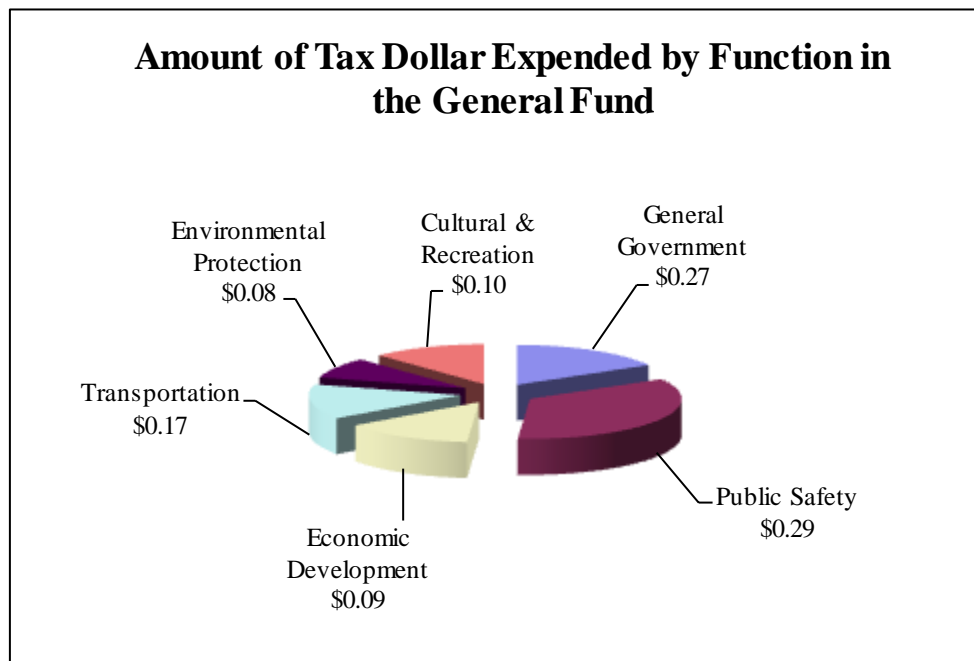
Historically in the General Fund operating revenues come in at 101% of budget while operating expenditures typically fall 5% below budget. The amount of fund balance that is appropriated in the General Fund exceeds this budget variance amount by \$572,000. If this historical trend continues for FY 2012-13, the fund balance level will decrease approximately 8.0%, in lieu of 21.5%. The remaining amount of fund balance is equivalent to 34.6% of budgeted expenditures in accordance with the Village's Fund Balance Policy.



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 continued to suppress new home construction and this budget reflects slower growth in the related revenues.

The proposed General Fund budget for FY 2012-2013 is approximately \$17,261,000, an increase of 5.6% over the previous year's budget. This increase includes an overall increase in operating revenues and expenditures and requires the use of fund balance to pay for capital improvements that are described in greater detail on the following pages.



General Fund Summary

The following table indicates the Village's results from operations before any other financing sources or uses for the past five years:

	<u>Operating Revenues</u>	<u>Operating Expenditures</u>	<u>Income (Loss)</u>
6/30/08 Actual	13,811,328	13,663,457	147,871
6/30/09 Actual	13,653,666	13,331,365	322,301
6/30/10 Actual	13,436,914	13,796,560	(359,646)
6/30/11 Actual	15,247,997	14,407,809	840,188
6/30/12 Estimate	14,954,566	15,606,545	(651,979)
6/30/13 Budgeted	15,292,800	17,161,074	(1,868,274)

The FY 2012-2013 Budget recommends maintaining the current ad valorem tax rate of \$0.28 per \$100 valuation. This is expected to generate \$9,500,500 in ad valorem tax revenues. Operating Expenditures include the purchase of a \$550,000 fire truck that will be paid for with installment financing. Debt proceeds from installment financing are included in Other Financing Sources. After adding Other Financing Sources of \$562,410 and Appropriated Fund Balance of \$1,405,864 to revenues, the Village's FY 2012-2013 Recommended Budget is balanced in accordance with North Carolina General Statutes.

Revenues

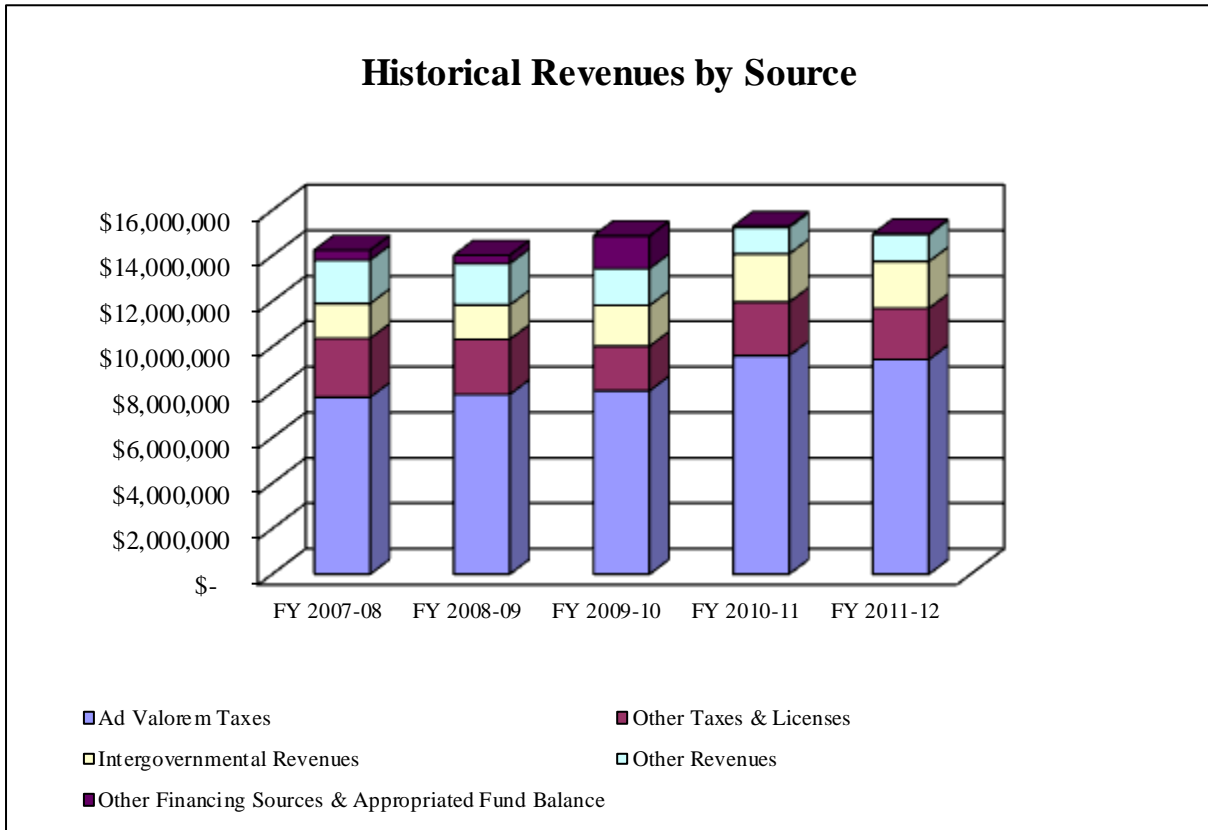
General Fund Revenue by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,605,784	\$ 9,440,500	\$ 9,440,500	\$ 9,500,500	0.6%
Other Taxes & Licenses	2,356,264	2,252,820	2,252,820	2,431,800	7.9%
Unrestricted Intergovernmental Rev.	1,583,062	1,562,800	1,570,800	1,682,500	7.1%
Restricted Intergovernmental Rev.	534,183	474,500	483,060	485,895	0.6%
Permits & Fees	446,838	486,150	481,300	477,100	-0.9%
Sales & Services	497,714	474,080	491,570	497,915	1.3%
Other Revenues	200,316	184,000	191,116	188,300	-1.5%
Investment Income	23,836	53,000	23,400	28,790	23.0%
Operating Revenues	15,247,997	14,927,850	14,934,566	15,292,800	2.4%
Other Financing Sources	34,648	13,600	15,412	562,410	3549.2%
Fund Balance Appropriations	-	1,408,640	-	1,405,864	100.0%
Total Revenues	\$ 15,282,645	\$ 16,350,090	\$ 14,949,978	\$ 17,261,074	15.5%

Budget Highlights:

The approved budget for FY 2012-2013 represents a 5.6% increase over the FY 2011-2012 amended budget. Operating revenues are estimated to increase by approximately 2.4% over FY 2011-2012. Ad Valorem taxes, which represent roughly 55.1% of total revenues, are estimated to increase by 0.5% based on a 3-year trend of approximately 53 new home building permits issued each year.



An anticipated increase in retail sales is reflected in the increase in Other Taxes & Licenses and Unrestricted Intergovernmental Revenue. Interest rates for the upcoming year are expected to remain low but the funds available to invest are rising causing investment income to increase 23.0%. The low investment rates are due to the interest rates available in the market on both short and long term investments.





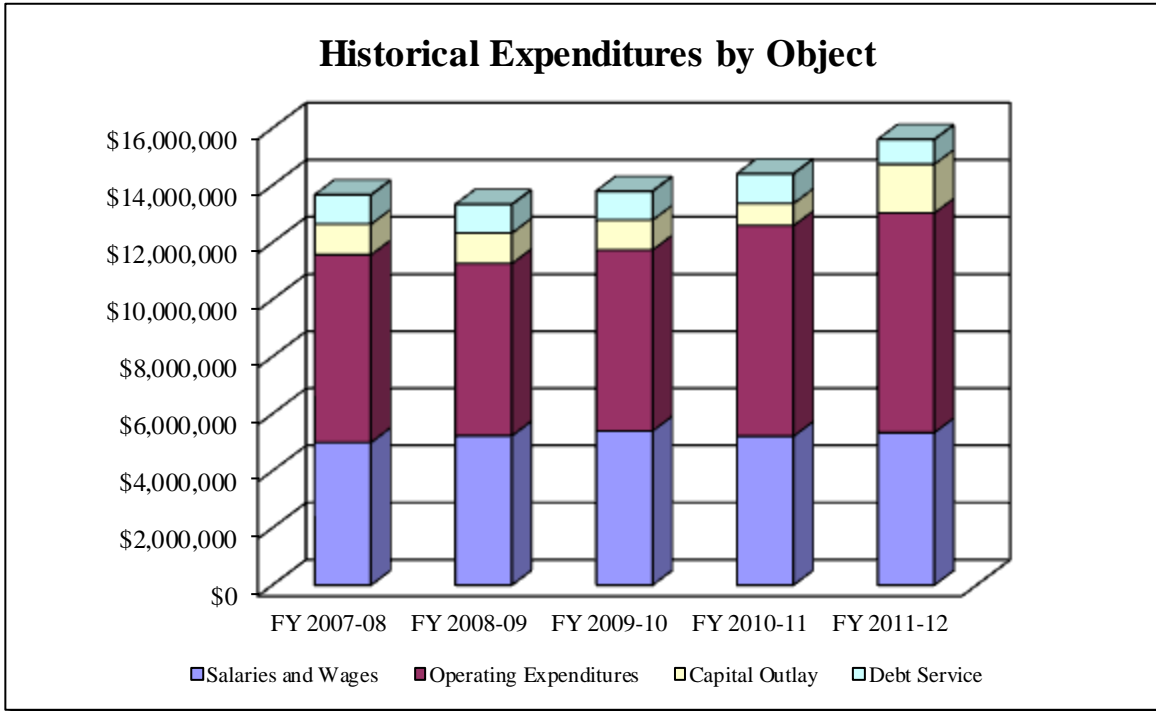
Expenditures

General Fund Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 7,110,514	\$ 7,521,435	\$ 7,358,600	\$ 7,688,375	4.5%
Operating	5,481,571	5,788,324	5,675,614	5,934,575	4.6%
Capital	773,325	2,174,716	1,706,716	2,989,500	75.2%
Debt Service	1,042,399	865,615	865,615	548,624	-36.6%
Operating Expenditures	14,407,809	16,350,090	15,606,545	17,161,074	10.0%
Other Financing Uses	-	-	-	100,000	100.0%
Total Expenditures	\$ 14,407,809	\$ 16,350,090	\$ 15,606,545	\$ 17,261,074	10.6%

Budget Highlights:

The increase in Salaries & Benefits in FY 2012-2013 is the result of the addition of one new full-time employee to provide administrative support to several departments. An average merit increase for employees of 2%, a state-mandated increase in the employer retirement contributions, and a projected 10% increase in group insurance are also included in the approved budget. The increase in Operating Expenditures is primarily due to general inflation.

Capital spending in the General Fund has increased by 75.2%. Included in these capital appropriations is \$995,000 for downtown improvements, \$120,000 for drainage projects, and \$252,000 for construction of a road that is supporting economic development in the Village. Also included in capital expenditures is \$166,000 for Cannon Park improvements and \$42,000 for improvements at the Harness Track and Fair Barn recreation facilities. The balance of the funding is for routine replacement of capital items.



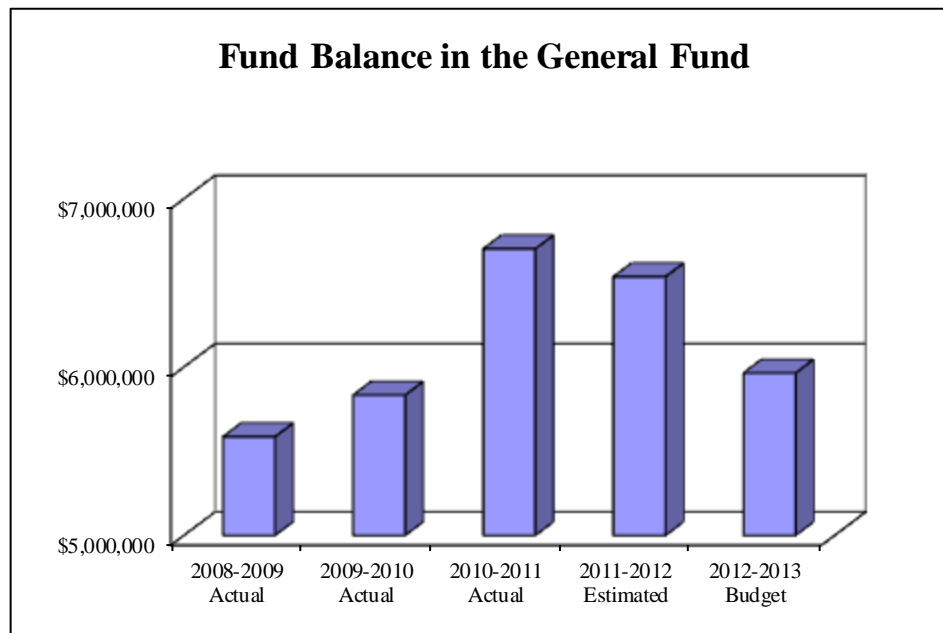


Fund Balance

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 2012-2013 we have appropriated \$1,405,864 of the Village's fund balance as a revenue source. This amount is \$3,000 lower than the previous fiscal year.

Of the \$1,405,864 fund balance appropriated, \$850,000 is appropriated for capital improvements downtown. These improvements include the construction of Tufts Memorial Park, sand lot parking improvements, and other downtown streetscape improvements.

Fund balance is estimated to be \$6,536,145 at June 30, 2012. This is 39.98% of the budgeted FY 2011-2012 expenditures of \$16,350,090. The Village's fund balance policy is to maintain 30%-40% of expenditures in fund balance. Fund balance at June 30, 2013 is estimated to be \$5,964,356 or 34.55% of budgeted expenditures.





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 at least every eight 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 60% 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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Real & Personal - Current Year	\$ 9,179,930	\$ 9,010,000	\$ 9,010,000	\$ 9,050,000	0.4%
Real & Personal - Prior Years	3,977	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	404,455	420,000	420,000	440,000	4.8%
Motor Vehicles - Prior Years	6,911	8,000	8,000	8,000	0.0%
Discounts/Reliefs/Refunds	(3,208)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	13,719	2,500	2,500	2,500	0.0%
Total Ad Valorem Tax Revenue	\$ 9,605,784	\$ 9,440,500	\$ 9,440,500	\$ 9,500,500	0.6%

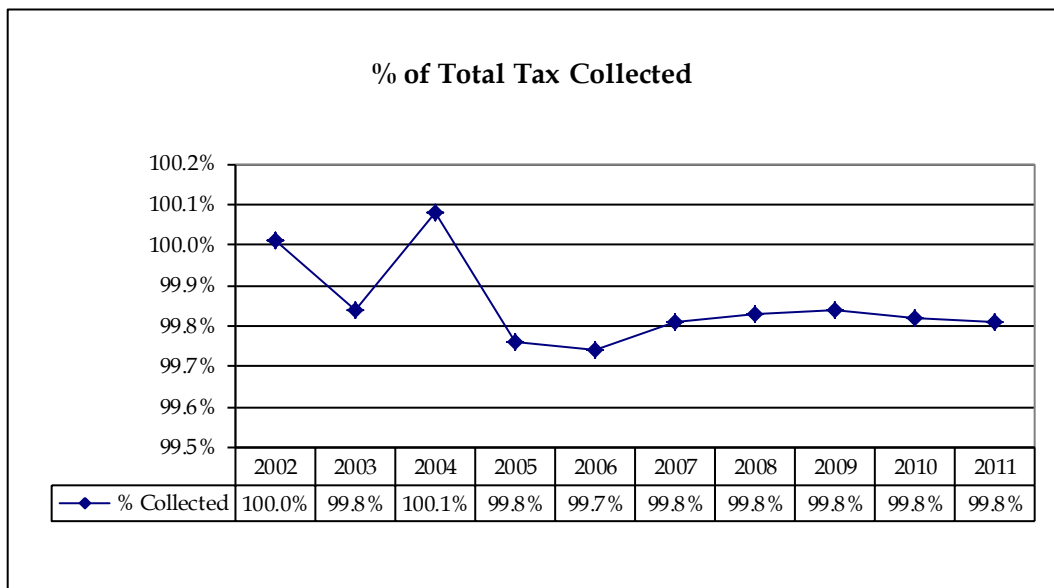
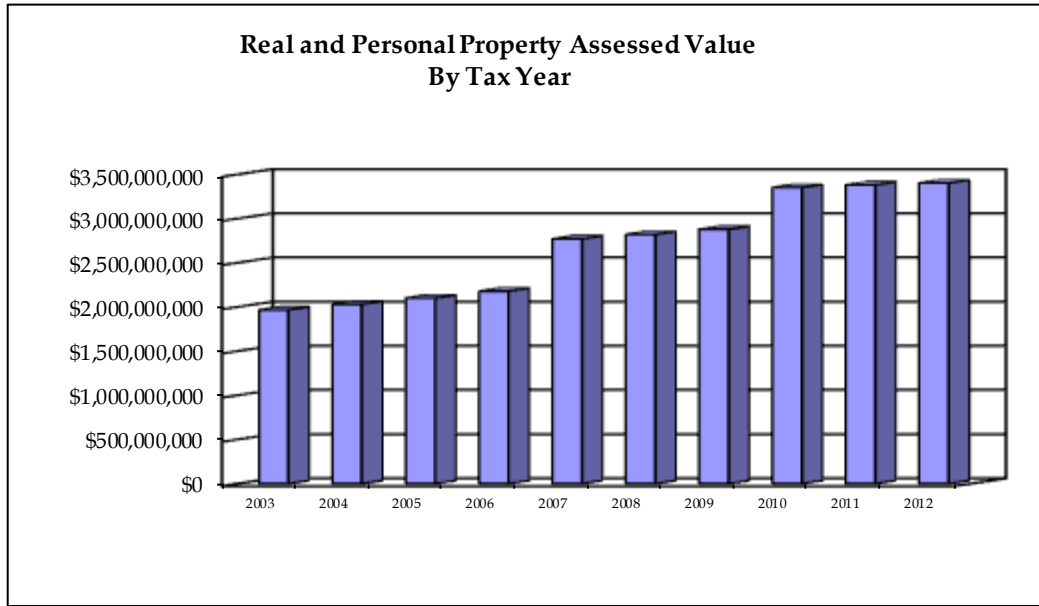
Revenue Assumptions

- 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, 2013. This is expected to generate \$9,050,000 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$3,403,000,000, of which \$3,239,000,000 is real property valuation and \$164,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.
- The growth factor used to estimate the total real property valuation is 0.5%. The number of new homes constructed in the Village over the past two years has remained consistent at 53 but the value of the homes constructed has declined. We are expecting the same growth level and value



in the residential tax base in fiscal year 2012-2013. The historical growth factor for the motor vehicles valuation has been 1% and we are expecting it to be the same in the next fiscal year.

- 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, Golf Cart Sticker, 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 \$0.02 consists of three separate taxes that are authorized by the North Carolina General Statutes: Article 39 at \$0.01, Article 40 at \$0.005, and Article 42 at \$0.005. This local government sales and use tax is applied to sales made in the county and is allocated among the county and the local government jurisdictions within the county based upon a per capita basis. The State of North Carolina distributes this tax to the Village on a monthly basis.

Golf cart stickers are issued annually to license the use of personal golf carts on Village streets. The Village charges a fee of \$5 per cart, per year to license personal golf carts.

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 taxed under the North Carolina Video Programming Sales Tax. The Village 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. The cable television franchise agreement expired March 27, 2011, eliminating this funding source from the budget. The Video Programming Sales Tax will be the only tax levied on video programming going forward.

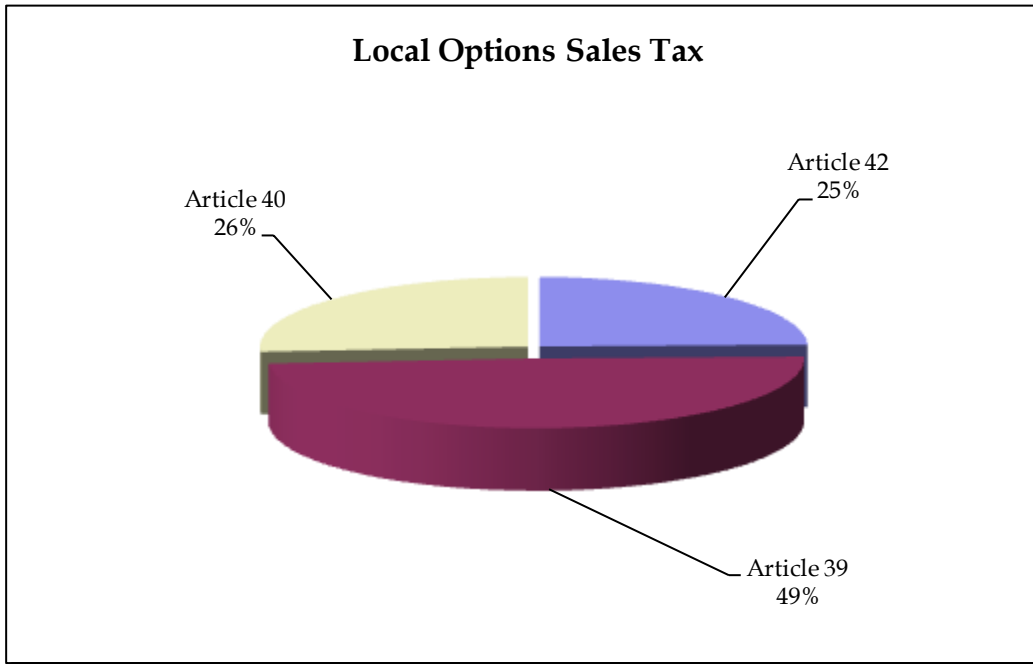
Other Taxes & Licenses	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Local Option Sales Tax	\$ 2,309,414	\$ 2,251,020	\$ 2,251,020	\$ 2,430,000	8.0%
Golf Cart Stickers	1,937	1,800	1,800	1,800	0.0%
Cablevision Franchise Fees	44,913	-	-	-	0.0%
Total Other Taxes & Licenses	\$ 2,356,264	\$ 2,252,820	\$ 2,252,820	\$ 2,431,800	7.9%

Revenue Assumptions

- Local Option Sales Tax estimates are based on a combination of the expected statewide growth or loss factor for Articles 39, 40, and 42 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 up slightly and as a result we estimate that local option sales taxes will increase by approximately 3.0% in addition to a gain of 5% in the current fiscal year.



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, Hold Harmless Sales Tax and Wine & Beer Tax. All five of these taxes are state-collected local 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 Hold Harmless Reimbursement is based on taxable 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. These Hold Harmless Reimbursements were granted to municipalities to replace the Article 44 sales tax that was repealed as part of the Medicaid relief program for counties. The State of North Carolina distributes these funds to the Village on a monthly basis.

The Wine & Beer Tax is levied by the State of North Carolina on the sale of malt beverages, fortified wine and unfortified wine. A percentage of the tax on the sales of these beverages that are generated from within the Village's corporate limits is distributed to the Village by the state on an annual basis.

