



NORTH CAROLINA



2014 Strategic Operating Plan



VILLAGE OF PINEHURST

2014 Strategic Operating Plan

Including

FY 2013-2014 Budget

&

FY 2014-2018 Capital Improvement Plan



*Council Member John R. Cashion, Council Member Mark W. Parson, Mayor Nancy R. Fiorillo,
Treasurer John C. Strickland, Mayor Pro-Tem Douglas A. Lapins*



VILLAGE OF PINEHURST

395 MAGNOLIA ROAD

PINEHURST, NC 28374

910.295.1900

www.vopnc.org

VISION

The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions, enhanced by a unique combination of cultural arts and recreational activities.

MISSION

To preserve and enhance the community's character and ambience by guiding growth, managing change, and providing services in a financially responsible manner.

VILLAGE SENIOR LEADERSHIP

Village Manager

Assistant Village Manager

Assistant Village Manager

Village Clerk

Director of Financial Services

Director of Human Resources

Police Chief

Fire Chief

Director of Planning and Inspections

Director of Public Services

Director of Parks & Recreation

Manager of Fleet Maintenance

Director of Information Technology

Andrew Wilkison

Natalie Dean

Jeff Batton

Lauren Craig

John Frye

Angela Kantor

Earl Phipps

Carlton Cole

Andrea Correll

Walt Morgan

Mark Wagner

Randy Kuhn

Jason Whitaker



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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, Council, visitors, and staff.



The Pinehurst Village Hall, located at 395 Magnolia Road

Strategic Operating Plans can be very complex and confusing. Should there be any further 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 department SOPs, specific projects, etc.). Realizing that information needs differ for every reader, the document is divided into sections to make the information easy to locate.

Executive Summary The Executive Summary provides an overview of the contents of the Strategic Operating Plan. It helps the reader quickly understand the key elements of the document.

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

Budget Guide This Budget 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 an outline of all Village funds.

Environmental Scan This section provides an overview of the environment in which the Village operates. It includes a discussion of demographic trends, customer feedback, feedback from our employees and volunteers, an economic analysis, the Village's financial health, and emerging trends.

Council Strategies and Priorities This section provides an overview of the strategic planning process, the Village's Balanced Scorecard (BSC) that contains the Council's strategic objectives, and the current areas of focus. Performance targets on the Village's Balanced Scorecard (BSC) are also included in this section along with specific initiatives aimed at achieving those performance targets.



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.

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

Consolidated Budget Summary This section of the document breaks down the annual budget on a broader, functional level.

General Fund Every Village department or division appears with individual presentations of Departmental Strategic Operating plans that include a summary of accomplishments, challenges, initiatives, budgets, and performance measures with targets. These are the most specific presentations within the document.

Special Revenue Funds Each Special Revenue Fund budget is presented separately.

Capital Project Funds Each Capital Project Fund budget is presented separately.

Capital Expenditures This section summarizes information regarding capital expenditures for the Village. Information is provided on capital items contained in the current year budget along with planning information for future years. This future information is contained in a summary of the Village's Five-Year Capital Improvement Plan.

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 processes.

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.



The Village of Pinehurst has evolved into a strategy-focused organization. This began with the Village's performance excellence program that implements the national Malcolm Baldrige Performance Excellence Criteria. This program is an integrated approach to organizational performance management.

The FY 2013-2014 Strategic Operating Plan for the Village of Pinehurst was developed based on customer feedback and comparison of Village performance with benchmark communities for 18 key Strategic Objectives, as articulated on the Village's balanced scorecard. The plan is also founded on sound budgetary principles, such as maintaining fund balance in the range of 30% to 40% of budgeted expenditures, per the Village's Fund Balance Policy.

The FY 2013-2014 recommended Net Budget, which includes all funds less transfers between funds, totals \$17,562,875. This is a decrease of 2% over the prior year's amended Net Budget at December 31, 2012. In the General Fund, the current ad valorem tax rate of \$0.28 per \$100 valuation is maintained for the upcoming year. The General Fund Budget also maintains fund balance at 37% of FY 2013-2014 expenditures.

Growth for most revenue sources is conservatively estimated based on current economic conditions. For FY 2013-2014 we have appropriated \$601,175 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. If these historical trends continue, we will add approximately \$301,000 to our fund balance this fiscal year.

Capital outlays of \$2,332,000 are included in the recommended budget. This represents a decrease of \$884,142 or 27% over the previous year. In the previous fiscal year, capital improvements were completed in the Village Center, which increased the capital budget significantly.

The Village's 2014 Strategic Operating Plan includes 34 initiatives that total \$977,000 to achieve the Strategic Objectives of the balanced scorecard. From these objectives, the Village Council selected four short-term Areas of Focus. They include: promote economic opportunity, provide safe traffic & pedestrian mobility, provide a variety of recreational & cultural opportunities, and recruit & retain a skilled and diverse workforce.

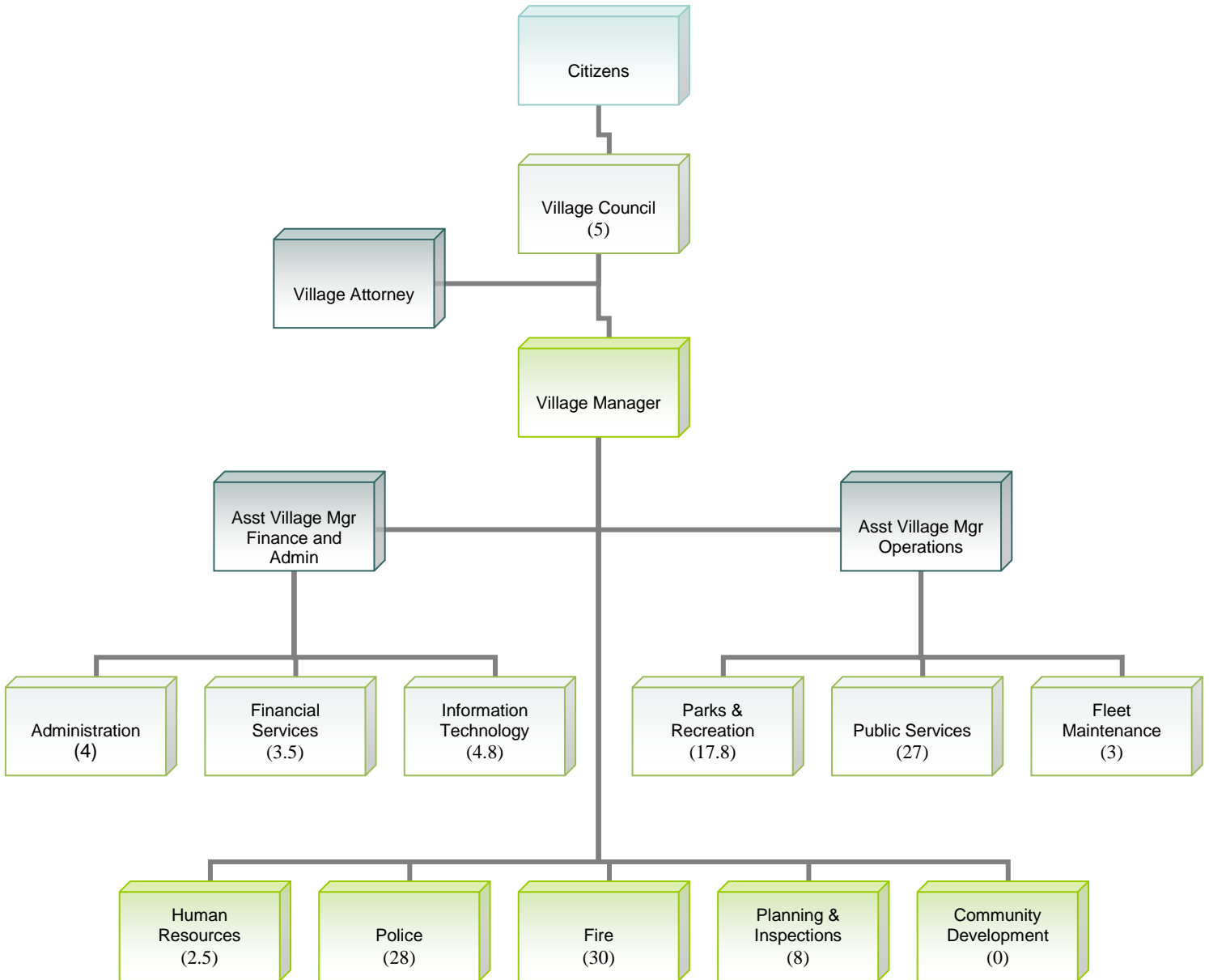
For FY 2013-2014, the budgeted number of employees is one higher than in the previous year. Merit pay increases of up to 0%-2% are provided for employees in the budget, as in the prior year, and current fringe benefits package is also maintained.

Although the budget does not fund all the requests made by departments, it addresses the Council's Strategic Areas of Focus and aim for continuous improvement to ensure the provision of high quality services for residents, businesses, and visitors.

The annual budget as presented serves as a policy document, operations guide, financial plan and a communications device. We trust that the budget document provides you with a clear vision of the Village's operations for the upcoming fiscal year.



Organizational Chart





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Pinehurst
North Carolina**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morill *Jeffrey R. Egan*

President

Executive Director





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.



"Live After Five" Event Downtown

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 with the primary goals of preservation of the quiet, tranquil and unusually attractive village atmosphere and retaining and enhancing the quality of life for its present and future residents and their visitors.

Administration (awilkison@vopnc.org)

The Administration Department provides top-level support to the Village Council and Village Manager. It 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 Finance and 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, financial forecasting and preparation of the annual budget. 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 personnel 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 the employees and volunteers are also critical to the success of our organization. All activities are performed in direct support of the Vision Statement to ensure a progressive, responsive, and pro-active environment for our employees and for those with which we build external relationships.



Employee Academy Graduation

PUBLIC SAFETY

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 interface with the 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.

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 as directed by the Village of Pinehurst's Vision Statement 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, and related services in addition to the department's obligation to train all personnel in modern fire safety practices and technologies.



St. Patrick's Day Parade Downtown

Inspections (acorrell@vopnc.org)

The Chief Building Official 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. This mission contributes to the Vision of the Village of Pinehurst through progressive, responsive and proactive community service. 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 standards thereby serving the interest of citizens they will never meet because their work is done prior to the individual moving into the home.

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 functions for the public services divisions. 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 106 miles of paved streets in the Village, which is the largest amount of any local government in Moore County. In addition to maintaining the streets, this department also maintains certain off-street drainage facilities and affects minor construction activities of the same nature. Routine tasks include pot hole and utility cut patching, installing storm drain pipe and other improvements, installing and maintaining traffic and street name signs, repairing brick and sand/clay sidewalks, street sweeping and cleaning, and tree trimming and removal. This division also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.



Enhanced Village Center Signage

ENVIRONMENTAL PROTECTION

Solid Waste (wmorgan@vopnc.org)

The Solid Waste Division of the Public Services Department reports directly to the Director of Public Services. The Solid Waste Division provides residents with weekly pickup of household garbage, recyclables, and yard debris. In addition to this, the department operates a recycling drop-off site five days a week.

ECONOMIC & PHYSICAL DEVELOPMENT

Planning (acorrell@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. This mission contributes to the Vision of the Village of Pinehurst through progressive, responsive and proactive community service. 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 function of economic development, downtown enhancement, and community infrastructure such as roadways and right of ways. The purpose of investing in economic development and downtown enhancement 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. Economic development and downtown enhancement fall primarily into three categories in the Pinehurst: Downtown Facility Enhancement, Business and Community Relations and Business Recruitment and Retention.

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.



Wicker Park Tennis Courts Set to Open June 2013

Library (jfrve@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. In addition, in 2013 the Village began making payments toward a \$1,000,000 capital pledge to the Library's \$4,500,000 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. The Library also serves as the curator of the Tufts Archives, the Pinehurst History Museum.



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, provides marketing and promotion for the Fair Barn, Arboretum, and Tufts Park venues.



Wedding on the Pergola Lawn at the Arboretum

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.



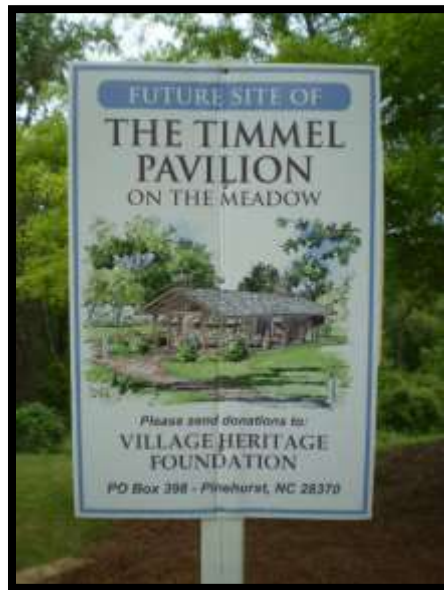
Arial Photo of Harness Track Facility



INTERNAL SERVICE DEPARTMENTS

Buildings & Grounds Maintenance (kbrewer@vopnc.org)

The Buildings & Grounds Division 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.



Timmel Pavilion in Arboretum Set to Open June 2013

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.

Information Technology (jwhitaker@vopnc.org)

The Director of Information Technology reports directly to the Assistant Village Manager of Finance and 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.



BOARDS, COMMISSIONS AND COMMITTEES

Historic Preservation Commission (acorrell@vopnc.org)

The Historic Preservation Commission recommends design guidelines for the Local Historic District to the Village Council. The Commission recommends to Council areas to be designated as “Historic Districts”; and individual structures, buildings, sites, areas, or objects to be designated as “Landmarks”. They also review and act upon requests for major work requiring a certificate of appropriateness (COAs) for alterations, demolitions, or new construction within the historic district. They also review requests for signage in the Historic District.



Historic District signage

Board of Adjustment (acorrell@vopnc.org)

The Zoning Board of Adjustment hears and decides applications for approval of variances from the terms of the Pinehurst Development Ordinance, appeals from any order, requirement, permit, decision, or determination issued or made by an administrative officer of the Village in enforcing any provision of the Pinehurst Development Ordinance, and applications for special use permits. The Board of Adjustment also considers requests for variances and appeals of administrative decisions or interpretations of the Ordinance.

Community Appearance Commission (acorrell@vopnc.org)

The Community Appearance Commission reviews and makes recommendations regarding plans for Single Family homes and fences. In reviewing these requests, the Commission works with the builder to ensure that both site and building design are appropriate for Pinehurst and will enhance the Village. The Commission also performs final inspections on Single Family home sites to see that development is carried out as indicated in the plans approved by the Planning and Inspections Department. The Commission also works on long-term projects that impact the appearance of the Village.

Conservation Commission (acorrell@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.

Planning And Zoning Board (acorrell@vopnc.org)

The Planning and Zoning Board reviews all amendments to the Pinehurst Development Ordinance, all proposed rezoning of property under the Pinehurst Development Ordinance, all proposed master land use plans for planned developments, all proposed major preliminary plats of subdivision, all proposed major site plans, and makes recommendations to the Village Council for final action. They also review and approve all applications for signage (outside the Historic District) prior to the issuance of a development permit.

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.



Beautification Committee Project

Village Center Enhancement Committee (ndean@vopnc.org)

The Village Center Enhancement Committee serves as an advisory committee to the Village Council for the purpose of formulating actionable recommendations designed to enhance the health and vibrancy of the Village Center. The Committee works cooperatively with and establishes liaisons with business and property owners in the Village Center.

Water Committee (bthompson@vopnc.org)

The Water Committee serves as an advisory committee to the Village Council for the purpose of promoting the Village's interests in water resources. The Committee works cooperatively with key strategic partners to advance and help meet the Village's water resource needs. The Committee also assists with the implementation of tasks and programs from the 2010 Comprehensive Long Range Plan that relate to the preservation and support of water production and distribution resources, in addition to sewer collection resources.



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.....	910.295.2581
BUILDING INSPECTIONS (Hotline).....	910.295.3192
BUILDING PERMITS.....	910.295.2581
CURB CUTS.....	910.295.5021
CUSTOMER SERVICE.....	910.295.1900
DRIVEWAY PERMITS.....	910.295.2581
ECONOMIC DEVELOPMENT.....	910.295.1900
FAIR BARN RENTALS.....	910.295.0166
FENCING REQUIREMENTS.....	910.295.2581
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).....	910.295.2581
HARNESS TRACK.....	910.295.4446
HISTORIC PROPERTIES.....	910.295.2581
HUMAN RESOURCES.....	910.295.1900



JUNK CARS	910.295.2581
MAPS	910.295.1900
NEIGHBORHOOD WATCH PROGRAM	910.295.3141
NOISE	910.295.3141
OCCUPANCY PERMITS	910.295.2581
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	910.295.2581
SETBACK REQUIREMENTS	910.295.2581
SEWER TAPS (MOORE COUNTY UTILITIES)	910.947.6315
SIGN REQUIREMENTS	910.295.2581
STREET RESURFACING	910.295.5021
TAXES (MOORE COUNTY TAX OFFICE)	910.947.2255
TRAFFIC	910.295.1900
UNKEMPT LOTS/YARDS	910.295.2581
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	910.295.2581
ZONING	910.295.2581





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 that is inclusive of the required annual balanced budget and the 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 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 the most recent budget adopted; making it the seventh consecutive year the Village has received this award.

What's New in the Document This Year?

This document represents a significant expansion and alteration from previous year's documents. This document is now a Strategic Operating Plan (SOP), whereas in prior years this was a budget document.

This year, the Village implemented a new Strategic Planning Process (SPP) that has impacted almost every section of the document. The Village has become a strategy-focused organization that now aligns resources with strategic organizational objectives, utilizing its Balanced Scorecard (BSC) that cascades to Department Dashboards. This has had a tremendous impact on the types and amount of information that is now included in the document.

The most significant changes in this year's document include:

- The addition of the *Environmental Scan* section, which is an input into the Strategic Planning Process,
- Significantly expanded *Council Strategies and Priorities* section that includes the Village's BSC and strategic initiatives aimed at achieving target performance levels, and
- Significantly expanded *General Fund* section that now includes four pages per department that indicate Departmental SOPs, which include Departmental Dashboards that roll up to the BSC.

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 the Financial Services Department.



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, and completes a SWOT analysis.

Using these key inputs into the SPP, the Council sets short term and long term (or 5-year) target performance levels, based on comparisons to benchmark communities, for each of the 18 Strategic Objectives on the BSC. The Council then identifies Areas of Focus based on the Village's baseline performance compared to the target performance levels on the BSC, the Environmental Scan conducted, the SWOT analysis, and the strategic challenges/advantages identified.

In February, the Financial Services Department compiles the Strategic Planning Handbook and worksheets used by departments in making their Departmental Strategic Operating Plans (SOP). Departments then work with their respective Village Manager to develop a departmental strategy to address the Council's strategic objectives and meet targeted performance levels. This involves reviewing key issues and challenges, selecting corporate objectives that affect the department, and developing initiatives to improve performance. Once initiatives are developed, performance measures and targets for those initiatives are translated to the departmental dashboard. This dashboard is how performance is reported and monitored on a quarterly basis.

All Strategic Initiatives are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of Village Manager, Assistant Village Managers, Human Resources Director and Financial Services Director. The following criteria are used to evaluate the initiatives:

- The ongoing financial impact on the Village's annual budget,
- The extent to which the initiative addresses the Council's Strategic Objectives,
- The extent to which the initiative addresses the Council's current Areas of Focus,
- Legal and regulatory requirements, and
- Customer satisfaction levels.

To determine the Village's financial capacity to fund the Strategic Operating Plan, staff prepares the five-year income and expense projections, which is inclusive of the five-year Capital Improvements Plan. In accordance with the Village's Fund Balance Policy, projected revenues and expenditures result in a General Fund fund balance of 30% - 40% of budgeted expenditures during the planning period.

Staff prepares and presents the Village Strategic Operating Plan to the Village Council for review and approval in May. This SOP consists of the statutorily required annual budget and the five-year Capital Improvements Plan. The Council holds one or more budget work sessions and then conducts a public hearing on the proposed budget to allow for public comment. Before June 30th of each year, the Village Council adopts the annual budget ordinance that becomes effective July 1 and includes appropriations for strategic initiatives outlined in the Strategic Operating Plan.



Strategic Operating Plan Calendar

Strategic Operating Plan Calendar

The Village has utilized the following schedule in preparing and adopting the 2014 strategic operating plan and FY 2013-2014 Budget:

December 4-5, 2012	Village Council holds Strategic Planning Retreat
February 12, 2013	Village Council approves Balanced Scorecard with performance measures and target performance levels
February 13, 2013	Financial Services Department released the FY 2013-2014 Strategic Operating Plan (SOP) manual and forms
March 22, 2013	Department Heads submit completed Departmental SOP forms to the Financial Services Department after consultation with their respective Village Manager
March and April 2013	Financial Services Department estimates revenues in conjunction with Department Head input and consolidates departmental requests
April 1 – April 5, 2013	Strategic Planning Team holds Strategic Operating Plan Workshops with Department Heads to discuss their submitted strategic plans
April 6 – May 3, 2013	Strategic Planning Team prioritizes initiatives and develops Strategic Operating Plan with long-term staffing and capital plan included
May 10, 2013	Village Manager submits the draft Strategic Operating Plan to the Village Council
May 14, 2013	Village Manager presents the Strategic Operating Plan to the Village Council at a Council work session
May 15 – May 24, 2013	Village Council holds work sessions to review Strategic Operating Plan and FY 2013-2014 Budget
May 28, 2013	Village holds a public hearing on the FY 2013-2014 Budget
June 11, 2013	Village Council adopts the Strategic Operating Plan and the FY 2013-2014 Budget Ordinance
July 1, 2013	SOP implemented
July 12, 2013	Financial Services Department publishes the final SOP and distributes it to department heads



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.

Operating Budget Policies

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. Comprehensive financial data will be compiled to include capital improvement programs and forecasting or projections of financial status. These reports are imperative for long-term financial planning.

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. In conjunction with the independent audit, internal reviews will be conducted periodically to determine if the Village is managing and utilizing its resources in an economical and efficient manner. These internal reviews will also determine if the desired program goals are being achieved and if the objectives established by the Village Council are being met.

Revenue Policy

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. The Village's Fees and Charges Policy that has been adopted by the Village Council requires the Financial Services staff to evaluate annually all user fees at a level related to the cost of providing these services.

Investment Policy

The Village will continue to monitor the cash flow of all funds on a regular basis to insure maximum investment of idle cash. The criteria for selecting an investment will include safety, liquidity and yield.



Budget Requirements

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 that has been adopted by the Village Council. Management reports on its investment portfolio to the Village Council on a quarterly basis.

Fund Balance Policy

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. 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.

Debt Policy

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 Policy

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 method 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 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.
- 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.

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.

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 included in the budget document.

Special Revenue Funds are used to account for special revenues that are legally restricted to expenditure for particular purposes. The **Land Dedication Fund** and **Residential Assurance-Interest Fund** combine to account for all special revenue fund activity. These funds are appropriated annually and are included in the budget document.

Capital project funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds. The Village has one capital project fund at this time; the **CDBG III Capital Project Fund**. The Village Council previously established the CDBG III Capital Project Fund, but it is still included in the budget document.

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The **Residential Assurance Fund** is the only agency fund for the Village at this time. Agency funds are not appropriated and therefore are not included in the budget document. Information on the Residential Assurance Fund is available in the Village's Comprehensive Annual Financial Report (CAFR).



Budget Format

The departmental budget presentations are summaries of all expenditures and revenues associated with each department's activities. These summaries also include the personnel classifications for the department. 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 aids the reader in making comparisons between the different functions. Acknowledging the reader does not have access to each individual line item, significant increases and decreases are explained. Please contact the Financial Services Department at 910.295.1900 if further detail is needed.

In the *General Fund* section the reader will find the individual Departmental SOPs that detail the major accomplishments for the preceding fiscal year, challenges faced by the department, strategic initiatives, and their Departmental Dashboards. The following illustration is an example of the expenditure tables that can be found throughout the document:

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 166,494	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	270,971	300,000	296,540	310,500	3.5%
Capital	161,635	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 599,100	\$ 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

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



Budget Format

Please note that all tables in the budget document present the same three-year format. Listed below is the information included in the summaries:

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 166,494	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	270,971	300,000	296,540	310,500	3.5%
Capital	161,635	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 599,100	\$ 480,000	\$ 473,075	\$ 495,500	3.2%

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

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.

The table of performance measures is in the same three year format as expenditure information. Each Strategic Objective that is targeted is listed. These are grouped by the four BSC perspectives. Below is an example explaining the column headings:

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Safeguard the Community				
• % of inspections that are compliant upon initial inspection	95.50%	95.00%	96.00%	97.00%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• Building inspections completed per inspector FTE per day	9.3	8.2	8.6	9
• Average cost per building inspection	50.1	55.2	52.7	51

The BSC Perspective

The strategic objective from the Balanced Scorecard

Historical performance data is provided whenever available

The level of performance the Village expects to achieve for the fiscal year

Specific performance outcome that is being measured

Target performance level for next year



Demographic Data

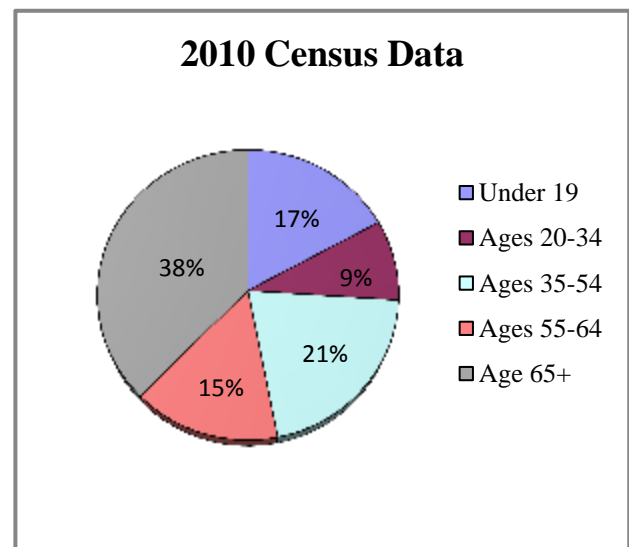
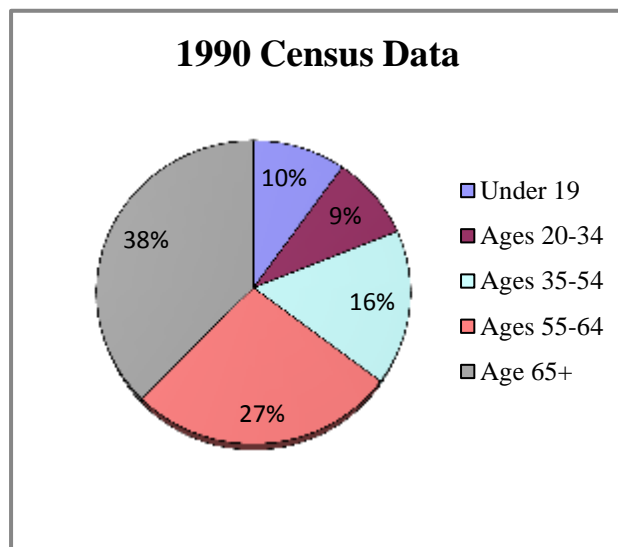
In FY 2011-2012, the Village embarked on a performance excellence journey by partnering with the Industrial Extension Services Department of NC State University and participating in its North Carolina Awards for Excellence program. As a part of this program, the Village began implementing the National Malcolm Baldrige Criteria, which represents an integrated approach to organizational performance management that results in:

1. Delivery of ever-improving value to our customers and stakeholders, contributing to organizational sustainability;
2. Improvement of overall organizational effectiveness and capabilities; and
3. Organizational and personal learning.

The first step in the Village's strategic planning and budgeting process is to perform an Environmental Scan, or to gather critical data that can impact service delivery. Management reviews demographic trends, customer feedback, feedback from our employees and volunteers, economic analysis, financial health, and emerging trends. When combined, this data is summarized into an Environmental Scan that is presented to the Village Council at their Strategic Planning Retreat in December. At this retreat, the Village Council also conducts a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and identifies strategic advantages and challenges. This Environmental Scan is the starting point from which the Village Council begins to develop their Strategic Operating Plan. Below is a summary of key information obtained during the Environmental Scan for the FY 2014 Strategic Operating Plan.

Demographic Trends

Overall, population growth has slowed in the past decade, but the population mix has changed dramatically, with the population getting younger. From the 1990 Census to the 2010 Census, the Village's population over 55 declined by 18%. Over the same period, the under-19 population grew by 70% and the 35-54 population group grew by 31%. This change in the demographic makeup of our community means the Village can expect a shift in the types of services our citizens will require, which we have already begun to see.





Customer Feedback – “Voice of the Customer”

In September 2012 the Village conducted its first-ever citizen satisfaction, or community survey, and its first-ever Village-wide business satisfaction survey. Listening to needs and requirements of our customers is critical for enabling Village leaders to set service priorities for the community and measure performance over time.

The Village contracted with ETC Institute to conduct the 2012 Community Survey, which represents a statistically valid response with a 95% confidence level. The Village set three high benchmarks in the survey for efforts to prevent crime, maintaining major streets, and our curbside recycling program. The resident satisfaction scores for these three services exceeded the highest scores ever received by an ETC community survey.

The 2012 Community Survey identified several areas for improvement, however, where efforts to increase resident satisfaction levels should be considered and evaluated are:

- Availability of pedestrian walkways and sidewalks/condition of sidewalks,
- Adequacy of street lighting,
- Frequency of Police patrols in neighborhoods,
- Efforts to maintain quality of neighborhoods,
- Access to shopping/quality of retail development,
- Availability and quality of public parking lots, and
- Availability and quality of Parks and Recreation programs and cultural events.

The 2012 Business Survey was prepared in-house and sent to all businesses within the Village limits. The Village obtained a 20% response rate, which is typical for business surveys, and the results were summarized by ETC Institute.

The Village received high marks from businesses for the overall feeling of safety, landscaping maintenance in rights of way and public areas, cleanliness of streets, staff courtesy and responsiveness, and overall quality of life.

The services identified by businesses that should receive the most increase in emphasis over the next two years included:

- Police patrols in business districts, and
- Police and Fire emergency response in business districts.



Employee and Volunteer Feedback

Also in September 2012, the Village conducted surveys of our employees and volunteers. These surveys gathered feedback from Village employees and volunteers on leadership, communication, engagement & satisfaction, workforce/volunteer climate, workforce/volunteer development, workforce/volunteer capacity & capability, strategic planning, and reward & recognition.

The vast majority of the 2012 Employee Survey results were very positive, with nine areas receiving an agreement rating of 90% or higher:

Workforce Climate

- 93 % - My workplace ensures workplace health and safety.
- 93 % - I feel safe in my work environment.
- 91 % - My leave benefits meet my needs.
- 91 % - My insurance benefit package meets my needs.

Engagement and Satisfaction

- 92 % - I know how I contribute to the VOP Mission and Vision.
- 90 % - Overall, I am satisfied with my job.
- 90 % - I would recommend working for the Village to a friend.

Leadership

- 91 % - My Department Head encourages frank two-way communication.
- 90 % - I trust the Village Manager and Assistant Village Managers.

A few areas for improvement were identified in the employee survey, along with recommendations for strategies to address the areas for improvement:

Compensation - “I am paid fairly for the work I do” received a 38% disagreement response. Although this is very common, the Village should evaluate compensation practices Village-wide and methods for communicating with employees about compensation.

Capacity - “VOP employs a sufficient number of people to get the job done” received a 35% disagreement response. Capacity appears to be a concern among the workforce. Village management must ensure we have enough staff to do the job and manage current workloads.

Reward and Recognition - “I am recognized for contributing to the VOP Mission” received a 33% disagreement response. The Village should develop a Village-wide reward and recognition program that is directly linked to the Mission, Vision and Values of the organization.



The 2012 Volunteer Survey was distributed to all Council appointed committee members and the Village received a 57% response rate. Overall, the survey results were extremely positive and indicated a very high level of volunteer engagement. The vast majority of the survey results were very positive, with seven areas receiving an agreement rating of 90% or higher:

Volunteer Climate

- 96% - I feel safe in my volunteer work environment.

Engagement & Satisfaction

- 97% - I am motivated to do the best job I can do.
- 92% - I would recommend working/volunteering for the Village to a friend.
- 92% - I know how I contribute to the VOP Mission and Vision.
- 91% - My ideas are heard and acknowledged.

Leadership

- 90% - VOP leadership encourages frank, two-way communication.

Communication

- 90% - I am able to perform my tasks related to activities/events in the Village because I am adequately informed of them in advance.

There were only three areas for improvement identified by our volunteers:

- The Village could offer training and development opportunities for volunteers in order to enhance their skills and contribute to their effectiveness.
- Reward and recognition programs could be implemented that are meaningful to Village volunteers.
- There could be a greater focus on valuing diversity in committee makeup and committee member ideas, beliefs, and perspectives.



Volunteers planting downtown flower beds

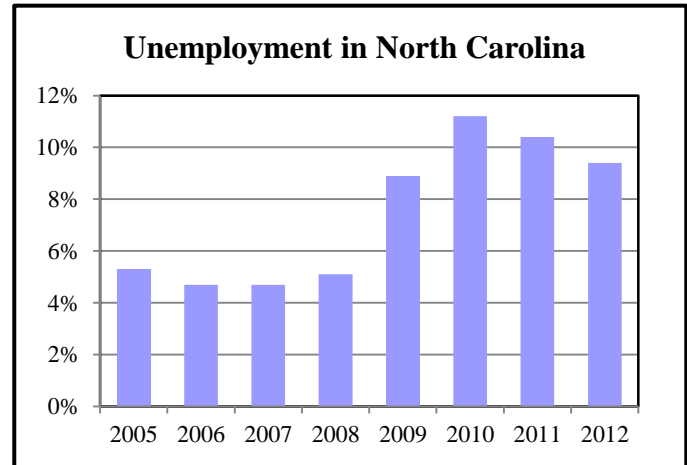
Economic Analysis

The Great Recession of 2008 exacted a great toll on the United States. From the initial meltdown of the financial markets, to the housing crisis, to stubbornly high levels of unemployment, the downturn impacted almost every area of our society. Lower levels of consumer confidence have also been a drag on the local economy and new housing starts in Pinehurst remain at or near historically low levels.



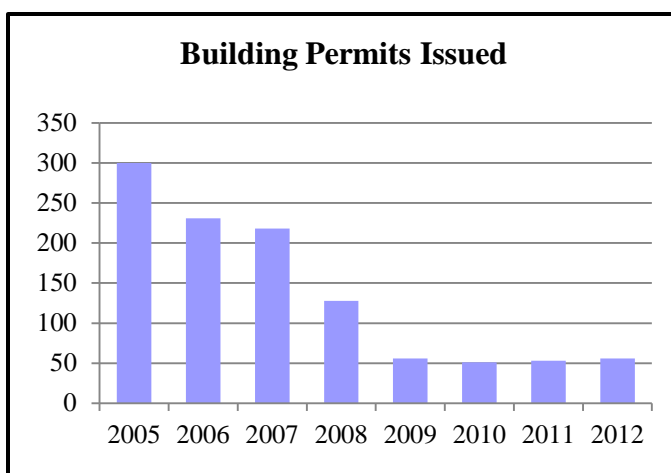
Unemployment

North Carolina has been hit hard by job losses. Many jobs in furniture, textiles, and agriculture were eliminated before job losses of The Great Recession of 2008. The state's unemployment rate peaked in March 2010 at 11.2%. By December 2012, the rate had only fallen to 9.4%. By this point, the state's unemployment rate had been above 9% for over three years. This is an unprecedented situation for North Carolina, which has experienced rapid declines in unemployment after previous recessions. This persistently high rate of unemployment has tempered an otherwise normal recovery and has been a drag on retail sales and new construction, the Village's two largest sources of revenue.



