



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

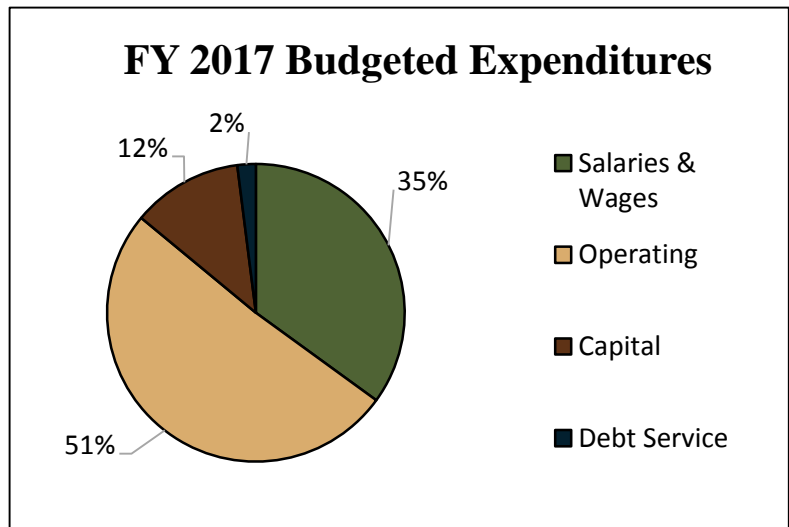
Financial Perspective

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 ¾ 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%.

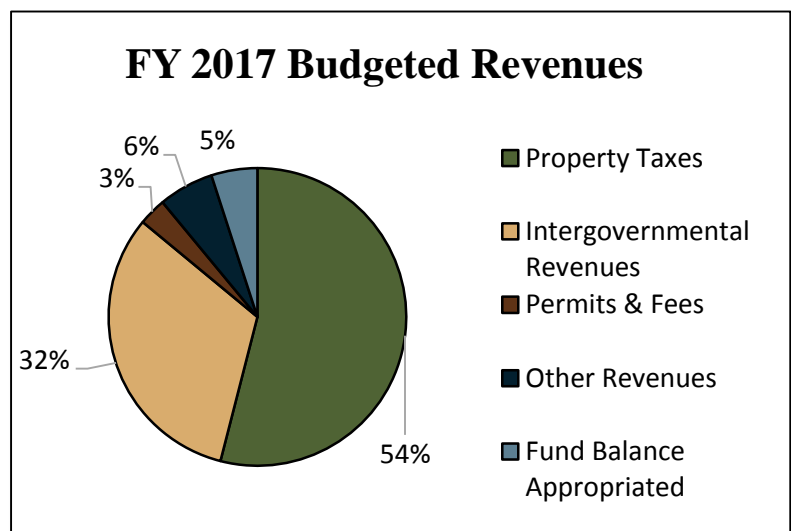
Long Term Debt

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.