



NORTH CAROLINA



2017 Strategic Operating Plan



VILLAGE OF PINEHURST

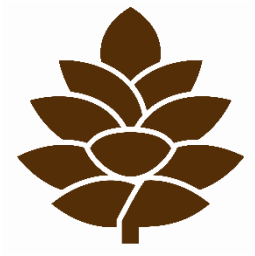
2017 Strategic Operating Plan

Including the

FY 2017 Budget



**Council Member Clark Campbell, Treasurer John Bouldry, Mayor Nancy Roy Fiorillo,
Council Member Claire Berggren, Mayor Pro-Tem John Cashion**



VILLAGE OF PINEHURST

**395 MAGNOLIA ROAD
PINEHURST, NC 28374**

910.295.1900

www.vopnc.org

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VISION

The Village of Pinehurst is a charming, vibrant community
which reflects our rich history and traditions.

MISSION

To promote, enhance, and sustain the quality of life
for residents, businesses, and visitors.

VALUES

Competent, Courteous, Professional, and Responsive

VILLAGE SENIOR LEADERSHIP

Village Manager	Jeff Sanborn
Assistant Village Manager	Jeff Batton
Assistant Village Manager	Natalie Dean
Village Clerk	Lauren Craig
Financial Services Director	John Frye
Human Resources Director	Angela Kantor
Chief Information Officer	Jason Whitaker
Police Chief	Earl Phipps
Fire Chief	Carlton Cole
Planning and Inspections Director	Kevin Reed
Public Services Director	Walt Morgan
Parks and Recreation Director	Mark Wagner
Fleet Maintenance Director	Randy Kuhn



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Welcome to the Village of Pinehurst! This Strategic Operating Plan (SOP) document represents the plans of the Village Council and staff to achieve our vision and accomplish our mission. We hope this document will prove to be a valuable tool for Village citizens, businesses, visitors, Council, and staff.



The Pinehurst Village Hall, located at 395 Magnolia Road

Strategic Operating Plans can be very complex and confusing. Should there be any 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 perspective (consolidated totals, etc.) to a more specific perspective (individual departments, divisions, etc.). Realizing that information needs differ for every reader, the document is divided into sections to make the information easy to locate.

Budget in Brief - The Budget in Brief provides an overview of the FY 2017 Budget that is a component of the Strategic Operating Plan. It helps the reader quickly understand what initiatives and other key elements are included in the annual budget.

Budget Message - In the Budget Message, the Village Manager discusses the proposed annual budget and any outside factors that were used in determining the budgeted expenditures and the revenues needed to cover these expenditures.

About Village Services - This section provides a description of the duties and responsibilities of the different Village departments and divisions.

Strategic Operating Plan Guide - This guide details the steps in preparing and adopting the annual budget, which is a component of the Strategic Operating Plan. 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 how the Village's finances are organized.



Strategies Priorities - This section provides an overview of the strategic planning process, the Village's Balanced Scorecard (BSC), and also contains the Council's goals and strategic objectives. Key Performance Indicators (KPIs) with short-term and long-term targets on the Village's Balanced Scorecard (BSC) are also included in this section along with specific initiative action plans aimed at achieving those performance targets.

General Fund - Every Village department or division appears with individual presentations of departmental budgets and key performance indicators (KPIs) with short-term and long-term targets. These are the most specific presentations within the document. This section also provides information on debt service and on capital expenditures contained in the current year budget.

Five-Year Financial Forecast - This section contains the Village's long-range financial forecast. The forecast is developed to ensure that adequate financial resources are available to meet future financial obligations. The forecast serves to inform decision makers of the long-term financial implications of the budgetary decisions they are making today.

Capital Improvement Plan (CIP) – The CIP outlines the Village's plan for the replacement and acquisition of capital assets over the five-year planning period. Capital assets include vehicles, equipment, infrastructure, and new facilities. The Village uses this plan to ensure that these investments are aligned with the Village's strategic direction.

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

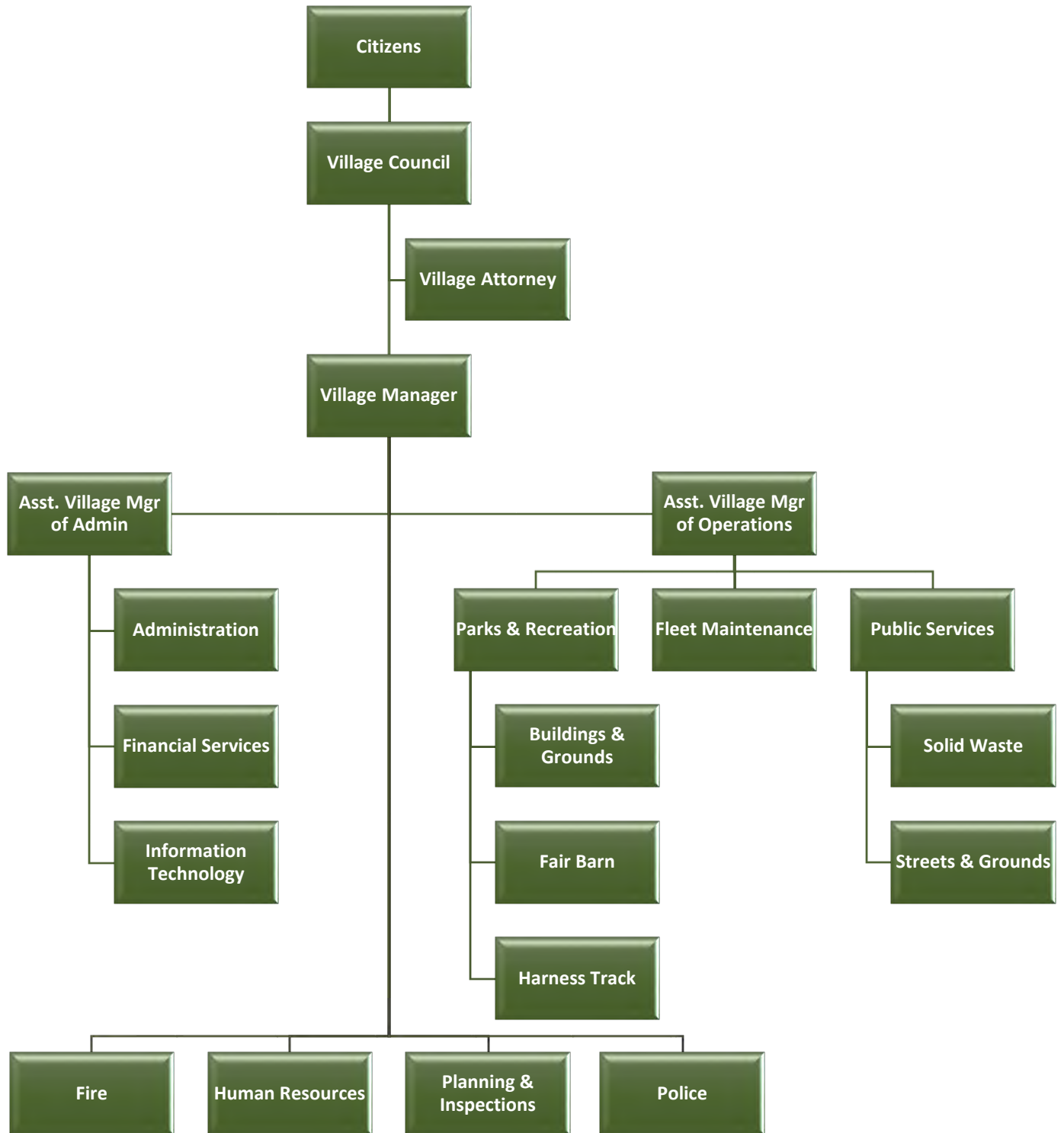
Budget Glossary - This section includes a list of common terms, acronyms and abbreviations used throughout the document. A detailed definition of these terms is provided to aid the reader in understanding the budget and strategic planning process.

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



See the *Personnel Classification Summary* for details of full-time equivalents (FTEs) by department.



Personnel Classification Summary

Personnel expenditures make up 60% of the Village's operating budget. The Personnel Classification Summary represents a five-year trend of staffing by function as well as a snapshot of the FTEs on which the FY 2017 Adopted Budget is based.

Fiscal Year 2017 Staffing By Function in Full-Time Equivalents

Classification Plan Summary	Budgeted FY 2013	Budgeted FY 2014	Budgeted FY 2015	Budgeted FY 2016	Budgeted FY 2017
General Government					
Administration					
Administration	7.0	7.0	7.0	7.0	7.0
Financial Services	3.5	3.5	3.5	3.5	3.5
Human Resources	2.5	2.5	2.5	2.5	2.5
Fleet Maintenance	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds Maintenance	6.0	6.0	6.0	6.0	6.0
Information Technology	4.0	4.8	4.8	4.8	4.8
Total General Government	26.0	26.8	26.8	26.8	26.8
Public Safety					
Police	28.0	28.0	28.0	28.0	31.3
Fire	30.0	30.0	30.0	30.0	30.0
Inspections	2.0	2.0	2.0	2.0	2.0
Total Public Safety	60.0	60.0	60.0	60.0	63.3
Economic and Physical Development					
Planning	6.0	6.0	6.0	6.0	6.0
Community Development	0.0	0.0	0.0	0.0	0.5
Total Economic and Physical Development	6.0	6.0	6.0	6.0	6.5
Transportation					
Public Services Administration	3.0	3.0	3.0	3.0	3.0
Streets and Grounds	15.0	15.0	15.0	15.0	15.0
Total Transportation	18.0	18.0	18.0	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	6.0	6.0	6.0	6.7	6.7
Harness Track	4.0	4.0	4.3	4.3	4.3
Fair Barn	1.8	1.8	1.8	1.8	1.8
Total Cultural and Recreation	11.8	11.8	12.1	12.8	12.8
GRAND TOTAL	130.8	131.6	131.9	132.6	136.4

Population	14,979	15,150	15,525	15,763	15,968
Employees per 1,000 Population	8.7	8.7	8.5	8.4	8.5

See the *General Fund* section for departmental staffing expenditures and explanation of staffing changes.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Pinehurst
North Carolina**

For the Fiscal Year Beginning

July 1, 2015

A handwritten signature in cursive script, reading "Jeffrey R. Emer".

Executive Director





Letter from the Mayor

The Village Council is committed to ensuring Pinehurst is a charming, vibrant community which reflects our rich history and traditions. For the past four years, you have given us feedback on our services through the annual Community and Business Surveys. The Council and staff have used that feedback, along with other relevant data, to prepare the 2017 Strategic Operating Plan that includes the FY 2017 Budget.

The Village Council has identified nine goals, supported by 15 strategic objectives on the Balanced Scorecard (BSC). The nine goals of the Village Council for FY 2017 are to:

1. Safeguard the community,
2. Ensure Pinehurst is a premier residential community,
3. Ensure a thriving business community,
4. Provide multimodal transportation systems,
5. Manage solid waste collection,
6. Maintain an active, healthy community,
7. Professionally manage a high performing organization,
8. Attract and retain an engaged workforce, and
9. Maintain a healthy financial condition.



Mayor Nancy R. Fiorillo

The FY 2017 Budget contains a tax rate of \$0.295 per \$100 valuation, which is ½ cent higher than the previous year's tax rate of \$0.29 per \$100 valuation. Areas of Focus for the Village for FY 2017 include improving the quality of neighborhoods, providing interconnected neighborhood sidewalks, enhancing community engagement, and increasing employee engagement.

In support of our goals and objectives, we have several Initiative Action Plans (IAPs) that span the five-year planning period of FY 2017–2021. This *Budget in Brief* describes the IAPs and other key items included in the FY 2017 Budget. For more information on IAPs and KPIs, please see the *Strategic Priorities* section of the 2017 Strategic Operating Plan, which may be found on our website at www.vopnc.org.

With diligent financial oversight, the Village's professional staff and Council have been effective stewards of our tax dollars, ensuring the delivery of quality services that our residents, businesses, and visitors require and expect. As in the past, the FY 2017 Budget is prepared utilizing sound financial policies and reflects the Council's thoughtful consideration of the services provided.

Several new initiatives are planned for FY 2017, and I encourage you to read further about those in the 2017 Strategic Operating Plan.

Nancy Fiorillo, Mayor
Village of Pinehurst, NC



General Fund Expenditures

The FY 2017 Budget includes 18 Initiative Action Plans (IAPs) at a cost of \$1.1 million to address the Council's nine goals on the BSC. In the five-year planning period there are a total of 23 IAPs at a cost of \$6.3 million. Additional information on the five-year IAPs can be found in the *Strategic Priorities* section of the 2017 Strategic Operating Plan. Initiative Action Plans in the FY 2017 Budget and their cost are as follows:

Customer Perspective

1. ***Safeguard the community (\$118,900)***
 - Fire Department accreditation - \$2,000
 - Traffic pre-emption program - \$12,500
 - Traffic enforcement - \$104,400
 - Citizens on Patrol - \$0
2. ***Ensure Pinehurst is a premier residential community (\$110,900)***
 - Land use analysis - \$50,000
 - Code enforcement - \$13,900
 - Street lighting - \$1,400
 - Marketing and promotion - \$45,600
3. ***Ensure a thriving business community (\$140,000)***
 - Streetscape enhancements - \$140,000
4. ***Provide multimodal transportation systems (\$506,200)***
 - Greenways - \$130,000
 - Neighborhood sidewalks - \$376,200
5. ***Manage solid waste collection (\$20,000)***
 - Supplemental yard debris collection - \$20,000
6. ***Maintain an active, healthy community (\$75,000)***
 - Recreation facilities - \$75,000

Balanced Scorecard

The BSC contains goals, objectives, and Key Performance Indicators (KPIs) in four perspectives to ensure a balanced approach to the evaluation of achievement of organizational strategy. These four perspectives are:

1. Customer
2. Internal
3. Employee
4. Financial

Internal Perspective

7. ***Professionally manage a high performing organization (\$32,400)***
 - Civic engagement - \$25,400
 - Continuous process improvement - \$7,000



Workforce Perspective

8. Attract and retain an engaged workforce (\$58,100)

- Workforce plans - \$1,000
- Learning and development system - \$0
- Police Department staffing - \$57,100

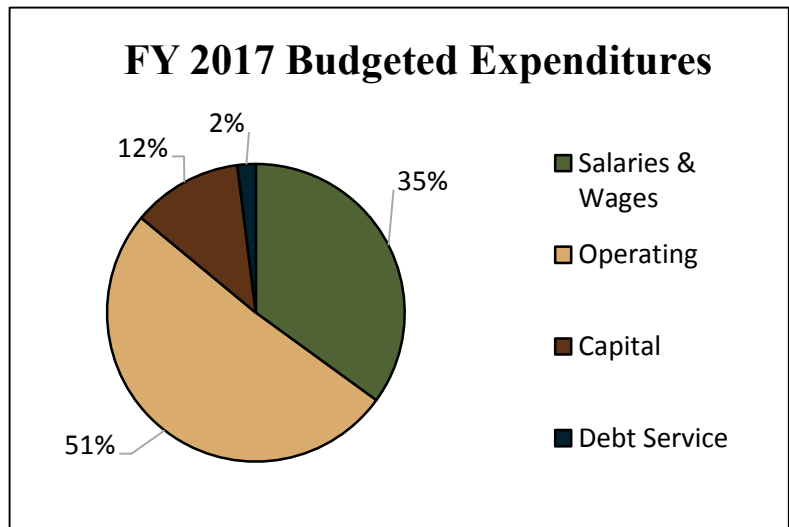
Financial Perspective

9. Maintain a healthy financial condition (\$0)

- There are no IAPs for this Council goal

The FY 2017 Budget for salaries and wages for the Village’s 136 full-time equivalents (FTEs) includes a total of \$174,000 for merit raises ranging from 0-3%. Also, the FY 2017 Budget includes the second year of a five-year phase out of the dependent coverage health insurance premium subsidy provided by the Village. The Village currently subsidizes 20% of dependent coverage insurance premiums for employees and will continue to pay for 100% of health insurance premiums for employees. This budget includes an increase of 3.75 full time equivalents (FTEs) for seven positions. A two-officer traffic team, paid reserve officers, and an administrative staffing pool are recommended for the Police Department to increase patrol capacity. In addition to Police staffing, a part-time Welcome Center Coordinator is being added to oversee and staff the Welcome Center’s operations.

Overall, the FY 2017 Budget totals \$18,249,985, or 0.6% below the prior year’s amended General Fund budget at December 31, 2015. The recommended budget as presented results in a per capita expenditure of \$1,143 based on a projected population of 15,968.



General Fund Revenues

The primary revenue source for the Village is property taxes, accounting for 54% of total revenues, or \$9.9 million. In FY 2017, the Village will increase the property tax rate by 1/2 cent to a rate of \$0.295 per \$100 valuation to address Council goals and objectives.

At \$5.8 million, intergovernmental revenues are the second largest revenue category, making up 32% of total General Fund revenues. These revenues include local option sales taxes, utility sales taxes, and other state-collected revenues. Of these, local option sales taxes are the largest intergovernmental revenue source for the Village, representing 17% of the budget. 2 cents of the 6 3/4 cents paid in sales tax comes back to the Village to help fund operations.



Permits and fees are projected to generate \$583,000 in revenue, representing 3% of total General Fund revenues. Sales and services, investment income, and other miscellaneous revenues account for 6% of total General Fund revenues.

The Village is also budgeting to use \$1 million of appropriated fund balance (or Village savings), which represents 5% of total revenues and is above the expected budget-to-actual variance of \$957,000, and Because revenues historically come in at 101% of budget and expenditures typically fall 5% below budget, we estimate the Village will actually only use \$44,000 of appropriated fund balance in FY 2017. This will result in an ending fund balance of approximately 44.5%, above the Council’s target fund balance policy range of 30%-40%.

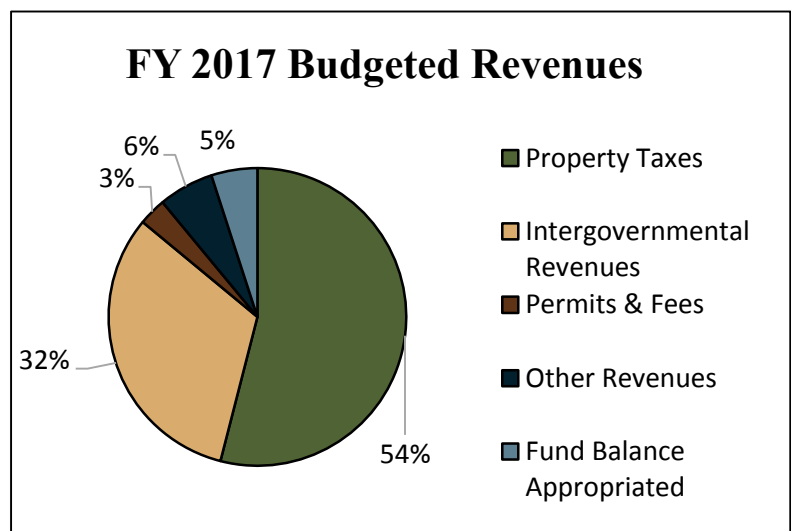
Long Term Debt

The Village continues to pay down its debts and has only \$1.4 million in long-term debt outstanding. Total required principal and interest payments for FY 2017 amount to \$413,000, or 2% of the total annual budget. The Village does not plan to issue new debt in FY 2017.

Capital Expenditures

Capital expenditures total \$2.1 million in FY 2017, or 12% of the annual budget. Significant capital expenditures include:

- Neighborhood sidewalks in Village Acres (\$375,200)
- Streetscape improvements on McCaskill Road (\$140,000)
- Completing the Public Services complex redevelopment (\$48,000)
- Storm drainage projects (\$110,000), and
- Replacement of a 1998 fire engine (\$600,000).



Viewing the Budget Online

To view the FY 2017 Budget online, go to www.vopnc.org.

On the Budget “launch” page, citizens can open the entire FY 2017 Budget and Strategic Operating Plan document or an individual section, with a linked table of contents.



May 10, 2016

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 2017 Strategic Operating Plan, including the Recommended Budget for Fiscal Year (FY) 2017, 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 2017 Strategic Operating Plan. In order to qualify for the program, the Village's budget document must be proficient as a policy document, a financial plan, an operations guide, and a communications device.

FY 2017 marks the fourth year of the Village's strategic planning process. In FY 2014, the Village transitioned from adopting a separate Capital Improvement Plan (CIP) and operating budget to adopting a Strategic Operating Plan (SOP) that contains a one-year budget and a five-year financial forecast and capital improvement plan. In FY 2012, the Village began a focused continuous process improvement effort by partnering with the Industrial Extension Services Department of North Carolina State University and participating in its North Carolina Awards for Excellence program. The goal of this program is to implement the national Malcolm Baldrige Performance Excellence Framework. This framework provides an integrated approach to organizational performance management that results in the delivery of ever-improving value to our customers and improving the overall effectiveness of the organization. Implementing this framework has transformed the Village's budgeting process into a more strategic, results-driven process. Resource allocation is now more closely aligned with the Village Council's strategies and on achieving the results articulated in the Village's Balanced Scorecard (BSC).

The FY 2017 Budget as presented was developed through the Village's Strategic Planning Process. This process is described in detail in the *Strategic Priorities* section of this document. The strategic planning process includes the development of the Village's Balanced Scorecard (BSC). The BSC contains 9 goals, 15 objectives, and 26 key performance indicators (KPIs) with targets around which this SOP was developed. The BSC is the foundation upon which the SOP is developed to ensure the recommended budget helps us accomplish our mission and vision. This message provides information on how the SOP addresses these objectives in a meaningful and measurable way.

In the overall economy, the local unemployment rate has stabilized at 5.6% compared to 5.7% the previous year. This rate is reflective of the state and national rates and marks a significant improvement over the past few years. Fallout from the housing crisis of 2008 resulted in a multi-year decline in new home construction in the Village. Housing prices have stabilized, and the rate of new home construction has settled in at approximately 100 homes per year. This modest growth has suppressed the growth rate of our tax base, which challenges the Village to determine how to provide high quality municipal



services in times of modest revenue growth. On the bright side, sales tax revenues have increased and the overall growth rate has returned to historical averages.

Besides the overall economy, other external factors have affected our budget planning process. The U.S. Open and U.S. Women's Open Championships hosted in the Village in June 2014 had significant financial impact on the Village. Hosting these major events has proven to positively impact local tourism in the following years. In addition to golf-related tourism, the Village is also dependent on new retirees relocating to the Village. This in-migration was suppressed during the Great Recession as retirees were not able to sell their homes in other parts of the country. Also, new retirement patterns, especially among baby boomers, will have a significant impact on the Village. In addition to these challenges, the Village is always subject to potential legislative changes at the state level which could significantly impact Village intergovernmental revenues.

The Recommended FY 2017 Budget as presented provides a financial plan for the ensuing fiscal year and has been developed in accordance with the Village's financial policies and the Balanced Scorecard (BSC). Based on a review of current or baseline performance relative to benchmark communities, the Village Council has identified nine organizational goals:

1. Safeguard the community,
2. Ensure Pinehurst is a premier residential community,
3. Ensure a thriving business community,
4. Provide multimodal transportation systems,
5. Manage solid waste collection,
6. Maintain an active, healthy community,
7. Professionally manage a high performing organization,
8. Attract and retain an engaged workforce, and
9. Maintain a healthy financial condition.

The Village Council also provided the following general directives and budgetary principles on which this document is based:

- Maintain adequate funding levels to provide basic Village services,
- Seek to contain operating costs while adequately funding infrastructure replacement,
- Maintain a fund balance in the range of 30% to 40% of budgeted expenditures, per the Village's Fund Balance Policy, and
- Uphold sound budgetary principles such as using conservative revenue estimates and maintaining healthy operating margins.



INITIATIVE ACTION PLANS

The FY 2017 SOP includes 23 initiative action plans (IAPs) with incremental funding of approximately \$6,253,000 to achieve the target performance levels on the BSC over the five-year period. The initiatives proposed to address the Council’s strategic objectives and areas of focus are listed below:

Initiative	Strategic Objective
Traffic preemption program	Deliver effective public safety services
Fire Department accreditation	
Citizens on Patrol	
Community Watch	
Traffic enforcement	
Land use analysis	Improve the quality of neighborhoods
Code enforcement	
Comprehensive long range plan update	
Street lighting	
Marketing and promotion	Attract future residents to strengthen the housing market
Streetscape enhancements	Provide a business-friendly environment
Greenways	Provide interconnected greenway trails, bike paths, and sidewalks
Neighborhood sidewalks	
Supplemental yard debris collection	Provide effective and efficient solid waste collection services
Recreation facilities	Provide recreation programs, leisure activities, and cultural arts events for all ages
Civic engagement	Enhance community engagement
Performance dashboards	
Continuous process improvement	Continuously improve operational effectiveness through quality performance, use of technology, and innovation
Planning & Inspections automation	
Workforce plans	Provide a supportive and rewarding work environment
Learning and development system	
Incentive reward program	
Police Department staffing	

Items in red are IAPs that support Council’s Areas of Focus

Of these initiatives, 18 are scheduled to begin in FY 2017 at a cost of \$1,011,000. The *Strategic Priorities* section of this document provides additional details on these initiatives that are aimed at achieving the strategic objectives on the BSC. Current service levels are being maintained and are increased in a few areas due to these targeted investments. Police patrol capacity, in particular, will increase with the additional police officers provided for in the budget.



FY 2017 GENERAL FUND RECOMMENDED BUDGET

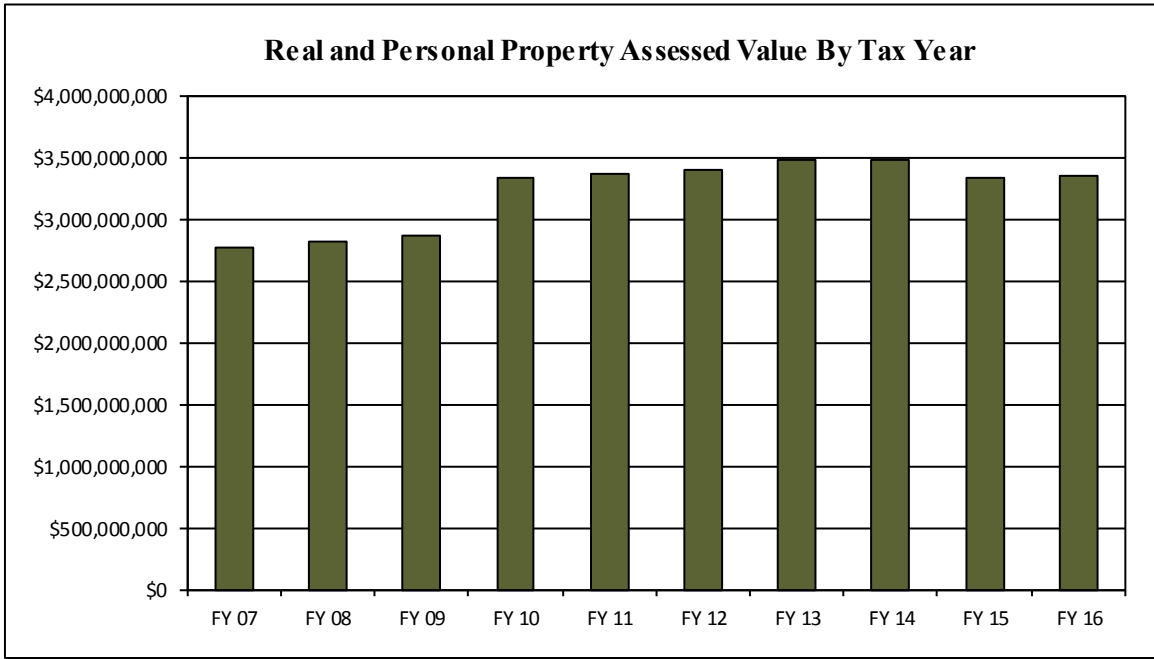
OVERVIEW

The FY 2017 recommended General Fund budget totals \$18,249,985. This is a decrease of 0.6% below the FY 2016 amended General Fund Budget at December 31, 2015 of \$18,358,895. The primary reason for the \$108,910 decrease in the General Fund Budget was the addition of \$435,000 in unfinished projects from FY 2015 to the FY 2016 Budget. The recommended budget as presented results in a per capita expenditure of \$1,143 based on a projected population of 15,968.

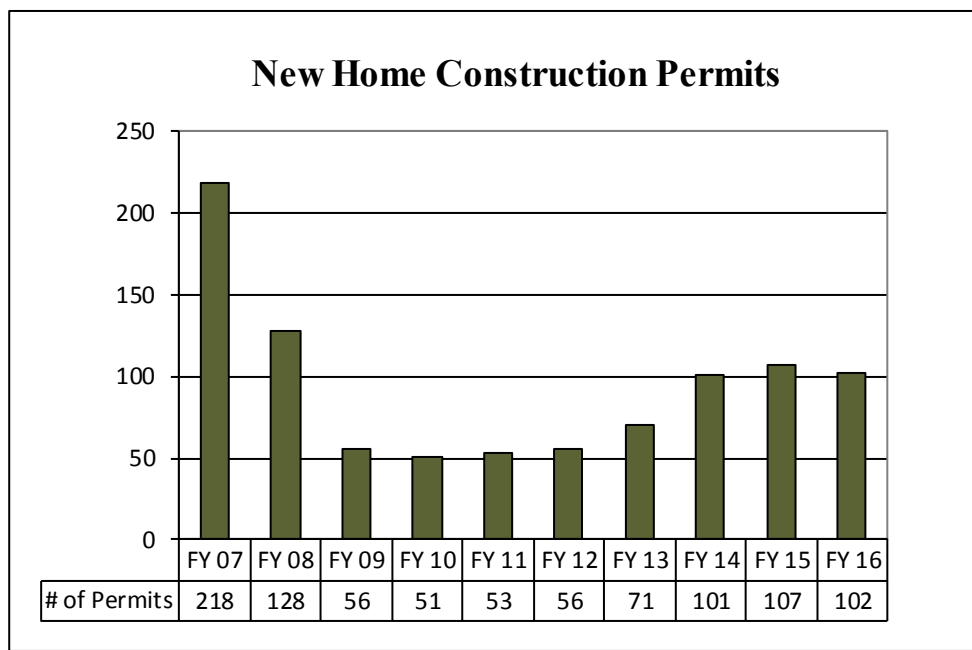
The General Fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund. Over the past few years, the Village has completed a number of capital projects and closed out several special revenue funds. This has left the General Fund as the Village's only annually budgeted fund.

The FY 2017 General Fund is balanced with a proposed property tax rate of \$0.295 per \$100 valuation, which is the lowest municipal tax rate in Moore County. All property in the county was revalued by Moore County as of January 1, 2015. As a result of the revaluation, the Village's total tax value decreased by 4.83% when compared to the last revaluation in 2007. Last fiscal year, the revenue neutral tax rate was estimated to be \$0.30 per \$100 at the revaluation. The Village chose to adopt a lower rate of \$0.29 in FY 2016 in order to spend down fund balance for two years and planned to raise the property tax rate by one cent in FY 2018 if needed. Since last year, robust growth in other operating revenues have reduced the need for the one cent property tax increase in FY 2018. The current budget calls instead for increasing the property tax rate by one-half cent in FY 2017 to support operations and strategic initiatives.

The proposed rate of \$0.295 will provide approximately \$9,923,000 in property tax revenues based on an anticipated collection rate of 99.9% for real and personal property and 98.5% 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 generates approximately \$336,000 in revenue.



Our budget estimates assume an average growth in the real property tax base of 1.0% for real property and motor vehicles. Since 98% of the Village’s property tax base is residential property, the new home construction projection is a critical component of the financial forecast. 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). In FY 2010, the number of new homes permitted fell to a historic low of 51. The housing market has rebounded somewhat and leveled off in the last few years. Based on this, we project approximately 100 new homes will be permitted during the upcoming fiscal year.





The Village's second largest revenue source, Local Option Sales Tax, is expected to generate approximately 17% of the Village's total General Fund budget, or \$3,076,000 in FY 2017. This represents an increase of 8.8% from the previous year's budget. This solid increase is based on higher than expected levels of retail sales over the last two fiscal years.

Overall, the Recommended Budget for the General Fund utilizes \$1,001,685 of appropriated fund balance. 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 by approximately \$44,000. The Recommended Budget results in fund balance, as a percentage of expenditures, that is approximately 44.5% and just above the upper limit of the Village's adopted fund balance policy range.

SOURCES OF REVENUE

The General Fund's primary sources of revenue include:

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

Approximately 71% of all General Fund revenue comes from ad valorem taxes and local option sales taxes. Over the past decade, 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 expects moderate revenue growth due to the stabilization of the housing market and strong retail sales.

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 \$0.295 per \$100 of valuation as discussed above. This means that for every \$100,000 in value of property, \$295 is due. Total Ad Valorem Tax revenues are projected to be \$9,923,000 in FY 2017. 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 54% of the General Fund's total revenues.

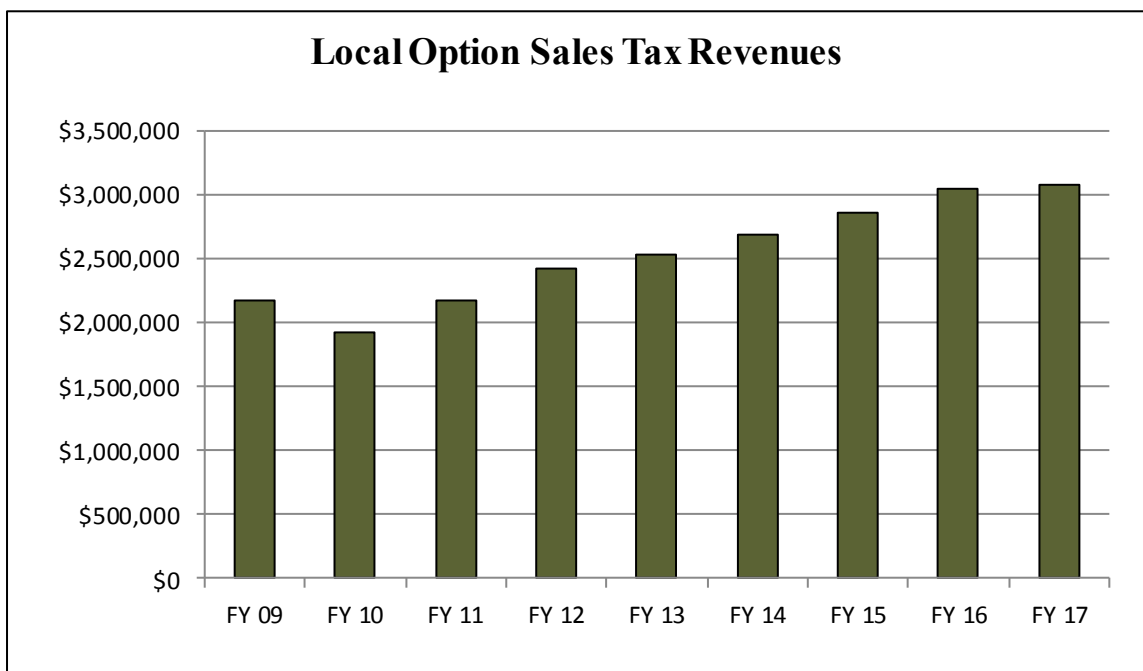


Intergovernmental Revenues

Intergovernmental revenues consist primarily of the Local Option Sales Taxes, Utility Sales Taxes, Hold Harmless Sales Tax Reimbursements, and the Powell Bill Allocation. Local option sales taxes are considered an intergovernmental revenue source for the Village since they are levied by the Moore County Board of Commissioners and not by the Village itself.

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. 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 within Moore County.

Local option sales tax revenues are projected to be \$3,076,000 in FY 2017, which accounts for 17% of total revenues for the General Fund. As the following chart illustrates, sale tax revenues have rebounded since the recession and returned to historical growth levels.



Utility Sales Taxes are collected by the State and are distributed to the Village based on the actual receipts from the providers of electricity, telephone, and video services 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, including sales taxes, is estimated to be \$5,831,400 for FY 2017, or approximately 32% 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 revenues are expected to be \$583,800 in FY 2017, or approximately 3% of total General Fund revenues.

Sales and Services Revenues

Sales and Services revenues consist primarily of Harness Track stall rentals, Fair Barn rentals, and Recreation fees. The Village owns and operates the Harness Track, which is the oldest continuously operating equine sports facility in North Carolina. The Village also operates the Fair Barn at the Harness Track which serves as a venue for weddings and other events. Total revenues in the category are expected to be \$652,400, or approximately 4% of total General Fund revenues.

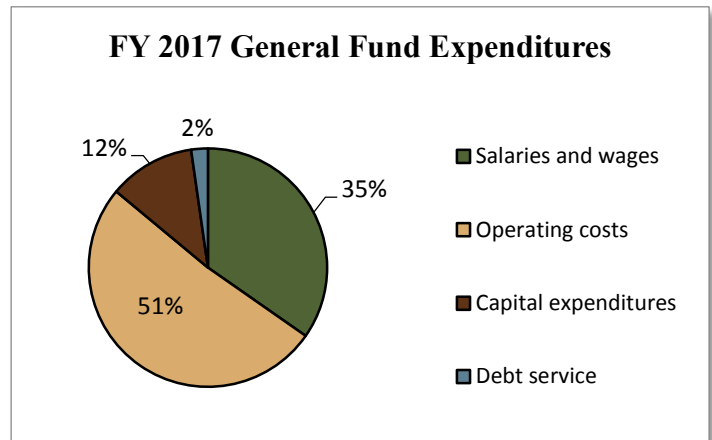
EXPENDITURES BY CATEGORY

General Fund Expenditures fall into one of four categories:

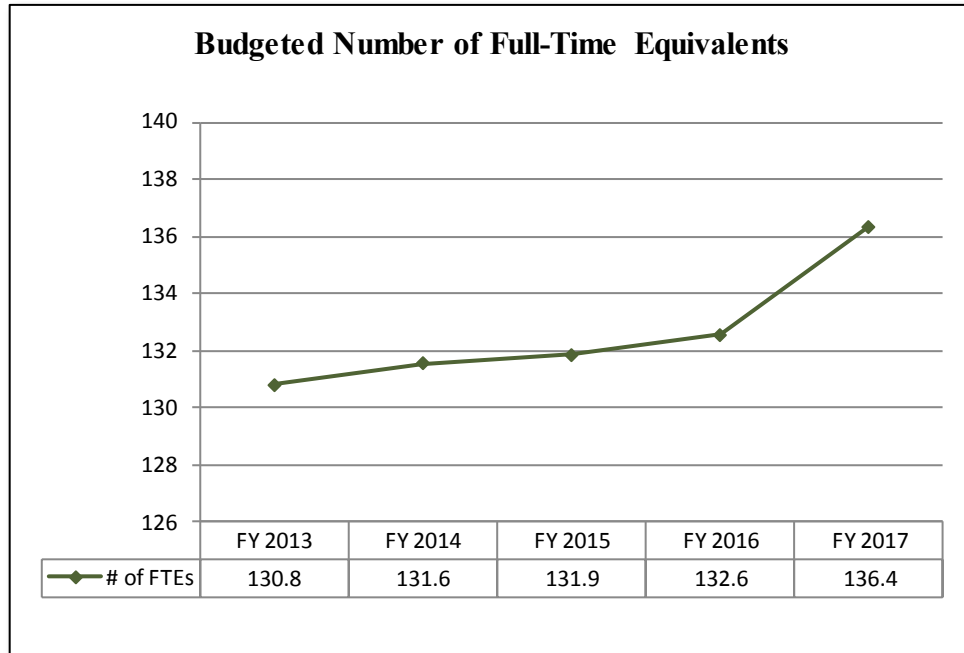
1. Salaries and wages
2. Operating costs
3. Capital expenditures
4. Debt service

Salaries and Wages

Salaries and wages, excluding benefits, for the Village’s 136 full-time equivalents (FTEs) accounts for \$6,334,000 or 35% of the total General Fund Budget. This percentage is 1.0% percent higher than the previous year. The budgeted number of employees is 3.75 FTEs higher than in the previous year’s adopted budget.