Real Estate Trends

The Great Recession of 2008 was noted for its severe impact on real estate values. Real estate prices in many parts of the country had increased significantly creating a “bubble” in the housing market. Easy access to mortgage credit and no modern examples of declines in home values led many home buyers and investors to believe that prices couldn't fall. When financial markets began to decline with the bankruptcy of Lehman Brothers in September of 2008, the markets recognized that many of these mortgages and the securities they backed were poor credits. This started a chain reaction of tightening credit and unstable financial markets. Tighter mortgage lending standards and falling home prices left many homeowners across the nation stuck in homes owing more than the homes were worth.

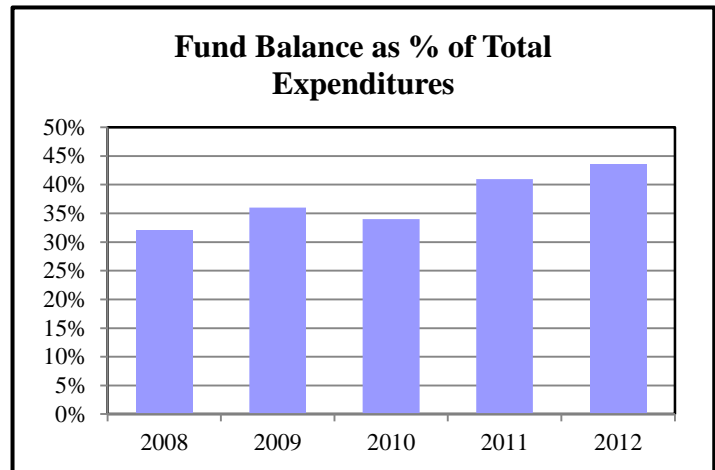


Although Pinehurst did not experience the run up in home values nor the sudden decline, it did affect home sales as retirees could not sell their homes in other states to move here. Sales volume here declined by 26% from the peak in 2008 to the low in 2011. In addition, new home construction, which generates property tax growth, was off significantly. In 2005 the Village issued 300 permits for new homes. This fell to 56 for 2012. This significantly affects the Village's historic revenue growth rates and restricts the Village's ability to initiate new programs and services at the current property tax rate.



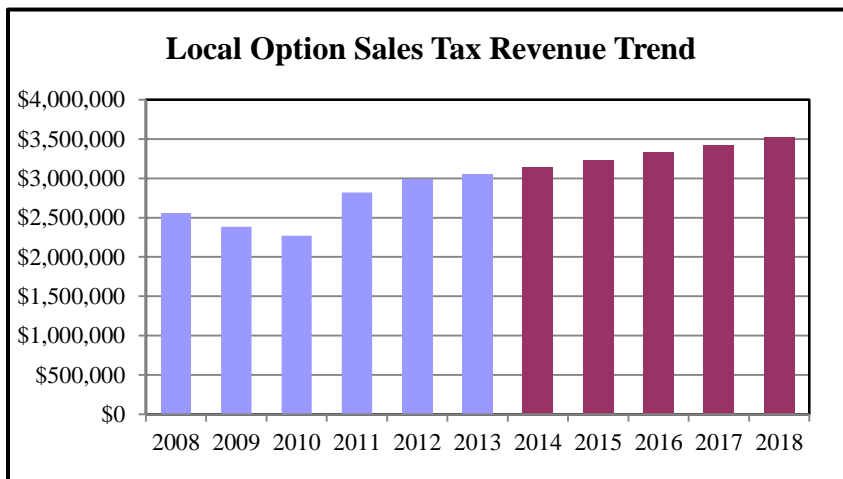
Financial Health

Despite the overall economic environment, the Village has been able to maintain and even increase our fund balance as a % of total expenditures. We have been able to accomplish this through cost containment efforts, sound financial policies and practices, and conservative budgeting. Overall, the Village's financial health is good with fund balance currently at 43% of the annual expenditures. Village policy dictates that fund balance in the General Fund be maintained at 30%-40% of expenditures.



Although most revenues are improving, property taxes, which make up approximately 57% of all Village revenues, are projected to grow at levels well below historical averages. This is due to the low level of new home construction discussed above. For FY 2014, tax base growth is projected to be at 0.6%. The revenue forecast for the five-year planning period projects the tax base will expand at a mere 1%-2% annually over the period.

Retail sales were also adversely affected by the recession, but have recovered to a great extent. Sales taxes declined from \$2.5 million in 2007 to \$2.2 million in 2010. In 2011 they fully recovered to pre-recessionary levels. Based on this, sales taxes and other revenue estimates have been revised upward to reflect this recovery. Sales taxes are anticipated to increase at 3% across the period. Similar increases are expected for utilities franchise taxes.





Emerging Trends

Patterns have changed as many baby-boomers are choosing to retire nearer to their children and grandchildren. Also the recession has had a significant negative impact on golf as a sport and as a focus for retirement living. Many people are delaying retirement or choosing more affordable options.

Tourist travel patterns are also changing. More visitors to the Village are here for a day visit versus an overnight stay. Typical travel which used to consist of weeklong golf outings to local resorts has shifted to include weekend shopping excursions from nearby cities.

As mentioned earlier, the Village's demographics are also shifting. Many of the retirees who relocated here in the 1990-2000 period are not being replaced by retirees. Rather, more military families stationed at nearby Fort Bragg in Fayetteville, NC are moving to the area. Most of these families are in the 35-54 age group and have children. This explains the significant growth in this and the under-19 demographic age groups. These families have different service needs than retirees and are creating a greater demand for recreational opportunities and community events.

There are several emerging trends involving technology. Developing effective two-way electronic communication with each of the Village's customer groups is essential to the Village delivering high-quality services that exceed customer's expectations. Also, the Village's performance based management system is dependent on reliable data. Developing a roadmap of the critical data needed to manage performance is critical to our future success. The Village must also explore the reality of cloud computing to determine what infrastructure resources we need to manage our most critical data.

Finally, the regulatory environment in which we operate is ever changing. State and federal regulations at times infringe on municipal autonomy and affect our ability to deliver services and generate revenues. Changes to state statutes related to taxation, annexation, and land use regulation can have a significant impact on our revenue sources in the future. In addition, increasing safety regulations, including Homeland Security and OSHA, place additional burdens on local governments and at times affect our ability to deliver services.

Summary

The Environmental Scan, which includes a review of demographic data, customer feedback, feedback from our employees and volunteers, economic data, and emerging trends, is the starting point of the strategic planning process. When combined with the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and strategic advantages & challenges identified by the Village Council, it helps identify the Areas of Focus for the Strategic Operating Plan so the Village may anticipate and be responsive to the needs of our customers.





Village Strategy Overview

Introduction

Performance matters. In the Village of Pinehurst, performance has evolved from a performance measurement system to a performance management system. At the heart of this is our Balanced Scorecard (BSC). The Balanced Scorecard translates the Council's Strategies and Priorities into tangible objectives and measures.

Business planning reflects the influence of the Balanced Scorecard, making it a more strategic process. The strategic business planning process, the budget process, and the long-term five-year capital planning process are now integrated into a single Strategic Planning Process (SPP). The resulting product is the Strategic Operating Plan (SOP).

Strategic Planning Process Overview

The evolution to a strategy-focused organization began as part of the Village's performance excellence program implementing the national Malcolm Baldrige Performance Excellence Criteria. In FY 2012, the Village embarked on this journey by partnering with the Industrial Extension Services Department of North Carolina State University and participating in its North Carolina Awards for Excellence program.

The Pinehurst Village Council kicks off the SPP 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, and completes a SWOT analysis.

Based on these key inputs into the SPP, the Council then sets target performance levels, based on comparisons to benchmark communities, for the 18 Strategic Objectives on the Village's BSC. The Council then identifies Areas of Focus based on the Village's baseline performance compared to the target performance levels on the BSC, the Environmental Scan conducted, the SWOT analysis, and the strategic challenges/advantages identified.

Management addresses the Areas of Focus in their Departmental SOPs by identifying Strategic Initiatives aimed at improving BSC performance levels. The BSC then cascades down to the Department Dashboards, which are a component of the Departmental Strategic Operating Plans.

All Strategic Initiatives are evaluated by the Strategic Planning Team, which consists of Village Manager, Assistant Village Managers, Human Resources Director and Financial Services Director based on the following criteria:

- The ongoing financial impact on the Village,
- The extent to which the initiative addresses the Council's Strategic Objectives,
- The extent to which the initiative addresses the Council's current Areas of Focus,
- Legal and regulatory requirements, and
- Customer satisfaction levels.



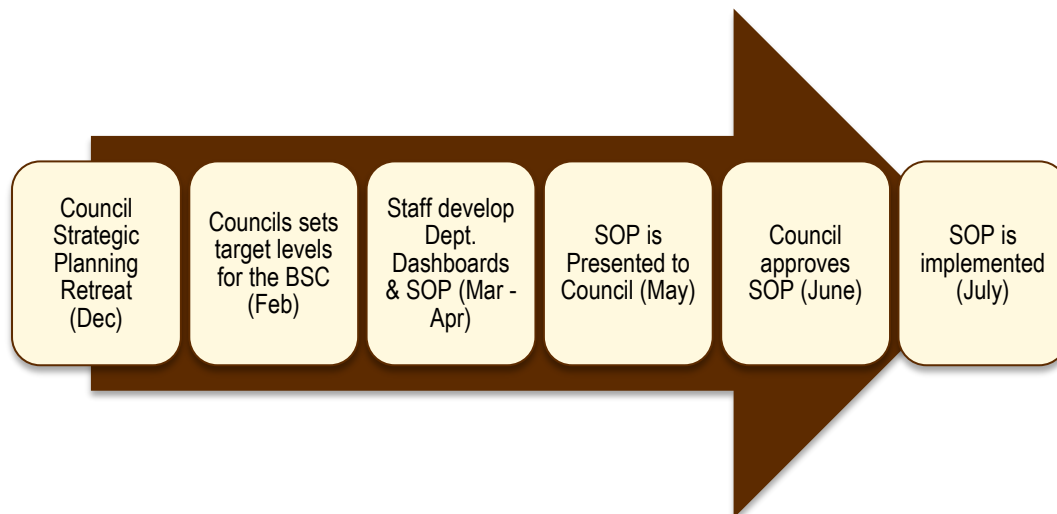
To help determine the Village's financial capacity to fund the Strategic Operating Plan, staff prepares the five-year income and expense projections. Several assumptions are made relative to revenues and expenditures, based on historical trends and future projections. The five-year projections are inclusive of the five-year Capital Improvements Plan that incorporates approved Strategic Initiatives and results in a target fund balance of 30% - 40% of budgeted expenditures, in accordance with the Village's Fund Balance Policy.

Also, as part of the CIP process, the Strategic Planning Team reviews the Fleet and IT replacement schedules with the respective Department Heads and determines the final replacement schedules. Based on the overall financial projections, the Strategic Planning Team determines which capital investments are best suited for installment financing and ensures there is adequate financial capacity for the required annual debt service.

Once financial capacity is determined for Strategic Initiatives and the baseline budget, staff prepares and presents the Village Strategic Operating Plan to the Village Council for review and approval.

The Village's 2014 Strategic Operating Plan addresses each of the 18 Strategic Objectives and outlines resource allocations and initiatives aimed at achieving strategic objectives and improving service levels. Initiatives aimed at the Council's Areas of Focus are included in this section of the document and initiatives aimed at the other strategic objectives are addressed in the individual department summaries in the *General Fund* section of this document and at the end of this section. For FY 2013-2014, there are 34 strategic initiatives proposed at an approximate cost of \$977,000.

The following diagram indicates the key steps and timing of the Strategic Planning Process:





Key Inputs Into the Strategic Planning Process

Mission, Vision, and Values

At the December 2012 Council Retreat, the Council affirmed the Village's Mission and Vision. The Council also condensed the values we expect our entire workforce, including employees and volunteers, to demonstrate as we provide service to our customers:

1. Competent
2. Courteous
3. Professional
4. Responsive

Core Competencies

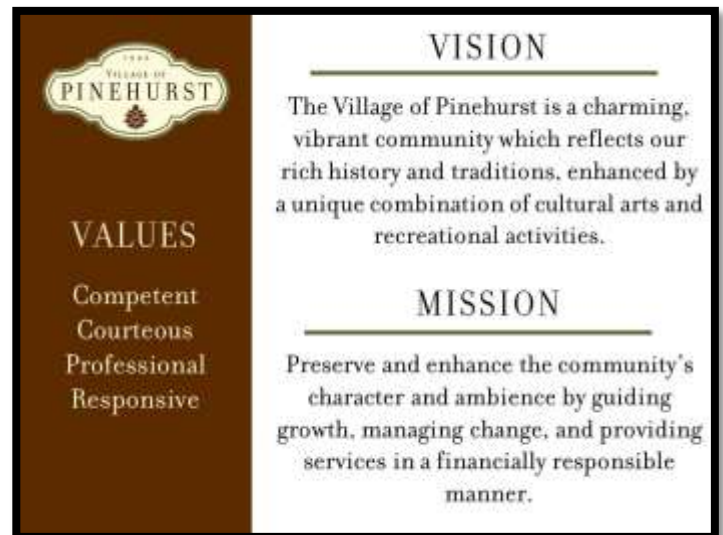
Core competencies represent those areas of the Village's greatest expertise and are those strategically important capabilities that are central to fulfilling the Village's mission. At the December 2012 Retreat, the Council identified the following five core competencies for the Village:

1. Customer Focus
2. Continuous Improvement
3. Diverse Cross-functional Teams
4. Talented Volunteers
5. Technology

Strategic Advantages

Strategic advantages are those benefits that exert a decisive influence on the Village's likelihood of future success and are the source of our competitive success. The strategic advantages identified by the Village Council at the December 2012 Retreat are as follows:

- Historic community with rich traditions
- International name recognition/brand
- Continued investment in technology
- Safe community with low crime rate
- Leadership & team-based culture (Effective management strategies)
- Environmental preservation & stewardship
- Volunteerism
- Relationships with external resources (Pinehurst Resort, First Health, etc) & partnerships





Strategic Challenges

Strategic challenges are those external pressures that exert a decisive influence on the Village's likelihood of future success. The strategic challenges identified by the Village Council at the December 2012 Retreat are as follows:

- Maintaining high quality of services and meeting customer expectations in a highly engaged community
- Limited revenue growth
- Maintaining the historic character and National Historic Landmark Status
- Recruit and retain workforce
- Recruit and retain businesses
- Marketing the Village of Pinehurst
- Adapting to a changing demographic

Environmental Scan

The Environmental Scan consists of a review of demographic trends, customer feedback, feedback from our employees and volunteers, economic analysis, financial health, and emerging trends. The Environmental Scan is discussed in detail in the *Environmental Scan* section of this document.

Balanced Scorecard Overview

In 2013, the Village of Pinehurst implemented a concept known as the Balanced Scorecard (BSC) to communicate and align strategy and allocate resources effectively.

The Village's Balanced Scorecard benefits the organization in several ways because it:

- Clarifies strategy,
- Aligns the organization around strategy,
- Integrates strategic planning and resource allocation,
- Makes strategy everyone's job through personal contribution and implementation, and
- Makes strategy a continuous process through organizational learning, and
- Provides a change agenda for executive leadership to mobilize change in the budget.

The Balanced Scorecard uses **four perspectives** to ensure a balanced approach to evaluating achievement of organizational strategy. Those four perspectives are the

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

The Balanced Scorecard is a visual representation of organizational strategy and game plan.

Components of Pinehurst's Corporate Balanced Scorecard

There are eight components in the Village's Corporate Balanced Scorecard:

1. Vision
2. Mission
3. BSC Perspectives
4. Strategic Objectives
5. Performance Measures
6. Performance Targets
7. Linkage
8. Benchmark Comparison



Vision

The Village's vision is a snapshot of what we intend to be as a community. *"The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions, enhanced by a unique combination of cultural arts and recreational activities."* This is the ultimate outcome desired from all strategic efforts.

Mission

Our mission statement defines the core purpose of our organization-why we exist. *"Preserve and enhance the community's character and ambiance by guiding growth, managing change, and providing services in a financially responsible manner."*

BSC Perspectives

With an emphasis on "balanced," the Scorecard uses four perspectives to answer critical service delivery questions. This provides the balance that successful organizations seek in measuring performance:

Customer Perspective—Serving the customer: Managers must know if the organization is meeting customer needs. The Village's customers include residents, businesses, and visitors. Managers must determine the answer to the question: Is the organization delivering the services customers want at the level desired?

Internal Perspective—Running the business: Managers need to focus on those critical operations that enable them to satisfy citizens. Managers must answer the question: Can the Village improve upon the services provided through continuous improvement?

Employee Perspective—Developing the workforce: An organization's ability to improve and meet citizen demands ties directly to the workforce's ability to meet those demands. Managers must answer the question: Is the Village developing its workforce so they can provide the best customer service and quality services?

Financial Perspective—Managing resources: Managers must focus on how to meet service needs in an efficient manner. They must answer the question: Is the Village financially stable and are Village services a good value?

Strategic Objectives

Strategic objectives are what the Village must achieve to ensure long-term sustainability and help guide resource allocations and redistributions. The Village Council chose 18 corporate objectives for its Corporate Balanced Scorecard, similar to a golf scorecard. Each of the 18 corporate objectives (holes) is broadly defined so that it provides context for what the organization is to achieve. This relationship between the four balanced perspectives and the 18 corporate objectives constitutes the blueprint for departmental action and individual employee activity.



The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions, enhanced by a unique combination of cultural arts and recreational activities.

Preserve and enhance the community's character and ambience by guiding growth, managing change, and providing services in a financially responsible manner

Village Strategic Objectives



History, Charm, & Southern Hospitality



Performance Measures

For each of the 18 strategic objectives, there are a set of strategic measures and targets that are approved by the Village Council. These are used to evaluate performance against expected results and communicate that performance to customers and other stakeholders, including the workforce. Reporting and monitoring helps the Village to gauge progress toward effective implementation of strategy.

Performance Targets

These represent the desired result of a performance measure. Targets provide us with feedback regarding performance levels and effectiveness. These have been carefully developed by senior leaders and are based on historical performance levels and comparison with Village benchmarks.

Linkage

The strategic objectives are often times linked in a cause and effect relationship. Ideally, if the Village provides employees with the training necessary to *Promote Learning and Leadership Development* (Hole # 12 within the Employee perspective), then we should be able to *Provide Value for Tax Dollars* (Hole #15 within the Financial perspective), which may in turn affect the Village's ability to *Safeguard the Community* (Hole #1 within the Customer perspective).

Benchmark Comparisons

Utilizing benchmark data helps the Village understand the current dimension of world class performance and to ultimately achieve breakthrough performance improvement. Benchmark data is performance data indicative of best practices from select comparable communities for similar services. This data is obtained from performance surveys, state & national performance measurement projects, or directly from the benchmark community. In addition, performance of the two municipal National Baldrige Award recipients (Coral Springs, FL and Irving, TX) was considered. Finally, in some cases benchmark performance is established by general industry standards or state, regional, or national performance levels.

Benchmark data is the basis for how performance targets are set for each particular service at the Village of Pinehurst. The criteria utilized by the Village in selecting benchmark communities are as follows:

1. Located in the Southeast (VA, NC, SC, GA, TN),
2. Residential- driven communities (tax base as a % of total),
3. Destination community (Resort),
4. Community demographics (Education, Median Household Income, Median Age), and
5. Population.

Pinehurst's 2014 Balanced Scorecard

Each of the four perspectives of the 2014 Balanced Scorecard, which resembles a golf scorecard, are detailed in the following pages. For all 18 strategic objectives, the Village Council has identified a defining statement and performance measures with both short and long term target performance levels.

At the end of FY 2014 actual performance levels will be compared to target performance levels and each strategic objective (or Hole on the BSC) will be given a score of birdie, par, or bogie. This "Scorecard" is one way the Village communicates its performance to our residents, businesses, and visitors.



Customer Perspective

Is the organization delivering the services customers want at the level desired?

Strategic Objective	Performance Measure	Baseline	FY 2014 Target	LT Target
Safeguard the Community Protect the lives and property of residents, businesses, and visitors.	Total UCR crime rate per 1,000 residents	12.4	14.0	13.0
	Fires per 1,000 population	3.25	2.75	2.50
	% of residents whose overall feeling of safety in the Village is good or excellent	96%	96%	96%
Preserve the Character & Ambience of the Village ** Deliver planning, infrastructure, code enforcement, and landscape maintenance services to enhance the quality of life in neighborhoods and the Village Center.	% satisfaction with landscaping in medians and other public areas	85%	85%	90%
	% of residents who rate the overall appearance of the Village as good or excellent	93%	93%	94%
	% of residents who rate the overall quality of life as good or excellent	88%	90%	95%
Promote Economic Opportunity * Support businesses and promote the Village in a way that ensures a vibrant, viable, and thriving business community.	1st floor occupancy rate in the Village Center	80%	85%	90%
	% of businesses likely to recommend the Village as a business location	73%	77%	92%
Provide Safe Traffic & Pedestrian Mobility * Provide well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity.	Pavement condition rating	80	80	82
	# of lf of sidewalks, greenways, and bike paths constructed	4,559 lf	8,000 lf	8,000 lf
	% of residents satisfied with the availability of pedestrian walkways & sidewalks	27%	27%	35%
	% of residents satisfied with the maintenance of streets in neighborhoods	73%	73%	74%
Protect the Environment Provide programs and services to preserve open space and natural resources and to ensure environmental sustainability.	% of refused diverted from the landfill	32.7%	32.7%	33.7%
	% of residents satisfied with curbside recycling services	92%	92%	92%
Provide a Variety of Recreational and Cultural Opportunities * Offer recreation programs, facilities, and community events to enhance the overall quality of life.	% of residents satisfied with P&R programs	75%	75%	82%
	% of residents satisfied with the availability of cultural recreation opportunities	56%	58%	66%
	% of residents satisfied with P&R facilities	76%	76%	80%

*FY 2014 Area of Focus / ** LT Area of Focus



Internal Perspective

Can the Village improve upon the services provided through continuous improvement?

Strategic Objective	Performance Measure	Baseline	FY 2014 Target	LT Target
<p>Enhance Customer Service</p> <p>Improve service delivery to internal and external customers. Provide services that are accessible, responsive to customer needs, and seamless.</p>	% of residents satisfied with customer service provided by Village employees	78%	78%	80%
<p>Leverage Technology to Continuously Improve Processes</p> <p>Analyze key processes to ensure alignment to strategies, incorporating new technologies and shared knowledge to improve service delivery and efficiency.</p>	Full-time equivalents per million \$ of revenue	8.41	8.41	8.41
<p>Develop Collaborative Solutions</p> <p>Develop internal and external partnerships to lead, plan, and deliver services.</p>	# of new collaborative initiatives developed	9	6	6
<p>Meet Legal & Regulatory Requirements</p> <p>Comply with all applicable laws and regulations.</p>	% compliance with the NC Local Government and Fiscal Control Act	100%	100%	100%



Employee Perspective

Is the Village developing its workforce so they can provide the best customer service and quality services?

Strategic Objective	Performance Measure	Baseline	FY 2014 Target	LT Target
Increase Volunteer Engagement Maximize the utilization of a diverse mix of volunteers to further the mission of the Village.	% of volunteers satisfied with the volunteer experience	88%	88%	90%
Promote Learning & Leadership Development Maximize workforce & leadership development by providing training opportunities and a learning environment.	% of EEs who agree the VOP develops employees' leadership abilities	79%	80%	82%
Increase Employee Engagement & Satisfaction Strengthen workforce engagement where employees are empowered, motivated, and productive.	% of EEs who are satisfied with their job	90%	90%	92%
	% of EEs who would recommend working for the VOP to a friend	90%	90%	92%
Recruit & Retain a Skilled & Diverse Workforce * Select and retain qualified and diverse workforce to meet the community's needs.	Employee turnover rate	8.5%	8.0%	7.0%

**FY 2014 Area of Focus*



Financial Perspective

Is the Village financially stable and are Village services a good value?

Strategic Objective	Performance Measure	Baseline	FY 2014 Target	LT Target
<p>Provide Value for Tax Dollars</p> <p>Ensure value and quality of services by being productive and efficient in service delivery.</p>	% of residents satisfied with the value received for taxes paid	66%	66%	67%
<p>Maintain Strong Financial Condition **</p> <p>Pursue fiscal policy to maintain a strong credit rating.</p>	Bond rating	Aa2/ AA	Aa2/ AA	Aa1/ AA+
	Debt service expenditures as a % of total budgeted expenditures	3.2%	4.0%	8.0%
	Unassigned GF fund balance as a % of actual expenditures	16.4%	15.0%	15.0%
<p>Invest in Capital **</p> <p>Optimize existing infrastructure and create new infrastructure, including streets, technology, equipment, & facilities.</p>	Capital asset condition ratio	60%	60%	65%
<p>Manage Operating Costs</p> <p>Keep operating costs in proportion to the level of services provided.</p>	Operating expenditures as a % of operating revenues	89%	89%	89%

** *LT Area of Focus*



Council's Strategic Areas of Focus

The Pinehurst Village Council identifies its short term and long term Strategic Areas of Focus based on several factors. One factor considered was the Village's baseline performance levels for the BSC measures compared to benchmark communities. Another factor Council considered was if there were strategic challenges associated with the strategic objectives. Finally, feedback from customers, employees, and volunteers that identified areas for improvement via dissatisfaction levels was considered. The following pages detail why each strategic objective was selected as an Area of Focus.

The Village has demonstrated "best in class" performance in Safeguarding the Community and Preserving the Environment based on satisfaction survey results and a comparison of performance levels relative to benchmarks. There are areas, however, for improvement and the Council has identified those as either a short term (FY 2014) or LT (2014-2018) Strategic Area of Focus.

Strategic Areas of Focus for FY 2014

The Village Council has identified four Strategic Objectives as their Areas of Focus for FY 2014:



To address these areas of focus, Department Heads researched potential solutions, sought out best practices from benchmark communities, and performed analysis of the current services provided. Based on this, Department Heads presented initiatives aimed at improving service and performance levels for the Areas of Focus. In addition, Department Heads also identified opportunities for better designed and more efficient and effective work processes. Performance measures are included either on the Balanced Scorecard or the Department Dashboards to track the effectiveness of the initiatives.



Promote Economic Opportunity

This strategic objective was selected as a FY 2014 Strategic Area of Focus for the following reasons:

1. The FY 2014 BSC indicates a first floor commercial space occupancy rate in the Village Center that is below the target occupancy rate and benchmark communities,
2. The Council identified two Strategic Challenges related to this objective: 1) Recruit and retain businesses and 2) Marketing the Village of Pinehurst,
3. The Council identified three weaknesses in the SWOT analysis that are applicable to promoting economic opportunity: lack of relationships with Village Center landlords, and lack of experience in recruiting, attracting and retaining businesses, and lack of core businesses in the Village Center,
4. The Council identified the vacancy rates in the Village Center as a threat,
5. A greater than a 20% resident dissatisfaction rating with the quality of retail development, availability of parking downtown, and the quality of public parking lots,
6. Residents indicated in the 2012 Community Survey that the single largest gap between the importance of various reasons for choosing to live in Pinehurst and their needs being met in Pinehurst is access to quality shopping, and
7. The Village's vision is to be a "charming, vibrant community." To achieve this vision, there must be economic opportunity for businesses.

Strategic Initiatives	Performance Measures
Provide online resources for existing and prospective businesses	<ul style="list-style-type: none"> • % of businesses satisfied with the Village website • # of unique visitors to online business resources
Create a mechanism to obtain and maintain updated business contact information	<ul style="list-style-type: none"> • % of businesses likely to recommend the Village as a business location (BSC)
Increase Village Center parking by constructing the Carriage House in partnership with the Resort (<i>LT</i>)	<ul style="list-style-type: none"> • % of residents satisfied with the availability of parking downtown • # of parking spaces in the Village Center per 1,000 sf of commercial space
Institute a monthly e-blast to Village businesses	<ul style="list-style-type: none"> • % of businesses satisfied with the Village's overall job of communicating with businesses
Provide public restrooms in the Village Center	<ul style="list-style-type: none"> • n/a

LT- Long Term Initiative



Provide Safe Traffic & Pedestrian Mobility

This strategic objective was selected as a FY 2014 Strategic Area of Focus for the following reasons:

1. The unexpected low resident satisfaction levels with the availability of pedestrian walkways & sidewalks on the 2012 Community Survey. This was the highest level of dissatisfaction noted in the survey (44% dissatisfaction),
2. Walkways and sidewalks were also identified as only one of two “Very High Priorities” in the 2012 Community Survey due to them being a high priority for residents, but with very low satisfaction levels, and
3. The 2012 Community Survey indicated the adequacy of street lighting rated as the 2nd highest level of dissatisfaction for residents (38% dissatisfaction).

Strategic Initiatives	Performance Measures
Install gateway and wayfinding signage	<ul style="list-style-type: none"> • n/a
Develop an alternative transportation master plan to identify locations of greenways, sidewalks and bike paths	<ul style="list-style-type: none"> • % of residents satisfied with the availability of pedestrian walkways & sidewalks (BSC)
Conduct a Village-wide evaluation of street lighting needs	<ul style="list-style-type: none"> • % of satisfaction with adequacy of street lighting
Expand the greenway trail system (<i>LT</i>)	<ul style="list-style-type: none"> • # of lf of sidewalks, greenways, and bike paths constructed (BSC)
Partner with NCDOT to install sidewalks and decorative stoplights in conjunction with Hwy 211 widening	<ul style="list-style-type: none"> • # of lf of sidewalks, greenways, and bike paths constructed (BSC)
Continue to enhance Village roadways with Annual Street Resurfacing Program	<ul style="list-style-type: none"> • Pavement condition rating (BSC) • # of miles of Village roadways resurfaced • % of centerline miles of Village roadways resurfaced • 5 year rolling average of the number or roadways resurfaced • % of roadways rated 85 or better

LT- Long Term Initiative



Provide a Variety of Recreational & Cultural Opportunities

This strategic objective was selected as a FY 2014 Strategic Area of Focus for the following reasons:

1. The relatively low levels of satisfaction with Parks & Recreation programs, facilities and availability of cultural recreation opportunities when compared to our benchmark communities and as indicated on the BSC,
2. The Council identified the lack of adequate facilities as a weakness,
3. Residents indicated in the 2012 Community Survey that the second largest gap between the importance of various reasons for choosing to live in Pinehurst and their needs being met in Pinehurst is the availability of cultural/recreational opportunities, and
4. The Village's Mission is in part to "manage change." A Strategic Challenge identified by the Council is adapting to the changing demographic of Pinehurst which places a greater demand on recreation and cultural programs.

Strategic Initiatives	Performance Measures
Enhance the quality of athletic fields	<ul style="list-style-type: none"> • % of residents satisfied with P&R facilities (BSC) • % of residents satisfied with the quality of outdoor athletic fields and facilities • % of residents satisfied with the availability of outdoor athletic fields and facilities
Identify and secure dedicated and adequate indoor space for adult and youth recreation programs	<ul style="list-style-type: none"> • % of residents satisfied with P&R programs (BSC) • # of recreation programs offered • # of program and athletics participants per Recreation Coordinator full-time equivalent
Support the Given Memorial Library expansion and expand other cultural events sponsored by the Village	<ul style="list-style-type: none"> • % of residents satisfied with the availability of cultural recreation opportunities (BSC) • # of cultural events offered



Recruit & Retain a Skilled & Diverse Workforce

This strategic objective was selected as a FY 2014 Strategic Area of Focus for the following reasons:

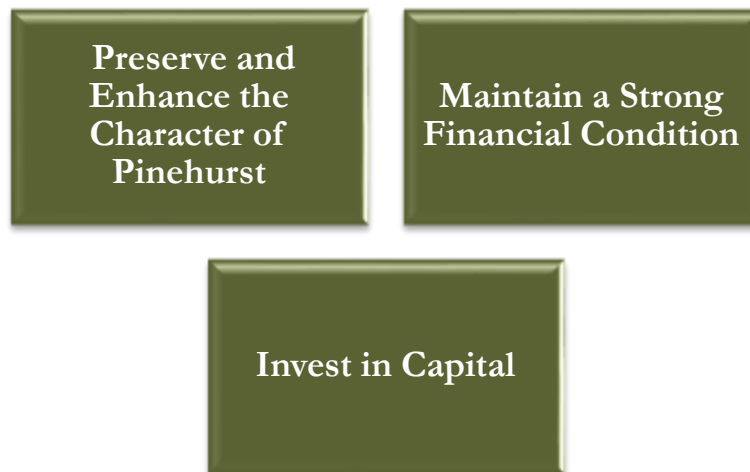
1. The Village's turnover rate on the BSC is higher than our benchmark communities and higher than target performance levels,
2. The 2012 Workforce Survey indicated a 22% disagreement rate with the statement "I am paid fairly for the work I do,"
3. Recruit and retain the workforce was identified as a Strategic Challenge by the Village Council, and
4. Turnover is costly. To achieve the mission of "providing services in a financially responsible manner," the Village must recruit & retain a skilled & diverse workforce.

Strategic Initiatives	Performance Measures
Perform a formal compensation study to review current practices, pay scales, & position descriptions	<ul style="list-style-type: none">• Employee Turnover Rate (BSC)• % of positions reviewed for salary range competitiveness• % of employees who agree they are paid fairly
Develop a Village-wide employee recognition program	<ul style="list-style-type: none">• % of employees who agree they are recognized for contributing to the VOP Mission



LT Strategic Areas of Focus

In addition to setting the Strategic Areas of Focus for FY 2014, the Village Council has also identified three additional LT Strategic Areas of Focus for the five-year planning horizon.



Long Term Strategic Areas of Focus were selected to ensure the ongoing success of the Village and to strengthen the organization's overall performance.



Preserve the Character & Ambience of the Village

This strategic objective was selected as a LT Strategic Area of Focus for the following reasons:

1. Maintaining the historic character and National Historic Landmark Status was identified as a Strategic Challenge by the Village Council,
2. The Village's mission is to preserve and enhance the community's character and ambience.

Strategic Initiatives	Performance Measures
Develop a rating system for the appearance of public areas in partnership with the Community Appearance Commission (<i>LT</i>)	<ul style="list-style-type: none">• % satisfaction with landscaping in medians and other public areas
Enhance landscaping of highly visible public areas	<ul style="list-style-type: none">• % of residents who rate the overall appearance of the Village as good or excellent
Evaluate yard debris collection process for efficiency improvements	<ul style="list-style-type: none">• Yard waste collected per full-time equivalent

LT- Long Term Initiative



Maintain a Strong Financial Condition

This strategic objective was selected as a LT Strategic Area of Focus for the following reasons:

1. The Council identified limited revenue growth as a Strategic Challenge,
2. The Council identified increasing revenue sources through fees and charges (particularly for the Fair Barn and Harness Track) as an opportunity,
3. To achieve the mission of “providing services in a financially responsible manner,” the Village must maintain a strong financial condition.

Strategic Initiatives	Performance Measures
Increase vendor participation in ACH and p-card payment systems	<ul style="list-style-type: none">• # of enrolled ACH vendors• % of total purchases made using p-cards• \$ received in annual p-card rebate
Create a comprehensive orientation process for newly elected officials (<i>LT</i>)	<ul style="list-style-type: none">• n/a
Enhance marketing of the Fair Barn facility	<ul style="list-style-type: none">• # of weekday Fair Barn rentals• % of available days the Fair Barn is reserved• Fair Barn operating revenues as a % of operating expenditures

LT- Long Term Initiative



Invest in Capital

This strategic objective was selected as a LT Strategic Area of Focus for the following reasons:

1. The FY 2014 BSC indicates the Village's capital asset condition ratio is below long-term target levels and benchmark communities,
2. The Council identified our continued investment in technology as a Strategic Advantage and a strength, and
3. The Council identified the further use of technology as an opportunity.

