

FY 2009-2013

Capital Improvement Plan



Financial Services
Village of Pinehurst
1/22/2008

Village of Pinehurst Capital Improvement Plan FY 2009-2013

Executive Summary

The CIP includes improvements with a total estimated cost of \$19,793,650 over the next five years. The FY 2008-2012 CIP totaled \$20,424,942 this represents a decrease of \$631,292, or 3.1%, from the previous plan. It is worth noting that departmental requests this year exceeded \$30,000,000.

There are a total of four (4) 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 38% is funded with installment purchase financing and 15% is funded with grants.

Highlights of the plan include:

- Maintain consistent tax rate and revenue neutral rate in the revaluation year.
- Add twenty-one positions (20.5 FTEs) in five years with four of these attributed to the Pinewild annexation.
- Delay the effects of the Pinewild annexation in the plan from FY 2009 to FY 2011.
- Constructing and financing a public services/fleet maintenance facility to replace the existing complex on McCaskill Road. The Village plans to sell 6.9 acres of land in the New Core area in 2009 and transfer the proceeds to the Capital Reserve Fund for capital expenditures.
- Constructing and financing the Cannon Park Recreation Center in FY 2010 and FY 2011. This has been delayed from FY 2009.
- Discontinue greenway and Rassie Wicker Park development, to provide funding to accelerate the Cannon Park Recreation Center.
- Increase in drainage or storm water improvements by 11% to \$1,500,000.
- Maintain a twenty-year life cycle for resurfaced streets by resurfacing roughly five (5) miles per year of Village roadways.

Fund balance is projected to be 28%-32% of expenditures during the period which falls 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 \$20 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 4% higher than its peers. This is due to the construction of two major facilities. This proposal allows us to maintain the current level of most services to our citizens and expand others. Our projections of revenues and expenditures indicate the Village is in a position to fund the CIP as presented with no impact on the Village's current tax rate. Although not increasing the tax rate is a worthy goal, many capital and staffing needs will go unfunded or be deferred significantly under this assumption.

Village of Pinehurst

Capital Improvement Plan

FY 2009-2013

January 22, 2008

Mayor and Village Council
 Village of Pinehurst
 North Carolina

Dear Council:

We respectfully submit to you the proposed Capital Improvement Plan (CIP) for the Village of Pinehurst for fiscal years (FY) 2009 through 2013. The CIP is a planning tool designed to aid policy makers in the acquisition and orderly replacement of capital assets. The plan is updated annually to ensure that it is based on the most accurate information available. Adoption of the CIP by the Village Council does not constitute a commitment to fund a particular item, but rather signifies an intent to fund capital outlay at the indicated level during the ensuing years.

Overview

The CIP includes improvements with a total estimated cost of \$19,793,650 over the next five years. These costs are divided into three major areas - Vehicles/Equipment, Capital Improvements and Capital Projects. The CIP adopted by the Council for FY 2008-2012 totaled \$20,424,942. This year's CIP total represents a decrease of \$631,292, or approximately 3.1%, from the previous year. It is worth noting that departmental requests this year exceeded \$30,000,000. Maintaining the current property tax rate in the proposed CIP resulted in nearly \$10,000,000 in requests being deferred or unfunded.

There are a total of four (4) capital projects identified, three (3) of which were included in last year's CIP. Specific criterion is used to determine whether or not a capital request is classified as a project. The criterion is: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Funding for additional development in Rassie Wicker Park and the greenway system expansion are discontinued to provide funding to proceed with the Cannon Park Recreation Center. Also, based on an increase in the estimated cost to renovate Barn 5, that project has been reclassified from an improvement to a capital project.

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

Table 1 - Capital Cost By Major Area

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

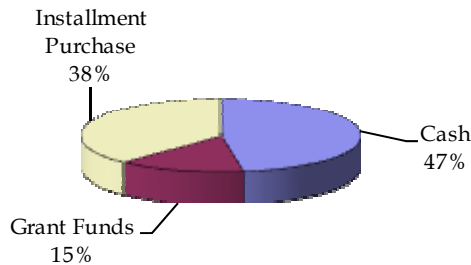
Funding Sources

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

Table 2 -CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
Cash	\$ 9,386,950
Grant	2,900,000
Installment Financing	7,506,700
TOTAL	\$ 19,793,650

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



As you can see, the majority of the capital improvements are funded with available Village funds or cash, while another 38% is funded with installment purchase financing. Installment financing is appropriately used to spread the cost of acquiring assets with longer useful lives over longer periods of time. The available Village funds utilized in the CIP would consist of appropriations from the General Fund and the Village’s Capital Reserve Fund.

