



2014 Budget in Brief

Letter from the Mayor

The Village's proposed budget for fiscal year (FY) 2014 is driven by the commitment to ensure Pinehurst is a charming, vibrant community which reflects our rich history and traditions. This past year, you gave us feedback on the services we provide to you through the 2012 Community or Business Survey. Based on that feedback, the Village Council has decided to focus on the following four service areas, while continuing to provide high levels of service in other areas:

- Promote economic opportunity,
- Provide safe and adequate transportation,
- Provide cultural & recreational opportunities, and
- Preserve and enhance the community's character.



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

The FY 2014 budget maintains the current tax rate of \$0.28 per \$100 valuation for the 7th consecutive year and is a slight reduction from the current year's budget. The Village's cost containment efforts over the past several years have been effective in controlling the cost of services so funds can be devoted to ensuring the quality and amount of services that our residents and businesses require and expect.

As in the past, the budget is prepared utilizing sound financial policies and reflects the Village Council's thoughtful consideration about the services provided and the level of capital investment. Professional staff's daily stewardship of tax dollars, combined with sound financial planning has recently resulted in the Village's credit rating being increased to an equivalent bond rating of Aa/AA by the national rating agencies.

Several new initiatives are planned for FY 2014 and I encourage you to read further about those in this document and the full budget document which can be found on our website at www.vopnc.org.

Nancy Fiorillo, Mayor
Village of Pinehurst, NC





General Fund Expenses (\$17.6 million)

This year, the Council has identified four service areas of focus. Strategic initiatives planned for 2014 include:

1. *Promote Economic Opportunity*

- Support businesses and promote the Village in a way that ensures a vibrant, viable, and thriving business community.

- Provide public restrooms in the Village Center (\$30,000)
- Enhance communications with business owners (no added cost)

2. *Provide Safe Traffic & Pedestrian Mobility*

- Provide well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity.

- Prepare an alternative transportation master plan for sidewalks, greenways, & bike paths (\$85,000 – funded by a \$65,000 grant)
- Install wayfinding signage and one gateway sign (\$125,000)
- Evaluate street lighting needs (no added cost)
- Partner with NCDOT on installation of sidewalk and decorative stoplights on Hwy 211 (\$336,000 - in FY 2015)
- Continue to enhance Village roadways with the Annual Street Resurfacing Program (\$800,000)

3. *Provide a Variety of Recreational & Cultural Opportunities*

- Offer recreation programs, facilities, and community events to enhance the overall quality of life.

- Support the Given Memorial Library operations and expansion (\$360,000)
- Enhance the quality of athletic fields (\$20,000)
- Secure dedicated indoor space for youth and adult programming (\$75,000)

4. *Preserve the Character & Ambience of the Village*

- Deliver planning, infrastructure, code enforcement, and landscape maintenance services to enhance the quality of life in neighborhoods and the Village Center.

- Enhance landscaping of highly visible public areas (\$53,000)
- Evaluate yard debris collection process for efficiency improvements (no added cost)

Other noteworthy initiatives include:

- Automate the agenda preparation and distribution process to provide residents with electronic access to the Council's meeting agendas in advance of their meetings (\$13,150)
- Develop and implement effective methods to recruit volunteers, using technology and other means (\$1,000)

- Develop a systematic process for onboarding members of Council appointed boards and commissions (\$1,000)

In addition, the FY 2014 Budget for salaries includes merit raises ranging from 0-2% for Village employees. The budget also includes increasing a part-time IT position to full-time. Employee benefit increases include an additional \$75,000 for group health insurance, due to negative experience and the Affordable Health Care Act, and an additional \$63,000 for an increased retirement contribution rate imposed by the State.

Significant Capital Expenditures

The FY 2014 Budget includes a total of \$2.3 million in capital expenditures, or 13% of the total budget. Capital includes \$1.2 million in routine replacement of fleet and equipment, including: \$550,000 for a fire truck; \$245,000 for two garbage trucks; and \$150,000 for a vacuum sweeper. Other significant capital items include \$135,000 to construct a parking lot in the Arboretum to access the new Timmel Pavillion and \$300,000 for drainage projects.





