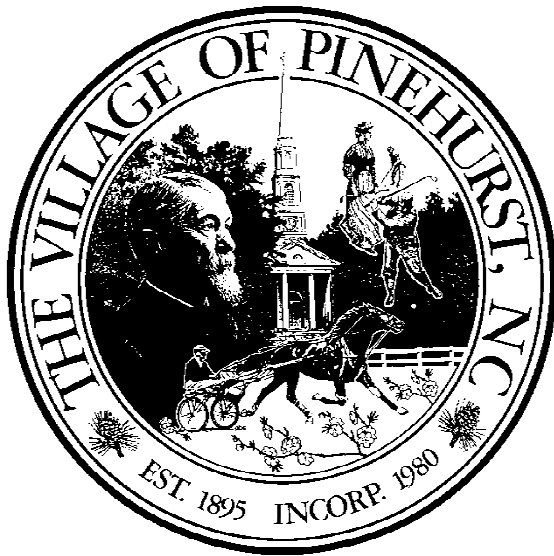


FY 2010-2014

# Capital Improvement Plan



Financial Services  
Village of Pinehurst  
1/13/2009

# *Village of Pinehurst Capital Improvement Plan FY 2010-2014*

## *Executive Summary*

The CIP includes improvements with a total estimated cost of \$21,287,020 over the next five years. The FY 2009-2013 CIP totaled \$19,793,650 this represents an increase of \$1,493,370, or 7.5%, from the previous plan. In the first two years of the plan, there have been sharp reductions in planned capital outlays and new positions due to the current economic recession. For example, capital expenditures in FY 2010 are 6.3% less than the same period in the previous CIP and no new positions are planned.

There are a total of five (5) capital projects identified, three (3) of which were included in last year's CIP, as well as various capital improvements, vehicles and equipment. Available Village funds or cash will fund 47% of the capital outlays, while another 40% is funded with installment purchase financing and 13% is funded with grants.

Highlights of the plan include:

- Maintain consistent tax rate and revenue neutral rate in the revaluation year.
- Add thirteen positions (13 FTEs) in five years with four of these attributed to the Pinewild annexation.
- Pinewild annexation effective date is estimated to be January 1, 2010.
- Funding for the construction of a public services/fleet maintenance facility to replace the existing complex on McCaskill Road. The Village plans to secure installment financing and commence construction in FY2010 and sell our current facility in FY2012.
- Construction of the Cannon Park Recreation Center is planned to begin in FY2011 and be completed in FY2012. Installment financing obtained in FY2011 will be used to fund this project.
- Investment in Greenway construction and Rassie Wicker Park development will begin again in FY2014 after a five-year deferral of both of these projects.
- Drainage or storm water improvements are reduced by 53% from \$1,500,000 to \$707,000.
- Transportation items include the annual resurfacing and striping of roughly five (5) miles per year of Village roadways, maintaining a twenty-year life cycle for resurfaced streets on average.
- The plan also includes intersection improvements, and other miscellaneous traffic improvements.

Fund balance during the period is projected to be within the Council's desired range of 27%-33%. Also debt service as a percentage of total expenditures is projected to remain at what is widely accepted as moderate to low levels.

To summarize, the CIP represents a \$21 million plan to address the capital improvement needs of the Village. Capital expenditures are driven by the types and levels of service the Village chooses to provide to its citizens. The Village's projected capital spending over the planning horizon is roughly 18% lower than the historical average for our peer group. This is due primarily to the projected reduction in revenues available for capital expenditure. The current recession may also reduce the level of capital investment by our peer group in the future. 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.

# Village of Pinehurst

## Capital Improvement Plan

### FY 2010-2014

January 13, 2009

Mayor and Village Council  
 Village of Pinehurst  
 North Carolina

Dear Council:

We respectfully submit to you the proposed Capital Improvement Plan (CIP) for the Village of Pinehurst for fiscal years (FY) 2010 through 2014. The CIP is a planning tool designed to aid policy makers in the acquisition and orderly replacement of capital assets. The plan is updated annually to ensure that it is based on the most accurate information available and is reflective of the current and projected economic environment. Adoption of the CIP by the Village Council does not constitute a commitment to fund a particular item, but rather signifies an intent to fund capital outlay at the indicated level during the ensuing years.