The budget recommends the increase of 3.75 FTEs for seven positions. A two-officer traffic team, paid reserve officers, and an administrative staffing pool are recommended for the Police Department to increase patrol capacity. In addition to Police staffing, a part-time Welcome Center Coordinator is being added to oversee and staff the Welcome Center’s operations. The following chart indicates the budgeted number of FTEs for the past five years.



A total of \$174,000 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%-3% and are effective October 1. This is the same range of increase provided in the previous fiscal year.

Operating Costs

This category of expenditures accounts for \$9,367,000 or 51% of the total General Fund 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. Notable operating costs include funding for strategic initiatives supporting the Council’s goals and objectives as listed in the *Strategic Priorities* section of this document. These include the reorganization of the Administration and Police Departments, conducting a land use analysis, marketing and promotion, and additional greenway maintenance.

Group insurance costs have historically escalated at a very rapid pace. This past year, the Village had a modest increase of 3.2% for employee medical coverage 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 2017 renewal. The Village currently subsidizes 20% of dependent coverage premiums for employees. As this is no longer a common practice in local government, this benefit is being phased out over a five-year period, reducing the subsidy by 5% per year.

Capital Expenditures

This category of expenditures accounts for \$2,136,000, or 12% of the total General Fund Budget. This represents a decrease of \$598,000 from the previous year due to the addition of unfinished projects from FY 2015 to the FY 2016 Budget. The FY 2017 Budget as proposed does not contain any significant non-routine capital expenditures that would significantly increase operating costs of the Village in the future.



Capital expenditures are for the purchase of vehicles, equipment and other items that have a value greater than \$5,000 and a life expectancy of at least one year. Detailed information on capital purchases for FY 2017 can be found in the *General Fund Capital Expenditures* section of the Strategic Operating Plan document. The list below highlights some of the more notable items for FY 2017:

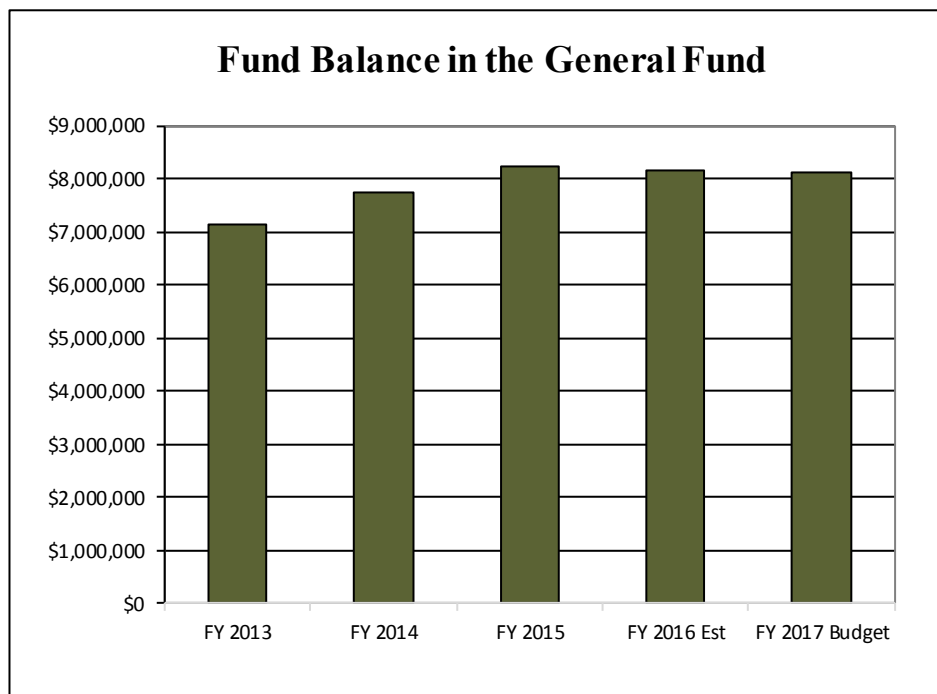
- Neighborhood sidewalks and greenways,
- Streetscape improvements on McIntyre Road,
- Completing of the Public Services complex redevelopment,
- Storm drainage projects, and
- Replacement of a 1998 fire engine.

Debt Service

This category of expenditures accounts for \$413,000, or 2% of the total General Fund Budget. This represents a decrease of \$51,600 or 11% over the previous year. In FY 2017, the Village will pay off a fire engine loan and will have only one semi-annual payment for this obligation.

FUND BALANCE

At June 30, 2016, the Village's fund balance in the General Fund is projected to be approximately \$8.2 million, or 46.7% of the FY 2016 Budget. This is somewhat above the Village's targeted range of 30%-40% of budgeted expenditures. The budget as proposed for FY 2017 will reduce the level of fund balance to approximately \$8.1 million, or 44.5% of expenditures. The five-year plan will reduce fund balance to the mid-point of the policy range in FY 2019 and maintain that level going forward.





BALANCED RECOMMENDED GENERAL FUND BUDGET

As required by North Carolina General Statutes, the Recommended Budget is balanced, or total revenues equal total expenditures. The budget is based on an ad valorem tax rate of \$0.295 per \$100 valuation for the General Fund. The Recommended Budget will result in a fund balance of 44.5% of FY 2017 General Fund budgeted expenditures, which is above the upper limit of our policy range of 30% to 40%. Capital investments in the five-year financial plan will bring fund balance to the mid-point of the policy range in FY 2019.

Departmental requests were reduced by approximately \$1,054,000 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 improve performance levels and achieve targeted levels of performance as communicated in the Village's Balanced Scorecard.

The following table is a summary of the balanced Recommended Budget for the Village's General Fund, the only annually budgeted fund for FY 2017:

Revenues by Type	Budgeted FY 2017
Ad Valorem Taxes	\$ 9,923,000
Other Taxes & Licenses	500
Unrestricted Intergovernmental Rev.	5,326,200
Restricted Intergovernmental Rev.	505,200
Permits & Fees	583,800
Sales & Services	652,400
Assessments	29,000
Other Revenues	202,800
Investment Income	25,400
Revenues	17,248,300
Other Financing Sources	-
Fund Balance Appropriations	1,001,685
Total Revenues	\$ 18,249,985

Expenditures by Function	Budgeted FY 2017
General Government	\$ 2,408,590
Public Safety	6,662,484
Transportation	3,196,503
Environmental Protection	1,376,626
Economic & Physical Dev	906,028
Cultural & Recreation	3,237,032
Debt Service	412,722
Contingency	50,000
Expenditures	18,249,985
Other Financing Uses	-
Total Expenditures	\$ 18,249,985



A Public Hearing to receive citizen input on the Recommended Budget is set for 4:30 pm in the Assembly Hall of the Pinehurst Village Hall on Tuesday, May 24, 2016. 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, leadership, 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,

Jeff Sanborn
Village Manager



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 contact and a phone list at the end of this section for common requests and services.

GENERAL GOVERNMENT

Governing Body (lcraig@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 to advance the Village's vision to be a "charming, vibrant community which reflects our rich history and traditions."

Administration (jsanborn@vopnc.org)

The Administration Department provides top-level support to the Village Council and Village Manager. The Village Manager, Assistant Village Manager of Administration, and Assistant Village Manager of Operations lead the Village's Senior Leadership Team. The department also serves as a support and liaison to the 17 other departments and divisions of the Village to ensure that services are provided to Village residents in an efficient, responsive, and cost efficient manner. The office of the Village Manager is responsible for the overall operations of the Village.



Financial Services (jfrve@vopnc.org)

The Director of Financial Services reports directly to the Assistant Village Manager of 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, and preparation of the annual budget and Five-Year Financial Forecast. 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 Director of Human Resources reports directly to the Village Manager and is a member of the senior leadership team. The Human Resources department provides the traditional human resources 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. Employee training and reward and recognition of both employees and volunteers are also critical to the success of our organization.

PUBLIC SAFETY

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 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, medical first response, and related services. In addition, the department also has an obligation to train all personnel in modern fire safety practices and technologies.



9/11 Remembrance Ceremony



Police (ephipps@vopnc.org)

The Police Chief reports directly to the Village Manager and is a member of the senior leadership team. 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 an interface with the Moore 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.



Bike to School Day Event

Inspections (kreed@vopnc.org)

The Inspections Division 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. 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 current building code standards.

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 support for the Public Services divisions of Streets & Grounds and Solid Waste. 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 107 miles of streets in the Village, the largest amount of any local government in Moore County. Routine tasks include asphalt patching, installing and maintaining storm drains, installing and maintaining traffic and street name signs, repairing sidewalks, street sweeping, and tree trimming. This division also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.



Village Street and Right-of-Way

ENVIRONMENTAL PROTECTION

Solid Waste (wmorgan@vopnc.org)

The Solid Waste Division of the Public Services Department reports to the Assistant Director of Public Services. The Solid Waste Division provides residents with automated weekly pickup of household garbage, recyclables, and yard debris. In addition, the department provides supplemental fall leaf collection and periodic storm debris collection.

ECONOMIC & PHYSICAL DEVELOPMENT

Planning (kreed@vopnc.org)

The Director of Planning and Inspections reports directly to the Village Manager and is a member of the senior leadership team. 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. 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.



Community Development (jbatton@vopnc.org or ndean@vopnc.org)

The Community Development Department is managed by the two Assistant Village Managers who report directly to the Village Manager and are members of the senior leadership team. This department is responsible for managing the functions of economic development and marketing and promotion. The purpose of investing in economic development 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.

CULTURAL AND RECREATION

Recreation (mwagner@vopnc.org)

The Director of Parks & Recreation reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. This 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. The department also coordinates activities at Cannon Park, Rassie Wicker Park (including the Arboretum), West Pinehurst Park, and Tufts Park.



Bocce Ball Court

Fair Barn (dbunch@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 and provides marketing and promotion for the Fair Barn.



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. In 2015, the Village celebrated the Harness Track's 100th anniversary.



Matinee Race at Harness Track Facility

Library (jfrye@vopnc.org)

Library services in the Village are provided by the Given Memorial Library, a non-profit 501(c)3. The Village makes an annual contribution toward the operational costs of the Library and has contributed to its capital expansion campaign. The library functions as a free public library and has a collection of over 23,000 items including fiction, non-fiction, audio books, e-books, and reference materials. In 2015, the library opened "The OutPost" in the former post office downtown. The new facility serves as a used book store, coffee shop, and community gathering place. The Library also serves as the curator of the Tufts Archives and the Pinehurst History Museum.



Given Memorial Library



INTERNAL SERVICE DEPARTMENTS

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.

Buildings & Grounds Maintenance (kbrewer@vopnc.org)

The Buildings & Grounds Division reports directly to the Parks & Recreation Director. It 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.



Downtown Sidewalk

Information Technology (jwhitaker@vopnc.org)

The Chief Information Officer reports directly to the Assistant Village Manager of 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.



COUNCIL APPOINTED BOARDS, COMMISSIONS AND COMMITTEES

Historic Preservation Commission (kreed@vopnc.org)

The Historic Preservation Commission (HPC) recommends design standards and guidelines for the Local Historic District to the Village Council. The HPC reviews and acts upon requests for any work requiring a Certificate of Appropriateness for new construction, additions, building alterations and demolitions within the Local Historic District. The HPC also recommends to the Village Council areas to be designated as “Historic Districts” and individual structures, buildings, sites, areas, or objects to be designated as “Landmarks”.



Village Historic District

Planning And Zoning Board (kreed@vopnc.org)

The Planning and Zoning Board is an advisory board to the Village Council that reviews proposed amendments to the Pinehurst Development Ordinance (PDO); hears requests to change the zoning of property regulated under the PDO; makes recommendations to the Village Council for final action; performs studies and surveys of the present conditions and probable future development of the Village; formulates and recommends to the Village Council the adoption or amendment of comprehensive and other plans; reviews the regulations of the PDO from time to time as it deems appropriate or directed to do so by the Village Council; reviews and makes recommendations for site plans, developments, and subdivisions; and performs such additional powers and duties as may be set forth in the PDO and other Village laws and regulations.

Board of Adjustment (kreed@vopnc.org)

The Board of Adjustment has jurisdiction to hear cases regarding variance requests from the provisions of the Pinehurst Development Ordinance (PDO) and other land use related ordinances. The BOA also has jurisdiction to hear appeals regarding interpretations of the PDO; Historic District Standards and Guidelines and other land use related ordinances. Additionally, the BOA hears appeals of staff and other decision making bodies’ decisions to include the Historic Preservations Commission and the Village Council as it relates to administering the Historic District Standards and Guidelines and the PDO.



Community Appearance Commission (kreed@vopnc.org)

The Community Appearance Commission (CAC) initiates, promotes, and assists in the implementation of programs of general community appearance in the Village. In doing so, the CAC administers the Appearance Grant Program and the Warren H. Manning Beautification Award Program.

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.

Conservation Commission (kreed@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.



Village Volunteer Luncheon Attendees



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.....	910.295.1900
BUILDING INSPECTIONS (Hotline).....	910.295.3192
BUILDING PERMITS.....	910.295.1900
CURB CUTS.....	910.295.5021
CUSTOMER SERVICE.....	910.295.1900
DRIVEWAY PERMITS.....	910.295.1900
ECONOMIC DEVELOPMENT.....	910.295.1900
FACILITY RENTALS.....	910.295.1900
FAIR BARN RENTALS.....	910.295.0166
FENCING REQUIREMENTS.....	910.295.1900
FINANCIAL SERVICES.....	910.295.1900
FIRE EMERGENCIES.....	911
FIRE DEPARTMENT – NON-EMERGENCY.....	910.295.5575
FIRE DEPARTMENT PUBLIC EDUCATION SERVICES.....	910.295.5575
FIRE PREVENTION.....	910.295.5575
GARBAGE AND TRASH COLLECTION.....	910.295.5021
GENERAL VILLAGE INFORMATION.....	910.295.1900
GEOGRAPHIC INFORMATION SYSTEM (GIS).....	910.295.1900
HARNESS TRACK.....	910.295.5255
HISTORIC PROPERTIES.....	910.295.8664



HUMAN RESOURCES.....	910.295.1900
JUNK CARS.....	910.295.8665
MAPS.....	910.295.1900
NEIGHBORHOOD WATCH PROGRAM.....	910.295.3141
NOISE.....	910.295.3141
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.....	910.295.8659
SETBACK REQUIREMENTS.....	910.295.8661
SEWER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
SIGN REQUIREMENTS.....	910.295.8659
SOLICITATION/DOOR-TO-DOOR PEDDLING PERMITS.....	910-295-1900
STREET RESURFACING.....	910.295.5021
TAXES (MOORE COUNTY TAX OFFICE).....	910.947.2255
TENT PERMITS.....	910.295.1900
TRAFFIC.....	910.295.1900
UNKEMPT LOTS/YARDS.....	910.295.8665
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.....	910.295.8659
ZONING.....	910.295.8659





Strategic Planning Process Overview

The *Strategic Operating Plan Guide* is designed to aid the reader in understanding the information contained in this document, how the document is formatted, and the processes for creating the Strategic Operating Plan. It is inclusive of the required annual balanced budget, the Five-Year Financial Forecast, and the five-year Capital Improvement Plan. The subsequent sections of the document dive into the detailed plans for Village operations and this guide will provide explanations for the vast amount of data and information that follows.

Because this section is intended to provide mostly background information, the reader is invited to exercise judgment when reading it and refer to other sections of the document for more detailed information.

This document has been prepared in accordance with the requirements of the Government Finance Officer's Distinguished Budget Award program. The Village has received this award for nine consecutive years and has been awarded the Special Performance Measures Recognition in the past.

What's New in the Document This Year?

In the spirit of continuous improvement, several enhancements have been made to the FY 2017 Strategic Operating Plan. The most significant changes made in this year's document to make it more useful to the reader include:

- The *Strategic Priorities* section has been updated to provide the following:
 - Long-term performance projections (FY 2021) for Balanced Scorecard (BSC) Key Performance Indicators (KPIs)
 - Expanded descriptions of BSC KPIs and Initiative Action Plans (IAPs)
- The *General Fund* section of expenditures has been expanded to include:
 - The FY 2017 cost of IAPs funded in each department
 - Significantly expanded KPIs on department BSCs to include long-term projected performance (FY 2021) and categorizing the KPIs as output, efficiency, or effectiveness
- A *Five-Year Financial Forecast* section has been added to provide expanded information on how the Village develops and uses its forecast to guide decision making.

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 John Frye, Director of Financial Services at jfrye@vopnc.org.

Strategic Planning Process Overview

In December, the Pinehurst Village Council kicks off the Strategic Planning Process (SPP) with an annual retreat. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), identifies core competencies, conducts an environmental scan, identifies the Village's strategic advantages and challenges, completes a SWOT analysis, and affirms goals and objectives.

Using these key inputs into the SPP, the Council sets target performance levels, based on comparisons to benchmark communities, for each of the Key Performance Indicators (KPIs) on the Balanced Scorecard



Strategic Planning Process Overview

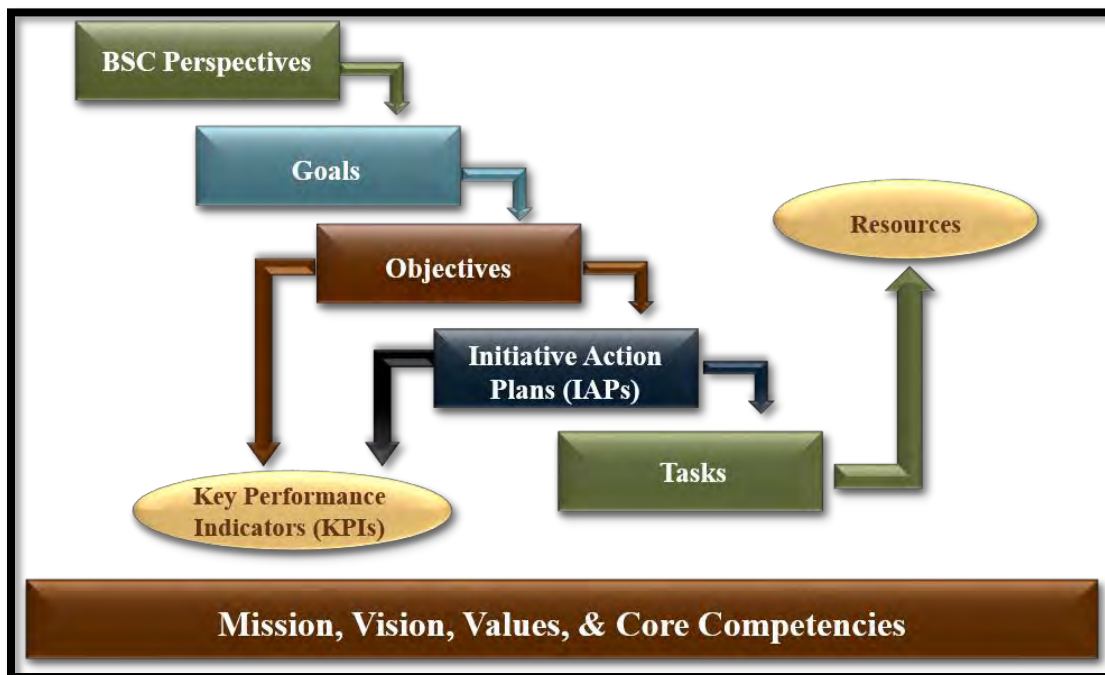
(BSC). The senior leadership team then holds a retreat with Council-approved committee chairs to identify IAPs based on the strategic plan inputs. Department heads then develop departmental goals, KPIs, IAPs for the next five years, and funding requests to address Council goals and objectives and achieve BSC target performance levels.

All IAPs and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director, and Financial Services Director. IAPs are then prioritized based on criteria established by the Council.

To determine the Village's financial capacity to fund the SOP, staff prepares a five-year financial forecast, which includes the costs associated with the five-year Capital Improvement Plan. Using the prioritization of IAPs and the five-year financial forecast, the Strategic Planning Team develops the SOP.

The SOP is prepared in accordance with the Village's Fund Balance Policy, with projected revenues and expenditures resulting in a General Fund fund balance of 30%-40% of budgeted expenditures during the planning period. Please see the *Strategic Priorities* section of this document for a more detailed discussion of the strategic planning process.

Staff presents the proposed Strategic Operating Plan to the Village Council for review and approval in May. The Council holds one or more budget work sessions and then conducts the required public hearing on the proposed budget to allow for public comment. Before June 30 of each year, the Village Council adopts the annual budget ordinance that becomes effective July 1 and includes appropriations for IAPs outlined in the Strategic Operating Plan.



Village of Pinehurst Strategic Planning Overview



Strategic Operating Plan Calendar

The Village has utilized the following schedule in preparing and adopting the 2017 Strategic Operating Plan and FY 2017 Budget:

December 3 – December 4, 2015	Village Council holds Strategic Planning Retreat
January 27, 2016	Senior Staff and appointed Board Chairs retreat
February 9, 2016	Village Council approves Balanced Scorecard with performance measures and ST and LT target performance levels
February 10, 2016	Financial Services Department releases the FY 2017 Strategic Operating Plan (SOP) Department Guide and forms
March 18, 2016	Department Heads submit completed Departmental SOP forms to the Financial Services Department
March and April 2016	Financial Services Department estimates revenues in conjunction with Department Head input and consolidates departmental requests
March 28 – April 1, 2016	Strategic Planning Team holds Strategic Operating Plan Workshops with Department Heads
April 4 – April 19, 2016	Strategic Planning Team prioritizes IAPs and develops the Strategic Operating Plan with long-term financial forecast, staffing, and capital plan included
May 5, 2016	Village Manager submits the proposed Strategic Operating Plan to the Village Council
May 10, 2016	Village Manager presents the Strategic Operating Plan to the Village Council at a Council work session
May 11 – May 12, 2016	Village Council holds work sessions to review the Strategic Operating Plan and FY 2017 Budget
May 24, 2016	Village Council holds a public hearing on the FY 2017 Budget
June 14, 2016	Village Council adopts the Strategic Operating Plan and the FY 2017 Budget Ordinance
July 1, 2016	SOP is implemented
July 11, 2016	Financial Services Department publishes the final SOP document



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.

Council Adopted Policies

Investment Policy

The Village Council adopted Investment Policy states the Village will consolidate cash balances 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. Management reports on its investment portfolio to the Village Council on a quarterly basis. This policy is reviewed annually and updated as needed.

Fees and Charges Policy

The Village Council adopted Fees and Charges Policy is used to set fees and charges at an appropriate level that is consistently applied to all users. Charging fees for elective services efficiently transfers the cost of providing those services to the service recipient. Fees charged by the Village are intended to cover the full cost of providing a service that can be directly identified. The exception to this is Recreation programs where only direct costs are intended to be recovered. The Village's Fees and Charges Policy requires the Financial Services staff to evaluate and update the fee schedule each year.

Fund Balance Policy

The Village Council adopted Fund Balance Policy states the Village will maintain operating reserves by maintaining a healthy fund balance. The Village's adopted Fund Balance Policy requires management to maintain unassigned General Fund fund balance, as reported in the Village's Comprehensive Annual Financial Report (CAFR), of greater than 15% of actual General Fund expenditures as reported in the CAFR for the year audited. Unassigned fund balance is the portion of fund balance that is not restricted and is available for appropriation. In addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance in the range of 30%-40% of budgeted expenditures.

Other Financial Guidelines

Operating Budget Guidelines

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. In addition, 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.

Operating Margin Guideline

When developing the Five-Year Financial Forecast, one strategy to ensure that there are adequate funds for both operating and capital needs is to monitor the operating margin. Village Managers have set a goal that no more than 89% of operating revenues be spent on operating expenditures. This ensures that 10%-12% of operating revenues are available for capital replacement or capital reserve.

Revenue Guideline

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.

Debt Guideline

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 Plan Guideline

The Village will maintain a Five-Year Capital Improvement Program (CIP), which will be reviewed and updated as part of the annual SPP. 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.



Budget Requirements

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

The budget is prepared using the modified accrual basis 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 also 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 described below.

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:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.



Budget Requirements

- 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.



Budget Format

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Currently, the Village only maintains one fund, the General Fund. As this is subject to change in any year, information on other fund types is also provided.

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. The Village does not currently have any project funds.

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

This 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.

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:

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 currently the only fund included in the budget document.

The departmental budget presentations are summaries of all expenditures and revenues associated with each department's activities. Because the Village's accounting structure contains hundreds of individual budget line items, the Village has consolidated these items into major classifications for a summarized presentation. For example, expenditures are grouped into three categories: Salaries & Benefits, Operating, and Capital. This consolidation facilitates comparisons between different groups of data and



Budget Format

aids the reader in making comparisons between the different functions. Please contact the Financial Services Department at 910.295.1900 if further detail is needed.

In the *General Fund* section the reader will find information on the individual Department's budget that outlines the departments profile, budget summary, strategic initiatives, and key performance indicators. Please note that all tables in the budget document present the same three-year format. The following illustration is an example of the expenditure tables that can be found throughout the document:

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 190,569	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	277,024	300,000	296,540	310,500	3.5%
Capital	144,450	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 612,043	\$ 480,000	\$ 473,075	\$ 495,500	3.2%

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

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

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

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

All expenditures not directly related to Salaries & Benefits or Capital

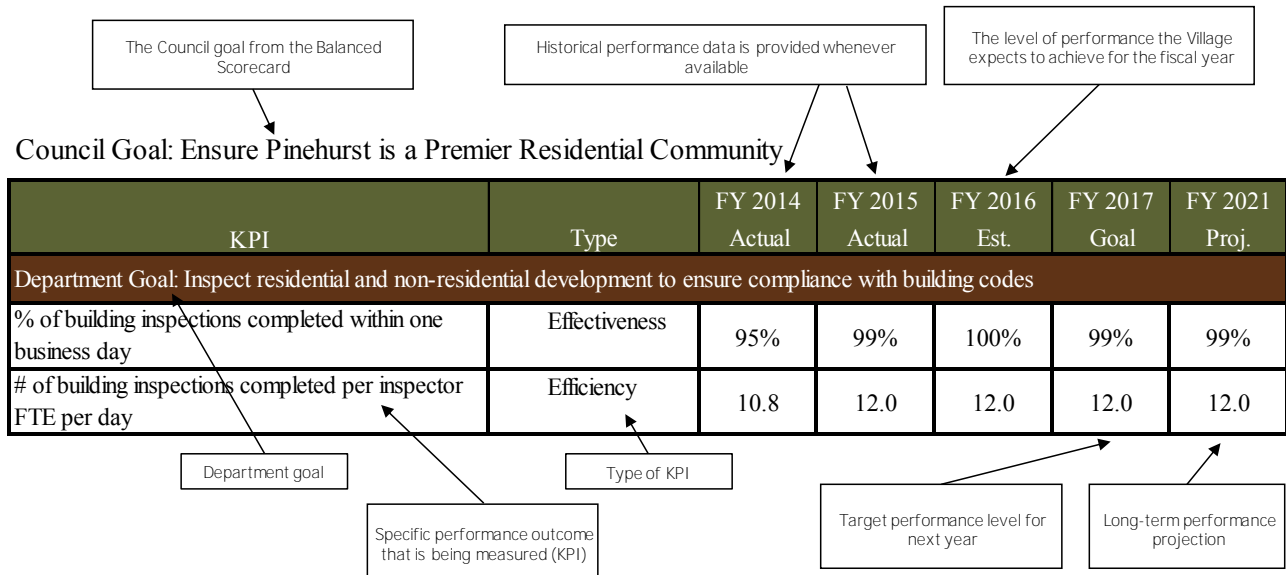
Includes expenditures for land, buildings, equipment, vehicles, and other expenditures exceeding \$5,000, with a life expectancy of more than 1 year

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.



Budget Format

The table of key performance indicators (KPIs) provides historical information as well as short-term performance goals and long-term projected performance. The Council goal that is targeted is listed to illustrate the linkage between the departmental goal and the Council's Balanced Scorecard. Below is an example explaining the column headings:





Strategic Priorities Overview

The Village of Pinehurst Strategic Operating Plan (SOP) is a tool used to develop and communicate the Village’s strategic priorities for the upcoming fiscal year and the five-year planning period. This section of the SOP identifies the Village’s strategic priorities to advance its vision to be a “charming, vibrant community which reflects our rich history and traditions.”

Strategic priorities consist of nine community goals that are established by the Village Council. Each year, the Council and Senior Staff update the SOP based on a review of the current environment at their annual strategic planning retreat in December. For each community goal, the Council has identified strategic objectives with Key Performance Indicators (KPIs) to demonstrate the Village’s performance in achieving desired outcomes.

The Village uses a Balanced Scorecard (BSC) to integrate strategic planning and resource allocation. The BSC uses four perspectives to ensure a balanced approach to evaluating achievement of organizational strategy:

1. Customer – Delivering the services customers want at the level desired
2. Internal – Enhancing services through continuous improvement
3. Workforce – Developing an engaged workforce to provide quality services
4. Financial – Managing resources to ensure financial sustainability





Strategic Planning Process

The evolution to a strategy-focused organization began with the implementation of the national Baldrige Performance Excellence Framework in FY 2012, when the Village embarked on its continuous process improvement effort and began participating in the North Carolina Awards for Excellence program.

The Pinehurst Village Council kicks off the strategic planning process with an annual retreat in December. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), identifies core competencies, conducts an environmental scan, identifies the Village's strategic advantages and challenges, completes a SWOT analysis, identifies strategic goals and objectives, and Key Performance Indicators (KPIs).

Using the key inputs into the strategic planning process, the Village Council then sets short term and long term target performance levels for the KPIs included on the BSC based on a review of benchmark communities' performance relative to the Village's performance. The Council identifies the Areas of Focus for the five-year planning period, which include those strategic objectives and KPIs where more significant performance improvement is identified in both the short term and long term planning period.



With goals, objectives, and target performance levels set by the Council, management develops Initiative Action Plans (IAPs) aimed at addressing the strategic objectives for community goals, and ultimately accomplishing the Village's mission and vision. IAPs are identified at an annual retreat of Senior Staff and Council-appointed board chairs in January. Department Heads then develop and refine departmental goals that are directly linked to the community goals. Accomplishment of departmental goals is measured by KPIs on Department BSCs that cascade directly from the BSC. Department BSCs can be found in the *General Fund* section of the SOP.

All Initiative Action Plans (IAPs) are evaluated by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director and Financial Services Director based on the following three criteria identified by the Village Council:

1. The extent to which the IAP is able to positively impact performance levels on the BSC and identified Areas of Focus,
2. The extent to which the Village has the organizational/workforce capacity to implement the IAP, and
3. The net financial impact of the IAP over the five-year planning period.

To help determine the Village's financial capacity to fund the Strategic Operating Plan, staff prepares a financial forecast that is included in the *Five-Year Financial Forecast* section of the SOP. Several assumptions are made relative to revenues and expenditures, based on historical trends and future projections. The five-year projections are inclusive of the five-year Capital Improvements Plan (CIP) that incorporates approved IAPs and all associated projected operating costs. The Five-Year Financial Forecast is developed to ensure fund balance remains within the target range of 30%-40% of budgeted



Strategic Planning Process

expenditures and operating margins fall within acceptable levels to ensure adequate levels of capital reinvestment.

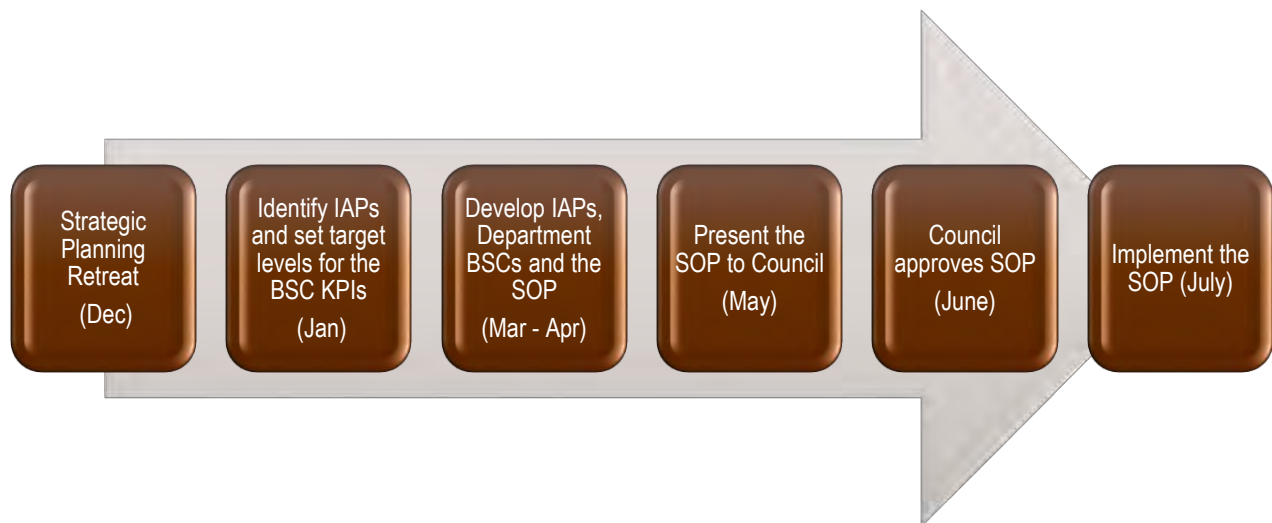
In developing the five-year CIP, the Strategic Planning Team reviews and determines the Fleet and IT replacement schedules and plans for other major capital improvements with the respective Department Heads. Based on the overall financial projections, the Strategic Planning Team determines which capital investments are best suited for installment financing to ensure there is adequate financial capacity for any required annual debt service.

The Five-Year Financial Forecast for FY 2017-2021 is summarized below:

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund Revenues	\$17,248,300	\$17,491,000	\$17,731,000	\$17,975,000	\$18,205,000
General Fund Expenditures	18,249,985	18,469,817	19,604,001	18,914,879	19,202,495
Revenues Over (Under) Expenditures	\$(1,001,685)	\$(978,817)	\$(1,873,001)	\$(939,879)	\$(997,495)
Budget to Actual Variance *	957,511	978,876	1,002,535	1,028,669	1,056,800
Projected Actual Gain/(Loss)	\$(44,174)	\$59	\$(870,466)	\$88,790	\$59,305
Projected GF Balance as a % of Total Budget	44.5%	44.0%	37.0%	38.8%	38.5%

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

Once financial capacity for Initiative Action Plans and the baseline budget is determined, staff prepares and presents the Village's Strategic Operating Plan to the Village Council for review and approval. As required by NC General Statutes, the Council holds a Budget Public Hearing each year prior to adoption to allow residents the opportunity to comment on the Recommended Budget. The following diagram indicates the key steps and timing of the Strategic Planning Process:





Key Inputs into the 2017 Strategic Operating Plan

Mission, Vision, and Values

At the December 2015 Council Retreat, the Council affirmed the Village’s Mission, Vision, and core values. The Vision is what the Village intends to be, while the mission is what the Village must accomplish to achieve that vision. The Village core values are the guiding principles and behaviors that embody how Village employees are expected to operate as they provide services.

Core Competencies

Core competencies represent those areas of the Village’s greatest expertise and are those strategically important capabilities that are central to fulfilling the Village’s mission. At the December 2015 Retreat, the Council reviewed and amended the five core competencies of the Village to include:

1. Community Engagement
2. Continuous Improvement
3. Customer Focus
4. Effective Collaborative Relationships
5. Talented Employees and Volunteers



Strategic Advantages and Challenges

Strategic advantages are those benefits that exert a decisive influence on the Village’s likelihood of future success and are the source of competitive success. Strategic challenges are those external pressures that exert a decisive influence on the Village’s likelihood of future success. The strategic challenges and strategic advantages identified by the Village Council in December 2015 are below:

Strategic Challenges	Strategic Advantages
Meeting the needs of younger residents (address indoor recreation needs)	Financial strength
Identifying future financial resources due to limited revenue growth	Brand image
Addressing the needs of our neighborhoods	Culture of engagement
Clearly defining our commercial and residential identity	Collaborations
Transferring knowledge	Culture of continuous improvement
Developing the highest and best use for undeveloped land	Staff expertise
	Safe community
	Community appearance
	Customer focus

SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis

The Council also conducted a SWOT analysis at their December 2015 Strategic Planning Retreat and identified organizational and community strengths, weaknesses, opportunities, and threats.