General Fund Revenues (\$17.6 million)

The primary revenue source for the Village is property taxes, accounting for 55% of total revenues, or \$9.7 million. In FY 2014, the Village will maintain the current tax rate of \$0.28 per \$100 valuation.

Generating \$2.6 million, sales taxes are the second largest revenue source for the Village, representing 14% of the budget. Two cents of the 6 ¾ cents paid in sales tax comes back to the Village to help fund operations.

Building permit revenues are projected to increase to \$250,000 due to a slight uptick in building levels and anticipated increases in inspections.

The Village will receive \$700,000 in license fees associated with USGA usage of the Harness Track and other park facilities during the 2014 US Open Championships.

The Village is also budgeting to use \$601,000 of appropriated fund balance (or Village savings), which is below the expected budget-to-actual variance of \$902,000.

Long-Term Debt

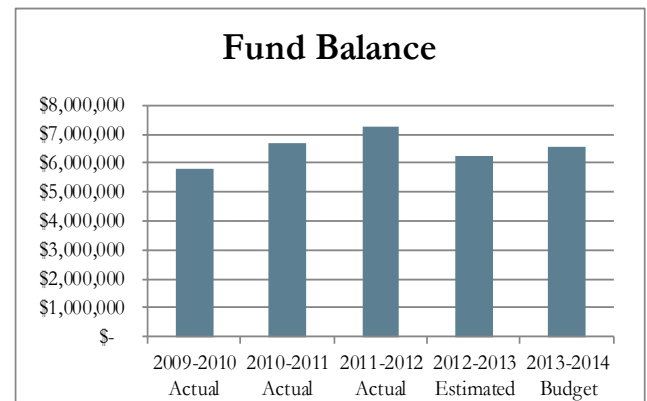
The Village continues to pay down its debts and has only \$2.0 million in long-term debt outstanding. Total required principal and interest payments for FY 2014 amount to \$468,000, or 2.6% of the total annual budget. The Village plans to finance the purchase of the \$550,000 fire truck in FY 2014.



Fund Balance

The Council has adopted a policy to keep the Village's fund balance, or our savings, between 30% and 40% of total expenditures. The FY 2014 budget anticipates the Village will add approximately \$301,000 to fund balance at the close of the fiscal year, ending with a fund balance of roughly 37% of expenditures.

Because the Village is required by NC law to spend less than we budget and because revenues typically come in slightly higher than we budget, there is a budget-to-actual variance that is anticipated to be 6.0% of the budgeted amount, or \$902,000. The amount of appropriated fund balance in the FY 2014 budget is \$601,000. Hence, we expect to add \$301,000 to fund balance at the end of FY 2014.



Village of Pinehurst

395 Magnolia Road
910.295.1900
www.vopnc.org



Viewing the Budget Online

To view the FY 2014 Budget online, go to www.vopnc.org.

On the Budget "launch" page, citizens can open the entire FY 2014 Budget and Strategic Operating Plan document or an individual section. The link for the entire document gives the file size to let users know how large the file is before they click on the link to download.

The table of contents is also linked, allowing readers to jump to individual sections from the table of contents.

All of the documents are searchable PDFs, so you can hit Ctrl+F and enter any word in the document to find all occurrences in the text.

Capital Improvement Plan (CIP)

The Village's Five-Year Capital Improvement Plan for FY 2014-2018 totals \$11.6 million and is a reduction of 27% from the prior year's CIP of \$16 million.

The only capital project included in the CIP is the construction of the Carriage House Parking Facility. Though included in the CIP in FY 2015-2016, construction of the Carriage House Parking Facility will not commence until the Council has evaluated the need for additional parking given parking availability after the new lot on the Village Green is opened for a sufficient period of time and the timing of the expansion of the Given Memorial Library. At this time, there are no planned expenditures in the FY 2014 Budget related to the Carriage House Parking Facility project.

The CIP also includes the routine replacement of capital and other improvements totaling \$8.8 million over five years.



VILLAGE OF PINEHURST
395 MAGNOLIA ROAD
PINEHURST, NC 28374

PRSRT STD
U.S. POSTAGE
PAID
PINEHURST, NC
PERMIT NO. 66

POSTAL PATRON
PINEHURST, NC 28370