Some highlights of the proposed Capital Improvement Plan include:

- Funding for the construction of a public services/fleet maintenance facility to replace the existing complex on McCaskill Road. The Village plans to sell our current facility, secure installment financing, and commence construction in FY2009.
- Funding for the construction of the Cannon Park Recreation Center is planned for FY 2010 and 2011.
- Funding for additional development in Rassie Wicker Park and the greenway system expansion is discontinued to provide funding to proceed with the Cannon Park Recreation Center.
- Drainage or storm water improvements are increased by 11% to \$1,500,000.
- Transportation items include the annual resurfacing and striping of roughly five (5) miles per year of Village roadways, maintaining a twenty-year life cycle for resurfaced streets on average.
- The plan also includes intersection improvements, and other miscellaneous traffic improvements.

General Fund

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

Table 3 - General Fund Impact of the CIP

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

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

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

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

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

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

Fund Balance

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

Table 4 - Projected Budgeted General Government Revenues and Expenditures

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

Projected Impact on General Fund Balance

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

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

Debt Service

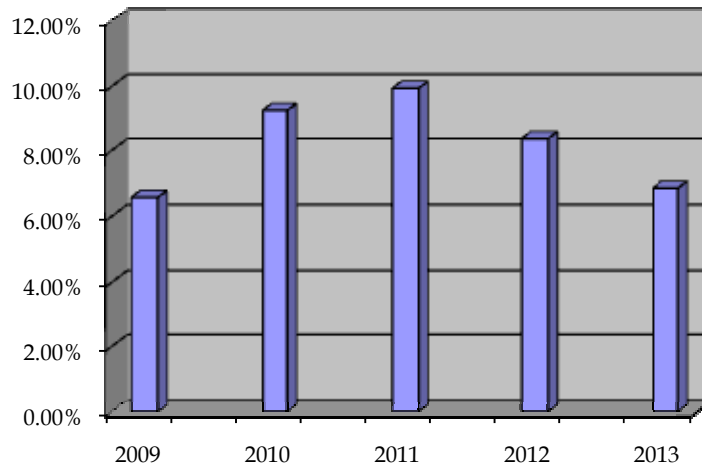
To determine estimated debt service, we assumed a 4.20% interest rate amortized over 10 years for the fire trucks and 15 years for the buildings. As presented, the Village’s CIP will result in additional annual debt service costs ranging from \$71,000 up to \$796,527 during the planning horizon. However, due to the payoff of the Taylorhurst road improvements in FY 2009, the Village will free up approximately \$24,000 in annual debt service in 2010. In addition, it is important to note that existing annual debt service will decrease significantly starting in FY 2012. This is due to the payoff of the Village Hall debt in FY 2012 and the Police Station debt in FY 2013. Annual debt service on the Village Hall and the Police Station are \$287,000 and \$280,000 respectively.

Table 5 - Impact of CIP Debt Issuances on Debt Ratios

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

During the planning horizon, the Village’s debt service as a percentage of total expenditures is projected to remain at what is widely accepted as a moderate to low level of debt service. Projected debt service is higher in 2010 and 2011, but falls back to historical levels in 2013.

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



In addition, a comparison of the Village's debt service per capita to its peer group, as shown in Table 6, indicates the Village is between 10% and 40% below our peer group's debt service per capita. Our peer group consists of other municipalities in North Carolina with populations between 10,000 and 50,000 that do not operate electric utilities.

Table 6 - Projected Debt Service Expenditures vs. Peer Group

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

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

Capital Reserve Fund

Table 7 indicates the projected balance in the Capital Reserve Fund during the planning period. This analysis includes the estimated transfers into the reserve from the General Fund and the estimated transfers out to fund capital items that are included in the CIP and mentioned previously in this document.