Strategic Initiatives	Performance Measures
Evaluate the size of the Village's fleet and update the Fleet Replacement Plan	<ul style="list-style-type: none">• Capital asset condition ratio (BSC)
Effectively maintain current capital assets	<ul style="list-style-type: none">• % of Fleet preventative maintenance work completed on time• % of rolling stock available
Continue the orderly replacement of technology assets, per the Village's IT Replacement Plan	<ul style="list-style-type: none">• % of computers and servers that are 5 years old or less• Capital asset condition ratio (BSC)



Other Strategic Initiatives

In addition to the initiatives aimed at the Council's Strategic Areas of Focus, there are other initiatives included in the 2014 Strategic Operating Plan that address other strategic objectives. The table below indicates those initiatives and the primary strategic objective they address. In some cases, one initiative may address multiple strategic objectives. There is one long-term initiative identified below and all other initiatives are included in the FY 2014 Budget and are planned to be implemented in FY 2014.

Strategic Objective	Strategic Initiative
Safeguard the Community	Evaluate fire inspection processes and modify to ensure consistent inspections are delivered
	Install Opticom traffic device to improve response time and ensure safety of emergency personnel
Protect the Environment	Complete Harness Track storm water improvement project
Enhance Customer Service	Develop and implement a customer service survey for internal service departments
Leverage Technology to Continuously Improve Processes	Automate Council agenda packet preparation and distribution process
	Utilize technology to obtain customer feedback on incident response and fire inspections services
	Implement an automated employee benefit enrollment system
	Centralize data access and promote business process analysis by maintaining, supporting, and utilizing SharePoint more effectively
	Automate the Technical Review Committee (TRC) review process
Meet Legal & Regulatory Requirements	Design and implement a compliance program for outreach to Historically Underutilized Businesses (HUB)
	Implement dual authentication requirements as required for the FBI Criminal Justice Informational Service (CJIS) System.
Increase Volunteer Engagement	Develop a systematic process for onboarding members of Council appointed boards and commissions
	Develop an annual training program for members of Council appointed boards and commissions (<i>LT</i>)
	Develop and implement effective methods to recruit volunteers, using technology and other means
Manage Operating Costs	Develop a system to encourage greater competition for Village contracts and purchases (<i>LT</i>)

LT- Long Term Initiative





May 14, 2013

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 2014 Strategic Operating Plan, including the Recommended Budget for fiscal year (FY) 2013-2014, 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 2014 Strategic Operating Plan.

Fiscal Year 2014 marks a year of transition in how Village budgets are developed. This year the Village moved 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 capital improvement plan. In FY 2011-2012, the Village embarked on its performance excellence journey 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 Criteria. This criteria 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. Through this program, the Village developed its Balanced Scorecard (BSC) to communicate strategy.

These changes have 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 strategy and on achieving the results articulated in the BSC.

The FY 2013-2014 Budget as presented was developed in conjunction with the Village's Strategic Planning Process. This process is outlined in detail in the *Council Strategies and Priorities* section of this document. The strategic planning process culminates in the development of the Village's Balanced Scorecard (BSC). The BSC contains 18 strategic objectives and 32 performance measures around which this SOP was developed. From these objectives, the Village Council selected four short-term Areas of Focus and three long-term Areas of Focus. 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.

This budget also reflects the closure of two capital project funds and the addition of two new capital project funds. The Village also closed the Municipal Service District Fund in FY 2013.



Economic concerns include the unemployment rate, which is currently 9.5% in Moore County. This remains above both the state and national rates at this time. Fallout from the housing crisis also continues to affect the Village. Although housing prices have remained somewhat stable, fewer new homes are being constructed with values considerably lower than historical averages. This has significantly reduced the growth rate of our tax base, which challenges the Village to determine how to provide high quality municipal services in these times of slower revenue growth. Sales tax growth has recovered to pre-recessionary levels and the growth outlook appears stable. More details on the impact of these economic indicators is provided in the *Environmental Scan* section of this document.

Besides the overall economy, other external factors have affected our budget planning process. The U.S. Open Men's and Women's Championships are being hosted in the Village in June 2014. This is the first time the men's and women's championships have been held back-to-back on the same course. The tournaments will have a significant economic impact on the region during the period surrounding the events. The tournaments will also have financial and operational impacts on the Village government, which are addressed in the budget.

The Recommended FY 2013-2014 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 BSC. Based on the review of current or baseline performance relative to benchmark communities and service levels, the Village Council has identified four Strategic Areas of Focus for FY 2013-2014:

- Promote economic opportunity
- Provide safe traffic and pedestrian mobility
- Provide a variety of recreational and cultural opportunities
- Recruit and retain a skilled and diverse workforce

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

- Maintain adequate funding levels to provide basic Village services,
- Maintain the current tax rate of \$0.28 per \$100 valuation,
- Uphold sound budgetary principles such as the inclusion of contingency funding, and conservative revenue estimates,
- Seek to contain operating costs while adequately funding infrastructure replacement, and
- Maintain a fund balance in the range of 30% to 40% of budgeted expenditures, per the Village's Fund Balance Policy.

The FY 2013-2014 Recommended Net Budget, which includes all funds less transfers between funds, totals \$17,807,875. This is a decrease of 0.60% below the prior year's amended Net Budget at December 31, 2012 of \$17,914,765. The Net Budget provides a more accurate revenue and expenditure picture because it does not include operating revenues and expenditures that come from other funds, which results in double counting. This results in a per capita expenditure is \$1,180 based on a projected population of 15,082.



INITIATIVES

The Village's 2014 Strategic Operating Plan and FY 2013-2014 Budget includes 37 initiatives that total \$1.2 million to achieve the target performance levels on the BSC. A list of the Areas of Focus and the initiatives proposed for this fiscal year are provided below:

Promote Economic Opportunity

- Provide online resources for existing and prospective businesses
- Create a mechanism to obtain and maintain updated business contact information
- Increase Village Center parking by constructing the Carriage House in partnership with the Resort
- Institute a monthly e-blast to Village businesses
- Construct public restrooms in the Village Center

Provide Safe Traffic & Pedestrian Mobility

- Install gateway and way-finding signage
- Develop an alternative transportation master plan to identify locations of greenways, sidewalks and bike paths
- Conduct a Village-wide evaluation of street lighting needs
- Expand the greenway trail system
- Partner with NCDOT to install sidewalks and decorative stoplights in conjunction with Hwy 211 widening

Provide a Variety of Recreational & Cultural Opportunities

- Enhance the quality of athletic fields
- Identify and secure dedicated and adequate indoor space for adult and youth recreation programs
- Support the Given Memorial Library expansion and expand other cultural events sponsored by the Village

Recruit & Retain a Skilled and Diverse Workforce

- Perform a formal compensation study to review current practices, pay scales, & position descriptions
- Develop a Village-wide employee recognition program

Additional information on these initiatives and their related performance measures and targets is provided in the *Council Priorities and Strategies* section of this document, along with other initiatives aimed at other strategic objectives on the BSC.



In addition to the initiatives addressing the Council's Areas of Focus, there are other initiatives recommended in the FY 2013-2014 Budget that address safety, legal, or regulatory requirements, such as:

- Remington Lane storm drainage project,
- Harness Track storm drainage project,
- Dual authentication for the Police Department, and
- Opticom traffic control device.

To address the Internal Perspective of the BSC, the budget proposes to review several key processes for improvements. These processes were selected to improve efficiency and to meet targeted levels of performance. Processes selected for performance improvement review include:

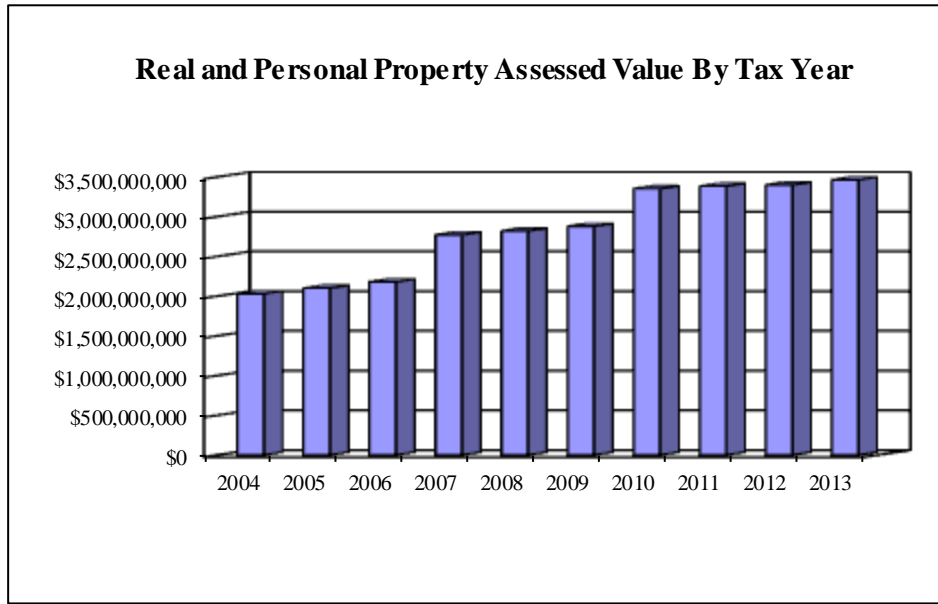
- Automation of agenda preparation and distribution,
- Yard debris collection,
- Automation of benefits enrollment,
- Fire inspections,
- Data management, consolidation, and analysis,
- Technical Review Committee process, and
- Fire incident response feedback system.

The Village will also continue its participation in the NC Awards for Excellence Program (NCAfE), implementing the national Baldrige Performance Excellence Criteria.

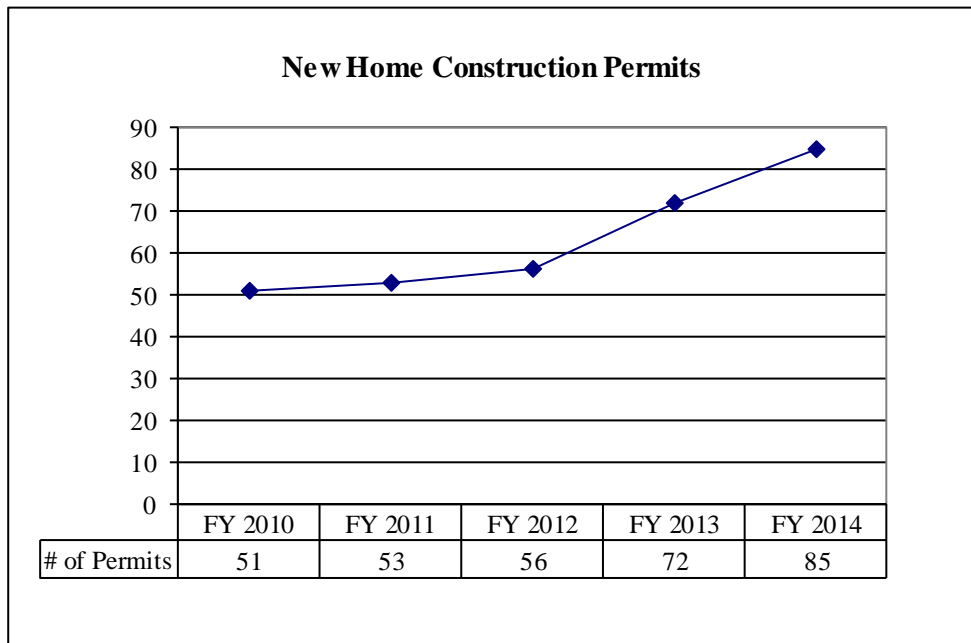
FUNDS OF THE RECOMMENDED BUDGET

General Fund

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. The FY 2013-2014 General Fund is balanced with a property tax rate of \$0.28 per \$100 valuation which is the lowest municipal tax rate in Moore County. This rate has remained unchanged since the revaluation in FY 2007-2008. This rate will provide approximately \$9,682,000 in property tax revenues based on an anticipated collection rate of 99.9% for real and personal property and 97.5% 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 \$340,000 in revenue.



Our budget estimates assume an average growth in the real property tax base of 0.6%. This is considerably lower than historical growth averages due to continued lower levels of residential and commercial development activity. 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. This has rebounded slowly over the past three fiscal years and we project approximately 85 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 14% of the Village's total General Fund budget, or \$2,590,000 in FY 2013-2014. This represents an increase of 6.5% from the previous year and is due to the economic recovery.

The FY 2013-2014 Recommended Budget for the General Fund totals \$17,807,075, which is \$107,500 or 0.60% lower than the amended FY 2012-2013 Budget of \$17,914,575 as of December 31, 2012.

Overall, the Recommended Budget for the General Fund utilizes \$846,175 of appropriated fund balance. The Recommended Budget complies with the Village's Fund Balance Policy, resulting in a fund balance as a percentage of expenditures that is approximately 35%, the same level as the previous fiscal year.

SOURCES OF REVENUE

The General Fund's primary sources of revenue include:

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

Approximately 69% of all General Fund revenue comes from ad valorem taxes and local option sales taxes. In the past few years, 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 modest revenue growth due to the sluggish housing market and other economic factors. One-time licensing fees from the U. S. Opens will have a positive impact for the fiscal year.

Ad Valorem Taxes (Property Taxes)

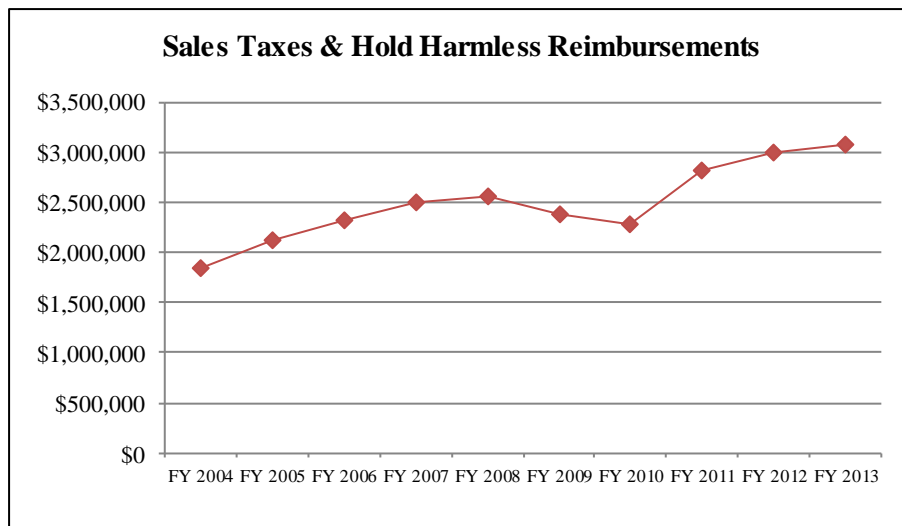
Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by 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 \$0.28 per \$100 of valuation. This means that for every \$100,000 in value of property, \$280 is due. Total Ad Valorem Tax revenues are projected to be \$9,682,000 in FY 2013-2014. 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 55% of the General Fund's total revenues.



Local Option Sales Taxes

Two (2) cents of the six and three-quarters (6 ¾) 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. In October 2009 the State of North Carolina replaced the Article 44 sales tax with a “hold harmless” reimbursement as part of the Medicaid funding relief program for counties. 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 in Moore County. Local option sales tax revenues are projected to be \$2,590,000 in FY 2013-2014, which accounts for 14% of total revenues for the General Fund. Sale tax revenues have fully recovered above pre-recessionary levels.



Intergovernmental Revenues

Intergovernmental revenues consist primarily of the Electricity Franchise Tax, Hold Harmless Sales Tax Reimbursements, and the Powell Bill Allocation. The Electricity Franchise Tax is collected by the State and is distributed to the Village based on the actual receipts from the providers of electricity 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 is estimated to be \$2,170,000 for FY 2013-2014, or approximately 12% of General Fund revenues.

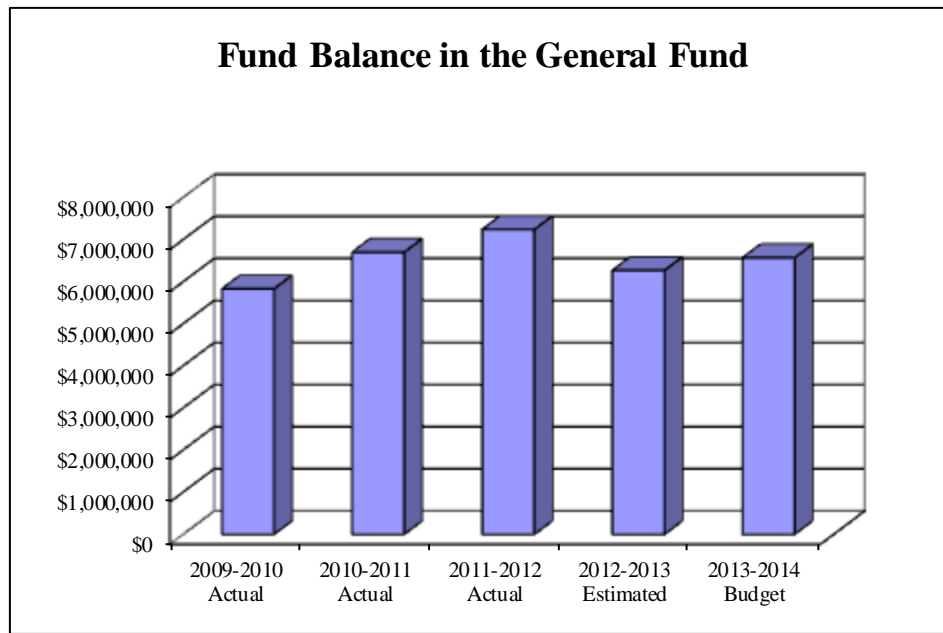
Permits and Fees

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. Also in FY 2014, the Village will receive \$700,000 in one-time fees from the USGA for license fees related to the 2014 Men’s and Women’s U.S. Open Golf Championships. Total Permits and Fees revenue is expected to approximate \$1,241,000 in FY 2013-2014, or approximately 7% of total General Fund revenues.



FUND BALANCES

On June 30, 2013, the Village’s fund balance in the General Fund is projected to be approximately \$6.3 million, or 35% of the FY 2012-2013 Budget. This is at the middle of the Village’s targeted range of 30%-40% of budgeted expenditures. The budget proposed for FY 2013-2014 maintains the level of fund balance at 35%.



A summary of all funds and their estimated fund balances as of June 30, 2013 are as follows:

FUND	ESTIMATED AMOUNT
General Fund	\$ 6,272,818
Land Dedication Fund	2,887
Residential Assurance Fund – Interest	7,870
	<u>\$ 6,283,575</u>

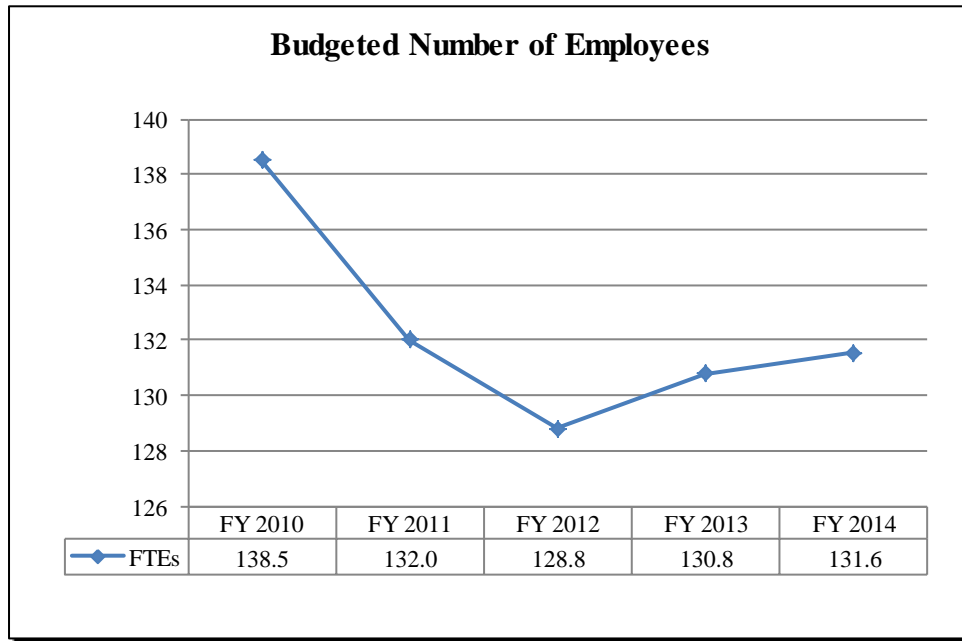
EXPENDITURES BY CATEGORY

Salaries and Wages

Salaries and wages, excluding benefits, for the Village’s 132 full-time equivalents (FTEs) accounts for \$5,744,625 or 32% of the total Net Budget. This percentage is approximately the same as prior years. The budgeted number of employees is 0.75 FTE higher than in the previous year’s adopted budget.



The budget recommends the addition of one position. A Business Analyst is recommended for the Information Technology Department. A majority of the new initiatives requested in the budget have a significant technology component. This position will assist with the implementation of these initiatives and support the Village's extensive investment in technology.



A total of \$124,000 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%-2% and are effective October 1. This is the same range as provided in the previous year.

Operating Costs

This category of expenditures accounts for \$9,017,230 or 51% of the total Net 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 new initiatives, the transfer of \$300,000 to the Given Library capital campaign, and annual resurfacing funds for approximately 3.5 miles of Village-owned streets.

Group insurance costs have historically escalated at a very rapid pace. This past year, the Village received an 8% increase 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 15% increase in group insurance costs at our January 2014 renewal due to our claims experience and new taxes related to the Affordable Care Act.



Capital

This category of expenditures accounts for \$2,407,000, or 14% of the total Net Budget. This represents a decrease of \$809,142 or 25% over the previous year. In the previous fiscal year, capital improvements were completed in the Village Center, which increased the capital budget significantly. This budget does not contain any significant non-routine capital expenditures such as a new building that would significantly impact operating costs of the Village in the future.

Capital expenditures are for the purchase of vehicles, equipment and other items that are too permanent to be considered expendable at the time of purchase, have a value greater than \$5,000, and have a life expectancy of at least one year. Detailed information on capital purchases for FY 2013-2014 can be found in the *Capital Expenditures* section of the budget document. The list below highlights some of the more notable items:

- Design of the Carriage House Parking Facility,
- Expansion of the greenway trail system,
- Installation of selected gateway and way-finding signage,
- Replacement of a 1993 fire engine pumper/tanker, and
- Storm water drainage projects.

Debt Service

This category of expenditures accounts for \$468,220, or 3% of the total Net Budget. This represents a decrease of \$80,404 or 15% over the previous year. In FY 2012-2013, the Village made the final debt payment on the Police Station. The issuance of \$550,000 in new debt is planned in FY 2013-2014 for the replacement of a 1993 fire truck.

BALANCED RECOMMENDED BUDGET

As required by the North Carolina General Statutes the Recommended Budget is balanced, or total revenues equal total expenditures. I have presented a budget that maintains an ad valorem tax rate of \$0.28 per \$100 valuation for the General Fund. The Recommended Budget will result in a fund balance of 35% of FY 2013-2014 General Fund expenditures, which is well within our policy range of 30% to 40%.

The Recommended Budget for FY 2013-2014 incorporates many strategic initiatives designed to improve performance as outlined in the Village's Balanced Scorecard. Specifically, fifteen strategic initiatives are planned to address performance in the Council's four strategic areas of focus. Significant initiatives include a permanent parking solution for downtown, public restrooms downtown, gateway and way-finding signage, and funding the Village's commitment to the Given Library Capital Campaign.

Departmental requests were reduced by approximately \$1,600,000 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 each of the Village's funds for FY 2013-2014:

Function	Fund				Total
	General	Land Dedication	Residential Assurance		
Revenues	\$ 16,410,900	\$ 600	\$ 200		\$ 16,411,700
Other Financing Sources	550,000				550,000
Fund Balance Appropriated	846,175				846,175
Total Revenues	\$ 17,807,075	\$ 600	\$ 200		\$ 17,807,875
General Government	\$ 2,793,305				\$ 2,793,305
Public Safety	6,144,765				6,144,765
Transportation	3,027,805				3,027,805
Environmental Protection	1,524,125				1,524,125
Economic & Physical Development	1,307,585				1,307,585
Cultural and Recreation	2,321,270				2,321,270
Debt Service	468,220				468,220
Reserve for Future Expenditures	-	600	200		800
Other Financing Uses	170,000				170,000
Contingency	50,000				50,000
Total Expenditures	\$ 17,807,075	\$ 600	\$ 200		\$ 17,807,875
Less transfers between funds *					-
Net Budget					\$ 17,807,875

* The transfers between funds are subtracted from the totals to eliminate the inflation of revenues and expenditures caused by a straight budgetary transfer from one fund to another.

A Public Hearing to receive public comment on the Recommended Budget is set for 9:00 am in the Assembly Hall of the Pinehurst Village Hall on Tuesday, May 28, 2013. 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 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,

Andrew M. Wilkison
Village Manager





**VILLAGE OF PINEHURST
Budget Ordinance
Fiscal Year 2013-2014**

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 28th day of May 2013 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, 2013 and ending June 30, 2014, in accordance with the chart of accounts heretofore established for this Village:

OPERATING EXPENDITURES:

Governing Body	\$ 216,500
Administration	1,055,090
Financial Services	587,460
Human Resources	413,530
Police	2,695,730
Fire	2,530,590
Inspections	226,600
Public Services	369,290
Streets & Grounds	1,274,785
Powell Bill	801,800
Solid Waste	1,278,900
Planning	627,410
Community Development	395,000
Recreation	1,092,070
Library	360,000
Harness Track	524,270
Fair Barn	262,830
Contingency	50,000
Debt Service	<u>468,220</u>

Total Operating Expenditures \$ 15,230,075



Annual Budget Ordinance

CAPITAL EXPENDITURES:

Administration	\$ 150,050
Financial Services	450
Human Resources	10,225
Police	105,600
Fire	586,125
Inspections	120
Public Services	7,565
Streets & Grounds	574,365
Solid Waste	245,225
Planning	175
Community Development	285,000
Recreation	215,375
Harness Track	139,150
Fair Barn	<u>12,575</u>

Total Capital Expenditures \$ 2,332,000

TOTAL EXPENDITURES \$ 17,562,075

SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Ad Valorem Tax Revenue	\$ 9,682,000
Other Taxes and Licenses	2,591,700
Unrestricted Intergovernmental Revenue	1,617,200
Restricted Intergovernmental Revenue	552,755
Permits and Fees	1,241,250
Sales and Services	484,015
Other Revenues	221,480
Investment Income	20,500
Other Financing Sources	550,000
Appropriated Fund Balance	<u>601,175</u>

TOTAL REVENUES \$ 17,562,075

SECTION 3. The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Future Use	<u>\$ 600</u>
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Annual Budget Ordinance

SECTION 4. It is estimated that the following revenues will be available in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Investment Income \$ 600

SECTION 5. The following amounts are hereby appropriated in the Residential Assurance Interest Special Revenue Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Beautification \$ 200

SECTION 6. It is estimated that the following revenues will be available in the Residential Assurance Interest Special Revenue Fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

Investment Income \$ 200

SECTION 7. There is hereby levied a tax at the rate of twenty-eight cents (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2013, 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 \$3,471,000,000 and an estimated collection rate of 99.9% for real and personal property and 97.5% for motor vehicles.

SECTION 8. 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 9. 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;



Annual Budget Ordinance

- d. Consultant, professional, 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 10. Copies of this Budget Ordinance shall be furnished to the Clerk of the Village Council and to the Village Manager and Assistant Village Manager of Finance and Administration to be kept on file by them for their direction in the disbursements of the funds.

ADOPTED this 28th day of May, 2013.

VILLAGE OF PINEHURST
VILLAGE COUNCIL



By: Nancy R. Fiorillo
Nancy R. Fiorillo, Mayor

Attest:

Approved as to Form:

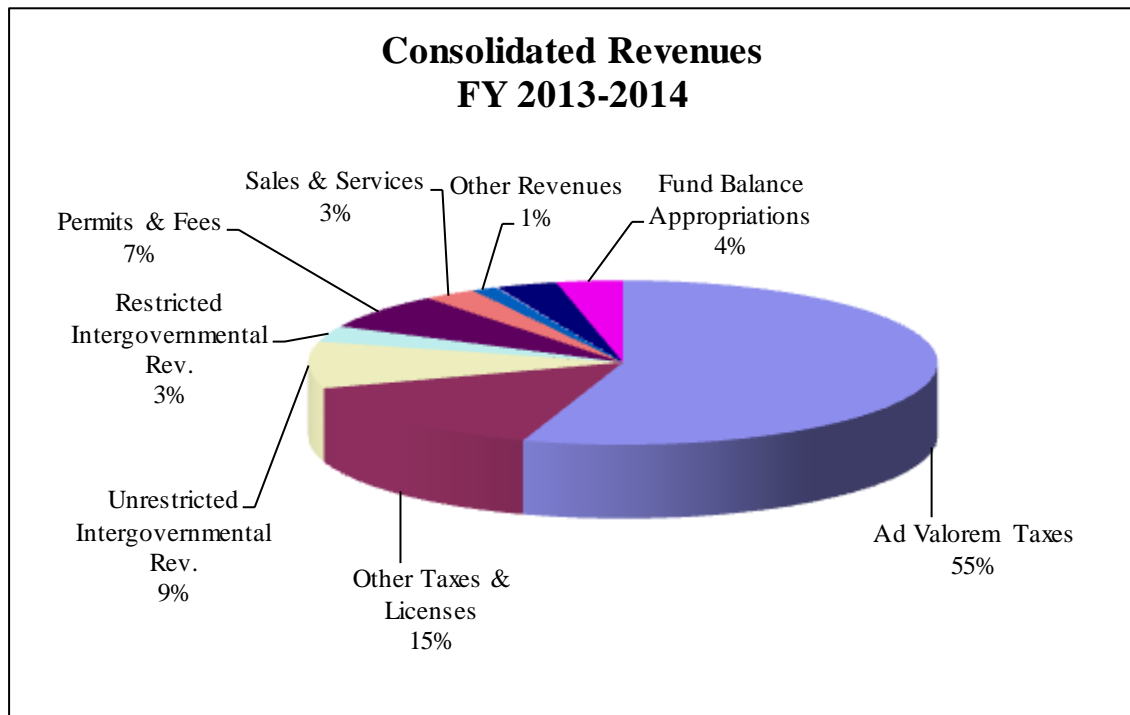
Lauren M. Craig
Lauren M. Craig, Village Clerk

Michael J. Newman
Michael J. Newman, Village Attorney



Consolidated Revenues

The Consolidated Budget Summary begins the budget presentation by examining the budget at the broadest level. Later sections will provide further detail about the individual funds and departments. The graphs and information presented in this section include all annually budgeted funds (the General Fund and all Special Revenue Funds), including all transfers between funds.

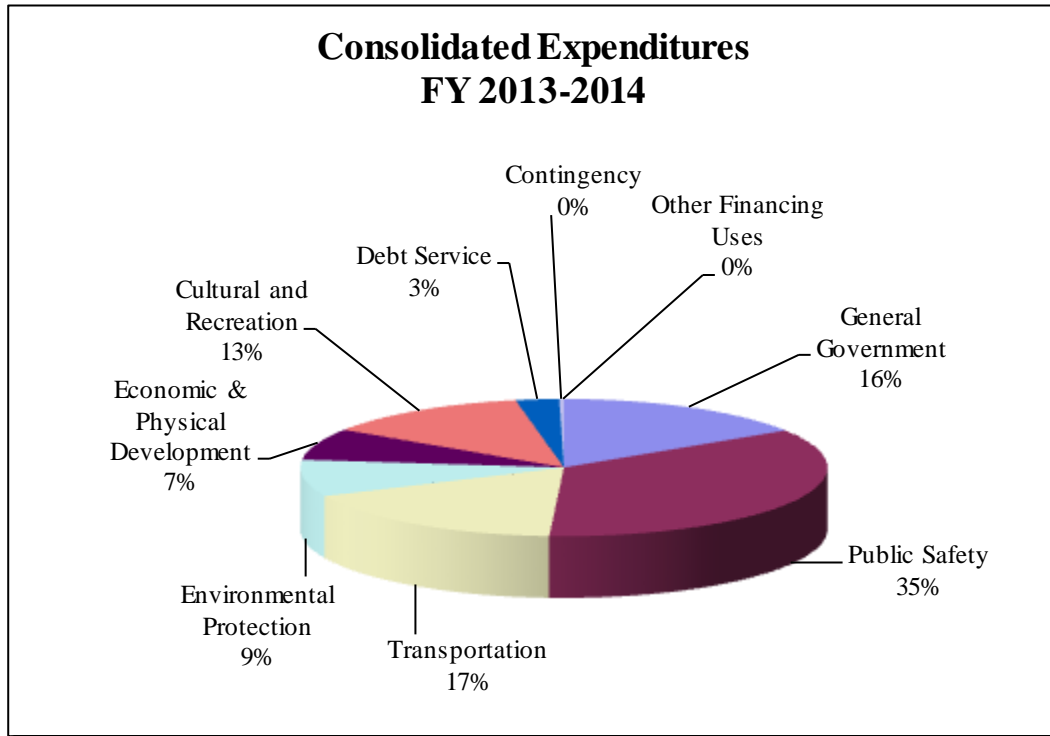


Consolidated Revenues	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,482,761	\$ 9,500,500	\$ 9,500,500	\$ 9,682,000	1.9%
Other Taxes & Licenses	2,436,170	2,431,800	2,546,600	2,591,700	1.8%
Unrestricted Intergovernmental Rev.	1,637,272	1,682,500	1,616,500	1,617,200	0.0%
Restricted Intergovernmental Rev.	489,501	499,020	508,970	552,755	8.6%
Permits & Fees	480,999	477,100	477,600	1,241,250	159.9%
Sales & Services	501,692	497,915	483,415	484,015	0.1%
Other Revenues	255,470	188,300	236,480	221,480	-6.3%
Investment Income	28,243	28,980	28,900	21,300	-26.3%
Revenues	15,312,108	15,306,115	15,398,965	16,411,700	6.6%
Other Financing Sources	34,117	562,410	12,410	550,000	4331.9%
Fund Balance Appropriations	-	2,046,240	-	601,175	100.0%
Total Revenues	\$ 15,346,225	\$ 17,914,765	\$ 15,411,375	\$ 17,562,875	14.0%
Per Capita	\$ 1,038	\$ 1,196	\$ 1,029	\$ 1,164	



Consolidated Expenditures

The consolidated expenditure graph and table are broken down by functional area and include expenses for all annually budgeted funds (the General Fund and all Special Revenue Funds) and all transfers between funds.