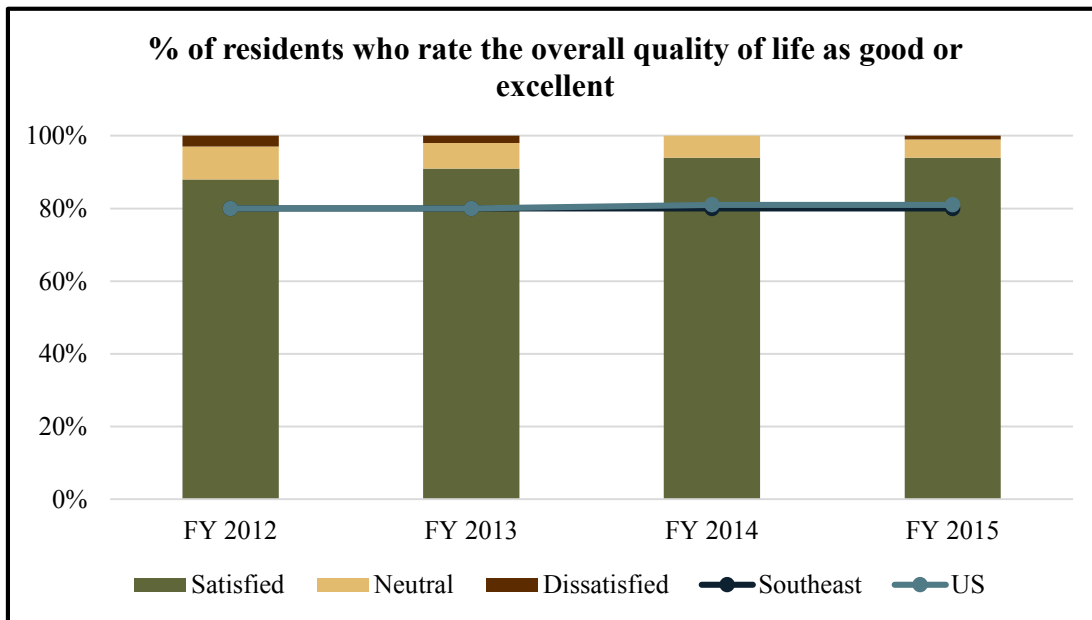
Environmental Scan

The environmental scan consists of a review of critical data and information that can impact service delivery. During the December 2015 Strategic Planning Retreat management reviewed demographic trends, customer feedback from the annual Community and Business Surveys, feedback from the annual Workforce and Volunteer Surveys, economic data, key performance indicators (KPIs), financial data, and emerging trends. Community survey results were segmented by neighborhood, resident age, and length of residence to facilitate further analysis. Workforce results were also segmented by department.

FY 2017 Strategic Goals, Objectives, and Key Performance Indicators

The Council’s strategic goals, objectives, and Key Performance Indicators (KPIs) for each of the four perspectives of the 2017 Balanced Scorecard are detailed on the following pages.

At the core of the BSC is the Village’s mission to “promote, enhance, and sustain the quality of life for residents, businesses, and visitors.” The Village measures its mission by asking residents to rate the overall quality of life in the Village during the annual Community Survey. In the most recent survey, **99% of residents rated the overall quality of life as good or excellent (including neutrals)**, up from 97% in 2012. This is in comparison to the Southeast and U.S. benchmarks of 80%, and 81% respectively.



This year, the FY 2017 and FY 2021 targets on the BSC for community survey results, workforce survey results, and volunteer survey results include the percentage of respondents who indicate “Neutral.” This change was made to more readily identify the percentage of respondents who are “Dissatisfied.” The Southeast and U.S. comparisons provided by the Village’s survey company, ETC Institute, do not include “Neutral” ratings and this information is not available.



Balanced Scorecard

The FY 2017 Village of Pinehurst Balanced Scorecard (BSC), by perspective, is shown below:

FY 2017 Balanced Scorecard								
MISSION: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.								
	Goal We intend to...	Strategic Objective How we will...	KPI Description How do we know...	Actual FY 2015	Est. FY 2016	ST Target FY 2017	LT Target FY 2021	
Customer	Safeguard the community	Deliver effective public safety services	UCR index crime rate per 1,000 residents	7.86	9.00	12	12	
			% of residents whose overall feeling of safety in the Village is good or excellent	99%	99%	95%	95%	
			% of residents satisfied with how quickly fire personnel respond to emergencies	99%	99%	95%	95%	
			% of residents satisfied with the enforcement of local traffic laws	89%	90%	90%	95%	
	Ensure Pinehurst is a premier residential community	Maintain a high level of overall appearance of Pinehurst public spaces	% of residents who rate the overall appearance of the Village as good or excellent	99%	98%	95%	95%	
			Improve the quality of neighborhoods AOF					
			% of residents satisfied with the enforcement of Village codes and ordinances	85%	85%	87%	90%	
	Ensure a thriving business community	Provide a business-friendly environment	% of residents satisfied with Village efforts to maintain the quality of neighborhoods	89%	89%	90%	95%	
			Attract future residents to strengthen the housing market	Single family home average sales price	\$257,000	\$262,000	\$267,000	\$289,000
	Provide multimodal transportation systems	Provide interconnected greenway trails, bike paths, and sidewalks AOF	1st floor occupancy rate in the Village Center	87%	94%	90%	90%	
			% of businesses likely to recommend the Village as a business location	90%	90%	90%	90%	
	Manage solid waste collection	Provide effective and efficient solid waste collection services	% of residents satisfied with the availability of sidewalks	64%	65%	68%	80%	
			% of residents satisfied with the availability of greenway/walking trails	90%	90%	90%	90%	
	Maintain an active, healthy community	Reduce, reuse, and recycle resources	Maintain high quality streets and right of ways	% residents satisfied with street and right of way maintenance	90%	90%	90%	90%
			% of residents satisfied with solid waste services	96%	96%	95%	95%	
Professionally manage a high performing organization	Provide recreation programs, leisure activities, and cultural arts events for all ages	% of refuse diverted from the landfill	35%	34%	35%	35%		
		% of residents satisfied with P&R programs	95%	95%	95%	95%		
Enhance community engagement AOF	Continuously improve operational effectiveness through quality performance, use of technology, and innovation	% of residents satisfied with Village sponsored cultural arts events	91%	92%	90%	90%		
		% of residents satisfied with Village communications	97%	97%	95%	95%		
Full time equivalents per million \$ of revenue	Employee engagement index	% of residents satisfied with the level of public involvement in local decisions	86%	88%	90%	90%		
		Employee engagement index	7.97	8.00	8.00	8.75		
Attract & retain an engaged workforce	Provide a supportive and rewarding work environment AOF	Full time equivalents per million \$ of revenue	7.9	7.8	8.0	8.0		
		% of residents satisfied with the value received for taxes paid	92%	90%	90%	90%		
Employee engagement index	Employee engagement index	% of employees who agree that overall they are satisfied with their job	97%	95%	95%	95%		
		% of volunteers satisfied with the volunteer experience	97%	95%	95%	95%		
Unassigned GF fund balance as a % of actual expenditures	Capital asset condition ratio	Employee engagement index	7.97	8.00	8.00	8.75		
		Employee engagement index	7.97	8.00	8.00	8.75		
Meet or exceed established financial targets	Maintain capital assets	Unassigned GF fund balance as a % of actual expenditures	31%	26%	20%	20%		
		Capital asset condition ratio	47%	47%	47%	45%		

Items in red are Areas of Focus (AOF) for FY 2017 based on performance levels, strategic challenges, and resident priorities.



Initiative Action Plans

Initiative Action Plans (IAPs)

The 23 FY 2017-2021 IAPs total \$6.3 million, including ongoing operating costs, and address Council's strategic objectives and Areas of Focus, thereby helping to ultimately achieve the goals on the BSC.

FY 2017 – FY 2021 Initiative Action Plans (IAPs)						
	Goal	Strategic Objective	IAP Description	Fiscal Year(s)	\$ in Five-Year Plan	
Customer	Safeguard the community	Deliver effective public safety services	Traffic pre-emption program	FY 2017-2021	\$62,500	
			Fire Department accreditation	FY 2017	\$15,000	
			Citizens on Patrol	FY 2017-2018	\$0	
			Community Watch	FY 2018	\$0	
			Traffic enforcement	FY 2017	\$554,660	
	Ensure Pinehurst is a premier residential community	Improve the quality of neighborhoods AOF	Maintain a high level of overall appearance of Pinehurst public spaces	n/a	n/a	n/a
			Land use analysis	FY 2017	\$50,000	
			Code enforcement	FY 2017	\$73,900	
			Comprehensive Long Range Plan Update	FY 2018-2019	\$75,000	
			Street lighting	FY 2017-2020	\$19,600	
	Attract future residents to strengthen the housing market		Marketing and promotion	FY 2017	\$185,000	
	Ensure a thriving business community	Provide a business-friendly environment	Streetscape enhancements	FY 2017-2018	\$292,500	
	Provide multimodal transportation systems	Provide interconnected greenway trails, bike paths, and sidewalks AOF	Greenways	FY 2017-2021	\$350,000	
			Neighborhood sidewalks	FY 2017-2021	\$1,980,200	
			Maintain high quality streets and right of ways	n/a	n/a	n/a
Manage solid waste collection	Provide effective and efficient solid waste collection services	Supplemental yard debris collection	FY 2017	\$20,000		
		Reduce, reuse, and recycle resources	n/a	n/a	n/a	
Maintain an active, healthy community	Provide recreation programs, leisure activities, and cultural arts events for all ages	Recreation facilities	FY 2017-2021	\$2,236,815		
Internal	Professionally manage a high performing organization	Enhance community engagement AOF	Civic engagement	FY 2017-2018	\$135,200	
			Performance dashboards	FY 2018	\$21,200	
		Continuously improve operational effectiveness through quality performance, use of technology, and innovation	Continuous process improvement	FY 2017-2021	\$67,000	
			P&I automation	FY 2018	\$41,250	
Workforce	Attract & retain an engaged workforce	Provide a supportive and rewarding work environment AOF	Workforce plans	FY 2017-2018	\$2,000	
			Learning and development system	FY 2017-2018	\$20,000	
			Incentive reward program	FY 2019	\$120,000	
			PD staffing	FY 2017	\$302,600	
Financial	Maintain a healthy financial condition	Meet or exceed established financial targets	n/a	n/a	n/a	
		Maintain capital assets	n/a	n/a	n/a	

Items in red are Areas of Focus (AOF) for FY 2017 based on performance levels, strategic challenges, and resident priorities.



The Initiative Action Plans in the Five-Year Financial Forecast strive to leverage the Village’s core competencies and strategic advantages, while addressing strategic challenges and opportunities. In many cases, IAPs are based on research of best practices in benchmark communities.

The Village is focused on continuous improvement and several IAPs in the 2017 Strategic Operating Plan are aimed at process improvements. More significant process improvements follow a systematic six step performance improvement process called BIRDIE. Less significant process improvements follow a simple three step process called ACE. The Village plans to conduct one BIRDIE on the Village’s permitting processes in FY 2017 & FY 2018 and 10 ACE process improvements between FY 2017 and FY 2021. The ACE process improvements are indicated on the applicable IAPs in the following pages.



The BIRDIE process is detailed below:

BIRDIE Process	
B	Bring the opportunity forward (identify what can be improved)
I	Investigate the opportunity (what does the data tell you?)
R	Review potential solutions (identify ALL possible solutions)
D	Determine the solution and develop the action plan (KPIs for desired outcomes, timing and resources)
I	Implement the solution according to the action plan
E	Evaluate the effectiveness of the solution based on performance data

The pages that follow include information on each BSC goal and their associated strategic objectives, short term and long term Initiative Action Plans, and Key Performance Indicators. While the vast majority of Council’s objectives have IAPs aimed at achieving them, resources have been allocated in the 2017 Strategic Operating Plan to higher priority IAPs and a few objectives are therefore not addressed. Based on current performance levels on the BSC, the Village is already demonstrating excellent performance levels (e.g. above 90% satisfaction ratings) for those objectives not addressed. See the individual department goals and department BSCs included in the *General Fund* section of this document for additional information.

The pages that follow also include graphs of the Village’s observed results for those KPIs on the BSC. The Village’s historical results are indicated by the green bars in the graphs. The FY 2017 and FY 2021 goals are indicated by the blue bars. Council has set goals for most survey related KPIs at 95% or 90%, based on historical results. Where results have been consistently above 95%, goals are set at 95% and when results have consistently hovered closer to 90%, goals are set at 90%. The Village’s surveys typically have a margin of error of 5%. When applicable and available, the graphs also include comparable information indicating the Village’s performance relative to others, as described below:

- Southeast – Average of cities using the Direction Finder Survey by ETC Institute in the southeast
- US - Average of cities using the Direction Finder Survey by ETC Institute in the United States
- Comp – A benchmark community selected for that KPI
- SHRM Avg – Society of Human Resources survey average





Goal: Safeguard the Community

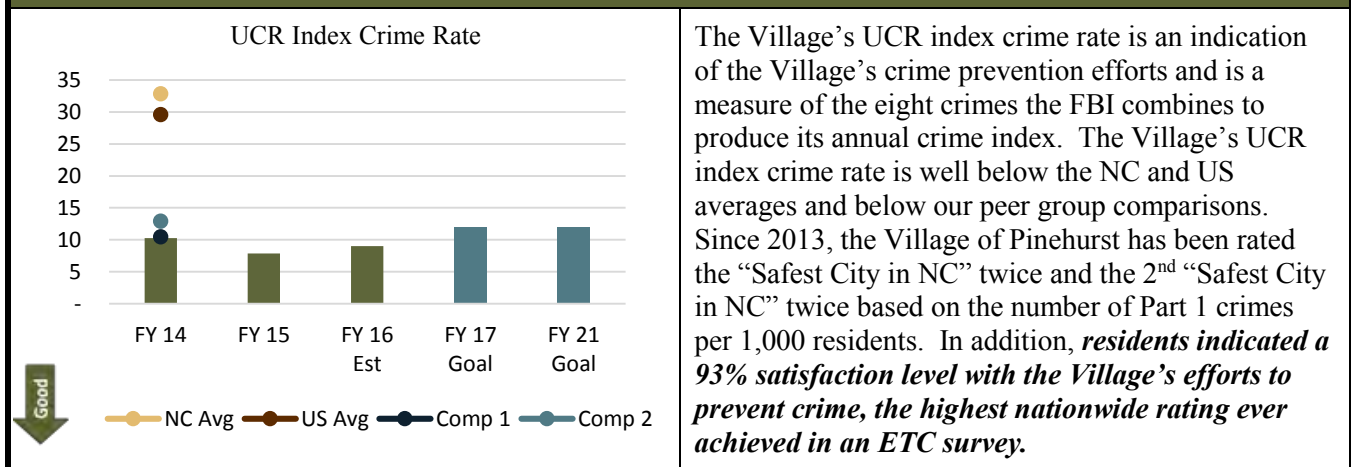
To safeguard the community means to protect the lives and property of residents, businesses, and visitors. Departments primarily responsible include Police, Fire, and Inspections. Applicable volunteers include Citizens on Patrol and Community Watch. See the *General Fund* section of this document for additional financial and performance information on the departments. There is one objective under the goal to Safeguard the Community: Deliver effective public safety services.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for that objective are identified below.

Objective: Deliver effective public safety services		
Initiative Action Plans	Timeline	Department
Traffic pre-emption program – install traffic pre-emption devices at signalized intersections	FY 2017-2021	Fire
Fire Department accreditation – achieve international accreditation in the Fire Department	FY 2017	Fire
Citizens on Patrol (ACE) – expand utilization of Citizens on Patrol	FY 2017-2018	Police
Community Watch (ACE) – expand the Community Watch program	FY 2018	Police
Traffic enforcement – increase enforcement of local traffic laws with two additional police officers	FY 2017	Police

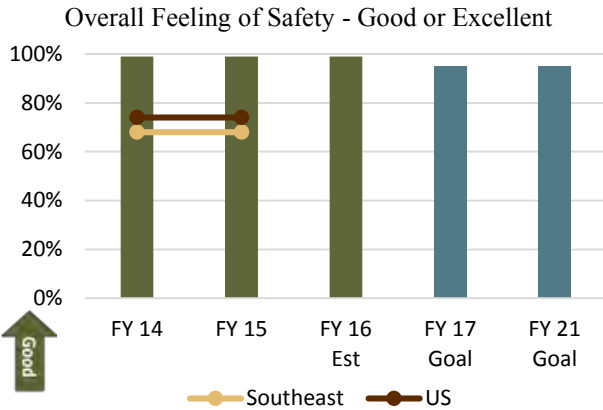
Key Performance Indicators (KPIs) – Deliver effective public safety services

Maintain a UCR index crime rate per 1,000 residents below 12



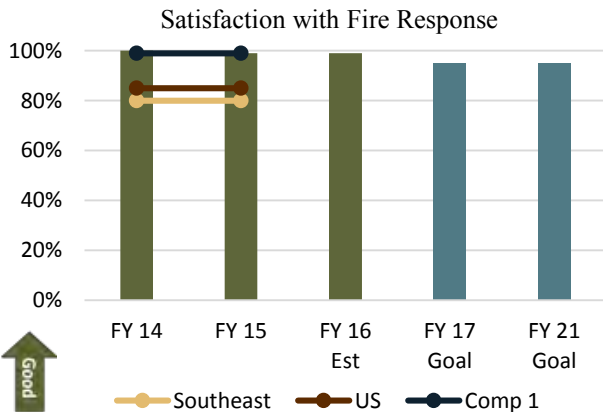


Maintain a 95% resident rating of the overall feeling of safety in the Village as good or excellent



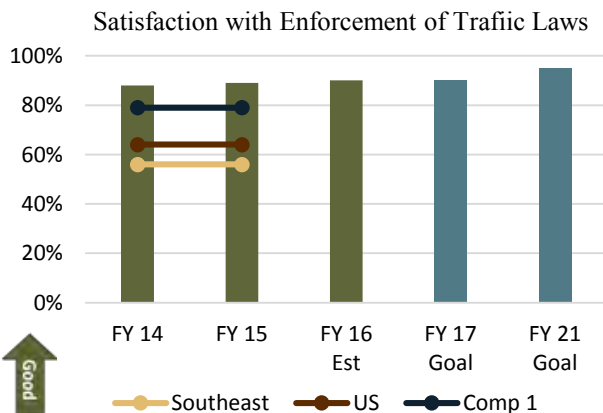
Each year residents indicate their overall feeling of safety during the annual Community Survey. The Village far exceeds both the US and Southeast in resident overall feeling of safety. In addition, **residents indicated a 99% satisfaction level with their feeling safety in their neighborhood during the day (excluding neutrals), the 2nd year in a row the Village achieved the highest nationwide rating ever achieved in an ETC survey.**

Maintain a 95% resident satisfaction rating with how quickly fire personnel respond to emergencies



Residents indicate their satisfaction with fire response during the annual Community Survey. Historically, residents have been extremely satisfied with the Fire Department's response times. As the department is in the process of seeking international accreditation, fire response times have been an area of focus for the department and have improved in recent years.

Maintain a 90% resident satisfaction rating with enforcement of local traffic laws



In the annual Community Survey, residents indicate their satisfaction with the enforcement of traffic laws. The Village exceeds both the US and Southeast and a comparable community. In addition, the NC Department of Transportation publishes a ranking of the safest roads in NC based on collisions, injuries, and population. **For the past several years, the Village has ranked in the top 5 in the state for the safest roads.**




Goal: Ensure Pinehurst is a Premier Residential Community

To ensure Pinehurst is a premier residential community means to deliver planning, infrastructure, code enforcement, police patrols, and grounds maintenance services to maintain a high level of overall appearance of public spaces and neighborhoods. Departments primarily responsible include Planning, Streets & Grounds, Police, Recreation, and Buildings & Grounds. Applicable volunteer committees include the Bicycle and Pedestrian Advisory Committee, Beautification Committee, Planning & Zoning/Board of Adjustment, the Historic Preservation Commission, and the Neighborhood Advisory Council. See the *General Fund* section of this document for additional information on the departments. There are three objectives under the goal to Ensure Pinehurst is a Premier Residential Community:

1. Maintain a high level of overall appearance of Pinehurst public spaces,
2. Improve the quality of neighborhoods ^{AOE}, and
3. Attract future residents to strengthen the housing market.

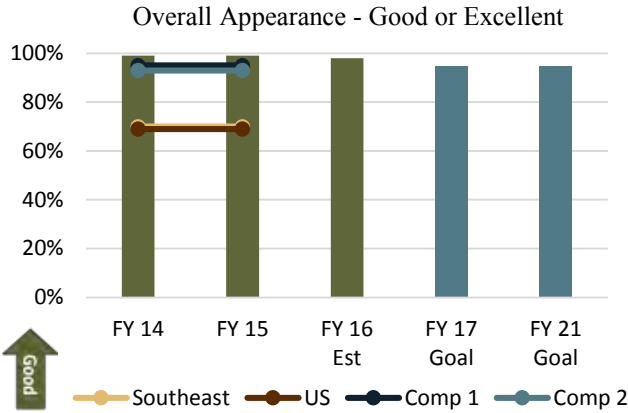
The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

Objective: Improve the quality of neighborhoods ^{AOE}		
Initiative Action Plans	Timeline	Department
Land use analysis – conduct a comprehensive land use analysis of the Village to determine the highest and best use of developable land	FY 2017	Planning
Code enforcement – increase code enforcement capacity and routinely patrol neighborhoods	FY 2017	Planning
Comprehensive Long Range Plan update – update the Village’s Comprehensive Long Range Plan	FY 2018-2019	Planning
Street lighting – expand street lighting in neighborhoods	FY 2017-2020	Streets & Grounds
Objective: Attract future residents to strengthen the housing market		
Initiative Action Plans	Timeline	Department
Marketing and promotion (ACE) – expand marketing and promotional efforts	FY 2017	Community Development



Key Performance Indicators (KPIs) - Maintain a high level of overall appearance of Pinehurst public spaces

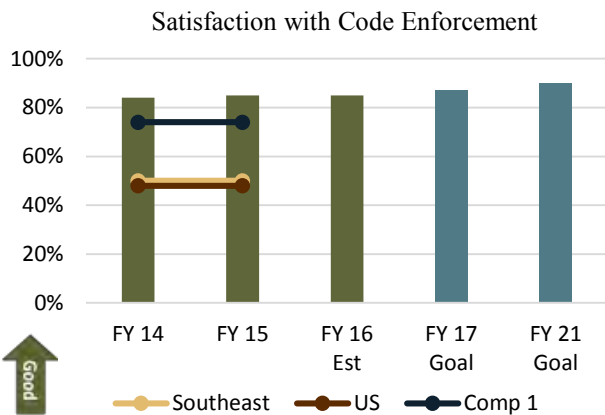
Maintain a 95% resident rating of the overall appearance in the Village as good or excellent



Each year residents indicate their assessment of the overall appearance of the Village during the annual Community Survey. Historically, residents have been extremely satisfied with the overall appearance of the Village, exceeding both the US and Southeast and comparable communities. The Village’s Beautification Committee has worked in conjunction with staff over the past several years to beautify the right of ways at key intersections with additional landscaping to improve the overall appearance of the Village.

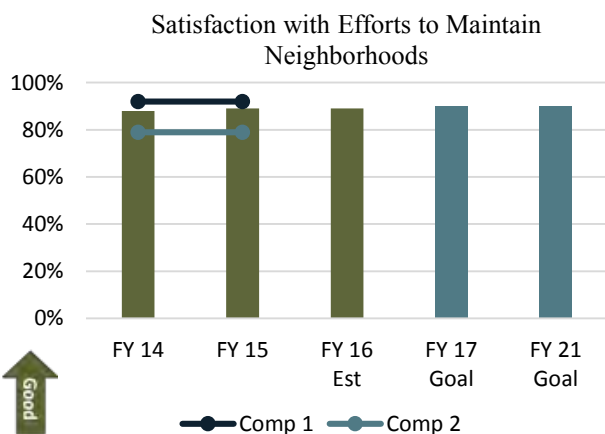
Key Performance Indicators (KPIs) – Improve the quality of neighborhoods AOF

Achieve an 87% resident satisfaction rating with the enforcement of codes and ordinances



Resident satisfaction with the enforcement of codes and ordinances has been historically low relative to other satisfaction ratings in the annual Community Survey. This year (and last year), code compliance is an *Area of Focus* for the Village, as the Village strives to improve these satisfaction ratings. In FY 2016, the Village conducted a BIRDIE on code enforcement and modified its process to include friendly reminders and additional public education on Village codes and ordinances. In FY 2017, the Village intends to incorporate routine patrols of neighborhoods to identify code compliance issues prior to receiving resident complaints.

Achieve a 90% resident satisfaction rating with efforts to maintain the quality of neighborhoods

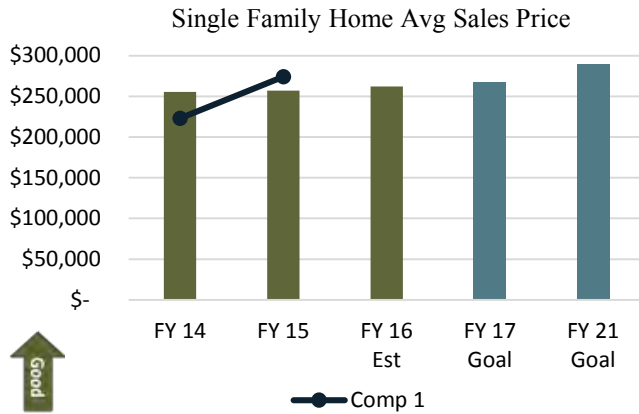


Another *Area of Focus* for the Village in FY 2017 is resident satisfaction with Village efforts to maintain the quality of neighborhoods. Striving to achieve “Excellent” results above 90% satisfaction levels, the Village has several IAPs to address the quality of neighborhoods in the SOP, such as increased traffic enforcement, code enforcement, land use analysis, and an update to the Village’s Comprehensive Long Range Plan.



Key Performance Indicators (KPIs) – Attract future residents to strengthen the housing market

See an increase in the single family home average sales price to \$267,000



Because 98% of taxable property in the Village is residential property, the Village monitors the single family home average sales price as indicated by the Moore County Regional Association of Realtors. Projected growth in home values is based on Zillow.com forecasts of median sales price increases for Pinehurst.



Pinehurst Neighborhood





Goal: Ensure a Thriving Business Community

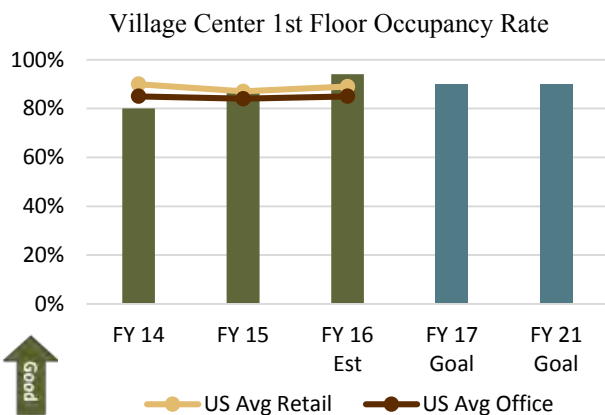
To ensure a thriving business community means to support economic and business development. Departments primarily responsible include Administration, Planning, and Community Development. Applicable volunteers include the Welcome Center volunteers. See the *General Fund* section of this document for additional information on the departments. There is one objective under Ensure a Thriving Business Community: Provide a business-friendly environment.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for this objective are identified below.

Objective: Provide a business-friendly environment		
Initiative Action Plans	Timeline	Department
Streetscape enhancements – expand brick sidewalks and streetscape improvements around the Village Center	FY 2017-2018	Streets & Grounds

Key Performance Indicators (KPIs) – Provide a business-friendly environment

Maintain at least a 90% occupancy rate for 1st floor space in the Village Center

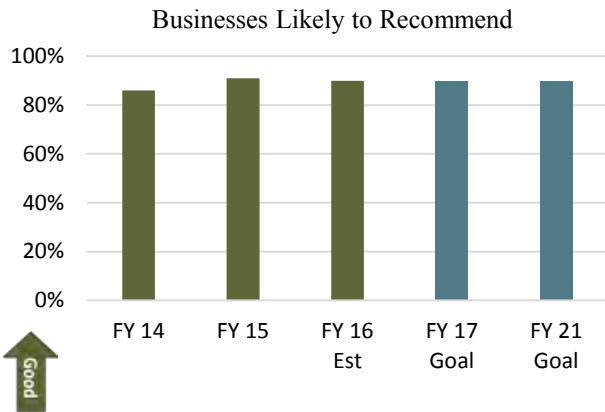


First floor occupancy rates in the Village Center is an indicator of the economic health of Village businesses. Occupancy rates have increased in the Village Center in recent years with a focus on supporting businesses and providing a business-friendly environment.



Key Performance Indicators (KPIs) – Provide a business-friendly environment

Maintain at least a 90% of businesses likely to recommend the Village as a business location



Each year, the Village conducts an annual Business Survey to determine business owner satisfaction levels. Businesses are one of the Village’s key customer groups and their likelihood to recommend is an indication of their engagement as a customer. Currently, the Village is achieving excellent results with approximately 90% of businesses likely to recommend the Village as a business location.



Village Center Business Sign



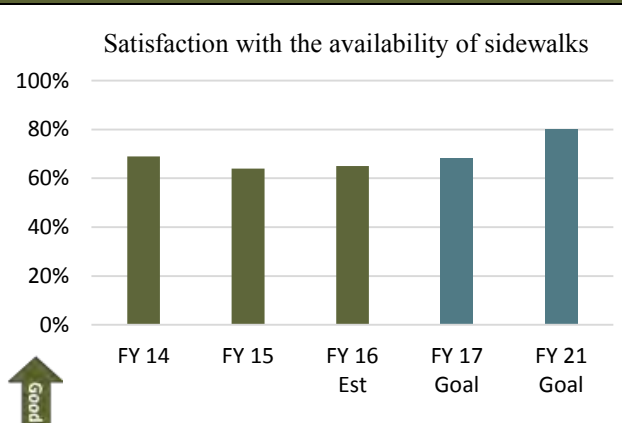

Goal: Provide Multi-Modal Transportation Systems

To provide multi-modal transportation systems means to provide efficient and well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity. Departments primarily responsible include Streets & Grounds and Parks & Recreation. Applicable volunteers include the Bicycle and Pedestrian Advisory Committee. See the *General Fund* section of this document for additional information on the departments. There are two objectives under Provide Multi-Modal Transportation Systems:

1. Provide interconnected greenway trails, bike paths, and sidewalks AOF, and
2. Maintain high quality streets and right of ways.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

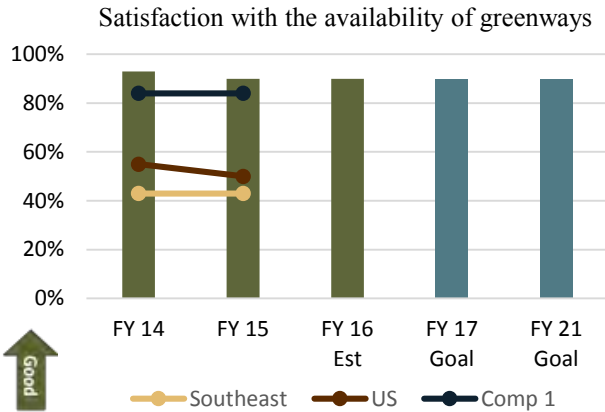
Objective: Provide interconnected greenway trails, bike paths, and sidewalks AOF		
Initiative Action Plans	Timeline	Department
Greenways – expand the greenway system and maintain/renovate existing trails	FY 2017-2021	Parks & Recreation
Neighborhood sidewalks – install sidewalks in Village neighborhoods, per the Comprehensive Pedestrian Master Plan	FY 2017-2021	Parks & Recreation

Key Performance Indicators (KPIs) – Provide interconnected greenway trails, bike paths, and sidewalks AOF													
Increase resident satisfaction with the availability of sidewalks to 68%													
 <p style="text-align: center;">Satisfaction with the availability of sidewalks</p> <table border="1"> <caption>Satisfaction with the availability of sidewalks</caption> <thead> <tr> <th>Fiscal Year</th> <th>Satisfaction Level (%)</th> </tr> </thead> <tbody> <tr> <td>FY 14</td> <td>~68%</td> </tr> <tr> <td>FY 15</td> <td>~65%</td> </tr> <tr> <td>FY 16 Est</td> <td>~65%</td> </tr> <tr> <td>FY 17 Goal</td> <td>~68%</td> </tr> <tr> <td>FY 21 Goal</td> <td>80%</td> </tr> </tbody> </table>	Fiscal Year	Satisfaction Level (%)	FY 14	~68%	FY 15	~65%	FY 16 Est	~65%	FY 17 Goal	~68%	FY 21 Goal	80%	<p>To address low resident satisfaction levels with the availability of sidewalks, the Village appointed a steering committee to develop the Comprehensive Pedestrian Master Plan that was approved by the Village Council in 2015. This plan identifies recommended locations for neighborhood sidewalks. Using this plan and Community Survey results segmented by neighborhood, the Village has identified four neighborhoods to target for sidewalk expansions. This is an <i>Area of Focus</i> for the Village and the Five-year Financial Forecast includes the construction of neighborhood sidewalks in each of the next five years to help improve resident satisfaction ratings.</p>
Fiscal Year	Satisfaction Level (%)												
FY 14	~68%												
FY 15	~65%												
FY 16 Est	~65%												
FY 17 Goal	~68%												
FY 21 Goal	80%												



Key Performance Indicators (KPIs) – Provide interconnected greenway trails, bike paths, and sidewalks

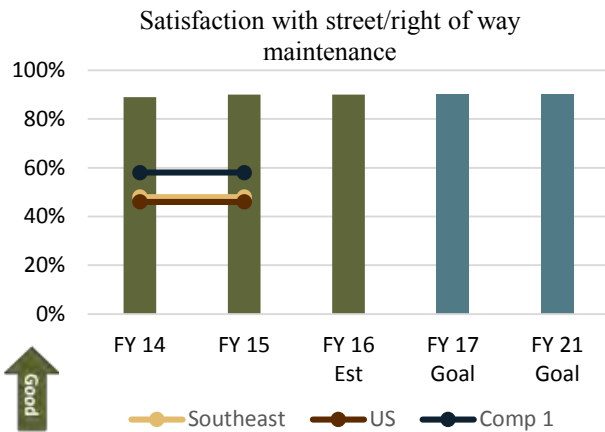
Maintain resident satisfaction with the availability of greenway/walking trails at 90%



The Village began construction greenways as a result of resident input in the Village’s first Comprehensive Long Range Plan in 2003. Over time, the Village has constructed over 7 miles of greenways and has achieved high resident satisfaction levels with the availability of greenways that exceed the Southeast and US averages as well as a comparable community.