Table 7 - Projected Capital Reserve Fund

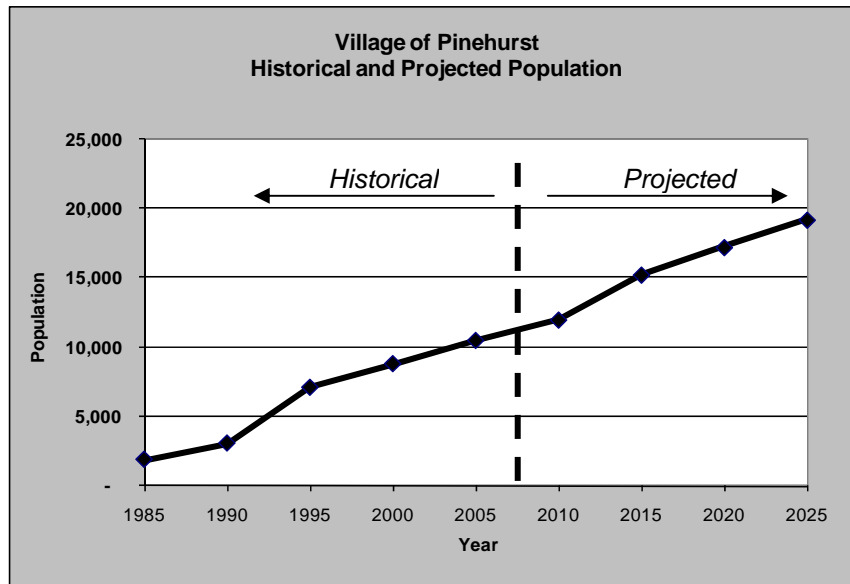
	2008	2009	2010	2011	2012	2013
Beginning Balance	\$ 249,891	\$ 283,388	\$ 1,083,773	\$ 227,174	\$ 200,261	\$ 186,671
Plus:						
Transfers from General Fund	373,500	1,939,050	400,050	414,000	428,400	443,250
Transfers from Other Funds	-	-	-	-	-	-
Interest Income	9,996	11,336	43,351	9,087	8,010	7,467
Total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

Peer Comparisons

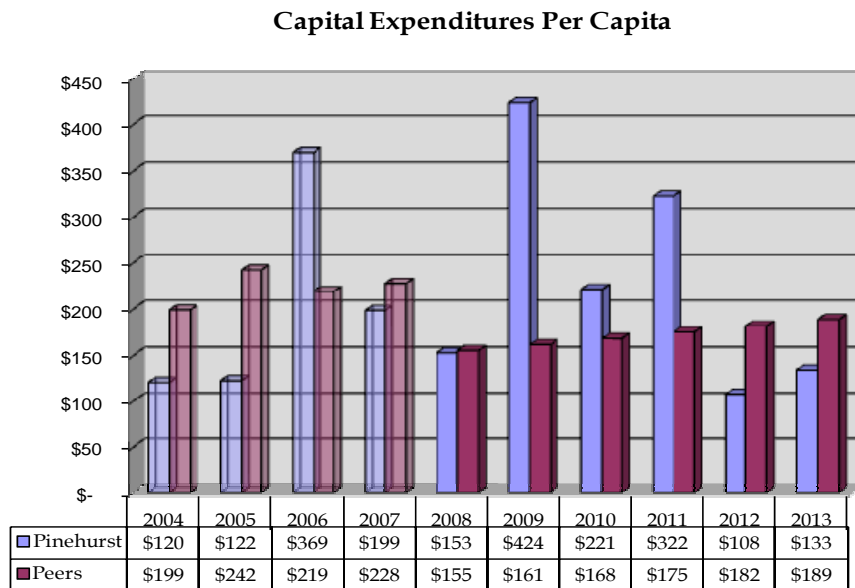
One way the Village can determine if it is spending an appropriate amount on capital expenditures is to compare itself to its peer group. The Local Government Commission, which is a division of the NC Department of State Treasurer, compiles financial data for all local governments in the State. There are two common ways for governments to compare its annual capital expenditures with those of its peers. The first method is to compare the Village's per capita spending, or the dollar amount spent per resident.

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%.