#### Overview

The CIP includes improvements with a total estimated cost of \$21,287,020 over the next five years. These costs are divided into three major areas - Vehicles/Equipment, Capital Improvements and Capital Projects. The CIP adopted by the Council for FY 2009-2013 totaled \$19,793,650. This year's CIP total represents an increase of \$1,493,370, or approximately 7.5%, from the previous year. It is worth noting that departmental requests this year were just below \$29,000,000. Maintaining the current property tax rate and reductions in other revenue projections in the proposed CIP resulted in nearly \$8,000,000 in requests being deferred or unfunded.

There are a total of five (5) capital projects identified, three of which were included in last year's CIP. The two new projects are resuming capital investments in Rassic Wicker Park and the Greenway system which were included in previous capital plans but were not funded in last year's CIP. Specific criterion is used to determine whether or not a capital request is classified as a project. The criterion is: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year and (3) the attributes of the project such as type, location, size, etc. must be specifically identified.

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

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

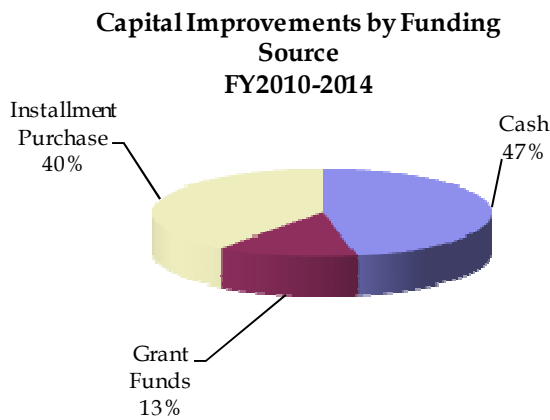
Major Area	Cost of Capital	% of Total
Vehicles/Equipment	\$ 4,765,400	22%
Capital Improvements	6,607,000	31%
Capital Projects	9,914,620	47%
TOTAL	<u>\$ 21,287,020</u>	<u>100%</u>

**Funding Sources**

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

**Table 2 -CIP Revenue/Funding Sources Summary**

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



As you can see, the majority of the capital improvements are funded with available Village funds or cash, while another 40% is funded with installment purchase financing. Installment financing is appropriately used to spread the cost of acquiring assets with longer useful lives over longer periods of time. The available Village funds utilized in the CIP would consist of appropriations from the General Fund and the Village’s Capital Reserve Fund.

Some highlights of the proposed Capital Improvement Plan include:

- Funding for the construction of a public services/fleet maintenance facility to replace the existing complex on McCaskill Road. The Village plans to secure installment financing and commence construction in FY2010 and sell our current facility in FY2012.
- Construction of the Cannon Park Recreation Center is planned to begin in FY2011 and be completed in FY2012. Installment financing obtained in FY2011 will be used to fund this project.
- Investment in Greenway construction and Rassie Wicker Park development will begin again in FY2014 after a five-year deferral of both of these projects.
- Drainage or storm water improvements are reduced by 53% from \$1,500,000 to \$707,000.
- Transportation items include the annual resurfacing and striping of roughly five (5) miles per year of Village roadways, maintaining a twenty-year life cycle for resurfaced streets on average.
- The plan also includes intersection improvements, and other miscellaneous traffic improvements.

### General Fund

In developing the financing sources for the CIP, Village staff analyzed the impact of the CIP on the Village's General Fund. The table below indicates the estimated annual impact on the General Fund for projects, improvements and vehicles/equipment identified in the CIP. Included in the table is the estimated incremental debt service, along with any other operating expenditure, that would result from the General Fund capital projects. It also indicates the cost of those capital items the Village intends to pay for with cash obtained in the current fiscal year and funds generated in previous fiscal years and set aside in the Capital Reserve Fund.

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

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

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

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

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

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

At this time, the Village anticipates the annexation of a large residential area known as Pinewild effective January 1, 2010. This date represents management's best estimation of when the state legal challenge opposing the annexation will be resolved. Population as a result of this annexation will increase by approximately 1,350 residents or 11%. The financial impact of this annexation is included in the projected amounts in Table 4 below. It should be noted that the Village will incur operating expenses in FY2010 to service Pinewild but will not receive any property tax revenue to fund the expenditures until FY2011. Also included in Table 4 is the impact of the revaluation of real and personal property in FY 2012, with a projected revenue neutral tax rate.