Key Performance Indicators (KPIs) – Maintain high quality streets and right of ways

Maintain resident satisfaction with street and right of way maintenance at 90%



Overall, the Village has achieved high levels of satisfaction with street/right of way maintenance. This is well above the Southeast and US averages and a comparable community. In addition, *residents indicated a 92% satisfaction level with maintenance of major streets in the Village in the most recent Community Survey (excluding neutrals), marking the highest nationwide rating ever achieved in an ETC survey.*



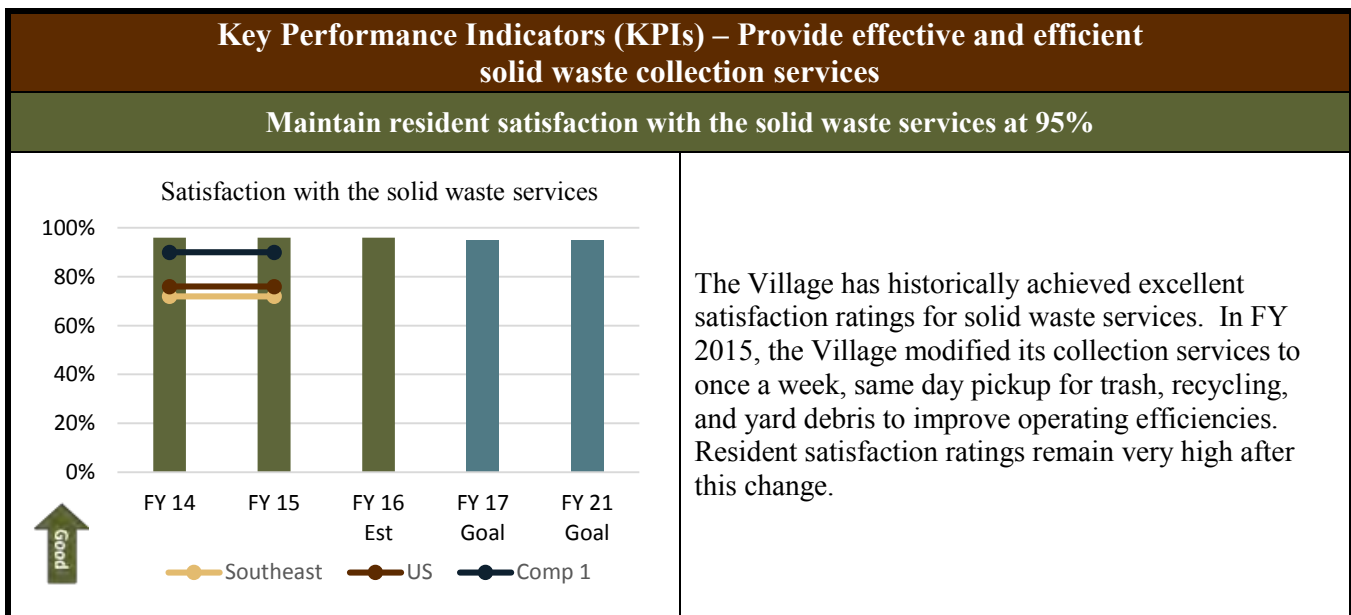
Goal: Manage Solid Waste Collection

To manage solid waste collection means to provide efficient and effective collection of household trash, recycling, and yard debris. The department primarily responsible is Solid Waste. Applicable volunteers include the Conservation Commission and its subcommittees. See the *General Fund* section of this document for additional information on the departments. There are two objectives under Promote Environmental Sustainability:

1. Provide effective and efficient solid waste collection services, and
2. Reduce, reuse, and recycle resources.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

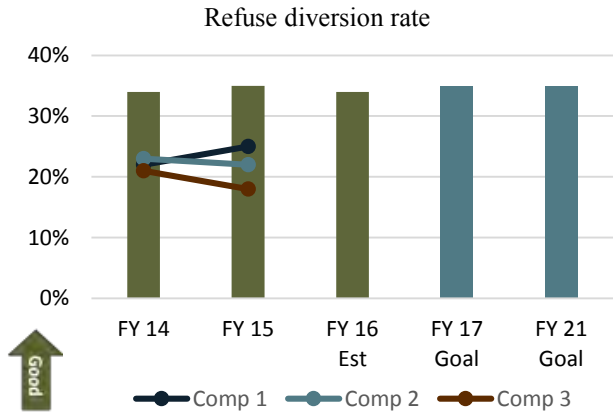
Objective: Provide effective and efficient solid waste collection services		
Initiative Action Plans	Timeline	Department
Supplemental yard debris collection (ACE) – provide supplemental fall leaf and storm debris collection	FY 2017	Solid Waste





Key Performance Indicators (KPIs) – Reduce, reuse, and recycle resources

Divert at least 35% of waste from the landfill



For the past three years, the Village has ranked in the top 4% in the state of NC for solid waste diversion rates, consistently exceed comparable communities. In addition, *residents indicated a 92% satisfaction level with curbside recycling services and a 96% satisfaction level with residential trash collection services (excluding neutrals), marking the highest nationwide ratings ever achieved in an ETC survey.*



“One and Done” Solid Waste Same Day Collection

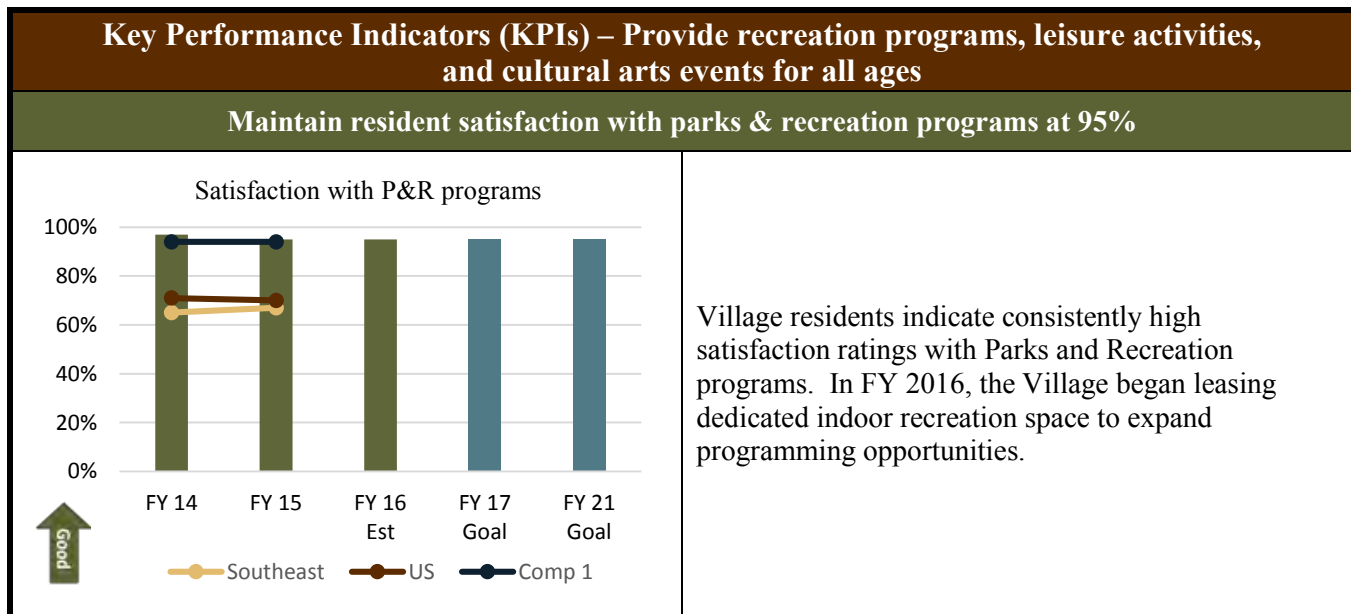



Goal: Maintain an Active, Healthy Community

To maintain an active, healthy community means to offer recreation programs, facilities, and community events to enhance the overall quality of life. The department primarily responsible is Recreation. Applicable volunteers include the numerous volunteer coaches. See the *General Fund* section of this document for additional information on the departments. There is one objective for Maintain an Active, Healthy Community: Provide recreation programs, leisure activities, and cultural events for all ages.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for this objective are identified below.

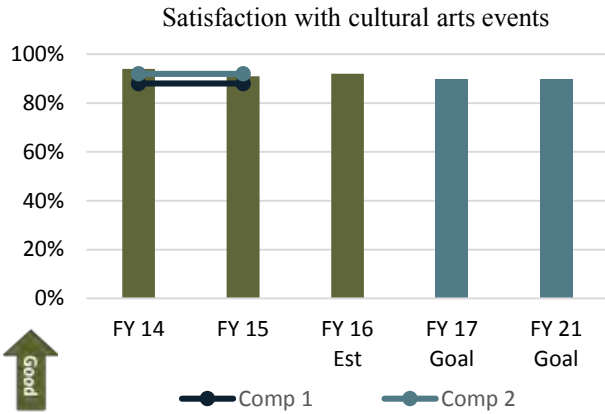
Objective: Provide recreation programs, leisure activities, and cultural arts events for all ages		
Initiative Action Plans	Timeline	Department
Recreation facilities – expand park amenities at Rassie Wicker Park and develop new recreation facilities	FY 2017-2021	Parks & Recreation





Key Performance Indicators (KPIs) – Provide recreation programs, leisure activities, and cultural arts events for all ages

Maintain resident satisfaction with Village-sponsored cultural arts events at 90%



In 2013, the Village hired a dedicated Events Coordinator to plan and execute cultural arts events. In 2015, the Village assumed responsibility for the Live After Five music series and other new events (e.g. movie nights) have been added to enhance resident satisfaction with Village sponsored cultural arts events.



Live After Five in Tufts Park




Goal: Professionally Manage a High Performing Organization

To professionally manage a high performing organization means to continually improve service delivery to internal and external customers. ALL departments are responsible for this goal, with ultimate responsibility falling to Administration. Applicable volunteers include the Risk Management Committee. See the *General Fund* section of this document for additional information on the departments. There are two objectives under Professionally Manage a High Performing Organization:

1. Enhance community engagement ^{AOF}, and
2. Continuously improve operational effectiveness through quality performance, use of technology, and innovation.

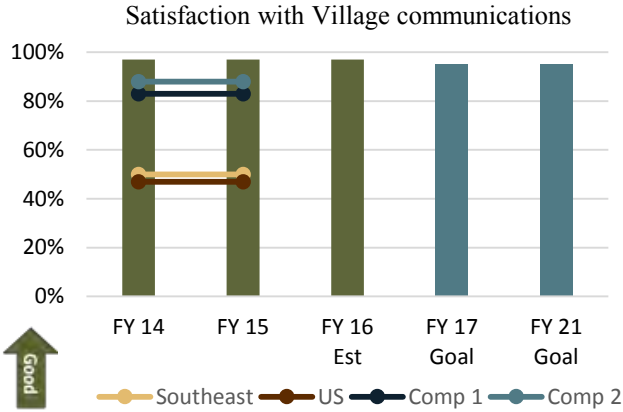
The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

Objective: Enhance community engagement ^{AOF}		
Initiative Action Plans	Timeline	Department
Civic engagement (ACE) – increase resident engagement in-person and online and create a centralized Communications Specialist position	FY 2017-2018	Administration
Performance dashboards (ACE) – report performance information online	FY 2018	Administration
Objective: Continuously improve operational effectiveness through quality performance, use of technology, and innovation		
Continuous process improvement – continue to use the Baldrige Performance Excellence Framework and participate in associated award programs	FY 2017-2021	Administration
P&I automation (ACE) – replace Planning & Inspections software	FY 2018	Planning & Inspections



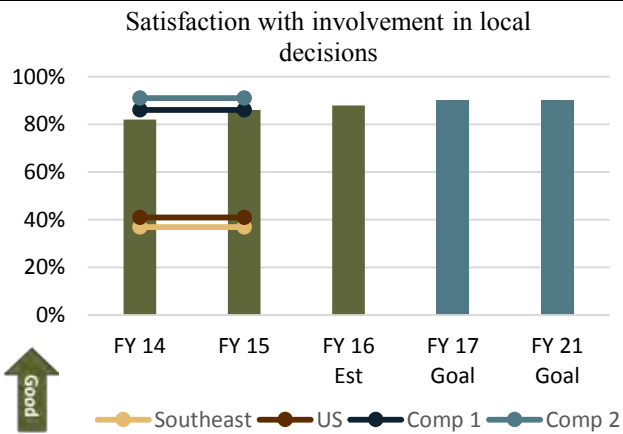
Key Performance Indicators (KPIs) – Enhance community engagement AOF

Maintain resident satisfaction with Village communications at 95%



The Village has had several initiatives to improve communications with residents in recent years including enhancements to the quarterly newsletter, Open Village Hall (an online civic engagement portal), posting Council meeting videos, monthly e-News, and social media enhancements. In 2014, **residents indicated an 88% satisfaction level (excluding neutrals) with Village communications, marking the highest nationwide rating ever achieved in an ETC survey.**

Increase resident satisfaction with the level of public involvement in local decisions to 90%

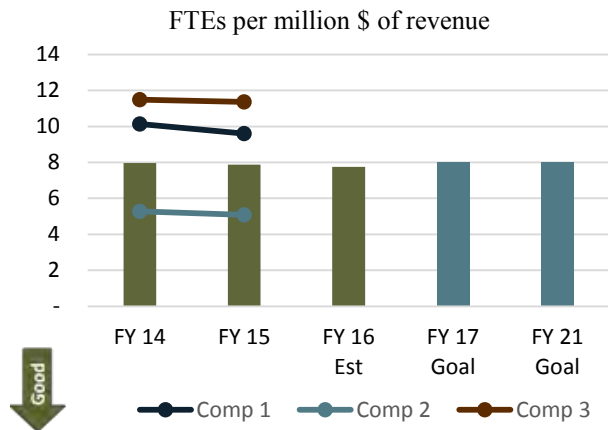


Increasing the level of public involvement in local decisions is an **Area of Focus** in FY 2017, with satisfaction levels falling below 90% and comparable communities. Planned actions to address community engagement include the reorganization of Administration staff to create a dedicated Communications Specialist position in FY 2017. This position will manage all Village external communications to allow for maximum resident involvement in decisions.



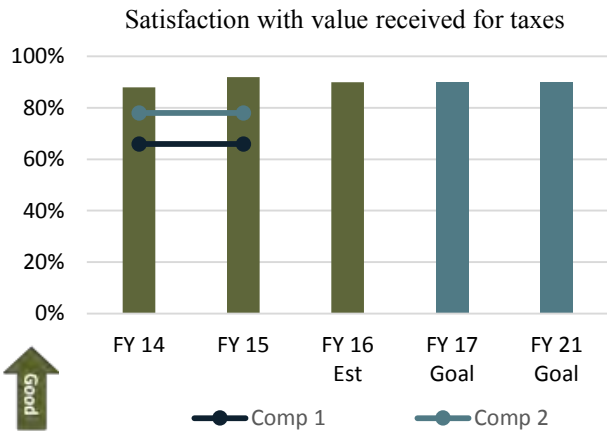
Key Performance Indicators (KPIs) – Continuously improve operational effectiveness through quality performance, use of technology, and innovation

Maintain fewer than 8 full time equivalents (FTEs) per million \$ of revenue



FTEs per million \$ of revenue is an indicator of the Village's ability to provide services with the minimum number of staff, indicating operational efficiency. The Village compares favorably to two of the three comparable communities.

Maintain resident satisfaction with the value received for taxes paid at 90%



Resident satisfaction with the value received for taxes paid is an indicator of resident perceptions of Village operational effectiveness. With satisfaction levels around 90% and exceeding comparable communities, the Village demonstrates its ability to provide an excellent value for taxes.



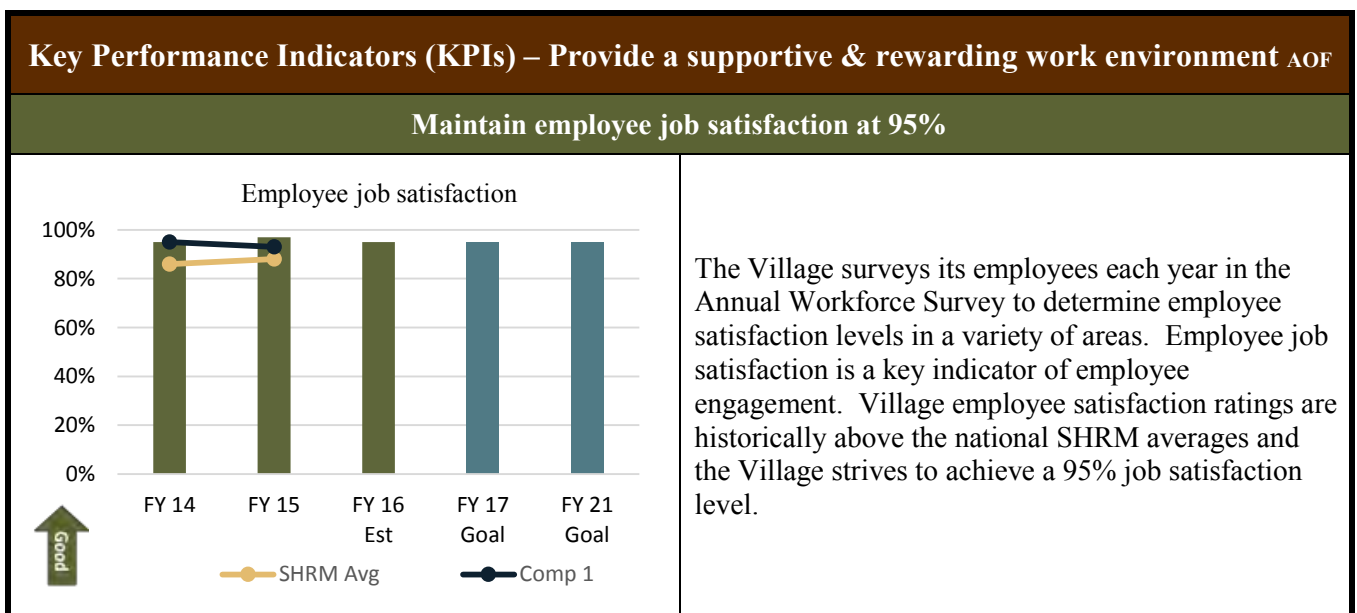


Goal: Attract & Retain an Engaged Workforce

To attract and retain an engaged workforce means to select, retain, and develop a qualified and diverse workforce of employees and volunteers. ALL departments are responsible for this goal, with ultimate responsibility falling to Human Resources. See the *General Fund* section of this document for additional information on the departments. There is one objective under Attract & Retain an Engaged Workforce: Provide a supportive and rewarding work environment AOF.

The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for this objective are identified below.

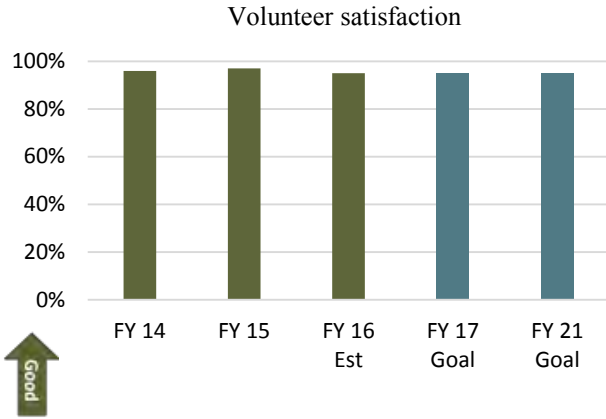
Objective: Provide a supportive and rewarding work environment AOF		
Initiative Action Plans	Timeline	Department
Workforce plans (ACE) – forecast future workforce capacity and capability needs and close any gaps	FY 2017-2018	Human Resources
Learning & development system (ACE) – develop a systematic learning & development system to include formalized succession planning	FY 2017-2018	Human Resources
Incentive reward program (ACE) – develop and provide an incentive reward program to supplement merit based rewards	FY 2018-2019	Human Resources
Police Department staffing – reorganize the Police Department to improve operating efficiency and effectiveness	FY 2017	Police





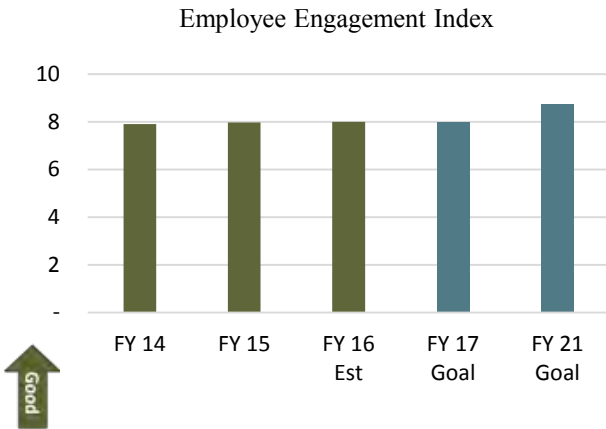
Key Performance Indicators (KPIs) – Provide a supportive & rewarding work environment AOF

Maintain volunteer satisfaction at 95%



The Village surveys its volunteers each year in its Annual Volunteer Survey to determine volunteer satisfaction levels in a variety of areas. Volunteer satisfaction is a key indicator of volunteer engagement. The Village demonstrates excellent results with over 95% of volunteers indicating they are satisfied with their volunteer experience.

Increase the Employee Engagement Index to 8.00



The Employee Engagement Index is a composite of six questions in three categories on the Annual Workforce Survey identified as the drivers of engagement: trust in leadership, reward and recognition, and opportunities for growth and development. Satisfaction ratings are converted to a numeric format on a scale of 1-10. The Index is segmented by departments and departments with more significant opportunity for improvement are taking actions to improve their individual department engagement index ratings.

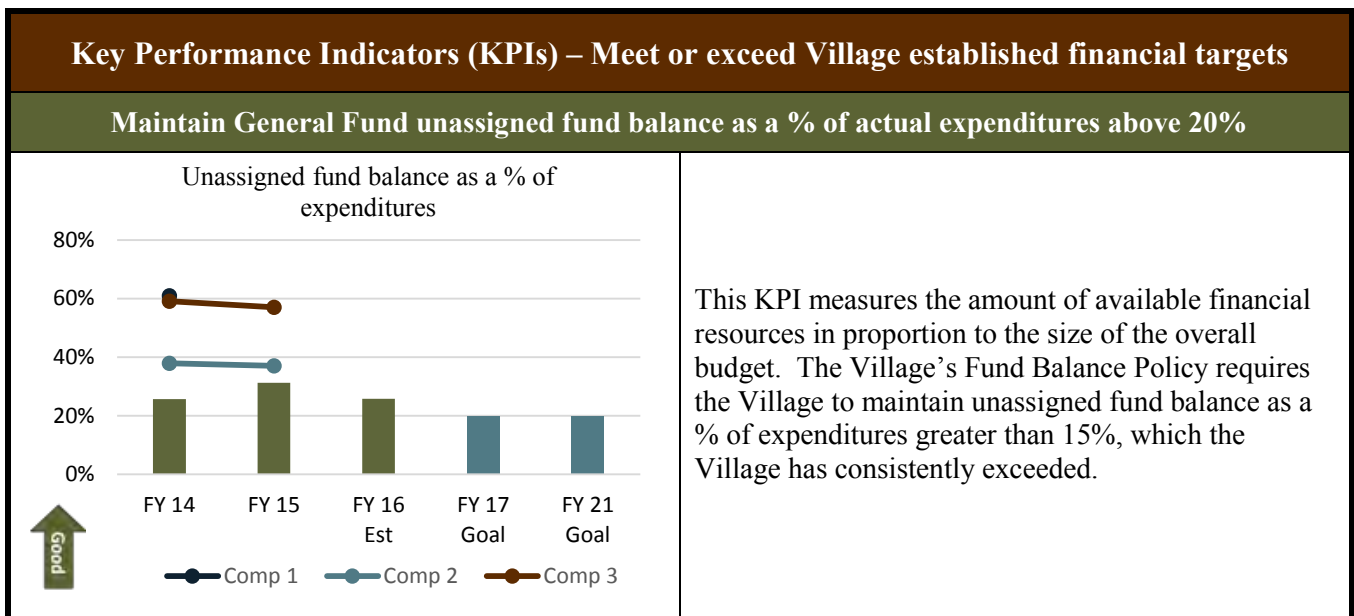


 **Goal: Maintain a Healthy Financial Condition**

To maintain a healthy financial condition means to ensure financial sustainability and strength by achieving financial targets and maintaining capital assets. ALL departments are responsible for this goal, with ultimate responsibility falling to Financial Services and Administration. See the *General Fund* section of this document for additional information on the departments. There are two objectives under Maintain a Healthy Financial Condition:

1. Meet or exceed Village established financial targets, and
2. Effectively maintain capital assets.

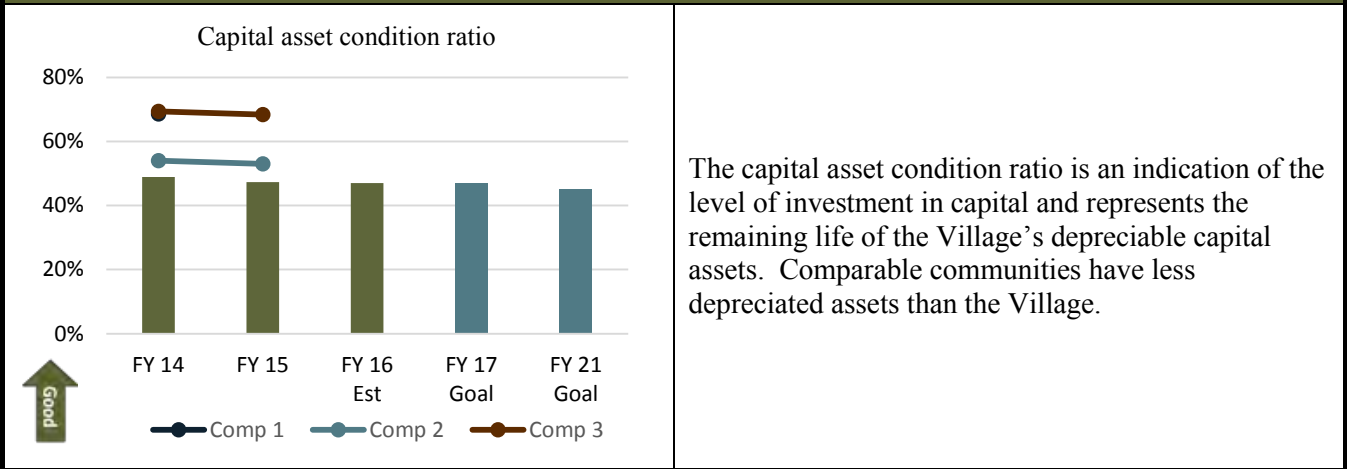
There are no five-year Initiative Action Plans (IAPs) for these objectives. Key Performance Indicators (KPIs) for these objectives are identified below.





Key Performance Indicators (KPIs) – Meet or exceed Village established financial targets

Maintain a capital asset condition ratio of 47%



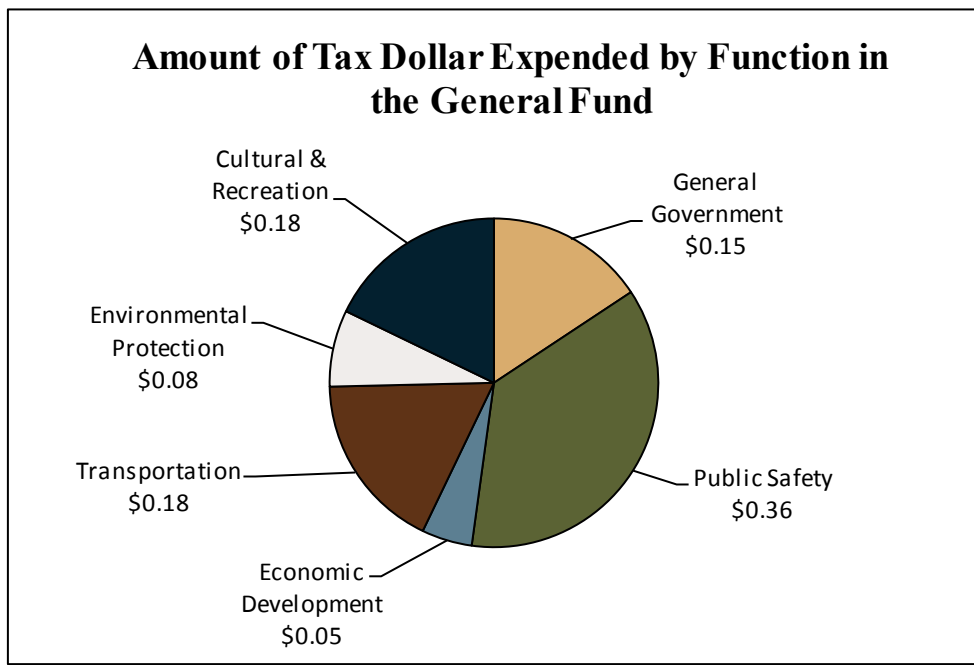




Description

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
- ❖ Debt Service

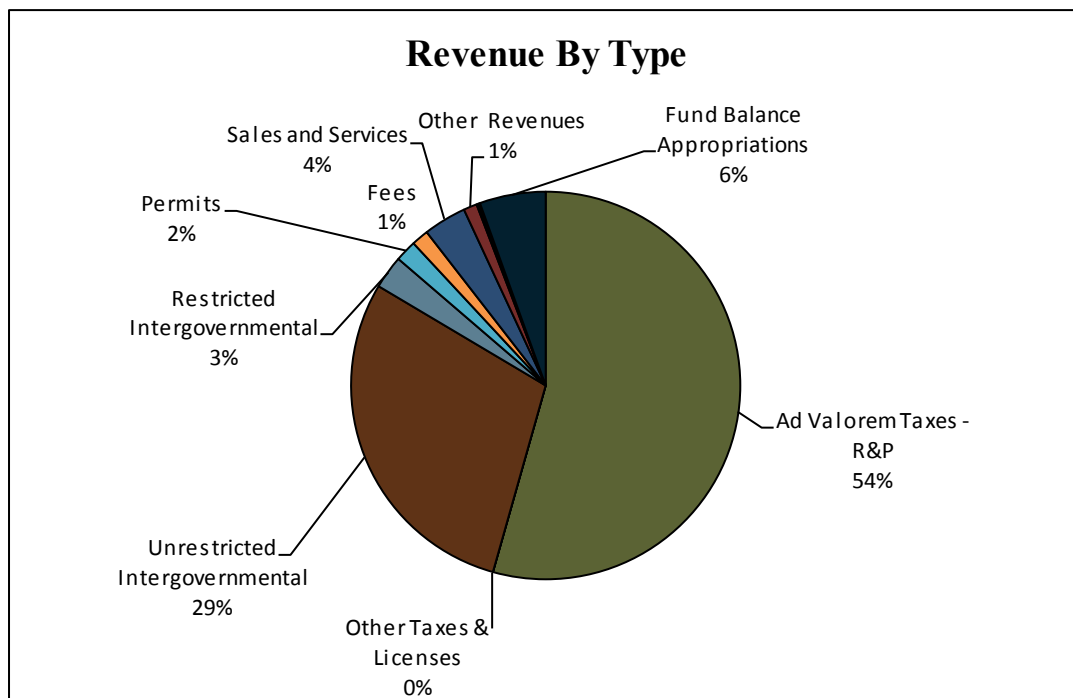




General Fund Summary

The major revenues as well as other financing sources budgeted by the Village of Pinehurst are summarized in the table and chart below. Ad Valorem Taxes account for approximately 54% of the Village of Pinehurst's total revenues.

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,792,365	\$ 9,573,000	\$ 9,680,000	\$ 9,923,000	3.7%
Other Taxes & Licenses	2,010	-	-	500	100.0%
Unrestricted Intergovernmental Rev.	4,979,172	4,785,900	5,249,400	5,326,200	11.3%
Restricted Intergovernmental Rev.	554,299	505,450	508,533	505,200	0.0%
Permits & Fees	578,554	556,300	557,305	583,800	4.9%
Sales & Services	629,899	579,000	655,535	652,400	12.7%
Assessments	20,116	29,075	40,000	29,000	-0.3%
Other Revenues	197,638	492,680	229,418	202,800	-58.8%
Investment Income	9,833	10,200	12,020	25,400	149.0%
Revenues	16,763,886	16,531,605	16,932,211	17,248,300	4.3%
Other Financing Sources	2,897	-	-	-	0%
Fund Balance Appropriations	-	1,827,290	-	1,001,685	-45.2%
Total Revenues	\$ 16,766,783	\$ 18,358,895	\$ 16,932,211	\$ 18,249,985	-0.6%
Per Capita	\$ 1,080	\$ 1,165	\$ 1,074	\$ 1,143	

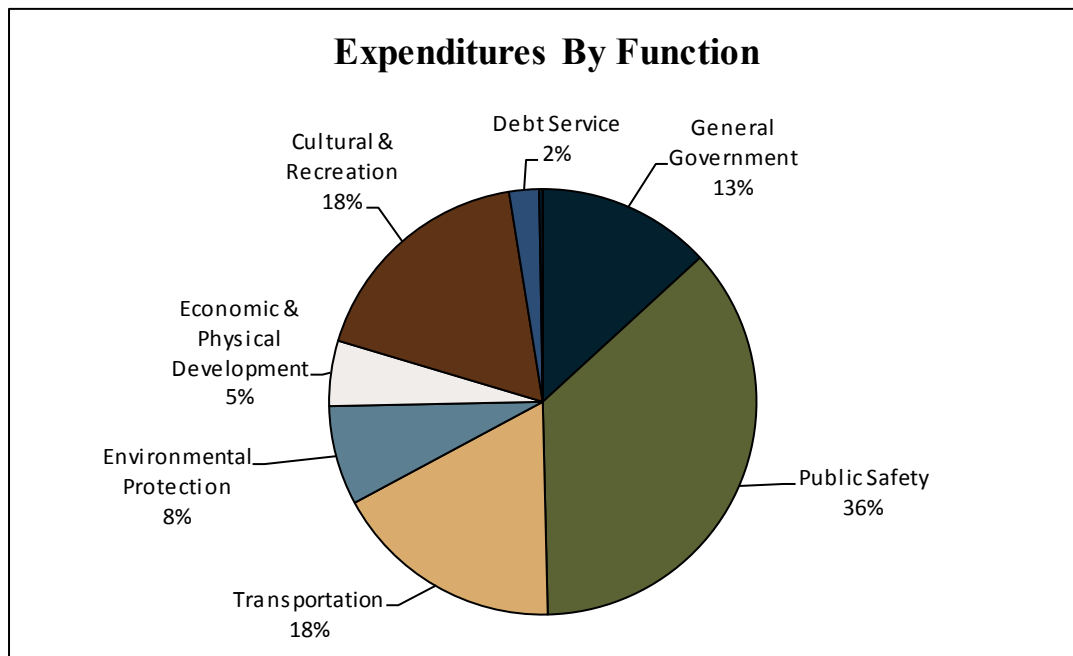




General Fund Summary

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 table and chart present the trends for all of the Village of Pinehurst's different functions.

Expenditures by Function	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
General Government	\$ 2,133,736	\$ 2,382,847	\$ 2,306,497	\$ 2,401,699	0.8%
Public Safety	5,543,489	6,050,332	5,738,785	6,655,736	10.0%
Transportation	2,789,063	3,273,013	3,060,676	3,194,092	-2.4%
Environmental Protection	1,586,800	1,710,580	1,625,010	1,376,626	-19.5%
Economic & Physical Dev	1,109,520	1,091,455	994,118	906,028	-17.0%
Cultural & Recreation	2,633,383	3,338,364	3,274,487	3,253,082	-2.6%
Debt Service	494,533	464,304	464,304	412,722	-11.1%
Contingency	-	48,000	-	50,000	4.2%
Total Expenditures	\$ 16,290,524	\$ 18,358,895	\$ 17,463,877	\$ 18,249,985	-0.6%





General Fund Summary

The Village also summarizes expenditures by type and department to facilitate further analysis of expenditure trends. The following tables provide a summary of expenditures by Expenditure Type and Department for Fiscal Year 2017.

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 8,777,922	\$ 9,363,596	\$ 8,886,028	\$ 9,689,338	3.5%
Operating	5,460,049	5,796,782	5,500,332	6,011,225	3.7%
Capital	1,558,020	2,734,213	2,613,213	2,136,700	-21.9%
Debt Service	494,533	464,304	464,304	412,722	-11.1%
Total Expenditures	\$ 16,290,524	\$ 18,358,895	\$ 17,463,877	\$ 18,249,985	-0.6%

Expenditures by Department	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Governing Body	\$ 180,596	\$ 233,248	\$ 211,880	\$ 209,400	-10.2%
Administration	1,079,283	1,160,629	1,140,475	1,148,739	-1.0%
Finance	552,400	618,830	620,125	611,300	-1.2%
HR	321,457	370,140	334,017	432,260	16.8%
Police	2,726,411	2,949,599	2,799,977	3,031,653	2.8%
Fire	2,590,878	2,843,693	2,711,673	3,407,246	19.8%
Planning	565,361	721,215	626,378	637,998	-11.5%
Inspections	226,200	257,040	227,135	216,837	-15.6%
Public Services Admin.	358,837	891,745	878,526	503,311	-43.6%
Streets & Grounds	1,602,264	1,581,268	1,506,150	1,790,481	13.2%
Powell Bill	827,962	800,000	676,000	900,300	12.5%
Community Development	544,159	370,240	367,740	268,030	-27.6%
Solid Waste	1,586,800	1,710,580	1,625,010	1,376,626	-19.5%
Recreation	1,296,362	2,028,379	2,001,874	2,020,235	-0.4%
Library	405,000	225,000	225,000	200,000	-11.1%
Harness Track	612,043	717,700	690,610	611,231	-14.8%
Fair Barn	319,978	367,285	357,003	421,616	14.8%
Contingency	-	48,000	-	50,000	4.2%
Debt Service	494,533	464,304	464,304	412,722	-11.1%
Total Expenditures	\$ 16,290,524	\$ 18,358,895	\$ 17,463,877	\$ 18,249,985	-0.6%
Per Capita	\$ 1,049	\$ 1,165	\$ 1,108	\$ 1,143	-1.9%



Summary

The General Fund continues to reflect the overall economy with moderate revenue growth from both locally generated revenues and statewide intergovernmental revenues. The continued recovery in the national housing market is having a positive impact on new home construction and this budget reflects the associated growth in Property Tax and Local Option Sales Tax revenues. There is also a significant increase in Electricity Sales Tax due to a favorable change in the tax rate and distribution formula.

The proposed General Fund budget for FY 2017 is \$18,249,985, a decrease of approximately 0.6% from the previous year’s amended budget. The primary reason for the small decrease is the reappropriation of unfinished capital projects from FY 2015 into FY 2016.

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Income (Loss)</u>
6/30/2012 Actual	\$15,311,703	\$14,803,571	\$508,132
6/30/2013 Actual	15,616,884	15,811,474	(194,590)
6/30/2014 Actual	16,654,796	16,867,090	(212,294)
6/30/2015 Actual	16,748,558	16,290,525	458,033
6/30/2016 Estimated	16,932,211	17,463,877	(531,666)
6/30/2017 Budgeted	17,248,300	18,249,985	(1,001,685)

After adding Appropriated Fund Balance of \$1,001,685 to revenues, the Village’s FY 2017 Recommended Budget is balanced in accordance with North Carolina General Statutes.

Revenue Highlights

The approved budget for FY 2017 represents a 0.6% decrease from the FY 2016 amended budget. Revenues are estimated to increase by approximately 4.3% over FY 2016. The property revaluation by the Moore County Tax Department in FY 2016 resulted in a 4.83% decrease in property values. Last fiscal year, the revenue neutral tax rate was estimated to \$0.30 per \$100 at the time of the revaluation. The Village chose to adopt a rate of \$0.29 when adopting the budget. The plan was to spend down fund balance for two years and to raise the property tax rate by one cent in FY 2018 if needed. At the conclusion of the revaluation appeal period, final tax values were slightly higher than expected. This combined with robust growth in other operating revenues have reduced the need for the one cent increase in FY 2018. The current budget calls instead for increasing the property tax rate by one-half cent to \$0.295 in FY 2017 to support operations and strategic initiatives.

These factors increased the projected ad valorem tax revenues, which represent roughly 54% of total revenues, by approximately 3.7% over the prior year.



Unrestricted Intergovernmental Revenues which are distributed by the North Carolina Department of Revenue are expected to increase significantly over the prior year. The formula for distribution of Electricity Sales Tax was changed in 2014, and the Village has received significantly more from this revenue source under the new formula. Local Option Sales Tax revenues have also grown faster than was projected due to an improving economy. Overall, we are expecting to see unrestricted intergovernmental revenues to increase approximately \$540,000 or 11.3% over the FY 2016 budget.

Permits and Fees are expected to increase by 4.9% in FY 2017 over the prior year budgeted levels. This increase is due to a 26.5% increase in Fire District revenues. In January of 2016, the Village began providing medical first response services through a contract with Moore County. This increased revenues in this area by \$12,000. Also, rescue services funding from the county was previously accounted for in another revenue category and has been reclassified to this category. Finally, the Village's projected funding from its contract with the Town of Taylortown is expected to increase due to an increase in the property value in the area covered under the contract.

Sales and Services revenues, which are derived from various Parks and Recreation fees, are expected to increase by 12.7% over prior year levels. The largest increases come from Fair Barn rental revenues and Recreation Fees. Fair Barn rental revenues are expected to increase 16.2% over the prior year due to strong demand for the facility and increased weekday rentals. Recreation fees are also expected to increase by 36.8%. This forecast is based on current year revenue collections which reflect increasing participation in recreation programs and high demand for rentals of the Village Arboretum venue.