Unrestricted Intergovernmental Revenue	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Telecommunications Tax	\$ 132,201	\$ 126,000	\$ 134,000	\$ 142,000	6.0%
Electricity Franchise Tax	599,634	615,000	595,000	607,000	2.0%
Video Programming Sales Tax	280,802	280,000	300,000	320,000	6.7%
Hold Harmless Reimbursement	510,480	491,000	491,000	549,000	11.8%
Wine & Beer Tax	59,945	50,800	50,800	64,500	27.0%
Total Unrest. Intergovernmental Rev.	\$ 1,583,062	\$ 1,562,800	\$ 1,570,800	\$ 1,682,500	7.1%

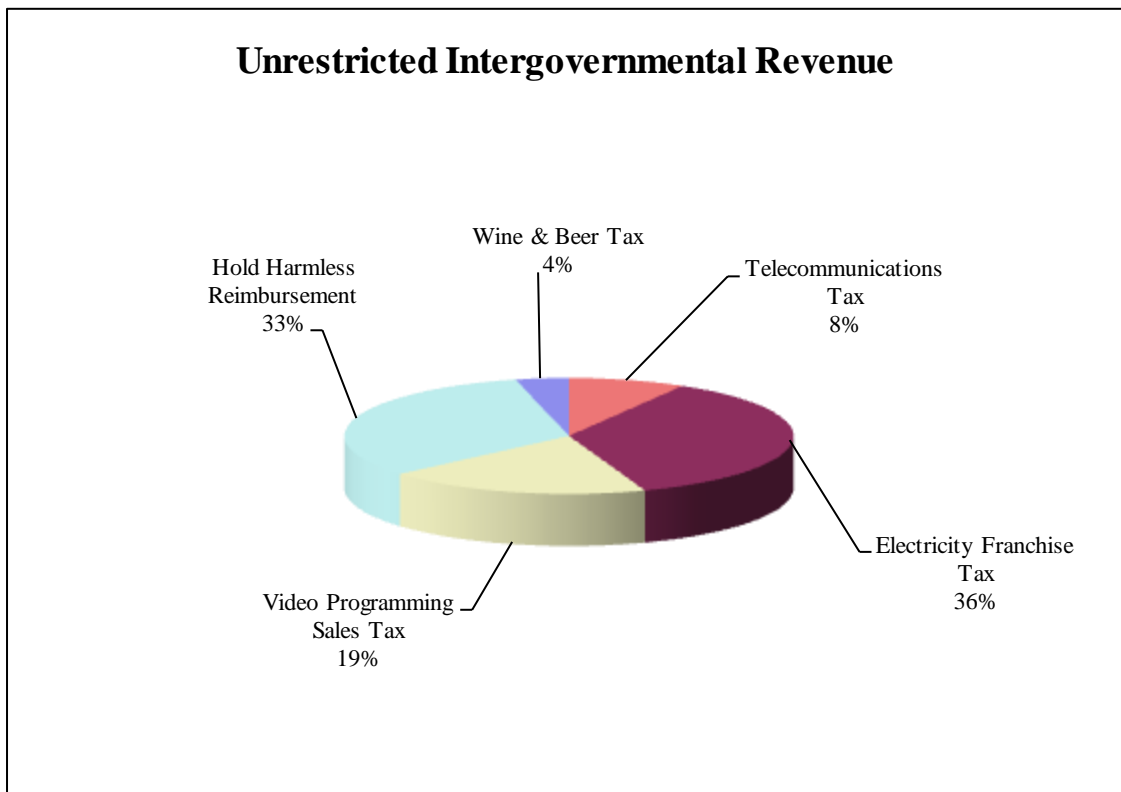


Unrestricted Intergovernmental Revenues

Revenue Assumptions

- Telecommunications Taxes are projected based upon growth assumptions provided by the North Carolina League of Municipalities. The statewide telecommunication industry estimates growth in the North American telecommunication market. Therefore, we are estimating a 6.0% increase in revenue for Telecommunications Taxes in FY 2012-13.
- Electricity Franchise Taxes are also projected based upon growth assumptions provided by the North Carolina League of Municipalities. Due to a rate increase by Progress Energy, revenue for Electricity Franchise Taxes is estimated to increase by 2% in FY 2012-2013.
- Video Programming Sales Taxes are estimated to increase by 6.7% based upon growth assumptions of 3% provided by the North Carolina League of Municipalities and a 3.7% increase in fiscal year 2012. Revenue from both cable and satellite TV are expected to increase in FY 2012-2013.
- Beer and Wine Tax revenues are projected to increase by 27.0% in FY 2012-2013 as sales and state distributed revenues are expected to return to fiscal year 2009 levels.

The following graph shows that the Village receives approximately 69% of unrestricted intergovernmental revenue from electricity franchise taxes and hold harmless payments.





Restricted Intergovernmental Revenues

Description of Revenue Source

Restricted Intergovernmental Revenues include Powell Bill funds, solid waste disposal tax 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 (1³/₄) 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.

The State levies a \$2 per-ton "tipping tax" on municipal solid waste and construction and demolition debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside the state. Cities in North Carolina receive 18.75 percent of this State collected revenue which is distributed based on a per capita basis for solid waste management programs and services.

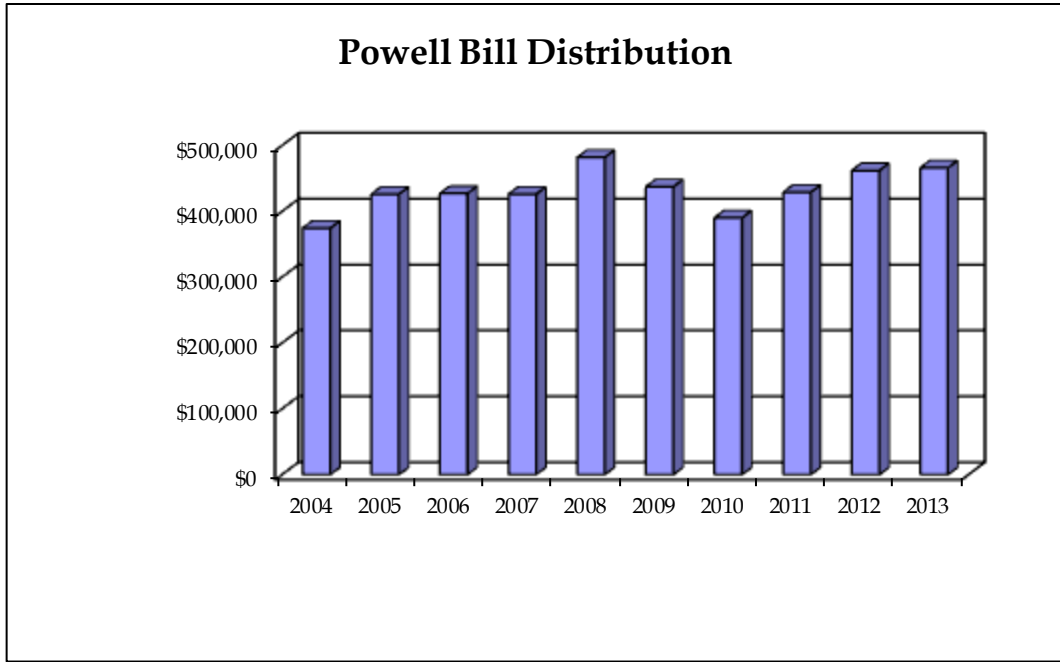
Restricted Intergovernmental Revenue	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Powell Bill	\$ 428,619	\$ 450,000	\$ 461,810	\$ 466,000	0.9%
BAB Interest Rebates	7,048	6,000	6,000	4,995	-16.8%
Controlled Substance Tax Distribution	13,926	10,000	5,000	5,000	0.0%
Solid Waste Disposal	9,220	8,500	9,500	9,900	4.2%
Other Grants	75,370	-	750	-	-100.0%
Total Rest. Intergovernmental Rev.	\$ 534,183	\$ 474,500	\$ 483,060	\$ 485,895	0.6%

Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$20.13, which is up less than 0.5% from the previous year's actual distribution rate. Sales of gasoline in North Carolina are expected to decrease as the price continues to increase. However, the street mile rate utilized to project the allocation is \$1,579 per street mile maintained, which is up \$8 from the FY 2011-12 distribution. Both of these estimated distribution rates were provided by the North Carolina League of Municipalities.
- The Village purchased a fire engine with a Build America Bond (BAB) in fiscal year 2010. We receive a 35% interest rebate on each semi-annual payment until the debt obligation is satisfied in FY 2017.
- The North Carolina League of Municipalities project that Solid Waste Disposal revenue will increase by 4% in FY 2012-2013. The Village uses these funds primarily to fund its recycling program.
- The Village does not budget for other grant revenues until a grant award notification has been received. The Village has not received a notice of award for a grant for FY 2012-2013.



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.

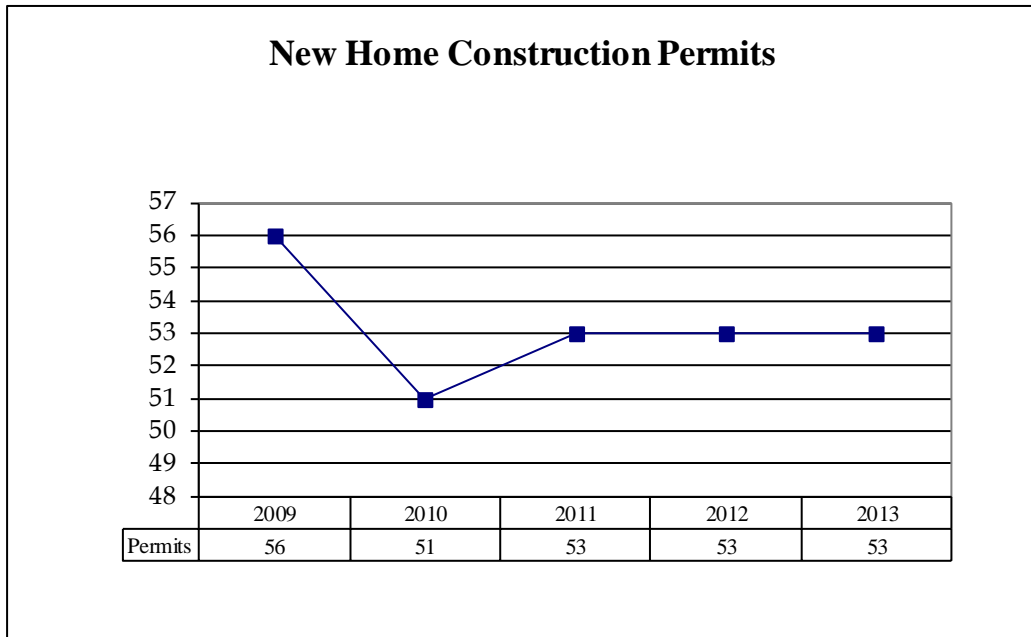
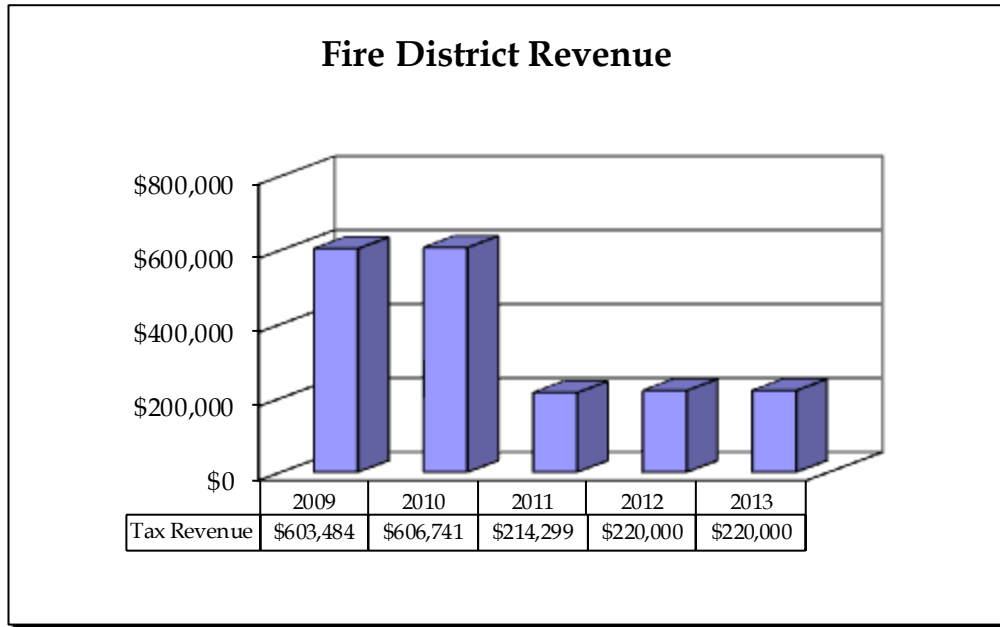
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village’s growth is generated 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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Permit & Inspection Fees	\$ 181,818	\$ 220,000	\$ 210,500	\$ 204,000	-3.1%
Planning & Zoning Fees	35,868	31,000	36,000	36,000	0.0%
Fire District Revenue	214,299	220,000	220,000	220,000	0.0%
Other Fees	14,853	15,150	14,800	17,100	15.5%
Total Permit & Fees	\$ 446,838	\$ 486,150	\$ 481,300	\$ 477,100	-0.9%

Revenue Assumptions

- Permit & Inspection Fees and Planning & Zoning Fees for residential construction are expected to remain the same in FY 2012-2013 as the number and value of new homes being constructed remains flat. However, we expect a decrease in commercial development at the FirstHealth of the Carolinas facilities and the Pinehurst Resort compared to FY2011-2012. The Village expects approximately 53 homes to be constructed next year in the Village limits and ETJ which is our estimate for FY 2011-2012 as well.
- 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. The Village also estimates no growth in the number or value of property in the Fire District.





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.

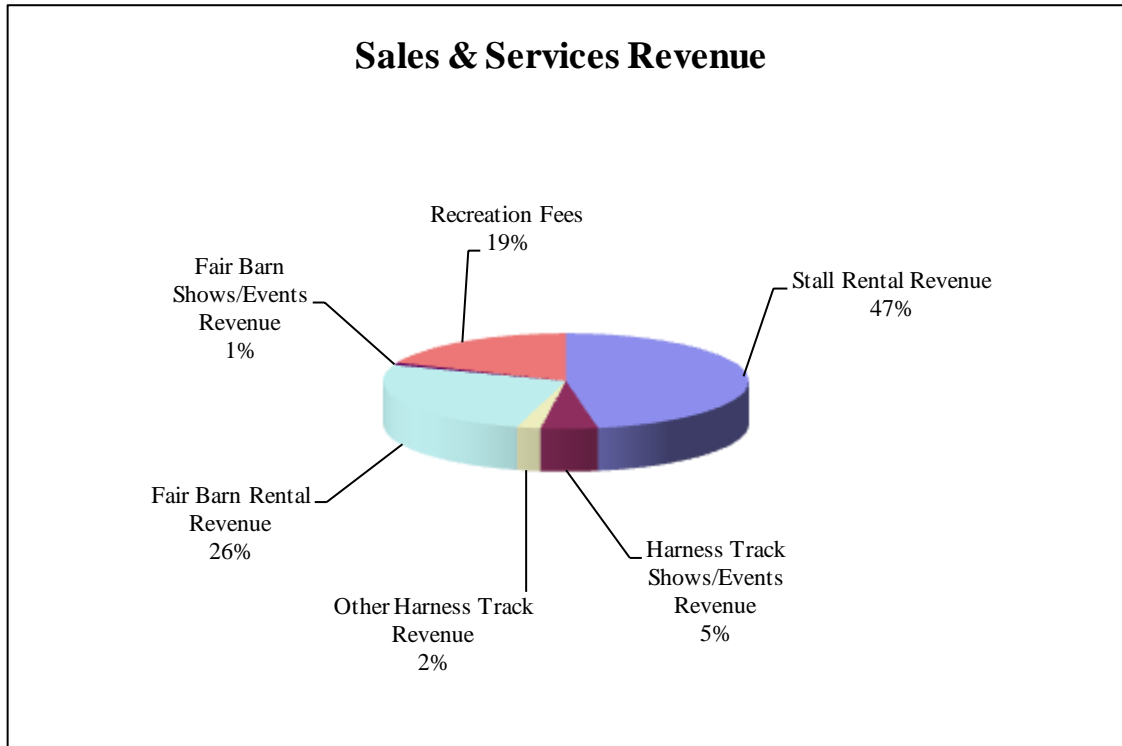
The second primary revenue source in this category is revenue generated from the Village's Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering 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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Stall Rental Revenue	\$ 231,714	\$ 215,000	\$ 235,000	\$ 235,000	0.0%
Harness Track Shows/Events Revenue	25,271	25,000	20,000	25,000	25.0%
Other Harness Track Revenue	11,112	5,630	5,620	10,515	87.1%
Fair Barn Rental Revenue	128,972	128,000	135,000	130,000	-3.7%
Fair Barn Shows/Events Revenue	6,861	4,000	4,000	4,000	0.0%
Recreation Fees	93,784	96,450	91,950	93,400	1.6%
Total Sales & Services	\$ 497,714	\$ 474,080	\$ 491,570	\$ 497,915	1.3%

Revenue Assumptions

- Harness Track stall rental fees are expected to remain steady for FY 2012-2013 based upon current occupancy rates, which are at maximum capacity. Revenue from shows is expected to increase as the facility draws more interest from show promoters in usage of newly installed all-weather show rings.
- The events held at the Fair Barn continue to be successful. Revenues are expected to remain fairly steady at \$134,000 for FY 2012-2013 as the number and types of events is expected to be similar to FY 2011-2012.
- Recreation Fees are expected to remain steady as staff, facility and enrollment for existing programs has reached capacity. This revenue source represents approximately 19% of Sales & Services revenue.





Description of Revenue Source

Other Revenues include Alcoholic Beverage Control (ABC) Revenues, Recycling 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. Recycling Revenues are derived from a private contract between the Village and Pratt Industries. Under a six-year agreement the Village receives \$30 per ton for the recyclable materials hauled to their facility. Other Miscellaneous Revenues include donations made to the Village, fees generated by the Police Department, and various other minor fees.

Other Revenues	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
ABC Revenues	\$ 77,391	\$ 78,000	\$ 78,000	\$ 79,800	2.3%
Recycling Revenues	23,708	55,000	55,000	55,000	0.0%
Other Miscellaneous Revenues	99,217	51,000	58,116	53,500	-7.9%
Total Other Revenues	\$ 200,316	\$ 184,000	\$ 191,116	\$ 188,300	-1.5%

Revenue Assumptions

- ABC revenue is projected to increase by 2.3% for the FY 2012–2013. This is based on a 6.0% historical growth factor adjusted for a prolonged decrease in tourism and the expectation that it is unlikely to recover quickly in fiscal year 2012-2013.
- The Village expects to deliver approximately 1,835 tons of recyclable material to Pratt Industries in FY 2012-2013 which is the amount of recycling material expected to be delivered this fiscal year as well.
- Other miscellaneous revenues are expected to remain fairly consistent with previous years. The largest contributor to the 7.9% decrease between FY 2011-2012 and FY 2012-2013 is donations that are not budgeted.



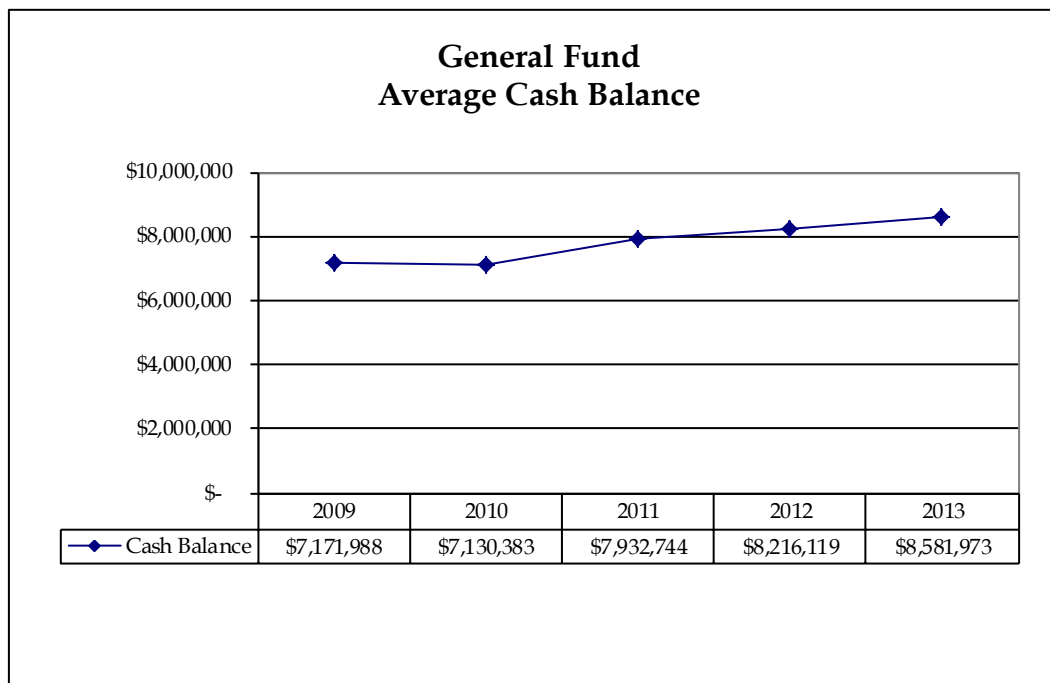
Description of Revenue Source

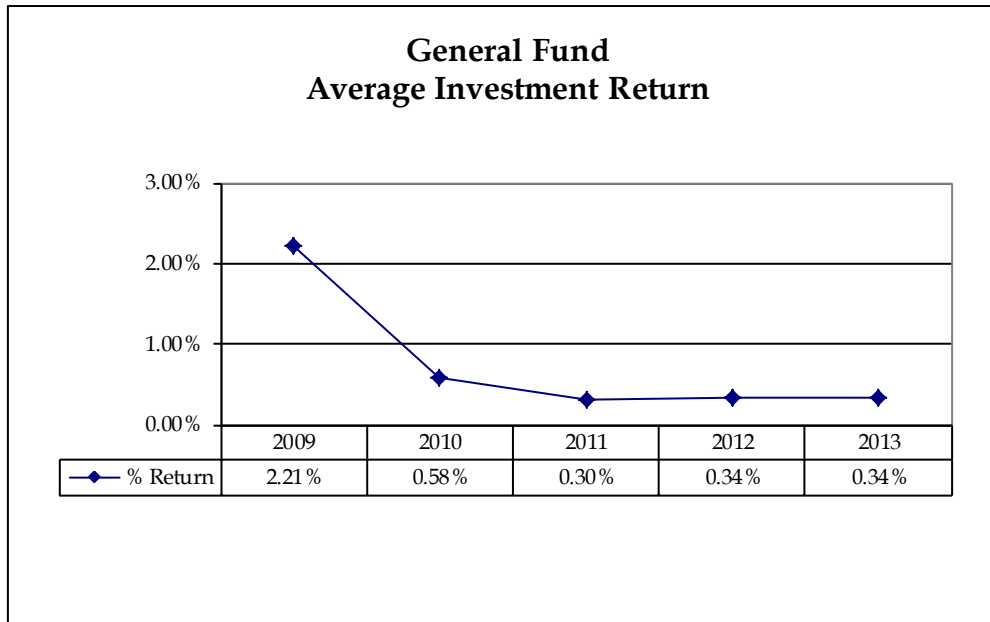
Investment Income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, bank certificates of deposit, U. S. Treasury and Agency securities,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

	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Investment Income	\$ 23,836	\$ 53,000	\$ 23,400	\$ 28,790	23.0%
Total Investment Income	\$ 23,836	\$ 53,000	\$ 23,400	\$ 28,790	23.0%

Revenue Assumptions

- Investment income is estimated to increase 23.0% as the funds available to invest have increased. The estimated revenue is based upon an average cash and investments balance of \$8.6 million compared to \$8.2 million the previous year. While the funds available to invest have increased the rate available on investments continues to remain low. The average rate of return expected in fiscal year 2013 is 0.34% which is the same rate of return in FY 2011-2012.







Description of Revenue Source

Other Financing Sources is comprised of Operating Transfers from other funds and occasionally debt proceeds. A common Operating Transfer from a Special Revenue Fund would be from the Municipal Service District Fund to reimburse the General Fund for capital expenditures.