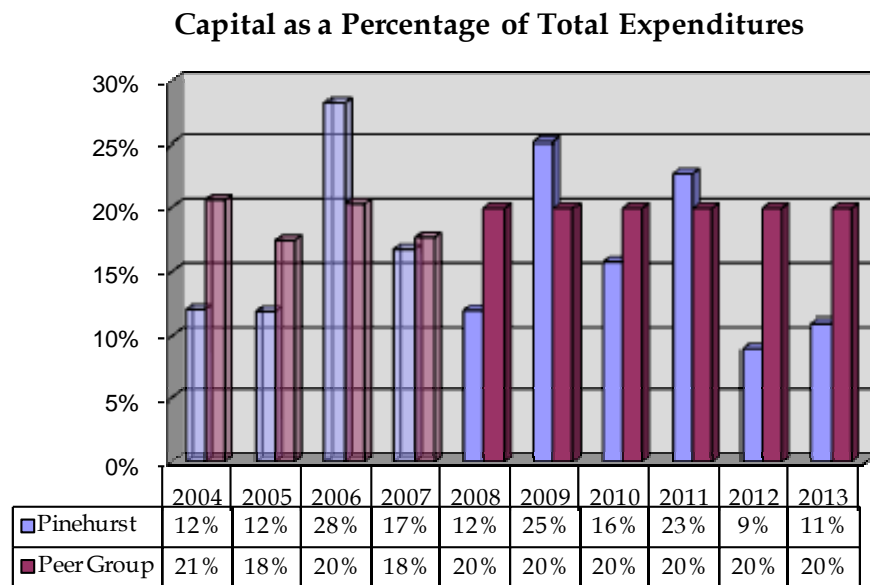


Review of this graph indicates that in FY 2006, FY 2009 and FY 2011 the Village's per capita spending levels exceed that of its peers considerably. In 2006 this was due to the construction of a \$2.6 million fire station, a near \$1 million park project, and a \$500,000 dam rehabilitation project. For FY 2009 this is due to the completion of a \$3.8 million public services/fleet maintenance facility. In FY 2011 this is due to the completion of the \$3.1 million Cannon Park Recreation Center. The other years in the planning horizon indicate capital spending is consistent with or considerably below our peer group.

It is worth mentioning that the Village's average household population is 2.05, which is lower than both the statewide average of 2.49 and the neighboring town of Southern Pines, whose average household population is 2.19. Therefore, the Village could expend the same amount of funds as our peers with the same number of households, but our per capita expenditures would be higher due to the lower per household population. Therefore, the Village should actually expect its per capita spending to be higher than its peers because of the lower per household population.

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

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



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

Table 8 - Capital Expenditures Comparable to Peer Group

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

*Total CIP Reduced by Road Resurfacing

Summary

To summarize, the CIP represents a \$20 million plan to address the capital improvement needs of the Village. Capital expenditures are driven by the types and levels of services the Village chooses to provide to its citizens. The Village’s projected capital spending over the planning horizon is roughly 4% higher than its peers. This is due to the construction of two major facilities. This proposal allows us to maintain the current level of most services to our citizens and expand others. Our projections of revenues and expenditures indicate the Village is in a position to fund the CIP as presented with no impact on the Village’s current tax rate. Although not increasing the tax rate is a worthy goal, several capital and staffing needs will go unfunded or be deferred under this assumption.

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

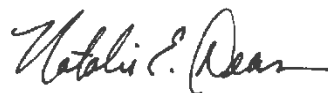
Once the capital improvements plan is prepared or updated on an annual basis, it is presented to the Village Council for their approval. After the CIP is approved, staff will attempt to include funding in the appropriate fiscal year to proceed with the project. The Village Council then appropriates funds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