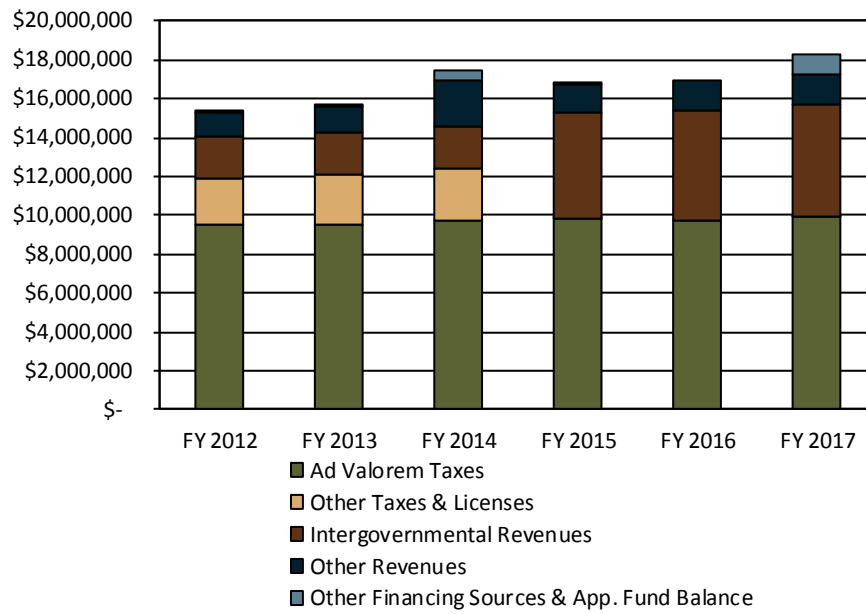
Assessment revenues are expected to stabilize at \$29,000 for FY 2017. FY 2016 marked the first year of assessments for the Cotswold of Pinehurst property owners for a stormwater project. During the first year, several property owners chose to pay off the entire five-year assessment in the first year. The revenue budget for FY 2017 anticipates \$9,800 from the MSD assessment and \$19,200 from the Cotswold assessment.

Other Revenues are planned to decrease by \$290,000, or 58.8% compared to the previous year. The primary factor contributing to the decrease is the \$300,000 anticipated land sale proceeds included in the FY 2016 budget. The land sale was deferred in FY 2016 and is not included in the FY 2017 plan.

Investment income is estimated to grow by 149.0% as interest rates have risen and funds available to invest have also increased. The average rate of return expected in Fiscal Year 2017 is 0.26%. This rate, although low, is nearly double the rate of return for FY 2016.



Historical Revenues by Source



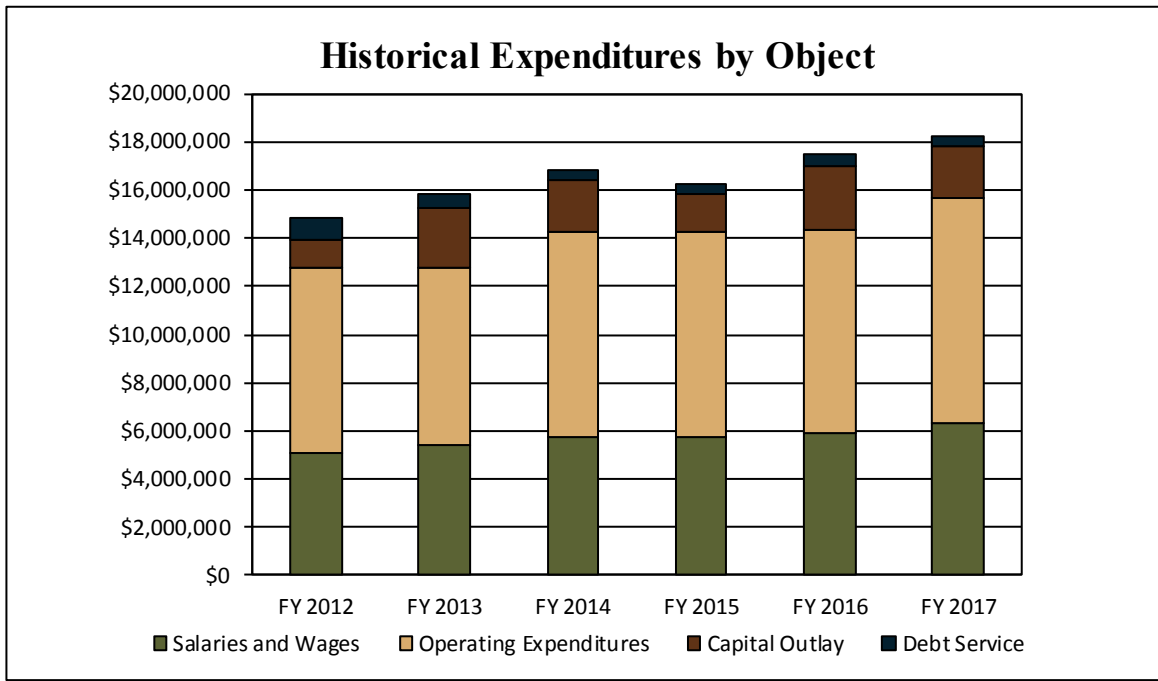


Expenditure Highlights

Salaries & Benefits are expected to increase by 3.5% in FY 2017. This is affected by an average merit increase for employees of 0%-3% and a projected 10% increase in group insurance. Also, in FY 2017 there are 3.75 new employee FTEs added to the budget. The cost for these increases is offset to some extent by a significant number of employee retirements, which have lowered payroll expenditures slightly.

Village Department Heads are focused on achieving the strategic objectives and performance targets established by the Council that are reflected on the Balanced Scorecard (BSC). The 3.7% increase in operating expenditures is reflective of several new initiatives and their associated expenditures in FY 2017. Current year Operating Expenditures include funding for strategic initiatives supporting the Council's goals and objectives as listed in the *Strategic Priorities* section of this document. These include the reorganization of the Administration and Police Departments, conducting a land use plan, marketing and promotion, and additional greenway maintenance.

Capital spending in the General Fund decreased by 21.9% compared to the previous year. The inclusion of \$400,000 for the Public Services complex redevelopment and \$280,000 for a spray ground at Rassie Wicker Park in the prior year contributed to this variance. Significant items in the current plan include \$600,000 for the replacement of a 1998 fire engine and \$375,200 for neighborhood sidewalks.





Fund Balance

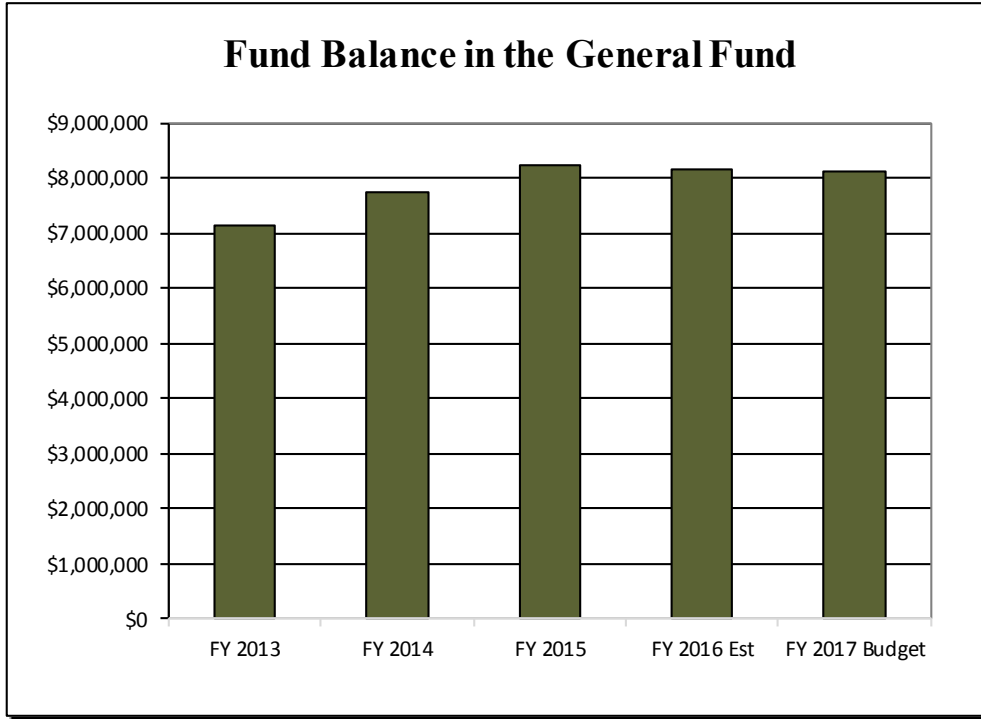
Fund balance refers to the difference between current financial assets and liabilities reported in a fund. It is also referred to as surplus funds. The North Carolina Local Government Commission recommends that units of government retain an amount of unreserved fund balance in the General Fund of at least equal to 8% of appropriations of the fund. The Village 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 the Village’s fund balance for the FY 2017 budget and three prior fiscal years.

Fund Balance	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimated	FY 2017 Budgeted
Beginning	\$ 7,161,748	\$ 7,748,844	\$ 8,225,102	\$ 8,161,960
Ending	7,748,844	8,225,102	8,161,960	8,117,786
Increase/(Decrease)	587,096	476,258	(63,142)	(44,174)
% Change	8.2%	6.1%	-0.8%	-0.5%
% of Expenditures	45.9%	50.5%	44.5%	44.5%

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 2017, we have appropriated \$1,001,685 of the Village’s fund balance as a revenue source. This amount is \$825,605 less than the previous fiscal year due to strong revenue growth and lower capital expenditure levels.

Fund balance is estimated to be \$8,161,960 at June 30, 2016. This is 44.5% of the budgeted FY 2016 expenditures of \$18,358,895. The Village’s fund balance policy is to maintain 30%-40% of expenditures in fund balance. Fund balance at June 30, 2017 is estimated to be \$8,117,786 or 44.5% of budgeted expenditures. The FY 2017 Strategic Operating Plan calls for fund balance to be reduced to the mid-point of the policy range over the next three years and to maintain that level for the remainder of the plan.





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 2015 tax year, or FY 2016.

Historically, motor vehicles were either registered in North Carolina under the annual system or the staggered system. However, effective in Fiscal Year 2014, North Carolina has changed its billing and collection process to a “Tax-and-Tag-Together” system. In the new system, tax bills for vehicles will be included with “invitation to renew” vehicle registrations. Vehicle taxes will be collected by the Department of Motor Vehicles at the same time as the vehicle registration. The motor vehicle tax portion will be distributed to the counties by the Department of Transportation on the 10th of each month.

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 54% of all Village General Fund revenues. This includes current year’s collections, prior year’s collections, penalties and interest, and refunds.

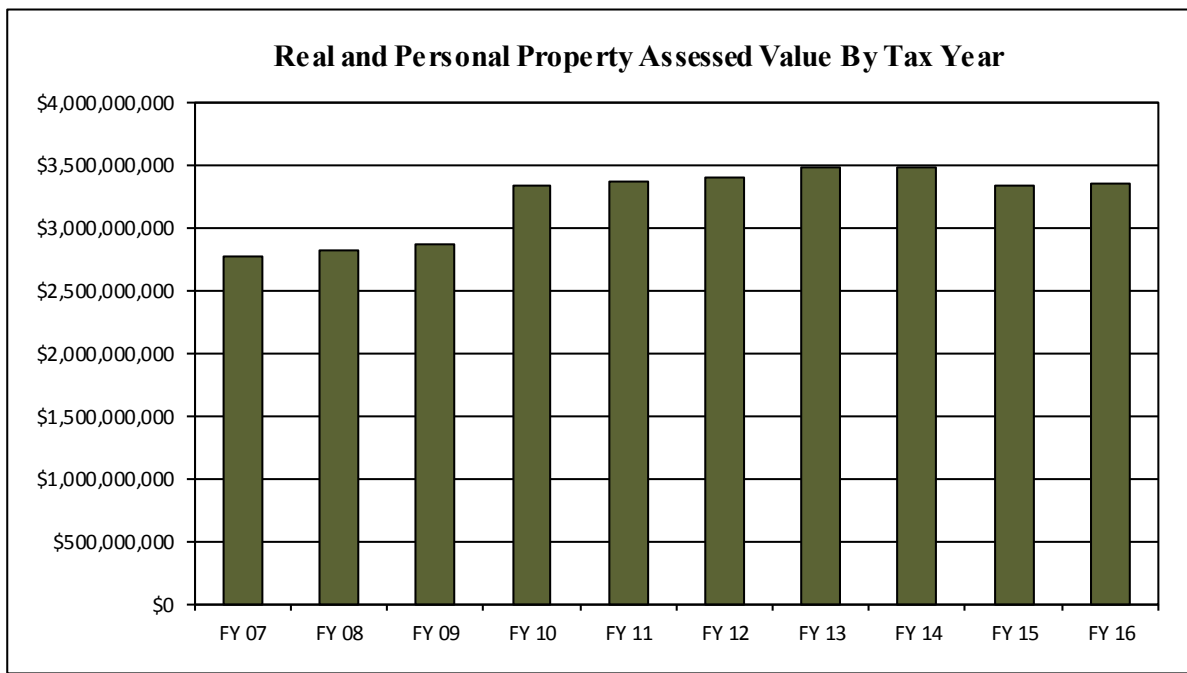
Ad Valorem Taxes	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Real & Personal - Current Year	\$ 9,256,297	\$ 9,073,000	\$ 9,125,000	\$ 9,359,000	3.2%
Real & Personal - Prior Years	4,187	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	516,740	493,000	548,000	557,000	13.0%
Motor Vehicles - Prior Years	5,112	2,000	2,000	2,000	0.0%
Discounts/Reliefs/Refunds	(2,651)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	12,680	5,000	5,000	5,000	0.0%
Total Ad Valorem Tax Revenue	\$ 9,792,365	\$ 9,573,000	\$ 9,680,000	\$ 9,923,000	3.7%

Revenue Assumptions

- In the 2015 property revaluation, the Moore County Tax Department estimated a 5.15% decrease in the Village’s property values since the last revaluation in 2007. After all revaluation appeals had been heard, the value of real property in the Village had only decreased by 4.83%. When combined with a small increase in the motor vehicle valuations, the total tax base was \$155,000,000, or 4.4% lower than the year before the revaluation.



- Last fiscal year, the revenue neutral tax rate was estimated to \$0.30 per \$100 valuation. The Village chose to adopt a rate of \$0.29 at the time. The plan was to spend down fund balance for two years and to raise the property tax rate by one cent in FY 2018 if needed.
- The slightly higher final tax valuation and growth in other revenues have reduced the need for the one cent increase in FY 2018. The current budget calls instead for a ½ cent property tax rate increase in FY 2017 to support operations and strategic initiatives.
- The total estimated valuation of real and personal property is \$3,369,000,000, of which \$3,177,000,000 is real property valuation and \$192,000,000 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 for FY 2017 is 1.0%. The number of new homes constructed in the Village increased slightly in FY 2015, from 101 to 107, and we are expecting to maintain a similar level in FY 2016 and FY 2017. Although it varies from year to year, the historical growth rate for 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 98.5% 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 currently consists only of Golf Cart Sticker fees.

Golf cart stickers are issued to license the use of personal golf carts on Village streets. For FY 2016, the Village planned to eliminate the registration process and did not budget for any revenues. In January of 2016, the Village instead decided to convert the golf cart registration process from an annual registration to a one-time registration. This new system will accomplish the goals of the program while reducing the time and cost to issue the stickers.

Other Taxes & Licenses	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Golf Cart Stickers	\$ 2,010	\$ -	\$ -	\$ 500	100.0%
Total Other Taxes & Licenses	\$ 2,010	\$ -	\$ -	\$ 500	100.0%

Revenue Assumptions

- Previously the Village charged a fee of \$5 per cart per year to license personal golf carts. Starting in January 2016, a new one-time registration fee of \$20 was established.
- The new system should be more convenient for residents and less costly for the Village. The resulting revenues, however, will be approximately \$1,500 less per year under the new system.



Description of Revenue Source

Unrestricted Intergovernmental Revenue consists of Local Option Sales Taxes, Telecommunications Tax, Electricity Sales Tax, Video Programming Sales Tax, Hold Harmless Sales Tax, and Wine & Beer Tax. These six state-collected local revenues make up approximately 29% of all General Fund revenues.

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. These local government sales and use taxes are applied to sales made in the state and are allocated to each county based on various legislated formulas. The total amount allocated to Moore County is then distributed among the county and the local government jurisdictions within the county on a per capita basis. The State of North Carolina distributes the Village's share of these taxes to the Village on a monthly basis.

The Telecommunications Tax represents a 8.0% 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.

In North Carolina, Electricity Sales are taxed at the combined general statewide sales tax rate of 7%. The State allocates 44% of the proceeds to cities within the state. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is based on the electricity franchise revenues received in FY 2014. The ad valorem share is based on the city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied. The State of North Carolina distributes this tax to municipalities 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 of 7.0%.

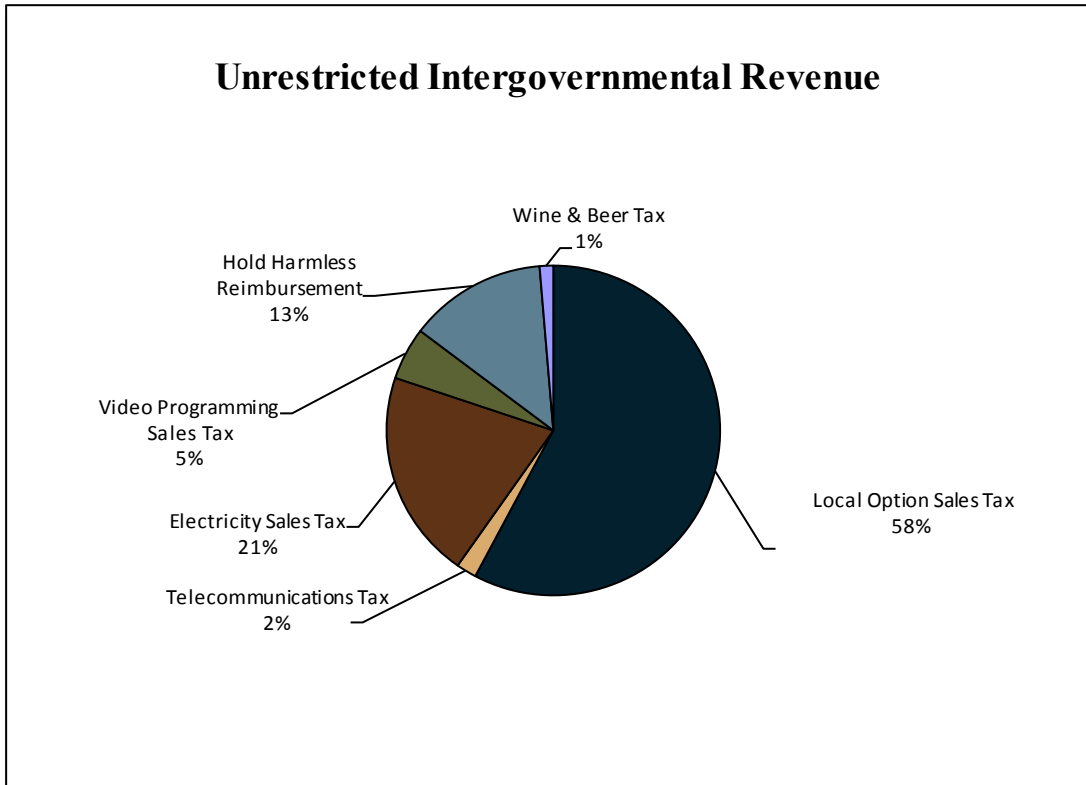
The Hold Harmless Reimbursement is based on taxable sales made in the county and is allocated among the county and the local government jurisdictions within the county based upon a per capita basis. These Hold Harmless Reimbursements were granted to municipalities to replace the Article 44 sales tax 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 Revenues

Unrestricted Intergovernmental Revenue	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Local Option Sales Tax	\$ 2,850,563	\$ 2,826,000	\$ 2,978,500	\$ 3,076,000	8.8%
Telecommunications Tax	122,095	129,000	129,000	105,000	-18.6%
Electricity Sales Tax	967,524	788,000	1,088,000	1,089,000	38.2%
Video Programming Sales Tax	296,634	295,000	295,000	274,000	-7.1%
Hold Harmless Reimbursement	668,311	679,000	690,000	712,000	4.9%
Wine & Beer Tax	74,045	68,900	68,900	70,200	1.9%
Total Unrest. Intergovernmental Rev.	\$ 4,979,172	\$ 4,785,900	\$ 5,249,400	\$ 5,326,200	11.3%





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 (NCLM) in conjunction with economists from the North Carolina General Assembly. These estimates are communicated to all municipalities to aid them in budgeting these state-collected revenues. This year, the NCLM is projecting sales tax growth in FY 2016 of 4.50% and 3.75% in FY 2017. Based on this stronger forecast, the FY 2017 local option sales tax revenue budget will increase by approximately 8.8% over the FY 2016 budgeted amounts.
- Telecommunications Taxes are projected based upon growth assumptions provided by the NCLM. The telecommunication industry continues to experience a decline in the total number of landlines. The NCLM is projecting this revenue to decrease 12.0% in FY 2016 and 2.0% in FY 2017. Based on this forecast, the Village's telecommunications tax revenue will decrease by approximately 18.6% in FY 2017 over the FY 2016 budgeted amount.
- Electricity Franchise Taxes are also projected based upon growth assumptions provided by the NCLM. FY 2015 marked the first year of a new tax rate and distribution method for this revenue. The distribution formula is written into law and is not scheduled to be revisited. The actual revenues yielded from the new formula during this initial period have been difficult to forecast. As a result, the estimated FY 2015 revenue was 48.8% more than the FY 2015 budget. This, coupled with an additional increase in FY 2016, results in a 38.2% increase between the FY 2016 and FY 2017 budgeted amounts. This revenue should level off at this point and is expected to grow at 3.5% per year going forward.
- Thus far, distributions of Video Programming Sales Taxes for FY 2016 are lower than the amounts collected in FY 2015 as the industry continues to face competition from other video content providers. The NCLM is projecting a decrease in FY 2016 of 5.5% and 2.0% in FY 2017. Based on this forecast, telecommunications tax revenue will decrease by approximately 7.1% in FY 2017 as compared to the FY 2016 budgeted amount.
- Beer and Wine Tax revenues are expected to increase by 1.9% to \$70,200 in FY 2017 due to increased sales.



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 North Carolina State Highway Fund. 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. The Village uses these funds primarily to fund its recycling program.

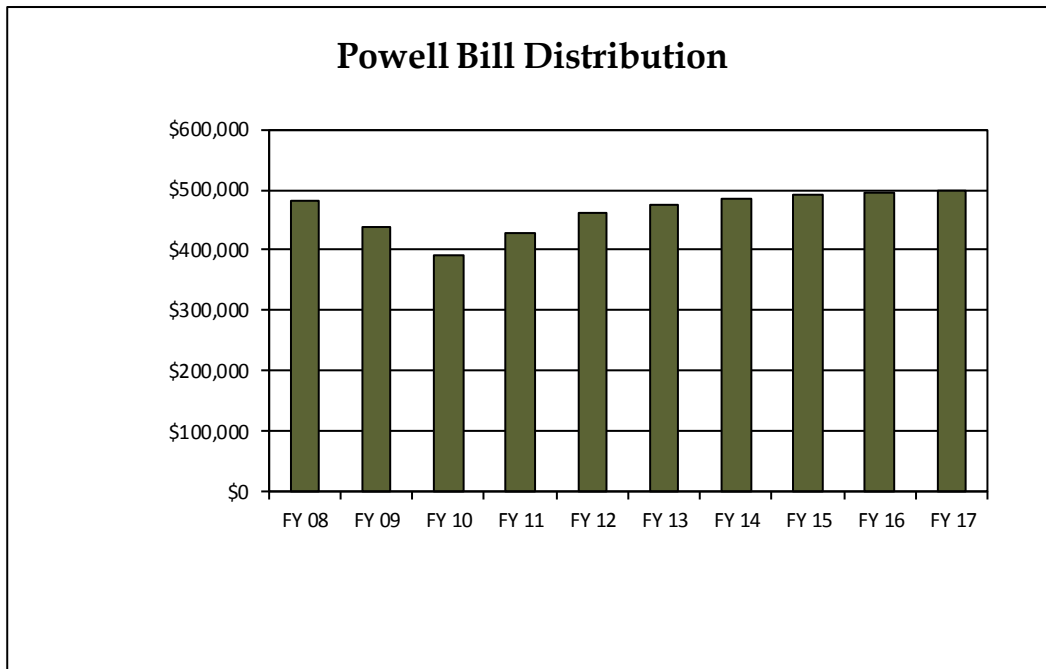
Restricted Intergovernmental Revenue	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Powell Bill	\$ 492,706	\$ 492,000	\$ 495,083	\$ 494,000	0.4%
BAB Interest Rebates	2,559	1,450	1,450	300	-79.3%
Controlled Substance Tax Distribution	1,646	1,100	1,100	1,000	-9.1%
Solid Waste Disposal	10,018	9,900	9,900	9,900	0.0%
Other Grants	47,370	1,000	1,000	-	-100.0%
Total Rest. Intergovernmental Rev.	\$ 554,299	\$ 505,450	\$ 508,533	\$ 505,200	0.0%

Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$20.15, which is a 1.0% decrease from the previous year’s actual distribution rate. The street mile rate utilized to project the allocation is \$1,624 per street mile maintained, which decreased by \$5 from the FY 2016 distribution. Both of these estimated distribution rates were provided by the North Carolina League of Municipalities. These lower rates, combined with a small increase in population should yield the Village the same revenue in FY 2017 as the current year.
- The Village purchased a fire engine with a Build America Bond (BAB) in FY 2010. We receive a 35% interest rebate on each semi-annual payment until the debt obligation is satisfied in FY 2017. The rebate will decline each year as the amount of interest paid decreases.
- The North Carolina League of Municipalities projects that Solid Waste Disposal revenue for FY 2016 will increase by 2.0% over FY 2015. In addition, construction continues to be strong and revenues for FY 2017 are projected to increase 1.5% over FY 2016. Based on these projections, we are not increasing the budget over the FY 2016 levels.
- The Village does not normally budget for other grant revenues until a grant award notification has been received.



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 funding paid to the Village by Moore County for the Village’s fire department to provide fire protection, rescue services, and medical first response in a geographic district outside of the Village limits. The Village also contracts with Taylortown, a neighboring town, to provide fire protection services under an annual contract. Both of these funding sources are included in Fire District Revenue. Moore County provides funding through a formula that is reflective of the level of fire service provided. The amount of funds paid to the Village by Taylortown is based upon a tax rate established by Moore County that is applied to the real and personal property in the unincorporated areas of the county. Moore County remits payment to the Village monthly while Taylortown pays quarterly.

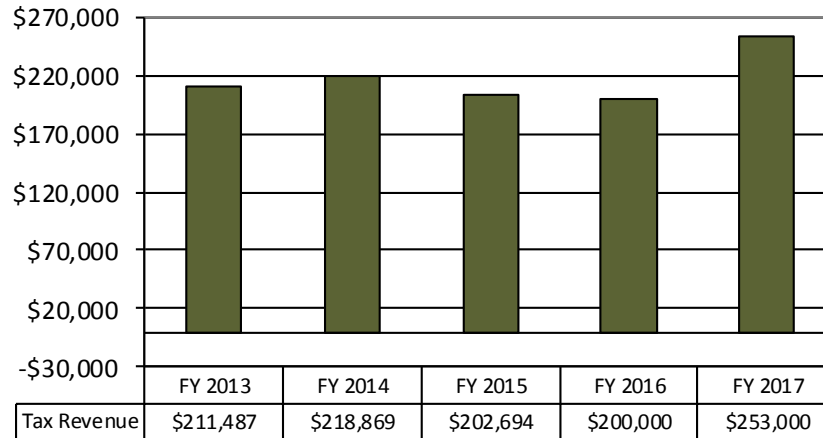
Permits & Fees	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Permit & Inspection Fees	\$ 306,270	\$ 280,000	\$ 280,000	\$ 280,000	0.0%
Planning & Zoning Fees	48,625	46,500	46,500	46,500	0.0%
Fire District Revenue	202,694	200,000	200,000	253,000	26.5%
Other Fees	20,865	29,800	30,805	4,300	-85.6%
Total Permit & Fees	\$ 578,454	\$ 556,300	\$ 557,305	\$ 583,800	4.9%

Revenue Assumptions

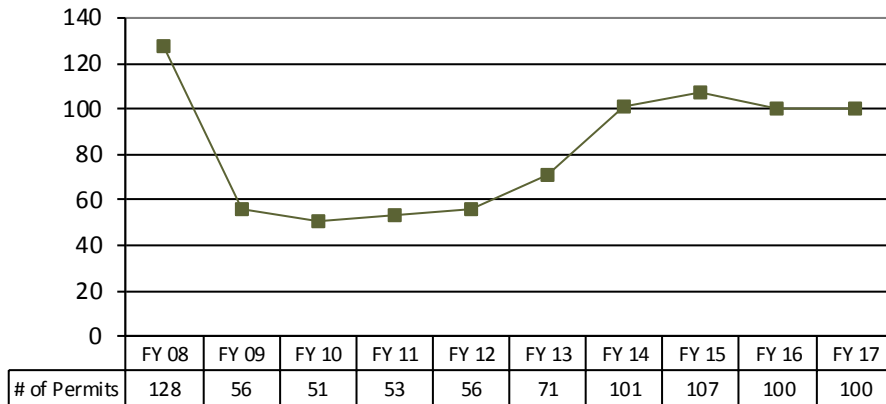
- Permit & Inspection Fees and Planning & Zoning Fees for residential construction are expected to remain the same in FY 2017 as the number and value of new homes being constructed remains relatively the same. The Village expects approximately 100 homes to be constructed in both FY 2016 and FY 2017 in the Village limits and ETJ. Fees related to non-residential projects are expected to be at levels similar to FY 2016.
- Moore County officials have stated that the new service-level funding formula, expected to be in place for FY 2017, should yield the Village the same or more revenue than received in the previous year. The Village also added medical first response services under this contract in FY 2016, increasing revenues by approximately \$12,000. Rescue service funds of \$14,000 from Moore County, previously accounted for in another line item, are now included in this line item.
- The Town of Taylortown’s tax value increased compared to the prior year due to a new commercial development in the town. This also increased the Village’s Fire District Revenues slightly.



Fire District Revenue



New Home Construction Permits





Description of Revenue Source

As allowed by state statute, the Village of Pinehurst may assess property owners for expenditures that directly benefit specific property owners. Currently, the Village has two active assessments. The first assessed property owners for improvements made to dams in FY 2007 in the Municipal Service District (MSD). The Village expects to collect \$9,800 for the 11th installment of this 15-year assessment in FY 2017. Also in FY 2016, the Village assessed property owners in the newly annexed Cotswold of Pinehurst area for a stormwater project. These assessments are planned to be paid in five equal installments without interest. In FY 2016, the first year of the assessment, several property owners chose to pay off their assessment in full. This increased actual revenues in FY 2016 above budgeted levels. The Cotswold assessment should generate revenues of \$19,200 in FY 2017.

Assessments	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Assessments	\$ 20,116	\$ 29,075	\$ 40,000	\$ 29,000	-0.3%
Total Assessments	\$ 20,116	\$ 29,075	\$ 40,000	\$ 29,000	-0.3%



Stormwater improvement project



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 horse 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.

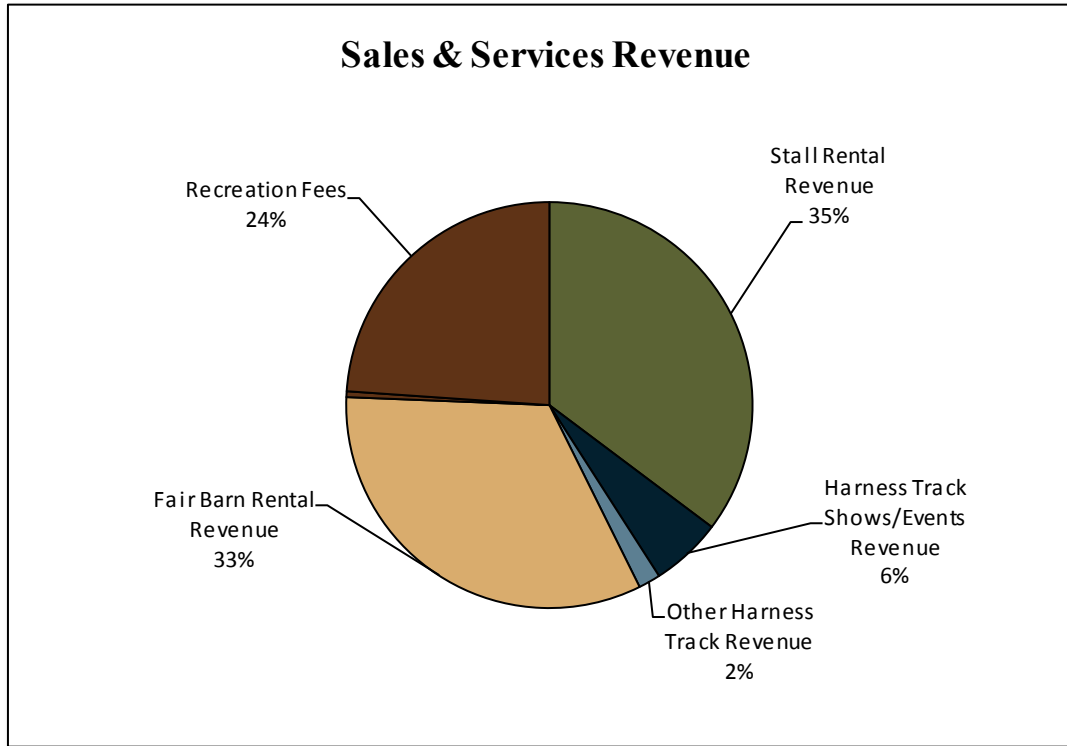
Sales & Services	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Stall Rental Revenue	\$ 204,630	\$ 218,000	\$ 230,000	\$ 230,000	5.5%
Harness Track Shows/Events Revenue	37,907	47,000	47,000	37,000	-21.3%
Other Harness Track Revenue	11,544	12,000	12,000	11,400	-5.0%
Fair Barn Rental Revenue	215,819	185,000	220,000	215,000	16.2%
Fair Barn Shows/Events Revenue	10,733	3,000	3,035	3,000	0.0%
Recreation Fees	149,266	114,000	143,500	156,000	36.8%
Total Sales & Services	\$ 629,899	\$ 579,000	\$ 655,535	\$ 652,400	12.7%

Revenue Assumptions

- Harness Track Stall Rental revenues are projected to increase for FY 2017 due to strong demand for stall space in the facility.
- Harness Track Shows and Events revenues have trended below budget in FY 2016 and are expected to remain at these levels in FY 2017.
- The events held at the Fair Barn continue to be successful. Revenues are expected to increase to \$215,000 for FY 2017 as efforts to increase weekday rentals are expected to yield positive results.
- Recreation Fees are expected to increase significantly due to increasing participation in recreation programs and high demand for event rentals in the Village Arboretum.



The distribution of sales and services revenue by source is depicted in the following graph.





Description of Revenue Source

Other Revenues include Alcoholic Beverage Control (ABC) Revenues and Other Miscellaneous Revenues. ABC revenue is based on a percentage of the sale of mixed beverages from local merchants and the net profits from counter sales of alcoholic beverages in Pinehurst at ABC Stores. Other Miscellaneous Revenues include sales of surplus assets, donations made to the Village, fees generated by the Police Department, and various other minor fees.

Other Revenues	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
ABC Revenues	\$ 101,715	\$ 111,700	\$ 112,600	\$ 113,320	1.5%
Other Miscellaneous Revenues	95,923	380,980	116,818	89,480	-76.5%
Total Other Revenues	\$ 197,638	\$ 492,680	\$ 229,418	\$ 202,800	-58.8%

Revenue Assumptions

- ABC revenue is projected to increase by 1.5% for FY 2017. This increase is tracking slightly behind the increase rate for other general sales taxes.
- Other miscellaneous revenues are expected to decrease by 76.5% compared to the previous year. The primary factor contributing to the decrease is the \$300,000 anticipated land sale proceeds included in the FY 2016 budget. The land sale was deferred in FY 2016 and is not included in the FY 2017 plan.



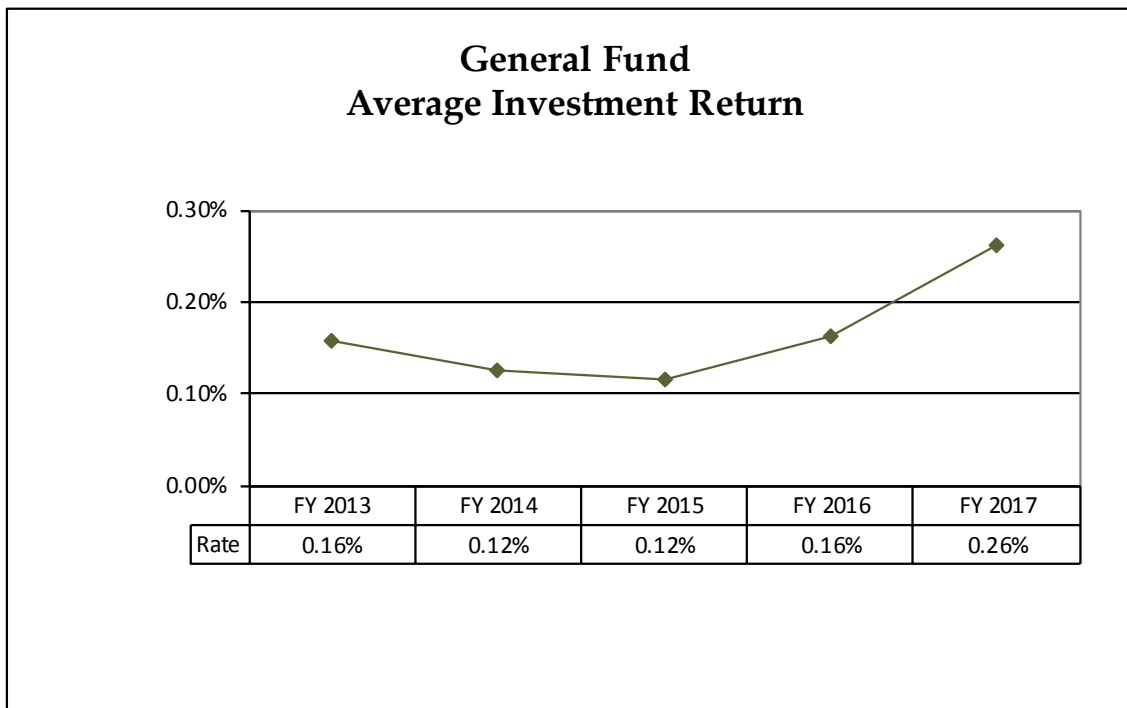
Description of Revenue Source

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.