Other Financing Sources	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Loan Proceeds	\$ -	\$ -	\$ -	\$ 550,000	100.0%
Transfer from Special Rev Funds	34,648	13,600	15,412	12,410	-19.5%
Total Other Financing Sources	\$ 34,648	\$ 13,600	\$ 15,412	\$ 562,410	3549.2%

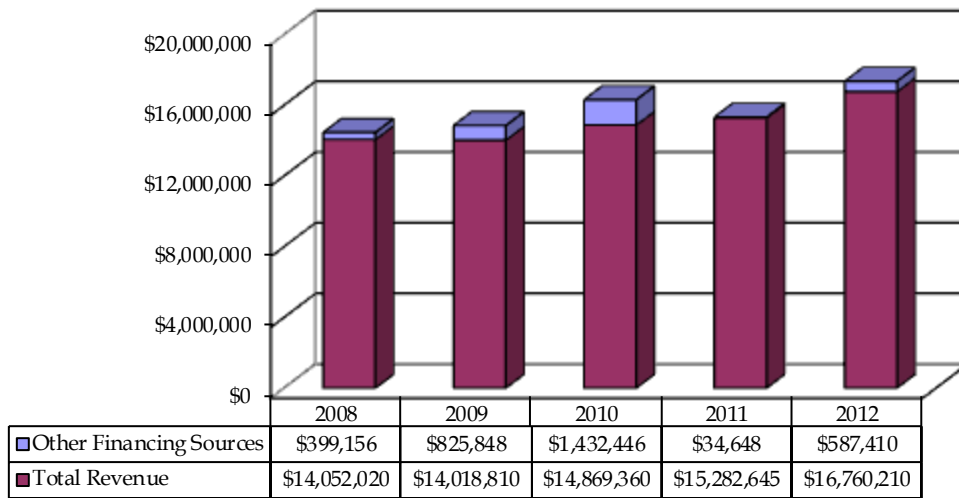
Revenue Assumptions

- Loan proceeds of \$550,000 are anticipated to facilitate the purchase of a replacement fire truck in the fourth quarter of the 2012-2013 fiscal year. Debt service of \$24,150 is anticipated for this installment purchase and will begin in the first quarter of FY 2013-2014.
- An Operating Transfer of \$12,410 from the Municipal Service District Special Revenue Fund resulting from an assessment for dam repairs will occur in the 2012-2013 fiscal year.



Other Financing Sources

Other Financing Sources to Total Revenues





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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,408,640	\$ -	\$ 1,405,864	100.0%
Total Fund Balance Appropriations	\$ -	\$ 1,408,640	\$ -	\$ 1,405,864	100.0%

Revenue Assumptions:

- For FY 2012-2013 we have appropriated \$1,405,864 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 2012-13 we will use approximately \$572,000 of the Fund Balance Appropriated which will cause fund balance to decline from approximately 40% of General Fund expenditures to 35%, well within the Council’s adopted range of 30%-40%.
- Of the \$1,405,864 fund balance appropriated, \$850,000 is appropriated for capital improvements downtown. These improvements include the construction of Tufts Memorial Park, sand lot parking improvements, and other downtown streetscape improvements.
- The amount of fund balance appropriated in FY 2012-2013 is 2% lower than the previous fiscal year as growth in revenue is showing moderate improvement.



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 2011-2012:

- Adopted the Village Center Enhancement Strategy.
- Commissioned a feasibility study for the Pinehurst Performing Arts Center.
- Worked with the National Park Service to open a dialogue about the Village's National Historic Landmark Status.

Goals and Objectives for Fiscal Year 2012-2013:

Please see the goals and objectives included in the Administration department.



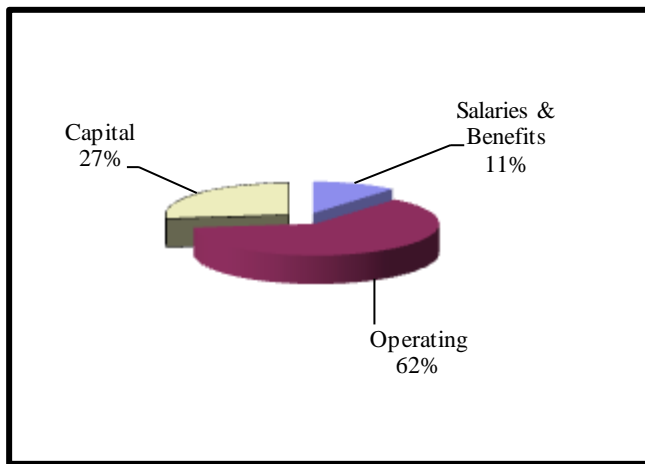
The Governing Body Department is located on the first floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 30,074	\$ 31,000	\$ 30,100	\$ 31,000	3.0%
Operating	122,512	163,736	154,193	172,500	11.9%
Capital	5,661	-	-	75,000	100.0%
Expenditures Total	\$ 158,247	\$ 194,736	\$ 184,293	\$ 278,500	51.1%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 158,247	\$ 194,736	\$ 184,293	\$ 278,500	51.1%
Revenues Total	\$ 158,247	\$ 194,736	\$ 184,293	\$ 278,500	51.1%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 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. More than 60% of the Governing Body operating expenditures are for legal services, including a monthly retainer for the Village attorney as well as other attorneys engaged by the Village. The capital items in the FY 2012-2013 Budget include a new sound system and furniture in the Assembly Hall.



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 2011-2012:

- Oversaw the Village Branding Initiative.
- Began the Performance Excellence Journey and was awarded the NC Awards for Excellence–Level 1.
- Facilitated a feasibility study for the Pinehurst Performing Arts Center.
- Created and implemented the Village Center Enhancement Strategy.
- Applied for and received a \$200,000 Main Street Solutions Grant in order to support the Council’s goal of expanding the Village Center.
- Conducted a Business Needs Survey in support of Council’s goal to support business development in the downtown area.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To lead the Village on a Performance Excellence Journey, using the national Malcolm Baldrige criteria, in order to foster continuous improvement.

Objective: Achieve the North Carolina Award for Excellence – Level 2

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
NC Awards for Excellence Level	n/a	n/a	1	2
% of departments participating in RBM program	46%	62%	62%	77%



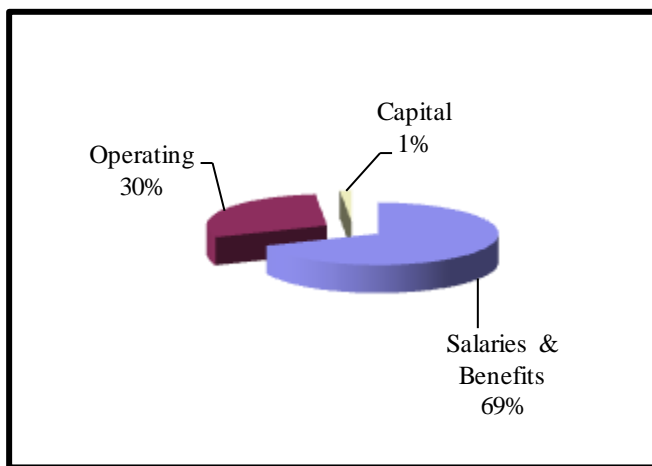
The Administration Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 641,878	\$ 668,000	\$ 656,800	\$ 676,000	2.9%
Operating	222,259	310,374	302,651	291,500	-3.7%
Capital	32,481	9,170	9,170	15,380	67.7%
Expenditures Total	\$ 896,618	\$ 987,544	\$ 968,621	\$ 982,880	1.5%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 896,618	\$ 987,544	\$ 968,621	\$ 982,880	1.5%
Revenues Total	\$ 896,618	\$ 987,544	\$ 968,621	\$ 982,880	1.5%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	6.00	6.00	6.00	6.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	6.00	6.00	6.00	6.00	0.0%



Budget Highlights:

The FY 2012-2013 Salaries & Benefits budget reflects a 2% merit increase. There are no individually significant Operating expenditures. Capital items in the 2012-13 fiscal year budget include the replacement of the HVAC system 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 three full-time and one part-time financial professionals, two of whom are Certified Public Accountants who oversee the fiscal operations of the Village.

Major Accomplishments for Fiscal Year 2011-2012:

- Received the Government Finance Officers’ Association (GFOA) Distinguished Budget Presentation Award for the 6th consecutive year.
- Prepared the Comprehensive Annual Financial Report in-house and received the Government Finance Officers’ Association (GFOA) Certificate of Achievement for Financial Reporting for the 19th consecutive year.
- Initiated an ACH vendor payment program for accounts payable.
- Implemented a major upgrade of the enterprise-wide accounting and reporting system.
- Completed 8 Financial Assistance Service Team (FAST) projects, including the upgrade of our fleet maintenance software, street lighting review, and three projects for the Planning Department.

Goals and Objectives for Fiscal Year 2012-2013:

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 maintain the percentage of purchase orders processed in one day at 100%.

Objective: To increase the percentage of months in which financial expenditure statements are completed 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 complete six (6) Financial Assistance Service Team (FAST) projects.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of purchase orders processed in one day or less	99%	99%	100%	100%
% of months financial statements are distributed by the tenth	100%	100%	88%	100%
# of Financial Assistance Service Team (FAST) projects completed	18	8	8	6
# of transactions processed per Finance Technician FTE per month	583	590	789	800



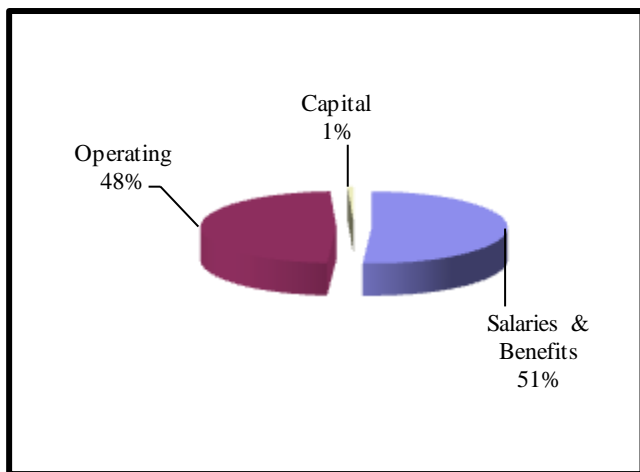
The Financial Services Department is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 302,569	\$ 314,950	\$ 270,900	\$ 288,850	6.6%
Operating	242,990	267,816	262,681	272,770	3.8%
Capital	1,791	-	-	4,020	100.0%
Total Expenditures	\$ 547,350	\$ 582,766	\$ 533,581	\$ 565,640	6.0%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 547,350	\$ 582,766	\$ 533,581	\$ 565,640	6.0%
Total Revenues	\$ 547,350	\$ 582,766	\$ 533,581	\$ 565,640	6.0%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	4.00	4.00	3.00	3.00	0.0%
Part Time	-	-	0.50	0.50	0.0%
Total Authorized Personnel	4.00	4.00	3.50	3.50	0.0%



Budget Highlights:

The Financial Services department Salaries & Benefits FY 2012-2013 budget reflects a decrease from FY 2011-2012 budget due to the reduction of a full-time to a part-time position. There are no individually significant Operating expenditures and Capital items in the Financial Services department's FY 2012-2013 budget include an IT allocation for various equipment supporting village-wide services.



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 2011-2012:

- Collaborated with IT to implement an electronic Performance Management System.
- Coordinated Wellness Initiatives with the Wellness Committee including, employee Health Assessments through Blue Cross Blue Shield, Lose 2 Win weight loss competition, departmental Farm to Table baskets, wellness screenings, flu shots and several Lunch & Learn presentations. Recognized a \$27,000 reduction in insurance premiums due to Wellness Committee activities.
- Developed and implemented a new Retirement Celebrations and Gifts policy. Also updated the Fleet Policy.
- Sponsored several safety training sessions including Severe Weather Alert, Workplace Violence, Bloodborne Pathogens, and Hazard Communications.
- Facilitated the preparation of the annual TOPS training calendar.
- Sponsored safety initiatives in conjunction with the Risk Management Committee.

Goals and Objectives for Fiscal Year 2012-2013:

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 educate employees, partner with physicians, and implement transitional positions to reduce the number of workers' compensation claims.

Objective: To reduce the number of lost time per workers' compensation claims to 0.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of positions reviewed for salary range competitiveness	27%	43%	37%	25%
# of lost time workers' compensation claims	3	11	2	0
Employee turnover rate	9.2%	8.5%	< 10%	< 10%
HR staff per 100 employees	1.44	1.14	1.55	2.31



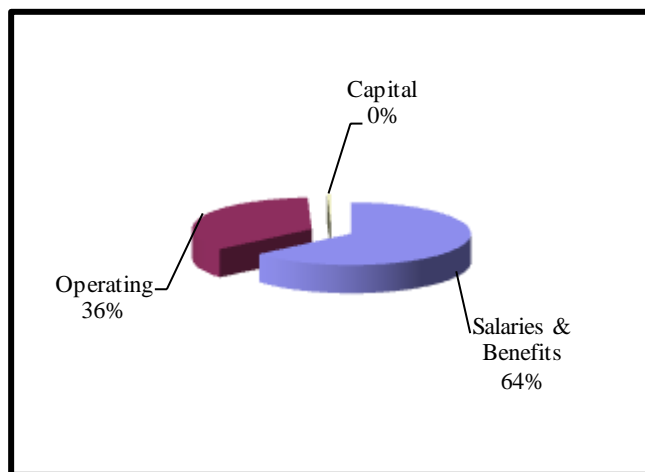
The Human Resources Department (HR) is located on the second floor of Village Hall, 395 Magnolia Drive, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 137,570	\$ 177,050	\$ 162,400	\$ 234,550	44.4%
Operating	100,487	121,213	94,772	130,590	37.8%
Capital	717	12,200	12,200	2,010	-83.5%
Expenditures Total	\$ 238,774	\$ 310,463	\$ 269,372	\$ 367,150	36.3%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 238,774	\$ 310,463	\$ 269,372	\$ 367,150	36.3%
Revenues Total	\$ 238,774	\$ 310,463	\$ 269,372	\$ 367,150	36.3%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	1.00	1.00	2.00	3.00	50.0%
Part Time	0.50	0.50	-	-	0.0%
Total Authorized Personnel	1.50	1.50	2.00	3.00	50.0%



Budget Highlights:

The Human Resources department Salaries & Benefits budget reflects a change in the job status of the HR Generalist from part-time to full-time as well as the addition of an administrative assistant position. The FY 2012-2013 Operating budget includes funds for salary market adjustments as well as contingencies for unemployment compensation and pre-employment expenditures. FY 2011-2012 Capital expenditures included the purchase of Performance Management software to support the Village's process improvement initiative.



Description:

The Police Chief reports directly to the Village Manager and serves as a member of the senior leadership team. In addition to the Chief, the Police Department consists of 22 sworn police officers, four dispatchers, one administrative assistant and six reserve auxiliary officers.

Major Accomplishments for Fiscal Year 2011-2012:

- Established a reserve police officer program.
- Awarded the 2011 Traffic Safe Community of the Year Award from the AAAs of the Carolinas for the 5th consecutive year.
- Implemented Citizens Police Academy.
- Initiated a bicycle patrol program.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To increase the partnership and cooperation between the community and the Police Department in order to expand and enhance the department’s community policing efforts.

Objective: To conduct a Citizens Police Academy with at least 50 participants annually.

Objective: To recruit 6 active Citizens Police volunteers annually.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
# of citizens attending and participating in the Citizens Police Academy annually	n/a	n/a	n/a	50
# of active Citizen Police volunteers recruited annually	n/a	n/a	n/a	6
Crime rate per 1,000 residents	14.7	15.6	16.8	14.5



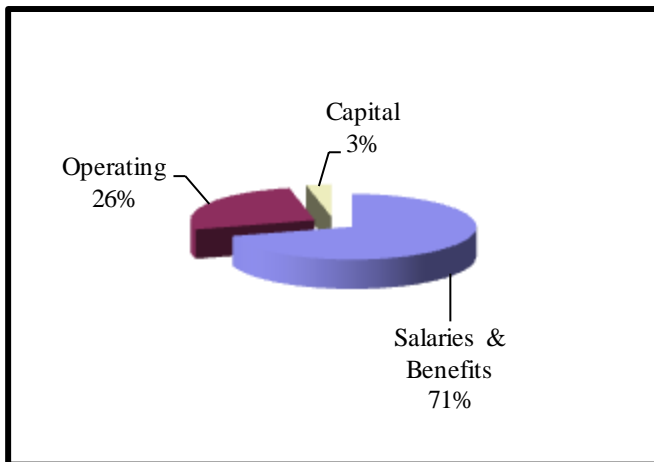
The Police Department is located at 420 Magnolia Drive, Pinehurst, NC.

Additional information about the Police Department may be obtained by contacting Earl Phipps, Police Chief, at 910.295.3141 or ephipps@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 1,852,000	\$ 1,918,710	\$ 1,900,800	\$ 1,925,275	1.3%
Operating	558,973	577,930	566,436	719,185	27.0%
Capital	153,674	125,544	125,544	89,760	-28.5%
Expenditures Total	\$ 2,564,647	\$ 2,622,184	\$ 2,592,780	\$ 2,734,220	5.5%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 2,555,875	\$ 2,611,534	\$ 2,584,480	\$ 2,725,720	5.5%
Parking Fines	130	-	-	-	0.0%
Miscellaneous Police Revenues	8,642	10,650	8,300	8,500	2.4%
Revenues Total	\$ 2,564,647	\$ 2,622,184	\$ 2,592,780	\$ 2,734,220	5.5%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	29.00	28.00	28.00	28.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	29.00	28.00	28.00	28.00	0.0%



Budget Highlights:

The Police department’s Salaries & Benefits budget includes a 2% merit increase. Operating expenditures reflect an increase in Fleet and Buildings & Grounds Maintenance expenditures due to a change in allocation methodology. FY 2012-2013 Capital expenditures include the purchase of two vehicles and the replacement of the HVAC system.



Description:

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department includes 29 uniformed firefighters, including the Fire Chief and one fire/life safety educator.

Major Accomplishments for Fiscal Year 2011-2012:

- Received an improved insurance rating of 4 after completing a routine inspection by the NC Office of State Fire Marshal.
- Received the 2010 Life Safety Achievement Award for the 7th consecutive year, which recognizes fire departments that had zero deaths in structure fires in the previous calendar year.
- Maintained Medium Duty Rescue Provider Certification.
- Four employees became certified as NC Fire Officer II.
- Three employees were awarded Associate in Applied Science degrees in Fire Protection.

Goals and Objectives for Fiscal Year 2012-2013:

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 ensure 80% of fire code violations are corrected upon initial re-inspection (after 30 days).

Objective: To ensure 91% of fire code violations are corrected upon the second re-inspection (after 60 days).

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 75% of calls.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of fire code violations corrected upon initial re-inspection (after 30 days)	70%	73%	80%	80%
% of fire code violations corrected upon the second re-inspection (after 60 days)	9%	95%	90%	91%
% of calls with first-in-engine response time within five minutes of dispatch	73%	74%	75%	75%
Initial fire inspections completed per inspector per month	1.4	2.3	2.2	2.2



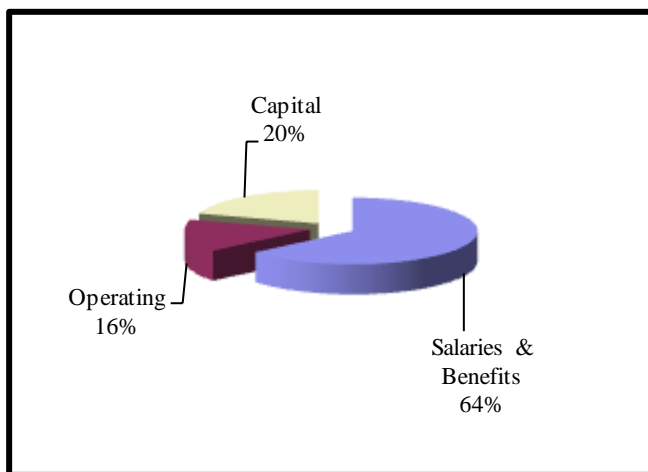
The Fire Department has two fire stations. The main station is located at 405 Magnolia Road and the second station is located at 15 Parker Lane, Pinehurst, NC.

Additional information about the Fire Department may be obtained by contacting J. Carlton Cole, Fire Chief, at 910.295.5575 or jccole@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 1,809,200	\$ 1,910,350	\$ 1,873,800	\$ 1,923,350	2.6%
Operating	391,895	439,061	407,702	473,975	16.3%
Capital	76,422	55,779	55,779	605,050	984.7%
Expenditures Total	\$ 2,277,517	\$ 2,405,190	\$ 2,337,281	\$ 3,002,375	28.5%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 2,052,549	\$ 2,175,190	\$ 2,107,281	\$ 2,770,375	31.5%
Fire Grants	669	-	-	-	0.0%
Fire District Revenue	214,299	220,000	220,000	220,000	0.0%
Revenues Total	\$ 2,277,517	\$ 2,405,190	\$ 2,337,281	\$ 3,002,375	28.5%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 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 2012-2013 Salaries & Benefits budget reflects a 2% merit increase. Operating expenditures reflect an increase in Buildings & Grounds Maintenance expenditures due to a change in allocation methodology. Capital outlay expenditures in FY 2012-2013 include the replacement of a fire truck and two service vehicles.



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 2011-2012:

- Completed inspections of twelve major FirstHealth projects.
- Reviewed plans and inspected other sites, including: the Pinehurst Methodist Church addition, Pinehurst Family Care, and the Jackson Hamlet sewer project.
- Forty six new homes, eighty five additions as well as twenty-seven residential interior projects were inspected.

Goals and Objectives for Fiscal Year 2012-2013:

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 in one business day 95% of the time.

Objective: To review 95% of single-family plans within 5 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 95%.

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

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of inspections completed within one business day	93%	95%	99%	95%
% of single family plans reviewed in 5 days	n/a	90%	100%	95%
Inspection compliance rate	97%	95%	95%	95%
# of builder's workshops conducted	3	3	4	4
Building inspections completed per inspector FTE per day	9.11	9.30	8.32	8.51
Estimated average cost per building inspection	\$52.70	\$50.14	\$56.80	\$55.74



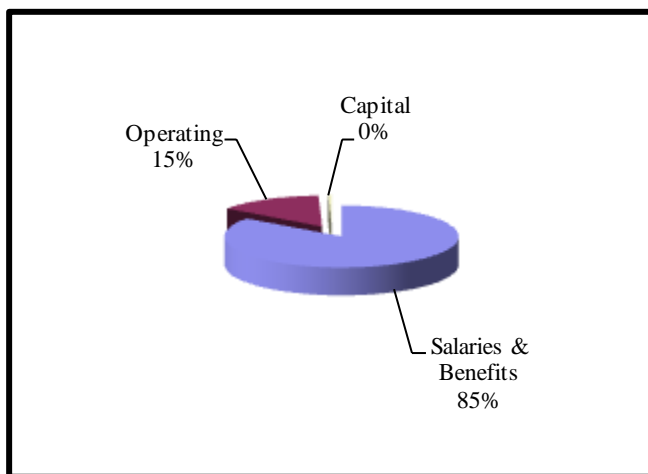
The Inspections Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 182,339	\$ 187,300	\$ 185,300	\$ 189,300	2.2%
Operating	24,365	34,686	29,158	32,565	11.7%
Capital	752	-	-	1,080	100.0%
Expenditures Total	\$ 207,456	\$ 221,986	\$ 214,458	\$ 222,945	4.0%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Inspection Permit Revenue	207,456	221,986	214,458	222,945	4.0%
Revenues Total	\$ 207,456	\$ 221,986	\$ 214,458	\$ 222,945	4.0%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 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:

A 2.0% merit increase is reflected in Salaries & Benefits expenditures. There are no individually significant Operating expenditures in the FY 2012-2013 budget. Capital items in the Inspections department's FY 2012-2013 budget include an IT allocation for various equipment supporting village-wide services.



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 2011-2012:

- Designed, planned, and presented to Council five major highway landscape beautification projects.
- Designed and planned right-of-way planting on Page and Dalrymple Road.
- Managed the Traffic Circle Ecosystem Enhancement Project (in cooperation with the N.C. Department of Transportation and The U.S. Fish and Wildlife Service).
- Insured antique street lamps were painted consistent with design standard recommendations.

Goals and Objectives for Fiscal Year 2012-2013:

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



Public Services Administration

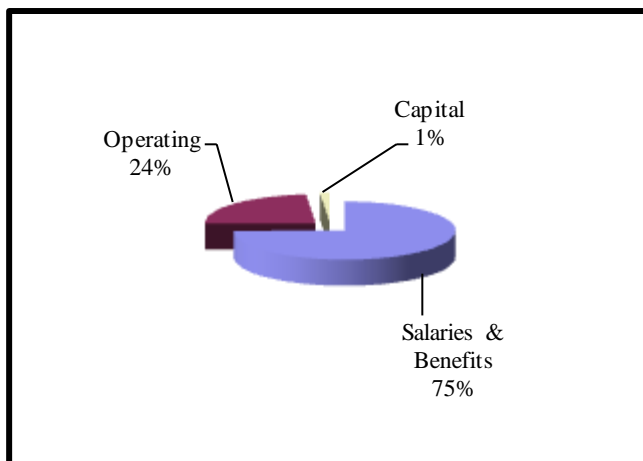
Public Services Administration is located at 700 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 250,896	\$ 263,650	\$ 268,700	\$ 269,650	0.4%
Operating	64,969	76,198	71,147	85,600	20.3%
Capital	717	26,400	26,400	5,050	-80.9%
Expenditures Total	\$ 316,582	\$ 366,248	\$ 366,247	\$ 360,300	-1.6%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 316,582	\$ 366,248	\$ 366,247	\$ 360,300	-1.6%
Revenues Total	\$ 316,582	\$ 366,248	\$ 366,247	\$ 360,300	-1.6%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 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:

Operating expenditures in the FY 2012-2013 budget include the purchase of new computers and a Mobile 311 communication system. Capital outlay expenditures in FY 2012-2013 include an IT allocation for various equipment supporting village-wide services.



