



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%.



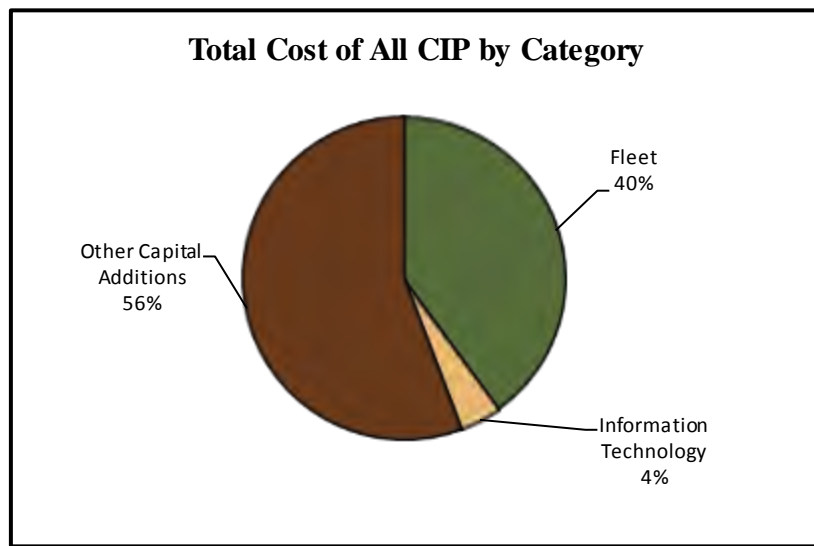
Capital Improvement Plan FY 2017-2021

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