Investment Income	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Investment Income	\$ 9,833	\$ 10,200	\$ 12,020	\$ 25,400	149.0%
Total Investment Income	\$ 9,833	\$ 10,200	\$ 12,020	\$ 25,400	149.0%

Revenue Assumptions

- Investment income is estimated to grow by 149.0% as investment rates have increased and funds available to invest have also increased. The average rate of return expected in Fiscal Year 2017 is 0.26%. This rate, although low, is nearly double the rate of return for FY 2016.





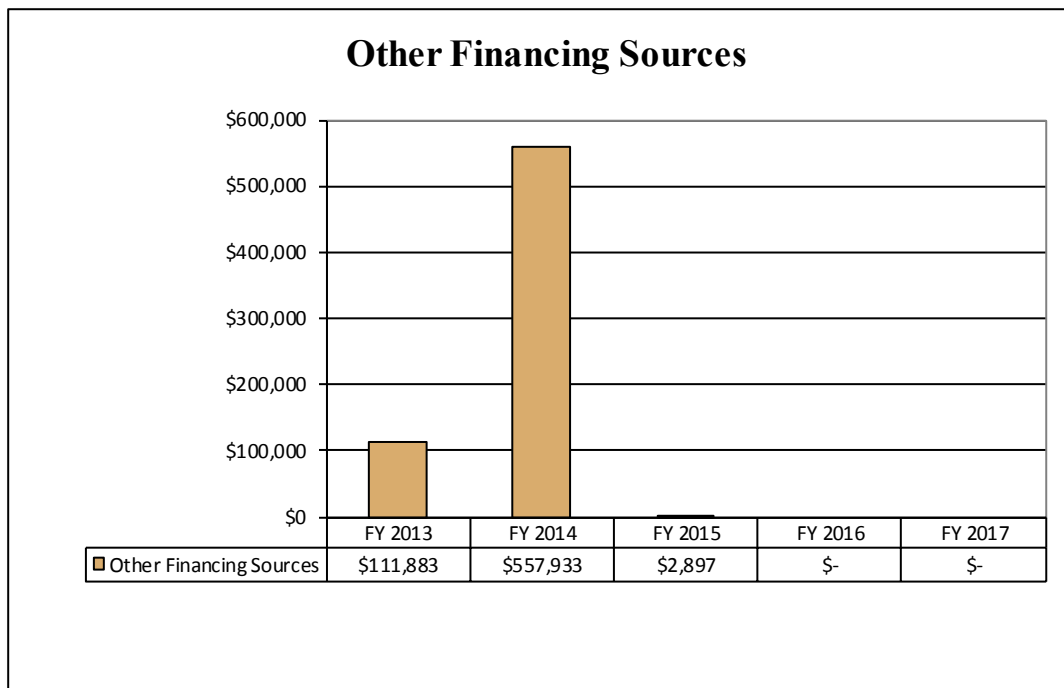
Description of Revenue Source

Other Financing Sources is comprised of Operating Transfers from other funds and occasionally debt proceeds.

Other Financing Sources	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Transfer from Special Rev Funds	\$ 2,897	\$ -	\$ -	\$ -	0.0%
Total Other Financing Sources	\$ 2,897	\$ -	\$ -	\$ -	0.0%

Revenue Assumptions

- Loan proceeds of \$550,000 were received to facilitate the purchase of a replacement fire truck in FY 2014.
- Currently, the Village does not have an active Capital Project Fund. Also, no financings are planned for FY 2017.





Description of Revenue Source

Revenue from Fund Balance Appropriations is the use of equity (net position), which has been accumulated from previous fiscal years, to pay for current fiscal year expenditures.

Fund Balance Appropriations	FY2015 Actual	FY2016 Budget	FY2016 Estimated	FY2017 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,827,290	\$ -	\$ 1,001,685	-45.2%
Total Fund Balance Appropriations	\$ -	\$ 1,827,290	\$ -	\$ 1,001,685	-45.2%

Revenue Assumptions

- For FY 2017 we have appropriated \$1,001,685 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 is slightly higher than this budget variance amount. If historical trends continue for FY 2017 we will subtract approximately \$44,000 from Fund Balance which will cause fund balance to decrease slightly to 44.5% of General Fund expenditures, or just above the Council's adopted policy range of 30%-40%.
- The amount of fund balance appropriated in FY 2017 is \$825,605, or 45%, lower than the previous fiscal year due to strong revenue growth and slightly lower capital expenditure levels.



Department Profile

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides leadership and strategic vision for the Village. The Council considers and adopts local ordinances and resolutions to provide for the health, safety, and overall quality of life for the residents, businesses, and visitors of Pinehurst. Other responsibilities include:

- Providing governance for a population of approximately 15,760
- Setting strategic direction for approximately 130 full-time employees
- Adopting the Strategic Operating Plan which includes the annual budget and five-year financial forecast
- Approving policies that provide guidance for all municipal operations

There are no KPIs for the Governing Body Department. Additional information about the Governing Body Department may be obtained by contacting Lauren Craig, Village Clerk, at 910.295.1900 or lcraig@vopnc.org.

Budget Summary

Expenditures by Type	FY2015 Actual	FY2016 Budget	FY2016 Estimated	FY2017 Budgeted	Percent Change
Salaries & Benefits	\$ 29,893	\$ 31,000	\$ 30,015	\$ 31,000	0.0%
Operating	150,703	202,248	181,865	178,400	-11.8%
Expenditures Total	\$ 180,596	\$ 233,248	\$ 211,880	\$ 209,400	-10.2%



Village Council Members





Department Profile

The Administration Department, which includes the Village Manager, Assistant Village Managers, the Village Clerk, and Administrative support staff, executes the mission of the Council to promote, enhance, and sustain the quality of life for residents, businesses, and visitors. Other responsibilities include:

- Providing vision and leadership to 17 other departments and divisions of the Village
- Effectively communicating with and engaging residents and businesses
- Overseeing the development and implementation of the annual Strategic Operating Plan
- Managing and monitoring department performance
- Maintaining Village meeting minutes, records, and contracts
- Recruiting, training, engaging, and rewarding over 200 volunteers
- Providing customer service and administration support to both internal and external customers

Additional information about the Administration Department may be obtained by contacting Jeff Sanborn, Village Manager, at 910.295.1900 or jsanborn@vopnc.org.

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 671,023	\$ 697,250	\$ 684,131	\$ 729,450	4.6%
Operating	317,308	395,184	388,149	373,460	-5.5%
Capital	90,952	68,195	68,195	45,829	-32.8%
Expenditures Total	\$ 1,079,283	\$ 1,160,629	\$ 1,140,475	\$ 1,148,739	-1.0%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Civic engagement (ACE) – increase resident engagement in-person and online and create a centralized Communications Specialist position	FY 2017-2018	\$25,400
Continuous process improvement – continue to use the Baldrige Performance Excellence Framework and participate in associated award programs	FY 2017-2021	\$7,000



Key Performance Indicators (KPIs)

Council Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Use electronic tools and other methods to communicate with and obtain actionable feedback from customers						
Total # of followers on all social media sites	Output	2,015	3,826	6,810	9,500	14,000
Total # of Facebook users reached with VOP posts	Output	154,850	503,111	460,000	550,000	675,000
# of Facebook engaged users (clicks, comments, and shares)	Output	12,630	42,346	35,000	44,000	56,000
# of Open Village Hall topics posted	Output	n/a	n/a	16	12	12
# of subscribers who view Open Village Hall topics	Output	n/a	n/a	3,040	3,600	3,600
# of website sessions	Output	142,176	132,360	146,000	180,000	146,000
% of quarterly newsletters produced and distributed according to schedule	Effectiveness	100%	100%	100%	100%	100%
# of mobile app downloads (cumulative)	Output	n/a	314	600	1,000	1,800
% of residents satisfied with Village efforts to keep residents informed on local issues	Effectiveness	94%	92%	90%	90%	95%
% of Council agendas with supporting materials posted to the Village website 5 days in advance of meetings	Effectiveness	61%	100%	100%	100%	100%
% of Council meeting videos posted to the Village website within 24 hours of the meeting	Effectiveness	n/a	100%	100%	100%	100%
Department Goal: Oversee the implementation of the Village's Strategic Operating Plan and manage the overall operations of the Village						
% of quarterly leadership strategy sessions held	Output	n/a	n/a	100%	100%	100%
% of residents satisfied with customer service provided by Village employees	Effectiveness	97%	99%	99%	95%	95%
% of residents likely to recommend the Village as a place to live	Effectiveness	95%	97%	97%	95%	95%
% of Initiative Action Plans (IAPs) that achieve targeted results	Effectiveness	n/a	n/a	n/a	90%	90%
Department Goal: Identify, analyze, and mitigate risks to the Village						
Cost of risk (premiums, legal fees, & losses) as a % of General Fund expenditures	Effectiveness	2.85%	2.49%	2.30%	2.20%	1.80%

Council Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Recruit, train, engage, and reward volunteers						
% of volunteers who would recommend volunteering for the Village to a friend	Effectiveness	90%	96%	95%	95%	95%
Department Goal: Ensure effective two-way communication with the workforce						
% of workforce who attend the bi-annual State of the Village meetings	Output	n/a	n/a	48%	50%	50%
% of workforce who are satisfied with bi-annual State of the Village meetings	Effectiveness	n/a	n/a	100%	95%	95%



Department Profile

The Financial Services Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The Financial Services Department includes three full-time and one part-time financial professionals. Two staff members who oversee the fiscal operations of the Village are Certified Public Accountants. Fiscal operations include:

- Managing an average cash and investments balance of \$9.6 million dollars
- Monitoring compliance with Council approved financial policies and guidelines
- Managing debt to achieve acceptable debt service objectives
- Preparing the \$18.2 million annual budget and five-year financial forecast
- Processing accounts payable, accounts receivable, and payroll
- Preparing all internal and external financial reports
- Overseeing the purchasing and contracting functions

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 300,166	\$ 330,550	\$ 330,508	\$ 315,450	-4.6%
Operating	250,047	287,380	288,717	294,090	2.3%
Capital	2,187	900	900	1,760	95.6%
Total Expenditures	\$ 552,400	\$ 618,830	\$ 620,125	\$ 611,300	-1.2%



Key Performance Indicators (KPIs)

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Produce accurate and timely financial reports						
GFOA Certificate of Achievement in Financial Reporting received	Effectiveness	Yes	Yes	Yes	Yes	Yes
A "clean" audit opinion received by external auditors	Effectiveness	Yes	Yes	Yes	Yes	Yes
% of time month end expenditures closing entries are posted by the 10th day of the following month	Effectiveness	n/a	n/a	92%	92%	92%
% of employees satisfied with the availability of financial information	Effectiveness	98%	100%	100%	95%	95%
Department Goal: Develop a five-year strategic operating plan and annual budget in accordance with Council's financial policies						
Actual revenues as a % of forecasted revenues	Effectiveness	100.2%	100.8%	101.0%	101.0%	101.0%
% of "Outstanding" ratings received through GFOA Distinguished Budget Presentation Award	Effectiveness	28%	29%	37%	40%	50%
Department Goal: Process financial transactions efficiently and effectively						
# of accounts payable invoices and payments processed per accounts payable FTE	Efficiency	941	833	852	850	850
% of purchase orders processed within 1 business day of submission	Effectiveness	99%	99%	98%	95%	95%
% of employees satisfied with the timeliness of purchasing services	Effectiveness	100%	98%	100%	95%	95%
# of payroll transactions processed per payroll technician FTE	Efficiency	1,111	1,100	1,167	1,150	1,150
% of employees satisfied with the accuracy of payroll services	Effectiveness	n/a	100%	98%	95%	95%
# of other financial transactions processed per finance technician FTE	Efficiency	637	600	687	650	650
Department Goal: Maximize investment earnings while ensuring adequate cash flow						
# of basis points by which investment yield exceeds the average Federal Funds rate	Effectiveness	4.00	0.00	0.05	1.00	1.00



Department Profile

The Human Resources Director reports directly to the Village Manager and serves as a member of the senior leadership team. Along with the Director, one full-time Human Resources Generalist and one part-time Human Resources Assistant, provide a strategic service for recruitment, retention and recognition of competent staff. Areas of focus include:

- Reward and recognition systems for approximately 130 full-time employees
- Programs to enhance employee job satisfaction and a balanced family/work life
- A comprehensive compensation and benefits package to encourage retention
- Training and development programs to ensure workforce performance meets current and future needs
- Education and services to promote a safe work environment

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 206,173	\$ 222,450	\$ 219,466	\$ 229,550	3.2%
Operating	114,190	147,240	114,101	200,510	36.2%
Capital	1,094	450	450	2,200	388.9%
Expenditures Total	\$ 321,457	\$ 370,140	\$ 334,017	\$ 432,260	16.8%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Workforce plans (ACE) – forecast future workforce capacity and capability needs and close any gaps	FY 2017-2018	\$1,000
Learning & development system (ACE) – develop a systematic learning & development system to include formalized succession planning	FY 2017-2018	\$0



Key Performance Indicators (KPIs)

Council Goal: Attract and Retain an Engaged Workforce

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Reward and recognize employees						
% of employees who agree they are satisfied with reward & recognition programs	Effectiveness	85%	80%	83%	85%	88%
% of employees recognized in Village-wide award programs	Effectiveness	n/a	n/a	77%	77%	80%
Department Goal: Maintain a safe work environment						
% of Safety Committee inspection violations corrected within 90 days	Effectiveness	0%	0%	0%	75%	85%
% of injuries that are preventable	Effectiveness	57%	33%	30%	27%	23%
% of accidents that are preventable	Effectiveness	n/a	n/a	70%	68%	63%
# of Worker's Compensation claims per 100 FTEs	Effectiveness	5.3	4.6	4.6	<5	<5
DART (Days away from work, restriction, or transfer) rate	Effectiveness	3.74	2.23	1.47	1.70	1.70
Department Goal: Provide competitive salaries and benefits						
% of positions reviewed for competitive salaries	Output	86%	36%	33%	33%	33%
% of employees who receive compensation adjustments (if needed) based on market salary reviews	Effectiveness	n/a	n/a	100%	100%	100%
% of employees who participate in Wellness Committee activities	Effectiveness	n/a	n/a	n/a	50%	60%
Department Goal: Effectively fill vacant positions						
Average # of days to recruit (requisition to start date)	Effectiveness	69.9	66.7	80	70	60
% of positions filled within target date	Effectiveness	n/a	n/a	n/a	85%	90%
% of turnover (all)	Effectiveness	8%	14%	10%	<10%	<10%
% of turnover (voluntary, excluding retirements)	Effectiveness	6%	8%	5%	<5%	<5%
% of turnover during the first year of employment	Effectiveness	0%	1.6%	0%	0%	0%
Average tenure of employees	Output	NA	10.20	8.00	8.00	8.50
Sick leave hours used per 1,000 hours worked	Effectiveness	26.54	33.99	28.00	28.00	25.00
Department Goal: Provide training and development opportunities						
% of employees who agree they are offered training and development to enhance their skills	Effectiveness	97%	92%	92%	95%	95%
% of employees who agree they have input into their personal development plan	Effectiveness	97%	95%	95%	95%	95%
% of vacancies filled with internal candidates	Effectiveness	36%	85%	58%	50%	50%



Department Profile

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 to protect the life and property of approximately 15,760 residents. Areas of responsibility include:

- Patrolling three response areas
- Dispatching approximately 1,000 routine and emergency police calls monthly
- Investigating and gathering evidence to solve crimes
- Promoting strong community engagement

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 1,941,923	\$ 2,038,235	\$ 1,938,110	\$ 2,226,038	9.2%
Operating	654,625	769,979	720,482	727,900	-5.5%
Capital	129,863	141,385	141,385	77,715	-45.0%
Expenditures Total	\$ 2,726,411	\$ 2,949,599	\$ 2,799,977	\$ 3,031,653	2.8%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Controlled Substance Tax Distribution	\$ 1,646	\$ 1,100	\$ 1,100	\$ 1,000	-9.1%
Parking Fines	450	-	-	-	0.0%
Miscellaneous Police Revenues	8,724	6,000	6,500	6,500	8.3%
Revenues Total	\$ 10,820	\$ 7,100	\$ 7,600	\$ 7,500	5.6%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Citizens on Patrol (ACE) – expand Citizens on Patrol	FY 2017-2018	\$0
Traffic enforcement – increase enforcement of local traffic laws with two additional police officers	FY 2017	\$104,400
Police Department staffing – reorganize the Police Department to improve operating efficiency & effectiveness	FY 2017	\$57,100



Key Performance Indicators (KPIs)

Council Goal: Safeguard the Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Enforce traffic laws						
% of collisions with an injury	Effectiveness	12%	15%	15%	15%	11%
% of collisions with a fatality	Effectiveness	0.20%	0.00%	0.00%	0.30%	0.30%
# of collisions per 1,000 population	Output	34	34	41	41	33
Average vehicle speed as a % of the posted MPH	Effectiveness	n/a	n/a	140%	132%	116%
Department Goal: Protect the lives and property of residents						
% of officer hours available on patrol	Effectiveness	n/a	n/a	n/a	40%	40%
Department Goal: Solve crimes						
% of Part 1 - Violent crimes solved	Effectiveness	20%	67%	70%	70%	75%
% of Part 1 - Property crimes solved	Effectiveness	24%	38%	40%	40%	40%
% of Part 2 crimes solved	Effectiveness	48%	70%	67%	65%	70%
Department Goal: Respond promptly to calls for service						
# of citizen initiated calls for service per patrol officer	Efficiency	339	326	425	427	436
# of officer initiated calls for service per patrol officer	Efficiency	261	247	185	250	290
# of calls for service per 1,000 population	Output	791	737	775	780	800
% of calls for service that are citizen initiated	Output	57%	57%	70%	68%	60%
% of calls for service that are officer initiated	Output	43%	43%	30%	35%	43%
% of total time spent on calls for service that are citizen initiated	Effectiveness	50%	64%	67%	60%	40%
% of total time spent on calls for service that are officer initiated	Effectiveness	50%	36%	33%	40%	60%

Council Goal: Attract and Retain an Engaged Workforce

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Utilize Citizen on Patrol volunteers to supplement police staff						
# of Citizen on Patrol volunteer hours	Output	3,722	2,319	2,948	3,000	3,400
# of Citizen on Patrol volunteer hours per volunteer	Effectiveness	93	70	72	75	95
\$ value of Citizen on patrol volunteer hours	Effectiveness	\$76,230	\$57,603	\$58,964	\$60,000	\$80,000
Department Goal: Develop a competent, professional police force						
% of full-time sworn officers who obtain intermediate or advanced certifications	Effectiveness	n/a	n/a	61%	70%	92%



Department Profile

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. Twenty-nine firefighters and one fire/life safety educator protect the Village and rural district from two stations with four engines, two brush trucks, and a rescue truck. Areas of responsibility include:

- Protecting the life, property, and environment in an area encompassing 28.91 square miles and approximate population of 17,600, including a rural county district and the Town of Taylortown
- Educating the public to promote preparedness for all hazards
- Conducting fire inspection, suppression medical first response, and rescue services
- Responding to approximately 1,150 incidents annually

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 2,054,235	\$ 2,185,700	\$ 2,097,788	\$ 2,236,150	2.3%
Operating	437,966	543,878	499,770	495,390	-8.9%
Capital	98,677	114,115	114,115	675,706	492.1%
Expenditures Total	\$ 2,590,878	\$ 2,843,693	\$ 2,711,673	\$ 3,407,246	19.8%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Fire Inspection Fees	\$ -	\$ 1,000	\$ 1,000	\$ -	100.0%
Fire District Revenue	202,694	200,000	200,000	253,000	26.5%
Fire Grants	14,000	26,000	26,000	-	0.0%
Revenues Total	\$ 216,694	\$ 227,000	\$ 227,000	\$ 253,000	11.5%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Traffic pre-emption program – install traffic pre-emption devices at signalized intersections	FY 2017-2021	\$12,500
Fire Department accreditation – achieve international accreditation in the Fire Department	FY 2017	\$2,000



Key Performance Indicators (KPIs)

Council Goal: Safeguard the Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Prevent fires and injuries						
# of commercial business fire inspections completed	Output	385	353	256	380	380
% of commercial businesses inspected	Efficiency	91%	84%	61%	90%	90%
# of commercial business fire inspections per inspector per month	Output	12	19	12	13	15
% of businesses satisfied with fire prevention inspection services	Effectiveness	95%	96%	90%	90%	90%
% of fire hydrants tested	Effectiveness	97%	96%	95%	95%	95%
# of participants in Fire & Life Safety Education Programs	Effectiveness	7,487	25,626	23,000	20,000	20,000
Fire incident rates per 1,000 population served	Effectiveness	3.68	3.34	3.25	3.25	3.00
ISO (Insurance Services Office) Rating	Effectiveness	4	4	4	4	4
Life Safety Achievement Award for zero fire deaths	Effectiveness	Yes	Yes	Yes	Yes	Yes
Department Goal: Promptly respond to fire calls for service						
% of dispatched emergency calls with a reaction time of 90 seconds or less	Effectiveness	67%	76%	76%	77%	80%
% of emergency calls with a response time of 6 minutes and 30 seconds for first due apparatus	Effectiveness	67%	73%	74%	75%	79%
% of calls for fire incidents	Output	6.5%	5.6%	3.3%	3.3%	2.9%
% of calls for service for rescue and EMS calls for service	Output	9.9%	8.4%	18.8%	50.0%	50.0%
% of signalized intersections with preemption controls	Effectiveness	0%	15%	23%	31%	62%

Council Goal: Attract and Retain an Engaged Workforce

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Train and develop a professional, competent firefighting force						
% of full-time uniformed staff who pass the OSHA/NFPA medical clearance test	Effectiveness	n/a	100%	100%	100%	100%
% of full-time staff certified as an Emergency Medical Technician	Effectiveness	77%	77%	85%	90%	100%
% of full-time uniformed staff who obtain advanced training	Effectiveness	30%	60%	26%	25%	25%
% of firefighters meeting or exceeding NFPA firefighter competencies	Effectiveness	100%	100%	100%	100%	100%



Department Profile

The Inspections Department is a division of the Planning Department and reports directly to the Planning and Inspections Director. The Inspections Department includes two building inspectors. Inspections personnel both review and enforce compliance with the North Carolina Codes for all types of residential and commercial building and development. Responsibilities include:

- Performing approximately 5,200 inspections annually
- Approving plans for approximately 240 residential and 10 commercial projects per year resulting in the issuance of 135 Certificates of Occupancy (CO)

Additional information about the Inspections Department may be obtained by contacting Kevin Reed, Planning and Inspections Director, at 910.295.8659 or kreed@vopnc.org.

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 201,127	\$ 197,500	\$ 167,673	\$ 183,000	-7.3%
Operating	23,901	34,185	34,107	32,955	-3.6%
Capital	1,172	25,355	25,355	882	-96.5%
Expenditures Total	\$ 226,200	\$ 257,040	\$ 227,135	\$ 216,837	-15.6%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Inspection Permit Revenue	\$ 226,200	\$ 257,040	\$ 227,135	\$ 216,837	-15.6%
Revenues Total	\$ 226,200	\$ 257,040	\$ 227,135	\$ 216,837	-15.6%



Key Performance Indicators (KPIs)

Council Goal: Ensure Pinehurst is a Premier Residential Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Inspect residential and non-residential development to ensure compliance with building codes						
# of building inspections completed	Output	5,068	5,622	5,060	5,200	5,835
% of building inspections completed within one business day	Effectiveness	95%	99%	100%	99%	99%
% of building inspections compliant upon initial inspection	Effectiveness	95%	94%	94%	95%	95%
# of building inspections completed per inspector FTE per day	Efficiency	10.8	12.0	12.0	12.0	12.0
# of building inspections completed per 1,000 population served	Output	335	362	322	330	350
# of residential Certificates of Occupancy issued	Output	154	169	129	133	150
# of non-residential Certificates of Occupancy issued	Output	3	8	6	4	40
Estimated residential construction cost for Certificates of Occupancy	Output	\$26.7 M	\$27.0 M	\$25.9 M	\$26.7 M	\$30.0 M
Estimated non-residential construction cost for Certificates of Occupancy	Output	\$1.4 M	\$6.6 M	\$4.2 M	\$2.0 M	\$2.0 M
% of businesses satisfied with building inspections	Effectiveness	100%	100%	99%	95%	95%

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Recover the cost of inspection services						
% of inspections operating costs recovered through inspection fees	Effectiveness	120%	129%	136%	125%	125%
Average cost per building inspection	Efficiency	\$42	\$40	\$40	\$40	\$40



Department Profile

Public Services Administration is a division of the Public Services Department. 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. Areas of focus include:

- Providing vision and leadership for Solid Waste and Streets and Grounds divisions and 27 employees
- Meeting customer expectations for transportation, street and neighborhood maintenance, and solid waste services

KPIs for this department are identified in the Solid Waste and Streets and Grounds divisions. Additional information about Public Services Administration may be obtained by contacting Walt Morgan, Public Services Director, at 910.295.5021 or wmorgan@vopnc.org.

Budget Summary

Expenditures by Type	FY2015 Actual	FY2016 Budget	FY2016 Estimated	FY2017 Budgeted	Percent Change
Salaries & Benefits	\$ 282,787	\$ 298,850	\$ 289,156	\$ 309,350	3.5%
Operating	75,072	106,610	103,085	96,090	-9.9%
Capital	978	486,285	486,285	97,871	-79.9%
Expenditures Total	\$ 358,837	\$ 891,745	\$ 878,526	\$ 503,311	-43.6%



Public Services Department





Department Profile

The Streets and Grounds Division of the Public Services Department operates under the direction of the Assistant Director of Public Services. There are 15 members of the Streets and Grounds team, led by an Infrastructure Superintendent. This division serves approximately 15,760 residents encompassing an area of 14.9 square miles. Responsibilities include:

- Maintaining approximately 107 miles of paved streets (Village roads)
- Maintaining directional, roadway, and regulatory signs
- Periodically assisting Solid Waste Division in removing debris
- Maintaining 17,155 linear feet of pedestrian walkways
- Maintaining/improving sidewalks and other public landscape areas
- Collecting metal white goods
- Maintaining approximately 25 lane miles of NCDOT roads in the Village

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 641,792	\$ 672,120	\$ 640,433	\$ 701,600	4.4%
Operating	564,104	599,920	556,489	622,000	3.7%
Capital	396,368	309,228	309,228	466,881	51.0%
Expenditures Total	\$ 1,602,264	\$ 1,581,268	\$ 1,506,150	\$ 1,790,481	13.2%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Street lighting – expand street lighting in neighborhoods	FY 2017-2020	\$1,400
Streetscape enhancements – expand brick sidewalks and streetscape improvements around the Village Center	FY 2017-2018	\$140,000



Key Performance Indicators (KPIs)

Council Goal: Ensure Pinehurst Is a Premier Residential Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Maintain Village right of ways						
% of right of way lane miles shoulders inspected	Effectiveness	16%	12%	17%	17%	17%
# of right of way lane miles maintained per FTE	Efficiency	16	16	16	16	16
% of ROW mowing performed according to schedule	Effectiveness	n/a	n/a	94%	94%	94%
% of stormwater facilities inspected and cleared	Effectiveness	n/a	n/a	94%	94%	94%
% of residents satisfied with stormwater management	Effectiveness	83%	86%	86%	86%	86%
# of street lights per mile	Effectiveness	3	3	3	3	4

Council Goal: Provide Multimodal Transportation Systems

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Maintain directional and regulatory street signs						
% of regulatory reflective signs inspected	Output	11%	n/a	11%	22%	22%
% of street signs inspected and maintained	Output	n/a	n/a	22%	22%	22%
Department Goal: Monitor traffic congestion						
% of intersections studied with a level of service (LOS) rating of "C" or higher	Effectiveness	76%	86%	85%	85%	83%
Department Goal: Maintain Village roadways						
# of miles of Village roadways resurfaced	Output	5.00	4.07	2.00	4.50	5.00
# of centerline miles of Village roadways	Input	106.00	106.50	106.75	106.75	107.25
% of centerline miles of Village roadways resurfaced	Effectiveness	4.72%	4.23%	1.87%	4.22%	4.66%
5-year rolling average of the # of miles of roadways resurfaced	Effectiveness	4.48	4.42	3.88	3.92	4.90
% of roadways with a Pavement Condition rating of 85 or better	Effectiveness	60%	60%	60%	56%	60%
Pavement condition Rating	Effectiveness	82.90	82.90	80.00	80.00	82.00
% of residents satisfied with maintenance of streets in neighborhoods	Effectiveness	86%	85%	85%	85%	85%



Department Profile

The Powell Bill Department is managed by the Public Services Director 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. Focus areas include:

- Resurfacing 3-5 miles of Village maintained streets annually
- Maintaining a 15-25 year life cycle for Village maintained streets

KPIs for the Powell Bill Department are provided in the Streets & Grounds division. The Powell Bill Department does not contain any staff. However, additional information about the Powell Bill Department may be obtained by contacting Walt Morgan, Public Services Director, at 910.295.5021 or wmorgan@vopnc.org.

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Operating	\$ 806,847	\$ 654,000	\$ 651,000	\$ 900,300	37.7%
Capital	21,115	146,000	25,000	-	-100.0%
Expenditures Total	\$ 827,962	\$ 800,000	\$ 676,000	\$ 900,300	12.5%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Powell Bill Revenue	\$ 492,706	\$ 492,000	\$ 495,083	\$ 494,000	0.4%
Revenues Total	\$ 492,706	\$ 492,000	\$ 495,083	\$ 494,000	0.4%



Village Street Resurfacing





Department Profile

The Solid Waste Division of the Public Services Department operates under the direction of the Assistant Director of Public Services. There are nine members of the Solid Waste team, led by a Solid Waste Superintendent. This division provides approximately 8,150 households with weekly pickup of garbage, recycling, and yard debris. Solid Waste functions include:

- Operating automated trash trucks and small garbage trucks (12 total) to collect trash, recycling, and yard debris
- Recycling approximately 163 tons of curbside recyclables monthly
- Removing approximately 342 tons of curbside household refuse monthly
- Removing approximately 1,884 tons of yard debris annually

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

Budget Summary

Expenditures by Type	FY2015 Actual	FY2016 Budget	FY2016 Estimated	FY2017 Budgeted	Percent Change
Salaries & Benefits	\$ 420,253	\$ 480,155	\$ 450,494	\$ 476,450	-0.8%
Operating	984,242	904,645	848,736	896,240	-0.9%
Capital	182,305	325,780	325,780	3,936	-98.8%
Expenditures Total	\$ 1,586,800	\$ 1,710,580	\$ 1,625,010	\$ 1,376,626	-19.5%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Supplemental yard debris collection (ACE) – provide supplemental fall leaf and storm debris collection	FY 2017	\$20,000



Key Performance Indicators (KPIs)

Council Goal: Manage Solid Waste Collection

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Provide efficient and effective weekly solid waste collection						
# of tons of yard debris collected per solid waste FTE	Efficiency	416	488	734	734	734
# of tons of household trash collected per solid waste FTE	Efficiency	1,116	1,120	1,123	1,123	1,123
Total # of tons of yard debris collected per household (including collection by outside vendors)	Output	0.22	0.22	0.23	0.24	0.24
Total # of tons of household trash collected per household (including collection by outside vendors)	Output	0.50	0.49	0.50	0.51	0.51
# of solid waste collection complaints per 1,000 collection points	Effectiveness	n/a	n/a	n/a	0.50	0.50
% of solid waste routes completed on schedule	Effectiveness	n/a	n/a	99%	99%	99%
Refuse collection cost per household per year	Effectiveness	\$189	\$178	\$177	\$183	\$187
% of safety checks on solid waste vehicles completed daily	Effectiveness	n/a	n/a	96%	96%	96%
% of time cart inventory levels remain above minimum stock threshold	Effectiveness	n/a	n/a	86%	90%	90%
Department Goal: Maintain a high level of recycling participation						
# of households participating in curbside recycling	Output	6,136	6,395	6,809	6,880	7,164
% of households participating in curbside recycling	Effectiveness	77%	79%	83%	83%	85%
# of tons of recycling collected per solid waste FTE	Efficiency	542	572	567	567	567
Total # of tons recycled per household (including collection by outside vendors)	Output	0.33	0.33	0.29	0.30	0.30
Percentile ranking for solid waste diversion of NC municipalities	Effectiveness	4%	4%	4%	5%	5%
# of lbs of paint collected at annual Household Hazardous Waste event	Output	22,140	34,438	42,620	38,529	38,529
# of lbs of pesticides, insecticides, etc. collected at annual Household Hazardous Waste event	Output	916	2,625	2,355	2,490	2,490



Department Profile

The Planning and Inspections Director 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, Code Enforcement Officer, and Administrative Assistant. The Department provides planning services for the Village as well as its extra territorial jurisdictions (ETJ) to preserve and enhance the community’s unique character and ambience. Responsibilities include:

- Coordinating the plan review process for the Community Appearance Commission and the Historic Preservation Commission
- Coordinating rezoning, text amendments, and appeals with the Planning and Zoning Board and the Board of Adjustment
- Reviewing plans for approximately 240 residential projects for zoning compliance annually with an estimated permit value of \$40,000,000
- Reviewing 10 commercial development plans on average in the Village and expansion areas each year
- Conducting approximately 50 code enforcement inspections monthly

Additional information about the Planning Department may be obtained by contacting Kevin Reed, Planning and Inspections Director, at 910.295.2581 or kreed@vopnc.org.

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 439,479	\$ 464,000	\$ 427,020	\$ 455,850	-1.8%
Operating	122,993	231,070	173,213	179,800	-22.2%
Capital	2,889	26,145	26,145	2,348	-91.0%
Expenditures Total	\$ 565,361	\$ 721,215	\$ 626,378	\$ 637,998	-11.5%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Planning Permit Revenue	\$ 50,595	\$ 47,700	\$ 47,700	\$ 47,700	0.0%
Revenues Total	\$ 50,595	\$ 47,700	\$ 47,700	\$ 47,700	0.0%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Land use analysis – conduct a comprehensive land use analysis of the Village to determine the highest and best use of developable land	FY 2017	\$50,000
Code enforcement – increase code enforcement capacity and routinely patrol neighborhoods	FY 2017	\$13,900



Key Performance Indicators (KPIs)

Council Goal: Ensure Pinehurst is a Premier Residential Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Increase compliance with Village codes and ordinances						
# of code violations investigated	Output	486	662	625	750	310
% of code violations that are valid	Output	n/a	n/a	n/a	90%	95%
% of code violations investigated within 2 business days	Effectiveness	n/a	n/a	n/a	90%	95%
% of code violations resolved within 45 days	Effectiveness	96%	98%	96%	95%	95%
# of code violations investigated per FTE	Efficiency	486	662	625	750	310
% of neighborhoods patrolled according to schedule for code violations	Effectiveness	n/a	n/a	n/a	85%	95%
Department Goal: Process residential permit applications in a timely manner						
# of new single-family residential permits issued	Output	96	105	100	103	116
# of square feet of new single family residential new construction permitted	Output	329,815	356,563	330,000	339,900	371,742
% of single family residential new construction and addition/alteration plans reviewed within 14 days	Effectiveness	89%	92%	90%	85%	85%
Average # of days to issue single family permits for new construction and additions/alterations	Effectiveness	10	9	10	10	10
\$ value of residential development permitted	Output	\$41.2 M	\$44.6 M	\$39.9 M	\$42.5 M	\$46.5 M
% of Certificates of Appropriateness issued by staff within 7 days	Effectiveness	93%	89%	65%	90%	95%
% of Certificates of Appropriateness issued by the Historic Preservation Commission within 45 days	Effectiveness	92%	90%	95%	95%	95%

Council Goal: Ensure a Thriving Business Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Process non-residential permit applications in a timely manner						
# of non-residential permits issued	Output	14	10	10	11	13
% of time non-residential development applicant receives initial staff comments within 21 days	Effectiveness	79%	100%	88%	95%	95%
\$ value of non-residential development permitted	Output	\$1.4 M	\$6.6 M	\$4.2 M	\$2.0 M	\$2.0 M

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Recover the cost of development services						
% of planning operating costs recovered through planning fees	Effectiveness	7%	8%	8%	8%	8%



Department Profile

The Community Development Department is managed by the Assistant Village Manager of Operations and the Assistant Village Manager of Administration. This department oversees marketing, economic development, the Village’s Welcome Center, engineering services, and traffic studies. Areas of focus include:

- Promoting and marketing the Village as a place to visit, live, and do business with print and digital advertising
- Operating the George P. Lane Welcome Center to serve approximately 1,500 visitors to the area each year
- Monitoring and evaluating traffic levels at six key intersections in the Village

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 Administration, at 910.295.1900 or jbatton@vopnc.org or ndean@vopnc.org.