Consolidated Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Government	\$ 1,933,778	\$ 2,320,956	\$ 2,249,856	\$ 2,793,305	24.2%
Public Safety	5,053,312	6,021,329	5,374,304	6,144,765	14.3%
Transportation	2,558,526	2,449,280	2,299,211	3,027,805	31.7%
Environmental Protection	1,464,488	1,469,030	1,432,755	1,524,125	6.4%
Economic & Physical Development	1,118,343	2,274,561	2,427,131	1,307,785	-46.1%
Cultural and Recreation	1,809,654	2,528,985	2,517,525	2,246,870	-10.8%
Debt Service	865,470	548,624	569,557	468,220	-17.8%
Contingency	-	50,000	50,000	50,000	0.0%
Expenditures	14,803,571	17,662,765	16,920,339	17,562,875	3.8%
Other Financing Uses	-	252,000	-	-	100.0%
Total Expenditures	\$ 14,803,571	\$ 17,914,765	\$ 16,920,339	\$ 17,562,875	3.8%
Per Capita	\$ 1,001	\$ 1,196	\$ 1,130	\$ 1,164	

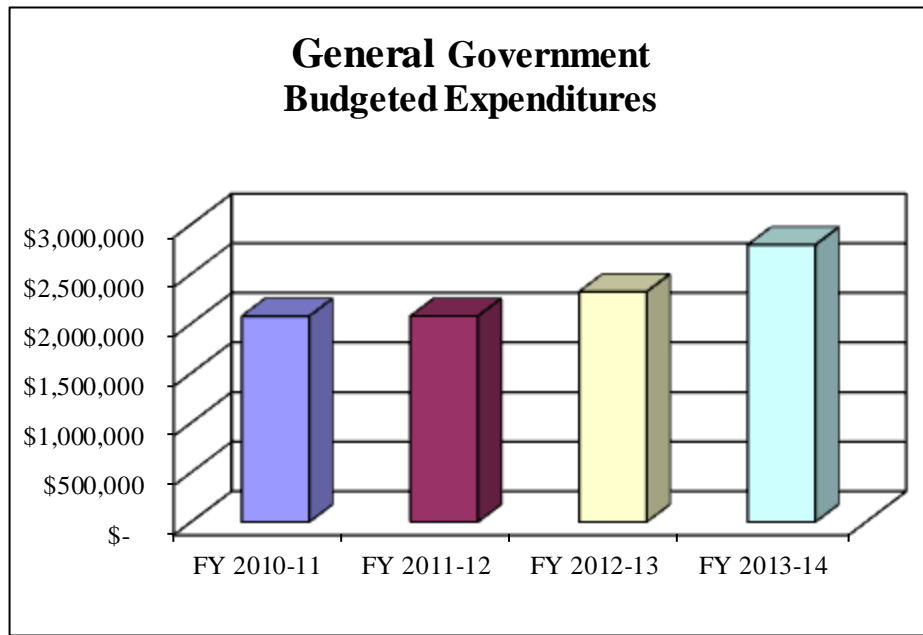


Functional Expenditure Trend Summary

Functional Expenditure Trend 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 charts and graphs present the trends for all of the Village of Pinehurst’s different functions and include the General Fund and all Special Revenue Funds.



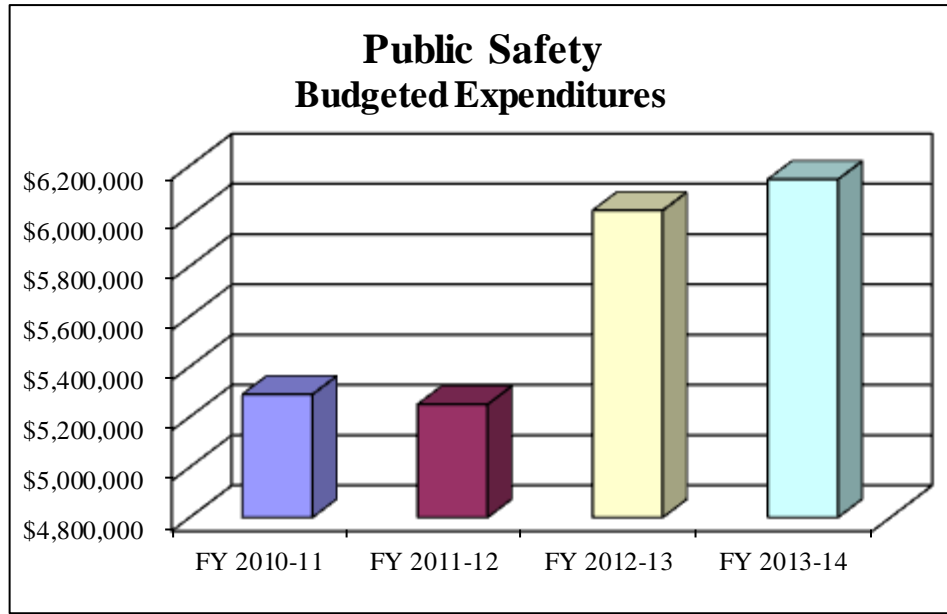
General Government	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 2,074,780	\$ 2,075,509	\$ 2,320,956	\$ 2,793,305
Dollar Change	(95,760)	729	245,447	472,349
Percent Change	-4.4%	0.0%	11.8%	20.4%

General Government Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Wages	\$ 867,524	\$ 924,500	\$ 885,700	\$ 956,620	8.0%
Operating	1,042,925	1,300,046	1,267,746	1,675,960	32.2%
Capital	23,329	96,410	96,410	160,725	66.7%
Total Expenditures	\$ 1,933,778	\$ 2,320,956	\$ 2,249,856	\$ 2,793,305	24.2%

General Fund Departments/Divisions: Governing Body, Administration, Financial Services and Human Resources



Functional Expenditure Trend Summary



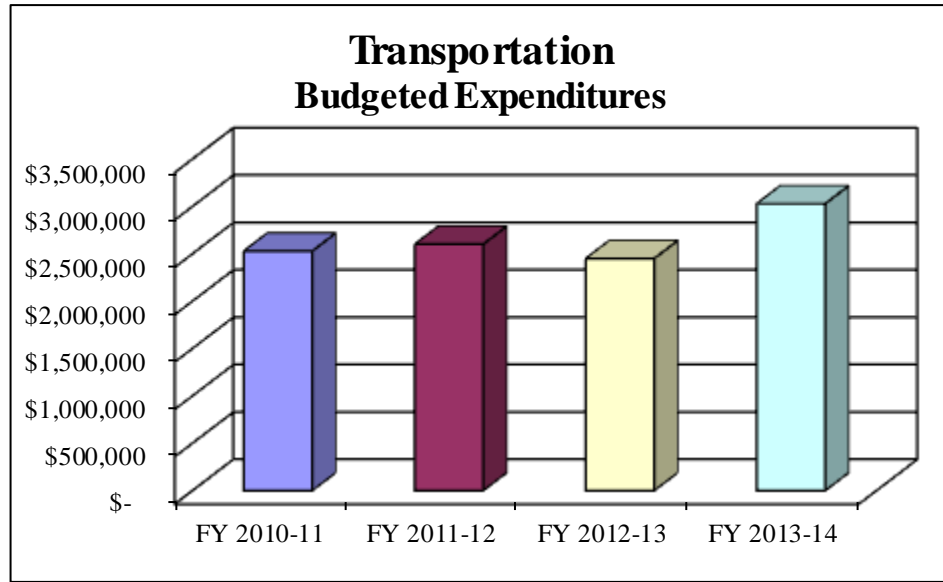
Public Safety	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 5,289,292	\$ 5,249,360	\$ 6,021,329	\$ 6,144,765
Dollar Change	(379,148)	(39,932)	771,969	123,436
Percent Change	-6.7%	-0.8%	14.7%	2.0%

Public Safety Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Wages	\$ 2,864,103	\$ 2,913,225	\$ 2,864,400	\$ 3,015,130	5.3%
Operating	2,047,551	2,404,514	2,356,314	2,437,790	3.5%
Capital	141,658	703,590	153,590	691,845	350.4%
Total Expenditures	\$ 5,053,312	\$ 6,021,329	\$ 5,374,304	\$ 6,144,765	14.3%

General Fund Departments/Divisions: Police, Fire and Inspections



Functional Expenditure Trend Summary



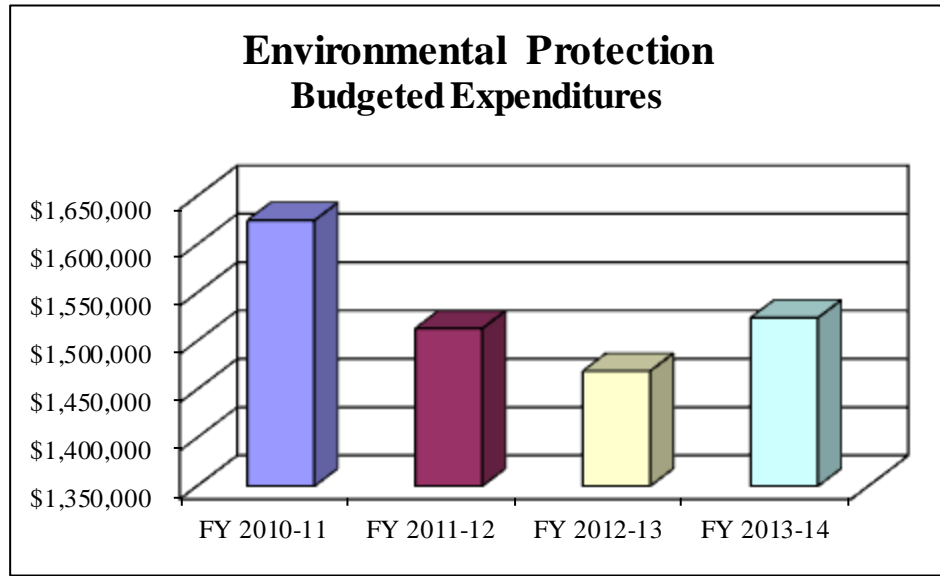
Transportation	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 2,527,791	\$ 2,600,325	\$ 2,449,280	\$ 3,027,805
Dollar Change	534,841	72,534	(151,045)	578,525
Percent Change	26.8%	2.9%	-5.8%	23.6%

Transportation Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Wages	\$ 572,061	\$ 631,000	\$ 594,000	\$ 654,175	10.1%
Operating	1,818,739	1,668,980	1,555,911	1,791,700	15.2%
Capital	167,726	149,300	149,300	581,930	289.8%
Total Expenditures	\$ 2,558,526	\$ 2,449,280	\$ 2,299,211	\$ 3,027,805	31.7%

General Fund Departments/Divisions: Public Services, Streets & Grounds and Powell Bill



Functional Expenditure Trend Summary



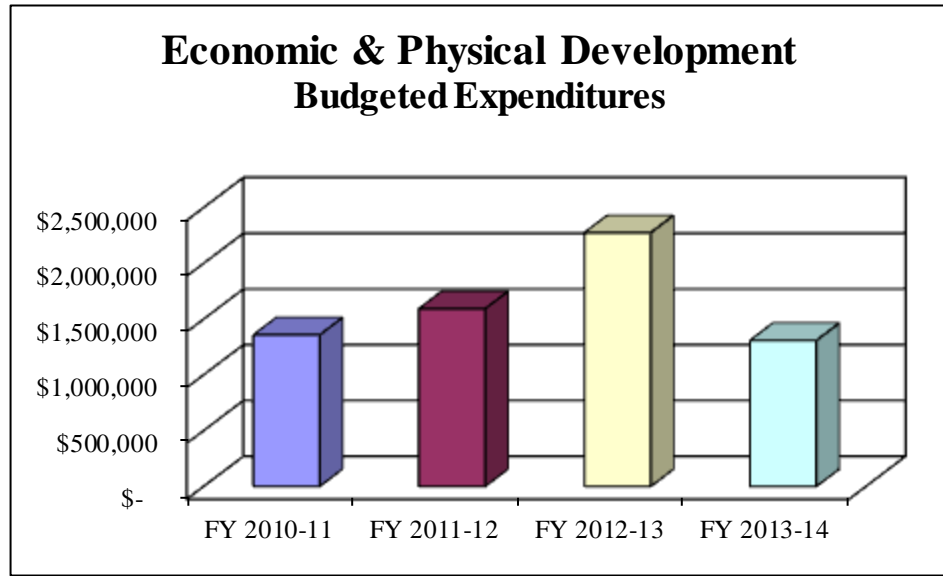
Environmental Protection	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 1,624,985	\$ 1,513,053	\$ 1,469,030	\$ 1,524,125
Dollar Change	383,847	(111,932)	(44,023)	55,095
Percent Change	30.9%	-6.9%	-2.9%	3.8%

Environmental Protection Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Wages	\$ 247,438	\$ 284,975	\$ 252,300	\$ 275,500	9.2%
Operating	988,764	962,045	958,445	1,003,400	4.7%
Capital	228,286	222,010	222,010	245,225	10.5%
Total Expenditures	\$ 1,464,488	\$ 1,469,030	\$ 1,432,755	\$ 1,524,125	6.4%

General Fund Departments/Divisions: Solid Waste



Functional Expenditure Trend Summary



Economic & Physical Dev	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 1,357,446	\$ 1,592,694	\$ 2,274,561	\$ 1,307,785
Dollar Change	207,321	235,248	681,867	(966,776)
Percent Change	18.0%	17.3%	42.8%	-42.5%

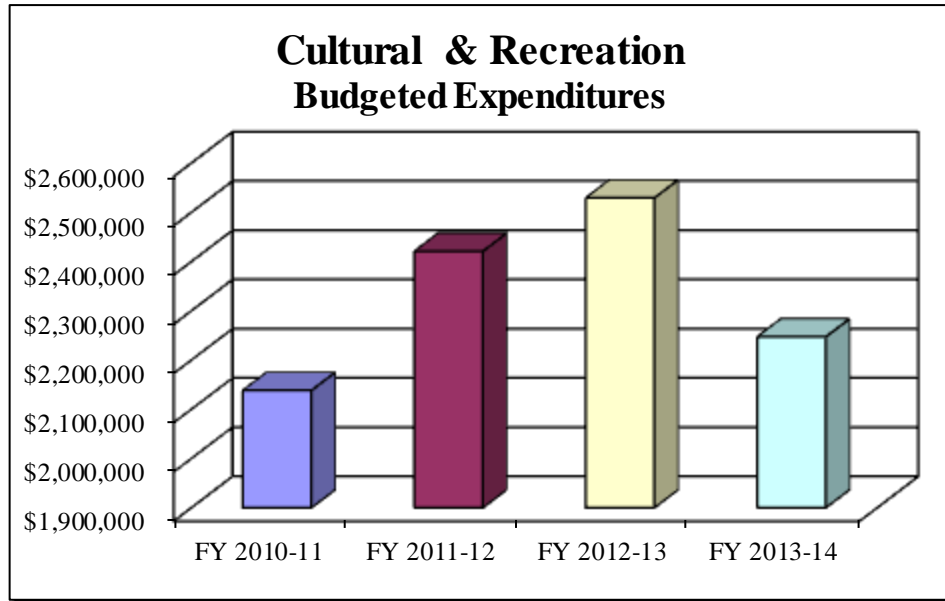
Economic & Physical Dev. Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Wages	\$ 350,060	\$ 355,000	\$ 349,900	\$ 342,375	-2.2%
Operating	475,397	727,986	726,156	680,235	-6.3%
Capital	292,886	1,191,575	1,351,075	285,175	-78.9%
Total Expenditures	\$ 1,118,343	\$ 2,274,561	\$ 2,427,131	\$ 1,307,785	-46.1%

General Fund Departments/Divisions: Planning and Community Development

Other Funds Included: Residential Assurance Fund – Interest



Functional Expenditure Trend Summary



Cultural & Recreation	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 2,138,194	\$ 2,420,574	\$ 2,528,985	\$ 2,246,870
Dollar Change	387,079	282,380	108,411	(282,115)
Percent Change	22.1%	13.2%	4.5%	-11.2%

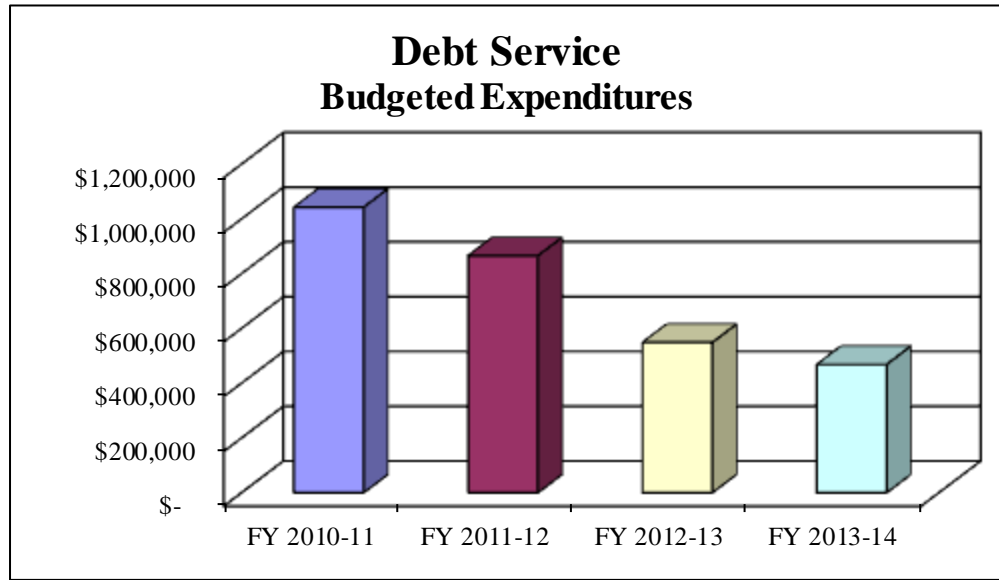
Cultural & Recreation Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Wages	\$ 401,985	\$ 434,300	\$ 439,800	\$ 500,825	13.9%
Operating	1,140,125	1,241,428	1,224,468	1,378,945	12.6%
Capital	267,544	853,257	853,257	367,100	-57.0%
Total Expenditures	\$ 1,809,654	\$ 2,528,985	\$ 2,517,525	\$ 2,246,870	-10.8%

General Fund Departments/Divisions: Recreation, Library, Harness Track and Fair Barn

Other Funds Included: Land Dedication Fund



Functional Expenditure Trend Summary



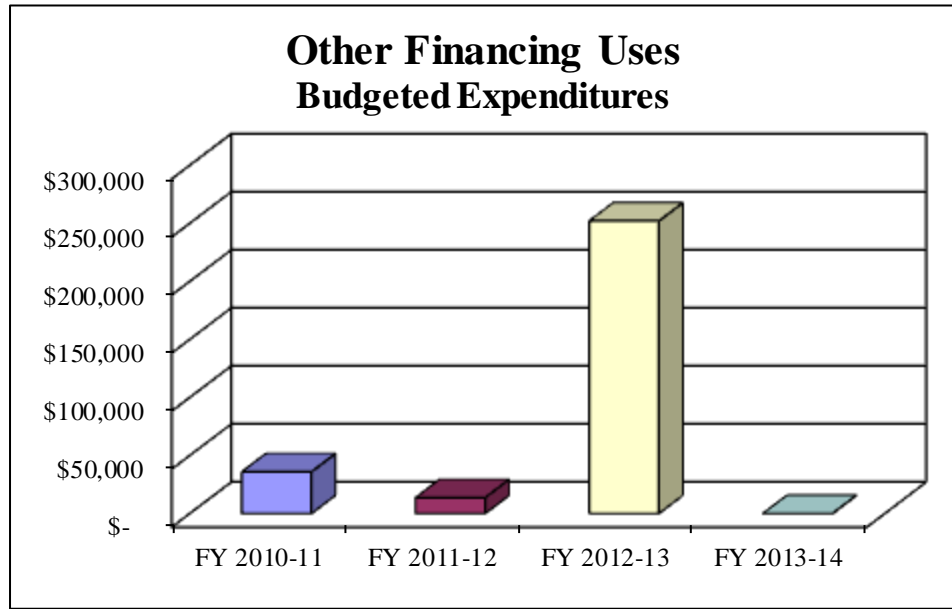
Debt Service	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 1,042,490	\$ 865,615	\$ 548,624	\$ 468,220
Dollar Change	42,728	(176,875)	(316,991)	(80,404)
Percent Change	4.3%	-17.0%	-36.6%	-14.7%

Debt Service Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ 865,470	\$ 548,624	\$ 569,557	\$ 468,220	-17.8%
Total Expenditures	\$ 865,470	\$ 548,624	\$ 569,557	\$ 468,220	-17.8%

Funds with Debt Service: General Fund



Functional Expenditure Trend Summary



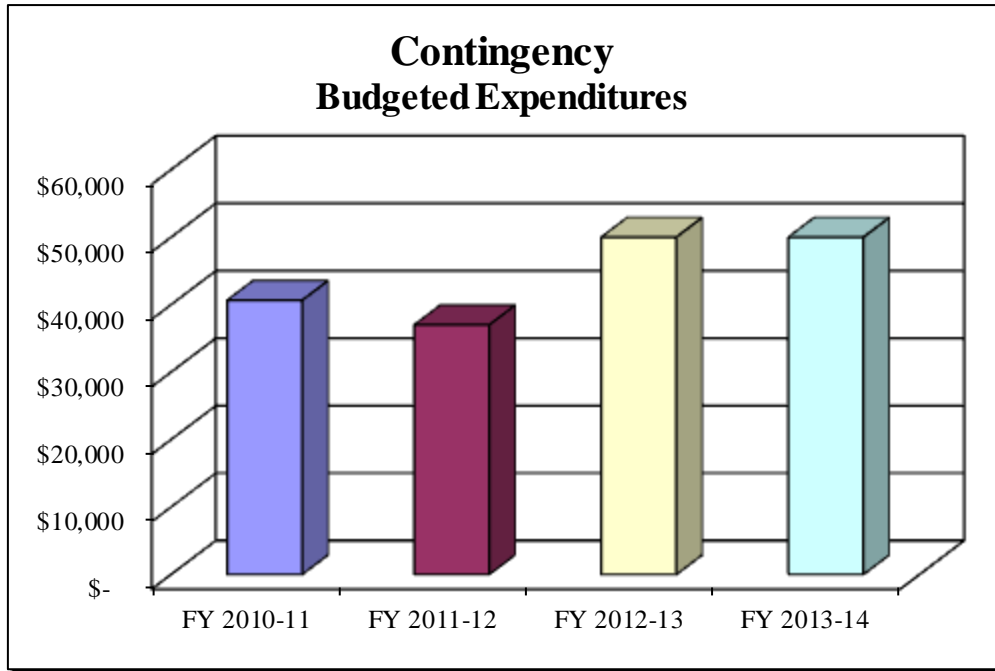
Other Financing Uses	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 35,850	\$ 13,600	\$ 252,000	\$ -
Dollar Change	(659,770)	(22,250)	238,400	(252,000)
Percent Change	-94.8%	-62.1%	100.0%	-100.0%

Other Financing Uses Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ -	\$ 252,000	\$ -	\$ -	100.0%
Total Expenditures	\$ -	\$ 252,000	\$ -	\$ -	100.0%

Funds with Other Financing Uses: General Fund



Functional Expenditure Trend Summary



Contingency	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Budgeted Amount	\$ 40,639	\$ 37,000	\$ 50,000	\$ 50,000
Dollar Change	(9,361)	(3,639)	13,000	-
Percent Change	-18.7%	-100.0%	100.0%	0.0%

Contingency Expenditures	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
Total Expenditures	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	0.0%

Funds with Contingency: General Fund



Consolidated Fund Balance Discussion

Fund balance is the amount of assets in excess of liabilities 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 of Pinehurst 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 each of the Village's annually appropriated funds for the FY 2013-2014 budget and three prior fiscal years.

Fund Balances	FY 2010-11 Beginning	FY2010-11 Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 5,833,296	\$ 6,702,209	\$ 868,913	14.9%
Land Dedication Fund	2,861	2,863	2	0.1%
Residential Assurance - Interest Fund	7,279	7,355	76	1.0%
Municipal Service District Fund	13,070	14,084	1,014	7.8%
Fund Totals	\$ 5,856,506	\$ 6,726,511	\$ 870,005	14.9%

Fund Balances	FY 2011-12 Beginning	FY2011-12 Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 6,702,209	\$ 7,244,455	\$ 542,246	8.1%
Land Dedication Fund	2,863	2,882	19	0.7%
Residential Assurance - Interest Fund	7,355	7,760	405	5.5%
Municipal Service District Fund	14,084	14,354	270	1.9%
Fund Totals	\$ 6,726,511	\$ 7,269,451	\$ 542,940	8.1%

Fund Balances	FY 2012-13 Beginning	FY 2012-13 Estimated Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 7,244,455	\$ 6,272,818	\$ (971,637)	-13.4%
Land Dedication Fund	2,882	2,887	5	0.2%
Residential Assurance - Interest Fund	7,760	7,870	110	1.4%
Municipal Service District Fund	14,354	14,354	-	0.0%
Fund Totals	\$ 7,269,451	\$ 6,297,929	\$ (971,522)	-13.4%



Consolidated Fund Balance

Fund Balances	FY 2013-14 Beginning	FY 2013-14 Estimated Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 6,272,818	\$ 5,671,643	\$ (601,175)	-9.6%
Land Dedication Fund	2,887	3,487	600	20.8%
Residential Assurance - Interest Fund	7,870	8,070	200	2.5%
Fund Totals	\$ 6,283,575	\$ 5,683,200	\$ (600,375)	-9.6%

Historically in the General Fund operating revenues come in at 101% of budget while operating expenditures typically fall 5% below budget. If this historical trend continues for FY 2013-14, none of the \$601,175 in fund balance appropriated will be used and ending fund balance will increase to 37.4% of budgeted expenditures. This level is in the upper level of the Village's fund balance policy target range.

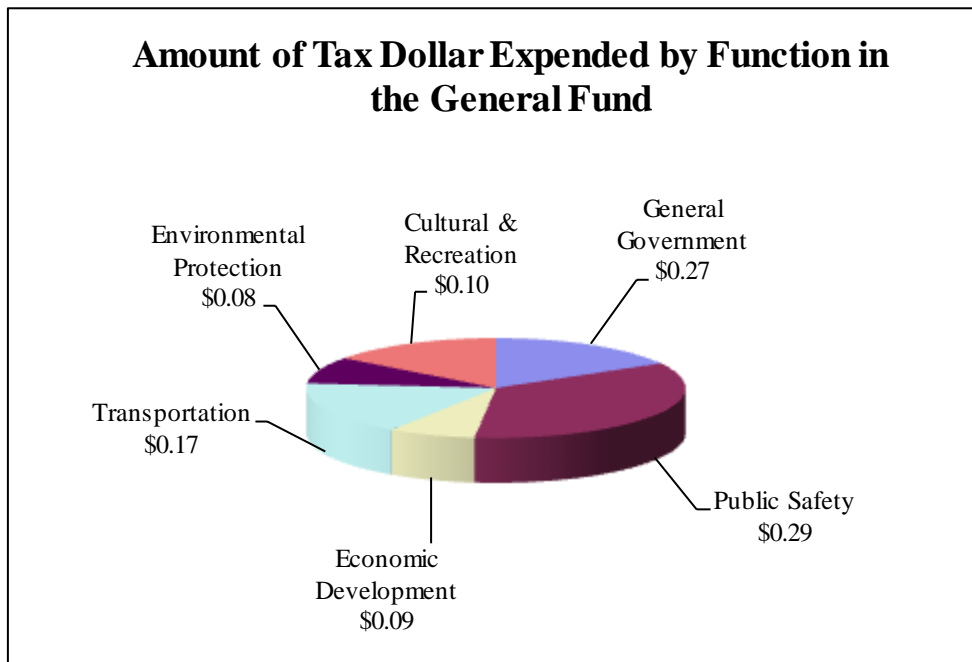




Description

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



Summary

The General Fund continues to reflect the overall economy with moderate revenue growth from both locally generated revenues to statewide intergovernmental revenues. The growth in the national housing market is starting to have a positive impact on new home construction and this budget reflects moderate growth in the related revenues.

The proposed General Fund budget for FY 2013-2014 is approximately \$17,562,075, a decrease of approximately 2.0% from the previous year's budget.



General Fund Summary

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>
6/30/09 Actual	\$13,653,666	\$13,331,365	\$ 322,301
6/30/10 Actual	13,436,914	13,796,560	(359,646)
6/30/11 Actual	15,247,997	14,407,809	840,188
6/30/12 Actual	15,311,703	14,803,571	508,132
6/30/13 Estimated	15,398,855	16,920,339	(1,521,484)
6/30/14 Budgeted	16,410,900	17,562,075	(1,151,175)

The FY 2013-2014 Budget recommends maintaining the current ad valorem tax rate of \$0.28 per \$100 valuation. This is expected to generate \$9,682,000 in ad valorem tax revenues. Expenditures include the purchase of a \$550,000 fire truck that will be paid for with installment financing. Debt proceeds from installment financing are included in Other Financing Sources. After adding Other Financing Sources of \$550,000 and Appropriated Fund Balance of \$601,175 to revenues, the Village's FY 2013-2014 Recommended Budget is balanced in accordance with North Carolina General Statutes.

Revenues

General Fund Revenue by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,482,761	\$ 9,500,500	\$ 9,500,500	\$ 9,682,000	1.9%
Other Taxes & Licenses	2,436,170	2,431,800	2,546,600	2,591,700	6.6%
Unrestricted Intergovernmental Rev.	1,637,272	1,682,500	1,616,500	1,617,200	-3.9%
Restricted Intergovernmental Rev.	489,501	499,020	508,970	552,755	10.8%
Permits & Fees	480,999	477,100	477,600	1,241,250	160.2%
Sales & Services	501,692	497,915	483,415	484,015	-2.8%
Other Revenues	255,470	188,300	236,480	221,480	17.6%
Investment Income	27,838	28,790	28,790	20,500	-28.8%
Revenues	15,311,703	15,305,925	15,398,855	16,410,900	7.2%
Other Financing Sources	34,117	562,410	12,410	550,000	-2.2%
Fund Balance Appropriations	-	2,046,240	-	601,175	-70.6%
Total Revenues	\$ 15,345,820	\$ 17,914,575	\$ 15,411,265	\$ 17,562,075	-2.0%

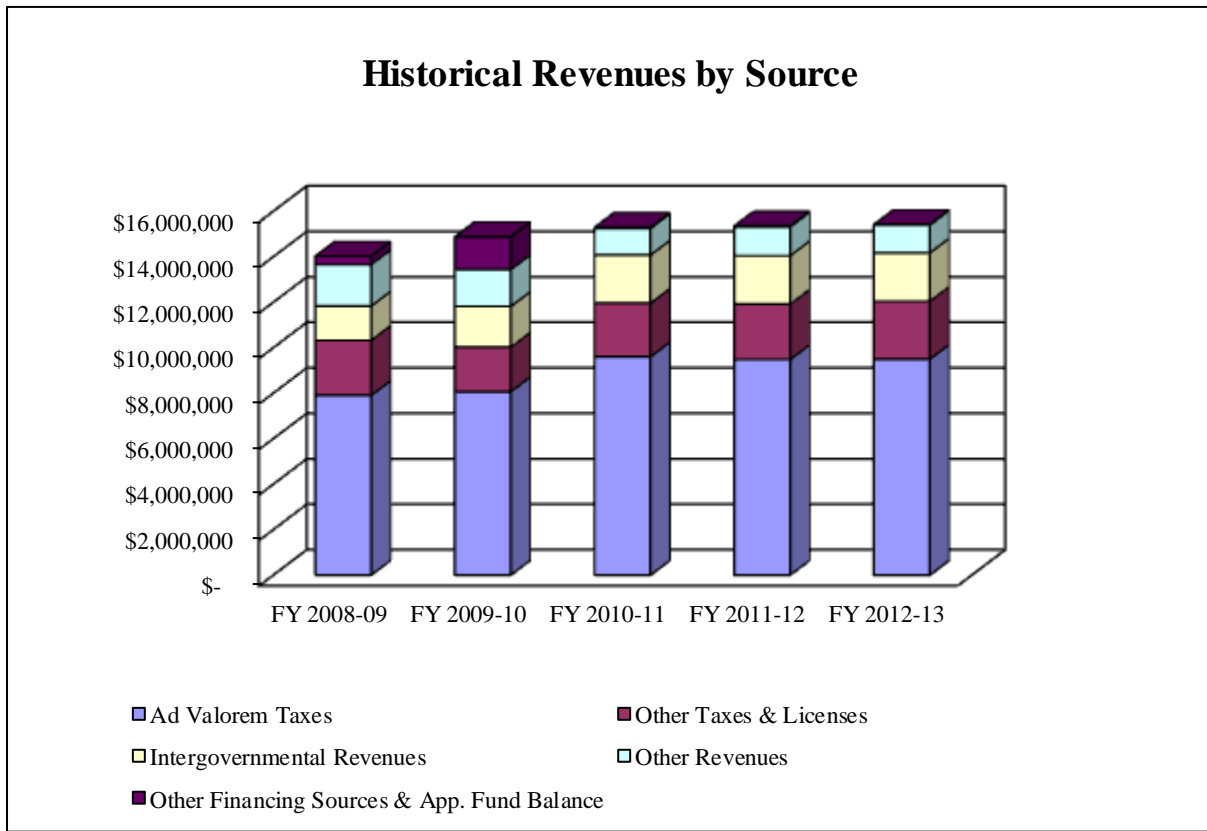
Budget Highlights

The approved budget for FY 2013-2014 represents a 2.0% decrease from the FY 2012-2013 amended budget. Revenues are estimated to increase by approximately 7.2% over FY 2012-2013. Ad Valorem taxes, which represent roughly 55% of total revenues, are estimated to increase by 1.9% due to a slight growth in the tax base. Increases in the tax base are largely due to the number and value of new homes constructed in the prior calendar year. In 2012, the value of new home construction increased slightly and there were three more homes permitted than the previous year.



General Fund Summary

The Village of Pinehurst will be host to both the 2014 U.S. Men's Open and U.S. Women's Open Championships back-to-back in consecutive weeks on Pinehurst No. 2 in June 2014. As a result, we are anticipating an increase in retail sales which is reflected in the increase in Other Taxes & Licenses. In addition, Permits & Fees will increase by \$700,000 due to compensation from the USGA for services and the use of facilities during the Championships. Interest rates for the upcoming year are expected to remain low and the funds available to invest will decrease in FY 2014 causing investment income to decrease 28.8%. The low investment rates are due to the interest rates available in the market on both short and long term investments.





Expenditures

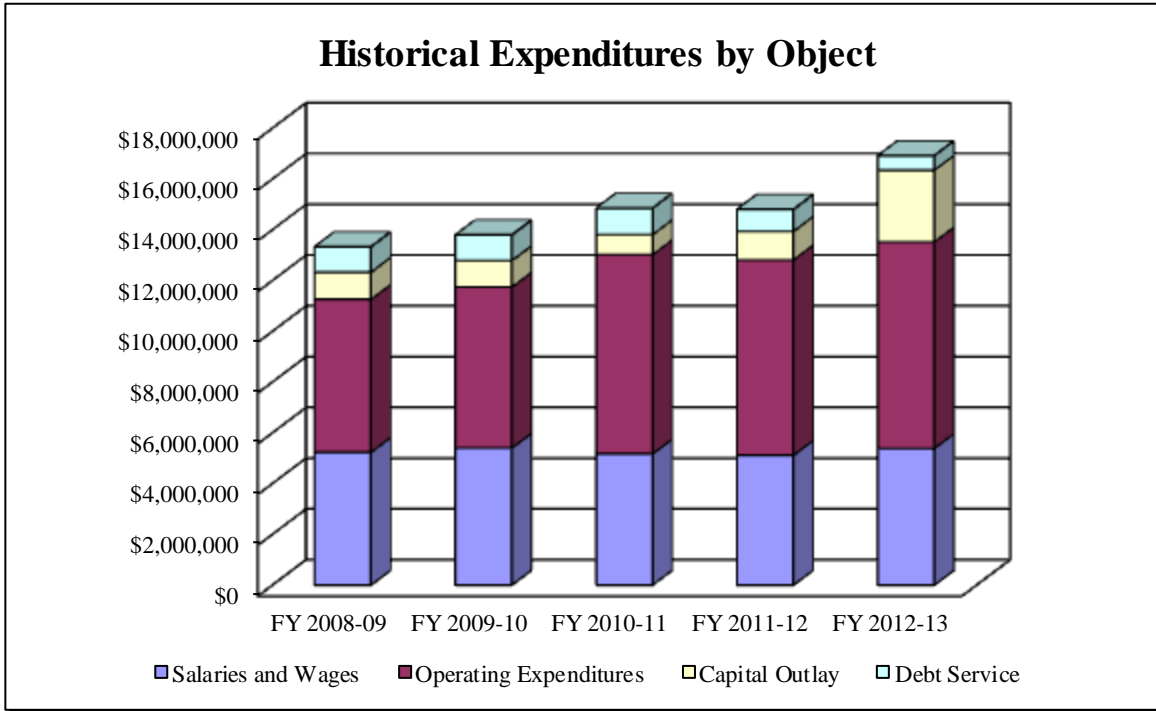
General Fund Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 8,116,347	\$ 8,590,450	\$ 8,309,000	\$ 8,978,085	4.5%
Operating	4,700,325	5,307,359	5,216,140	5,783,770	9.0%
Capital	1,121,429	3,216,142	2,825,642	2,332,000	-27.5%
Debt Service	865,470	548,624	569,557	468,220	-14.7%
Expenditures	14,803,571	17,662,575	16,920,339	17,562,075	-0.6%
Other Financing Uses	-	252,000	-	-	100.0%
Total Expenditures	\$ 14,803,571	\$ 17,914,575	\$ 16,920,339	\$ 17,562,075	-2.0%

Budget Highlights

The increase in Salaries & Benefits in FY 2013-2014 is the result of the transition of a part-time employee to a full-time employee in the Information Technology department to provide business analysis support to all departments. An average merit increase for employees of 0%-2%, a state-mandated increase in the employer retirement contributions, and a projected 15% increase in group insurance are also included in the approved budget.