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

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

**Projected Impact on General Fund Balance**

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

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

**Fund Balance**

The Village's fund balance continues to remain healthy and can absorb the anticipated capital expenditures that exceed available resources. In the planning horizon, fund balance is projected to be 27%-33% of expenditures which is the desired range stated in the Village's Fund Balance policy. These

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

**Debt Service**

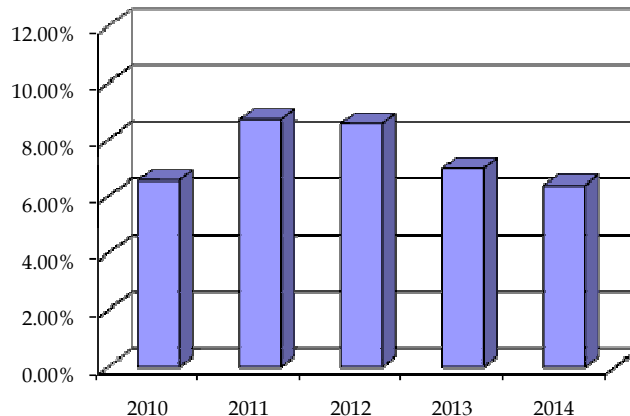
To determine estimated debt service, we assumed a 4.20% interest rate amortized over 10 years for the fire truck and 15 years for the buildings. As presented, the Village’s CIP will result in additional annual debt service costs ranging from \$548,000 up to \$882,850 during the planning horizon. However, due to the payoff of the Taylorhurst road improvements in FY 2009, the Village will free up approximately \$24,000 in annual debt service in 2010. In addition, it is important to note that existing annual debt service will decrease significantly starting in FY 2012. This is due to the payoff of the Village Hall debt in FY 2012 and the Police Station debt in FY 2013. Annual debt service on the Village Hall and the Police Station are \$287,000 and \$280,000 respectively.

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

	Fiscal Year Ending June 30				
	2010	2011	2012	2013	2014
Existing Debt Service Payments	\$ 1,038,823	\$ 1,027,365	\$ 848,340	\$ 529,249	\$ 377,727
Additional Debt Service:					
Fire Truck - Unit 914	-	-	-	-	81,650
Public Services Facility	-	548,039	533,917	519,796	505,675
Cannon Park Rec Center	-	-	311,582	303,554	295,525
Total Additional Debt Service	-	548,039	845,499	823,350	882,850
<b>Total Debt Service</b>	<b>\$ 1,038,823</b>	<b>\$ 1,575,403</b>	<b>\$ 1,693,839</b>	<b>\$ 1,352,599</b>	<b>\$ 1,260,577</b>
Estimated Expenditures	15,838,400	18,070,834	19,787,864	19,324,357	19,741,634
<b>% of Expenditures</b>	<b>6.56%</b>	<b>8.72%</b>	<b>8.56%</b>	<b>7.00%</b>	<b>6.39%</b>

During the planning horizon, the Village’s debt service as a percentage of total expenditures is projected to remain at what is widely accepted as a moderate to low level of debt service. Projected debt service is higher in 2011 and 2012, but falls back to historical levels in 2013.

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



In addition, a comparison of the Village's debt service per capita to its peer group, as shown in Table 6, indicates the Village's debt service per capita is consistent with our peer group in the first few years of the forecast and then drops to considerably lower than the peer group. The Local Government Commission (LGC), a division of the NC Department of State Treasurer, compiles financial data for all local governments in the State. The LGC defines our peer group as other municipalities in North Carolina with populations between 10,000 and 50,000 that do not operate electric utilities.