Description:

The Streets and Grounds (S&G) Division of the Public Services Department reports directly to the Director of Public Services. There are 15 members of the Streets and Grounds team, one of these members is a Crew Chief and one is an Infrastructure Supervisor. This department maintains over 106 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 2011-2012:

- Inspected all of the Village’s regulatory signs and replaced those with diminished reflectivity.
- Completed landscaping work at various locations along Highways. #5, #15-501 and #2 to enhance these major gateways.
- Improved the traffic circle ecosystem by removing underbrush, trimming trees and adding mulch.
- 100% of staff received Flagger Certifications.

Goals and Objectives for Fiscal Year 2012-2013:

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 and ambiance.

Objective: To inspect 22% of the Village’s regulatory signs and replace those with diminished reflectivity.

Objective: To elevate 50 street signs at main intersections within the Village to 7’ for improved visibility.

Goal: To provide right-of-way landscape 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 roadway shoulders on 15% of Village right of way lane miles.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of regulatory signs inspected and replaced	0%	22%	78%	22%
# of street signs elevated to 7’ at main intersections	90	48	48	50
% of right of way roadway lane miles shoulders inspected and repaired	11%	4%	30%	15%



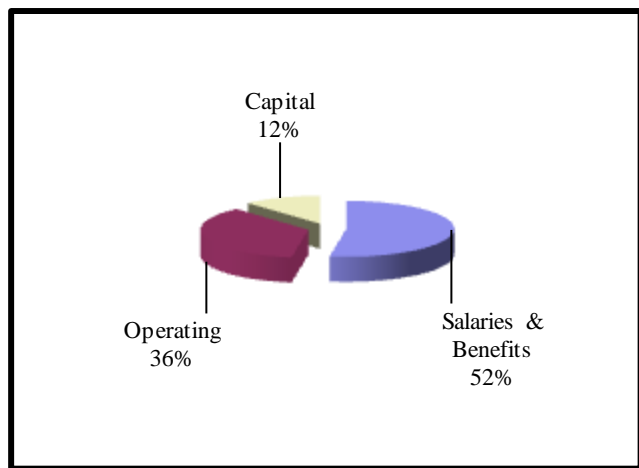
The Streets and Grounds Division is located at 700 McCaskill Road, Pinehurst, NC.

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@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 458,131	\$ 587,700	\$ 584,800	\$ 649,000	11.0%
Operating	347,056	453,444	459,626	443,230	-3.6%
Capital	70,489	284,733	247,733	144,250	-41.8%
Expenditures Total	\$ 875,676	\$ 1,325,877	\$ 1,292,159	\$ 1,236,480	-4.3%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 865,676	\$ 1,320,877	\$ 1,283,159	\$ 1,227,480	-4.3%
Street Cut Permit Revenues	10,000	5,000	9,000	9,000	0.0%
Revenues Total	\$ 875,676	\$ 1,325,877	\$ 1,292,159	\$ 1,236,480	-4.3%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	15.00	15.00	15.00	15.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	15.00	15.00	15.00	15.00	0.0%



Budget Highlights:

The Streets & Grounds Salaries and Benefits budget assumes full employment in FY 2012-2013 and there are no individually significant Operating expenditures. The Capital budget includes \$30,000 for replacement equipment, \$24,000 to replace a mid-size truck, and \$87,000 to replace a dump truck.



Description:

The Powell Bill Department is managed by the Director of Public Services 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 2011-2012:

- Resurfaced 4.33 miles of Village maintained roadways.
- Used full depth reclamation process for 2.05 miles of those roads that were in very poor condition.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To manage street resurfacing/rehabilitation 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 approximately 3 to 4 miles of resurfacing.

Objective: To increase the Pavement Condition Rating (PCR) of the Village’s overall surface transportation system to 83 (The PCR rating is done in 3 year intervals).

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
# of miles of Village roadways resurfaced	4.8	4.7	4.3	3.0
5-year rolling average of the # of miles of Village roadways resurfaced	5.3	5.2	4.8	4.3
% of centerline miles of Village roadways resurfaced (based on 106 miles)	4.1%	4.5%	4.1%	2.8%
Pavement Condition Rating (PCR)	76	83	83	83
% of street segments rated 85 or better	61%	67%	67%	67%



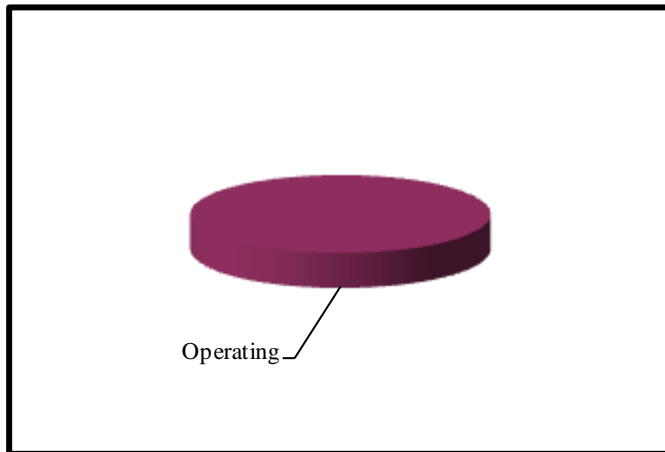
The Powell Bill department does not contain any staff. However, additional information about the Powell Bill Department may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or wmorgan@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Operating	\$ 1,186,187	\$ 908,200	\$ 1,056,700	\$ 852,500	-19.3%
Expenditures Total	\$ 1,186,187	\$ 908,200	\$ 1,056,700	\$ 852,500	-19.3%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 757,568	\$ 458,200	\$ 594,890	\$ 386,500	-35.0%
Powell Bill Revenue	428,619	450,000	461,810	466,000	0.9%
Revenues Total	\$ 1,186,187	\$ 908,200	\$ 1,056,700	\$ 852,500	-19.3%

Budget Highlights:

The FY 2012-2013 Powell Bill department budget is a 19.3% percent decrease as \$200,000 has been appropriated for other community development capital expenditures. The Village has adopted a dollar cost averaging approach and will resurface as many miles as the budget will allow given the cost of labor, fuel and materials in the annual bids.





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 pickup of garbage, recycling and yard debris.

Major Accomplishments for Fiscal Year 2011-2012:

- Completed roll out (approximately 4,000 carts) of the automated arm recycling collection system.
- Increased number of tons recycled by approximately 4%.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To provide a household trash collection system to the residents of Pinehurst in order to preserve natural resources by maintaining a clean and healthy environment.

Objective: To utilize automated trash collection methods for 88% of the households in the Village.

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

Objective: To achieve a participation rate of 50% in the curbside recycling program.

Objective: To divert at least 40% of total refuse from the landfill.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
# of households served with automated collection methods	5,516	6,458	6,484	6,839
% of households served with automated collection methods	68.7%	83.4%	83.4%	88.0%
# of households participating in curbside recycling	3,110	3,488	3,303	3,866
% of households participating in curbside recycling	43.9%	45.2%	42.5%	50.0%
# of tons recycled	1,473	1,734	1,804	2,360
Tons recycled as a % of total refuse	27.7%	29.6%	32.3%	40.0%
Collection cost per household per month using Village staff	N/A	\$15.11	\$15.76	\$16.00



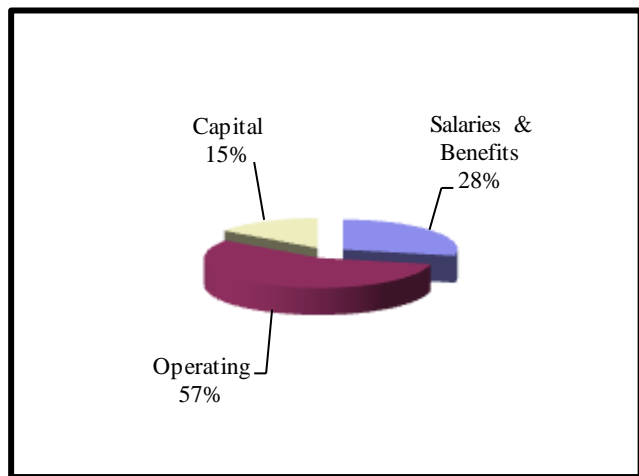
The Solid Waste Division is located at 700 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 346,994	\$ 403,200	\$ 367,700	\$ 416,000	13.1%
Operating	918,900	881,073	845,934	829,020	-2.0%
Capital	-	225,000	225,000	222,010	-1.3%
Expenditures Total	\$ 1,265,894	\$ 1,509,273	\$ 1,438,634	\$ 1,467,030	2.0%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 1,265,894	\$ 1,509,273	\$ 1,438,634	\$ 1,467,030	2.0%
Revenues Total	\$ 1,265,894	\$ 1,509,273	\$ 1,438,634	\$ 1,467,030	2.0%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	9.00	9.00	9.00	9.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	9.00	9.00	9.00	9.00	0.0%



Budget Highlights:

Salaries and Benefits expenditures assume full employment in FY 2012-2013 and reflect a 2% merit increase. There are no individually significant items in Operating expenditures. Capital expenditures include the replacement of a pickup truck and \$200,000 for a rear-load garbage 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 part-time 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 2011-2012:

- Assisted the Community Appearance Committee with the CAC grant and award program.
- Closed out Phase II of the Jackson Hamlet CDBG-R sewer project.
- Coordinated the Farmers’ Market in the Village Center.
- Worked on the rewrite of the Pinehurst Development Ordinance with the subcommittee.
- Completed the Thoroughfare Plan.
- Updated the Comprehensive Plan.
- Consolidated Board of Adjustment and the Planning and Zoning Board.
- Amended mailbox regulations to the local historic district to assist residents and businesses when the downtown post office closed.
- Worked with the National Park Service on the National Landmark Status and Village projects.
- Worked with the Alternative Energy Committee on their recommendation for Green Building and implemented reimbursement of permits when green building is documented.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To provide high quality planning enforcement services 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 guide residential development by promptly reviewing development plans for builders in order to deliver responsive service.

Objective: To receive comments from the Technical Review Committee (TRC) within 3 weeks 55% of the time.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of code violations resolved in 45 days	95%	95%	95%	95%
% of time comments received from TRC in 3 weeks	50%	55%	55%	55%



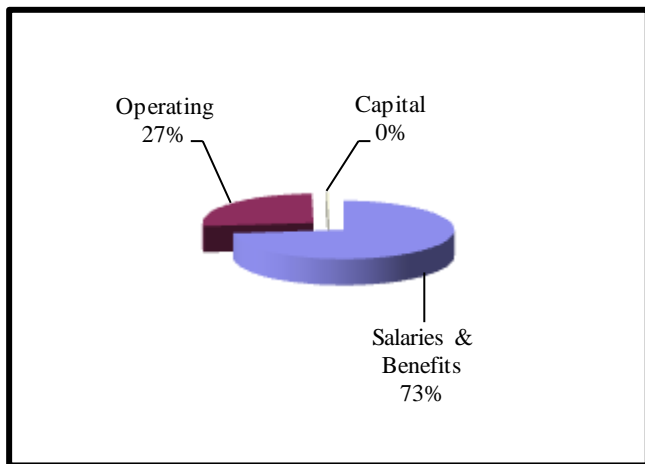
The Planning Department is located on the first floor of Village Hall, 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 466,439	\$ 477,350	\$ 471,800	\$ 485,350	2.9%
Operating	198,612	292,004	273,999	176,360	-35.6%
Capital	21,444	590	590	1,575	166.9%
Expenditures Total	\$ 686,495	\$ 769,944	\$ 746,389	\$ 663,285	-11.1%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 650,627	\$ 738,944	\$ 710,389	\$ 627,285	-11.7%
Planning Permit Revenue	35,868	31,000	36,000	36,000	0.0%
Revenues Total	\$ 686,495	\$ 769,944	\$ 746,389	\$ 663,285	-11.1%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	6.00	6.00	6.00	6.00	0.0%
Part Time	0.50	0.50	0.50	0.50	0.0%
Total Authorized Personnel	6.50	6.50	6.50	6.50	0.0%



Budget Highlights:

The Planning department Salaries & Benefits budget reflects a 2% merit increase. The FY 2011-2012 Operating expenditures included \$125,000 for the PDO rewrite. Capital outlay expenditures in FY 2012-2013 include an IT allocation for various equipment supporting village-wide services.



Description:

The Community Development Department is managed by the Assistant Village Manager of Operations and the Assistant Village Manager of Finance and Administration. Functions related to economic development Village Center Enhancements are included in Community Development. This department also provides technical engineering and professional services to both internal (other departments) and external (citizens, developers, etc.) customers using the services of on-call engineers.

Major Accomplishments for Fiscal Year 2011-2012:

- Completed a Business Needs Survey and a community-wide Special Events Survey.
- Completed a regulatory sign review, a downtown lighting survey, and a parking survey.
- Researched business incentives and prepared a report for Council.
- Completed 8 small and 1 medium drainage projects.
- Completed the Level of Service Intersection Studies.
- Completed designs of the sandlot/streetscape plans, Spur Road extension, the Spine Road and reconfiguring Barrett Road at Hwy 5.
- Assisted in completion of Phase II of Jackson Hamlet CDBG-R Sewer Project.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To enhance the community’s drainage systems and improve drainage conditions throughout the Village in order to ensure an environmentally acceptable and aesthetically pleasing community.

Objective: To complete at least four (4) key small drainage projects per year.

Goal: To evaluate the Level of Service at key Village intersections in order to develop a clear, comprehensive strategy for improving vehicular transportation throughout the Village.

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

Goal: To create a dynamic and vibrant Village Center with a variety of shops, dining establishments, accommodations, and events in a way that is unique, charming, and attractive in order to help businesses thrive.

Objective: To recruit businesses so the Village Center vacancy rate is less than 10%

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
# of key small drainage projects completed	5	9	11	4
# of LOS studies completed for key intersections	8	8	7	6
Vacancy rate in the Village Center	n/a	n/a	n/a	<10%



Community Development

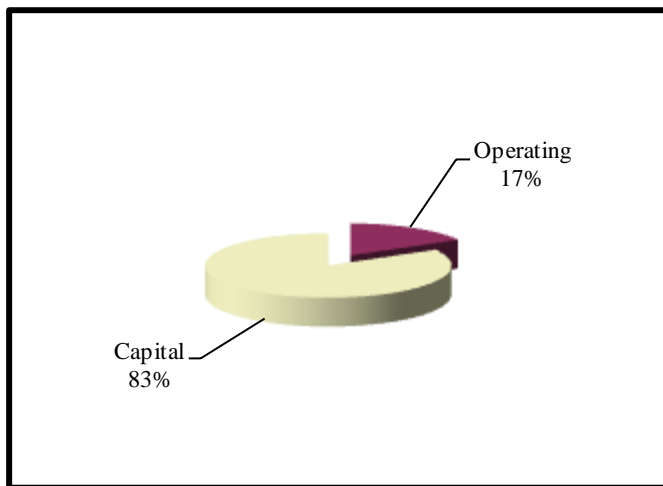
The Community Development Department is located at 395 Magnolia Road, Pinehurst, NC.

Additional information about the Community Development Department may be obtained by contacting Jeff Batton, Assistant Village Manager of Operations or Natalie Dean, Assistant Village Manager of Finance and Administration, at 910.295.1900 or jbatton@vopnc.org or ndean@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 91,537	\$ -	\$ -	\$ -	0.0%
Operating	162,748	127,500	151,500	292,000	92.7%
Capital	108,300	695,000	270,000	1,442,000	434.1%
Expenditures Total	\$ 362,585	\$ 822,500	\$ 421,500	\$ 1,734,000	311.4%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 360,655	\$ 819,500	\$ 419,500	\$ 1,732,000	312.9%
Engineering Fee Revenue	1,930	3,000	2,000	2,000	0.0%
Revenues Total	\$ 362,585	\$ 822,500	\$ 421,500	\$ 1,734,000	311.4%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	1.00	-	-	-	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	1.00	-	-	-	0.0%



Budget Highlights:

Operating and Capital expenditures represent the funding request necessary to continue the contracting of engineering services, provide for the enhancement of our downtown area and continue investment in Village infrastructure. Specific capital includes expenditures for small drainage projects and downtown improvements to include Tufts Park, brick sidewalks and Spur Road extension into Village Place.



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 2011-2012:

- Constructed the first 2 public tennis courts in Pinehurst at Wicker Park.
- Hosted Military Child Event and Oktoberfest in the Arboretum for the first time.
- Offered new programs including Yoga, Adult Kickball League and expanded Youth Hockey Clinics.
- Opened the front 9 holes of the new Disc Golf Course at West Pinehurst Community Park and secured sponsors for the back 9 holes.

Goals and Objectives for Fiscal Year 2012-2013:

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 86% of capacity.

Objective: To increase the overall number of recreation programs offered to 48.

Objective: To increase enrollment in youth & adult programs to 82% of capacity.

Objective: To increase the overall number of special events offered, including the Arboretum concert series, to 17.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
Youth athletic program capacity reached	82%	77%	78%	86%
# of overall recreation programs	45	46	47	48
Youth/Adult program capacity reached	n/a	79%	82%	82%
# overall special events offered	n/a	14	16	17
# of program and athletics participants per Recreation Coordinator FTE	1,676	2,018	1,975	2,025



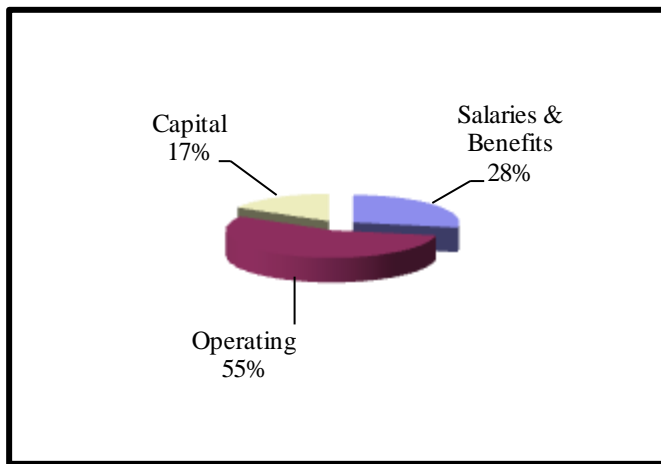
The Recreation Division is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 290,599	\$ 313,675	\$ 328,700	\$ 319,550	-2.8%
Operating	545,427	620,305	572,041	632,160	10.5%
Capital	198,814	476,800	476,800	189,350	-60.3%
Expenditures Total	\$ 1,034,840	\$ 1,410,780	\$ 1,377,541	\$ 1,141,060	-17.2%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 941,056	\$ 1,314,330	\$ 1,285,591	\$ 1,047,660	-18.5%
Recreation Services	93,784	96,450	91,950	93,400	1.6%
Revenues Total	\$ 1,034,840	\$ 1,410,780	\$ 1,377,541	\$ 1,141,060	-17.2%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	2.00	2.00	2.00	2.00	0.0%
Total Authorized Personnel	5.00	5.00	5.00	5.00	0.0%



Budget Highlights:

The Recreation Division FY 2012-2013 Operating expenditures reflect an increase in the allocation for the services provided by the Buildings and Grounds department. There is also additional funding for events such as a new Spring festival. Capital items include \$136,000 to replace the Cannon Park field house and \$30,000 to replace playground equipment in Cannon Park as well.



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, two full-time and one part-time Track Specialists and part-time seasonal personnel responsible for the operations and maintenance of the Harness Track facility.

Major Accomplishments for Fiscal Year 2011-2012:

- Constructed all weather show rings to be used for equine events such as dressage and hunter/jumper and added 4 new shows.
- Rebuilt stalls and upgraded plumbing in Barn 15.
- Replaced the roof on Barns 3 and 17.

Goals and Objectives for Fiscal Year 2012-2013:

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

Objective: To improve the 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 rented annually to achieve 100% capacity or 285 rented 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 39 shows/events annually.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
# of barns renovated	2	1	1	1
# of stalls rented annually	251	276	260	285
# of days the facilities are reserved	30	32	39	39
% of capacity reached for stall rentals	88%	97%	91%	100%



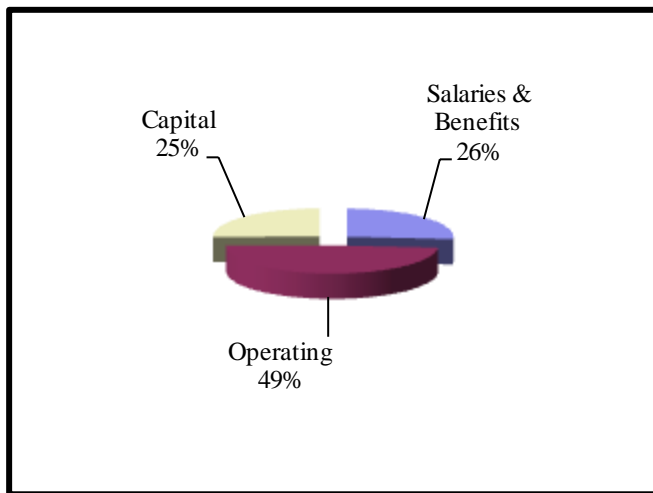
The Harness Track Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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 mwagner@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 162,090	\$ 176,000	\$ 174,300	\$ 177,000	1.5%
Operating	287,650	316,252	293,121	326,400	11.4%
Capital	48,613	183,500	177,500	168,840	-4.9%
Expenditures Total	\$ 498,353	\$ 675,752	\$ 644,921	\$ 672,240	4.2%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 230,256	\$ 430,122	\$ 384,301	\$ 401,725	4.5%
Harness Track Services	268,097	245,630	260,620	270,515	3.8%
Revenues Total	\$ 498,353	\$ 675,752	\$ 644,921	\$ 672,240	4.2%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	3.00	3.00	2.00	2.00	0.0%
Part Time	1.30	1.10	2.20	2.20	0.0%
Total Authorized Personnel	4.30	4.10	4.20	4.20	0.0%



Budget Highlights:

The FY 2012-2013 Salaries & Benefits budget reflects a 2% merit increase. There are no individually significant Operating expenditures. Capital includes \$43,500 for barn improvements including roof replacements and structural improvements to several barns. There is also \$55,000 for a surface water runoff project and \$69,000 for various vehicle and equipment replacements.



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 2011-2012:

- Booked two new clients that will host events at the Fair Barn on an annual basis.
- Hosted a Free Classic Movie Night Series and used the event to connect with residents and distribute information about Parks & Recreation services & special events.
- Created a Facebook page for the Fair Barn to connect with vendors, potential clients, and the community.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To provide an economically viable cultural and performing art facility, which reflects the unique character and ambiance of the Village, for the community’s recreational enjoyment.

Objective: To secure 48 single-weekday rentals.

Objective: To secure 100 rentals annually.

Objective: To rent the facility 40% of the available days annually.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
# of weekday rentals	24	36	45	48
# of rentals	88	95	98	100
% of available days the facilities is reserved	31%	35%	35%	40%



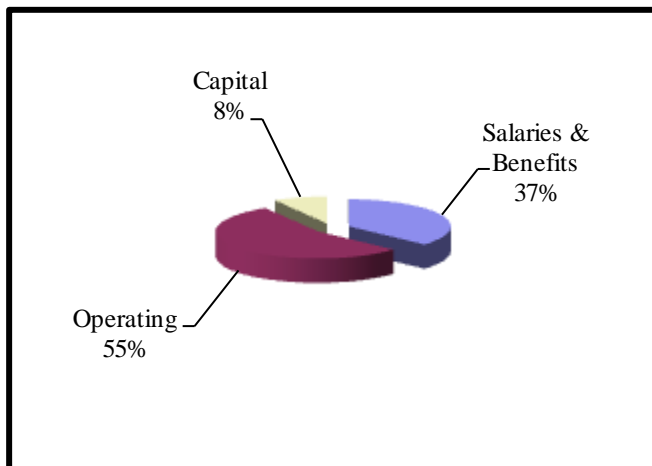
The Fair Barn Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 88,198	\$ 92,500	\$ 82,500	\$ 103,500	25.5%
Operating	106,541	161,532	133,953	154,220	15.1%
Capital	53,450	80,000	80,000	24,125	-69.8%
Expenditures Total	\$ 248,189	\$ 334,032	\$ 296,453	\$ 281,845	-4.9%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 112,356	\$ 202,032	\$ 157,453	\$ 147,845	-6.1%
Fair Barn Revenues	135,833	132,000	139,000	134,000	-3.6%
Revenues Total	\$ 248,189	\$ 334,032	\$ 296,453	\$ 281,845	-4.9%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	0.80	0.80	1.20	1.20	0.0%
Total Authorized Personnel	1.80	1.80	2.20	2.20	0.0%



Budget Highlights:

The Fair Barn Salaries & Benefits expenditures reflect an increase in hours for part time staff. The FY 2012-2013 Operating expenditures reflect an increase in the allocation for the services provided by the Buildings and Grounds department. Fiber connectivity between other facilities and replacement of the fire alarm system are planned for Capital outlay.



Description:

The Buildings & Grounds Maintenance Division reports directly to the Director of Parks and Recreation. The Building & Grounds Division includes a Park Supervisor, a Maintenance Technician and four Grounds Specialists that provide regular and preventative maintenance for all facilities owned by the Village as well as for selected Village-owned grounds and property. All expenditures of this department are charged back to other departments in the form of internal service charges.

