



NORTH CAROLINA



2017 Strategic Operating Plan

Presentation of the
2017 Strategic Operating Plan
May 10, 2016



Overview

1. Council's strategic direction
2. SOP components & enhancements
3. FY 2017 Budget
4. FY 2017-2021 Financial Forecast
5. Next steps

The SOP is policy document, a financial plan, an operations guide, and a communication device. It has been prepared to comply with the GFOA Distinguished Budget Presentation Award.



VISION

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

MISSION

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

VALUES

Competent
Courteous
Professional
Responsive

Council's Strategic Direction

Council's Strategic Direction

- Obtained during Strategic Planning Process
- Discussed in *Strategic Priorities* Section (pgs. 38-65)
- SOP complies with Council financial policies, guidelines, and directives
- Four Areas of Focus:
 1. Quality of neighborhoods
 2. Neighborhood sidewalks
 3. Community engagement
 4. Employee engagement



SOP Components and Enhancements

SOP Key Components and Enhancements

- **Budget in Brief**
- **Budget Message**
- **Strategic Operating Plan Guide**
- **Strategic Priorities** - Indicate LT (FY 2021) targets for Key Performance Indicators (KPIs); Expanded descriptions of KPIs and Initiative Action Plans (IAPs)
- **General Fund** - Significantly expanded KPIs on dept. scorecards with ST goal and LT projection; Indicate cost of IAPs in department pages
- **Five Year Financial Forecast** - NEW section that describes how we project financial performance
- **Capital Improvement Plan**

FY 2017 Budget

Items Included in FY 2017 Budget

- \$18.2 million budget, 2% higher than the original FY 2016 Budget
- ½ cent property tax rate increase to \$0.295
- Includes \$1 million of appropriated fund balance (savings) - expect to use \$44,000, given budget to actual variance
- Expect ending fund balance to remain at 44.5% of expenditures
- Addition of 3.75 full-time equivalents (FTEs) for seven positions:
 - 2.00 Police Officers (Traffic Enforcement Team) - 2 positions
 - 1.00 paid Reserve Police Officers - 3 positions
 - 0.25 Police Administrative staffing pool - 1 position
 - 0.50 Welcome Center Coordinator - 1 position
- 23 Initiative Action Plans (IAPs) at a cost of \$6.2 million

FY 2017 Strategic Operating Plan



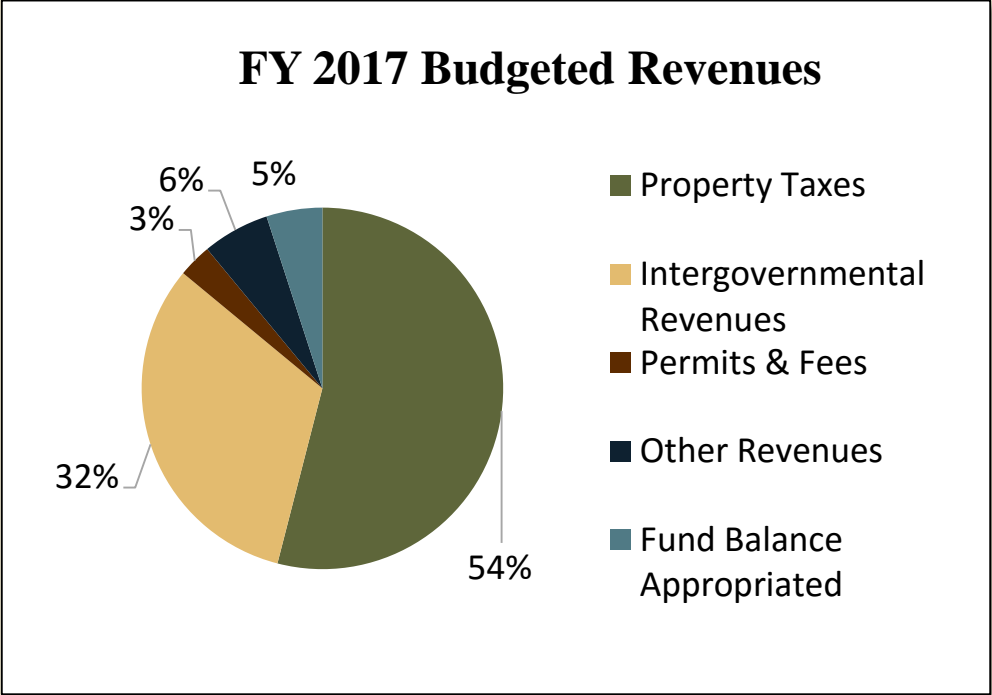
FY 2017 – 2021 Initiative Action Plans (IAPs)	
Traffic preemption program	Greenways
Fire Department accreditation	Neighborhood sidewalks
Citizens on Patrol	Supplemental yard debris collection
Community Watch	Recreation facilities
Traffic enforcement	Civic engagement
Land use analysis	Performance dashboards
Code enforcement	Continuous process improvement
Comprehensive long range plan update	Planning & Inspections automation
Street lighting	Workforce plans
Marketing and promotion	Learning and development system
Streetscape enhancements	Incentive reward program
	Police Department staffing