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Operating	\$ 232,423	\$ 201,040	\$ 198,540	\$ 242,890	20.8%
Capital	311,736	169,200	169,200	440	-99.7%
Expenditures Total	\$ 544,159	\$ 370,240	\$ 367,740	\$ 268,030	-27.6%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Engineering Plan Review Fees	\$ 1,114	\$ 500	\$ 1,505	\$ 1,000	100.0%
Engineering Fee Revenue	2,756	1,500	1,500	1,500	0.0%
Revenues Total	\$ 3,870	\$ 2,000	\$ 3,005	\$ 2,500	25.0%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Marketing and promotion (ACE) – expand marketing and promotional efforts	FY 2017	\$45,600



Key Performance Indicators (KPIs)

Council Goal: Ensure Pinehurst is a Premier Residential Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Market and promote the Village as a premier residential community						
# of print ads distributed Village-wide	Output	40	32	26	32	32
# of digital ads placed Village-wide	Output	7	15	16	40	40
Marketing \$ invested Village-wide	Input	\$99,660	\$39,942	\$40,000	\$75,000	\$75,000
Department Goal: Provide a welcoming environment for Pinehurst visitors						
# of Welcome Center visitors served	Output	1,171	2,312	1,500	2,750	2,750

Council Goal: Ensure a Thriving Business Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Support Partners in Progress economic development activities						
\$ spent to support Partners in Progress	Input	\$22,000	\$27,000	\$27,000	\$27,000	\$27,000



George P. Lane Welcome Center



Department Profile

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 an Athletic Coordinator, Program Coordinator, Special Event Coordinator, and part-time Event Assistant 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. Focus areas include:

- Providing 36 youth recreational programs annually serving approximately 2,510 participants
- Providing 29 adult recreational programs annually serving approximately 1,200 participants
- Offering 80 cultural events each year attended by approximately 26,140 residents and visitors
- Providing quality facilities and infrastructure to promote recreational activities

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 389,735	\$ 424,800	\$ 409,152	\$ 448,950	5.7%
Operating	805,670	939,059	928,202	1,000,030	6.5%
Capital	100,957	664,520	664,520	571,255	-14.0%
Expenditures Total	\$ 1,296,362	\$ 2,028,379	\$ 2,001,874	\$ 2,020,235	-0.4%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Athletic Programs	\$ 34,514	\$ 32,500	\$ 34,000	\$ 32,000	-1.5%
Recreation Fees	83,207	58,000	81,000	87,000	50.0%
Facility Rentals	31,545	23,500	27,000	35,500	51.1%
Revenues Total	\$ 149,266	\$ 114,000	\$ 142,000	\$ 154,500	35.5%

FY 2017 Initiative Action Plans

Initiative Action Plans	Timeline	FY 2017 Budget
Greenways - expand the greenway system and maintain/renovate existing trails	FY 2017-2021	\$130,000
Neighborhood sidewalks – install sidewalks in Village neighborhoods, per Comprehensive Pedestrian Master Plan	FY 2017-2021	\$376,200
Recreation facilities – expand park amenities at Rassie Wicker Park and develop new recreation facilities	FY 2017-2021	\$75,000



Key Performance Indicators (KPIs)

Council Goal: Maintain an Active, Healthy Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Provide adequate parks and recreation facilities						
# of acres of developed parks per 1,000 population	Effectiveness	9.25	9.25	9.25	9.25	9.57
# of developed acres of parks maintained per FTE	Efficiency	35.84	35.84	35.84	35.84	37.09
% of residents satisfied with the quality of Village parks	Effectiveness	99%	97%	97%	97%	97%
# of miles of greenway trails per 1,000 population	Effectiveness	0.44	0.44	0.46	0.48	0.48
% of residents satisfied with P&R facilities	Effectiveness	96%	92%	92%	93%	93%
# of days the Arboretum is used	Output	66	67	112	115	127
Department Goal: Provide a variety of athletic and recreation programs for all ages						
Total # of participants in athletic and recreation programs	Output	3,249	3,722	4,100	4,150	4,350
Resident participation rate as a % of total participants in athletic and recreation programs	Effectiveness	72%	72%	68%	72%	72%
% of athletic and recreation program participants who are adults	Output	29%	32%	31%	32%	35%
% of athletic and recreation program participants who are youth	Output	71%	68%	69%	68%	65%
% of athletic and recreation programs offered that met or exceeded minimum registration requirements	Effectiveness	85%	74%	84%	85%	89%
# of athletic and recreation program participants per Recreation Coordinator FTE	Efficiency	1,625	1,861	2,050	2,075	2,175
Residents recreation program participants as a % of population	Effectiveness	17%	18%	18%	18%	19%
% of residents satisfied with the quality of youth recreation programs	Effectiveness	92%	90%	91%	91%	91%
% of residents satisfied with the quality of adult recreation programs	Effectiveness	93%	89%	91%	91%	91%
Department Goal: Provide cultural arts events						
# of Village sponsored cultural arts events	Output	80	76	70	71	75
Estimated attendance at Village sponsored cultural arts events	Output	27,785	26,145	30,000	30,250	31,250

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Recover program and event costs through fees						
% of direct costs recovered through recreation fees	Effectiveness	73%	84%	71%	70%	70%
\$ of sponsorships obtained for Village sponsored cultural arts events	Output	\$1,540	\$2,800	\$4,000	\$6,000	\$10,000



Department Profile

The Library Department includes funds for contributions to the Given Memorial Library. Given Tufts is a non-profit 501(c)3 that operates the Given Memorial Library and the Tufts Archives in the Village Center. The Village provides public library services through an operating contract with the Given Memorial Library. In addition, starting FY 2013, the Village began making annual payments toward a \$1,000,000 pledge to the Library’s \$4,500,000 capital expansion campaign. The Library includes:

- A collection of over 23,000 items including fiction, non-fiction, audio books, e-books, reference, large print, and children’s books
- Free wireless internet, a laptop computer, and a printer for public use
- Children’s programs throughout the year
- Tufts Archives, the Pinehurst History Museum

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

Budget Summary

Expenditures by Type	FY2015 Actual	FY2016 Budget	FY2016 Estimated	FY2017 Budgeted	Percent Change
Operating	\$ 405,000	\$ 225,000	\$ 225,000	\$ 200,000	-11.1%
Expenditures Total	\$ 405,000	\$ 225,000	\$ 225,000	\$ 200,000	-11.1%



Key Performance Indicators (KPIs)

Council Goal: Maintain an Active, Healthy Community

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Support the provision of public library services						
# of books checked out	Output	37,040	36,264	35,000	35,000	35,000
# of e-books checked out	Output	8,373	8,168	8,100	8,100	8,100
\$ spent to support Given Memorial Library	Input	\$140,000	\$360,000	\$405,000	\$200,000	\$100,000



Given Memorial Library



Department Profile

The Harness Track Division of the Parks and Recreation Department reports to the Parks and Recreation Director. The Harness Track Division includes one Track Supervisor, three full-time Track Specialists, and part-time seasonal personnel responsible for the operations and maintenance of the Harness Track facility. Responsibilities include:

- Maintaining three sand-clay training tracks totaling 2.25 miles of track and 111 acres to host 25 special events annually
- Maintaining 17 barns with 260 rentable stalls
- Maintaining a Track Restaurant and Tack Shop
- Maximizing the use of the facility by the equine industry, residents, and visitors to consistently generate between \$250,000 and \$290,000 in revenue annually

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 190,569	\$ 206,850	\$ 186,760	\$ 199,500	-3.6%
Operating	277,024	320,060	313,060	313,900	-1.9%
Capital	144,450	190,790	190,790	97,831	-48.7%
Expenditures Total	\$ 612,043	\$ 717,700	\$ 690,610	\$ 611,231	-14.8%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Stall Rental	\$ 204,630	\$ 218,000	\$ 230,000	\$ 230,000	5.5%
Tack Shop Rental	4,944	4,800	4,800	4,800	0.0%
Restaurant Rent	6,600	7,200	7,200	6,600	-8.3%
Shows/Events Revenue	37,907	47,000	47,000	37,000	-21.3%
Revenues Total	\$ 254,081	\$ 277,000	\$ 289,000	\$ 278,400	0.5%



Key Performance Indicators (KPIs)

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Provide a high quality equestrian training and event venue						
% of Harness Track building renovations completed on schedule	Effectiveness	92%	100%	100%	100%	100%
# of Harness Track facility acres	Input	111	111	111	111	111
# of Harness Track facility acres maintained per FTE	Efficiency	27.75	27.75	27.75	27.75	27.75
% of customers satisfied with the Harness Track facility	Effectiveness	92%	100%	100%	90%	90%
Department Goal: Maximize utilization of the Harness Track						
# of stalls available for rent	Input	260	260	260	260	260
# of stalls rented	Output	250	236	257	250	250
% of capacity reached for stall rentals	Effectiveness	96%	91%	99%	96%	96%
# of days the Harness Track is rented for equestrian events	Output	19	25	25	25	25
# of days the Harness Track is rented for non-equestrian events	Output	87	13	35	35	35
Utilization rate for Harness Track rentals	Effectiveness	74%	22%	35%	35%	35%
Department Goal: Maximize profitability of the Harness Track						
% of Harness Track operating expenditures recovered with fees	Effectiveness	52%	54%	56%	57%	61%



Harness Track Race



Department Profile

The Fair Barn is a Division of the Parks and Recreation Department and operates under the direction of the Events Coordinator. The Fair Barn Department is comprised of the Fair Barn Coordinator, several part-time assistants, and part-time laborers who provide the manpower, supplies, expertise, and management for the operations and maintenance of the Fair Barn. Responsibilities include:

- Hosting an average of 111 community events and meetings annually, generating approximately \$220,000 in revenue
- Maintaining 6,400 square feet of rental space
- Promoting and managing the facility to maximize its use

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 91,117	\$ 110,300	\$ 103,875	\$ 122,800	11.3%
Operating	155,584	191,120	187,263	206,770	8.2%
Capital	73,277	65,865	65,865	92,046	39.7%
Expenditures Total	\$ 319,978	\$ 367,285	\$ 357,003	\$ 421,616	14.8%

Revenues by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Fair Barn Rental	\$ 215,819	\$ 185,000	\$ 220,000	\$ 215,000	16.2%
Shows/Events Revenue	10,733	3,000	3,035	3,000	0.0%
Revenues Total	\$ 226,552	\$ 188,000	\$ 223,035	\$ 218,000	16.0%



Key Performance Indicators (KPIs)

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Provide a high quality event venue						
% of customers satisfied with the Fair Barn facility	Effectiveness	n/a	95%	87%	88%	92%
Department Goal: Maximize utilization of the Fair Barn						
# of weekdays the Fair Barn is rented	Output	n/a	107	45	47	55
# of weekend days the Fair Barn is rented	Output	n/a	98	99	101	109
Fair Barn weekday utilization rate	Effectiveness	n/a	51%	22%	23%	27%
Fair Barn weekend utilization rate	Effectiveness	n/a	63%	64%	65%	70%
Department Goal: Market and promote the Fair Barn						
# of client leads for weekday rentals	Output	n/a	n/a	n/a	12	20
# of client leads for weekend rentals	Output	n/a	n/a	n/a	60	80
Department Goal: Maximize profitability of the Fair Barn						
% of Fair Barn operating expenditures recovered with fees	Effectiveness	94%	92%	90%	92%	100%



Fair Barn



Department Profile

The Buildings & Grounds Division operates under the direction of the Parks and Recreation Director. This division includes a Building and Grounds Superintendent, 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. Buildings & Grounds services include:

- Maintaining 17 facilities used to carry out municipal activities totaling 69,200 square feet
- Maintaining 4 parks and recreation facilities totaling 145 developed acres
- Maintaining greenway trails totaling 6.8 linear miles
- Completing approximately 22 work orders monthly

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 313,339	\$ 343,036	\$ 326,431	\$ 334,700	-2.4%
Operating	626,847	676,774	665,096	704,710	4.1%
Capital	166,220	773,925	773,925	757,960	-2.1%
Expenditures Total	\$ 1,106,406	\$ 1,793,735	\$ 1,765,452	\$ 1,797,370	0.2%



Key Performance Indicators (KPIs)

Council Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Respond promptly to Building and Grounds work order requests						
# of B&G work order requests	Input	310	248	257	253	253
% of B&G work order requests closed within 14 days	Effectiveness	81%	83%	79%	81%	81%
% of B&G work order requests that are an emergency	Effectiveness	5%	6%	5%	5%	4%
Average response time for B&G work order requests (in days)	Effectiveness	7.84	9.88	10.91	9.91	9.91
Department Goal: Effectively maintain Village buildings and grounds						
# of square feet of buildings maintained	Output	107,002	108,802	108,802	108,802	108,802
# of square feet of buildings maintained per facilities maintenance FTE	Efficiency	107,002	108,802	108,802	108,802	108,802
% of Village buildings inspected quarterly	Effectiveness	87%	93%	100%	95%	95%
% of playground inspections completed according to schedule	Effectiveness	n/a	n/a	n/a	100%	100%
% of greenway/trail bridges inspected according to schedule	Effectiveness	n/a	n/a	n/a	90%	98%
% of employees satisfied with the quality of B&G work performed	Effectiveness	98%	97%	97%	97%	97%



Department Profile

The Fleet Director reports directly to the Assistant Village Manager of Operations and is a member of the Senior Leadership Team. The Fleet Maintenance Department consists of the Director and two Technicians 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. Fleet services include:

- Maintaining 100 vehicles used to carry out municipal activities
- Maintaining 123 pieces of equipment used in the delivery of municipal services
- Performing 125 preventative maintenance (PM) services annually
- Completing approximately 15 work orders monthly

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Salaries & Benefits	\$ 223,218	\$ 237,550	\$ 228,775	\$ 241,050	1.5%
Operating	384,777	451,140	396,462	428,750	-5.0%
Capital	516,446	713,200	713,200	851,080	19.3%
Expenditures Total	\$ 1,124,441	\$ 1,401,890	\$ 1,338,437	\$ 1,520,880	8.5%



Fleet Maintenance Department



Key Performance Indicators (KPIs)

Council Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Respond promptly to fleet work order requests						
% of fleet work orders completed within 2 days of receipt	Effectiveness	81%	88%	80%	85%	85%
% of mechanic time spent on repairs & maintenance	Effectiveness	24%	32%	35%	50%	65%

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Effectively maintain Village vehicles and equipment to maximize availability						
# of vehicles maintained	Output	99	97	97	94	95
# of equipment items maintained	Output	69	61	62	63	68
# of vehicles and equipment items maintained per FTE	Efficiency	56	53	53	52	54
# of PMs completed	Output	127	141	140	140	140
% of PMs completed on time	Effectiveness	74%	85%	98%	98%	98%
% of rolling stock available	Effectiveness	97%	98%	98%	98%	98%
% of employees satisfied that repairs are made correctly the first time	Effectiveness	91%	100%	94%	94%	95%
Scheduled maintenance work orders as a % of total maintenance work orders	Effectiveness	37%	38%	36%	36%	36%
Department Goal: Replace vehicles and equipment based on the predetermined life-cycle expectancy						
Average age of police sedans fleet (in years)	Effectiveness	4.5	5.4	5.2	6.2	7.3
Average age of automated garbage trucks fleet (in years)	Effectiveness	5.3	6.3	6.3	6.0	6.4
Average age of fire pumpers fleet (in years)	Effectiveness	8.8	9.8	10.8	7.0	6.0



Department Profile

The Chief Information Officer (CIO) reports directly to the Assistant Village Manager of Administration and is a member of the senior leadership team. In addition to the CIO, the Information Technology Department (IT) includes a Network Administrator, IT Systems Specialist, Business Analyst, and IT Technician. 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. Information technology services include:

- Maintaining more than 20 software programs and applications that support municipal services as well as the Village website, mobile app, database servers, email servers, Enterprise Resource Planning (ERP) system, and a downtown kiosk
- Managing a secure network infrastructure that has multiple WAN connections and over 320 devices including computers, physical and virtual servers, Wi-Fi, printers, and other technology equipment
- Maintaining the audio visual technology used in meeting rooms across the Village campus
- Completing approximately 100 work orders monthly

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

Budget Summary

Expenditures by Type	FY2015 Actual	FY2016 Budget	FY2016 Estimated	FY2017 Budgeted	Percent Change
Salaries & Benefits	\$ 381,093	\$ 423,250	\$ 356,241	\$ 423,750	0.1%
Operating	356,671	481,148	472,470	497,360	3.4%
Capital	109,795	96,300	96,300	176,500	83.3%
Expenditures Total	\$ 847,559	\$ 1,000,698	\$ 925,011	\$ 1,097,610	9.7%



Key Performance Indicators (KPIs)

Council Goal: Professionally Manage a High Performing Organization

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Support technology users						
% of IT help desk tickets closed within 2 days	Effectiveness	88%	88%	89%	90%	90%
Average # of days to close IT help desk tickets	Effectiveness	0.51	0.45	0.40	0.70	0.50
# of IT help desk tickets closed per FTE per month	Efficiency	31	23	28	30	30
% of employees satisfied with the quality of IT help desk services	Effectiveness	98%	100%	99%	98%	98%
% of employees satisfied with the timeliness of IT help desk services	Effectiveness	94%	98%	100%	98%	98%
Department Goal: Provide user access to a safe and secure network						
% of computers with current antivirus protection	Effectiveness	n/a	n/a	n/a	95%	95%
Department Goal: Conduct efficient backups and disaster recovery						
% of time automatic backups are successful	Effectiveness	n/a	n/a	n/a	95%	95%
Department Goal: Provide high availability of network resources						
% of network uptime	Effectiveness	n/a	n/a	n/a	98%	98%
% of Internet Service Provider (ISP) uptime	Effectiveness	n/a	n/a	n/a	99%	99%

Council Goal: Attract and Retain an Engaged Workforce

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Provide information technology training						
% of new employees who participate in IT orientation	Effectiveness	100%	100%	100%	100%	100%
% of employees who participate in online IT training	Effectiveness	0%	0%	0%	10%	10%

Council Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2014 Actual	FY 2015 Actual	FY 2016 Est.	FY 2017 Goal	FY 2021 Proj.
Department Goal: Maintain the Village's technology infrastructure						
% of computers and servers that are 5 years old or less	Effectiveness	97%	96%	96%	97%	97%



Department Profile

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2017 Budget. This practice of maintaining contingency funding 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. The \$50,000 budget is 0.27% of the total General Fund budget.

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

Budget Summary

Expenditures by Type	FY2015 Actual	FY2016 Budget	FY2016 Estimated	FY2017 Budgeted	Percent Change
Operating	\$ -	\$ 48,000	\$ -	\$ 50,000	4.2%
Expenditures Total	\$ -	\$ 48,000	\$ -	\$ 50,000	4.2%



Department Profile

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. See the *SOP Guide* section for the Debt Guidelines. For information on anticipated debt, please refer to the *Capital Improvement Plan* section.

The total amount of debt outstanding at June 30, 2016 will be \$1,435,138. This is a relatively small amount of direct debt compared to our taxable property of \$3,369,000,000. All of the Village’s debt is in the form of installment purchase agreements.

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.

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

Budget Summary

Expenditures by Type	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimated	FY 2017 Budgeted	Percent Change
Principal	\$ 420,917	\$ 406,103	\$ 406,103	\$ 368,784	-9.2%
Interest	73,616	58,201	58,201	43,938	-24.5%
Expenditures Total	\$ 494,533	\$ 464,304	\$ 464,304	\$ 412,722	-11.1%



Debt Service

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				
	2017	2018	2019	2020	2021
Debt Service Payments on 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.	\$ 41,850	\$ -	\$ -	\$ -	\$ -
Firetruck - Unit 914 \$550,000; due in 14 semi-annual payments of \$41,917 beginning on 2/1/14; final payment due on 8/1/20; interest @ 1.75%; collateralized by firetruck.	83,825	83,825	83,825	83,825	41,549
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.	188,167	182,434	176,700	170,967	-
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 building; final payment due on 03/11/22.	63,225	60,925	58,625	56,325	54,025
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 04/15/18.	35,655	34,329	-	-	-
Total Debt Service	\$ 412,722	\$ 361,513	\$ 319,150	\$ 311,117	\$ 95,574



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 2017		FY 2018		FY 2019	
	Principal	Interest	Principal	Interest	Principal	Interest
Fire Station	\$ 166,667	\$ 21,500	\$ 166,667	\$ 15,767	\$ 166,667	\$ 10,033
Firetruck 914	77,842	5,983	79,211	4,614	80,603	3,222
Firetruck - 924	40,942	908	-	-	-	-
Fair Barn	50,000	13,225	50,000	10,925	50,000	8,625
67.04 Acres	33,333	2,322	33,334	995	-	-
Totals	<u>\$ 368,784</u>	<u>\$ 43,938</u>	<u>\$ 329,212</u>	<u>\$ 32,301</u>	<u>\$ 297,270</u>	<u>\$ 21,880</u>

Project	FY 2020		FY 2021-2025		FY 2026-2030	
	Principal	Interest	Principal	Interest	Principal	Interest
Fire Station	\$ 166,667	\$ 4,300	\$ -	\$ -	\$ -	\$ -
Firetruck 914	82,020	1,805	41,185	364	-	-
Fair Barn	50,000	6,325	100,000	5,750	-	-
Totals	<u>\$ 298,687</u>	<u>\$ 12,430</u>	<u>\$ 141,185</u>	<u>\$ 6,114</u>	<u>\$ -</u>	<u>\$ -</u>

Project	Total Balance by Project		
	Principal	Interest	Total
Fire Station	\$ 666,668	\$ 51,600	\$ 718,268
Firetruck 914	360,861	15,988	376,849
Firetruck - 924	40,942	908	41,850
Fair Barn	300,000	44,850	344,850
67.04 Acres	66,667	3,317	69,984
Totals	<u>\$ 1,435,138</u>	<u>\$ 116,663</u>	<u>\$ 1,551,801</u>

Fiscal Year(s)	Total by Fiscal Year(s)		
	Principal	Interest	Total
FY 2017	\$ 368,784	\$ 43,938	\$ 412,722
FY 2018	329,212	32,301	361,513
FY 2019	297,270	21,880	319,150
FY 2020	298,687	12,430	311,117
FY 2021-2025	141,185	6,114	147,299
Totals	<u>\$ 1,435,138</u>	<u>\$ 116,663</u>	<u>\$ 1,551,801</u>



Computation of Legal Debt Limit

Net Assessed Value - June 30, 2015	\$ 3,492,214,968	
	<u>8.0%</u>	
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 279,377,197	
Gross Debt:		
Installment Purchase Agreements	<u>1,841,825</u>	
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>1,841,825</u>	0.05%
Legal Debt Margin	<u>\$ 277,535,372</u>	

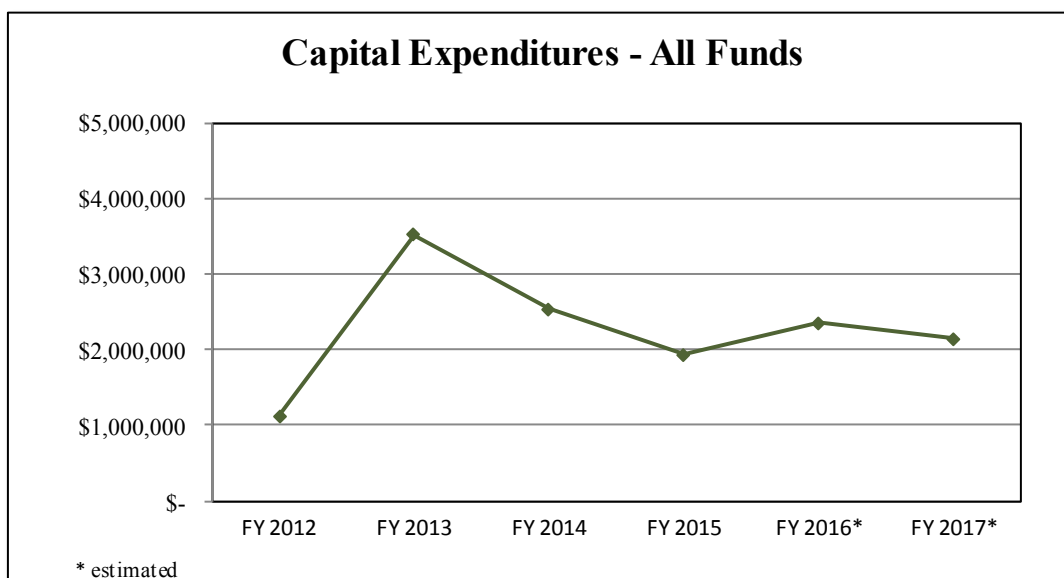
The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village's net debt as a percentage of assessed valuation at June 30, 2015 is 0.05% compared to the legal debt limit of 8%.



Description

Capital expenditures are appropriated within each fund, typically in the General Fund and Capital Project Funds when applicable. This section is provided to give the reader a summary of the capital expenditures planned for in the departments of the General Fund and to provide trend data related to capital expenditures.

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 typically 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* section by department. When a Capital Project Fund is used, a project ordinance is adopted for a multi-year period and remains in effect until the project is completed. For FY 2017, the Village does not have any Capital Project Funds. The following sections highlight capital expenditures in the General Fund.



General Fund Capital Expenditures

The schedule on the following pages details the specific capital items funded in the FY 2017 Budget. In addition to routine vehicle and equipment replacements, the Village intends to make improvements along McIntyre Road; fund greenways and sidewalks; make storm drainage improvements; renovate and repair structures at the Fair Barn and Harness Track; and complete the redevelopment of the Public Services complex. Please refer to the *General Fund* section for additional information on these items.

General Fund Capital Items	Budget Department	FY 2017 Funded Amount
Public Safety		
Opticom - Traffic Light Preemption System	Fire	\$ 12,500
SCBA Air Packs (4)	Fire	23,200
Spreader/Cutter - Extrication Equipment	Fire	9,400
Total Public Safety		45,100
Transportation		
Redevelop Public Services Complex	Public Services	48,000
Small Drainage Projects	Streets & Grounds	25,000
Old Hunt Road - Storm Drainage Project	Streets & Grounds	35,000
Juniper Creek Boulevard - Storm Drainage Project	Streets & Grounds	50,000
McIntyre Road - Business District Streetscapes	Streets & Grounds	140,000
Total Transportation		298,000
Recreation		
John Deere Backhoe Attachment	Harness Track	10,000
Total Recreation		10,000



Capital Expenditures

General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department	FY 2017 Funded Amount
Buildings & Grounds Maintenance		
Replace HVAC in Village Hall	Administration	\$ 10,000
Reseal and Restripe Parking Lot	Administration	6,000
Lower Level Breakroom Improvements	Administration	6,000
Install Ice Blockers on Roof	Administration	5,000
Replace Carpet at Station 91	Fire	8,200
Landscaping and Irrigation	Fair Barn	15,000
Repair Leaks on Three Towers	Fair Barn	15,000
Repair Awning on Annex	Fair Barn	5,000
Dressing Room Conversion	Fair Barn	10,000
Parking Lot Improvements	Fair Barn	40,000
Drainage Project - RCP Pipe Extension (Phase 2)	Harness Track	27,500
Structural Repairs - Barn 12	Harness Track	10,000
Replace Siding - Barn 12	Harness Track	12,000
Renovation - Barn 12	Harness Track	15,000
Rebuild Turns on One-Mile Track	Harness Track	22,000
Replace HVAC	Police	10,000
Tufts Park Lighting	Recreation	9,500
Replace Wicker Park Playground	Recreation	25,000
Replace Cannon Park Scoreboard - Field 1	Recreation	5,500
Rassie Wicker Park Shelter	Recreation	50,000
Greenways	Recreation	75,000
Neighborhood Sidewalks	Recreation	375,200
Total Buildings & Grounds Maintenance		756,900
Information Technology		
Video Recording System in Council Conference Room	Administration	12,000
Convert to Galaxy Door Control System	Fire	13,000
A/V Projector	Fair Barn	6,000
Server 1 - Host (Aacore3)	Information Technology	12,000
Village Hall Fat Pipe	Information Technology	18,000
Nintex Forms for SharePoint	Information Technology	14,000
Phone Recording Solution Upgrade	Police	23,000
Server - PD Host	Police	12,000
Conference Room AV Upgrade	Police	10,000
Additional Door Security	Police	7,500
Convert to Galaxy Door Control System	Public Services Admin	7,000
Fiber to Public Services	Public Services Admin	34,000
Radio System Antenna Upgrade	Public Services Admin	8,000
Total Information Technology		176,500



Capital Expenditures

General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department	FY 2017 Funded Amount
Fleet Maintenance		
Firetruck Pumper/Tanker	Fire	\$ 600,000
Trak Fuel System	Fleet	11,000
Ford F250	Recreation	28,000
Chevy Dump Truck - 2.5 Ton	Streets & Grounds	134,000
Ford F150	Streets & Grounds	26,000
Ford F150	Streets & Grounds	26,000
Salt/Sand Spreader	Streets & Grounds	9,700
Loader Scales	Streets & Grounds	10,500
Plow	Streets & Grounds	5,000
Total Fleet Maintenance		850,200
General Fund Total		\$ 2,136,700
% of Expenditures		11.7%

There are no Capital Projects in the Village's Five-Year Capital Improvement Plan.



Introduction

Purpose

The Village of Pinehurst is a high performing, results oriented organization. We are focused on fulfilling our mission and achieving the short-term and long-term performance levels indicated on our balanced scorecard. A reliable long-term financial forecast is an important part of ensuring that adequate resources are available to meet future financial obligations. It also assists us in meeting the Council's goal to "Maintain a Healthy Financial Condition" and achieve the long-term financial targets on our Balanced Scorecard (BSC).

Each year, the Financial Services Department prepares a Five-Year Financial Forecast (Forecast) to ensure the Village can achieve the long-term performance target levels on the Village's BSC and department balanced scorecards while maintaining a healthy and sustainable financial position.

The Village has budgetary and financial policies that set forth basic guidance for the financial management of the Village. These policies, provided in the *Strategic Operating Plan Guide* section of this document, are based upon long-standing principles of public stewardship. The Forecast serves to inform decision makers of the long-term financial implications of the decisions they are making today.

Methodology

The Forecast includes five-year projections of revenues, operating expenditures, anticipated debt service for capital financed, and planned capital expenditures. It is inclusive of the Strategic Initiatives in the forecasted period and the impact those initiatives are projected to have on both capital expenditures and ongoing operating costs.

Sound and conservative financial principles are utilized when preparing the plan. Much effort is taken to ensure that all costs associated with a Strategic Initiative, capital addition, or program are included in the plan. This is done to ensure the plan is as accurate as possible in predicting financial outcomes and to ensure that adequate resources are available to meet future obligations.

After the issuance of the Village's audit report each fall, Financial Services staff begin compiling the data needed to update the Forecast. Files containing historical financial information are updated to include the current year's audited data. This annual update ensures that the plan is based upon the most relevant data available.

Revenue Forecasting

Significant revenues of the Village are forecast on a line-by-line basis. They are generally projected based on historical trends and other available information. For instance, property tax revenues are dependent on new construction trends, planned annexations, and property revaluations. All of these factors are taken into account to forecast property tax revenues. Some revenues, like sales taxes, are



Five-Year Financial Forecast FY 2017-2021

directly linked to the overall economy. This makes these revenues more difficult to predict on a long-term basis.

The Village also relies heavily on information provided by the North Carolina League of Municipalities (NCLM). The NCLM issues a revenue forecast memo each spring, in conjunction with economists at the North Carolina General Assembly, which contains projected growth rates for state-collected local revenues.

Department Heads and financial staff also review internal data on programs and activities to accurately forecast fees and charges revenues over the five-year planning horizon.

Operating Expenditure Forecasting

Salaries and benefits make up more than half of the Village's budgeted expenditures each year, so forecasting them accurately is critical to producing a reliable plan. Staff begins by developing the current year personnel budget. Each Department Head also projects staffing needs over the five-year period and completes a staffing request for the Forecast. The Senior Leadership Team reviews these requests and determines which positions to include in the Forecast. The budget is based upon each approved position by department and also includes the new positions approved to be added. Part-time staffing requirements and overtime are also estimated.

Merit raise ranges are estimated for the five-year period in consultation with the Village Manager and the Human Resources department. Other benefit costs are estimated at their individual growth rates based upon information from the North Carolina Retirement System, our insurance providers, and our benefits consultants.

The current year forecast is then used to project the remaining four years of the plan using key assumptions set by the Financial Services Director.

Each year, departments develop Initiative Action Plans (IAPs) that are designed to improve performance levels indicated on the Village's BSC. These initiatives may include operating and capital expenditures. Each approved IAP has its own five-year financial plan that indicates the expenditures related to the initiative by year. If there are revenues associated with the IAP, these are also included. Financial Services staff analyze the IAPs and incorporate the financial data contained in the plans into the five-year forecast. The *Strategic Priorities* section provides the criteria used to evaluate IAPs for inclusion.

The forecast for other operating expenditures is based on the current year's operating expenditures budget. The forecast takes current operating expenditures, which are not related to personnel or a specific IAP, and forecasts them based on an inflation factor. To ensure the accuracy of the plan, a listing of adjustments by year is maintained to adjust for known additions or deductions from the plan. For instance, if the Village has a significant operating lease that expires in the second year of the plan, the item is removed from the plan in the third year. The forecast will not contain these costs in the third year and going forward. The financial plans for all IAPs are reviewed carefully to ensure that new operating costs that begin after the first year of the plan are included. Also, operating expenditures related to major capital additions are manually added to the Forecast in the same manner.



Five-Year Financial Forecast FY 2017-2021

Capital Expenditure Forecasting

The Village's *Capital Improvement Plan (CIP)* that follows this section is a detailed plan of capital additions and replacements in the five-year period. The CIP is used to plan for the acquisition of vehicles, equipment, infrastructure, new facilities, and other capital assets valued at over \$5,000.

Adequate resources must be made available for the timely replacement of the Village's capital assets. The Forecast allows decision makers to monitor planned capital investment levels to ensure that the balance between operating needs and capital needs is being maintained across the planning horizon.

More details on how the capital forecast is developed is contained in the *Capital Improvement Plan* in the next section of this document.

FY 2017-2021 Five-Year Financial Forecast

Revenue Forecast and Significant Assumptions

The FY 2017-2021 Forecast projects operating revenues to grow from \$17,248,300 to \$18,205,000 over the next five years. The property tax rate is planned to increase to \$0.295 cents per \$100 valuation in FY 2017 and to remain at that level. Real property taxes are estimated to grow at 1.0% over the planning period due to the construction of new homes and commercial properties. Local option sales taxes are planned to increase at 2% per year in the plan. Other unrestricted intergovernmental revenues are planned to increase or decrease at varying rates based upon the NCLM forecast and other available information.

Operating Expenditure Forecast and Significant Assumptions

Salaries and benefits are forecast to increase by approximately 3.2% per year on average across the planning period. Beyond the FY 2017 Budget year, only one additional FTE is planned. This position is related to the recreation facilities IAP planned for FY 2020.

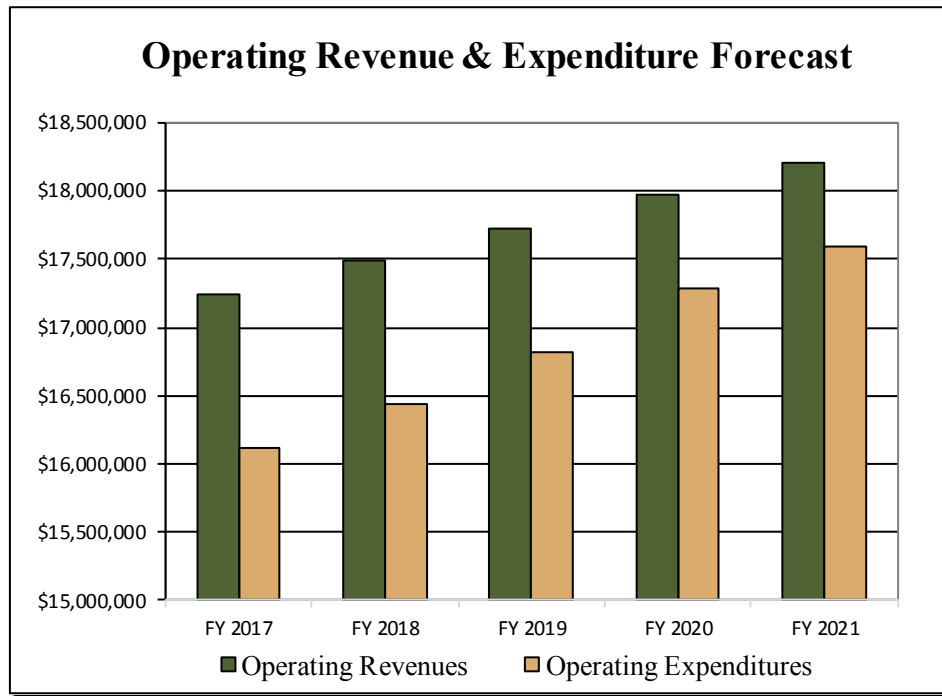
The Village's commitment to the Given Memorial Library capital campaign will be completed in FY 2018. This removes \$100,000 per year from the operating expenditure plan going forward.

Other operating expenditures are expected to increase by 3% per year. We believe this is a reasonable and conservative estimate. Some operating expenditures such as energy and fuel are more volatile than others, and the plan must account for the possibility that actual costs could be slightly higher than the baseline consumer price index.

After adjusting for the incremental operating expenditures from new initiatives and capital additions, actual operating expenditure increases in the plan range from 1.50% to 2.35%.

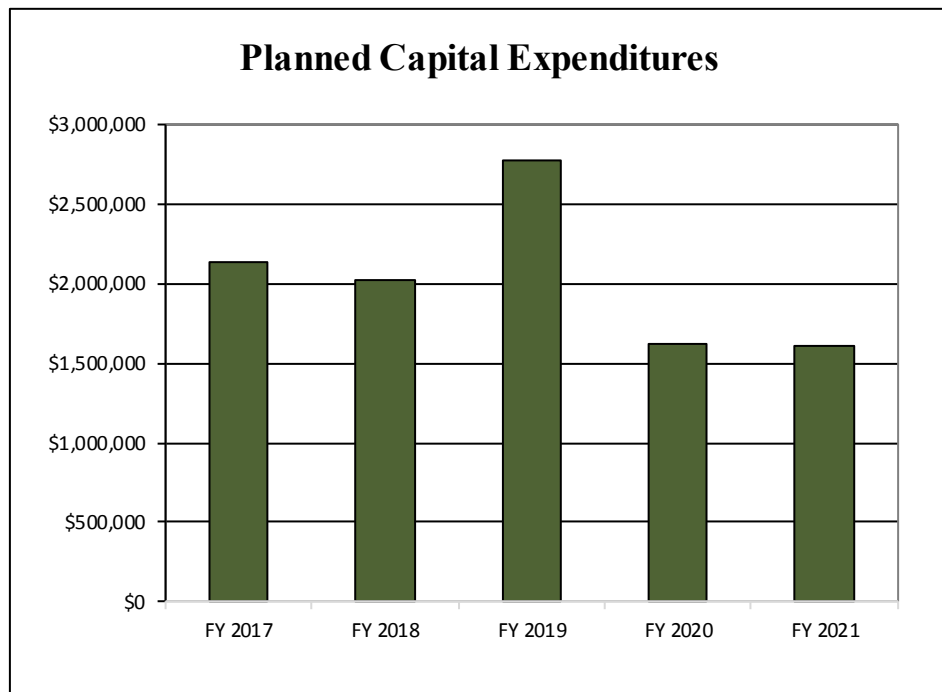


Five-Year Financial Forecast FY 2017-2021



Capital Forecast

The Forecast incorporates capital investments with an estimated cost of \$10,180,700 over the next five years. These capital investments represent of 8.4%-14.2% of total expenditures across the plan. Details on planned capital investments are provided in the *Capital Improvement Plan* section of this document.