Major Accomplishments for Fiscal Year 2011-2012:

- Installed irrigation well for the Arboretum, Village Hall, and Police Department.
- Resurfaced hockey rink and repainted lines at Wicker Park.
- Replaced irrigation system for field #2 at Cannon Park.
- Replaced roofs on barns 17 and 3 and baseball dugouts at Cannon Park.
- Filled a vacant position in grounds maintenance and restructured staff assignments to better meet needs.

Goals and Objectives for Fiscal Year 2012-2013:

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 95% of maintenance requests within 2 days.

Objective: To close 90% of maintenance requests within 14 days.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of occupied interior square footage painted	6%	7%	7%	10%
% of facilities inspected quarterly	78%	71%	82%	100%
% of requests responded to within 2 days	91%	93%	85%	95%
% of requests closed within 14 days	88%	79%	80%	90%
# of work orders completed per FTE per year	9	22	23	17



Buildings & Grounds Maintenance

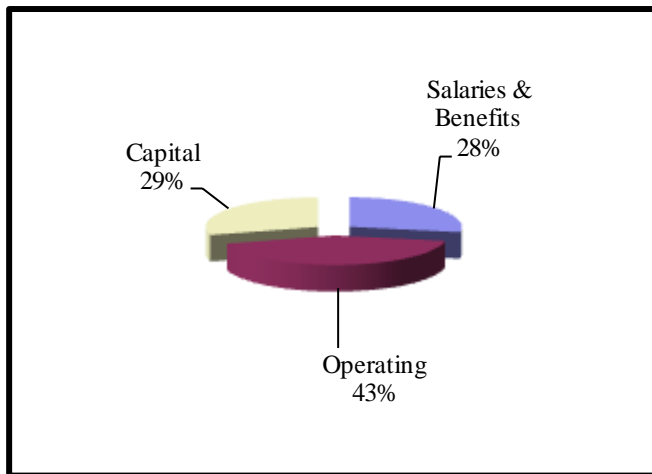
The Building and Grounds Maintenance Division is located at 200 Beulah Hill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 292,959	\$ 313,000	\$ 304,900	\$ 305,100	0.1%
Operating	369,775	510,843	419,202	465,310	11.0%
Capital	290,348	649,800	649,800	321,510	-50.5%
Expenditures Total	\$ 953,082	\$ 1,473,643	\$ 1,373,902	\$ 1,091,920	-20.5%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ 953,082	\$ 1,473,643	\$ 1,373,902	\$ 1,091,920	-20.5%
Revenues Total	\$ 953,082	\$ 1,473,643	\$ 1,373,902	\$ 1,091,920	-20.5%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	6.00	6.00	6.00	6.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	6.00	6.00	6.00	6.00	0.0%



Budget Highlights:

Operating expenditures include costs to maintain or improve the buildings and grounds used by the community and that provide a workplace for employees. 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 Fleet Manager 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 Manager 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 2011-2012:

- Repaired the bleachers at soccer field, saving \$3,500
- Refurbished the street sweeper to extend its useful life.
- Installed air hose reels in the shop to improve shop safety.
- Installed an exhaust fan to pull welding fumes out of the shop and improve air quality.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To perform regular scheduled maintenance on vehicles and equipment.

Objective: To perform 90% of the scheduled preventative maintenance (PM) service on time.

Goal: To perform timely repairs on vehicles and equipment to minimize down time.

Objective: To complete 90% of nonscheduled work order requests received within 2 days.

Objective: To maintain 97% of rolling stock available per day.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of PMs performed on time	80%	90%	87%	90%
% of work orders completed within 48 hours	98%	90%	90%	90%
% of rolling stock available each day	95%	97%	97%	97%
# of preventative maintenances (PMs) completed per FTE per month	N/A	5	9	8



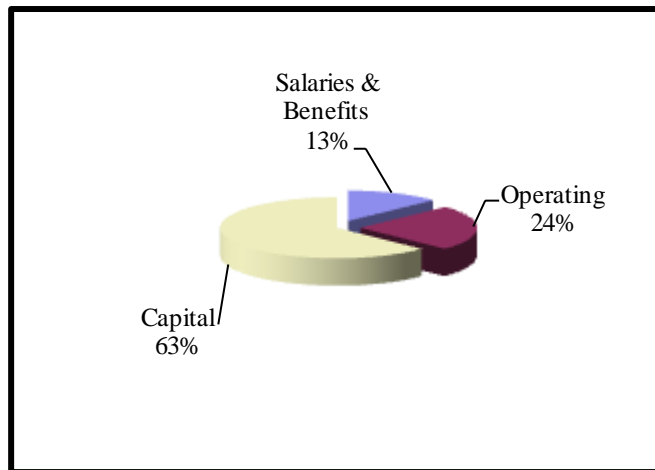
The Fleet Maintenance Department is located at 500 McCaskill Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 211,865	\$ 221,050	\$ 217,500	\$ 223,050	2.6%
Operating	349,135	427,172	430,492	413,740	-3.9%
Capital	321,207	688,885	645,885	1,077,340	66.8%
Expenditures Total	\$ 882,207	\$ 1,337,107	\$ 1,293,877	\$ 1,714,130	32.5%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 882,207	\$ 1,337,107	\$ 1,293,877	\$ 1,714,130	32.5%
Revenues Total	\$ 882,207	\$ 1,337,107	\$ 1,293,877	\$ 1,714,130	32.5%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 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 \$119,500 and fuel expenditures of \$240,400. 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, Systems Administrator and Administrative Assistant. All of these positions are 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 2011-2012:

- Upgraded the Public Services radio infrastructure to support Federal mandate.
- Purchased and implemented Performance Management Software.
- Upgraded the Intranet to SharePoint 2010.
- Added functionality to the Fleet Maintenance software system to provide shop floor support for the mechanics.
- Upgraded mobile connectivity in the Police cars to support 4G technology for faster data access and communication with dispatch.

Goals and Objectives for Fiscal Year 2012-2013:

Goal: To replace computers and servers in a timely manner

Objective: To ensure 100% of computers and servers are less than 5 years old.

Goal: To ensure the Village network is available for employee use

Objective: To maintain network availability 99.9% of the time (exc. planned downtime).

Goal: To respond timely and effectively to help desk tickets.

Objective: To close 95% of help desk tickets within 2 days.

Objective: To close help desk tickets within an average of 1.8 days.

Performance Measures	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Goal
% of computers and servers less than 5 years old	n/a	91.3%	90.0%	100%
% of time the network is available (excluding planned downtime)	n/a	99.9%	99.9%	99.9%
% of help desk tickets closed within 2 days	n/a	91.09%	92.0%	95.0%
Average # of days to close help desk tickets	1.8	0.8	0.9	1.8
# of work orders completed per FTE per month	N/A	36	39	38



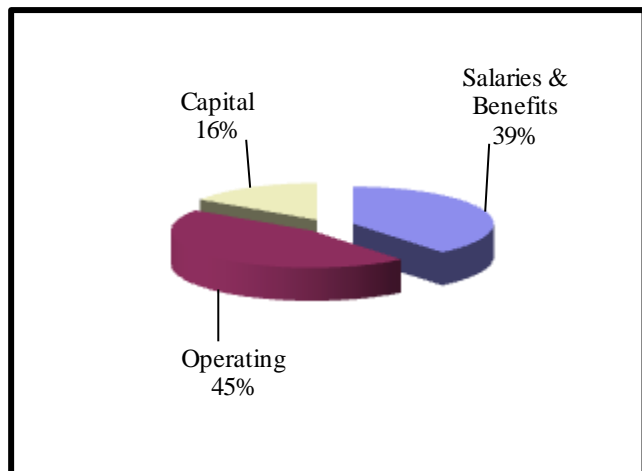
The Information Technology Department is located on the first floor of Village Hall at 395 Magnolia Road, Pinehurst, NC.

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

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Salaries & Benefits	\$ 320,399	\$ 332,950	\$ 329,100	\$ 342,950	4.2%
Operating	289,499	395,180	365,890	397,050	8.5%
Capital	109,630	87,500	87,500	137,000	56.6%
Expenditures Total	\$ 719,528	\$ 815,630	\$ 782,490	\$ 877,000	12.1%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Charges for Services - IT	\$ 719,528	\$ 815,630	\$ 782,490	\$ 877,000	12.1%
Revenues Total	\$ 719,528	\$ 815,630	\$ 782,490	\$ 877,000	12.1%

Authorized Personnel	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Full Time	3.00	4.00	4.00	4.00	0.0%
Part Time	0.50	-	-	-	0.0%
Total Authorized Personnel	3.50	4.00	4.00	4.00	0.0%



Budget Highlights:

The Information Technology department Operating expenditures include costs to maintain and upgrade the Village's hardware, software and network infrastructure as well as the costs for telecommunication services and equipment maintenance. The Capital items for this department include the software and 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 2012-2013 Budget. This item is recommended by the Fiscal Management Staff of the N. C. 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@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Operating	\$ -	\$ 37,000	\$ -	\$ 50,000	100.0%
Expenditures Total	\$ -	\$ 37,000	\$ -	\$ 50,000	100.0%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ -	\$ 37,000	\$ -	\$ 50,000	100.0%
Revenues Total	\$ -	\$ 37,000	\$ -	\$ 50,000	100.0%

Budget Highlights:

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



Purpose and Description:

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*.

The total amount of debt outstanding at June 30, 2012 will be \$2,510,435. This is a relatively small amount of direct debt compared to our taxable property of \$3,380,000,000. All of the Village's debt is in the form of installment purchase agreements.

In fiscal year 2012-2013 the Village intends to secure new debt of \$550,000 for the purchase of a new firetruck. In the five-year planning period the 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, 2011	\$ 3,359,202,368	
	<u>8.0%</u>	
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 268,736,189	
Gross Debt:		
Total Bonded Debt	-	
Installment Purchase Agreements	<u>3,259,244</u>	
Total Gross Debt:	3,259,244	
Less: Water Bonds	<u>-</u>	
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>3,259,244</u>	0.10%
Legal Debt Margin	<u><u>\$ 265,476,945</u></u>	

The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village's net debt as a percentage of assessed valuation at June 30, 2011 is 0.10% compared to the legal debt limit of 8%.



The chart below indicates the total debt service payments due under the terms of each of the Village's financing agreements over the next five-year period. It also offers financing details of each installment agreement:

Description	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
INSTALLMENT PURCHASE AGREEMENTS					
Firetruck - Unit 924 \$500,000; due in 14 semi-annual payments of \$42,037 beginning on 6/1/10; final payment due on 12/1/16; interest @ 4.43% with a 35% interest rebate on each pymt.; collateralized by firetruck	\$ 84,074	\$ 84,074	\$ 84,074	\$ 84,074	\$ 41,999
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.	211,100	205,367	199,634	193,900	188,167
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)	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.	72,425	70,125	67,825	65,525	63,225
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.	40,961	39,635	38,308	36,981	35,655
DEBT SERVICE TOTAL	\$ 548,624	\$ 399,201	\$ 389,841	\$ 380,480	\$ 329,046



The charts below indicate the total principal and interest due under the terms of each of the Village's financing agreements until maturity by project and by fiscal year:

Project	FY 2013		FY 2014		FY 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
Police Station	\$ 137,513	\$ 2,551	\$ -	\$ -	\$ -	\$ -
Fire Station	166,666	44,433	166,667	38,700	166,667	32,967
Firetruck - 924	69,794	14,281	72,921	11,153	76,187	7,887
Fair Barn	50,000	22,425	50,000	20,125	50,000	17,825
67.04 Acres	33,333	7,628	33,333	6,302	\$ 33,333	\$ 4,975
Totals	\$ 457,306	\$ 91,318	\$ 322,921	\$ 76,280	\$ 326,187	\$ 63,654

Project	FY 2016		FY 2017-2021		FY 2022-2026	
	Principal	Interest	Principal	Interest	Principal	Interest
Fire Station	\$ 166,667	\$ 27,233	\$ 666,665	\$ 51,600	\$ -	\$ -
Firetruck - 924	79,599	4,475	41,089	841	-	-
Fair Barn	50,000	15,525	250,000	43,125	50,000	1,725
67.04 Acres	33,333	3,648	66,667	3,317	-	-
Totals	\$ 329,599	\$ 50,881	\$ 1,024,421	\$ 98,883	\$ 50,000	\$ 1,725

Project	Total by Project		
	Principal	Interest	Total
Police Station	\$ 137,513	\$ 2,551	\$ 140,064
Fire Station	1,333,332	194,933	1,528,265
Firetruck - 924	339,590	38,637	378,227
Fair Barn	500,000	120,750	620,750
67.04 Acres	200,000	25,870	225,870
Totals	\$ 2,510,435	\$ 382,741	\$ 2,893,176

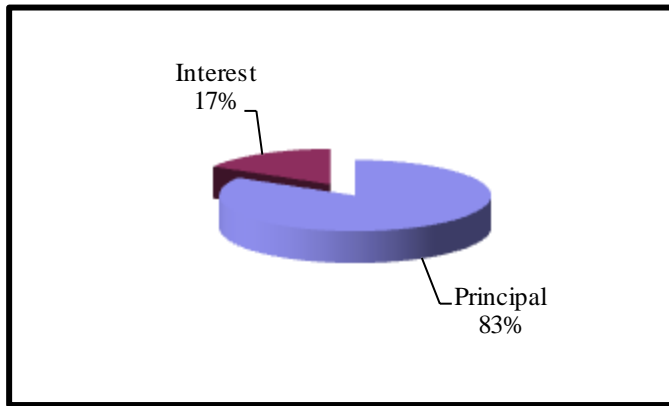
Fiscal Year(s)	Total by Fiscal Year(s)		
	Principal	Interest	Total
FY 2013	\$ 457,306	\$ 91,318	\$ 548,624
FY 2014	322,921	76,280	399,201
FY 2015	326,187	63,654	389,841
FY 2016	329,599	50,881	380,480
FY 2017-2021	1,024,421	98,883	1,123,304
FY 2022-2026	50,000	1,725	51,725
Totals	\$ 2,510,435	\$ 382,741	\$ 2,893,176



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@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Principal	\$ 891,764	\$ 748,833	\$ 748,833	\$ 457,306	-38.9%
Interest	150,635	116,782	116,782	91,318	-21.8%
Expenditures Total	\$ 1,042,399	\$ 865,615	\$ 865,615	\$ 548,624	-36.6%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ 1,042,399	\$ 865,615	\$ 865,615	\$ 548,624	-36.6%
Revenues Total	\$ 1,042,399	\$ 865,615	\$ 865,615	\$ 548,624	-36.6%



Budget Highlights:

The Debt Service budget includes principal and interest payments on the financing agreements. The final debt payment for the Police Station will be made in fiscal year 2013. No new debt is included in the FY 2012-13 budget.



Purpose and Description:

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

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@vopnc.org.

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Operating	\$ -	\$ -	\$ -	\$ 100,000	100.0%
Expenditures Total	\$ -	\$ -	\$ -	\$ 100,000	100.0%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
General Revenues	\$ -	\$ -	\$ -	\$ 100,000	100.0%
Revenues Total	\$ -	\$ -	\$ -	\$ 100,000	100.0%

Budget Highlights:

The Other Financing Uses budget for FY 2012-2013 includes a \$100,000 transfer to the Library Capital Reserve Fund.

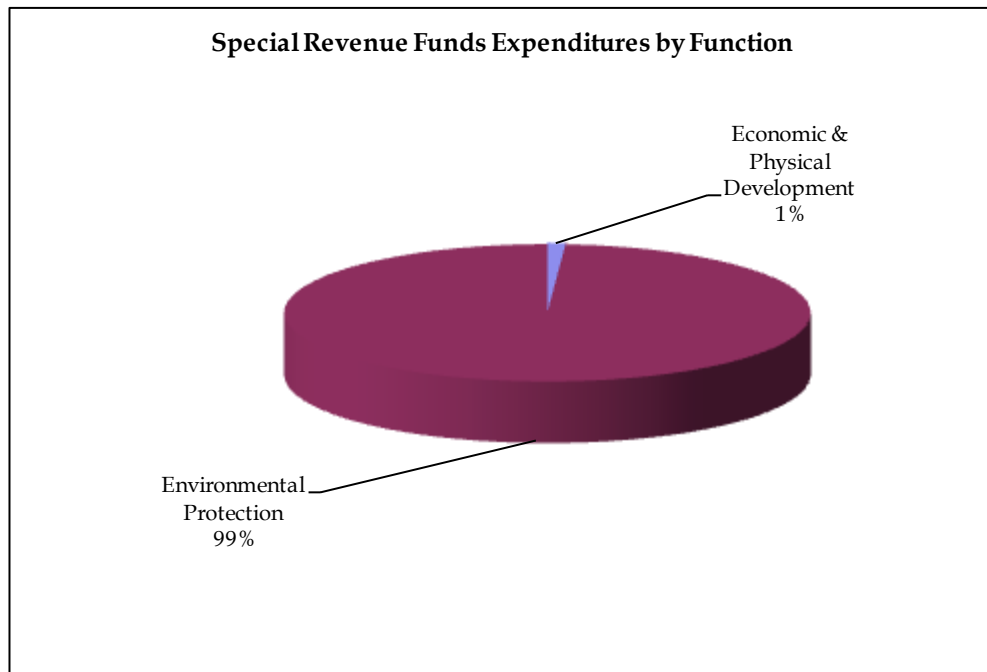


Special Revenue Funds Summary

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 four 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)



Summary

The largest Special Revenue Fund is the Municipal Service District Fund (MSD). 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 2006-2007.



Special Revenue Funds Summary

Revenues

Consolidated Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Ad Valorem Taxes	\$ 3,827	\$ 3,680	\$ 3,680	\$ 3,680	0.0%
Assessments	34,648	13,600	15,412	12,410	-19.5%
Investment Income	115	500	362	210	-42.0%
Revenues Total	\$ 38,590	\$ 17,780	\$ 19,454	\$ 16,300	-8.3%

Budget Highlights:

The Village has budgeted to receive \$12,410 for assessments paid by residents in the Municipal Service District (MSD). This is the 7th installment of a 15-year special assessment. The budget assumes that the assessment will be paid in 15 equal installments. The higher amounts in prior fiscal years reflect when residents have elected to pay their outstanding assessment in full.

Expenditures

Consolidated Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Utilities	\$ 2,780	\$ 3,315	\$ 3,000	\$ 3,300	10.0%
Contracted Services	57	65	55	55	0.0%
Departmental Supplies	13	400	200	345	72.5%
Transfer to General Fund	34,648	13,600	15,412	12,410	-19.5%
Reserve for Future Use	76	400	-	190	100.0%
Expenditures Total	\$ 37,574	\$ 17,780	\$ 18,667	\$ 16,300	-8.3%

Budget Highlights:

Transfers to the General Fund total \$12,410. The transfer to the General Fund is for \$12,410 in MSD dam repair assessments that will be used by the General Fund to repay itself for the dam repair and rehabilitation.



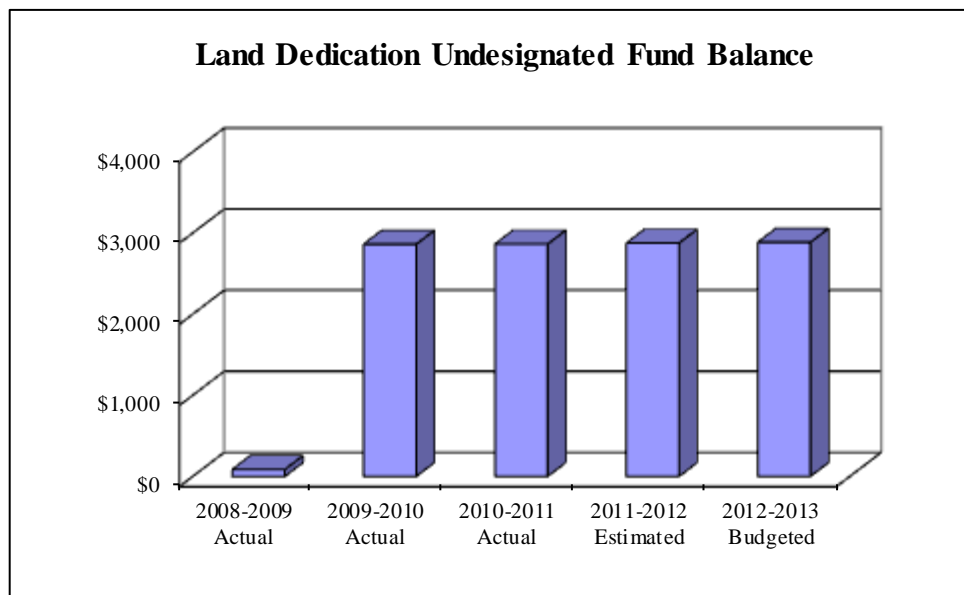
Land Dedication Fund

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 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Reserve for Future Use	\$ -	\$ 10	\$ -	\$ 10	100.0%
Expenditures Total	\$ -	\$ 10	\$ -	\$ 10	0.0%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Land Dedication Payments	\$ -	\$ -	\$ -	\$ -	0.0%
Investment Income	2	10	12	10	-16.7%
Revenues Total	\$ 2	\$ 10	\$ 12	\$ 10	0.0%





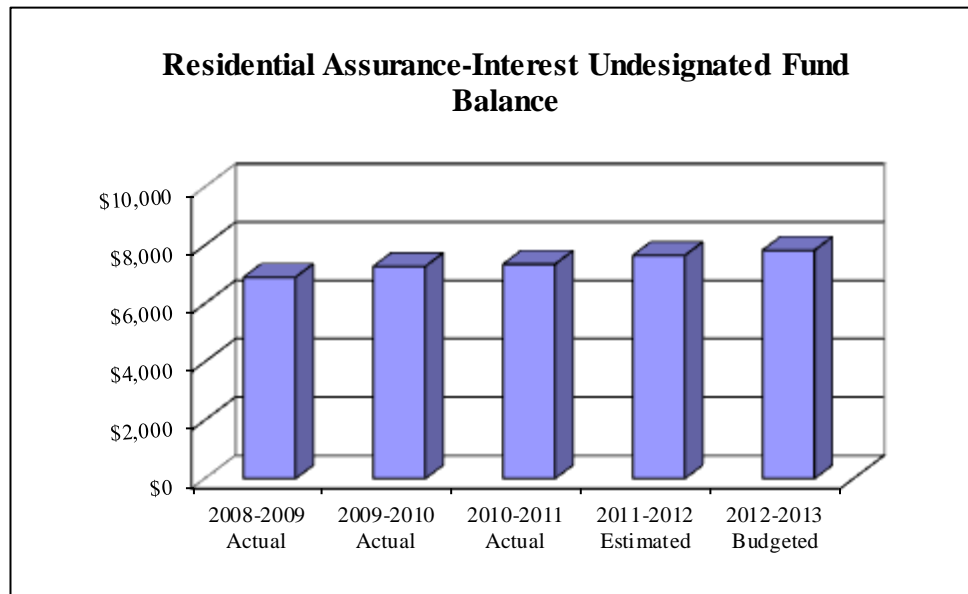
Residential Assurance-Interest Fund

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

Residential Assurance-Interest Expenditures and Revenues

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Reserve for Future Use	\$ 76	\$ 390	\$ -	\$ 180	100.0%
Expenditures Total	\$ 76	\$ 390	\$ -	\$ 180	100.0%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Investment Income	\$ 76	\$ 390	\$ 300	\$ 180	-40.0%
Revenues Total	\$ 76	\$ 390	\$ 300	\$ 180	-40.0%





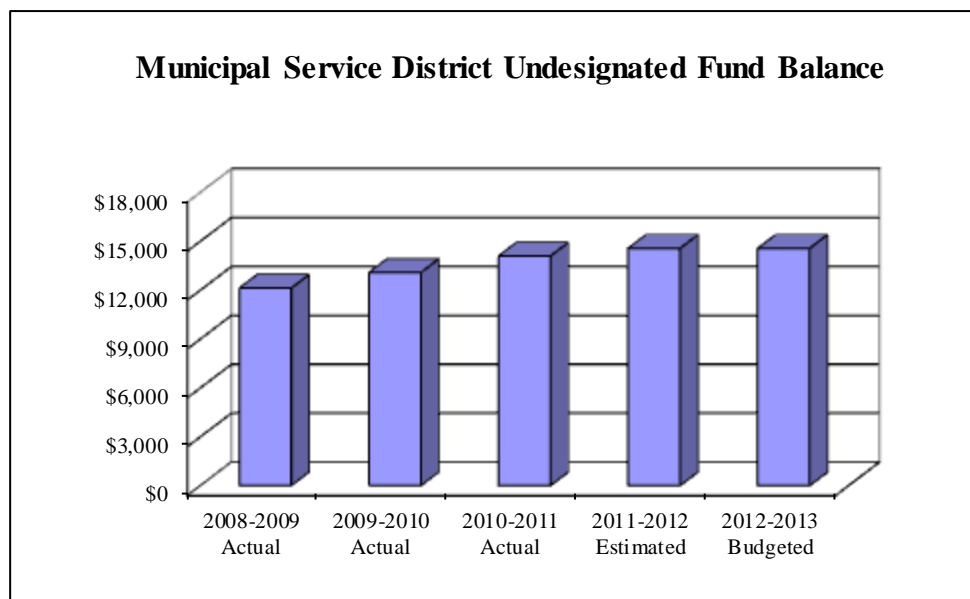
Municipal Service District Fund

The Municipal Service District fund is used to account for the annual costs of operating the dams in this subdivision and to account for the annual special assessment to residents of the service district for improvements made to the dam in FY 2006-2007. The proposed tax rate for FY 2012-2013 is \$0.05 per \$100 valuation. This is the same tax rate as fiscal year 2011-2012.