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

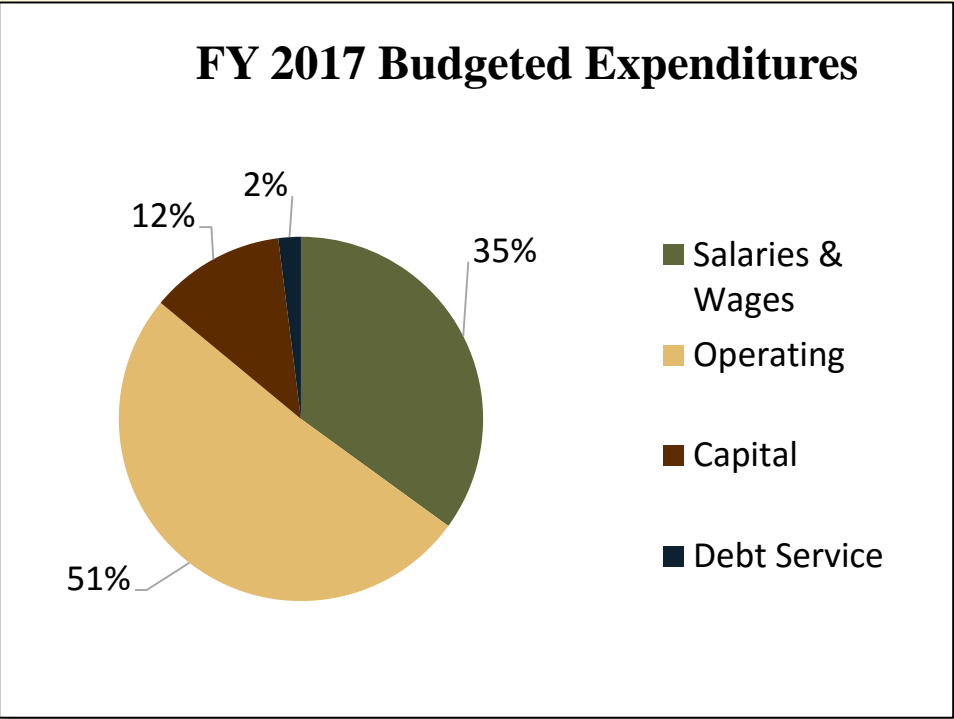
FY 2017 Strategic Operating Plan



FY 2017 Budgeted Revenues



FY 2017 Budgeted Expenditures



FY 2017 General Fund Budget Overview

Revenue Assumptions

- Assumes 100 new homes and a 1.0% growth in the real property tax base
- Assumes 8.8% growth in sales tax receipts

Expenditure Assumptions

- Merit pay raises can range from 0% to 3%, same as last year
- Cover 100% of employee cost of insurance and continue the 5-year phase out of dependent care health subsidy
- Estimated 10% increase in health insurance premiums

Significant FY 2017 Capital (\$2.1 million)

- \$882,000 for routine replacement of vehicles and equipment
- \$176,500 for IT infrastructure
- \$1,078,000 in other capital additions:
 - Neighborhood sidewalks - \$375,200
 - McIntyre Road streetscape improvements - \$140,000
 - Storm drainage projects - \$110,000
 - Greenways - \$75,000



FY 2017-2021 Five-year Financial Forecast

FY 2017 Strategic Operating Plan



FY 2017-2021 Financial Forecast

- Located in the *Five-Year Financial Forecast* Section

	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	18,482,317	19,601,001	18,952,379	19,202,495
Revenues Over (Under) Expenditures	\$(1,001,685)	\$(991,317)	\$(1,873,001)	\$(977,379)	\$(997,495)
Budget to Actual Variance *	957,511	977,001	1,002,535	1,030,544	1,056,800
Projected Actual Gain/(Loss)	\$(44,174)	\$(14,316)	\$(870,466)	\$53,165	\$59,305
Projected Operating Margin	0.88	.088	0.89	0.91	0.91
Projected GF Balance as a % of Total Budget	44.5%	43.8%	36.9%	38.4%	38.3%

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

FY 2017 Strategic Operating Plan



FY 2017-2021 Planned Capital Expenditures

- \$10.2 million in capital expenditures over the five-year period
- Located in the *Capital Improvement Plan* Section

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
Fleet	\$882,200	\$986,000	\$626,000	\$549,000	\$1,070,000	\$4,113,200
Information Technology	\$176,500	\$81,000	\$93,000	\$61,000	\$13,000	\$424,500
Other Capital Improvements	\$1,078,000	\$1,011,500	\$2,060,500	\$1,014,500	\$528,500	\$5,693,000
Total Capital Exp.	\$2,136,700	\$2,078,500	\$2,779,500	\$1,624,500	\$1,611,500	\$10,230,700
Capital Exp. as a % of Total Budget	11.7%	11.2%	14.2%	8.6%	8.4%	10.8%

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

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Municipal Tax Rates	Tax Rates
Cornelius*	\$0.240
Pinehurst	\$0.295
Davidson*	\$0.350
Whispering Pines	\$0.370
Southern Pines	\$0.380
Foxfire	\$0.380
Pinebluff	\$0.380
Taylortown	\$0.400
Aberdeen	\$0.430
Holly Springs*	\$0.435
Carthage	\$0.495
Chapel Hill*	\$0.524
Cameron	\$0.575
Robbins	\$0.640

*Performance benchmark communities are in **RED**

Next Steps

Next Steps

- Two Budget Work Sessions:
 - Wednesday, May 11th (4:30 pm)
 - Thursday, May 12th (4:30 pm)
- Budget Public Hearing:
 - Tuesday, May 24th (4:30 pm)
- Adopt the Budget:
 - Tuesday, June 14th (4:30 pm)



Questions