The change in Operating expenditures is due to an increase from \$100,000 to \$300,000 for the donation to Given Memorial Library for their \$4,500,000 capital expansion campaign. In addition, operating expenditures include funding for other strategic new initiatives supporting the Council's areas of focus listed in the *Council's Strategies & Priorities* section of this document.

Capital spending in the General Fund decreased by 27.5%. Fiscal Year 2013 included capital appropriations of \$850,000 for downtown improvements and was an unusually high year for capital spending due to these projects. Capital spending for FY 2013-2014 includes \$550,000 for the replacement of a fire truck, \$364,000 for drainage and stormwater projects, and \$125,000 for wayfinding signs that support economic development in the Village. The balance of the funding is for routine replacement of capital items.

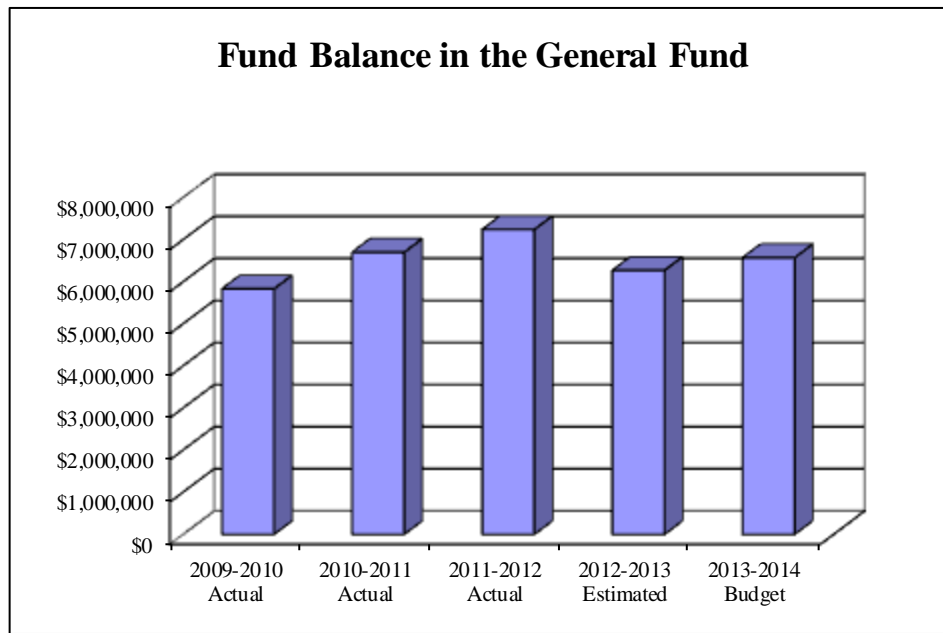




Fund Balance

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 2013-2014 we have appropriated \$601,175 of the Village's fund balance as a revenue source. This amount is \$1,445,065 lower than the previous fiscal year. The amount of fund balance appropriated in FY 2013-2014 is lower than the previous fiscal year as funds appropriated for capital improvements downtown were rolled over to FY 2013 and receipt of \$700,000 in fiscal year 2014 from the USGA to provide services and facilities for the U.S. Open Championships.

Fund balance is estimated to be \$6,272,818 at June 30, 2013. This is 35.0% of the budgeted FY 2012-2013 expenditures of \$17,914,575. The Village's fund balance policy is to maintain 30%-40% of expenditures in fund balance. Fund balance at June 30, 2014 is estimated to be \$6,573,845 or 37.4% of budgeted expenditures.





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 2007 tax year, or FY 2007-2008.

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 & Tag” system. In the new system, taxes for vehicles will be included with an “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 55% of all Village General Fund revenues. This includes current year’s collections, prior year’s collections, penalties and interest, and refunds.

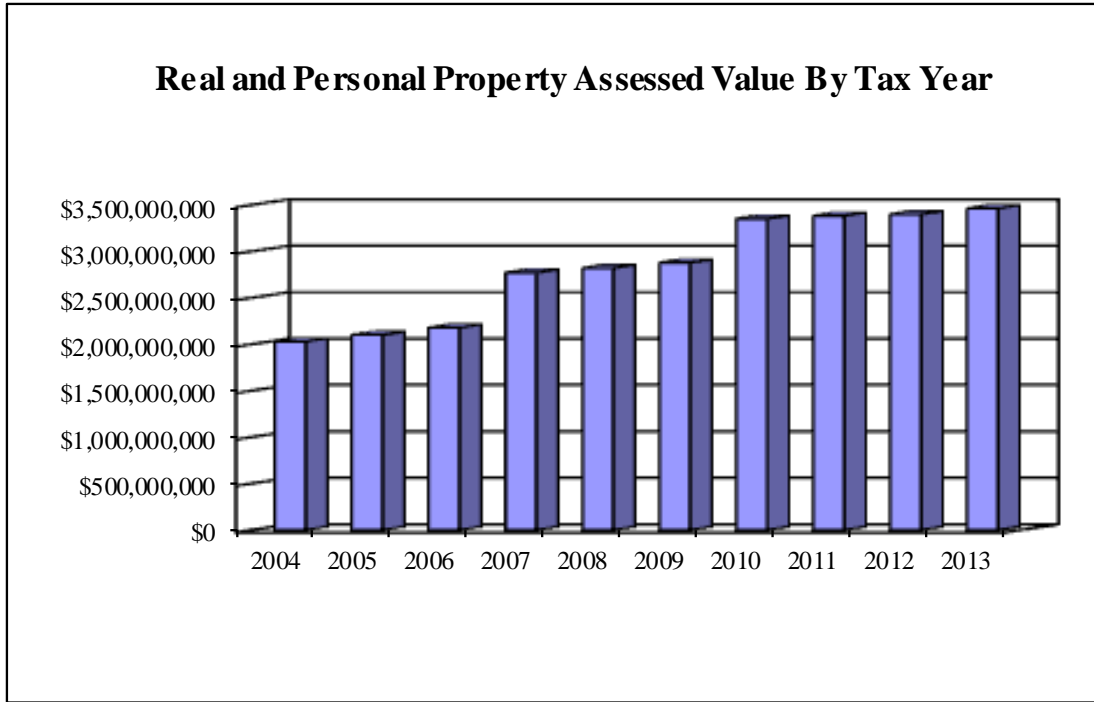
Ad Valorem Taxes	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Real & Personal - Current Year	\$ 9,024,816	\$ 9,050,000	\$ 9,050,000	\$ 9,110,000	0.7%
Real & Personal - Prior Years	5,759	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	434,918	440,000	440,000	565,000	28.4%
Motor Vehicles - Prior Years	7,649	8,000	8,000	2,000	-75.0%
Discounts/Reliefs/Refunds	(4,282)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	13,901	2,500	2,500	5,000	100.0%
Total Ad Valorem Tax Revenue	\$ 9,482,761	\$ 9,500,500	\$ 9,500,500	\$ 9,682,000	1.9%

Revenue Assumptions

- The ad valorem tax rate for the Village of Pinehurst will remain at a rate of \$0.28 per \$100 valuation for the fiscal year ending June 30, 2014. This is expected to generate \$9,682,000 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$3,470,000,000, of which \$3,258,000,000 is real property valuation and \$212,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.



- Due to the change in the motor vehicle billing and collection system, the motor vehicle valuation includes an additional four months of valuation and levy. This is a total of \$44,000,000 and \$123,300 respectively.
- The growth factor used to estimate the total real property valuation is 0.6%. The number of new homes constructed in the Village increased significantly in fiscal year 2012-2013 and we are expecting that trend to continue in FY2014. However, the property tax impact of this growth will not be reflected in the valuation until fiscal year 2015. The historical growth factor for the 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 97.5% 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 consist of Local Option Sales Tax and Golf Cart Stickers.

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. This local government sales and use tax is applied to 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. The State of North Carolina distributes this tax to the Village on a monthly basis.

Golf cart stickers are issued annually to license the use of personal golf carts on Village streets. The Village charges a fee of \$5 per cart, per year to license personal golf carts.

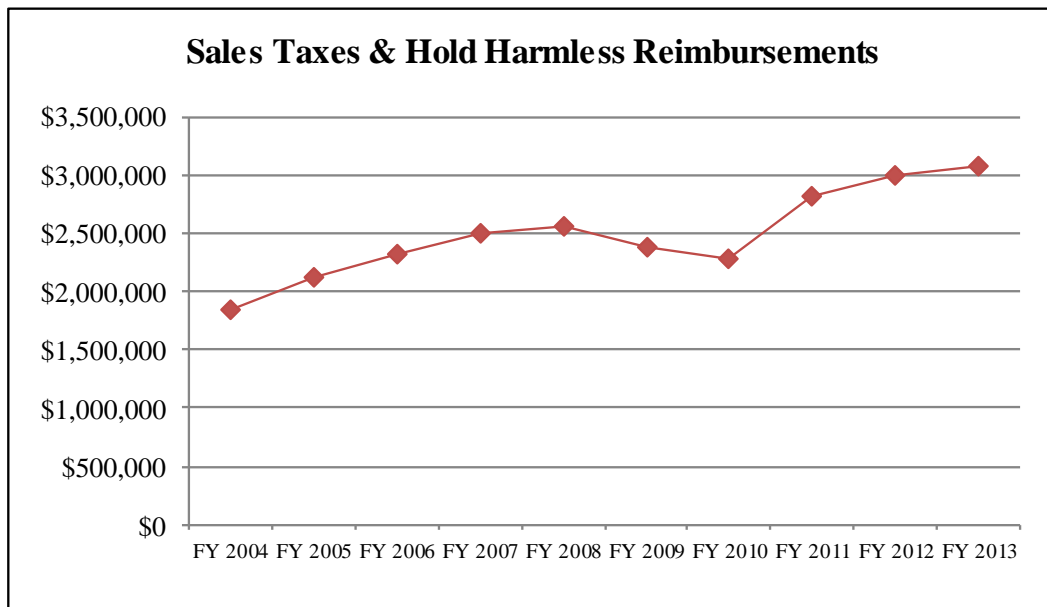
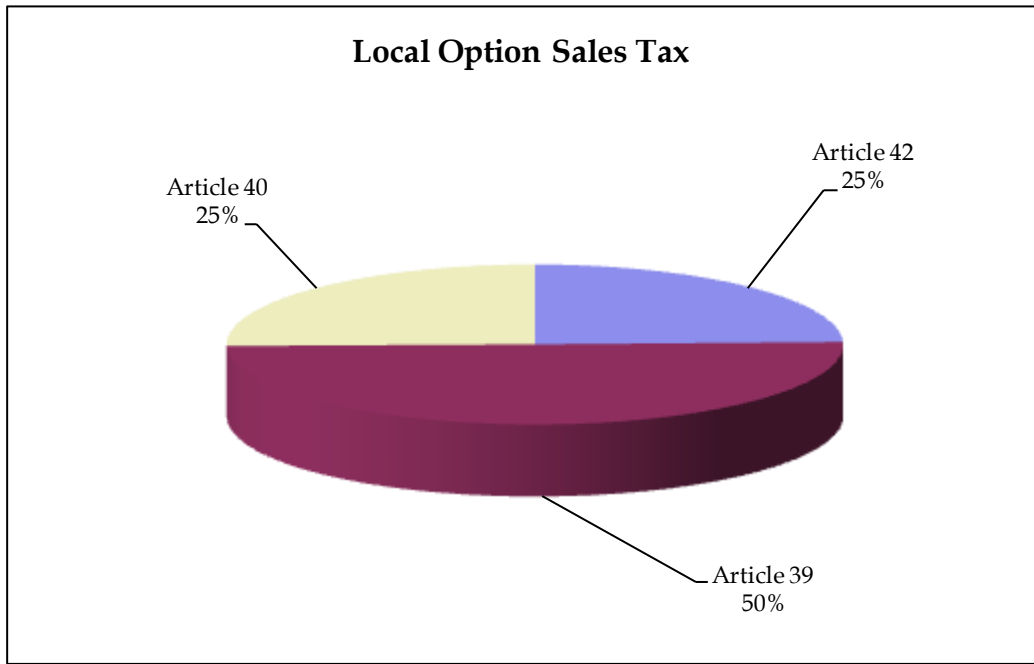
Other Taxes & Licenses	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Local Option Sales Tax	\$ 2,434,430	\$ 2,430,000	\$ 2,545,000	\$ 2,590,000	6.6%
Golf Cart Stickers	1,740	1,800	1,600	1,700	-5.6%
Total Other Taxes & Licenses	\$ 2,436,170	\$ 2,431,800	\$ 2,546,600	\$ 2,591,700	6.6%

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 in conjunction with economists from the North Carolina General Assembly. These estimates are communicated to all municipalities to aid them in budgeting state-collected revenues. Locally, tourism and construction is up slightly and as a result we estimate that local option sales taxes will increase by approximately 3.0% in addition to a gain of 4% in the current fiscal year.



The distribution and trend of the local option sales tax revenue by tax type is depicted in the following graphs.





Unrestricted Intergovernmental Revenues

Description of Revenue Source

Unrestricted Intergovernmental Revenue consists of Telecommunications Tax, Electricity Franchise Tax, Video Programming Sales Tax, Hold Harmless Sales Tax and Wine & Beer Tax. All five of these taxes are state-collected local revenues.

The Telecommunications Tax represents a 6.0% 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.

Electricity Franchise Tax represents 3.09% of the taxable gross receipts of the sales of electric power derived within the Village's corporate limits. The State of North Carolina distributes this tax to the Village 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.

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 Revenue	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Telecommunications Tax	\$ 145,296	\$ 142,000	\$ 135,000	\$ 125,000	-12.0%
Electricity Franchise Tax	549,784	607,000	550,000	565,000	-6.9%
Video Programming Sales Tax	317,187	320,000	300,000	280,000	-12.5%
Hold Harmless Reimbursement	560,954	549,000	567,000	580,000	5.6%
Wine & Beer Tax	64,051	64,500	64,500	67,200	4.2%
Total Unrest. Intergovernmental Rev.	\$ 1,637,272	\$ 1,682,500	\$ 1,616,500	\$ 1,617,200	-3.9%

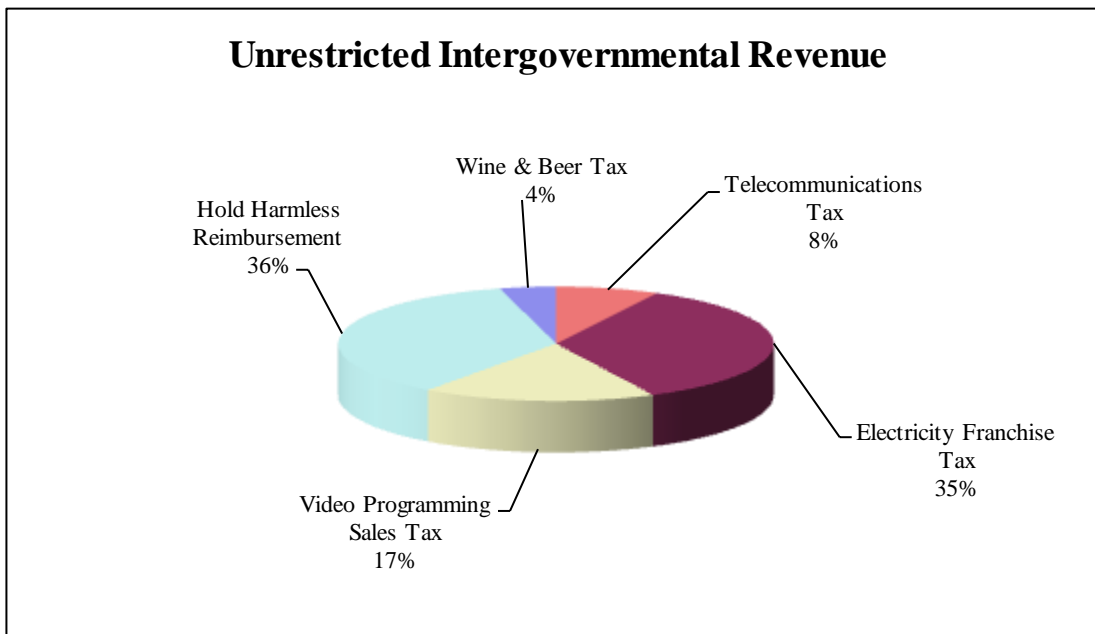


Unrestricted Intergovernmental Revenues

Revenue Assumptions

- Telecommunications Taxes are projected based upon growth assumptions provided by the North Carolina League of Municipalities. The telecommunication industry is experiencing a greater than expected national decline in the number of landlines in fiscal year 2013 resulting in a 6.8% decline between the fiscal year 2012 actual and 2013 estimate. While wireless revenue is expected to continue growing, such growth will be offset by continued declines in landline revenue. Therefore, we are estimating a 5.2% decrease in revenue for Telecommunications Taxes in FY 2013-14 for a total decrease of 12.0% between the FY 2013 and FY 2014 budgets.
- Electricity Franchise Taxes are also projected based upon growth assumptions provided by the North Carolina League of Municipalities. Revenue for Electricity Franchise Taxes is estimated to decrease by 6.9% in FY 2013-2014 compared to FY 2012-13 budgeted revenue.
- Video Programming Sales Taxes are reflecting greater cable and satellite competition with internet-based programming and the trend towards switching from landlines to less costly wireless service. Industry projections indicate that the competitive trends will continue to depress subscriber revenue and the North Carolina League of Municipalities expect that video programming revenues will decrease an additional 1.0% in fiscal year 2014. As a result, we are projecting that Video Programming Sales Tax will decrease by 12.5% from the FY 2012-13 budget.
- Beer and Wine Tax revenues are projected to increase by 4.2% in FY 2013-2014 as sales and state distributed revenues are expected to increase.

The following graph shows that the Village receives approximately 71% of unrestricted intergovernmental revenue from electricity franchise taxes and hold harmless payments.





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 State Highway Fund for the proceeds from a one and three-fourth (1³/₄) cents tax on each gallon of motor fuel sold within the state. 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.

Restricted Intergovernmental Revenue	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Powell Bill	\$ 461,810	\$ 466,000	\$ 476,150	\$ 472,000	1.3%
BAB Interest Rebates	6,045	4,995	4,995	3,555	-28.8%
Controlled Substance Tax Distribution	2,539	5,000	5,000	2,500	-50.0%
Solid Waste Disposal	10,093	9,900	9,700	9,700	-2.0%
Other Grants	9,014	13,125	13,125	65,000	395.2%
Total Rest. Intergovernmental Rev.	\$ 489,501	\$ 499,020	\$ 508,970	\$ 552,755	10.8%

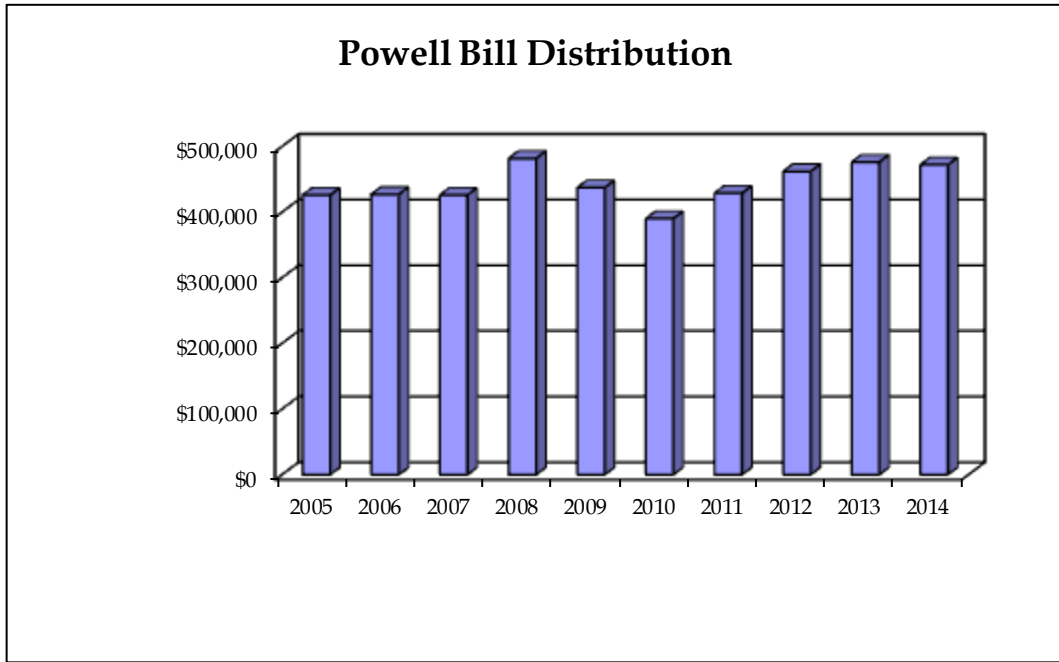
Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$20.16, which is 1.3% decrease from the previous year's actual distribution rate. Sales of gasoline in North Carolina are expected to decrease as consumers continue to purchase more fuel efficient vehicles. The street mile rate utilized to project the allocation is \$1,596 per street mile maintained, which is has also decreased by \$15 from the FY 2012-13 distribution. The decrease in the rates for Powell Bill distributions is offset somewhat by a projected 1.0% growth in population. Both of these estimated distribution rates were provided by the North Carolina League of Municipalities.
- The Village purchased a fire engine with a Build America Bond (BAB) in fiscal year 2010. We receive a 35% interest rebate on each semi-annual payment until the debt obligation is satisfied in FY 2017. However, the Department of the Treasury has notified the Village that the interest will be reduced as long as the federal sequestration of 2013 is in effect. Therefore, the FY2014 revenue estimate includes a 9% reduction in anticipation that sequestration will remain in effect.
- The North Carolina League of Municipalities project that Solid Waste Disposal revenue will remain flat FY 2013-2014 compared to fiscal year 2013 estimated revenue. The Village uses these funds primarily to fund its recycling program.



Restricted Intergovernmental Revenues

- The Village does not normally budget for other grant revenues until a grant award notification has been received. However, we have applied for a \$65,000 grant for a bike and pedestrian master plan and are fairly certain that the grant will be awarded to the Village in FY 2013-2014, so it is included in the budget.





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.

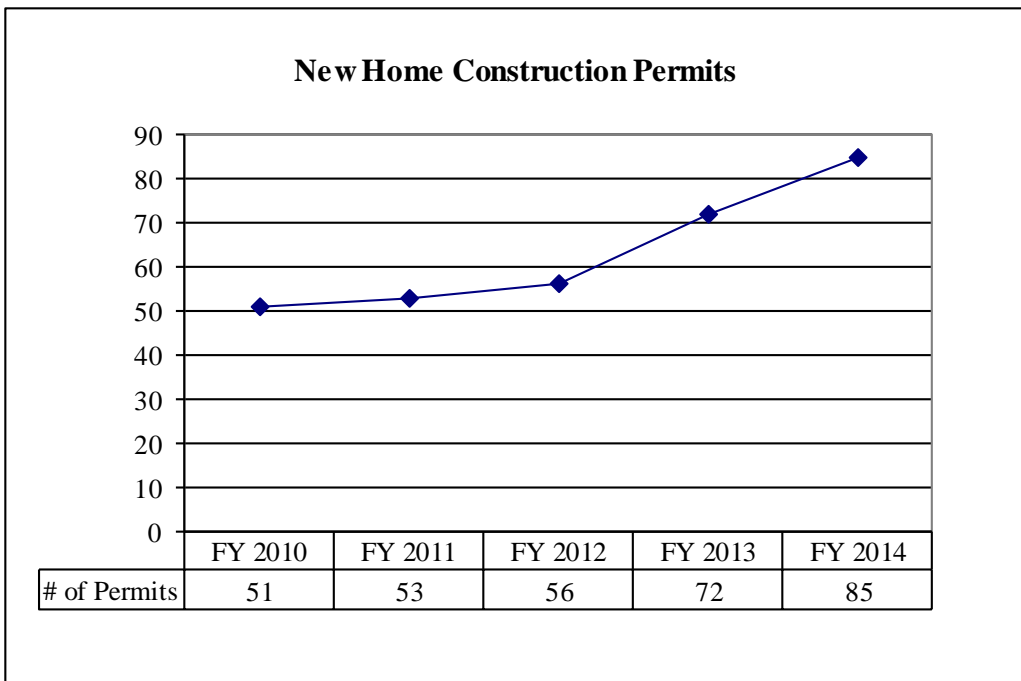
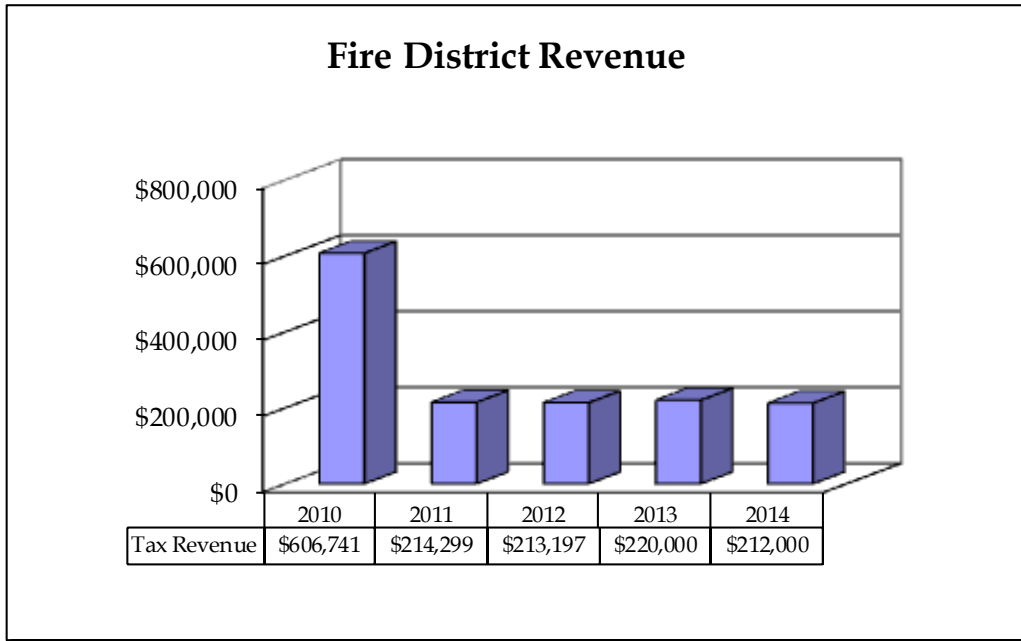
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village’s growth is generated primarily by new residential construction; therefore it is new home construction that really drives this revenue source.

Fire District Revenue represents the amount of funds paid to the Village by Moore County for the Village’s fire department to provide fire protection service to its extraterritorial jurisdiction (ETJ). The Village also contracts with a neighboring local government jurisdiction to provide fire protection services under an annual contract. This is also included in Fire District Revenue. The amount of funds paid to the Village is based upon a tax rate established by Moore County that is applied to the real and personal property valuation in the covered areas. The Moore County Tax Department levies and collects the fire district tax for the Village’s ETJ and then remits collections to the Village monthly.

Permits & Fees	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Permit & Inspection Fees	\$ 205,296	\$ 204,000	\$ 204,000	\$ 260,000	27.5%
Planning & Zoning Fees	37,092	36,000	36,000	51,000	41.7%
Fire District Revenue	213,197	220,000	220,000	212,000	-3.6%
Other Fees	25,414	17,100	17,600	718,250	4100.3%
Total Permit & Fees	\$ 480,999	\$ 477,100	\$ 477,600	\$ 1,241,250	160.2%

Revenue Assumptions

- Permit & Inspection Fees and Planning & Zoning Fees for residential construction are expected to increase in FY 2013-2014 as the number and value of new homes being constructed rises. The Village expects approximately 72 homes to be constructed in FY 2013 in the Village limits and ETJ and increase to 85 in fiscal year 2014. The rise in new home construction is being driven by a recovering real estate market across the country as well as the benefit of hosting the Men’s and Women’s U.S. Open in 2014.
- Fire district revenue is based upon a tax rate of \$0.084 per \$100 of property valuation, which is consistent with the current tax rate. The Village also estimates no growth in the number or value of property in the Fire District.
- Other Fees include \$700,000 in fiscal year 2014 from the USGA to provide services and facilities for the U.S. Open Championships.





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 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.

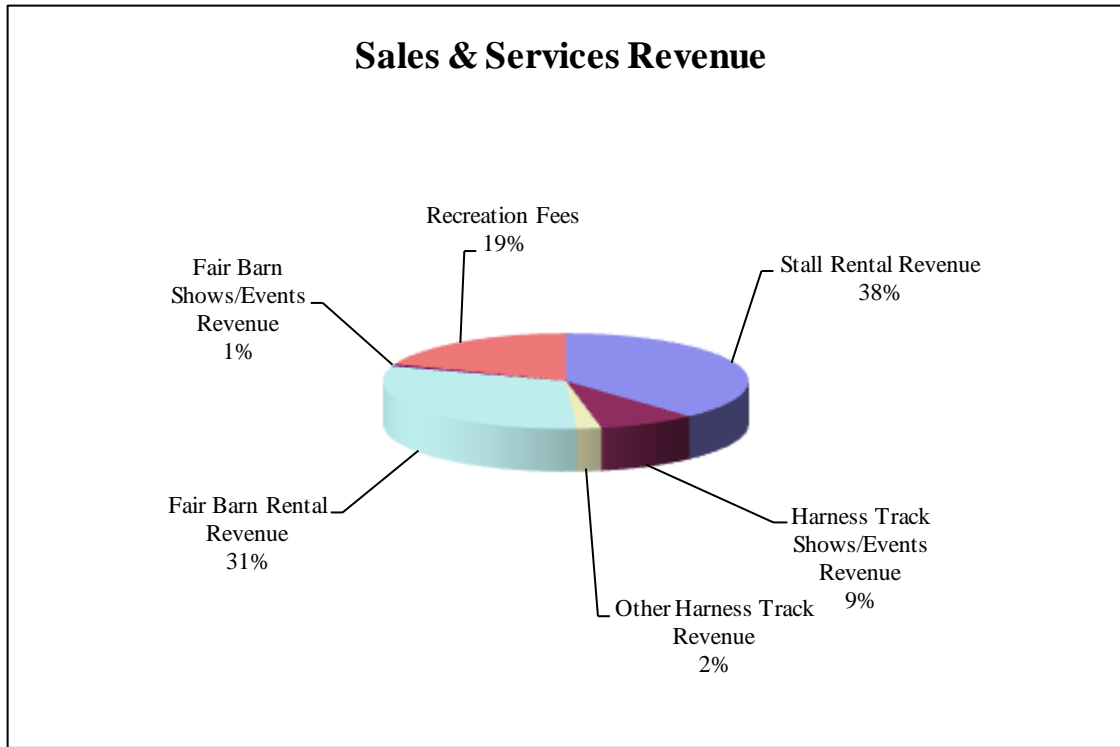
Sales & Services	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Stall Rental Revenue	\$ 210,937	\$ 235,000	\$ 185,000	\$ 185,000	-21.3%
Harness Track Shows/Events Revenue	27,581	25,000	42,000	42,000	68.0%
Other Harness Track Revenue	10,449	10,515	10,515	10,515	0.0%
Fair Barn Rental Revenue	159,536	130,000	145,000	150,000	15.4%
Fair Barn Shows/Events Revenue	1,404	4,000	4,000	3,000	-25.0%
Recreation Fees	91,785	93,400	96,900	93,500	0.1%
Total Sales & Services	\$ 501,692	\$ 497,915	\$ 483,415	\$ 484,015	-2.8%

Revenue Assumptions

- Harness Track stall rental fees are expected to decrease for FY 2013-2014 as the level of Standardbred training declines across the country. Revenue from shows is expected to increase as the facility draws more interest from show promoters in usage of newly installed all-weather show rings.
- The events held at the Fair Barn continue to be successful. Revenues are expected to increase as new rates become effective and single weekday rentals increase in fiscal year 2014.
- Recreation Fees are expected to remain steady as staff, facility and enrollment for existing programs has nearly reached capacity.



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, Recycling 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. Recycling Revenues are derived from a private contract between the Village and Pratt Industries. Under a six-year agreement the Village receives \$30 per ton for the recyclable materials hauled to their facility. Other Miscellaneous Revenues include donations made to the Village, fees generated by the Police Department, and various other minor fees.

Other Revenues	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
ABC Revenues	\$ 80,135	\$ 79,800	\$ 79,800	\$ 90,000	12.8%
Recycling Revenues	56,202	55,000	55,000	55,000	0.0%
Other Miscellaneous Revenues	119,133	53,500	101,680	76,480	43.0%
Total Other Revenues	\$ 255,470	\$ 188,300	\$ 236,480	\$ 221,480	17.6%

Revenue Assumptions

- ABC revenue is projected to increase by 12.8% for the FY 2013–2014. This is based on the growth in sales expected from the Men’s and Women’s U.S. Open to be held in June 2014. This growth increase is consistent with the increase recognized when the Men’s U.S. Open was held in Pinehurst in 2005.
- The Village expects to deliver approximately 1,835 tons of recyclable material to Pratt Industries in FY 2012-2013, which is the approximately the amount of recycling material expected to be delivered this fiscal year, resulting in a consistent Recycling Revenue estimate.
- Other miscellaneous revenues are expected to increase by 43.0%. There are two primary factors contributing to this increase, fixed asset sales and purchasing card rebates. The Village uses GovDeals for surplus asset sales and this method has proven to bring the most value for surplus items. The Village expects to receive over \$30,000 from surplus sales in FY 2014. The use of p-cards for purchases by employees has increased steadily and as a result the annual rebate amount is expected to increase to \$12,000 in fiscal year 2014.