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

Sincerely,



Andrew M. Wilkison
Village Manager



Natalie E. Dean
Assistant Village Manager

Summary Exhibits
Capital Improvement Plan

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

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

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

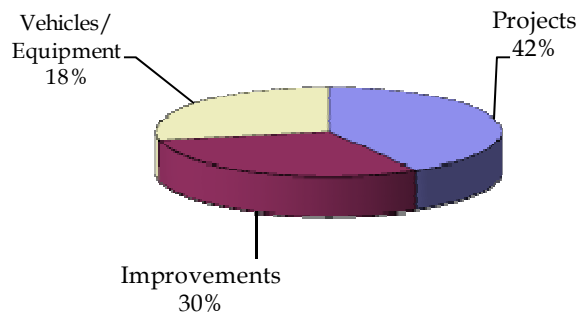


Exhibit 3 - Total Cost of CIP Projects From Inception Through 2013

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

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



Exhibit 5 - Detail of Total CIP by Function

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

Exhibit 6 - CIP Cost by Function

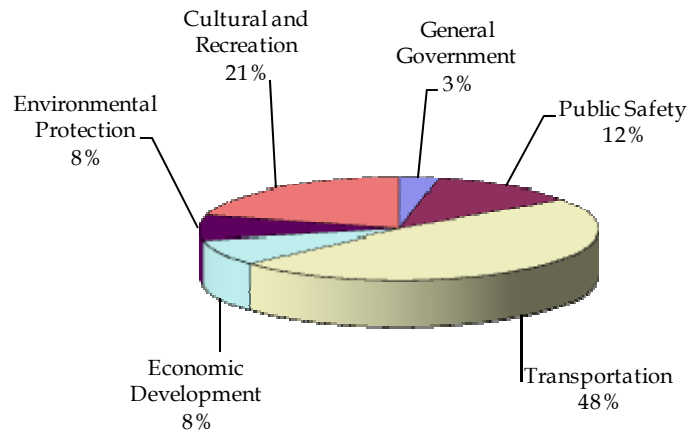


Exhibit 7 - Detail of Total CIP By Funding Source

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

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

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

Capital Projects

Public Services Facility

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

PROJECT DESCRIPTION/JUSTIFICATION

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

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Appropriations	\$ 4,512,187	\$ 720,487	\$ 2,684,000	\$ 1,107,700	\$ -	\$ -	\$ -
TOTAL	\$ 4,512,187	\$ 720,487	\$ 2,684,000	\$ 1,107,700	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 720,487	\$ 720,487	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Financing	3,791,700	-	3,791,700	-	-	-	-
TOTAL	\$ 4,512,187	\$ 720,487	\$ 3,791,700	\$ -	\$ -	\$ -	\$ -

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

Roadway Improvements

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

PROJECT DESCRIPTION/JUSTIFICATION

These projects include intersection improvements at NC5, Barrett and McCaskill roads in FY 2009; NC2 and Carolina Vista in FY2009; pedestrian improvements on NC-211 in FY 2010 through FY 2012; and intersection improvements at McKenzie-Graham roads. The projects will include turn lanes, roundabouts, traffic signals and pedestrian facilities including sidewalks along NC211. The population of Pinehurst alone is expected to reach 20,000 people by the year 2025 and traffic on major roads to roughly double by that time. These projects will help mitigate the effects of the traffic growth on these major roads thus improving traffic operations and safety, reduce congestion, as well as provide visual gateways to the Village and more direct linkage to the Village Center. These projects will assist the Village in meeting the goals identified as future transportation needs in the 2003 Comprehensive Long-Range Plan.

FINANCIAL INFORMATION

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2009	2010	2011	2012	2013
Appropriations	\$ 1,120,000	\$ -	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
TOTAL	\$ 1,120,000	\$ -	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
Funding Source:							
Cash	\$ 1,120,000	\$ -	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -
TOTAL	\$ 1,120,000	\$ -	\$ 310,000	\$ 200,000	\$ 280,000	\$ 330,000	\$ -

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

Cannon Park Recreation Center

Department	Parks and Recreation Department	
Project Cost	\$3,185,000	
Project Priority	<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 Rassie Wicker Park near the Police Station. The Recreation Center would include restrooms, a lobby, a full size gymnasium, program/activity classrooms, multi-purpose room, office space for staff, and associated landscaping and parking. The facility will be an estimated 17,000 square feet and will provide the space needed to meet expanding program needs. These needs are for youth and adult athletic leagues, full-day summer day camps, adult fitness and craft classes, and also to allow for expansion into other programs such as after-school programming and additional fitness & exercise classes all of which will improve the quality of life in the Village.

FINANCIAL INFORMATION

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

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

Barn 5 Renovations

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

PROJECT DESCRIPTION/JUSTIFICATION

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

FINANCIAL INFORMATION

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

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