Municipal Service District Expenditures and Revenues

Expenditures by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Contracted Services	\$ 57	\$ 65	\$ 55	\$ 55	0.0%
Departmental Supplies	13	400	200	345	72.5%
Utilities	2,780	3,315	3,000	3,300	10.0%
Transfer to General Fund	34,648	13,600	15,412	12,410	-19.5%
Expenditures Total	\$ 37,498	\$ 17,380	\$ 18,667	\$ 16,110	-13.7%

Revenues by Type	FY 2010-11 Actual	FY 2011-12 Budget	FY 2011-12 Estimated	FY 2012-13 Budgeted	Percent Change
Ad Valorem Taxes-CY and PY	\$ 3,827	\$ 3,680	\$ 3,680	\$ 3,680	0.0%
Assessments	34,648	13,600	15,412	12,410	-19.5%
Investment Income	37	100	50	20	-60.0%
Revenues Total	\$ 38,512	\$ 17,380	\$ 19,142	\$ 16,110	-15.8%



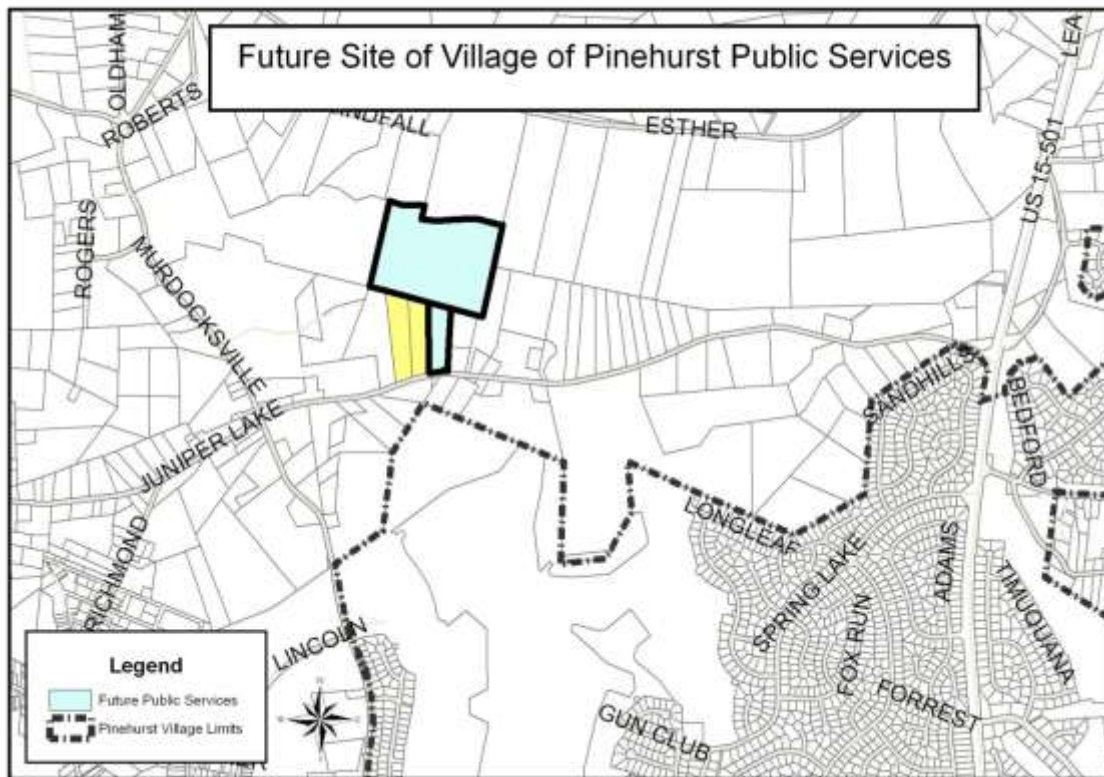


Description

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 one capital project fund and plans to open a new capital project fund in FY 2012-2013. These funds are detailed later in this section and include:

- ❖ Public Services Facility Fund
- ❖ Library Capital Reserve 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

To expand the Village Center, the Village would need to relocate its Public Services Facility. The new Facility would include the Public Services Administration, Streets & Grounds, Solid Waste and Fleet Maintenance departments. It would also provide storage for all of these department's vehicles and equipment.



Capital Project Funds Summary

The Library Capital Reserve Fund will be established to set aside funds for contributions to the Given Memorial Library. The Village Council has committed to give the Library a \$1,000,000 contribution to their capital project for library expansion once they reach their fund raising goal of \$3,000,000 which is expected in fiscal year 2016.

Revenues

Consolidated Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 1,110,000	\$ 1,110,000	\$ -
Transfer from General Fund	1,000,000	-	1,000,000
Revenues Total	\$ 2,110,000	\$ 1,110,000	\$ 1,000,000

Budget Highlights:

The \$1,110,000 Transfer from Capital Reserve was transferred to the Public Services Facility Capital Project Fund primarily for the purchase of land.

The Village plans to open a Library Capital Reserve Fund in FY2013 and transfer \$100,000 from the General Fund to set aside funds for a contribution to the Given Memorial Library in fiscal year 2016 for their library expansion project.

Expenditures

Consolidated Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Transfer to General Fund	\$ 1,000,000	\$ -	\$ 1,000,000
Engineering Costs	336,900	312,829	24,071
Construction Costs	2,500	2,129	371
Land Acquisition Costs	770,600	770,565	35
Expenditures Total	\$ 2,110,000	\$ 1,085,523	\$ 1,024,477

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. Additional funds have been spent to survey the property and conduct preliminary site development. 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 construction phase begins. The construction phase is planned to begin in fiscal year 2015 and should be completed in the last quarter of the 2015-2016 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 Village Center expansion. The project budget detailed below was adopted by the Village Council on October 24, 2006 by Ordinance #06-33.

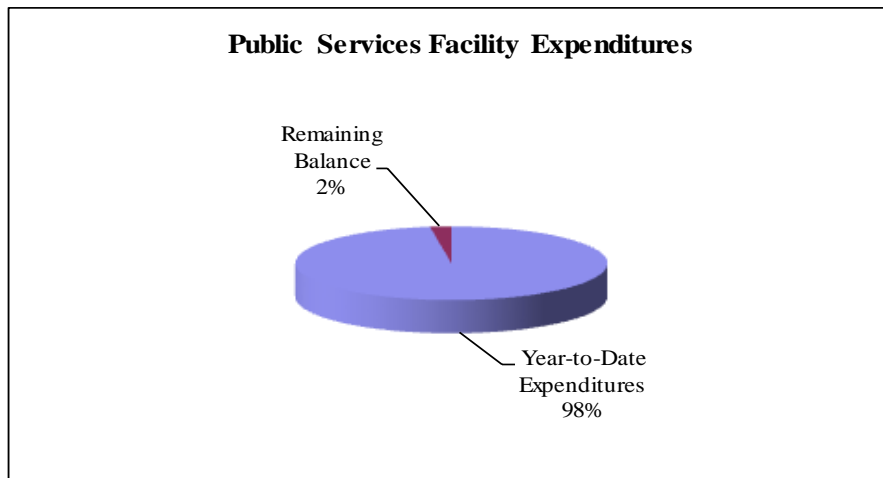
Public Services Facility Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Engineering Costs	\$ 336,900	\$ 312,829	\$ 24,071
Construction Costs	2,500	2,129	371
Land Acquisition Costs	770,600	770,565	35
Expenditures Total	\$ 1,110,000	\$ 1,085,523	\$ 24,477

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Transfer from Capital Reserve	\$ 1,110,000	\$ 1,110,000	\$ -
Revenues Total	\$ 1,110,000	\$ 1,110,000	\$ -

Impact on Operating Budget

There will be no impact on the operating budget for FY 2012-2013. Once the facility is completed as planned in FY 2016, operational costs are expected to increase by approximately \$50,000 during the first full year of operation. These costs include the increased utilities and operational costs for the larger facility, but no additional personnel. For additional details on the impact of this project on operating costs in future years, see the Public Services Facility Project section of the CIP. This facility will allow for the relocation of all Public Service's activities out of the Village Center expansion area.





Library Capital Reserve Fund

Budget Highlights:

The Village plans to open a Library Capital Reserve Fund in FY2013 and transfer \$100,000 from the General Fund to set aside funds for a contribution to the Given Memorial Library in fiscal year 2016 for their library expansion project.

The Given Memorial Library is a public library, it is a 501(c)3 nonprofit and receives no public funds, the only library of its kind in North Carolina. It was opened in 1964 with a monetary gift from Sara Given Larson. In 1973, with a gift and endowment from the Tufts family, the Tufts Archives was constructed and is contained within the building. The plan is to add a children's wing and expand the archives space. The building will also have a cultural center that includes a 240-person multi-function space. The expansion will allow for a museum space to properly display the archives and double the number of books in the library from 15,000 to 30,000.

Library Capital Reserve Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Transfer to General Fund	\$ 1,000,000	\$ -	\$ 1,000,000
Expenditures Total	\$ 1,000,000	\$ -	\$ 1,000,000

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

Impact on Operating Budget

There will be no impact on the operating budget for this capital reserve fund.



Current view of the Given Memorial Library



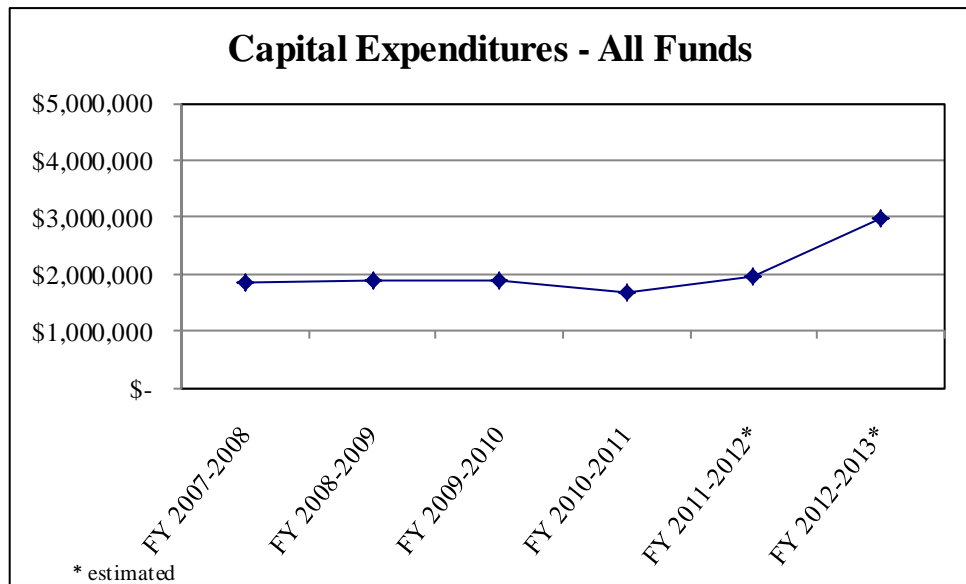
Capital Expenditures Summary

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 \$5,000 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.



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 2012-2013 Budget. In addition to routine vehicle replacements, the Village intends to enhance Tufts Memorial Park, the streetscape and parking in the Village Center, make additions to our brick sidewalks, improve the Cannon Park, Harness Track and Fair Barn recreation facilities, upgrade the sound system in our public meeting space, and continue to make stormwater 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
Public Safety				
Spreader/Cutter	Fire	15,000	15,000	-
Opti-Cam Traffic Light System	Fire	35,000	-	35,000
Total Fire		50,000	15,000	35,000
Economic & Physical Development				
Tufts Memorial Park, Sand Lot & Streetscape	Community Development	850,000	850,000	-
Downtown Restroom	Community Development	20,000	20,000	-
Street/Pathway Lighting	Community Development	25,000	25,000	-
Old Fire Station Rehab	Community Development	125,000	-	125,000
Spur Road	Community Development	252,000	252,000	-
Gateway & Wayfinding Signage	Community Development	75,000	75,000	-
Brick Sidewalks	Community Development	100,000	100,000	-
Stormwater Projects	Community Development	150,000	120,000	30,000
Total Community Development		1,597,000	1,442,000	155,000
Buildings & Grounds Maintenance				
Replace furniture in Assembly Hall (AH)	Governing Body	20,000	20,000	-
Replace carpet in Village Hall (VH)	Administration	20,000	-	20,000
Replace HVAC in VH	Administration	6,000	6,000	-
Replace HVAC	Police	6,000	6,000	-
Cannon Park Field House	Recreation	136,000	136,000	-
Cannon Park Playground	Recreation	30,000	30,000	-
Greenways	Recreation	150,000	-	150,000
Rassie Wicker Park	Recreation	131,000	-	131,000
Monticello Gate Restructure	Harness Track	50,000	-	50,000
Barns Structural Improvements	Harness Track	28,500	28,500	-
Barn Roof Replacement	Harness Track	15,000	15,000	-
Water Quality Enhancement Project	Harness Track	55,000	55,000	-
Replace Fire Alarm System	Harness Track	11,500	11,500	-
Service Parking Lot Repairs	Fair Barn	17,500	-	17,500
Replace Fire Alarm System	Fair Barn	11,500	11,500	-
Total Buildings & Grounds Maintenance		688,000	319,500	368,500



Capital Expenditures Summary

General Fund Capital Expenditures (continued):

General Fund Capital Items	Budget Department	Requested Amount	Approved Amount	Unfunded Amount
Information Technology				
Sound System in AH	Governing Body	\$ 55,000	\$ 55,000	\$ -
Fiber Connectivity	Fair Barn & Harness Track	15,000	15,000	-
Server	Information Technology	22,000	22,000	-
VH Fat Pipe	Information Technology	16,000	16,000	-
Procurve Core Switch	Information Technology	9,000	9,000	-
Downtown Wifi	Information Technology	20,000	-	20,000
Backup Devices	Information Technology	20,000	20,000	-
Total Information Technology		157,000	137,000	20,000
Fleet Maintenance				
2 Sport Utility Vehicles	Police	65,000	65,000	-
Chevy Blazer	Fire	35,000	30,000	5,000
Firetruck - Pumper/Tanker	Fire	575,000	550,000	25,000
Chevy Truck	Solid Waste	20,000	20,000	-
Rear Load Garbage Truck	Solid Waste	200,000	200,000	-
Dump Truck	Streets & Grounds	87,000	87,000	-
Mid-Size Truck	Streets & Grounds	24,000	24,000	-
Salt Spreader	Streets & Grounds	30,000	30,000	-
Zero Turn Mower	Harness Track	20,000	20,000	-
Full Size Pickup Truck	Harness Track	35,000	30,000	5,000
Mule	Buildings & Grounds	17,000	-	17,000
Bobcat Zero Turn Mower	Recreation	20,000	20,000	-
Total Fleet Maintenance		1,128,000	1,076,000	52,000
General Fund Total		\$ 3,620,000	\$ 2,989,500	\$ 630,500
% of Expenditures			17.4%	

Capital Project Fund Capital Items	Approved Amount
Capital Projects	
Public Services Facility	\$ 1,110,000
Library Capital Reserve Fund	100,000
Capital Project Fund Total	\$ 1,210,000

See the Capital Project Funds section for details on the current project.



Capital Improvement Plan FY 2013-2017

Introduction

The Village of Pinehurst's five-year Capital Improvement Plan (CIP) is the foundation of the Village's financial planning process. The plan serves as a tool designed to aid policy makers in the acquisition and orderly replacement of capital assets. The CIP also reflects the Village Council's vision and strategic goals for the future.

The CIP represents a \$16 million plan to address the capital improvement needs of the Village. Capital expenditures are driven by the types and levels of services the Village Council 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.

The development of this CIP is only one step in the development and maintenance 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.

The plan is updated annually to ensure 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 intention to fund capital outlay at the indicated level during the ensuing years.

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 planned projects. The Village Council then appropriates funds in the annual budget for staff to be able to move forward with the projects.

Environmental Scan

Economic Indicators

The Great Recession of 2008 exacted a great toll on the United States. From the initial meltdown of the financial markets, to the housing crisis, to stubbornly high levels of unemployment, the downturn impacted almost every area of our society. The national gross domestic product (GDP) fell from \$13.1 billion in 2007 to \$12.8 billion in 2009, a decline of 2.3%. By the summer of 2009, economists stated the recession had ended as the GDP turned positive, but the negative impacts of the recession would be felt by state and local governments for some time.

In North Carolina, total state revenues in 2007 were \$50 billion. Since North Carolina relies heavily on corporate income taxes, personal income taxes, and sales taxes, its revenues decline rapidly in recessionary periods. This was certainly the case in the Great Recession. Revenues fell to \$30 billion in 2009, a decline of 40% from 2007 levels. This led to massive cuts in state spending for education and large numbers of layoffs of state employees. By 2010, North Carolina's revenues had recovered to \$57 billion.

Although from a textbook definition the recession ended in 2009, other parts of the economy continued to lag. U. S. unemployment peaked at 10.6% in January of 2010 and remained at 8.3% in December of 2011. In North Carolina, unemployment topped out at 12.1% and by the end of 2011 had only declined to 9.8%. The joblessness of the recovery seriously slowed the pace of consumer



Capital Improvement Plan FY 2013-2017

spending and new housing starts that are indicative of most recovery periods. In Moore County, unemployment levels followed statewide trends, but were lower by about 1% overall.

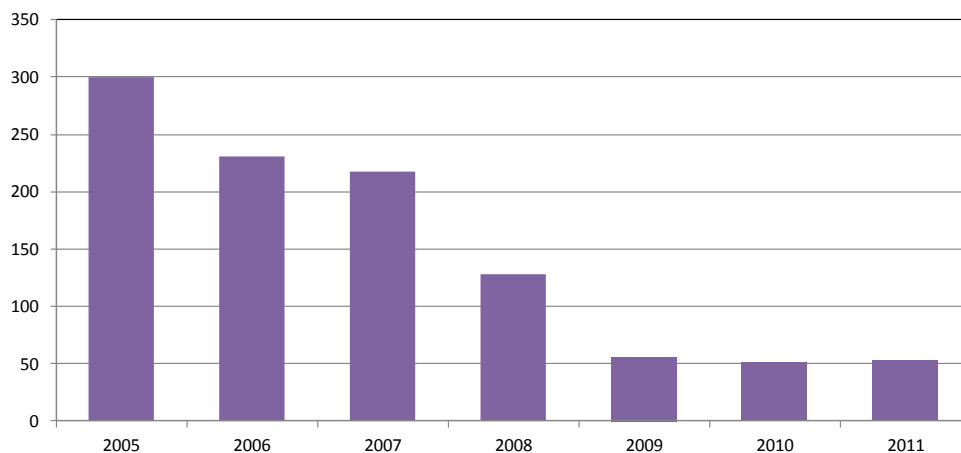
Lower levels of consumer confidence have also been a drag on the local economy and new housing starts remain at or near historically low levels. Property taxes and sales taxes account for 85% of the Village's revenues. This has led to the creation of the term "new normal" which refers to revenue growth at very low levels for the foreseeable future.

Market Environment

Overall the recession is abating and local revenues are beginning to grow again. The declines in State revenues have ended and unemployment rates are beginning to fall, albeit slowly. At the same time demand for Village services, especially in the downtown area, are on the rise. In 2011 the Village conducted a Village Center Business Needs Survey to determine what services were needed most to support businesses in the Village Center area. The survey results outlined the most needed items were parking expansion and improvements, gateway and way finding signage, and enhanced landscaping and maintenance.

The slow recovery from the "Great Recession" has had a significant impact on key revenue assumptions. Especially hard hit are revenues related to the housing market. Home sales in Moore County fell from \$475 million in 2007 to \$279 million in 2011, a decline of 42%. Also, new home permits fell from 218 valued at \$54 million in 2007 to 53 valued at \$13 million in 2011. This has resulted in significantly lower property tax revenue growth projections for the CIP planning period.

Building Permits Issued



Moore County postponed its planned revaluation of real property for FY2012 until FY2016. This will most likely allow property values to fully recover from the recession and help avoid a reduction in assessed property values. This plan assumes a 5% total property appreciation over the 8-year revaluation period and that a revenue neutral tax rate will be adopted upon revaluation.

The Village's Five-Year Staffing Forecast anticipates adding 1.6 full-time equivalents (FTE's) during the five-year planning horizon. Management has worked diligently over the past two years to implement cost containment strategies to reduce operating costs and to maintain capital investment

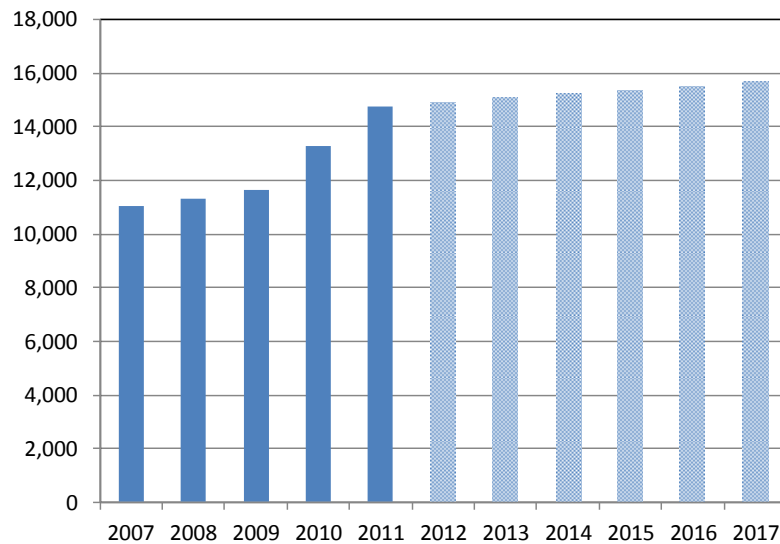


Capital Improvement Plan FY 2013-2017

at sustainable levels. Since April 2010 the total number of Village employees has been reduced through attrition by 5.75 full-time equivalents (FTE's).

The current population projections anticipate a growth rate of approximately 103 people annually. The graph below 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. In the surrounding community, Moore County's population grew to 88,569, an increase of 17.7% from 2000 to 2010.

Population Estimates



Revenue Outlook and Financial Health of VOP

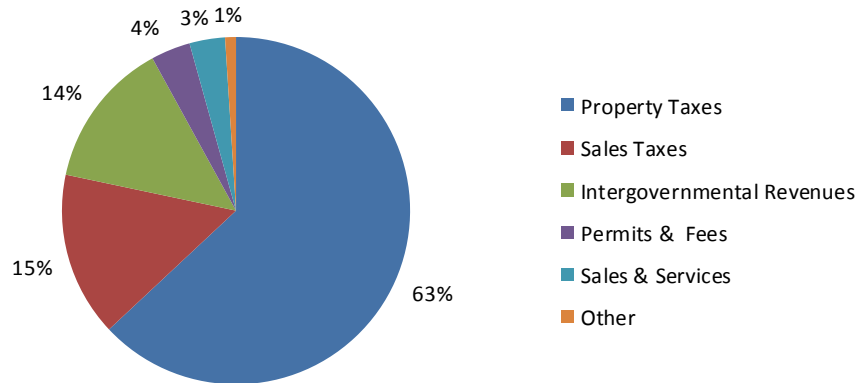
Overall, the Village's financial health is good with General Fund fund balance currently at 41% of the annual expenditures and revenues recovering. Although most revenues are improving, property taxes, which make up approximately 60% of all Village revenues, are projected to grow at levels well below historical averages. This is due to the low level of new home construction outlined above. For FY 2012, tax base growth is projected at 0.60%. The revenue forecast for the planning period projects that the tax base will expand at 1%-2% annually over the period.

Property taxes constitute approximately 63% of the Village's General Fund revenues. Local option sales taxes make up approximately 15% revenues. Combined, these two sources provide 78 cents of every dollar received by the Village. The following chart illustrates the proportional share of each General Fund revenue type.



Capital Improvement Plan FY 2013-2017

Operating Revenues FY 2013



Retail sales were also adversely affected by the recession, but have recovered to a great extent. Sales taxes declined from \$2.5 million in 2007 to \$2.2 million in 2010. In 2011 they fully recovered to pre-recessionary levels. Based on this, sales taxes and other revenue estimates have been revised upward to reflect this recovery. Sales taxes are anticipated to increase at 3% across the period. Similar increases are expected for utilities franchise taxes.

Capital Improvement Program

Overview

The Capital Improvement Program (CIP) is a separate budgeting process within the annual operating budget. The CIP process is used to plan for the budgeting and financing of large capital infrastructure, facilities, equipment and other fixed assets. The Village uses this process to ensure that high-dollar, long-lived projects are aligned with its strategic direction and that the projects are financially sustainable.