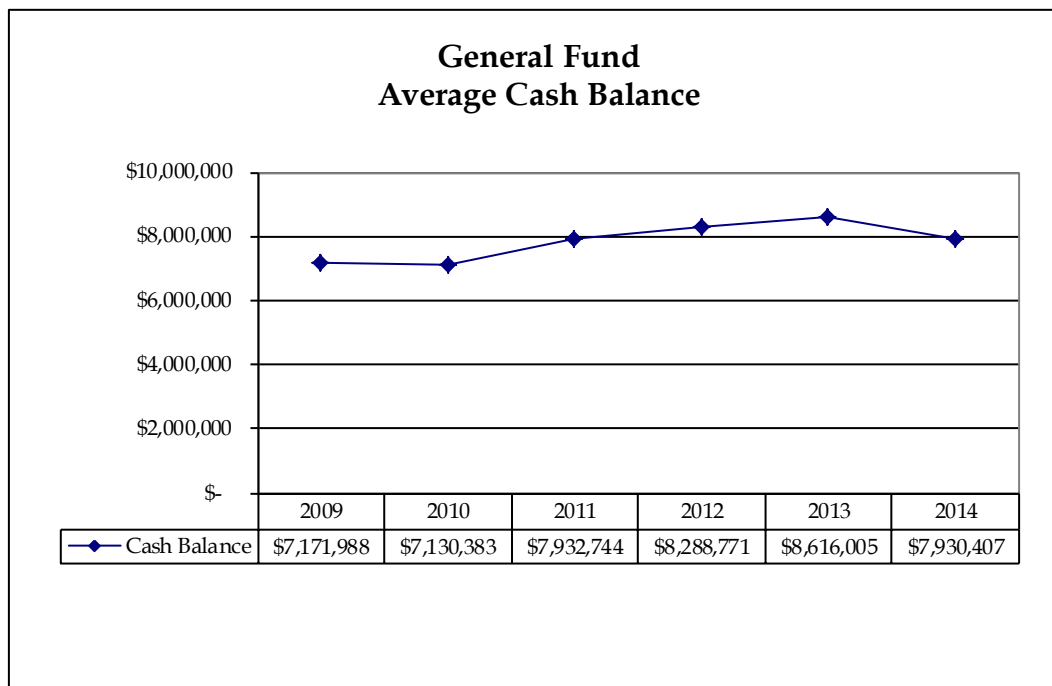
Description of Revenue Source

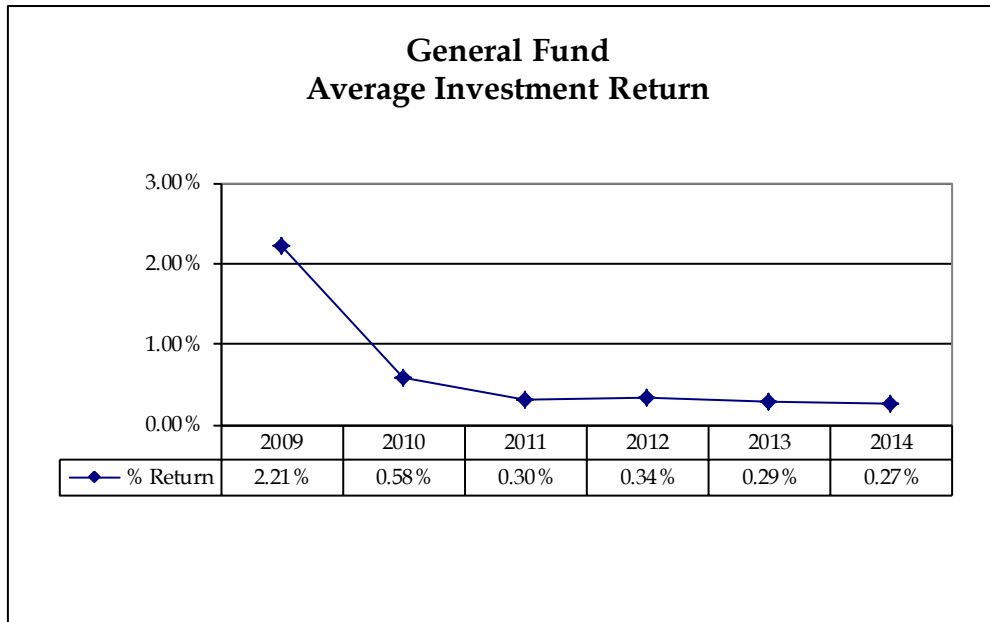
Investment Income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, bank certificates of deposit, U. S. Treasury and Agency securities, and high grade commercial paper.

	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Investment Income	\$ 27,838	\$ 28,790	\$ 28,790	\$ 20,500	-28.8%
Total Investment Income	\$ 27,838	\$ 28,790	\$ 28,790	\$ 20,500	-28.8%

Revenue Assumptions

- Investment income is estimated to decrease 28.8% as the funds available to invest have decreased. The estimated revenue is based upon an average cash and investments balance of \$7.9 million compared to \$8.6 million the previous year. In addition, the rate available on investments continues to remain low. The average rate of return expected in fiscal year 2014 is 0.27% which is 2 basis points below the rate of return in FY 2012-2013.







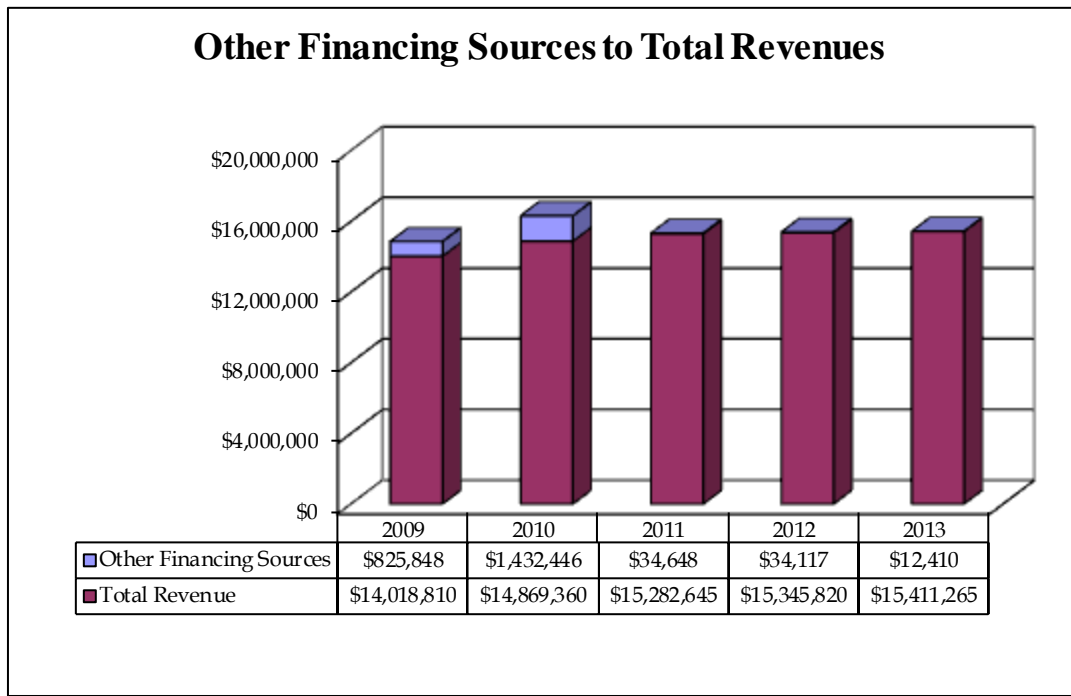
Description of Revenue Source

Other Financing Sources is comprised of Operating Transfers from other funds and occasionally debt proceeds. A common Operating Transfer from a Special Revenue Fund would be from a Capital Project Fund to reimburse the General Fund for capital expenditures.

Other Financing Sources	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Loan Proceeds	\$ -	\$ 550,000	\$ -	\$ 550,000	0.0%
Transfer from Special Rev Funds	25,460	12,410	12,410	-	-100.0%
Total Other Financing Sources	\$ 34,117	\$ 562,410	\$ 12,410	\$ 550,000	-2.2%

Revenue Assumptions

- Loan proceeds of \$550,000 are anticipated to facilitate the purchase of a replacement fire truck in the second quarter of the 2013-2014 fiscal year. Debt service of \$48,086 is anticipated for this installment purchase and will begin in the third quarter of FY 2013-2014.
- The Municipal Service District Special Revenue Fund was closed in FY2013 and all assets were transferred to the General Fund.





Description of Revenue Source

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

Fund Balance Appropriations	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 2,046,240	\$ -	\$ 601,175	-70.6%
Total Fund Balance Appropriations	\$ -	\$ 2,046,240	\$ -	\$ 601,175	-70.6%

Revenue Assumptions

- For FY 2013-2014 we have appropriated \$601,175 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 that is appropriated this year does not exceed this budget variance amount. If this historical trend continues for FY 2013-14 we will add approximately \$301,000 to Fund Balance which will cause fund balance to increase to approximately 37.4% of General Fund expenditures, well within the Council’s adopted range of 30%-40%.
- The amount of fund balance appropriated in FY 2013-2014 is 70.6% lower than the previous fiscal year as funds appropriated for capital improvements downtown were rolled over to FY 2013 and receipt of \$700,000 in fiscal year 2014 from the USGA to provide services and facilities for the U.S. Open Championships.



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 citizens of Pinehurst. Other responsibilities include:

- Providing governance for a population of approximately 15,000
- Setting strategic direction for approximately 130 full-time employees
- Adopting the strategic operating plan which includes the annual budget, staffing plan and five-year capital improvement plan
- Approving policies that provide guidance for all municipal operations.

Major Accomplishments for Fiscal Year 2012-2013

- Established the U.S. Opens Events Committee
- Commenced planning for the Carriage House parking facility
- Completed technology and furnishings upgrades to Council meeting space
- Conducted 2012 Community Survey
- Adopted the watershed intensity allocation policy

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Non-systematic process of orienting and routinely training Council-appointed volunteers for boards, commissions, & committees
- Orienting newly elected officials in a timely manner on Village policies, procedures, and strategic initiatives
- Minimizing changes in strategic direction mid-year and the impacts of those changes on Village finances, staff capacity, etc.

Initiatives

- Develop a systematic process for onboarding members of Council appointed boards and commissions
- Develop and implement effective methods to recruit volunteers, using technology and other means



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 29,980	\$ 31,000	\$ 30,100	\$ 31,000	0.0%
Operating	134,979	172,500	172,500	185,500	7.5%
Capital	-	75,000	75,000	-	-100.0%
Expenditures Total	\$ 164,959	\$ 278,500	\$ 277,600	\$ 216,500	-22.3%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 164,959	\$ 278,500	\$ 277,600	\$ 216,500	-22.3%
Revenues Total	\$ 164,959	\$ 278,500	\$ 277,600	\$ 216,500	-22.3%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	5.00	5.00	5.00	5.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	5.00	5.00	5.00	5.00	0.0%

<u>Decreases</u>	<u>Increases</u>
A new audio/visual system and furniture were purchased for the Assembly Hall in fiscal year 2013.	An increase of \$20,000 is budgeted for additional professional services provided by the Village Attorney.

Additional information about the Governing Body Department may be obtained by contacting Andrew Wilkison, Village Manager, at 910.295.1900 or awilkison@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
INTERNAL PERSPECTIVE				
Enhance Customer Service				
• % of residents satisfied with access to the Mayor/Village Council	n/a	n/a	50.0%	50.0%
• % of residents satisfied with the effectiveness of appointed boards/commissions	n/a	n/a	54.0%	54.0%
EMPLOYEE PERSPECTIVE				
Increase Volunteer Engagement				
• # of volunteer applications received	19	23	20	25
• % of volunteers who agree they are offered training and development to enhance their skills	n/a	n/a	56.0%	60.0%



EFFECTIVENESS Measures	OUTPUT Measures																														
<p data-bbox="280 401 656 457">% of residents satisfied with access to the Mayor/Village Council</p> <table border="1"><thead><tr><th>Year/Goal</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2011</td><td>0</td><td></td></tr><tr><td>FY 2012</td><td>0</td><td></td></tr><tr><td>FY 2013</td><td>50</td><td></td></tr><tr><td>ST Goal</td><td>50</td><td>50</td></tr><tr><td>LT Goal</td><td>50</td><td>50</td></tr></tbody></table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	0		FY 2012	0		FY 2013	50		ST Goal	50	50	LT Goal	50	50	<p data-bbox="971 401 1330 426"># of volunteer applications received</p> <table border="1"><thead><tr><th>Year/Goal</th><th>Pinehurst (#)</th></tr></thead><tbody><tr><td>FY 2011</td><td>19</td></tr><tr><td>FY 2012</td><td>23</td></tr><tr><td>FY 2013</td><td>20</td></tr><tr><td>ST Goal</td><td>25</td></tr><tr><td>LT Goal</td><td>35</td></tr></tbody></table>	Year/Goal	Pinehurst (#)	FY 2011	19	FY 2012	23	FY 2013	20	ST Goal	25	LT Goal	35
Year/Goal	Pinehurst (%)	Benchmark (%)																													
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ST Goal	55																														
LT Goal	80																														



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 preserve and enhance the community’s character and ambience by guiding growth, managing change and providing services in an efficient, responsive, and cost efficient manner. Other responsibilities include:

- Providing vision and leadership to 17 other departments and divisions of the Village
- Achieving results through strategic planning
- Maintaining Village meeting minutes, records and contracts
- Providing customer service and administration support to both internal and external customers.

Major Accomplishments for Fiscal Year 2012-2013

- Implemented a comprehensive Village-wide strategic planning process

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Time consuming agenda packet preparation and distribution process
- Educating the workforce on the NCAFE Performance Excellence Journey and progressing at a reasonable pace
- Keeping Village staff routinely informed of Village-wide initiatives and priorities
- Developing and recommending an annual budget that meets citizens’ needs and expectations within the confines of limited revenues
- Keeping the public informed in a timely and effective manner

Initiatives

- Automate Council agenda packet preparation and distribution process to enhance customer service



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 655,021	\$ 676,000	\$ 661,200	\$ 707,620	4.7%
Operating	302,572	297,086	297,086	347,470	17.0%
Capital	9,529	15,380	15,380	150,050	875.6%
Expenditures Total	\$ 967,122	\$ 988,466	\$ 973,666	\$ 1,205,140	21.9%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 967,122	\$ 988,466	\$ 973,666	\$ 1,205,140	21.9%
Revenues Total	\$ 967,122	\$ 988,466	\$ 973,666	\$ 1,205,140	21.9%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	6.00	6.00	7.00	7.00	16.7%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	6.00	6.00	7.00	7.00	16.7%

<u>Decreases</u>	<u>Increases</u>
There are no significant budget decreases in the FY 2014 budget.	<p>Using the BIRDIE process improvement methodology, the Planning & Inspections (P&I) reception area was consolidated with the Village Hall reception area to more effectively utilize and allocate staff, better align responsibilities with positions and provide a higher level of customer service. In addition, consolidation of reception provides productivity gains for other staff that were tasked with providing backup coverage for the P&I reception desk. As a result, Salaries & Benefits and Authorized Personnel reflect the move of the customer service representative from the P&I department to the Administration department.</p> <p>Capital includes the purchase of software to automate the Council agenda packets and building improvements in the Village Hall.</p>

Additional information about the Administration Department may be obtained by contacting Andrew Wilkison, Village Manager, at 910.295.1900 or awilkison@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
INTERNAL PERSPECTIVE				
Enhance Customer Service				
<ul style="list-style-type: none"> • % of residents satisfied with Village Hall reception desk service 	n/a	n/a	87.0%	87.0%
<ul style="list-style-type: none"> • % of residents satisfied with Village communication and residents 	n/a	n/a	78.0%	80.0%
<ul style="list-style-type: none"> • % of agendas with supporting materials posted to the VOP website 5 days in advance of the meetings 	n/a	n/a	n/a	75.0%
FINANCIAL PERSPECTIVE				
Maintain Strong Financial Condition				
<ul style="list-style-type: none"> • Fund Balance Appropriated during the year (less the rollforward) as a % of original budget 	(17.5%)	45.5%	4.7%	5-10%



EFFECTIVENESS Measures	EFFECTIVENESS Measures (continued)																																																
<p data-bbox="297 394 649 449">% of residents satisfied with Village Hall reception desks service</p> <table border="1"><thead><tr><th>Year/Goal</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2011</td><td>-</td><td>-</td></tr><tr><td>FY 2012</td><td>-</td><td>-</td></tr><tr><td>FY 2013</td><td>85</td><td>88</td></tr><tr><td>ST Goal</td><td>88</td><td>88</td></tr><tr><td>LT Goal</td><td>88</td><td>88</td></tr></tbody></table> <p data-bbox="297 884 649 938">% of residents satisfied with Village communication with residents</p> <table border="1"><thead><tr><th>Year/Goal</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2011</td><td>-</td><td>-</td></tr><tr><td>FY 2012</td><td>-</td><td>-</td></tr><tr><td>FY 2013</td><td>78</td><td>75</td></tr><tr><td>ST Goal</td><td>75</td><td>75</td></tr><tr><td>LT Goal</td><td>85</td><td>75</td></tr></tbody></table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	-	-	FY 2012	-	-	FY 2013	85	88	ST Goal	88	88	LT Goal	88	88	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	-	-	FY 2012	-	-	FY 2013	78	75	ST Goal	75	75	LT Goal	85	75	<p data-bbox="982 394 1356 478">Fund balance appropriated during the year (less the rollforward) as a % of original budget</p> <table border="1"><thead><tr><th>Year/Goal</th><th>Pinehurst (%)</th></tr></thead><tbody><tr><td>FY 2011</td><td>-15</td></tr><tr><td>FY 2012</td><td>45</td></tr><tr><td>FY 2013</td><td>5</td></tr><tr><td>ST Goal</td><td>10</td></tr><tr><td>LT Goal</td><td>10</td></tr></tbody></table>	Year/Goal	Pinehurst (%)	FY 2011	-15	FY 2012	45	FY 2013	5	ST Goal	10	LT Goal	10
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Department Profile

The Director of Financial Services reports directly to the Assistant Village Manager of Finance and 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 \$8.6 million dollars
- Insuring that fund balance stays within the Council approved level of 30% - 40% of budgeted expenditures
- Preparing the \$17.8 million annual budget and five-year forecast
- Managing debt to achieve acceptable debt service and bond rating objectives
- Processing accounts payable, accounts receivable, and payroll
- Achieving excellence in financial reporting.

Major Accomplishments for Fiscal Year 2012-2013

- Received the Government Finance Officers’ Association (GFOA) Distinguished Budget Presentation Award for the 7th consecutive year
- Prepared the Comprehensive Annual Financial Report in-house and received the GFOA Certificate of Achievement in Financial Reporting for the 20th consecutive year
- Completed 6 Financial Assistance Service Team (FAST) projects, including developing training reports for Human Resources and two projects for the Planning Department
- Assisted management in the development and implementation of performance-based budgeting system and the balanced scorecard

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Limited revenue growth
- Staff near workload capacity (reduced staffing by 12% in FY 2012)

Initiatives

- Design and implement a compliance program for outreach to Historically Underutilized Businesses (HUB)
- Increase vendor participation in ACH and p-card payment systems



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 285,565	\$ 290,050	\$ 284,800	\$ 302,600	4.3%
Operating	251,389	272,770	272,770	284,860	4.4%
Capital	-	4,020	4,020	450	-88.8%
Total Expenditures	\$ 536,954	\$ 566,840	\$ 561,590	\$ 587,910	3.7%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 536,954	\$ 566,840	\$ 561,590	\$ 587,910	3.7%
Total Revenues	\$ 536,954	\$ 566,840	\$ 561,590	\$ 587,910	3.7%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	4.00	3.00	3.00	3.00	0.0%
Part Time	-	0.50	0.50	0.50	0.0%
Total Authorized Personnel	4.00	3.50	3.50	3.50	0.0%

<u>Decreases</u>	<u>Increases</u>
<p>The Information Technology department entered into a capital lease for data storage equipment in FY 2013. The first year lease cost was allocated to various departments. Details regarding the capital lease can be found in the Debt Service section of the budget.</p>	<p>Salaries & Benefits reflect 2% merit increases and associated FICA and retirement benefits increased by 2% as well.</p> <p>Financial Services plans to upgrade its ERP system in FY 2014 and Operating expenditures reflect costs related to the upgrade. Banking fees are also expected to increase as PNC has changed our operating account from a compensated balance to a transaction basis.</p>

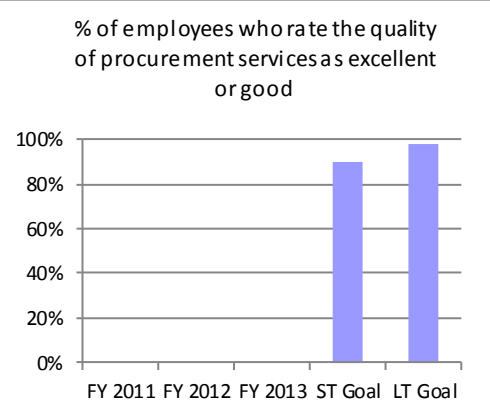
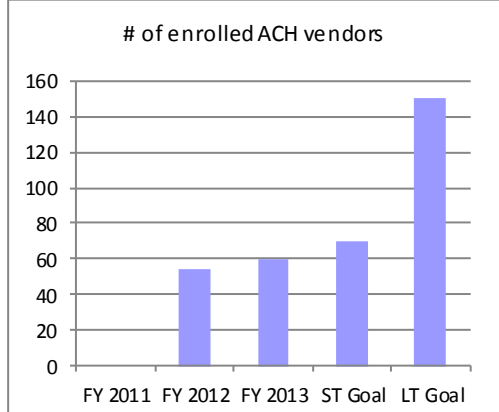
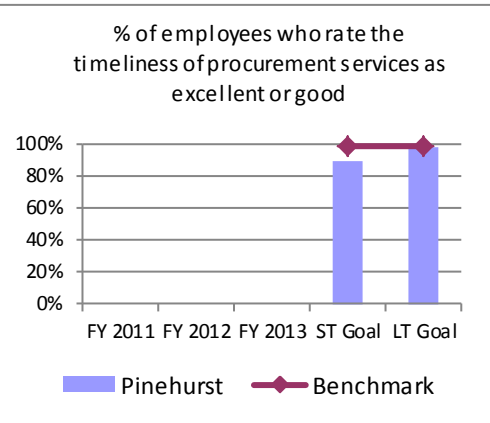
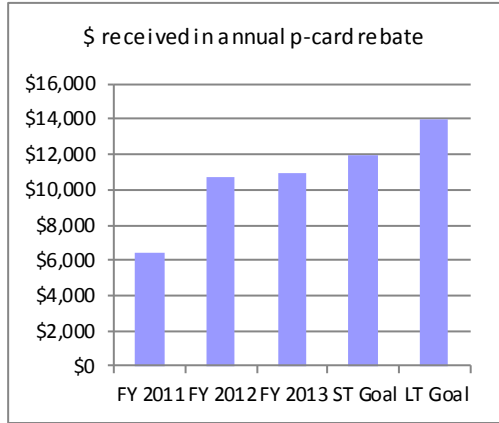
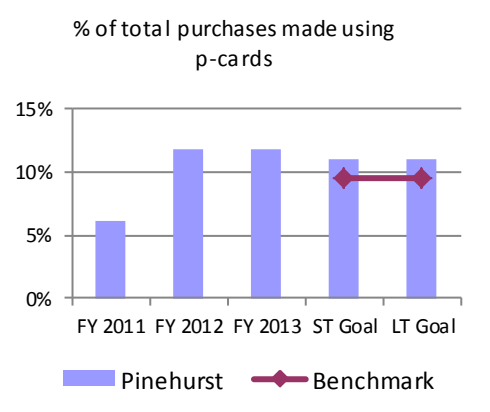
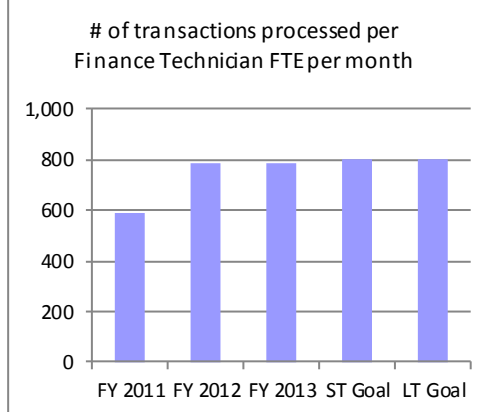
Additional information about the Financial Services Department may be obtained by contacting John G. Frye, CPA, Director of Financial Services, at 910.295.1900 or jfrye@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
INTERNAL PERSPECTIVE				
Enhance Customer Service				
<ul style="list-style-type: none"> % of employees who rate the quality of procurement services as excellent or good 	n/a	n/a	n/a	90%
<ul style="list-style-type: none"> % of employees who rate the timeliness of procurement services as excellent or good 	n/a	n/a	n/a	90%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
<ul style="list-style-type: none"> # of enrolled ACH vendors 	n/a	54	60	70
<ul style="list-style-type: none"> % of total purchases made using p-cards 	6.1%	11.8%	11.8%	11.0%
<ul style="list-style-type: none"> \$ received in annual p-card rebate 	\$6,412	\$10,740	\$11,000	\$12,000
<ul style="list-style-type: none"> # of transactions processed per Finance Technician FTE per month 	590	789	790	800



EFFECTIVENESS Measures	OUTPUT Measures																										
<p data-bbox="298 394 665 478">% of employees who rate the quality of procurement services as excellent or good</p>  <table border="1" data-bbox="227 378 714 787"> <thead> <tr> <th>Year/Goal</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0%</td> </tr> <tr> <td>FY 2012</td> <td>0%</td> </tr> <tr> <td>FY 2013</td> <td>0%</td> </tr> <tr> <td>ST Goal</td> <td>90%</td> </tr> <tr> <td>LT Goal</td> <td>98%</td> </tr> </tbody> </table>	Year/Goal	Percentage	FY 2011	0%	FY 2012	0%	FY 2013	0%	ST Goal	90%	LT Goal	98%	<p data-bbox="1019 394 1282 422"># of enrolled ACH vendors</p>  <table border="1" data-bbox="901 378 1396 787"> <thead> <tr> <th>Year/Goal</th> <th>Number of Vendors</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0</td> </tr> <tr> <td>FY 2012</td> <td>55</td> </tr> <tr> <td>FY 2013</td> <td>60</td> </tr> <tr> <td>ST Goal</td> <td>70</td> </tr> <tr> <td>LT Goal</td> <td>150</td> </tr> </tbody> </table>	Year/Goal	Number of Vendors	FY 2011	0	FY 2012	55	FY 2013	60	ST Goal	70	LT Goal	150		
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<p data-bbox="298 892 665 976">% of employees who rate the timeliness of procurement services as excellent or good</p>  <table border="1" data-bbox="227 871 714 1291"> <thead> <tr> <th>Year/Goal</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0%</td> </tr> <tr> <td>FY 2012</td> <td>0%</td> </tr> <tr> <td>FY 2013</td> <td>0%</td> </tr> <tr> <td>ST Goal</td> <td>90%</td> </tr> <tr> <td>LT Goal</td> <td>95%</td> </tr> <tr> <td>Benchmark</td> <td>100%</td> </tr> </tbody> </table> <p data-bbox="284 1239 665 1270"> ■ Pinehurst ◆ Benchmark </p>	Year/Goal	Percentage	FY 2011	0%	FY 2012	0%	FY 2013	0%	ST Goal	90%	LT Goal	95%	Benchmark	100%	<p data-bbox="982 892 1323 919">\$ received in an annual p-card rebate</p>  <table border="1" data-bbox="901 871 1396 1291"> <thead> <tr> <th>Year/Goal</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>6,500</td> </tr> <tr> <td>FY 2012</td> <td>10,500</td> </tr> <tr> <td>FY 2013</td> <td>10,800</td> </tr> <tr> <td>ST Goal</td> <td>12,000</td> </tr> <tr> <td>LT Goal</td> <td>14,000</td> </tr> </tbody> </table>	Year/Goal	Amount (\$)	FY 2011	6,500	FY 2012	10,500	FY 2013	10,800	ST Goal	12,000	LT Goal	14,000
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Year/Goal	Percentage																										
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Department Profile

The Director of Human Resources (HR) 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 and 150 volunteers
- Programs to enhance employee job satisfaction and a balanced family/work life
- A comprehensive benefits package that includes healthcare and retirement
- Education and services to promote a safe work environment.

Major Accomplishments for Fiscal Year 2012-2013

- Successfully completed the first Workforce and Volunteer Surveys
- Completed the annual TOPS training calendar and changed to a fiscal year schedule
- Collaborated with the Safety Committee to produce a new Village Safety Manual
- Reduced health insurance costs by over \$16,000 due to Wellness Committee Activities

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Maintaining a fair and competitive pay plan
- Effective benefits enrollment system

Initiatives

- Implement an automated employee benefits enrollment system
- Develop a Village-wide employee recognition program
- Perform a formal compensation study to review current practices, pay scales & position descriptions
- Develop and implement a customer service survey for all Internal Service departments



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 164,417	\$ 234,550	\$ 184,400	\$ 227,050	-3.2%
Operating	86,526	110,590	110,590	186,480	68.6%
Capital	13,800	2,010	2,010	10,225	408.7%
Expenditures Total	\$ 264,743	\$ 347,150	\$ 297,000	\$ 423,755	22.1%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 264,743	\$ 347,150	\$ 297,000	\$ 423,755	22.1%
Revenues Total	\$ 264,743	\$ 347,150	\$ 297,000	\$ 423,755	22.1%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	1.00	3.00	2.00	2.00	-33.3%
Part Time	0.50	-	0.50	0.50	100.0%
Total Authorized Personnel	1.50	3.00	2.50	2.50	0.0%

<u>Decreases</u>	<u>Increases</u>
<p>The fiscal year 2013 budget included the addition of one full-time administrative assistant position. However, due to the efficiencies gained by the implementation of the BIRDIE championed by the Administration department, the position was reduced to part-time.</p>	<p>During FY 2014, the state of North Carolina will require the Village to establish a reserve equaling 1 percent of unemployment insurance taxable wages. The Village has budgeted \$20,000 to cover additional unemployment expenditures expected from this change.</p> <p>The HR department will commission a compensation study to take place in FY 2014 which is anticipated to result in salary increases of various positions across the organization. The total cost of this initiative is budgeted at \$53,000.</p> <p>Capital includes the purchase of software to streamline benefits enrollment.</p>

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

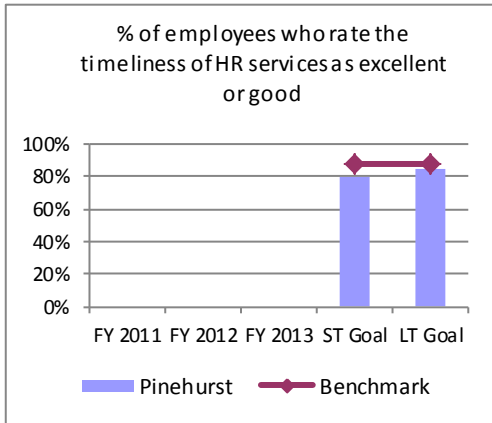


Department Dashboard

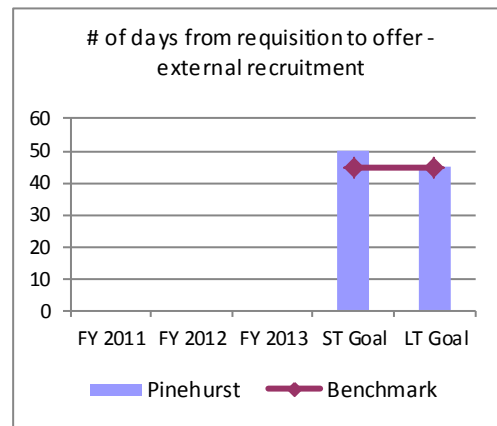
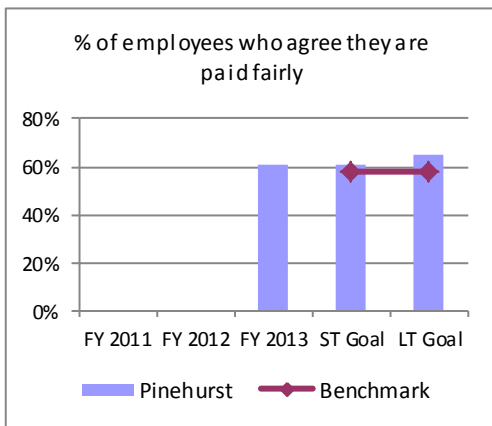
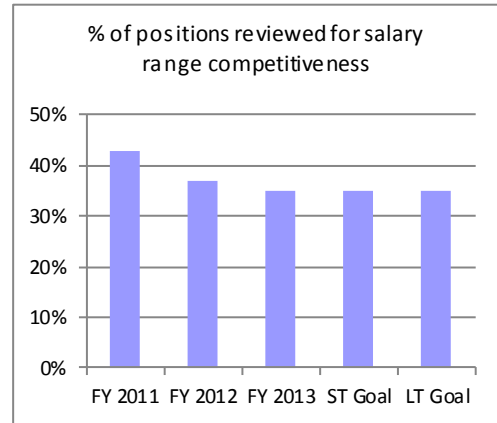
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
INTERNAL PERSPECTIVE				
Enhance Customer Service				
<ul style="list-style-type: none"> % of employees who rate the timeliness of HR services as excellent or good 	n/a	n/a	n/a	80.0%
EMPLOYEE PERSPECTIVE				
Increase Employee Engagement & Satisfaction				
<ul style="list-style-type: none"> % of employees who agree they are recognized for contributing to the VOP Mission 	n/a	n/a	67.0%	67.0%
<ul style="list-style-type: none"> # of lost time workers' compensation claims 	11	2	4	0
Recruit & Retain a Skilled & Diverse Workforce				
<ul style="list-style-type: none"> % of employees who agree they are paid fairly 	n/a	n/a	61.0%	61.0%
<ul style="list-style-type: none"> # of days to recruit from requisition to offer 	n/a	n/a	n/a	50
<ul style="list-style-type: none"> % of positions reviewed for salary range competitiveness 	43.0%	37.0%	35.0%	35.0%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
<ul style="list-style-type: none"> Ratio of HR staff per 100 employees 	1.14	1.55	1.92	1.89



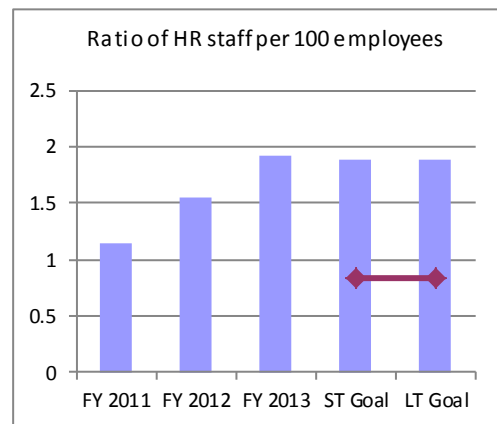
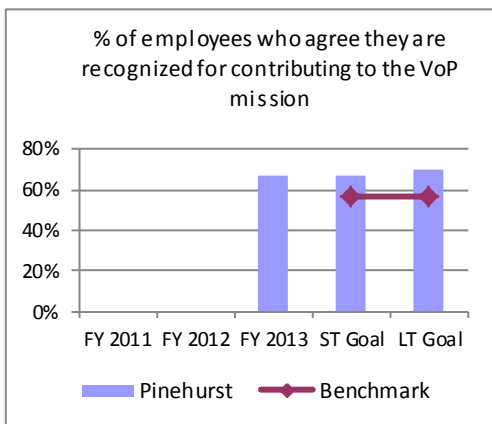
EFFECTIVENESS Measures



EFFECTIVENESS Measures (continued)



EFFICIENCY Measures





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 15,000 residents. Areas of responsibility include:

- Patrolling 3 response areas
- Dispatching approximately 1,000 routine and emergency police calls monthly
- Investigating and gathering evidence to solve crimes
- Promoting strong community engagement.