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

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

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

**Capital Reserve Fund**

Table 7 indicates the projected balance in the Capital Reserve Fund during the planning period. This analysis includes the estimated transfers into the reserve from the General Fund and the estimated transfers out to fund capital items that are included in the CIP. Under the Village's Capital Reserve policy, 75% of Article 44 Sales Tax is transferred from the General Fund to the Capital Reserve Fund each year. Other noticeable transfers in the plan include the proceeds from the sale of land in the New Core area, as mentioned previously

**Table 7 - Projected Capital Reserve Fund**

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

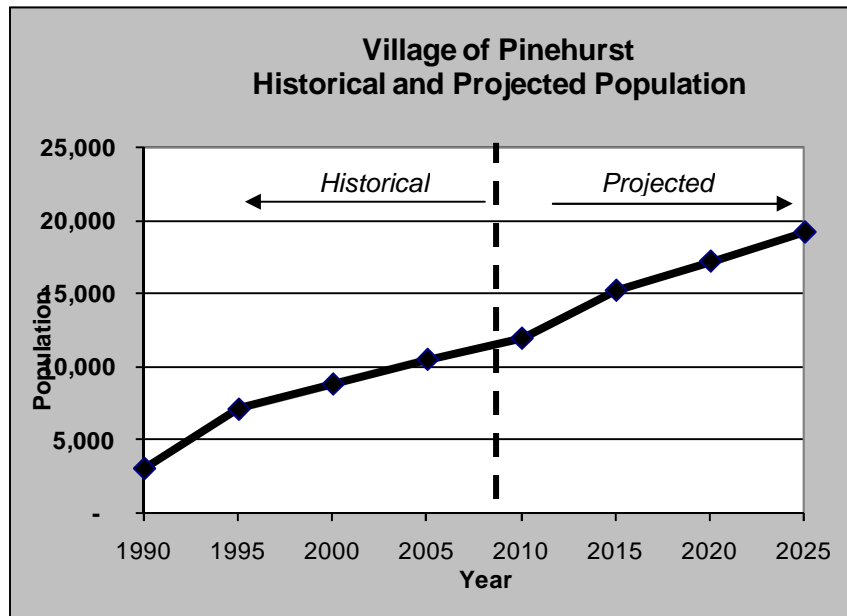
**Peer Comparisons**

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



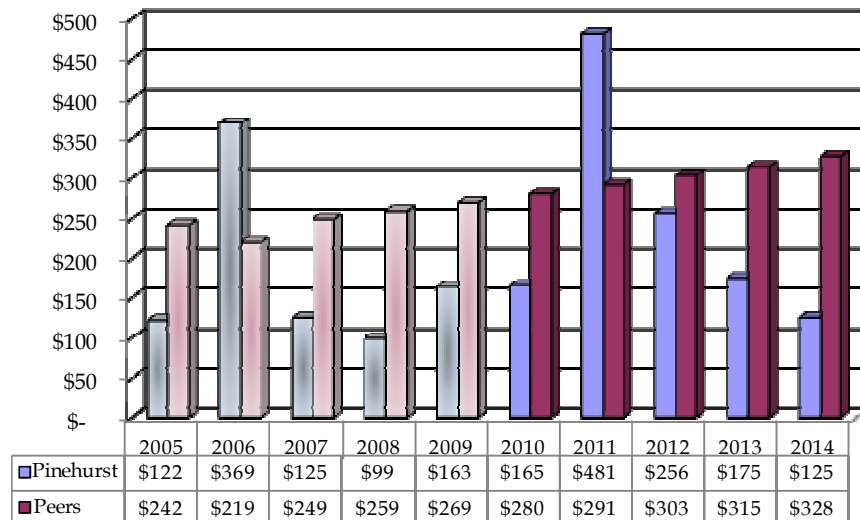
spending, or the dollar amount spent per resident. The second method is to compare the amount of capital expenditures as a percentage of total expenditures.

The per capita cost of implementing the CIP is based on the estimated population of the Village. The current population projections anticipate a growth rate of approximately 316 people annually. Upon the annexation of Pinewild, the population growth is expected to approximate 400 people per year. The graph on the following page depicts the growth the Village has experienced in the past and the continued growth that it anticipates to occur through the CIP planning period and beyond.



The chart below shows the Village’s historical and projected per capita spending levels on capital compared to its peer group. The peer group per capita amounts are assumed to increase at an annual rate of 4%.