The 2013-2017 CIP includes capital improvements with a total estimated cost of \$16,004,600 over the next five years. These costs are divided into four major areas – Fleet, Information Technology (IT), Other Capital Additions and Capital Projects and are summarized in the following table:

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Capital Projects	\$ 5,594,070	35%
Fleet	5,818,000	36%
Information Technology	326,000	2%
Other Capital Additions	4,266,500	27%
TOTAL	\$ 16,004,570	100%

Capital Projects: Specific criterion are used to determine whether or not a capital request is classified as a capital project. The criterion are: (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



Capital Improvement Plan FY 2013-2017

such as type, location, size, etc. must be specifically identified. Capital projects are typically for major facilities and may require the use of a separate capital project fund.



Fleet: The Fleet Maintenance Department provides for the purchase, replacement and maintenance of the Village's fleet and large equipment (e.g. backhoes, dump trucks). Existing assets are primarily replaced on a life cycle replacement schedule. New equipment can be added through a new initiative if it can be shown to support the Village's strategic plan.



Information Technology: The Information Technology Department provides for the purchase, replacement and maintenance of the Village's computer hardware, software and communication infrastructure.

Other Capital Additions: The purchase, replacement, and maintenance of all other infrastructure and fixed assets are a capital addition. Examples include land, transportation improvement projects, greenway trails, and storm water drainage improvements.



Capital Improvement Plan FY 2013-2017

Funding for capital expenditures can be obtained from the following sources:

Current General Fund – this funding source is provided by appropriated operating revenues or fund balance and will generally be used to purchase modest, routine operating capital items.

Installment Financing – this funding source is provided by a banking institution and typically is collateralized by the asset being purchased. It is a contractual obligation specifying payment terms, including principal and interest to be paid over a period of time, generally 5 to 15 years.

Grant Funding – this program refers to giving of funds for a specific purpose. Funds may be granted from Parks and Recreation Trust Fund (PARTF), Community Development Block Grant-Recovery (CDBG-R), Federal Emergency Management Administration (FEMA), Community Development Block Grant (CDBG), etc.

General Obligation Bonds – this funding source requires voter approval and is used to finance major capital projects with an expected life of 30 to 40 years.

CIP Selection Process

The Capital Improvement Program provides detailed information for all capital expenditures greater than \$5,000 that the Village plans to purchase or begin constructing during fiscal year 2013 through 2017. The CIP is updated annually to make adjustments for changing capital needs, changes in availability and cost of funds, and to add a year of programming to replace the year just completed.

The first step in the CIP process is for senior management to gather strategic direction from the Village Council on their goals and objectives. This information is gathered through a variety of means both formal and informal, including the Council's annual retreat. Department Directors are then instructed to evaluate their processes to determine if there are any changes that will make the department more user-friendly, efficient, and effective. They also evaluate their fixed assets, including vehicles, equipment, software, computers and communication equipment. Based on these evaluations, the Department Director submits a capital acquisition request package that includes:

- Annual Capital Asset Outlay Worksheet for Fleet, IT and All Other Capital Additions
- Five-Year Staffing Plan Document
- Multi-Year Capital Project Request Form
- Multi-Year Capital Project Financial Form

The Multi-Year Capital Project Request Form includes:

- Project Title – Name of the project.
- Project Identified in Comp Plan – Indicates if the project is identified in the 20 Year Long Range Comprehensive Plan for the Village of Pinehurst.
- Project Status – Indicates if this is the first request for this project or if it has been requested in a previous fiscal year.
- Project Description – Provides a concise description of the project and include any locations and maps, if applicable.
- Project Justification – There are five questions to answer in regards to the project justification. The first question asks how the project will improve Village services. The



Capital Improvement Plan FY 2013-2017

second asks if the project is required to come into compliance with any Federal or State laws and regulations. The third indicates if the project is needed to improve the health or safety of citizens or employees. The fourth asks how this project is related to the Comprehensive Long-Range Plan. Finally, the fifth question asks what the operational impact would be if the project was delayed.

- Cost Analysis - There are four questions to answer in regards to cost analysis. The information requested includes the total cost of the project, cost estimate documentation, the impact of the project on personnel, and the impact of the project on the Village's operating budget.
- Financing Analysis - Indicates any grants that may be used to help offset the costs of the project. Indicates the name of the agency, the estimated amount of the grant and the matching requirement, if any.

The Multi-Year Capital Project Financial Form provides the following information:

- Project Title - The name of the capital project.
- Expenditures - Indicates all the expenditures the project will have from start to finish and separates the expenditures by fiscal year.
- Revenue - The Financial Services Department provides the revenue estimates once all the information regarding the capital project is received.
- Operating Expenditures - Indicates the amount of any operating expenditures the Village will incur as a result of this capital project for each fiscal year. Includes any additional personnel expenditures, any additional operating expenses and any capital outlay that will be spent for the project. The Financial Services Department calculates the Revenues and Net Operating Effect once all the project information is submitted.
- Post Planning Period - Indicates the amount of expenditures for each classification that will be spent after the 5 fiscal years specified on the form if the project is not completed in the planning horizon.
- Project Total - The project total is the total cost of the project by adding the 5 Year Total to the Post Planning Period total. This amount is the cost for completing the entire project.

The Capital Improvements Plan Review Committee, which consists of the Village Manager, two Assistant Managers, Human Resources Director and Financial Services Director, meets with Department Directors to review capital requests for inclusion in the Five-Year Capital Improvement Plan. If the need proves to be valid and the capital is part of the Village's overall strategic plan, the capital expenditure is recommended for approval.

The Senior Management Team reviews the entire list of proposed capital requests along with the funding sources and constraints and makes revisions as needed. The Financial Services Department prepares a complete Five-Year Capital Improvement Plan that the Assistant Village Manager of Finance and Administration and Financial Services Director delivers to the Village Council for approval.

Impact on Operating Budget

Forecast

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



Capital Improvement Plan FY 2013-2017

In developing the CIP, Village staff analyzed the impact of the CIP on the Village's General Fund. Table 2 below indicates the estimated annual impact on the General Fund. Included in the table is the estimated incremental debt service and operating expenditures that would result from the capital projects. Table 6 (page 12) provides the estimated impact on the General Fund's fund balance.

Table 2 - Projected Budgeted General Fund Revenues and Expenditures

	2013	2014	2015	2016	2017
Population	14,886	14,988	15,091	15,193	15,296
Operating Revenues					
Property Tax Revenue	\$ 9,547,500	\$ 9,690,500	\$ 9,884,500	\$ 10,186,500	\$ 10,390,500
Sales Tax Revenues	2,319,800	2,388,800	2,459,800	2,532,800	2,607,800
Intergovernmental Revenues	2,076,298	2,116,204	2,285,061	2,198,867	2,242,967
Permits & Fees	555,000	1,167,000	484,000	481,000	484,000
Sales & Services	500,000	517,000	558,000	553,000	573,000
Other Operating Revenues	206,000	207,000	209,000	210,000	212,000
Interest Income	38,000	38,000	73,000	108,000	143,000
Other Financing Sources	14,000	589,000	14,000	14,000	614,000
Operating Revenues	\$ 15,257,000	\$ 16,714,000	\$ 15,968,000	\$ 16,285,000	\$ 17,268,000
Tax Rate	0.28	0.28	0.28	0.27	0.27
Operating Expenditures					
Personnel in FTEs	129	130	130	131	131
Salaries	6,111,000	6,255,000	6,380,000	6,541,000	6,673,000
Operating	7,833,555	7,948,109	8,249,474	8,569,532	8,857,634
Debt Service	549,000	505,000	493,000	974,000	907,000
Operating Expenditures	14,493,555	14,708,109	15,122,474	16,084,532	16,437,634
Capital Expenditures in GF	2,800,000	2,339,500	1,679,000	1,473,500	1,864,500
Total GF Expenditures	17,293,555	17,047,609	16,801,474	17,558,032	18,302,134
Net Impact on General Fund	\$ (2,036,555)	\$ (333,609)	\$ (833,474)	\$ (1,273,032)	\$ (1,034,134)

Capital As a Percent of Total Expenditures

	2013	2014	2015	2016	2017
Total Expenditures	17,293,555	17,622,609	21,474,544	17,558,032	18,902,134
Total Capital Expenditures	2,800,000	2,914,500	6,223,070	1,473,500	2,464,500
% of Total Expenditures	16.2%	16.5%	29.0%	8.4%	13.0%

Revenue and funding sources for the capital expenditures identified in this plan come from a variety of sources. The Public Services Facility (PSF) and two fire trucks are expected to be financed with installment financing. The Village also anticipates obtaining grant funding for a portion of Rassic Wicker Park development. All other capital expenditures will be funded with available cash. The table and chart below show a summary of the revenues and funding sources for the CIP.



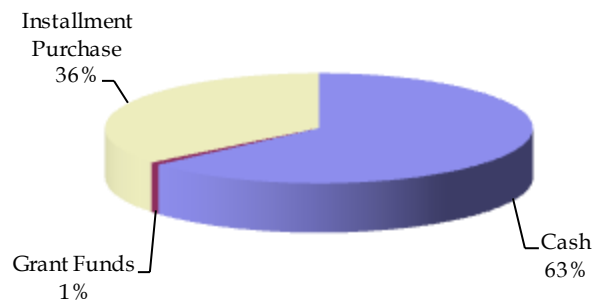
Capital Improvement Plan FY 2013-2017

Table 3 - CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
Cash	\$ 10,156,500
Grant	129,000
Installment Financing	5,719,070
TOTAL	\$ 16,004,570

It is important to note that the majority of the capital improvements are funded with available Village funds or cash, while another 36% is funded with installment purchase financing.

Capital Improvements by Funding Source
FY2013-2017



Additional Operating and Debt Service Expenses

Table 4 summarizes the impact of net operating expense and debt service for the 2013-2017 CIP.



Capital Improvement Plan FY 2013-2017

Table 4 - Detail of Net Operating Expense by Capital Item

	Total	Fiscal Year Ending June 30				
		2013	2014	2015	2016	2017
Incremental Operating Expense						
Public Services Facility	\$ 86,537	\$ -	\$ -	\$ -	\$ 42,840	\$ 43,697
Subtotal	86,537	-	-	-	42,840	43,697
Annual Debt Service						
Public Services Facility	1,017,761	-	-	-	515,522	502,239
Fire Truck	404,471	-	106,293	102,843	99,393	95,943
Subtotal	1,422,233	-	106,293	102,843	614,915	598,182
Net Operating Expense	\$ 1,508,769	\$ -	\$ 106,293	\$ 102,843	\$ 657,755	\$ 641,879

Operating Expenses

Additional operating expenses include all direct operating costs associated with a capital project, such as facility maintenance costs, utility costs, and additional personnel costs as well as an estimate for indirect costs estimated to be 20% of direct costs. We estimate that the projects included in the 2013-2017 CIP will increase operating expenses starting in fiscal year 2016 when the Public Services Facility (PSF) is completed.

Debt Service

To determine estimated debt service, we assumed a 4.20% interest rate amortized over 15 years for the Public Services Facility and 7 years for the fire trucks. As presented, the Village's CIP will result in additional annual debt service costs of approximately \$1,422,000 during the planning horizon. It is important to note that existing annual debt service will decrease significantly starting in FY2013. This is due to the payoff of the Police Station debt in FY2013.



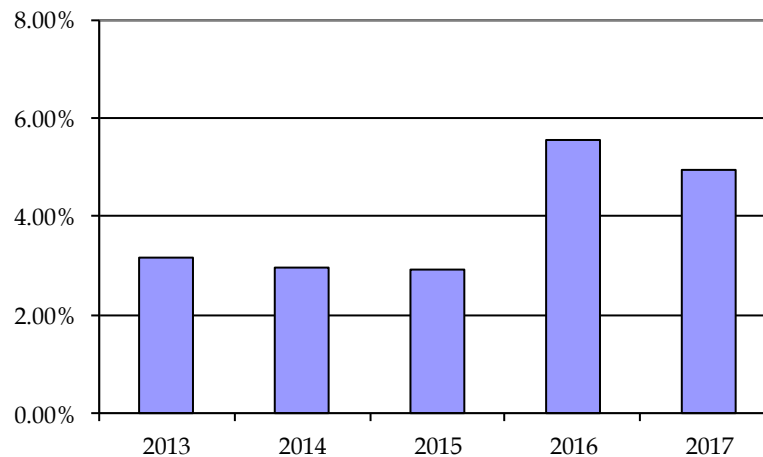
Capital Improvement Plan FY 2013-2017

Table 5 - Impact of CIP Debt Issuances on Debt Ratios

	Fiscal Year Ending June 30				
	2013	2014	2015	2016	2017
Existing Debt Service Payments	\$ 548,622	\$ 398,571	\$ 389,841	\$ 358,747	\$ 307,873
Additional Debt Service:					
Public Services Facility	-	-	-	515,522	502,239
Fire Truck	-	106,293	102,843	99,393	95,943
Total Additional Debt Service	-	106,293	102,843	614,915	598,182
Total Debt Service	\$ 548,622	\$ 504,864	\$ 492,684	\$ 973,662	\$ 906,055
Estimated Expenditures	17,293,555	17,047,609	16,801,474	17,558,032	18,302,134
% of Expenditures	3.17%	2.96%	2.93%	5.55%	4.95%

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

**Village of Pinehurst
CIP Impact on Debt Ratios
FY 2013-2017**



Fund Balance

As the table on the following page indicates, fund balance is projected to be within the Council's adopted policy range of 30%-40% throughout the planning period. These projections include the assumption that operating revenues typically come in at 101% of budget while operating expenditures typically fall 5% below budget.



Capital Improvement Plan FY 2013-2017

Table 6 - Projected Impact on General Fund Balance

	2013	2014	2015	2016	2017
Beginning Fund Balance	\$ 6,520,477	\$ 5,333,720	\$ 5,877,406	\$ 5,935,087	\$ 5,580,431
Net Impact on General Fund	(2,036,555)	(333,609)	(833,474)	(1,273,032)	(1,034,134)
Budget to Actual Variance*	849,798	877,295	891,154	918,377	949,212
Projected Actual Gain/(Loss)	(1,186,757)	543,686	57,680	(354,656)	(84,922)
Projected Ending GF Bal	5,333,720	5,877,406	5,935,087	5,580,431	5,495,509
% of Total Budget	30.8%	34.5%	35.3%	31.8%	30.0%

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

CIP By Category

The following table provides totals for the four major areas of capital expenditure in the CIP. The summary is followed by detail for each project and capital purchase in the 2013-2017 CIP.

Table 7 - Total Cost of All CIP Items For Planning Period

	Total	Fiscal Year Ending June 30				
		2013	2014	2015	2016	2017
Capital Projects						
Public Services Facility	\$ 4,744,070	\$ -	\$ 200,000	\$ 4,544,070	\$ -	\$ -
Downtown Improvements	850,000	150,000	700,000	-	-	-
Subtotal	\$ 5,594,070	\$ 150,000	\$ 900,000	\$ 4,544,070	\$ -	\$ -
Fleet	\$ 5,818,000	\$ 1,128,000	\$ 1,351,000	\$ 773,000	\$ 959,000	\$ 1,607,000
Information Technology	326,000	157,000	76,000	14,000	67,000	12,000
Other Capital Additions	4,266,500	1,365,000	587,500	1,021,000	447,500	845,500
Subtotal	\$ 10,410,500	\$ 2,650,000	\$ 2,014,500	\$ 1,808,000	\$ 1,473,500	\$ 2,464,500
GRAND TOTAL	\$ 16,004,570	\$ 2,800,000	\$ 2,914,500	\$ 6,352,070	\$ 1,473,500	\$ 2,464,500



Capital Projects

This section contains detail on the capital projects included in the 2013-2017 CIP. Specific criterion is used to determine whether or not a capital request is classified as a capital project. The criterion are: (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. Capital projects are typically for major facilities and may require the use of a separate capital project fund.

Public Services Facility - This capital project will replace the existing Public Services and Fleet Maintenance facilities.

Downtown Improvements - This capital project is part of a continuous effort to preserve and improve the downtown area of Old Town.



Capital Improvement Plan FY 2013-2017

Public Services Facility

Department		Public Services/Fleet Maintenance Departments
Project Priority	<u> </u>	Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided
	<u>X</u>	Eliminates deficiencies in providing a service at the current level of demand
	<u> </u>	Eliminates a public hazard or threat to public safety
	<u>X</u>	Improvements or new capital assets that significantly improve the efficiency of operations
	<u>X</u>	New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

The 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 Village Center Expansion 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.

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2013	2014	2015	2016	2017
Appropriations	\$ 5,761,557	\$ 1,017,487	\$ -	\$ 200,000	\$ 4,544,070	\$ -	\$ -
TOTAL	\$ 5,761,557	\$ 1,017,487	\$ -	\$ 200,000	\$ 4,544,070	\$ -	\$ -
Funding Source:							
Cash	\$ 1,017,487	\$ 1,017,487	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Financing	4,744,070			200,000	4,544,070	-	-
TOTAL	\$ 5,761,557	\$ 1,017,487	\$ -	\$ 200,000	\$ 4,544,070	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2013	2014	2015	2016	2017
Debt Proceeds	\$ 4,744,070	\$ -	\$ -	\$ 200,000	\$ 4,544,070	\$ -	\$ -
Project Expenditures	5,761,557	1,017,487	-	200,000	4,544,070	-	-
Operating Expenditures	86,537	-	-	-	-	42,840	43,697
Debt Service	1,017,761	-	-	-	-	515,522	502,239
TOTAL	\$ (2,121,785)	\$ (1,017,487)	\$ -	\$ -	\$ -	\$ (558,362)	\$ (545,936)



Capital Improvement Plan FY 2013-2017

Downtown Improvements

Department	Community Development Department
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 type="checkbox"/> Eliminates deficiencies in providing a service at the current level of demand <input type="checkbox"/> Eliminates a public hazard or threat to public safety <input type="checkbox"/> Improvements or new capital assets that significantly improve the efficiency of operations <input checked="" type="checkbox"/> New capital assets needed to improve or expand the existing level of service or provide a new service

PROJECT DESCRIPTION/JUSTIFICATION

This project includes making adjustments to the downtown sandlot in order to increase parking spaces, better organize the lot and make it more user-friendly. The establishment of an approximate one acre open space is also included. In addition, the area in front of the Department Store Building would be altered to add more green space by relocating parking to the outer edge of this triangle. An expanse of asphalt in front of the Theater Building would have two small landscape islands installed. The addition of street trees and a 6' green space along the south side of Chinquapin Road would also be included. Improvement to the downtown streetscape will enhance the overall character and ambience of Pinehurst to preserve its international reputation and quality of life.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2013	2014	2015	2016	2017
Appropriations	\$ 850,000	\$ -	\$ 150,000	\$ 700,000	\$ -	\$ -	\$ -
TOTAL	\$ 850,000	\$ -	\$ 150,000	\$ 700,000	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 850,000	\$ -	\$ 150,000	\$ 700,000	\$ -	\$ -	\$ -
TOTAL	\$ 850,000	\$ -	\$ 150,000	\$ 700,000	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2013	2014	2015	2016	2017
Project Expenditures	\$ 850,000	\$ -	\$ 150,000	\$ 700,000	\$ -	\$ -	\$ -
TOTAL	\$ (850,000)	\$ -	\$ (150,000)	\$ (700,000)	\$ -	\$ -	\$ -



Capital Improvement Plan FY 2013-2017

Fleet

This section contains detail on the purchase of new or replacement vehicles and equipment. Vehicles and equipment are primarily replaced on a life cycle replacement schedule.



Capital Improvement Plan FY 2013-2017

Fleet Plan							
Description	Year	Life	Budget	CIP			
			2013	2014	2015	2016	2017
Buildings & Grounds							
Chevy Express Van	2004	6	\$ -	\$ 35,000	\$ -	\$ -	\$ -
Ford F150	2004	6	-	-	30,000	-	-
Bobcat Zero Turn Mower	2008	5	20,000	-	-	-	-
Work Van	NEW	6	-	-	-	30,000	-
4X4 Mule	NEW	5	17,000	-	-	-	-
Fire							
Seagraves Fire Truck	1937	20					
Ford F350 - Brushtruck	1989	6	-	90,000	-	-	-
Firetruck-Pumper/Tanker	1993	20	575,000	-	-	-	-
Firetruck-Pumper/Tanker	1998	20	-	-	-	-	600,000
Chevy Blazer	2004	6	35,000	-	-	-	-
Dodge Durango	2005	6	-	-	35,000	-	-
Fleet Maintenance							
Chevy C1500 4X4 Truck	2003	6	-	35,000	-	-	-
Chevy C1500	2006	6	-	-	-	-	40,000
Harness Track							
Gmc Dump Truck	1991	10	-	-	85,000	-	-
Bobcat Zero Turn Mower	2000	5	20,000	-	-	-	-
Ford F250 4X4	2001	6	35,000	-	-	-	-
Ford F250 4X4	2004	6	-	35,000	-	-	-
Bobcat Zero Turn Mower	2005	5	-	-	20,000	-	-
Kubota Tractor	2005	15					
Ford F250	2006	6	-	-	-	37,000	-
Kubota Zero Turn Mower	2009	5	-	-	-	-	22,000
Diamond Harrow	NEW	10	-	-	-	15,000	-
Track Conditioner	NEW	10	-	-	-	25,000	-
Inspections							
Chevy Impala	2004	5	-	-	25,000	-	-
Planning							
Chevy S10	1999	6	-	-	-	25,000	-



Capital Improvement Plan FY 2013-2017

Fleet Plan							
Description	Year	Life	Budget	CIP			
			2013	2014	2015	2016	2017
Police							
Speed Display Trailer	2001	5	-	9,000	-	-	-
Chevy Tahoe	2003	6	30,000	-	-	-	-
Chevy Tahoe	2006	6	35,000	-	-	-	-
Dodge Charger	2007	4	-	36,000	-	-	-
Dodge Charger	2007	4	-	36,000	-	-	-
Dodge Charger	2007	4	-	36,000	-	-	-
Dodge Charger	2007	4	-	-	37,000	-	-
Dodge Charger	2008	4	-	-	-	-	40,000
Dodge Charger	2008	4	-	-	37,000	-	-
Dodge Charger	2008	4	-	-	37,000	-	-
Dodge Charger	2008	4	-	-	37,000	-	-
Dodge Charger	2009	4	-	-	-	39,000	-
Dodge Charger	2009	4	-	-	-	-	40,000
Dodge Charger	2009	4	-	-	-	39,000	-
Dodge Charger	2009	4	-	-	-	39,000	-
Dodge Charger	2010	4	-	-	-	-	40,000
PS Administration							
Chevy C1500 4X4	2003	6	-	35,000	-	-	-
Chevy C1500 4X4	2003	6	-	35,000	-	-	-
Solid Waste							
Chevy 540	1998	6	20,000	-	-	-	-
Rear Load Garbage Truck	1999	10	-	220,000	-	-	-
Rear Load Garbage Truck	2000	10	200,000	-	-	-	-
Ford Rear Load Garbage Truck	2004	10	-	-	-	260,000	-
28yd Automated SW Vehicle	2006	10	-	-	-	-	220,000
International 4300	2006	10	-	-	-	170,000	-
Chevy C1500	2007	6	-	-	-	45,000	-
Chevy C1500	2007	6	-	-	-	45,000	-
Chevy 5500	2007	10	-	170,000	-	-	-
Semi-Automated Garbage Truck	2007	10	-	-	-	-	190,000
Semi-Automated Garbage Truck	2007	10	-	-	-	-	190,000



Capital Improvement Plan FY 2013-2017

Fleet Plan							
Description	Year	Life	Budget	CIP			
			2013	2014	2015	2016	2017
Streets & Grounds							
Ford 5610 Tractor	1991	15	-	55,000	-	-	-
John Deere Motor Grader	1992	15	-	-	200,000	-	-
Chevy Dump Truck-2.5 Ton	1992	15	87,000	-	-	-	-
Chevy Dump Truck-2.5 Ton	1998	15	-	87,000	-	-	-
Chevy Dump Truck-2.5 Ton	1998	15	-	-	90,000	-	-
New Holland 3930 Tractor	1999	15	-	-	-	-	45,000
New Holland 3930 Tractor	1999	15	-	-	-	-	45,000
John Deere 4X4 Loader	1999	15	-	150,000	-	-	-
Ford F250 4X4	2000	6	-	40,000	-	-	-
300 Land Long Tractor	2001	15	-	-	-	-	40,000
Ford F150	2002	6	-	25,000	-	-	-
Ford F150	2002	6	24,000	-	-	-	-
Flint Salt Spreader	2003	5	30,000	-	-	-	-
Grasshopper Mower	2004	5	-	22,000	-	-	-
Chevy Extended Cab	2004	6	-	-	25,000	-	-
Chevy Truck	2004	6	-	25,000	-	-	-
Mini Salt Spreader	2005	5	-	-	20,000	-	-
Ford F150	2005	6	-	-	-	30,000	-
Salt/Sand Spreader	2006	5	-	-	-	35,000	-
Vacuum Sweeper	2006	5	-	150,000	-	-	-
Chevy C1500	2006	6	-	-	-	35,000	-
Zero Turn Mower	2008	5	-	25,000	-	-	-
Kubota Zero Turn Mower	2009	5	-	-	-	25,000	-
Zero Turn Mower	2010	5	-	-	25,000	-	-
One Ton Truck	NEW	15	-	-	35,000	-	-
One Ton Truck	NEW	15	-	-	35,000	-	-
One Ton Truck	NEW	15	-	-	-	40,000	-
Tandom Trailer	NEW	5	-	-	-	25,000	-
Dump Truck	NEW	15	-	-	-	-	95,000
Total Fleet Replacements			\$ 1,128,000	\$ 1,351,000	\$ 773,000	\$ 959,000	\$ 1,607,000



Capital Improvement Plan FY 2013-2017

Information Technology

This section contains detail on the purchase, replacement and maintenance of the Village's computer hardware, software and communication infrastructure. These assets are primarily replaced on a life cycle replacement schedule.