Major Accomplishments for Fiscal Year 2012-2013

- Received the Gold Standard award from Special Olympics NC for the 2012 campaign
- Recognized as an official Presidential Service Awards Volunteer Service Certifying Agency
- Developed a Village-wide Bicycle Patrol program
- Developed a Police and Volunteer Mounted Patrol Team
- Trained and equipped a Police Emergency Response Team (VIPER Team)

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Maintaining high quality of services and meeting customer expectations in a highly engaged community
- Limited revenue growth
- Recruit and retain workforce
- Adapting to a changing demographic
- Maintain existing levels of service due to increased pedestrian and vehicle traffic during the U.S. Open Championships

Initiatives

- Implement dual authentication requirements as required for the FBI Criminal Justice Informational Service (CJIS) System



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 1,893,721	\$ 1,925,275	\$ 1,867,100	\$ 1,988,130	3.3%
Operating	542,894	744,550	744,550	707,600	-5.0%
Capital	103,627	97,460	97,460	105,600	8.4%
Expenditures Total	\$ 2,540,242	\$ 2,767,285	\$ 2,709,110	\$ 2,801,330	1.2%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 2,535,965	\$ 2,759,785	\$ 2,706,110	\$ 2,798,330	1.4%
Parking Fines	90	-	-	-	0.0%
Miscellaneous Police Revenues	4,187	7,500	3,000	3,000	-60.0%
Revenues Total	\$ 2,540,242	\$ 2,767,285	\$ 2,709,110	\$ 2,801,330	1.2%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	29.00	28.00	28.00	28.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	29.00	28.00	28.00	28.00	0.0%

<u>Decreases</u>	<u>Increases</u>
<p>Due to budgetary constraints, funding for departmental supplies was reduced in line with historical levels.</p> <p>Officer fees are received from the State of North Carolina for the Village's share of fines and penalties derived from officer issued citations. Due to the unpredictable nature of this activity, a conservative approach is taken when estimating Officer Fees.</p>	<p>Salaries & Benefits reflect the impact of a projected 15% increase in health care premiums due to the Affordable Care Act as well as a 2% merit increase.</p> <p>Capital expenditures include the replacement of carpet at the Police Station.</p>

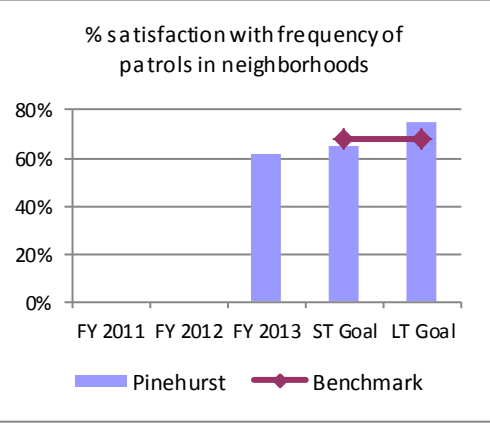
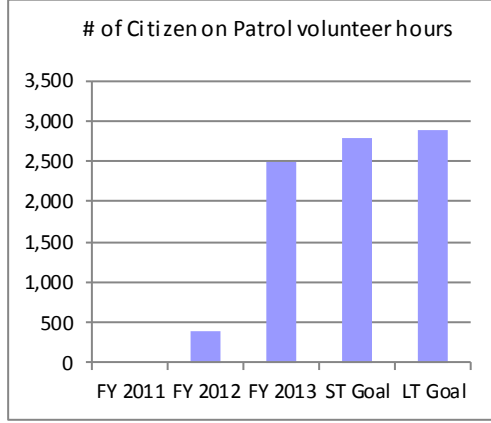
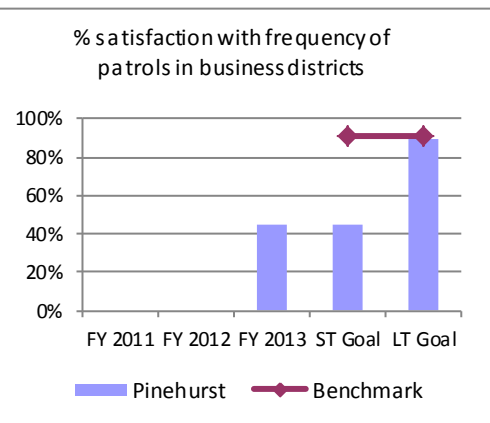
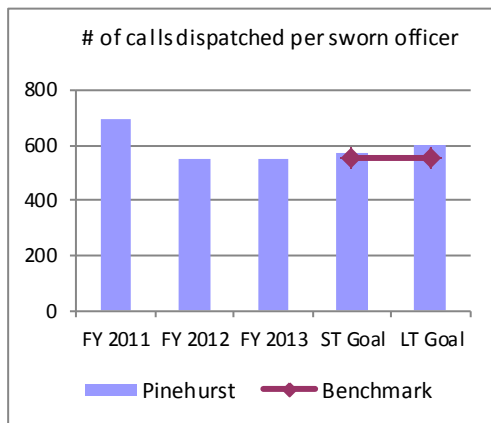
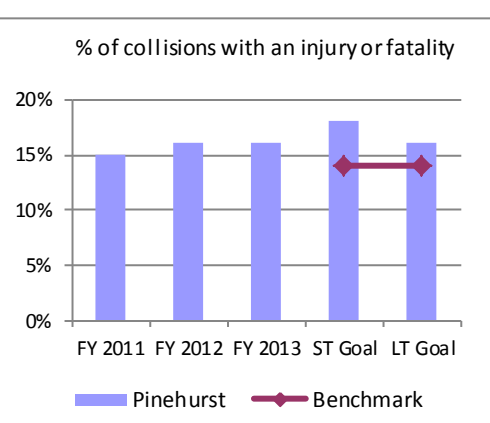
Additional information about the Police Department may be obtained by contacting Earl Phipps, Police Chief, at 910.295.3141 or ephipps@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Safeguard the Community				
• % satisfaction with frequency of patrols in neighborhoods	n/a	n/a	62.0%	65.0%
• % satisfaction with frequency of patrols in business districts	n/a	n/a	45.0%	45.0%
Provide Safe Traffic & Pedestrian Mobility				
• % of collisions with an injury or fatality	15.0%	16.0%	16.0%	18.0%
EMPLOYEE PERSPECTIVE				
Increase Volunteer Engagement				
• # of Citizen on Patrol volunteer hours	n/a	398	2,500	2,800
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• # of calls dispatched per sworn officer	691.0	550.5	550.5	570.0



EFFECTIVENESS Measures	OUTPUT Measures																																				
<p data-bbox="305 401 630 457">% satisfaction with frequency of patrols in neighborhoods</p>  <table border="1" data-bbox="227 378 714 798"><thead><tr><th>Year/Goal</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2011</td><td>0</td><td>0</td></tr><tr><td>FY 2012</td><td>0</td><td>0</td></tr><tr><td>FY 2013</td><td>62</td><td>62</td></tr><tr><td>ST Goal</td><td>68</td><td>68</td></tr><tr><td>LT Goal</td><td>75</td><td>75</td></tr></tbody></table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	0	0	FY 2012	0	0	FY 2013	62	62	ST Goal	68	68	LT Goal	75	75	<p data-bbox="979 394 1352 422"># of Citizen on Patrol volunteer hours</p>  <table border="1" data-bbox="901 378 1388 798"><thead><tr><th>Year/Goal</th><th>Pinehurst (Hours)</th></tr></thead><tbody><tr><td>FY 2011</td><td>0</td></tr><tr><td>FY 2012</td><td>400</td></tr><tr><td>FY 2013</td><td>2500</td></tr><tr><td>ST Goal</td><td>2800</td></tr><tr><td>LT Goal</td><td>2900</td></tr></tbody></table>	Year/Goal	Pinehurst (Hours)	FY 2011	0	FY 2012	400	FY 2013	2500	ST Goal	2800	LT Goal	2900						
Year/Goal	Pinehurst (%)	Benchmark (%)																																			
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<p data-bbox="305 926 630 982">% satisfaction with frequency of patrols in business districts</p>  <table border="1" data-bbox="227 903 714 1323"><thead><tr><th>Year/Goal</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2011</td><td>0</td><td>0</td></tr><tr><td>FY 2012</td><td>0</td><td>0</td></tr><tr><td>FY 2013</td><td>45</td><td>45</td></tr><tr><td>ST Goal</td><td>45</td><td>90</td></tr><tr><td>LT Goal</td><td>90</td><td>90</td></tr></tbody></table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	0	0	FY 2012	0	0	FY 2013	45	45	ST Goal	45	90	LT Goal	90	90	<p data-bbox="979 926 1352 953"># of calls dispatched per sworn officer</p>  <table border="1" data-bbox="901 903 1388 1323"><thead><tr><th>Year/Goal</th><th>Pinehurst</th><th>Benchmark</th></tr></thead><tbody><tr><td>FY 2011</td><td>700</td><td>700</td></tr><tr><td>FY 2012</td><td>550</td><td>550</td></tr><tr><td>FY 2013</td><td>550</td><td>550</td></tr><tr><td>ST Goal</td><td>550</td><td>550</td></tr><tr><td>LT Goal</td><td>600</td><td>600</td></tr></tbody></table>	Year/Goal	Pinehurst	Benchmark	FY 2011	700	700	FY 2012	550	550	FY 2013	550	550	ST Goal	550	550	LT Goal	600	600
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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 16,700, which includes the ETJ & Taylortown Fire District
- Educating the public to promote preparedness for all hazards
- Conducting fire inspection, suppression and rescue services
- Responding to approximately 1,000 incidents annually.

Major Accomplishments for Fiscal Year 2012-2013

- Coordinated effort to have the Village recognized as a StormReady Community
- Maintained Medium Duty Rescue provider certification
- Recognized for improved ISO rating of 4 that became effective 7/1/12
- Two employees received the NC Advanced Firefighter certificate
- Recognized three employees for Distinguished Service (30+ years of service)
- Recognized employee for receiving an Associate’s degree in Emergency Preparedness

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Reduce the number of fires per 1,000 population
- Improve satisfaction with how quickly fire personnel responds to emergencies

Initiatives

- Evaluate fire inspection processes and modify to ensure consistent inspections are delivered
- Install Opticom traffic device to improve response time and ensure safety of emergency personnel
- Utilize technology to obtain customer feedback on incident response and fire inspection services



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 1,862,979	\$ 1,948,650	\$ 1,915,800	\$ 2,028,800	4.1%
Operating	400,378	477,399	477,399	501,790	5.1%
Capital	38,031	605,050	55,050	586,125	-3.1%
Expenditures Total	\$ 2,301,388	\$ 3,031,099	\$ 2,448,249	\$ 3,116,715	2.8%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 2,075,427	\$ 2,799,099	\$ 2,216,249	\$ 2,890,715	3.3%
Fire Grants	764	-	-	-	0.0%
Fire District Revenue	213,197	220,000	220,000	212,000	-3.6%
Revenues Total	\$ 2,301,388	\$ 3,031,099	\$ 2,448,249	\$ 3,116,715	2.8%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	30.00	30.00	30.00	30.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	30.00	30.00	30.00	30.00	0.0%

<u>Decreases</u>	<u>Increases</u>
<p>The Information Technology department entered into a capital lease for data storage equipment in FY 2013. The first year lease cost was allocated to various departments. Details regarding the capital lease can be found in the Debt Service section of the budget.</p>	<p>There is an additional \$32,380 budgeted for overtime to provide fire and rescue services for the Men's and Women's U.S. Open in June 2014. Also contributing to the increase in Salaries & Benefits is a 2% merit increase.</p> <p>Operating expenditures include funding to improve the efficiency of the fire inspection process and for accreditation.</p> <p>Due to the widening of Highway 211, an Opticom system is being purchased which will enable fire and rescue vehicles to change the traffic light to green and promote a quicker and safer response to emergency calls.</p>

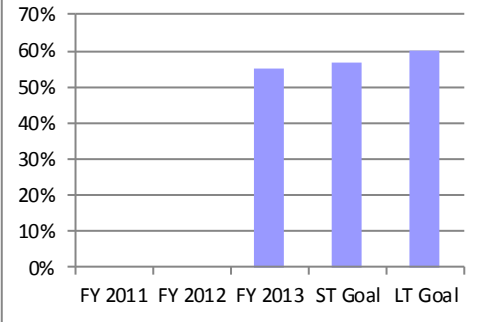
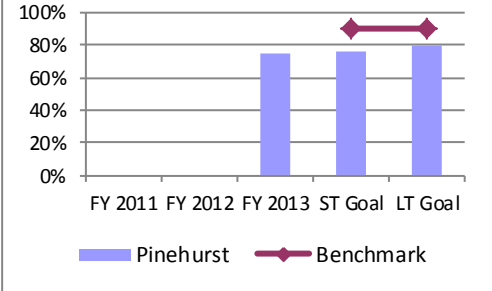
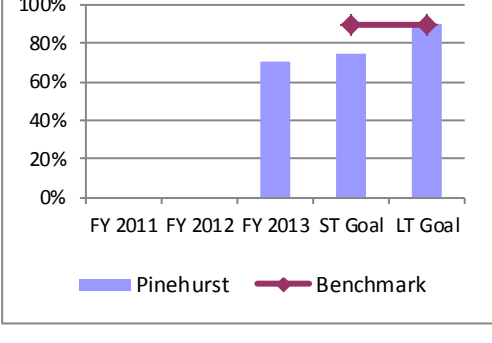
Additional information about the Fire Department may be obtained by contacting J. Carlton Cole, Fire Chief, at 910.295.5575 or jccole@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Safeguard the Community				
<ul style="list-style-type: none"> % of fire code violations corrected upon initial re-inspection after at least 30 days 	73.4%	88.0%	70.3%	80.0%
<ul style="list-style-type: none"> % of emergency calls with reaction time (dispatch to apparatus en-route) of 90 seconds or less 	n/a	n/a	70.0%	75.0%
<ul style="list-style-type: none"> % of emergency calls in the Village with response time of 6 minutes and 30 seconds or less for the first due apparatus 	n/a	n/a	75.0%	76.0%
INTERNAL PERSPECTIVE				
Enhance Customer Service				
<ul style="list-style-type: none"> % of businesses satisfied with fire prevention inspection services 	n/a	n/a	55.0%	57.0%
EMPLOYEE PERSPECTIVE				
Promote Learning & Leadership Development				
<ul style="list-style-type: none"> % of FD employees who complete advanced training programs of 30 or more hours per year 	n/a	n/a	16.0%	16.0%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
<ul style="list-style-type: none"> # of initial fire inspections completed per inspector per month 	2.3	2.0	1.9	2.0



EFFECTIVENESS Measures	EFFICIENCY Measures																																																		
<p data-bbox="224 380 711 453"># of initial fire inspections completed per inspector per month</p>  <table border="1" data-bbox="224 474 711 793"> <thead> <tr> <th>Year/Goal</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>2.3</td> </tr> <tr> <td>FY 2012</td> <td>2.0</td> </tr> <tr> <td>FY 2013</td> <td>1.9</td> </tr> <tr> <td>ST Goal</td> <td>2.0</td> </tr> <tr> <td>LT Goal</td> <td>2.0</td> </tr> </tbody> </table> <p data-bbox="224 873 711 947">% of business satisfied with fire prevention inspection services</p>  <table border="1" data-bbox="224 968 711 1287"> <thead> <tr> <th>Year/Goal</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0%</td> </tr> <tr> <td>FY 2012</td> <td>0%</td> </tr> <tr> <td>FY 2013</td> <td>55%</td> </tr> <tr> <td>ST Goal</td> <td>57%</td> </tr> <tr> <td>LT Goal</td> <td>60%</td> </tr> </tbody> </table>	Year/Goal	Value	FY 2011	2.3	FY 2012	2.0	FY 2013	1.9	ST Goal	2.0	LT Goal	2.0	Year/Goal	Value	FY 2011	0%	FY 2012	0%	FY 2013	55%	ST Goal	57%	LT Goal	60%	<p data-bbox="907 380 1395 453">% of fire code violations corrected upon initial re-inspection a after 30 days</p>  <table border="1" data-bbox="907 474 1395 793"> <thead> <tr> <th>Year/Goal</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>72%</td> </tr> <tr> <td>FY 2012</td> <td>88%</td> </tr> <tr> <td>FY 2013</td> <td>70%</td> </tr> <tr> <td>ST Goal</td> <td>80%</td> </tr> <tr> <td>LT Goal</td> <td>85%</td> </tr> </tbody> </table> <p data-bbox="907 873 1395 978">% of emergency calls with response time of 6 minutes and 30 seconds or less for first due apparatus</p>  <table border="1" data-bbox="907 999 1395 1287"> <thead> <tr> <th>Year/Goal</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0%</td> </tr> <tr> <td>FY 2012</td> <td>0%</td> </tr> <tr> <td>FY 2013</td> <td>75%</td> </tr> <tr> <td>ST Goal</td> <td>75%</td> </tr> <tr> <td>LT Goal</td> <td>80%</td> </tr> <tr> <td>Benchmark</td> <td>85%</td> </tr> </tbody> </table>	Year/Goal	Value	FY 2011	72%	FY 2012	88%	FY 2013	70%	ST Goal	80%	LT Goal	85%	Year/Goal	Value	FY 2011	0%	FY 2012	0%	FY 2013	75%	ST Goal	75%	LT Goal	80%	Benchmark	85%
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Department Profile

The Inspections Department is a division of the Planning Department and reports directly to the Director of Planning and Inspections. The Inspections Department includes two building inspectors. Inspections personnel both review and enforce compliance with the North Carolina and International Building Code. Responsibilities include:

- Performing, on average, 2,945 inspections annually
- Approving plans for approximately 205 residential and 5 commercial projects per year resulting in the issuance of 200 Certificates of Occupancy (CO)
- Issuing 150 invitations to building community for public education forum.

Major Accomplishments for Fiscal Year 2012-2013

- Inspected new Pinehurst Family Practice facility and 10-unit multi-family dwelling
- Completed inspections on commercial renovations that included: Pinehurst Resort Clubhouse, Deep Creek Baptist Church, Pathology Lab in Pinehurst South, Clark Chevrolet and Cadillac, and FirstHealth renovations in the Cancer Center, Emergency Department, Out Patient Care and Imaging Department
- Approved plans for Carolina Eye expansion and renovation consisting of a 12,649 square feet addition and 6,720 square feet of renovations
- Reviewed plans for and inspected Timmell Pavilion at the Arboretum

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Lack of technology in the field
- Need for automation of inspection reporting

Initiatives

- No ST initiatives funded in the FY 2014 budget



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 184,137	\$ 189,300	\$ 183,300	\$ 193,800	2.4%
Operating	27,545	32,565	32,565	32,800	0.7%
Capital	-	1,080	1,080	120	-88.9%
Expenditures Total	\$ 211,682	\$ 222,945	\$ 216,945	\$ 226,720	4.5%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Inspection Permit Revenue	\$ 211,682	\$ 222,945	\$ 216,945	\$ 226,720	1.7%
Revenues Total	\$ 211,682	\$ 222,945	\$ 216,945	\$ 226,720	1.7%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	2.00	2.00	2.00	2.00	0.0%

<u>Decreases</u>	<u>Increases</u>
The Information Technology department entered into a capital lease for data storage equipment in FY 2013. The first year lease cost was allocated to various departments. Details regarding the capital lease can be found in the Debt Service section of the budget.	Salaries & Benefits reflect the impact of a 2% merit increase. Inspection permit revenue is budgeted to increase as the number of new single family home permits is expected to increase from 72 to 85 in fiscal year 2014.

Additional information about the Inspections Department may be obtained by contacting Andrea Correll, Director of Planning and Inspections, at 910.295.2581 or acorrell@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Safeguard the Community				
• % of inspections that are compliant upon initial inspection	95.5%	95.0%	96.0%	97.0%
INTERNAL PERSPECTIVE				
Enhance Customer Service				
• % inspections completed within one business day	95.0%	99.6%	99.7%	99.0%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• Building inspections completed per inspector FTE per day	9.3	8.2	8.6	9.0
• Average cost per building inspection	\$50.10	\$55.20	\$52.70	\$51.00



EFFECTIVENESS Measures	EFFICIENCY Measures																																				
<p data-bbox="305 394 662 451">% of inspections that are compliant upon initial inspection</p> <table border="1" data-bbox="240 478 686 793"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>~95</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>~95</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>~95</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>~80</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>~80</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	~95	-	FY 2012	~95	-	FY 2013	~95	-	ST Goal	-	~80	LT Goal	-	~80	<p data-bbox="987 394 1344 451">Building inspections completed per inspector FTE per day</p> <table border="1" data-bbox="922 478 1369 793"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (inspections)</th> <th>Benchmark (inspections)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>~9.5</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>~8.0</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>~8.5</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>~9.0</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>~9.0</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (inspections)	Benchmark (inspections)	FY 2011	~9.5	-	FY 2012	~8.0	-	FY 2013	~8.5	-	ST Goal	-	~9.0	LT Goal	-	~9.0
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<p data-bbox="305 888 686 945">% of inspections completed within one business day</p> <table border="1" data-bbox="240 972 686 1287"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>~95</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>~99.5</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>~99.5</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>~97</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>~97</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	~95	-	FY 2012	~99.5	-	FY 2013	~99.5	-	ST Goal	-	~97	LT Goal	-	~97	<p data-bbox="987 888 1352 945">Estimated average cost per building inspection</p> <table border="1" data-bbox="922 972 1369 1287"> <thead> <tr> <th>Year/Goal</th> <th>Estimated Average Cost (\$)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>~\$50.0</td> </tr> <tr> <td>FY 2012</td> <td>~\$55.5</td> </tr> <tr> <td>FY 2013</td> <td>~\$52.5</td> </tr> <tr> <td>ST Goal</td> <td>~\$51.0</td> </tr> <tr> <td>LT Goal</td> <td>~\$47.5</td> </tr> </tbody> </table>	Year/Goal	Estimated Average Cost (\$)	FY 2011	~\$50.0	FY 2012	~\$55.5	FY 2013	~\$52.5	ST Goal	~\$51.0	LT Goal	~\$47.5						
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Department Profile

Public Services Administration (PS) 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 departments and 27 employees
- Meeting customer expectations for transportation, street and neighborhood maintenance and solid waste disposal.

Major Accomplishments for Fiscal Year 2012-2013

- Developed landscape plan to enhance overall appearance of the Village
- Designed 5 coloring/activity books with learning material to encourage/promote residential recycling
- See Department Profiles for Streets & Grounds and Solid Waste for other accomplishments

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Keep overall morale in the department high

Initiatives

- No ST initiatives funded in the FY 2014 budget



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 261,133	\$ 269,650	\$ 271,900	\$ 279,150	3.5%
Operating	69,059	85,600	85,600	90,140	5.3%
Capital	22,824	5,050	5,050	7,565	49.8%
Expenditures Total	\$ 353,016	\$ 360,300	\$ 362,550	\$ 376,855	4.6%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 353,016	\$ 360,300	\$ 362,550	\$ 376,855	4.6%
Revenues Total	\$ 353,016	\$ 360,300	\$ 362,550	\$ 376,855	4.6%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	3.00	3.00	3.00	3.00	0.0%

<u>Decreases</u>	<u>Increases</u>
There are no significant budget decreases in the FY 2014 budget.	<p>Salaries & Benefits reflect the impact of a 2% merit increase.</p> <p>Operating expenditures are increasing to support the 2014 Men's and Women's U.S. Open Championships which will occur in June.</p> <p>Capital expenditures reflect the replacement of carpet with tile in the Public Services building.</p>

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

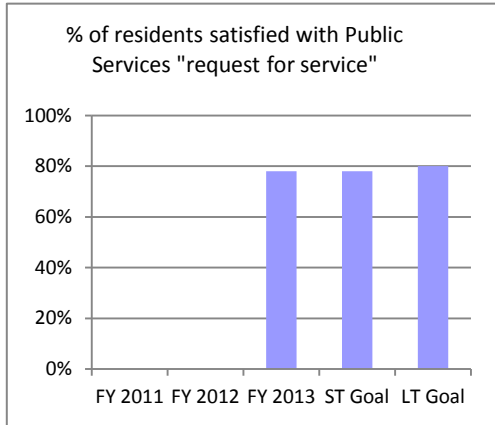


Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
INTERNAL PERSPECTIVE				
Enhance Customer Service				
<ul style="list-style-type: none">• % of residents satisfied with Public Services “request for service”	n/a	n/a	78.0%	78.0%



EFFECTIVENESS Measures





Department Profile

The Streets and Grounds (S&G) Division of the Public Services Department operates under the direction of the Director of Public Services. There are 15 members of the Streets and Grounds team, including an Infrastructure Superintendent. This department serves approximately 15,000 residents encompassing an area of 14.9 square miles. Responsibilities include:

- Maintaining over 106 miles of paved streets
- Maintaining directional, roadway and regulatory signs
- Assisting in removing 1,222 tons of debris annually
- Maintaining 13,578 linear feet of pedestrian walkways
- Maintaining/improving sidewalks and other public landscape areas
- Managing 105 right of way roadway lane miles (center miles).

Major Accomplishments for Fiscal Year 2012-2013

- Managed resurfacing of 3.6 miles of streets
- Completed construction of additional brick sidewalks on Chinquapin Road, Barrett Road, and Dogwood Road
- Managed 7 small drainage projects
- Oversaw installation of enhanced sign posts in the Village Center

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Higher maintenance requirements due to increased landscape areas
- Storm water management
- Aging infrastructure and associated maintenance requirements

Initiatives

- Enhance landscaping of highly visible public areas
- Partner with NCDOT to install sidewalks and decorative stoplights in conjunction with Hwy 211 widening



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 564,651	\$ 649,000	\$ 587,900	\$ 677,425	4.4%
Operating	446,023	443,230	443,230	597,360	34.8%
Capital	144,902	144,250	144,250	574,365	298.2%
Expenditures Total	\$ 1,155,576	\$ 1,236,480	\$ 1,175,380	\$ 1,849,150	49.5%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 1,145,576	\$ 1,227,480	\$ 1,165,380	\$ 1,839,150	49.8%
Street Cut Permit Revenues	10,000	9,000	10,000	10,000	11.1%
Revenues Total	\$ 1,155,576	\$ 1,236,480	\$ 1,175,380	\$ 1,849,150	49.5%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	15.00	15.00	15.00	15.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	15.00	15.00	15.00	15.00	0.0%

<u>Decreases</u>	<u>Increases</u>
There are no significant budget decreases in the FY 2014 budget.	<p>There is an additional \$8,500 budgeted for overtime to provide maintenance services for the Men’s and Women’s U.S. Open in June 2014. Also contributing to the increase in Salaries & Benefits is a 2% merit increase.</p> <p>The FY 2014 Operating budget includes approximately \$60,000 to support the U.S. Open Championships. The Village will make several public area enhancements that will include landscaping, irrigation and brick sidewalks.</p> <p>Capital includes \$300,000 of small drainage projects that were formerly budgeted in the Community Development department. There is also replacement of a mower and three vehicles. Fiscal year 2014 includes the replacement of a Vacuum Sweeper budgeted at \$150,000.</p>

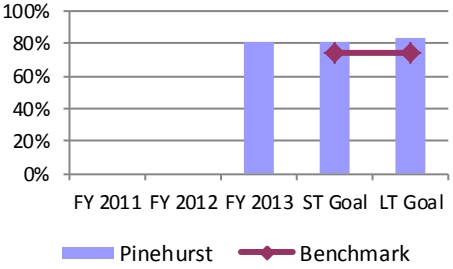
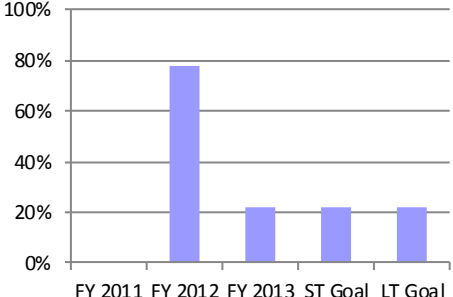
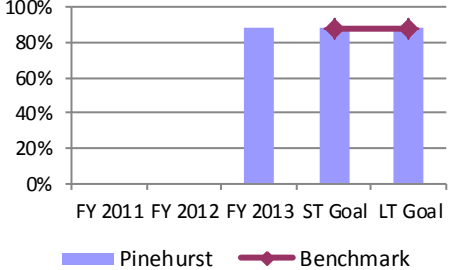
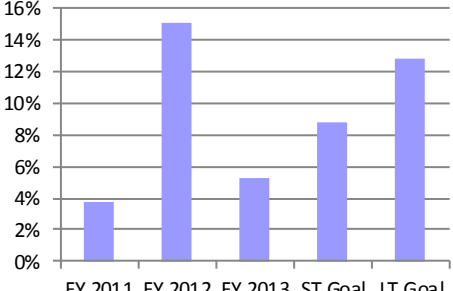
Additional information about Streets and Grounds Division may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or wmorgan@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Provide Safe Traffic & Pedestrian Mobility				
• % of regulatory signs inspected and/or replaced	n/a	78.0%	22.0%	22.0%
• % right of way roadway lane miles shoulders inspected and/or repaired	3.8%	15.1%	5.2%	8.8%
• % of residents satisfied with maintenance of street signs/pavement markings	n/a	n/a	81.0%	81.5%
• % of residents satisfied with maintenance of main Village street thoroughfares	n/a	n/a	88.0%	88.0%



EFFECTIVENESS Measures	OUTPUT Measures																														
<p data-bbox="300 394 682 478">% of residents satisfied with maintenance of street signs/pavement markings</p>  <table border="1" data-bbox="240 506 690 772"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>0</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>80</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>75</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>75</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	0	-	FY 2012	0	-	FY 2013	80	-	ST Goal	-	75	LT Goal	-	75	<p data-bbox="982 394 1364 451">% of regulatory signs inspected and/or replaced</p>  <table border="1" data-bbox="922 478 1372 772"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0</td> </tr> <tr> <td>FY 2012</td> <td>78</td> </tr> <tr> <td>FY 2013</td> <td>22</td> </tr> <tr> <td>ST Goal</td> <td>22</td> </tr> <tr> <td>LT Goal</td> <td>22</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	FY 2011	0	FY 2012	78	FY 2013	22	ST Goal	22	LT Goal	22
Year/Goal	Pinehurst (%)	Benchmark (%)																													
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Department Profile

The Powell Bill Department is managed by the Director of Public Services 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 15-20 year life cycle for Village maintained streets

Major Accomplishments for Fiscal Year 2012-2013

- Paved 3.6 miles of roads
- Installed cul-de-sac on McFarland Road

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Paving 4 to 5 miles with budget constraints
- Condition of aging infrastructure
- Street patching by Moore County Utilities
- Lack of existing stormwater management facilities

Initiatives

- Continue to enhance Village roadways with Annual Street Resurfacing Program



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ 1,049,934	\$ 852,500	\$ 761,281	\$ 801,800	-5.9%
Expenditures Total	\$ 1,049,934	\$ 852,500	\$ 761,281	\$ 801,800	-5.9%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 588,124	\$ 386,500	\$ 285,131	\$ 329,800	-14.7%
Powell Bill Revenue	461,810	466,000	476,150	472,000	1.3%
Revenues Total	\$ 1,049,934	\$ 852,500	\$ 761,281	\$ 801,800	-5.9%

<u>Decreases</u>	<u>Increases</u>
<p>\$60,000 in Contracted services has been moved from the Powell Bill budget to the Streets and Grounds budget to account for small drainage projects that are completed in preparation for resurfacing.</p> <p>Actual Powell Bill revenue from the State of North Carolina is expected to decrease by 0.3% from the FY 12-13 level as the State is projecting that the taxes on motor fuels and motor vehicle sales will decrease in fiscal year 2014.</p>	<p>There are no significant budget increases in the FY 2014 budget.</p>

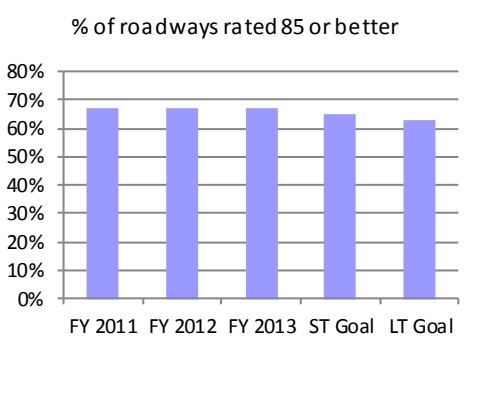
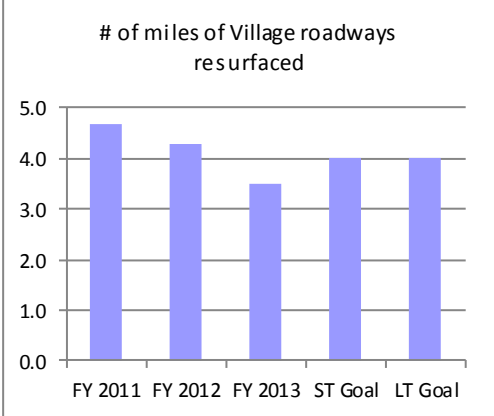
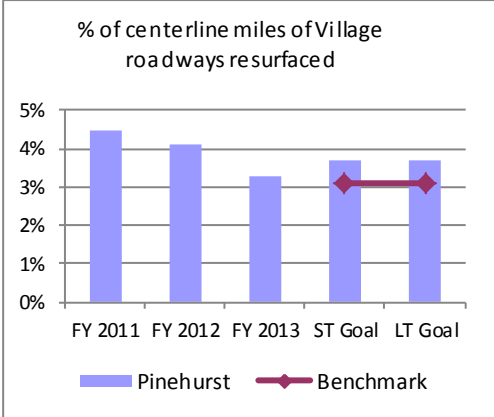
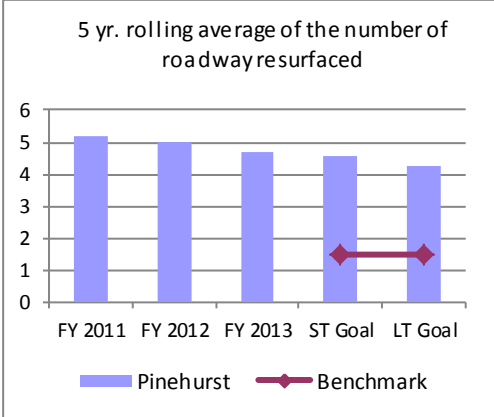
The Powell Bill department does not contain any staff. However, additional information about the Powell Bill Department may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or wmorgan@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Provide Safe Traffic & Pedestrian Mobility				
• # of miles of Village roadways resurfaced	4.7	4.3	3.5	4.0
• % of centerline miles of Village roadways resurfaced	4.5%	4.1%	3.3%	3.7%
• 5 yr. rolling average of the number of roadway resurfaced	5.2	5.0	4.7	4.6
FINANCIAL PERSPECTIVE				
Provide Value for Tax Dollars				
• % of roadways rated 85 or better	67.0%	67.0%	67.0%	65.0%



EFFECTIVENESS Measures	OUTPUT Measures																																																
<p data-bbox="293 394 626 422">% of roadways rated 85 or better</p>  <table border="1" data-bbox="228 380 712 793"><thead><tr><th>Year/Goal</th><th>% of roadways rated 85 or better</th></tr></thead><tbody><tr><td>FY 2011</td><td>68%</td></tr><tr><td>FY 2012</td><td>68%</td></tr><tr><td>FY 2013</td><td>68%</td></tr><tr><td>ST Goal</td><td>65%</td></tr><tr><td>LT Goal</td><td>63%</td></tr></tbody></table>	Year/Goal	% of roadways rated 85 or better	FY 2011	68%	FY 2012	68%	FY 2013	68%	ST Goal	65%	LT Goal	63%	<p data-bbox="1000 401 1300 457"># of miles of Village roadways resurfaced</p>  <table border="1" data-bbox="906 380 1396 793"><thead><tr><th>Year/Goal</th><th># of miles of Village roadways resurfaced</th></tr></thead><tbody><tr><td>FY 2011</td><td>4.7</td></tr><tr><td>FY 2012</td><td>4.3</td></tr><tr><td>FY 2013</td><td>3.5</td></tr><tr><td>ST Goal</td><td>4.0</td></tr><tr><td>LT Goal</td><td>4.0</td></tr></tbody></table> <p data-bbox="980 926 1287 982">% of centerline miles of Village roadways resurfaced</p>  <table border="1" data-bbox="906 909 1396 1323"><thead><tr><th>Year/Goal</th><th>% of centerline miles of Village roadways resurfaced</th></tr></thead><tbody><tr><td>FY 2011</td><td>4.5%</td></tr><tr><td>FY 2012</td><td>4.1%</td></tr><tr><td>FY 2013</td><td>3.3%</td></tr><tr><td>ST Goal</td><td>3.7%</td></tr><tr><td>LT Goal</td><td>3.7%</td></tr></tbody></table> <p data-bbox="980 1276 1333 1304">Pinehurst Benchmark</p> <p data-bbox="980 1419 1354 1476">5 yr. rolling average of the number of roadway resurfaced</p>  <table border="1" data-bbox="906 1402 1396 1816"><thead><tr><th>Year/Goal</th><th>5 yr. rolling average of the number of roadway resurfaced</th></tr></thead><tbody><tr><td>FY 2011</td><td>5.2</td></tr><tr><td>FY 2012</td><td>5.0</td></tr><tr><td>FY 2013</td><td>4.7</td></tr><tr><td>ST Goal</td><td>4.6</td></tr><tr><td>LT Goal</td><td>4.3</td></tr></tbody></table> <p data-bbox="980 1770 1333 1797">Pinehurst Benchmark</p>	Year/Goal	# of miles of Village roadways resurfaced	FY 2011	4.7	FY 2012	4.3	FY 2013	3.5	ST Goal	4.0	LT Goal	4.0	Year/Goal	% of centerline miles of Village roadways resurfaced	FY 2011	4.5%	FY 2012	4.1%	FY 2013	3.3%	ST Goal	3.7%	LT Goal	3.7%	Year/Goal	5 yr. rolling average of the number of roadway resurfaced	FY 2011	5.2	FY 2012	5.0	FY 2013	4.7	ST Goal	4.6	LT Goal	4.3
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Department Profile

The Solid Waste Division of the Public Services Department operates under the direction of the Director of Public Services. The Solid Waste Division consists of a nine member crew that provides residents with pickup of garbage, recycling and yard debris. This department serves approximately 7,839 households. Solid Waste functions include:

- Operating a community recycle yard
- Operating automated trash trucks, rear-load garbage trucks, and small garbage trucks (14 total) to collect trash
- Recycling approximately 156 tons of curbside refuse monthly
- Removing approximately 323 tons of curbside household refuse monthly
- Removing approximately 1,222 tons of yard debris annually.