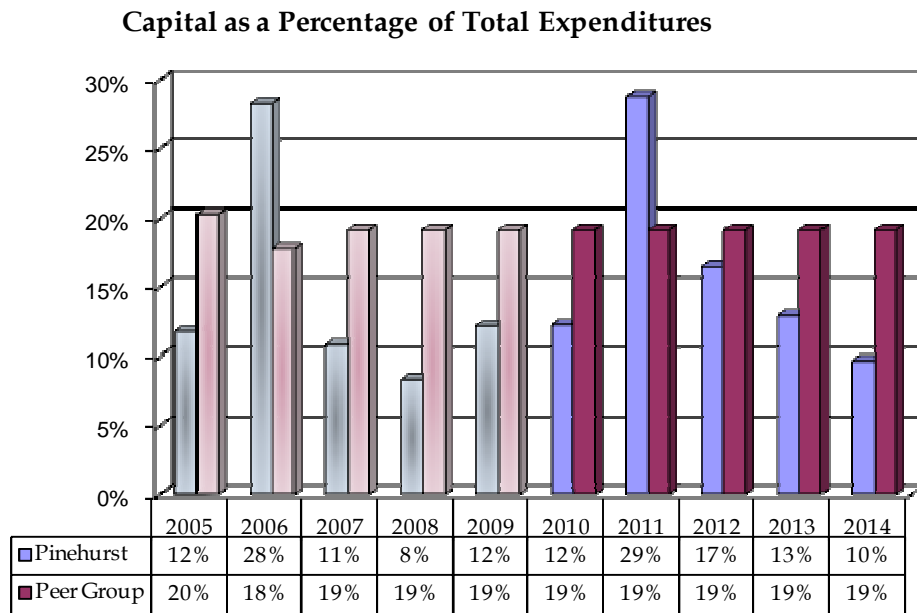
**Capital Expenditures Per Capita**



Review of this graph indicates that in FY 2006 and FY 2011 the Village's per capita spending levels exceed that of its peers considerably. In 2006 this was due to the construction of a \$2.6 million fire station, a near \$1 million park project, and a \$500,000 dam rehabilitation project. For FY 2011 this is due to the completion of a \$5.6 million public services/fleet maintenance facility and expenditures of approximately \$1.0 million for the construction of a \$3.4 million Cannon Park Recreation Center to be completed in FY2012. The other years in the planning horizon indicate capital spending is consistent with or considerably below our peer group.

Over the past five years, the Village's peer group typically spent around \$232 per capita on annual capital expenditures, or roughly 20% of their net consolidated budget. During that same time period, the Village has spent an average of \$182 per capita on capital expenditures, or 18% of the net consolidated budget.

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



Should the Village strive to allocate its resources for capital improvements at a level similar to its peers, the Village would aim to spend approximately \$3.2 - \$4.3 million on capital expenditures annually. This would include not only expenditures within the Village's General Fund, but would also include expenditures separately tracked in Capital Project Funds. The table below shows what the Village's CIP funding levels would be if the Village allocated resources at a level comparable to our peers. The table then indicates how the projected CIP compares to the target spending levels. Over the course of the planning horizon, total spending on capital is below targeted spending levels by \$3.7 million or 18%. This is due primarily to the projected reduction in revenues available for capital expenditure. The peer data we are using is gathered looking back at historical trends. The current recession may also reduce the level of capital investment by our peer group in the future.

**Table 8 - Capital Expenditures Comparable to Peer Group**

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

\*Total CIP Reduced by Road Resurfacing

**Summary**

To summarize, the CIP represents a \$21 million plan to address the capital improvement needs of the Village. Capital expenditures are driven by the types and levels of services the Village chooses to provide to its citizens. This proposal allows us to maintain the current level of most services to our citizens and expand others. Our projections of revenues and expenditures indicate the Village is in a position to fund the CIP as presented with no impact on the Village’s current tax rate. Although not increasing the tax rate is a worthy goal, several capital and staffing needs will go unfunded or be deferred under this assumption.

The development of this CIP is only one step in the maintenance and development of Village owned facilities and infrastructure. This CIP provides a guide for decision makers and the citizens. By fully examining alternatives and funding options during the planning process, the Village Council and management are able to make more fully informed decisions and maximize Village resources.