Capital Improvement Plan FY 2013-2017

Information Technology Plan							
Description	Year	Life	Budget	CIP			
			2013	2014	2015	2016	2017
Administration							
Assembly Hall Sound System	2004	5	\$ 55,000	\$ -	\$ -	\$ -	\$ -
Fair Barn							
Fiber Connectivity between Track and Fair Barn locations	NEW		7,500	-	-	-	-
Governing Body							
Assembly Hall Projector	2006	5	-	-	-	6,000	-
Harness Track							
Fiber Connectivity between Track and Fair Barn locations	NEW		7,500	-	-	-	-
Information Technology							
Dell Power Edge Server	2005	3	7,350	-	-	-	-
Village Hall Firewall	2008	5	-	-	14,000	-	-
Village Hall Fat Pipe	2008	5	16,000	-	-	-	-
Hp Procurve Core Switch	2006	5	9,000	-	-	-	-
Downtown Wifi	NEW		20,000	-	-	-	-
Servers	NEW		14,650	-	-	-	-
Backup Appliance	NEW		20,000	-	-	-	-
Document Imaging System	NEW		-	-	-	50,000	-
Inspections							
P&Z and Inspections Software with Online Citizen Access	NEW		-	27,500	-	-	-
Planning							
Hp Plotter	2007	5	-	21,000	-	-	-
P&Z and Inspections Software with Online Citizen Access	NEW		-	27,500	-	-	-
Police							
Star Witness	2008	3	-	-	-	11,000	-
Voice Recorder System	2010	5	-	-	-	-	12,000
Total IT Replacements			\$ 157,000	\$ 76,000	\$ 14,000	\$ 67,000	\$ 12,000



Other Capital Additions

This section contains detail on the purchase, replacement and maintenance of all other fixed assets and infrastructure. Examples include land, transportation improvements, greenway trails and storm water drainage improvements. Capital additions are made on an as needed basis.



Capital Improvement Plan FY 2013-2017

Other Capital Additions Plan						
Description	Purpose/Justification	Budget	CIP			
		2013	2014	2015	2016	2017
Administration						
Replace Carpet in Assembly Hall	Replace worn carpet and fix trip ramp hazard	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Replace HVAC	Replace HVAC equipment	6,000	-	-	-	-
Replace HVAC	Replace HVAC equipment	-	7,500	-	-	-
Replace HVAC	Replace HVAC equipment	-	-	7,500	-	-
Replace HVAC	Replace HVAC equipment	-	-	-	9,000	-
Replace HVAC	Replace HVAC equipment	-	-	-	-	10,000
Community Development						
Small Drainage Projects	Spot Drainage Improvements	150,000	150,000	150,000	150,000	150,000
Downtown Restroom	Provide public restroom facility	20,000	-	-	-	-
Street and Pathway Lighting	Improve safety and mobility around the Village	25,000	-	25,000	-	-
Old Fire Station Rehab	Rehabilitate old Fire Station into useable office space to support Spine Road development	125,000	-	-	-	-
Roadway Improvements	Sidewalks and traffic lights on 211	-	-	336,000	-	-
Spine Road	Connect Dogwood and Community Roads	-	-	-	-	450,000
Spur Road	Entrance to Village Center Expansion Area	252,000	-	-	-	-
Gateway & Wayfinding Signage	Promote direction to and around Pinehurst to improve traffic in downtown	75,000	-	-	-	-
Fair Barn						
Replace Fire Alarm System HT/FB	Upgrade outdated system (cost split HT/FB)	11,500	-	-	-	-
Repair Service Parking Lot Pavement	Repair paved service parking lot	17,500	-	-	-	-
Parking Lot Improvements	Resurface main parking lot	-	150,000	-	-	-
Fire						
Self Contained Breathing Apparatus	Breathing apparatus	-	15,000	15,000	15,000	15,000
Spreader/Cutter	Extrication tool to expedite emergency response	15,000	-	-	-	-
Opticom	Provide traffic control for emergency response at major intersections	35,000	-	-	-	-
Thermal Imager	Replaces an eight year old unit	-	-	-	-	10,500
Replace HVAC	Replace HVAC at Station 92	-	-	5,000	-	-



Capital Improvement Plan FY 2013-2017

Other Capital Additions Plan						
Description	Purpose/Justification	Budget	CIP			
		2013	2014	2015	2016	2017
Harness Track						
Barn Roof Replacement	Replace roof on Maint. Shop, Blk. Smith, Rest.	15,000	-	-	-	-
Structural Repairs Barns 11,12,14,15	Stabilize structural deficiencies	28,500	-	-	-	-
Monticello Gate Restructure	Rebuild entrance on Monticello for egress	50,000	-	-	-	-
Water Quality Enhancement Project	New- to filter silt from surface water runoff	55,000	-	-	-	-
Replace Fire Alarm System HT/FB	Upgrade outdated system (cost split HT/FB)	11,500	-	-	-	-
Structural Repairs Barns 16,17,18,19,20	Stabilize structural deficiencies	-	30,000	-	-	-
Interior Barn Work	Replace main interior supports in barns 2 & 3	-	30,000	-	-	-
Rebuild Turns on One Mile Track	Rebank turns that have flattened due to erosion	-	-	-	-	50,000
Replace Maintenance Shop & HT Office	New building for office space	-	-	150,000	-	-
Road Improvements	Improve road from entrance to restaurant	-	-	-	89,500	-
Police						
Replace HVAC	Replace HVAC equipment	6,000	-	-	-	-
Replace HVAC	Replace HVAC equipment	-	7,500	-	-	-
Replace HVAC	Replace HVAC equipment	-	-	7,500	-	-
Replace HVAC	Replace HVAC equipment	-	-	-	9,000	-
Replace HVAC	Replace HVAC equipment	-	-	-	-	10,000
Recreation						
Cannon Park Field House	Replace building to meet current codes	136,000	-	-	-	-
Cannon Park Playground	Replace playground equipment	30,000	-	-	-	-
Cannon Park Shelter	Replace metal roof on picnic shelter	-	7,500	-	-	-
Cannon Park Trail	Connect trail along McIntyre/Woods to sidewalk	-	40,000	-	-	-
Rassie Wicker Park	Improvements to Park	131,000	-	150,000	-	-
Greenway Trails	Addition to trails	150,000	150,000	150,000	150,000	150,000
Greenway Trail Repairs	Repair trails/upgrade surface to new standard	-	-	25,000	-	-
Greenway Trail Repairs	Repair trails/upgrade surface to new standard	-	-	-	25,000	-
Total Other Capital Additions		\$ 1,365,000	\$ 587,500	\$ 1,021,000	\$ 447,500	\$ 845,500



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.

Annexation – to incorporate territory into the domain of the Village.

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

ARRA – American Recovery and Reinvestment Act.

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

Baldrige Criteria for Performance Excellence – A national quality award program focused on achieving performance excellence built upon a set of interrelated core values and concepts.

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.

Budget Summary – A brief overview of the budget that helps readers to quickly become acquainted with the key elements of the budget.

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.

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.

Community Development Block Grant (CDBG) – Grants from the U.S. Department of Housing and Urban Development to states that are competitively awarded to local governments for housing related infrastructure.

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 (updated in 2010) 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 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.

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

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

ETJ – The acronym used for extraterritorial jurisdiction.

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

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

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

FTE – The acronym used for Full Time Equivalent.

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

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

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

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, community development, 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.

NCAfE – This is the North Carolina Awards for Excellence program that is a performance excellence journey modeled after the Baldrige Criteria for Performance Excellence.

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.

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.

TOPS Training – Training and education opportunities made available to all employees throughout the year. An annual calendar details the training opportunities and employees register for the classes that are personally and/or professionally beneficial to them. TOPS is an acronym for **Traini**ng** **O**f the **P**inehurst **S**taff.**

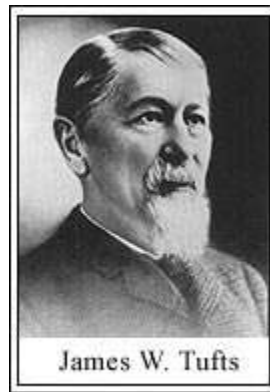
Unencumbered Balance – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

Village Place - The proper name for the Village expansion area, formerly known as New Core. It is an area bounded by Magnolia, Community and McCaskill Roads, currently home to commercial and industrial uses including the Village’s Public Services operation center.



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.



Development of Village Center

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.



Tufts brought in a young Scotsman named Donald Ross to design golf courses, and his No. 2 (originally built in 1902 with only man and mule power and then redesigned by Ross) is still consistently listed among the worlds' finest golf courses. Donald Ross, the father of golf, was a huge part of our heritage and history, as he influenced many golf course designers such as Peter Tufts and Ellis Maples.



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, adjusted for an annexed area effective March 31, 2010, Pinehurst had a population of 14,206 people in the year 2010. The 2010 population is a 61% increase from its population in 2000. 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 Logo

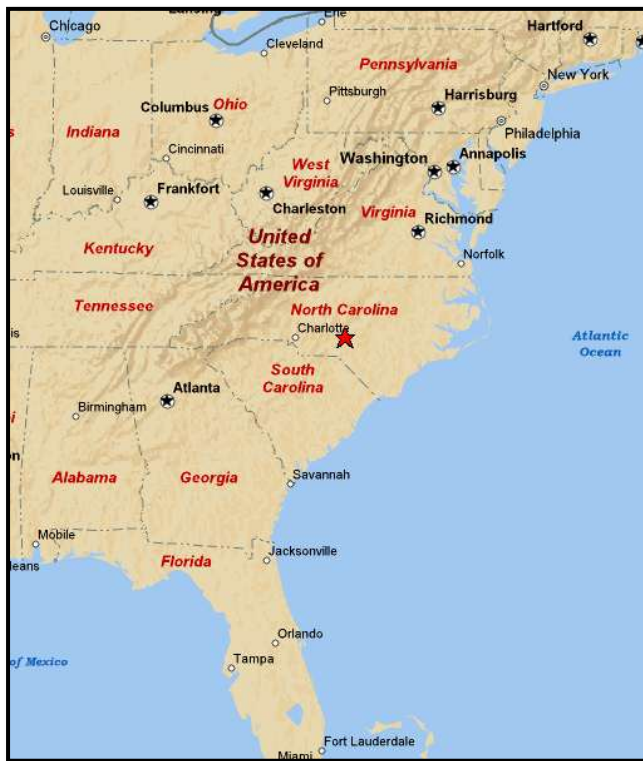


Demographic Characteristics

With a current population of 14,783, 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). Pinehurst Resort will also be hosting 14 days of championship play in 2014, with back to back U.S. Open and U.S. Women's Open Championships – for the first time in history.

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 and horse shows at various times throughout the year. The Village has 3 major parks that include an in-line hockey rink, tennis courts, ball diamonds and concession stands, playgrounds and disc golf. The Village also has an extensive 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 17 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.



Operating Indicators by Function Last Nine Fiscal Years

Function	Fiscal Years								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government									
Financial Services									
Purchase orders issued	509	440	323	262	207	225	260	280	295
Vendor checks issued	2,919	3,595	2,673	2,529	2,427	2,448	2,333	2,471	2,444
Human Resources									
Workers' compensation lost time (days)	n/a	n/a	322	6	60	12	446	32	425
Employee turnover rate	n/a	n/a	9.0%	9.0%	9.4%	7.8%	7.9%	9.2%	8.5%
Fleet Maintenance									
Tire work orders completed	100	125	150	186	132	311	216	116	188
10-point service performed	500	300	350	200	291	233	208	194	288
Public Safety									
Fire Protection									
Public fire & life safety classes	341	95	95	219	204	167	159	170	176
Incident calls	715	743	842	922	827	843	855	884	1,031
Structure fires	18	24	21	26	56	63	44	55	58
Inspections	467	877	766	824	787	732	620	423	784
Child passenger seat inspections	n/a	389	833	579	583	396	173	222	228
Police Protection									
Physical arrests	178	172	206	202	262	585	444	445	233
Citations issued	971	1,479	1,560	1,285	3,806	3,891	3,993	2,970	3,053
Response to calls/officer initiated activity	11,588	11,782	11,500	9,801	11,866	13,513	13,640	14,495	14,362
Traffic accidents	446	467	447	432	483	500	474	418	476
Inspections									
Building inspections conducted	7,661	11,064	11,286	10,588	9,194	7,683	5,409	4,281	4,370
Certificates of occupancy issued	231	214	254	271	227	169	181	156	197
Transportation									
Street resurfacing (miles)	3.3	4.9	5.0	5.0	6.3	5.6	4.8	3.2	6.4
Environmental Protection									
Refuse collected (tons annually)	4,677	5,673	4,578	4,287	4,392	4,094	3,948	3,849	4,124
Homes receiving service	6,040	n/a	6,345	6,485	6,651	6,782	6,862	7,686	7,736
Recyclables collected (tons annually)	n/a	330	305	369	568	943	966	1,473	1,734
Economic & Physical Development									
Building permits issued	321	374	318	378	424	359	278	259	239
Zoning compliance investigations	473	538	475	480	477	690	624	475	501
Cultural & Recreation									
Recreation									
Number of parks	4	4	4	4	4	4	4	4	4
Program participants	354	361	398	468	679	830	939	1,065	1,739
Athletics participants	1,437	1,456	1,507	1,503	1,556	1,982	2,323	2,287	2,296
Harness Track									
Standardbred stalls leased	222	270	280	285	249	220	281	251	276
Facilities reserved (days)	95	67	62	45	32	30	20	30	32
Fair Barn									
Events	31	61	67	87	89	84	80	88	113
Rental days	39	85	125	131	117	95	98	96	120

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	Capita Income (2)	Median Age (2)	Unemployment Rate (3)
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	4.5%
2009	2008	11,632	610,890,250	52,518	60.4	6.2%
2010	2009	13,277	694,911,723	52,340	60.4	10.3%
2011	2010	13,601	434,198,324	31,924	58.4	9.7%

Sources:

- (1) Office of State Budget and Management.
- (2) U.S. Census Bureau.
- (3) North Carolina Employment Security Commission.
- (4) A change in municipal boundary effective 3/31/10 increased the certified population in fiscal year 2010 by 1,482.

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	2011		2002	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 163,446,800	4.87%	\$ 70,949,916	5.33%
Country Club of North Carolina	32,020,713	0.95%	13,530,981	1.02%
Pinewild Project Limited PTNS	28,826,969	0.86%	-	0.00%
Pinehurst Surgical Clinic	27,156,035	0.81%	6,187,656	0.46%
Pinehurst Medical	17,975,290	0.54%	7,709,363	0.58%
Progress Energy Carolinas	11,327,060	0.34%	8,373,096	0.63%
MTMM Associates (Carolina Eye Assoc.)	10,289,611	0.31%	4,487,040	0.34%
SCOP (Surgery Center of Pinehurst)	7,377,562	0.22%	-	0.00%
Branch Banking and Trust Co.	6,011,662	0.18%	-	0.00%
Pleasant Living Health Care (Quail Haven)	-	0.00%	5,550,700	0.42%
Francis Maser	5,613,400	0.17%	-	0.00%
Carolina Telephone and Telegraph	-	0.00%	3,700,996	0.28%
Total	<u>\$ 310,045,102</u>	<u>9.23%</u>	<u>\$ 120,489,748</u>	<u>9.19%</u>

Sources:

Moore County Tax Department

Notes:

2011 and 2002 data are for tax years 2010 and 2001 respectively.



The Carolina Hotel



Personnel Classification Schedule

Classification Plan Summary	Budgeted 2008-2009	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013
General Government					
Administration					
Administration	7.0	6.0	6.0	6.0	6.0
Financial Services	4.0	4.0	4.0	4.0	3.5
Human Resources	2.0	2.0	2.0	1.5	3.0
Fleet Maintenance	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds Maintenance	6.0	7.0	6.0	6.0	6.0
Information Technology	3.0	3.5	3.5	4.0	4.0
Total General Government	25.0	25.5	24.5	24.5	25.5
Public Safety					
Police	30.0	32.0	29.0	28.0	28.0
Fire	30.0	30.0	30.0	30.0	30.0
Inspections	3.2	2.0	2.0	2.0	2.0
Total Public Safety	63.2	64.0	61.0	60.0	60.0
Economic and Physical Development					
Planning	7.0	7.0	7.0	6.5	6.5
Community Development	2.0	2.5	2.5	0.0	0.0
Total Economic and Physical Development	9.0	9.5	9.5	6.5	6.5
Transportation					
Public Services Administration	3.0	3.0	3.0	3.0	3.0
Streets and Grounds	15.0	15.0	13.0	15.0	15.0
Total Transportation	18.0	18.0	16.0	18.0	18.0
Environmental Protection					
Solid Waste	9.0	9.0	9.0	9.0	9.0
Total Environmental Protection	9.0	9.0	9.0	9.0	9.0
Cultural and Recreation					
Parks and Recreation	4.3	5.0	5.0	5.0	5.0
Harness Track	4.4	5.0	4.5	4.0	4.0
Fair Barn	2.5	2.5	2.5	1.8	1.8
Total Cultural and Recreation	11.2	12.5	12.0	10.8	10.8
GRAND TOTAL	135.4	138.5	132.0	128.8	129.8

Population	11,632	11,795	13,460	14,783	14,886
Employees per 1,000 Population	11.6	11.7	9.8	8.7	8.7



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2008-2009	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013
General Government					
Administration					
Village Manager	1.0	1.0	1.0	1.0	1.0
Assistant Village Manager, Admin & Financial Svcs	1.0	1.0	1.0	1.0	1.0
Assistant Village Manager, Operations	1.0	1.0	1.0	1.0	1.0
Village Clerk	1.0	1.0	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0	1.0	1.0
Customer Service Representative	2.0	1.0	1.0	1.0	1.0
Total Administration	7.0	6.0	6.0	6.0	6.0
Financial Services					
Director of Financial Services	1.0	1.0	1.0	1.0	1.0
Operations Manager, Financial Services	1.0	1.0	1.0	1.0	1.0
Finance Technician	2.0	2.0	2.0	2.0	1.5
Total Financial Services	4.0	4.0	4.0	4.0	3.5
Human Resources					
Director of Human Resources	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	0.0	0.0	0.0	0.0	1.0
Human Resources Generalist	1.0	1.0	1.0	0.5	1.0
Total Human Resources	2.0	2.0	2.0	1.5	3.0
Fleet Maintenance					
Fleet Manager	1.0	1.0	1.0	1.0	1.0
Mechanic	2.0	2.0	2.0	2.0	2.0
Total Fleet Maintenance	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds					
Parks Supervisor	1.0	1.0	1.0	1.0	1.0
Buildings and Grounds Supervisor	0.0	0.0	0.0	0.0	0.0
Grounds Specialist	4.0	4.0	4.0	4.0	4.0
Maintenance Technician	1.0	2.0	1.0	1.0	1.0
Total Buildings & Grounds	6.0	7.0	6.0	6.0	6.0
Information Technology					
System Administrator	1.0	1.0	1.0	1.0	1.0
Director of Information Technology	1.0	1.0	1.0	1.0	1.0
Network Administrator	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	0.0	0.5	0.5	1.0	1.0
Total Information Technology	3.0	3.5	3.5	4.0	4.0
Total General Government	25.0	25.5	24.5	24.5	25.5



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2008-2009	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013
Public Safety					
Police					
Police Chief	1.0	1.0	1.0	1.0	1.0
Captain, Police Department	1.0	1.0	1.0	1.0	1.0
Lieutenant	4.0	4.0	4.0	4.0	4.0
Sergeant	4.0	5.0	5.0	5.0	5.0
Detective	1.0	1.0	1.0	1.0	1.0
Officer	14.0	7.0	4.0	3.0	4.0
Sr.Patrol Officer	0.0	3.0	3.0	3.0	2.0
Master Patrol Officer	0.0	5.0	5.0	5.0	5.0
Telecommunications Specialist	4.0	4.0	4.0	4.0	4.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Total Police	30.0	32.0	29.0	28.0	28.0
Fire					
Fire Chief	1.0	1.0	1.0	1.0	1.0
Deputy Fire Chief/Fire Marshall	1.0	1.0	1.0	1.0	1.0
Fire and Life Safety Educator	1.0	1.0	1.0	1.0	1.0
Shift Commander	3.0	3.0	3.0	3.0	3.0
Acting Shift Commander	0.0	2.0	2.0	2.0	3.0
Lieutenant	4.0	4.0	4.0	4.0	3.0
Acting Lieutenant	0.0	11.0	11.0	11.0	10.0
Senior Firefighter	1.0	1.0	1.0	1.0	1.0
Firefighter	19.0	6.0	6.0	6.0	7.0
Total Fire	30.0	30.0	30.0	30.0	30.0
Inspections					
Building Code Official	1.0	1.0	1.0	1.0	1.0
Building Inspector - Level III	2.2	1.0	1.0	1.0	1.0
Total Inspections	3.2	2.0	2.0	2.0	2.0
Total Public Safety	63.2	64.0	61.0	60.0	60.0



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2008-2009	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013
Economic & Physical Development					
Planning					
Director of Planning and Inspections	1.0	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	2.0	2.0	2.0
Planner	1.0	1.0	0.0	0.0	0.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Planning Technician	1.0	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	1.0	1.0
Customer Service Representative	1.0	1.0	1.0	0.5	0.5
Total Planning	7.0	7.0	7.0	6.5	6.5
Community Development					
Director of Engineering	1.0	1.0	1.0	0.0	0.0
Engineering Technician	1.0	1.0	1.0	0.0	0.0
Administrative Assistant	0.0	0.5	0.5	0.0	0.0
Total Community Development	2.0	2.5	2.5	0.0	0.0
Total Economic & Physical Development	9.0	9.5	9.5	6.5	6.5
Transportation					
Public Services Administration					
Director of Public Services	1.0	1.0	1.0	1.0	1.0
Assistant Director, Public Services	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Total Public Services Administration	3.0	3.0	3.0	3.0	3.0
Streets and Grounds					
Infrastructure Supervisor	0.0	0.0	0.0	1.0	1.0
Crew Leader (CDL), Streets and Grounds	2.0	1.0	1.0	0.0	0.0
Team Leader, Streets and Grounds	2.0	1.0	1.0	1.0	1.0
Equipment Operator III/Foreman	0.0	0.0	0.0	1.0	1.0
Maintenance Worker (CDL), Streets and Grounds	2.0	2.0	2.0	3.0	4.0
Maintenance Worker, Streets and Grounds	9.0	11.0	9.0	9.0	8.0
Total Streets and Grounds	15.0	15.0	13.0	15.0	15.0
Total Transportation	18.0	18.0	16.0	18.0	18.0



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2008-2009	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013
Environmental Protection					
Solid Waste					
Solid Waste Supervisor	1.0	1.0	1.0	1.0	1.0
Solid Waste Worker (CDL)	6.0	6.0	6.0	6.0	6.0
Solid Waste Worker	2.0	2.0	2.0	2.0	2.0
Total Solid Waste	9.0	9.0	9.0	9.0	9.0
Total Environmental Protection	9.0	9.0	9.0	9.0	9.0
Cultural and Recreation					
Parks and Recreation					
Director of Parks and Recreation	1.0	1.0	1.0	1.0	1.0
Recreation Program Coordinator	2.0	2.0	2.0	2.0	2.0
Seasonal Part-Time (FTE)	1.3	2.0	2.0	2.0	2.0
Total Parks and Recreation	4.3	5.0	5.0	5.0	5.0
Harness Track					
Harness Track Supervisor	1.0	1.0	1.0	1.0	1.0
Harness Track Specialist, CDL	1.0	1.0	1.0	1.0	0.0
Harness Track Specialist	2.0	2.0	2.0	1.8	2.8
Seasonal Part-Time (FTE)	0.4	1.0	0.5	0.3	0.3
Total Harness Track	4.4	5.0	4.5	4.0	4.1
Fair Barn					
Fair Barn Events Coordinator	1.0	1.0	1.0	1.0	1.0
Fair Barn Events Assistant (FTE)	0.5	0.5	0.0	0.3	0.3
Seasonal Part-Time (FTE)	1.0	1.0	1.5	0.5	0.5
Total Fair Barn	2.5	2.5	2.5	1.8	1.8
Total Cultural and Recreation	11.2	12.5	12.0	10.8	10.9
GRAND TOTAL	135.4	138.5	132.0	128.8	129.9