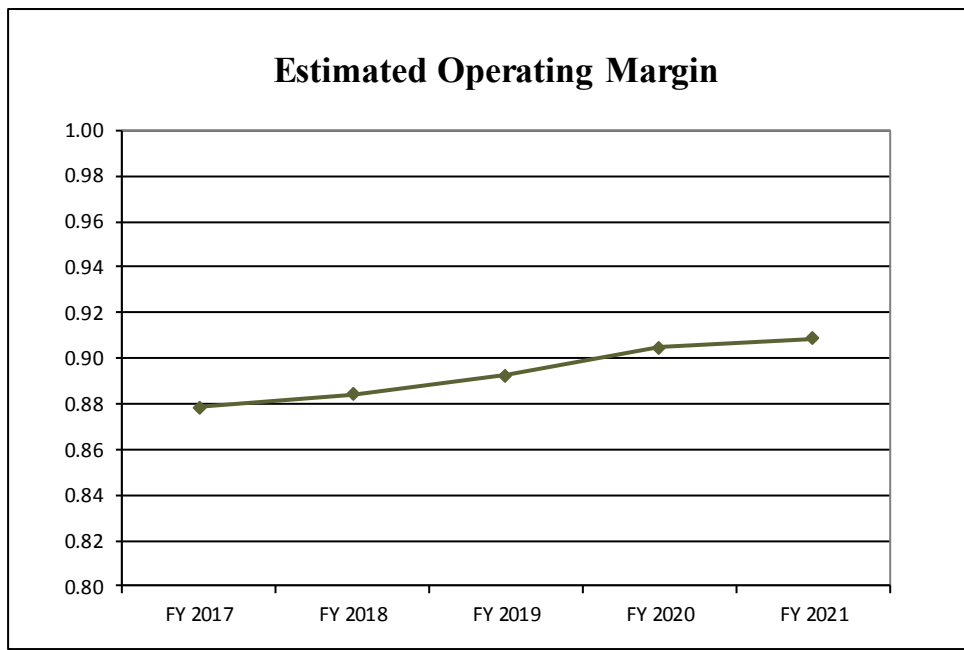


Five-Year Financial Forecast FY 2017-2021

Forecast Summary

Table 1 on page 148 summarizes the key information of the Five-Year Financial Forecast. Management relies heavily on this data to make decisions on which programs, initiatives, and capital can be afforded within available revenues.

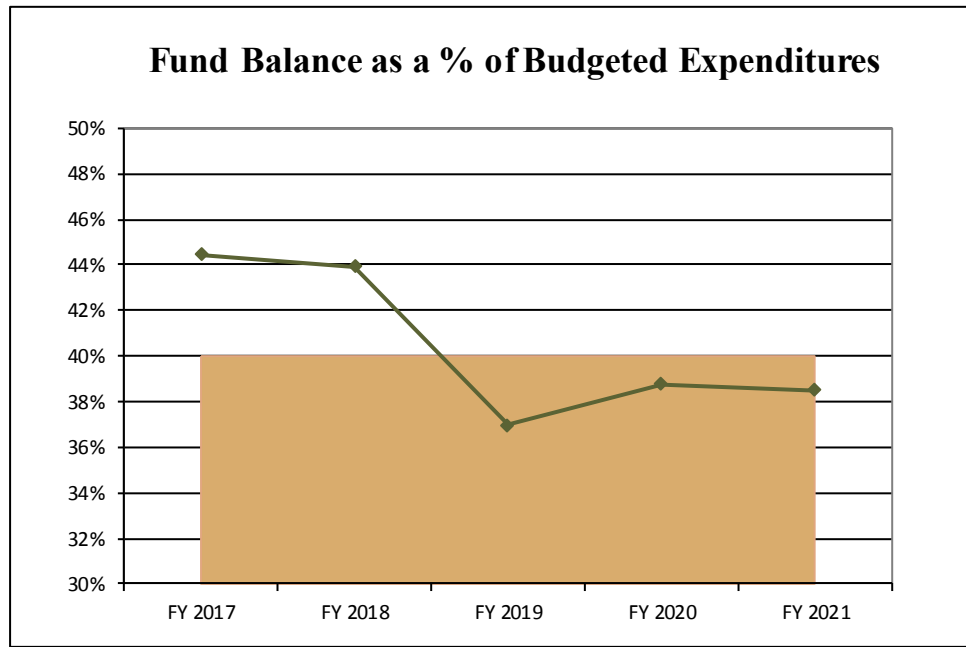
Two key financial management concepts guide management in these decisions. First, the Village strives to maintain a healthy operating margin. The operating margin ratio measures how much of available operating revenues are required to support operating expenditures. The Village strives to maintain an operating margin ratio of 0.89 or lower. This means that for every dollar in operating revenues received, only 89 cents is required to support operating expenditures. This leaves the remaining 11 cents available for current or future capital investments. Monitoring this key ratio ensures that operating expenditures are kept in check and that funds will be available for capital improvements. In this year's plan, estimated operating ratios range from 0.88 in the early years to 0.91 in the final years of the plan. This slight increase in the operating margin ratios in the out years is typical in the Village's Forecast.



The second measure management uses to guide the development of the Forecast is the fund balance ratio. The Village Council has adopted a Fund Balance Policy that requires management to develop budgets that maintain total fund balance in the range of 30%-40% of budgeted expenditures. Details on this policy are provided in the *Strategic Operating Plan Guide* section of this document. In the current plan, fund balance levels begin at 44.5% in FY 2017, decline to the mid-point of the policy range in FY 2019, and stabilize for the remaining years of the plan.



Five-Year Financial Forecast FY 2017-2021



Overall, management believes that the Five-Year Financial Plan provides a clear path forward for the Village to accomplish the goals and objectives set forth in the FY 2017 Strategic Operating Plan. The Forecast was developed based on sound financial management principles and will guide the Village well throughout the planning period.



Five-Year Financial Forecast FY 2017-2021

Table 1 - Five-Year Financial Forecast FY 2017-2021

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Population	15,968	16,173	16,378	16,583	16,788
Operating Revenues					
Property Tax Revenue	\$ 9,923,000	\$10,033,000	\$10,145,000	\$10,258,000	\$10,373,000
Intergovernmental Revenues	5,831,400	5,935,200	6,041,400	6,149,600	6,261,800
Permits & Fees	583,800	586,000	589,000	592,000	594,000
Sales & Services	652,400	668,000	684,000	701,000	718,000
Other Operating Revenues	231,800	242,000	244,000	247,000	230,000
Interest Income	25,400	26,000	27,000	27,000	28,000
Other Taxes & Licenses	500	-	-	-	-
Other Financing Sources	-	-	-	-	-
Operating Revenues	\$17,248,300	\$17,491,000	\$17,731,000	\$17,975,000	\$18,205,000
Tax Rate	0.295	0.295	0.295	0.295	0.295
Operating Expenditures					
Personnel in FTEs	136	136	136	137	137
Salaries and Benefits	\$ 9,689,338	\$ 9,940,309	\$10,259,532	\$10,629,530	\$10,968,265
Operating	6,011,225	6,139,008	6,244,969	6,348,850	6,526,730
Debt Service	412,722	362,000	320,000	312,000	96,000
Operating Expenditures	16,113,285	16,441,317	16,824,501	17,290,379	17,590,995
Operating Income	1,135,015	1,049,683	906,499	684,621	614,005
Capital Expenditures in GF	2,136,700	2,028,500	2,779,500	1,624,500	1,611,500
Total GF Expenditures	18,249,985	18,469,817	19,604,001	18,914,879	19,202,495
Revenues Over (Under) Exp	\$ (1,001,685)	\$ (978,817)	\$ (1,873,001)	\$ (939,879)	\$ (997,495)
Capital As a Percent of Total Expenditures					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Expenditures	18,249,985	18,469,817	19,604,001	18,914,879	19,202,495
Total Capital Expenditures	2,136,700	2,028,500	2,779,500	1,624,500	1,611,500
% of Total Expenditures	11.7%	11.0%	14.2%	8.6%	8.4%
Projected Impact on Fund Balance in the General Fund					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Beginning Fund Balance	\$ 8,161,960	\$ 8,117,786	\$ 8,117,845	\$ 7,247,379	\$ 7,336,168
Revenues Over (Under) Exp	(1,001,685)	(978,817)	(1,873,001)	(939,879)	(997,495)
Budget to Actual Variance*	957,511	978,876	1,002,535	1,028,669	1,056,800
Projected Actual Gain/(Loss)	(44,174)	59	(870,466)	88,790	59,305
Projected Ending GF Bal	\$ 8,117,786	\$ 8,117,845	\$ 7,247,379	\$ 7,336,168	\$ 7,395,473
% of Total Budget	44.5%	44.0%	37.0%	38.8%	38.5%
*Assumes actual revenues of 101% of budget and actual expenditures of 95% of budget					
Estimated Operating Margin	0.88	0.88	0.89	0.90	0.91





Introduction

The Village of Pinehurst's five-year Capital Improvement Plan (CIP) is an integral part of the Village's Strategic Planning Process, which is described in detail in the *Strategic Priorities* section of this document. The CIP process is used to plan for the budgeting and financing of routine replacement of vehicles and equipment, significant infrastructure improvements, new facility construction, and other capital asset additions greater than \$5,000. The Village uses this process to ensure that high-dollar, long-lived projects are aligned with the Village's strategic direction and that capital investments are financially sustainable. The CIP is developed in conjunction with the Village's Five-Year Financial Forecast outlined in the previous section.

The FY 2017-2021 CIP represents a \$10.2 million plan to address the Council's strategic objective to "Maintain Capital Assets" under the community goal to "Maintain a Healthy Financial Condition." Capital expenditures are driven by the types and levels of services provided to customers and the target performance levels established by the Village Council. The proposed plan represents maintaining all current service levels while enhancing others through increased capital investment.

This CIP was developed under the assumption that the Village will fund those items that are able to be included under the proposed tax rate of \$0.295 per \$100 valuation.

The Village Council updates the CIP annually as part of the Strategic Operating Plan to ensure it is reflective of the Council's current strategic goals and objectives. In addition, it is expanded annually to add a year of programming to replace the year previously completed.

Adoption of the CIP by the Village Council does not constitute a commitment to fund a particular item, but rather signifies Council's intention to fund capital expenditures at the indicated level during the five years. The capital investment shown in FY 2017 of the CIP, however, does represent the amount of capital spending appropriated in the FY 2017 Budget.

Capital Improvement Program

Overview

The FY 2017-2021 CIP includes capital investments with a total estimated cost of \$10,180,700 over the next five years. These costs are divided into three major areas – Fleet, Information Technology (IT), and Other Capital Additions. Table 1 indicates the breakdown of capital investments by area:



Capital Improvement Plan FY 2017-2021

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Fleet	\$ 4,081,200	40%
Information Technology	424,500	4%
Other Capital Additions	5,675,000	56%
TOTAL	\$ 10,180,700	100%

Fleet

The Fleet Maintenance Department is responsible 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. However, if the equipment is in good working condition at the end of its scheduled replacement, replacement is delayed and available funds are diverted to other capital needs. The fleet and large equipment inventory can be expanded only if a new initiative is approved that is deemed to support the Village’s Strategic Operating Plan. Key Performance Indicators (KPIs) for Fleet Maintenance are included in the *General Fund* section of this document.

Information Technology (IT)

The Information Technology Department is responsible for the purchase, replacement, and maintenance of the Village’s computer hardware, software, and communication infrastructure. Existing IT assets are replaced on a life cycle replacement schedule. Key Performance Indicators (KPIs) for Information Technology are included in the *General Fund* section of this document.

Other Capital Additions

The purchase, replacement, and maintenance of all other infrastructure and fixed assets are other capital additions. Examples include land, transportation improvement projects, sidewalks and greenways, and storm water drainage improvements.

Funding Sources

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

General Fund Cash – this is provided by appropriated operating revenues or fund balance and will generally be used for routine capital investments.

Installment Financing – this 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. Most installment financing agreements are amortized as fixed principal plus interest.

Grant Funding – this refers to the Village making application and being awarded funds from typically a state or federal government agency for a specific purpose.

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. The Village has not utilized this funding source in the past due to the size of debt issuances.



Capital Improvement Plan FY 2017-2021

Table 2 below shows a summary of the revenues and funding sources for the FY 2017-2021 projected capital investments:

Table 2 - CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
General Fund Cash	\$ 10,180,700
TOTAL	\$ 10,180,700

It is important to note that all of the capital improvements are funded with available Village funds or cash.

Debt Service

Table 3 shows the ratio of existing debt service to estimated total expenditures over the five years.

Table 3 - Impact of CIP Debt Issuances on Debt Ratios

	Fiscal Year Ending June 30				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Existing Debt Service	\$ 412,722	\$ 361,513	\$ 319,150	\$ 311,117	\$ 95,574
Total Debt Service	\$ 412,722	\$ 361,513	\$ 319,150	\$ 311,117	\$ 95,574
Estimated Expenditures	\$18,249,985	\$18,469,817	\$19,604,001	\$18,914,879	\$19,202,495
% of Expenditures	2.26%	1.96%	1.63%	1.64%	0.50%

During the planning horizon, the Village's debt service as a percentage of total expenditures is projected to decline to less than 1% of General Fund expenditures. The Village's policy is to keep debt service as a percentage of expenditures below 10%.



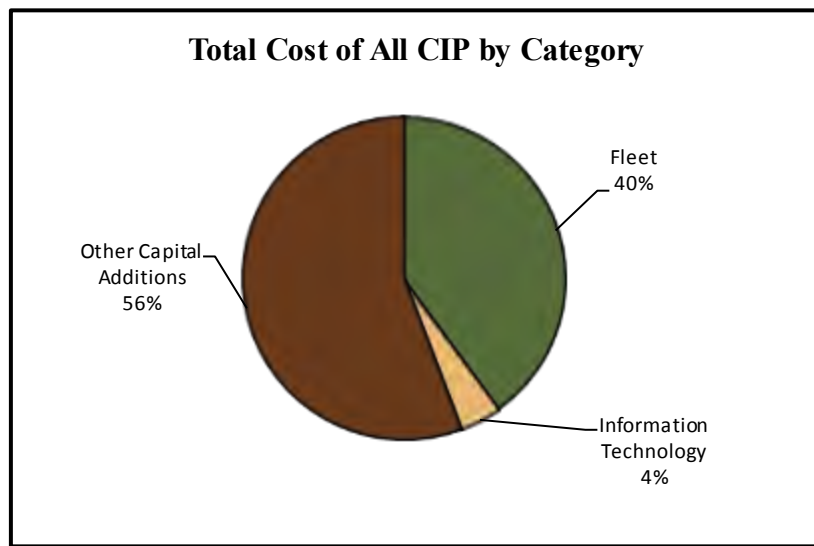
Capital Improvement Plan FY 2017-2021

Summary

In summary, the FY 2017-2021 CIP represents a \$10.2 million investment in capital for fleet, information technology, and other capital additions in the five-year planning period.

The list below highlights some of the more notable items included the five year plan:

- Neighborhood sidewalks (all years),
- Streetscape improvements on McIntyre Road (FY 2017 & FY 2018),
- Pave Cannon Park main parking lot (FY 2018),
- Designation of \$2M for future Recreation Facilities TBD (FY 2019 & FY 2020),
- Storm drainage projects (all years), and
- Replacement of two fire engines (FY 2017 & FY 2021).





Capital Improvement Plan FY 2017-2021

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 2017-2021

Fleet Purchase Plan

Description	Year	Life	Budget		CIP		
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Buildings & Grounds							
Chevy Express Van	2004	15	\$ -	\$ 32,000	\$ -	\$ -	\$ -
Ford F150	2004	15	-	-	-	-	35,000
Ventrac Mower	2012	15	-	-	-	42,000	-
Pickup	New		-	-	-	28,000	-
Fire							
Firetruck-Pumper/Tanker	1998	20	600,000	-	-	-	-
Kme Pumper Tanker	2001	20	-	-	-	-	650,000
Ford F650 Hackney Body	2004	20	-	-	350,000	-	-
Fleet Maintenance							
Trak Fuel System	New		11,000	-	-	-	-
Chevy C1500	2006	12	-	-	-	35,000	-
Harness Track							
Ford F250	2006	15	-	32,000	-	-	-
Kubota Zero Turn Mower	2009	7	-	25,000	-	-	-
John Deere Zero Turn Mower	2013	7	-	-	-	25,000	-
Police							
Chevy Tahoe	2011	10	-	36,000	-	-	-
Chevy Tahoe	2011	10	-	-	38,000	-	-
Dodge Charger	2007	6	-	-	-	42,000	-
Dodge Charger	2007	6	-	-	-	42,000	-
Dodge Charger	2010	6	-	36,000	-	-	-
Dodge Charger	2010	6	-	-	38,000	-	-
Dodge Charger	2014	6	-	-	-	-	45,000
Dodge Charger	2015	6	-	-	-	-	45,000
Recreation							
Ford F250 4X4	2004	15	28,000	-	-	-	-
Solid Waste							
International 4300	2006	10	-	-	200,000	-	-
28yd Automted Garbage Trk	2006	10	-	190,000	-	-	-
Freightliner Garbage Truck	2012	7	-	-	-	210,000	-
Freightliner Garbage Truck	2013	7	-	-	-	-	220,000



Capital Improvement Plan FY 2017-2021

Fleet Purchase Plan (continued)

Description	Year	Life	Budget		CIP		
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Streets & Grounds							
Ford 5610 Tractor	1991	20	\$ -	\$ 80,000	\$ -	\$ -	\$ -
Chevy Dump Truck-2.5 Ton	1998	20	134,000	-	-	-	-
Chevy Dump Truck-2.5 Ton	1998	20	-	140,000	-	-	-
John Deere Motor Grader	1992	20	-	-	-	125,000	-
Ford F250 4X4	2000	15	26,000	-	-	-	-
Vmc Arm Mower	2003	5	-	60,000	-	-	-
J Deere 410G Loader Backhoe	2003	20	-	180,000	-	-	-
Grasshopper Mower	2004	7	-	-	-	-	30,000
Compact Mower-Ventrac	2007	7	-	-	-	-	45,000
Ford F150	2002	15	26,000	-	-	-	-
Salt/Sand Spreader	New		9,700	10,000	-	-	-
Loader Scales	New		10,500	-	-	-	-
Vac Trailer	New		-	160,000	-	-	-
Plow	New		5,000	5,000	-	-	-
Total			\$ 850,200	\$ 986,000	\$ 626,000	\$ 549,000	\$ 1,070,000



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 2017-2021

Information Technology Purchase Plan

Description	Year	Life	Budget		CIP			
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Administration								
Video Recording System in Council Conference Room	2015	5	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -
Building Access System	New		-	-	20,000	-	-	-
Village Hall Camera System	New		-	-	-	18,000	-	-
Fair Barn								
A/V Projector	2010	5	6,000	-	-	-	-	-
Fire								
Projector Replacement	2016	5	-	-	-	-	-	5,000
Convert to Galaxy Door Control System	New		13,000	-	-	-	-	-
Information Technology								
Server 1 - Host (Aacore3)	2012	3	12,000	-	-	-	-	-
Server - Phone System Host	2011	3	-	7,000	-	-	-	-
Server Backup Primary AACore1	2011	3	-	7,000	-	-	-	-
Server Backup Secondary Aacore 2	2011	3	-	12,000	-	-	-	-
Server - Vrtx (Blade Server)	2015	4	-	-	40,000	-	-	-
Dell Power Edge Server R710	2009	3	-	7,000	-	-	-	-
Village Wide Phone System	2011	5	-	-	-	35,000	-	-
Village Hall Fat Pipe	2008	5	18,000	-	-	-	-	-
Hp Procurve Core Switch	2006	5	-	-	25,000	-	-	-
Website Redesign	2015	3	-	10,000	-	-	-	-
Nintex Forms for SharePoint	2015	3	14,000	-	-	-	-	-
Planning								
Planning Software	New		-	30,000	-	-	-	-
Police								
Phone Recording Solution Upgrade	2010	6	23,000	-	-	-	-	-
Server - PD Host	2011	3	12,000	-	-	-	-	-
Conference Room AV Upgrade	2007	7	10,000	-	-	-	-	-
Additional Door Security	New		7,500	-	-	-	-	-
PS Administration								
Convert to Galaxy Door Control System	New		7,000	-	-	-	-	-
Fiber to Public Services	New		34,000	-	-	-	-	-
Radio System Antenna Upgrade	1990	5	8,000	8,000	8,000	8,000	8,000	8,000
Total			\$ 176,500	\$ 81,000	\$ 93,000	\$ 61,000	\$ 13,000	



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 2017-2021

Other Capital Additions Purchase Plan

Description	Purpose/ Justification	Budget		CIP		
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Administration						
Replace HVAC	Maintain facility	\$ 10,000	\$ 12,000	\$ 14,000	\$ 16,000	\$ 18,000
Reseal and Restripe Parking Lot	Maintain facility	6,000	-	-	-	-
Lower Level Breakroom Improvements	Maintain facility	6,000	-	-	-	-
Install Ice Blockers on Roof	Improve facility	5,000	-	-	-	-
Streets & Grounds						
Small Drainage Projects	Paving Prep	25,000	80,000	80,000	80,000	80,000
Stormwater Project	Old Hunt Rd	35,000	-	-	-	-
Stormwater Project	Juniper Creek Blvd	50,000	-	-	-	-
Business District Streetscapes	McIntyre Rd	140,000	145,000	-	-	-
Fair Barn						
Landscaping and Irrigation	Improve facility	15,000	-	-	-	-
Leak Repairs on 3 Towers	Maintain facility	15,000	-	-	-	-
Repairs to Awning on Annex	Maintain facility	5,000	-	-	-	-
Dressing Room Conversion	Improve facility	10,000	-	-	-	-
Parking Lot Improvements	Resurface main parking lot	40,000	-	-	-	-
Fire						
Opticom	Traffic control for emergency response	12,500	12,500	12,500	12,500	12,500
SCBA Air Packs (4)	NFPA standard change	23,200	-	-	-	-
Spreader/ Cutter	Rescue emergency response	9,400	-	-	-	-
Replace Carpet at Station 91	Maintain facility	8,200	-	-	-	-



Capital Improvement Plan FY 2017-2021

Other Capital Additions Purchase Plan (continued)

Description	Purpose/Justification	Budget	CIP			
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Harness Track						
Structural Repairs, Barn 12	Stabilize structural deficiencies	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Replace Siding, Barn 12	Maintain facility	12,000	-	-	-	-
Renovation, Barn 12	Maintain facility	15,000	-	-	-	-
Sewer Connections, Barns 15, 16, 17	Connect to sewer and remove septic system	-	75,000	-	-	-
Sewer Connections, Barns 9 & 10	Connect to sewer and remove septic system	-	-	30,000	-	-
Clay for 1 Mile Turns	Replace sections of track that have deteriorated due to erosion	22,000	-	-	-	-
John Deere Backhoe Attachment	Use to maintain facility	10,000	-	-	-	-
Drainage Project RCP Pipe Extension - Phase 2	Improve facilities and track condition	27,500	-	-	-	-
Police						
Replace HVAC	Maintain facility	10,000	12,000	14,000	16,000	18,000
PS Administration						
Redevelop the Public Services Complex	Improve functionality of the facility and enhance the area to promote economic growth	48,000	-	-	-	-
Recreation						
Playground Replacement	Rassie Wicker Park	25,000	-	-	-	-
Shelter	Rassie Wicker Park	50,000	-	-	-	-
Cannon Park Scoreboard	Cannon Park Field 1	5,500	-	-	-	-
Cannon Park Parking Lot	Pave Main Parking Lot	-	225,000	-	-	-
Future Recreation Facilities	West Pinehurst Park or future Community Center partnership	-	-	1,510,000	490,000	-
Lighting	Tufts Park	9,500	-	-	-	-
Greenways	Phased implementation of Pedestrian Plan	75,000	-	-	-	-
Neighborhood Sidewalks	Phased implementation of Pedestrian Plan	375,200	400,000	400,000	400,000	400,000
Total		\$ 1,110,000	\$ 961,500	\$ 2,060,500	\$ 1,014,500	\$ 528,500



**VILLAGE OF PINEHURST
Budget Ordinance
Fiscal Year 2017**

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in the Regular Session assembled this 24th day of May 2016 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, 2016 and ending June 30, 2017, in accordance with the chart of accounts heretofore established for this Village:

OPERATING EXPENDITURES:

Governing Body	\$ 209,400
Administration	1,102,910
Financial Services	609,540
Human Resources	430,060
Police	2,953,938
Fire	2,731,540
Inspections	215,955
Public Services	405,440
Streets & Grounds	1,323,600
Powell Bill	900,300
Solid Waste	1,372,690
Planning	635,650
Community Development	267,590
Recreation	1,448,980
Library	200,000
Harness Track	513,400
Fair Barn	329,570
Contingency	50,000
Debt Service	<u>412,722</u>

Total Operating Expenditures \$ 16,113,285



Annual Budget Ordinance

CAPITAL EXPENDITURES:

Administration	\$ 45,829
Financial Services	1,760
Human Resources	2,200
Police	77,715
Fire	675,706
Inspections	882
Public Services	97,871
Streets & Grounds	466,881
Solid Waste	3,936
Planning	2,348
Community Development	440
Recreation	571,255
Harness Track	97,831
Fair Barn	<u>92,046</u>

Total Capital Expenditures \$ 2,136,700

TOTAL EXPENDITURES \$ 18,249,985

SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

REVENUES:

Ad Valorem Tax Revenue	\$ 9,923,000
Other Taxes and Licenses	500
Unrestricted Intergovernmental Revenue	5,326,200
Restricted Intergovernmental Revenue	505,200
Permits and Fees	583,800
Sales and Services	652,400
Assessments	29,000
Other Revenues	202,800
Investment Income	25,400
Appropriated Fund Balance	<u>1,001,685</u>

TOTAL REVENUES \$ 18,249,985

SECTION 3. There is hereby levied a tax at the rate of twenty-nine and one-half cents (\$0.295) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2016, 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 \$3,369,000,000 and an estimated collection rate of 99.9% for real and personal property and 98.5% for motor vehicles.



Annual Budget Ordinance

SECTION 4. 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 5. 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 services, professional services, contracted services, 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 6. Copies of this Budget Ordinance shall be furnished to the Village Clerk, the Village Manager, and Financial Services Director for their direction and implementation.


THIS ORDINANCE passed and adopted this 24th day of May, 2016.



Attest:


Lauren M. Craig, Village Clerk

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: 
Nancy R. Fiorillo, Mayor

Approved as to Form:


Michael J. Newman, Village Attorney





Accrual Basis of Accounting – Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.

ACE – Is an acronym for one of the Village’s informal process improvement methodologies. It stands for Analyze process requirements, Change the process, and Evaluate the change. For more significant process improvements, see BIRDIE.

Ad Valorem tax – A tax levied in proportion to the value of a property.

Amortization – Allocation of capital investment or cost over a period of years or time corresponding to the investment’s terms or useful life, or allocation of debt over the debt’s term.

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

Area of Focus (AOF) – Strategic objectives from the balanced scorecard where the organization develops initiative action plans to improve performance levels.

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

Balanced Budget – A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act as 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 recommended budget be balanced.

Balanced Scorecard (BSC) – An integrated framework for describing and translating strategy using linked performance measures, known as KPIs, in four balanced perspectives: Customer, Internal, Workforce, and Financial. The balanced scorecard acts as a measuring system, strategic management system, and a communication tool.

Baldrige Performance Excellence Framework – 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.

Benchmark – Performance data from select comparable communities for similar services that are indicative of best practices. This data is obtained from individual community performance surveys or performance reports, state performance measurement projects, or industry standards.

BIRDIE – Is an acronym for one of the Village’s process improvement methodologies used for significant process improvements. It stands for Bring the opportunity forward, Investigate the opportunity, Review potential solutions, Determine the solution, Implement the solution, and Evaluate the solution. For another informal methodology, see ACE.



Budget Glossary

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.

Budget Amendment – A legal procedure utilized by the Village staff and the Village Council to revise a budget appropriation.

Budget Document – The instrument used by the budget-making authority to present a comprehensive financial program to the Village Council.

Budget Message – The opening section of the budget that provides the Village Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Manager.

Budget Ordinance – The official enactment by the Village Council to establish legal authority for Village officials to obligate and expend resources.

Budgetary Control – The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Assets – Assets of long-term character which have an initial cost greater than \$5,000 and are intended to continue to be held or used by the Village, including land, buildings, machinery, furniture, and other 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 Outlay – Expenditures available for the acquisition of capital assets, including the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment. By Village policy these items must have a useful life of more than one year and an original cost greater than \$5,000.

Capital Project Fund – A fund used to account for the acquisition and construction of major capital facilities.

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 cash flows, improving cash availability for investment, and establishing and maintaining banking relationships.

Category – A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt services, and transfers.

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Comprehensive Annual Financial Report (CAFR) – A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.



Comprehensive Long-Range Plan – A plan adopted by the Village Council in April of 2003 (updated in 2010) that outlines the long-term goals of the Village over a 20 year period.

Core Competencies – The Village’s areas of greatest expertise and are those strategically important capabilities that are central to fulfilling the Village’s mission.

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.

Department Balanced Scorecards – This is the department’s version of a balanced scorecard. It is the single listing of all approved department key performance indicators and is used to monitor progress of achievement of department goals.

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.

Financial Forecast – A five-year projection of budgeted revenues and expenditures, including operating and capital expenditures.

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 as it relates to employees.

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.



Budget Glossary

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.

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 revenues. This fund includes basic governmental 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 – Future conditions or performance the Village intends or desires to attain; what the Village intends to accomplish.

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.

Initiative Action Plan - Specific activity undertaken to achieve a performance target related to a strategic objective.

Inter-fund Transfers – Amounts transferred from one fund to another.

Intergovernmental Revenue – Revenue received from another government for a specified purpose.

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 boundaries. The interest earned is then allocated back to individual funds by average cash balance in the fund.

KPI – The acronym used for Key Performance Indicators that measure a program’s output, workload, efficiency, or effectiveness and is used to track operational performance.

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 recognizes an organization's progress on their performance excellence journey, utilizing the Baldrige Performance Excellence Framework.

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. 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 Fund – A fund to account for operating activities that generally result from providing services and producing and delivering goods, and include all transactions and other events that are not identified as capital and related financing, noncapital financing, or investing activities.

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.

Perspectives – These are the four categories for classifying strategic objectives on the balanced scorecard.

Powell Bill Street Allocation – Funding from state-shared gasoline tax restricted for maintenance of local streets.

Project Fund – A multi-year fund used to account for the revenues and expenditures of a specified project that only exists until the project is completed.

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.

Revaluation – Assignment of value to all real properties, including land, homes, and commercial buildings 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.

Revenue Neutral – Is the revenue amount achieved after a property revaluation when the new property tax rate generates the same property tax revenue as the previous year, plus normal growth.

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.

Strategic Advantages – Benefits that exert a decisive influence on the Village's likelihood of future success and are the source of our competitive success.

Strategic Challenges – External pressures that exert a decisive influence on the Village's likelihood of future success.

Strategic Objective – A readily measurable statement of aim or expected accomplishment; how the Village will accomplish a goal.

SWOT Analysis – A strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats in a decision-making or goal-setting process.

Target – The desired achievement level of a particular performance measure.

Tax Base – The assessed valuation of all taxable real and personal property within the Village's corporate limits.

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



History

Looking for a place to build a health-orientated resort, James Walker Tufts (head of the America Soda Foundation) stopped in the Sandhills area in the spring of 1895. Despite the fact that the area had been almost completely clear-cut by the timber industry, something about this area moved him, and in June 1895, he bought 598 acres of land for nearly \$1.25 per acre and makes up what is now the Village Center.

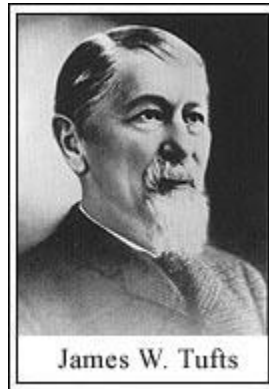


Photo courtesy of Tufts Archives

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
Photos courtesy of Tufts Archives*

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
Photo courtesy of Tufts Archives

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 & Geographic Characteristics

Demographic Characteristics

With a current population of 15,763, 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 nine championship golf courses in the Village, including the famous Pinehurst No. 2 course (site of the 1999 and 2005 U.S. Open Championships). Pinehurst Resort also hosted 14 days of championship play in June 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

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Years									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Financial Services										
Purchase orders issued	262	207	225	260	280	295	269	299	338	297
Vendor checks issued	2,529	2,427	2,448	2,333	2,471	2,444	2,365	1,840	1,641	1,509
Vendor EFTs issued	-	-	-	-	-	-	401	620	998	1,009
Human Resources										
Workers' compensation lost time (days)	6	60	12	446	32	425	33	74	144	39
Employee turnover rate	9.0%	9.4%	7.8%	7.9%	9.2%	8.5%	10.7%	11.4%	7.9%	14.3%
Fleet Maintenance										
Tire work orders completed	186	132	311	216	116	188	200	205	204	186
10-point service performed	200	291	233	208	194	288	228	220	200	112
Public Safety										
Fire Protection										
Public fire & life safety classes	219	204	167	159	170	176	191	254	307	342
Incident calls	922	827	843	855	884	1,031	865	982	993	1,052
Structure fires	26	56	63	44	55	58	35	43	28	14
Inspections	824	787	732	620	423	784	1,174	950	1,898	756
Child passenger seat inspections	579	583	396	173	222	228	120	182	170	170
Police Protection										
Physical arrests	202	262	585	444	445	233	165	184	239	575
Citations issued	1,285	3,806	3,891	3,993	2,970	3,053	1,908	1,208	2,082	1,757
Response to calls/officer initiated activity	9,801	11,866	13,513	13,640	14,495	14,362	13,364	10,901	13,041	11,742
Traffic accidents	432	483	500	474	418	476	414	447	422	433
Inspections										
Building inspections conducted (1)	10,588	9,194	7,683	5,409	4,281	4,370	3,832	4,608	7,540	5,469
Certificates of occupancy issued	271	227	169	181	156	143	48	68	79	116
Transportation										
Street resurfacing (miles)	5.0	6.3	5.6	4.8	3.2	6.4	4.5	3.6	5.0	4.5
Environmental Protection										
Refuse collected (tons annually)	4,287	4,392	4,094	3,948	3,849	4,124	3,808	3,856	3,988	3,973
Homes receiving service	6,485	6,651	6,782	6,862	7,686	7,736	7,812	7,877	7,955	8,107
Recyclables collected (tons annually)	369	568	943	966	1,473	1,734	1,807	1,913	2,025	2,115
Economic & Physical Development										
Building permits issued	378	424	359	278	259	239	287	275	313	289
Zoning compliance investigations	480	477	690	624	475	501	577	596	522	639
Cultural & Recreation										
Recreation										
Program participants	468	679	830	939	1,065	1,739	1,748	1,591	1,807	1,986
Athletics participants	1,503	1,556	1,982	2,323	2,287	2,296	1,934	1,838	1,442	1,736
Harness Track										
Standardbred stalls leased	285	249	220	281	251	276	259	223	240	236
Facilities reserved (days)	45	32	30	20	30	32	32	103	125	38
Fair Barn										
Events	87	89	84	80	88	113	113	102	122	133
Rental days	131	117	95	98	96	120	113	112	199	205

Source: Various Village departments.

Notes: Fiscal Year 2014 includes inspections conducted for the USGA at the US Open Championship venue.



Demographic and Economic Statistics Last Ten Calendar Years

Fiscal Year	Calendar Year	Population (1)	Personal Income	Per Capita Income (2)	Median Age (2)	Unemployment Rate (3)
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	9.5%
2012	2011	14,783	\$ 526,777,422	\$ 35,634	58.4	8.9%
2013	2012	14,979	\$ 608,671,665	\$ 40,635	60.6	8.6%
2014	2013	15,150	\$ 650,586,450	\$ 42,943	60.9	6.3%
2015	2014	15,525	\$ 708,033,150	\$ 45,606	60.8	5.4%

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 March 31, 2010 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 Southern Pines-Pinehurst area.



Principal Property Tax Payers

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2015		2006	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 168,387,896	4.82%	\$ 124,562,427	5.91%
Pinehurst Surgical Clinic	23,614,600	0.68%	-	-
Country Club of North Carolina	22,019,470	0.63%	19,751,894	0.94%
Pinehurst Medical	20,244,470	0.58%	11,595,818	0.55%
Pinewild Project Limited PTNS	13,964,590	0.40%	-	-
Progress Energy Carolinas	12,248,076	0.35%	10,654,531	0.51%
Quail Haven Properties of Pinehurst, LLC	9,338,140	0.27%	-	-
East Lake Development, LLC	6,638,080	0.19%	-	-
MTMM Associates (Carolina Eye Assoc.)	6,694,320	0.19%	8,087,345	0.38%
SCOP (Surgery Center of Pinehurst)	5,148,450	0.15%	-	-
FirstHealth of the Carolinas	-	-	7,037,500	0.33%
Francis Maser	-	-	5,518,800	0.26%
CenturyLink, f/n/a Carolina Telephone & Telegraph	-	-	4,931,501	0.23%
Branch Banking and Trust Co.	-	-	4,451,806	0.21%
Pleasant Living Health Care (Quail Haven)	-	-	8,242,604	0.39%
Total	\$ 288,298,092	8.26%	\$ 204,834,226	9.71%

Sources: Moore County Tax Department.

Notes: 2015 and 2006 data are for tax years 2014 and 2005, respectively.

Pinehurst, LLC includes: Resorts of Pinehurst, Inc., Pinehurst, Inc., Pinehurst LLC and Resorts of Pinehurst, Inc.



Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
First Health of the Carolinas (1)	3,491	69.60%	2,700	55.98%
Pinehurst, LLC (2)	1,310	26.12%	1,320	27.37%
Total		95.72%		83.35%

Sources:

- (1) Human Resources Department at First Health of the Carolinas.
- (2) Human Resources Department at Pinehurst, LLC f/n/a Resorts of Pinehurst Inc.

Notes:

2014 employment is based on calendar year 2014.

GASB 44 requires comparative data for the current calendar year and nine years prior. 2010 adjusted Census Data was used for 2006 and 2015 to estimate the percentage of total employment.



The Carolina Hotel