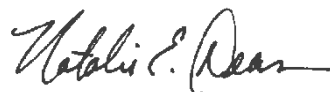
Once the capital improvements plan is prepared or updated on an annual basis, it is presented to the Village Council for their approval. After the CIP is approved, staff will attempt to include funding in the appropriate fiscal year to proceed with the project. The Village Council then appropriates funds in the annual budget for staff to be able to move forward with a project. Therefore, adoption of the CIP does not constitute a commitment to appropriate the funds, but rather signifies the Council’s intent to fund capital at the indicated levels during the annual budget process.

We believe the CIP as presented is a solid proposal and has been prepared in accordance with the guidance and direction provided by the Village Council. We would like to thank the Council members and the Senior Leadership Team for their support and assistance in developing the CIP. We look forward to discussing this proposal with the Council and jointly continuing to serve the citizens of the Village of Pinehurst.

Sincerely,



Andrew M. Wilkison  
Village Manager



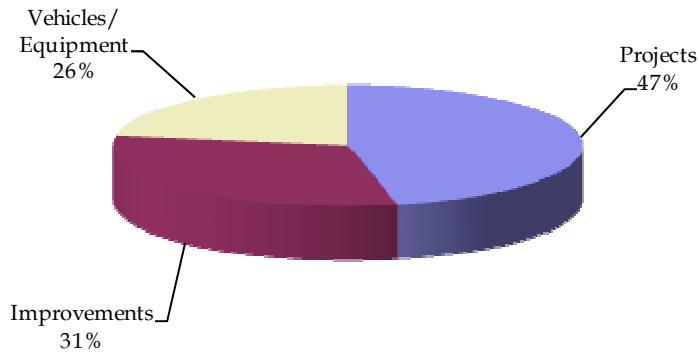
Natalie E. Dean  
Assistant Village Manager

*Summary Exhibits*  
*Capital Improvement Plan*

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

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

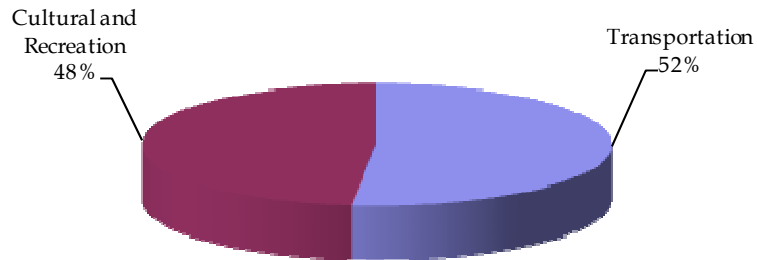
**Exhibit 2  
Total Cost of All CIP by Category**



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

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

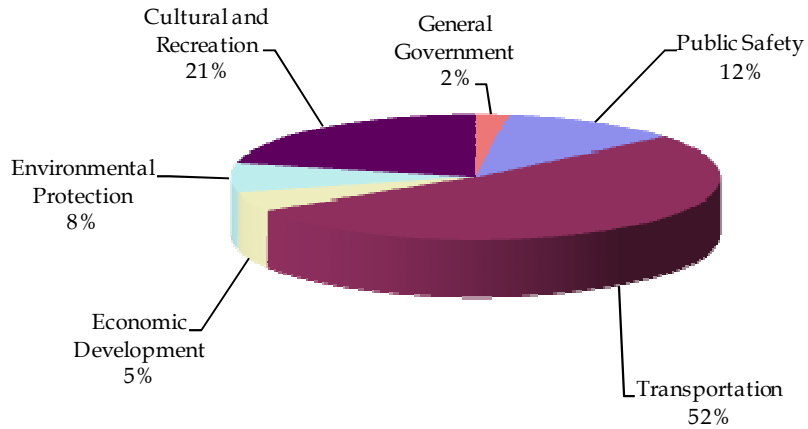
**Exhibit 4  
Total Cost of All CIP Projects by Function**



**Exhibit 5 - Detail of Total CIP by Function**

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

**Exhibit 6  
CIP Projects by Function**



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

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



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

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

## *Capital Projects*

## Public Services Facility

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

### PROJECT DESCRIPTION/JUSTIFICATION

The new facility will combine the current Public Services and Fleet Maintenance facilities, located on McCaskill Road, into one complex. The current facilities are in the New Core area, which has been identified for expansion of the Village Center, and do not provide an environment to insure the efficiency and effectiveness of public services and fleet maintenance operations. The site of the new complex was purchased in 2007. The buildings within the complex are estimated to be a total of approximately 18,000 square feet. It includes an administrative building comprised of offices, locker rooms, a training room, a break room and restrooms. It also includes equipment and supply storage buildings, including bins for salt, dirt, rock, etc., and four double-sided bays for vehicle and equipment maintenance.

### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Appropriations	\$ 5,613,787	\$ 570,487	\$ 807,875	\$ 4,235,425	\$ -	\$ -	\$ -
TOTAL	\$ 5,613,787	\$ 570,487	\$ 807,875	\$ 4,235,425	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 570,487	\$ 570,487	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Financing	5,043,300		807,875	4,235,425	-	-	-
TOTAL	\$ 5,613,787	\$ 570,487	\$ 807,875	\$ 4,235,425	\$ -	\$ -	\$ -

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

## Roadway Improvements

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

### PROJECT DESCRIPTION/JUSTIFICATION

These projects include pedestrian improvements on NC-211 in FY 2010 and intersection improvements at NC5, Barrett and McCaskill roads in FY 2011 – FY2013. The improvement specifications have not been determined but suggestions include turn lanes, roundabouts, traffic signals and pedestrian facilities including sidewalks along NC211. The population of Pinehurst alone is expected to reach 20,000 people by the year 2025 and traffic on major roads to roughly double by that time. These projects will help mitigate the effects of the traffic growth on these major roads thus improving traffic operations and safety, reduce congestion, as well as provide visual gateways to the Village and more direct linkage to the Village Center. These projects will assist the Village in meeting the goals identified as future transportation needs in the 2003 Comprehensive Long-Range Plan.

### FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Appropriations	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
TOTAL	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
Funding Source:							
Cash	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -
TOTAL	\$ 537,500	\$ -	\$ 187,500	\$ 35,000	\$ 15,000	\$ 300,000	\$ -

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

## ***Cannon Park Recreation Center***

<b>Department</b>		Parks and Recreation Department
<b>Project Cost</b>		\$3,412,320
<b>Project Priority</b>	<u>X</u>	Repair or renovation of existing capital assets obsolete or worn out needed to maintain the current level of service provided
	<u>X</u>	Eliminates deficiencies in providing a service at the current level of demand
	___	Eliminates a public hazard or threat to public safety
	<u>X</u>	Improvements or new capital assets that significantly improve the efficiency of operations
	<u>X</u>	New capital assets needed to improve or expand the existing level of service or provide a new service

### **PROJECT DESCRIPTION/JUSTIFICATION**

The Cannon Park Recreation Center would be located at the site of the old Village Hall in Cannon Park or potentially within Rassic Wicker Park near the Police Station. The Recreation Center would include restrooms, a lobby, a full size gymnasium, program/activity classrooms, multi-purpose room, office space for staff, and associated landscaping and parking. The facility will be an estimated 17,000 square feet and will provide the space needed to meet expanding program needs. These needs are for youth and adult athletic leagues, full-day summer day camps, adult fitness and craft classes, and also to allow for expansion into other programs such as after-school programming and additional fitness & exercise classes all of which will improve the quality of life in the Village.

### **FINANCIAL INFORMATION**

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2010	2011	2012	2013	2014
Appropriations	\$ 3,412,320	\$ 45,000	\$ -	\$ 925,822	\$ 2,441,498	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 3,412,320</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ 925,822</b>	<b>\$ 2,441,498</b>	<b>\$ -</b>	<b>\$ -</b>
Funding Source:							
Grants	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Cash	45,000	45,000	-	-	-	-	-
Installment Financing	2,867,320	-	-	2,867,320	-	-	-
<b>TOTAL</b>	<b>\$ 3,412,320</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ 2,867,320</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>

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

## Greenways

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

### PROJECT DESCRIPTION/JUSTIFICATION

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

### FINANCIAL INFORMATION

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

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

## *Rassie Wicker Park Development*

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

### PROJECT DESCRIPTION/JUSTIFICATION

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

### FINANCIAL INFORMATION

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

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