Major Accomplishments for Fiscal Year 2012-2013

- Completed recycling and refuse cart deliveries for the automated arm collection system
- Increased number of tons recycled by approximately 4%

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Develop a more efficient work system to pick up and dispose of yard debris

Initiatives

- Evaluate yard debris collection processes for efficiency improvements



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 363,388	\$ 417,275	\$ 381,000	\$ 417,500	0.1%
Operating	872,814	829,745	829,745	861,400	3.8%
Capital	228,286	222,010	222,010	245,225	10.5%
Expenditures Total	\$ 1,464,488	\$ 1,469,030	\$ 1,432,755	\$ 1,524,125	3.8%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 1,464,488	\$ 1,469,030	\$ 1,432,755	\$ 1,524,125	3.8%
Revenues Total	\$ 1,464,488	\$ 1,469,030	\$ 1,432,755	\$ 1,524,125	3.8%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	9.00	9.00	9.00	9.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	9.00	9.00	9.00	9.00	0.0%

<u>Decreases</u>	<u>Increases</u>
<p>There are no significant budget decreases in the FY 2014 budget.</p>	<p>Almost half of the personnel in the Solid Waste department turned over in FY 2013. Based on less experience and fewer professional certifications, the new personnel were hired with lower salaries. Therefore, even though the fiscal year 2014 budget includes a 2% merit increase, it is mitigated by salaries lower than FY 2013.</p> <p>There are no individually significant items in operating expenditures.</p> <p>Capital expenditures include \$245,000 for the replacement and refurbishing of two 28-YD automated garbage trucks.</p>

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

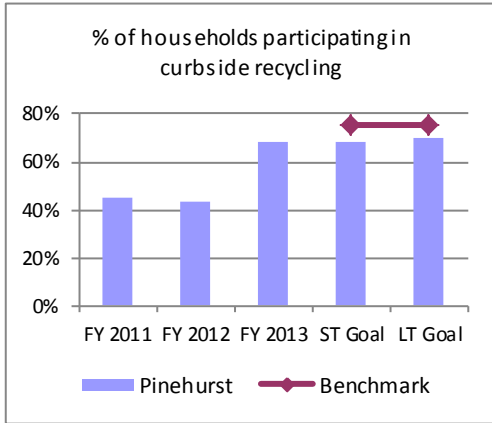


Department Dashboard

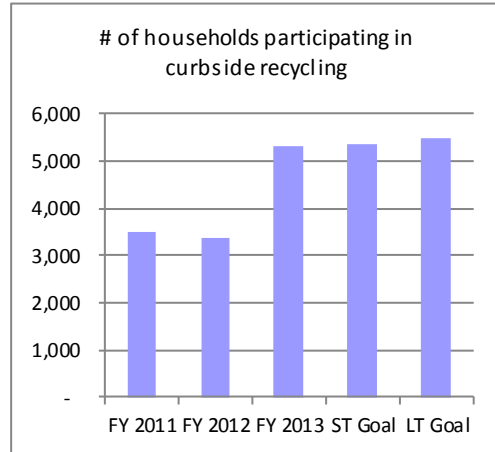
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Protect the Environment				
• # of households participating in curbside recycling	3,488	3,358	5,324	5,358
• % of households participating in curbside recycling	45.2%	43.2%	68.0%	68.0%
• # of tons recycled	1,733	1,807	1,882	1,890
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• Household refuse collection costs per household per year using Village staff	175.0	188.0	190.0	190.0
• Yard waste tons collected per FTE	400.3	390.0	395.0	395.0



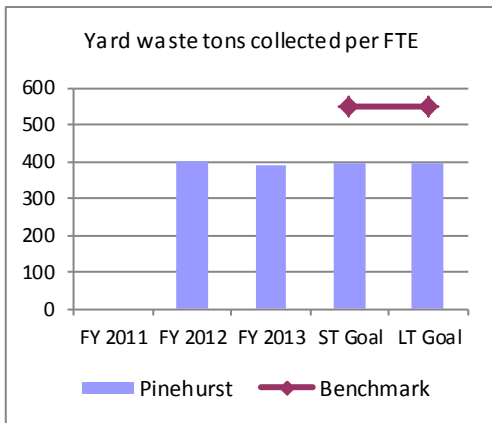
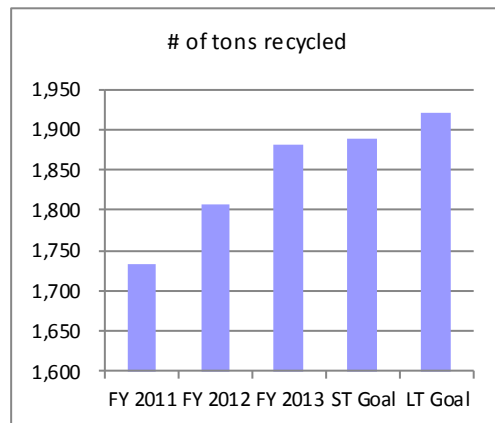
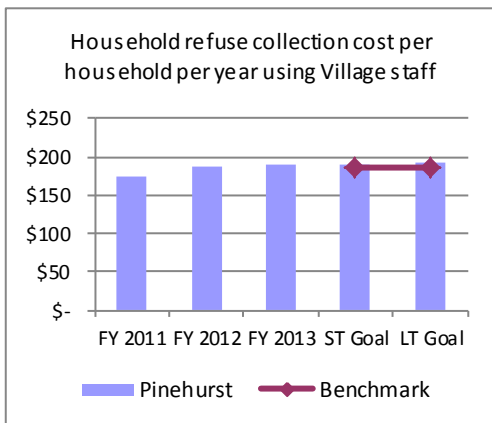
EFFECTIVENESS Measures



OUTPUT Measures



EFFICIENCY Measures





Department Profile

The Director of Planning and Inspections 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 205 residential projects for zoning compliance annually with a permit value of \$ 12,261,194
- Reviewing 16 commercial development plans on average in the Village and expansion areas each year
- Conducting approximately 45 code enforcement inspections monthly.

Major Accomplishments for Fiscal Year 2012-2013

- Staff approved 36 certificates of appropriateness, while the Historic Commission approved 47
- Staff and the Alternative Energy Committee implemented an educational solar project on the Rassie Wicker Park concession stand
- Held training session for the Community Appearance Commission
- Served on first BIRDIE team to review Customer Service reception consolidation
- Provided input and guidance on the rewrite of the Pinehurst Development Ordinance

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Ease of plan submittal and communication within the Technical Review Committee (TRC)
- Overlap of responsibilities with staff and Community Appearance Commission (CAC)
- Time and resources to collect code enforcement fines

Initiatives

- Automate the Technical Review Committee (TRC) review process



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 472,765	\$ 485,350	\$ 478,600	\$ 469,800	-3.2%
Operating	181,209	302,956	302,956	157,610	-48.0%
Capital	590	1,575	1,575	175	-88.9%
Expenditures Total	\$ 654,564	\$ 789,881	\$ 783,131	\$ 627,585	-20.5%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 615,862	\$ 752,881	\$ 746,131	\$ 575,585	-23.5%
Planning Permit Revenue	38,702	37,000	37,000	52,000	40.5%
Revenues Total	\$ 654,564	\$ 789,881	\$ 783,131	\$ 627,585	-20.5%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	6.00	6.00	6.00	6.00	0.0%
Part Time	0.50	0.50	-	-	-100.0%
Total Authorized Personnel	6.50	6.50	6.00	6.00	-7.7%

<u>Decreases</u>	<u>Increases</u>
<p>Using the BIRDIE process improvement methodology, the Planning & Inspections (P&I) reception area was consolidated with the Village Hall reception. As a result, Salaries & Benefits and Authorized Personnel reflect the move of the customer service representative from the P&I department to the Administration department.</p> <p>Professional service fees are reduced by \$125,000 in FY 2014 as the contract to rewrite the PDO was included in fiscal year 2013.</p>	<p>Planning Permit revenue is budgeted to increase as the number of new single family home permits is expected to increase from 72 to 85 in fiscal year 2014.</p>

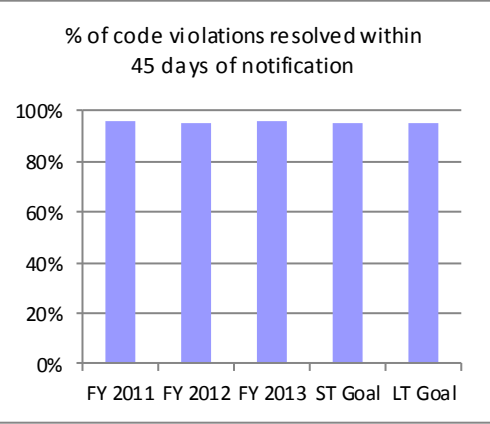
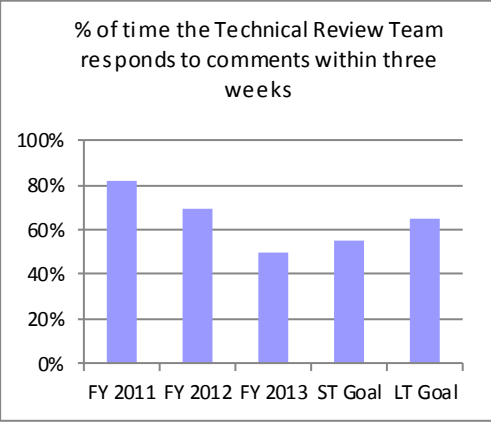
Additional information about the Planning Department may be obtained by contacting Andrea Correll, Director of Planning and Inspections, at 910.295.2581 or acorrell@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Preserve the Character & Ambience of the Village				
<ul style="list-style-type: none">% of code violations resolved within 45 days of notification	95.7%	95.0%	95.8%	95.0%
INTERNAL PERSPECTIVE				
Enhance Customer Service				
<ul style="list-style-type: none">% of time the TRC responds to comments within three weeks	81.8%	69.2%	50.0%	55.0%



EFFECTIVENESS Measures	EFFECTIVENESS Measures (continued)																								
<p data-bbox="289 401 649 457">% of code violations resolved within 45 days of notification</p>  <table border="1" data-bbox="227 378 714 798"><thead><tr><th>Year/Goal</th><th>Percentage</th></tr></thead><tbody><tr><td>FY 2011</td><td>95%</td></tr><tr><td>FY 2012</td><td>95%</td></tr><tr><td>FY 2013</td><td>95%</td></tr><tr><td>ST Goal</td><td>95%</td></tr><tr><td>LT Goal</td><td>95%</td></tr></tbody></table>	Year/Goal	Percentage	FY 2011	95%	FY 2012	95%	FY 2013	95%	ST Goal	95%	LT Goal	95%	<p data-bbox="982 394 1356 478">% of time the Technical Review Team responds to comments within three weeks</p>  <table border="1" data-bbox="909 378 1396 798"><thead><tr><th>Year/Goal</th><th>Percentage</th></tr></thead><tbody><tr><td>FY 2011</td><td>80%</td></tr><tr><td>FY 2012</td><td>68%</td></tr><tr><td>FY 2013</td><td>50%</td></tr><tr><td>ST Goal</td><td>55%</td></tr><tr><td>LT Goal</td><td>65%</td></tr></tbody></table>	Year/Goal	Percentage	FY 2011	80%	FY 2012	68%	FY 2013	50%	ST Goal	55%	LT Goal	65%
Year/Goal	Percentage																								
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Department Profile

The Community Development Department is managed by the Assistant Village Manager of Operations and the Assistant Village Manager of Finance and Administration. This department oversees economic development and downtown enhancement functions for the Village Center (VC). In addition, the department oversees community-wide infrastructure and provides technical engineering and professional services. Areas of focus include:

- Planning for development of the Village Center and surrounding areas, including infrastructure such as parking, sidewalks, and street lighting in the Village Center
- Business recruitment and retention
- Enhancing the landscaping and appearance of public spaces
- Providing pedestrian access to the Village Center.

Major Accomplishments for Fiscal Year 2012-2013

- Oversaw the construction of Tufts Memorial Park, expanded parking in the sand parking lot, and streetscape improvements in the Village Center
- Converted street signage in the Village Center to decorative signs
- Created an online Business Directory for all Village businesses
- Oversaw the design of gateway and wayfinding signage
- Began marketing and promoting the Village through a variety of means
- Began hosting Quarterly Merchant Meetings

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Available retail space for VC expansion
- Marketing and promoting the Village
- Maintaining communication and relationships with property owners
- Proactively recruiting businesses
- Ensuring adequate parking
- Providing adequate pedestrian facilities to access Village Center
- Provision of sufficient stormwater infrastructure
- Ensuring adequate landscaping and maintenance

Initiatives

- Provide online resources for existing and prospective businesses
- Create a mechanism to obtain and maintain business contact information
- Develop an alternative transportation master-plan to identify locations of greenways, sidewalks & bike paths
- Conduct a Village-wide evaluation of street lighting needs
- Institute a monthly e-blast to Village businesses
- Provide public restrooms in the VC
- Install gateway and wayfinding signage



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ 171,483	\$ 294,500	\$ 294,500	\$ 395,000	34.1%
Capital	292,296	1,190,000	1,349,500	285,000	-76.1%
Expenditures Total	\$ 463,779	\$ 1,484,500	\$ 1,644,000	\$ 680,000	-54.2%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 455,907	\$ 1,482,500	\$ 1,641,500	\$ 677,500	-54.3%
Engineering Fee Revenue	7,872	2,000	2,500	2,500	25.0%
Revenues Total	\$ 463,779	\$ 1,484,500	\$ 1,644,000	\$ 680,000	-54.2%

<u>Decreases</u>	<u>Increases</u>
Tufts Memorial Park and a sand parking lot in the Village Center were redesigned and constructed in fiscal year 2013. These two projects cost a total of \$850,000.	<p>Professional services for the development of a bike and pedestrian plan is budgeted in Operating expenditures for FY 2014.</p> <p>Capital includes \$30,000 to provide public restrooms and \$125,000 for wayfinding signs in downtown.</p>

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

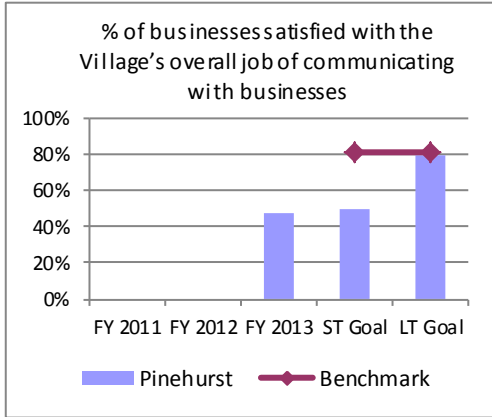


Department Dashboard

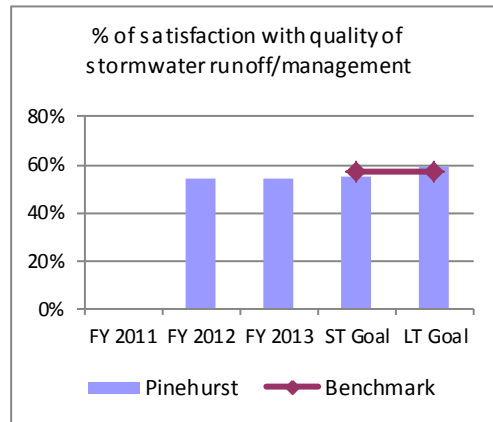
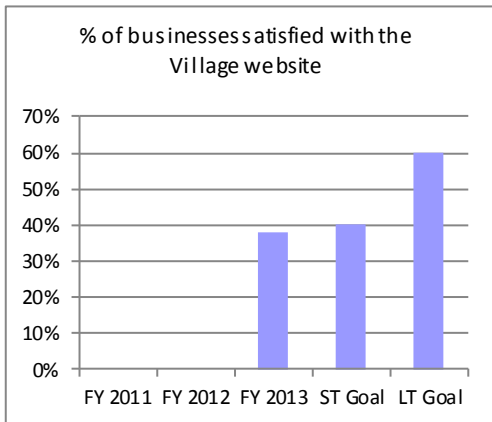
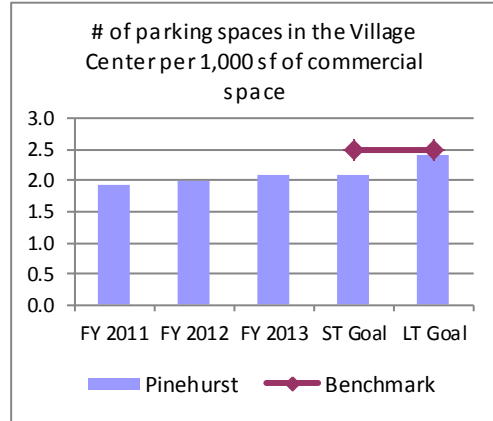
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Promote Economic Opportunity				
<ul style="list-style-type: none"> • % of businesses satisfied with the Village's overall job of communicating with businesses 	n/a	n/a	48.0%	50.0%
<ul style="list-style-type: none"> • % of residents satisfied with the availability of parking downtown 	n/a	n/a	56.0%	65.0%
<ul style="list-style-type: none"> • # of parking spaces in the Village Center per 1,000 sf of commercial space 	1.93	2.01	2.0	2.08
<ul style="list-style-type: none"> • # of unique visitors to online business resources 	n/a	n/a	250	500
<ul style="list-style-type: none"> • % businesses satisfied with the Village website 	n/a	n/a	38.0%	40.0%
Provide Safe Traffic & Pedestrian Mobility				
<ul style="list-style-type: none"> • % of satisfaction with adequacy of street lighting 	n/a	n/a	45.0%	45.0%
Protect the Environment				
<ul style="list-style-type: none"> • % of satisfaction with quality of stormwater runoff/management 	n/a	54.0%	54.0%	55.0%



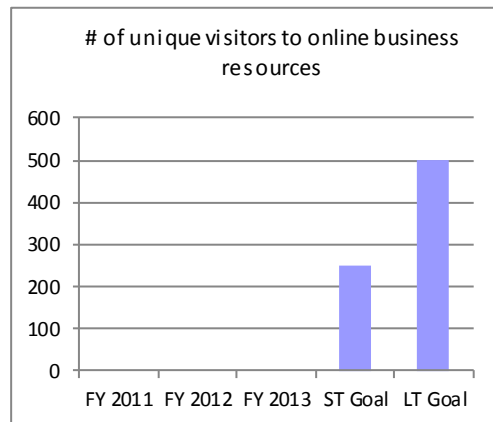
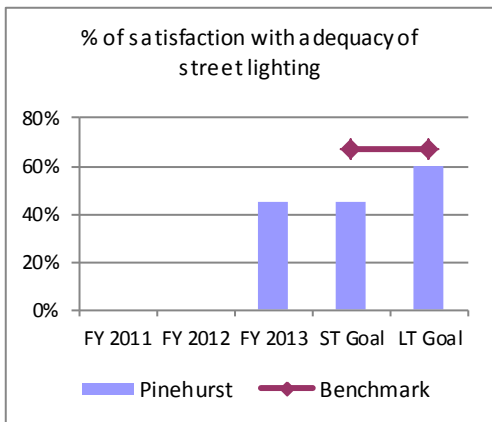
EFFECTIVENESS Measures



EFFECTIVENESS Measures (continued)



OUTPUT Measures





Department Profile

Recreation (P&R) 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 two Program Coordinators and one Event Planner 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 28 youth recreational programs annually serving approximately 2,420 participants
- Providing 19 adult recreational programs annually serving 865 participants
- Offering 39 cultural events each year attended by approximately 23,300 residents and visitors
- Insuring the adequacy of facilities and infrastructure to promote recreational activities.

Major Accomplishments for Fiscal Year 2012-2013

- Established new Military Child Appreciation Day with Kiwanis Club of the Sandhills
- Increased Youth Basketball Program by 3 teams (32 participants)
- Increased capacity for Full Day Camps by 10 participants weekly
- Secured temporary location for ½ Day Camp for the 2nd consecutive year
- Transitioned Events Coordinator from dual role of Event and Fair Barn Coordinator

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Available indoor space for programming is limited with no dedicated space for P&R use
- Limited athletic fields with high demand, leading to diminished quality of turf for spring/summer athletics
- Age, condition and availability of facilities owned by others (school, hospital) that P&R uses
- Lack of formal plan for bicycle and pedestrian access
- Lack of storage for events using Arboretum
- Marketing & promotion of available programs and events
- Working relationships with outside groups

Initiatives

- Identify and secure dedicated and adequate indoor space for adult and youth recreation programs



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 298,384	\$ 319,550	\$ 350,400	\$ 391,810	22.6%
Operating	623,619	604,564	604,564	700,260	15.8%
Capital	97,835	575,650	575,650	215,375	-62.6%
Expenditures Total	\$ 1,019,838	\$ 1,499,764	\$ 1,530,614	\$ 1,307,445	-12.8%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 928,053	\$ 1,406,364	\$ 1,433,714	\$ 1,213,945	-13.7%
Recreation Services	91,785	93,400	96,900	93,500	0.1%
Revenues Total	\$ 1,019,838	\$ 1,499,764	\$ 1,530,614	\$ 1,307,445	-12.8%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	3.00	3.00	4.00	4.00	33.3%
Part Time	2.00	2.00	2.00	2.00	0.0%
Total Authorized Personnel	5.00	5.00	6.00	6.00	0.0%

<u>Decreases</u>	<u>Increases</u>
<p>The capital plan for FY 2014 includes funds for greenway trail repair but expansion will be deferred until the Bike and Pedestrian master plan is completed. The Village included \$272,000 for greenway trail expansion in FY 2013 which was a carry forward from the previous fiscal year.</p>	<p>Salaries and Benefits reflect a 2% merit increase as well as the creation of a full-time Events Coordinator.</p> <p>\$50,000 is included in Operating expenditures to lease indoor space for recreation programs and \$25,000 is included for park maintenance contracted services.</p> <p>While overall capital expenditures are down, \$25,000 is budgeted to renovate the leased indoor space and \$135,000 is included for an Arboretum parking lot.</p>

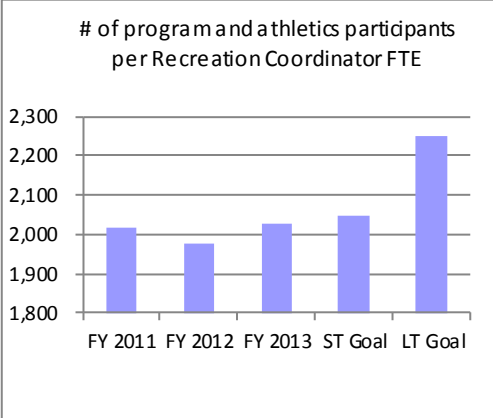
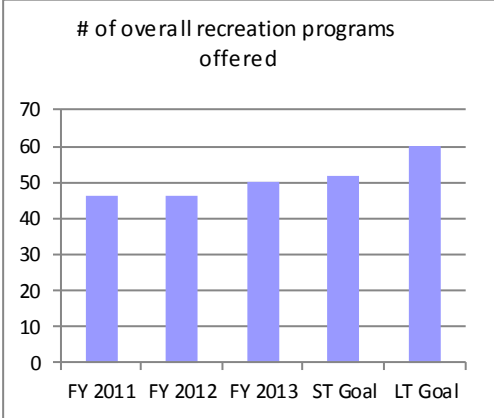
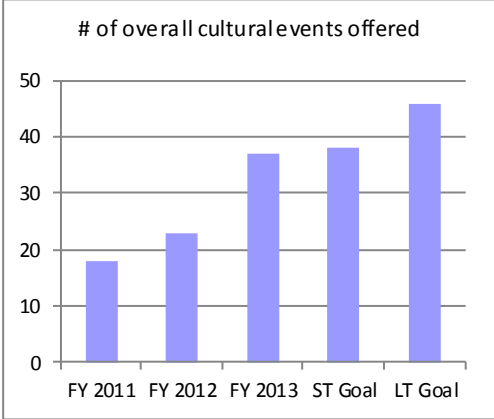
Additional information about the Recreation Division may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.2817 or mwagner@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Provide a Variety of Recreational and Cultural Opportunities				
• # of overall recreation programs offered	46	46	50	52
• # of overall cultural programs offered	18	23	37	38
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• # of program and athletics participants per Recreation Coordinator FTE	2,018	1,975	2,025	2,050



EFFECTIVENESS Measures	OUTPUT Measures																																				
<p data-bbox="300 394 678 449"># of program and athletics participants per Recreation Coordinator FTE</p>  <table border="1" data-bbox="224 378 714 793"><caption># of program and athletics participants per Recreation Coordinator FTE</caption><thead><tr><th>Year/Goal</th><th>Participants</th></tr></thead><tbody><tr><td>FY 2011</td><td>2,010</td></tr><tr><td>FY 2012</td><td>1,980</td></tr><tr><td>FY 2013</td><td>2,020</td></tr><tr><td>ST Goal</td><td>2,050</td></tr><tr><td>LT Goal</td><td>2,250</td></tr></tbody></table>	Year/Goal	Participants	FY 2011	2,010	FY 2012	1,980	FY 2013	2,020	ST Goal	2,050	LT Goal	2,250	<p data-bbox="979 394 1299 449"># of overall recreation programs offered</p>  <table border="1" data-bbox="906 378 1396 793"><caption># of overall recreation programs offered</caption><thead><tr><th>Year/Goal</th><th>Programs</th></tr></thead><tbody><tr><td>FY 2011</td><td>46</td></tr><tr><td>FY 2012</td><td>46</td></tr><tr><td>FY 2013</td><td>50</td></tr><tr><td>ST Goal</td><td>52</td></tr><tr><td>LT Goal</td><td>60</td></tr></tbody></table> <p data-bbox="979 888 1323 913"># of overall cultural events offered</p>  <table border="1" data-bbox="906 871 1396 1287"><caption># of overall cultural events offered</caption><thead><tr><th>Year/Goal</th><th>Events</th></tr></thead><tbody><tr><td>FY 2011</td><td>18</td></tr><tr><td>FY 2012</td><td>23</td></tr><tr><td>FY 2013</td><td>37</td></tr><tr><td>ST Goal</td><td>38</td></tr><tr><td>LT Goal</td><td>46</td></tr></tbody></table>	Year/Goal	Programs	FY 2011	46	FY 2012	46	FY 2013	50	ST Goal	52	LT Goal	60	Year/Goal	Events	FY 2011	18	FY 2012	23	FY 2013	37	ST Goal	38	LT Goal	46
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LT Goal	46																																				



Department Profile

The Library Department includes funds for contributions to the Given Memorial Library. The Given Memorial Library is a non-profit 501(c)3 that operates a public library and archives in the Village Center. The Village makes an annual contribution toward the operational costs of the library. In addition, starting FY 2012-2013, 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.

Major Accomplishments for Fiscal Year 2012-2013

- Increased contribution for operating costs from \$40,000 to \$60,000, a 50% increase
- Negotiated terms of contract to ensure security of contribution made to the Library capital expansion campaign

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Developing and recommending an annual budget that meets citizens’ needs and expectations within the confines of limited revenues

Initiatives

- Support the Given Memorial Library expansion and expand other cultural events sponsored by the Village



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ -	\$ 140,000	\$ 140,000	\$ 360,000	157.1%
Expenditures Total	\$ -	\$ 140,000	\$ 140,000	\$ 360,000	157.1%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ -	\$ 140,000	\$ 140,000	\$ 360,000	157.1%
Revenues Total	\$ -	\$ 140,000	\$ 140,000	\$ 360,000	157.1%

<u>Decreases</u>	<u>Increases</u>
There are no significant budget decreases in the FY 2014 budget.	<p>Operating expenditures include \$60,000 for annual operating costs and \$300,000 for a contribution to the library expansion campaign.</p> <p>The \$300,000 will be held by an escrow agent and distributed to Given Memorial Library in fiscal year 2016 if they have met their fund raising targets. If the targets are not met, then the funds will be returned to the Village.</p>

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



Department Profile

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

- Maintaining three sand or clay training tracks totaling 2.25 miles of track and 103 acres to host 25 special events annually
- Maintaining 17 barns with total stalls of 260
- Maintaining a Track Restaurant and Tack Shop
- Maximizing the use of the facility by the equine industry, residents and visitors to consistently generate \$250,000 in revenue annually.

Major Accomplishments for Fiscal Year 2012-2013

- Increased the number of shows by 4 due to the addition of new show rings
- Replaced a ¼ mile long by 10 feet wide section of the base on the 1 mile track
- Installed sewer for barns 1, 2, 3, 20, 18, 19, and the Clubhouse
- Installed water tap into Pinehurst Resort irrigation system to save on track watering costs
- Upgraded electrical service and rebuilt the bathroom at the maintenance shop

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Maintain a high level of service to our customers with staffing shortfalls
- Be able to stay ahead of clay replacement on tracks due to erosion
- Be able to continue with barn renovation projects given time constraints

Initiatives

- Complete HT stormwater improvement project



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 166,494	\$ 177,000	\$ 138,400	\$ 188,150	6.3%
Operating	270,971	313,684	313,684	336,120	7.2%
Capital	161,635	181,556	181,556	139,150	-23.4%
Expenditures Total	\$ 599,100	\$ 672,240	\$ 633,640	\$ 663,420	-1.3%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 350,133	\$ 401,725	\$ 396,125	\$ 425,905	6.0%
Harness Track Services	248,967	270,515	237,515	237,515	-12.2%
Revenues Total	\$ 599,100	\$ 672,240	\$ 633,640	\$ 663,420	-1.3%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	3.80	3.80	3.80	3.80	0.0%
Part Time	0.30	0.30	0.30	0.30	0.0%
Total Authorized Personnel	4.10	4.10	4.10	4.10	0.0%

<u>Decreases</u>	<u>Increases</u>
Due to an unexpected failure of the septic system at the HT, \$100,000 was spent to extend sewer lines to several barns in FY 2013.	<p>There is an additional \$5,000 budgeted for overtime to provide services for the Men's and Women's U.S. Open in June 2014. Also contributing to the increase in Salaries & Benefits is a 2% merit increase.</p> <p>The FY 2014 Operating budget also includes \$10,000 for contracted services to provide grounds maintenance.</p> <p>Capital includes \$64,000 for a surface water runoff project as well as barn roof replacements and structural improvements.</p>

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



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Provide a Variety of Recreational and Cultural Opportunities				
• % of capacity reached for stall rentals	97.0%	99.0%	86.0%	100%
• # of days the facilities are reserved	32	32	47	55
• % of customers satisfied with Harness Track facilities	n/a	n/a	n/a	70%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• Operating revenues as a percentage of operating expenditures	60.0%	57.0%	54.0%	53.0%



EFFECTIVENESS Measures	EFFICIENCY Measures																								
<p data-bbox="282 401 657 426">% of capacity reached for stall rentals</p> <table border="1"> <thead> <tr> <th>Year/Goal</th> <th>% of capacity reached</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>97%</td> </tr> <tr> <td>FY 2012</td> <td>99%</td> </tr> <tr> <td>FY 2013</td> <td>86%</td> </tr> <tr> <td>ST Goal</td> <td>100%</td> </tr> <tr> <td>LT Goal</td> <td>100%</td> </tr> </tbody> </table>	Year/Goal	% of capacity reached	FY 2011	97%	FY 2012	99%	FY 2013	86%	ST Goal	100%	LT Goal	100%	<p data-bbox="980 394 1365 451">Operating revenues as a percentage of operating expenditures</p> <table border="1"> <thead> <tr> <th>Year/Goal</th> <th>Operating revenues as a percentage of operating expenditures</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>60%</td> </tr> <tr> <td>FY 2012</td> <td>57%</td> </tr> <tr> <td>FY 2013</td> <td>53%</td> </tr> <tr> <td>ST Goal</td> <td>51%</td> </tr> <tr> <td>LT Goal</td> <td>58%</td> </tr> </tbody> </table>	Year/Goal	Operating revenues as a percentage of operating expenditures	FY 2011	60%	FY 2012	57%	FY 2013	53%	ST Goal	51%	LT Goal	58%
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<p data-bbox="293 1381 675 1438">% of customers satisfied with Harness Track facilities</p> <table border="1"> <thead> <tr> <th>Year/Goal</th> <th>% of customers satisfied</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>0%</td> </tr> <tr> <td>FY 2012</td> <td>0%</td> </tr> <tr> <td>FY 2013</td> <td>0%</td> </tr> <tr> <td>ST Goal</td> <td>70%</td> </tr> <tr> <td>LT Goal</td> <td>78%</td> </tr> </tbody> </table>	Year/Goal	% of customers satisfied	FY 2011	0%	FY 2012	0%	FY 2013	0%	ST Goal	70%	LT Goal	78%													
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Department Profile

The Fair Barn (FB) is a Division of the Parks and Recreation Department and reports to the Director of Parks & Recreation. The Fair Barn Department is comprised of the Fair Barn Coordinator, a part-time assistant, and several 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 \$150,000 in revenue
- Maintaining 6,400 square feet of rental space
- Promoting and managing the facility to maximize its use.

Major Accomplishments for Fiscal Year 2012-2013

- Expanded parking lot and added additional lighting
- Designed new Fair Barn website
- Hired a new Fair Barn Coordinator
- Booked Wells Fargo as a new Corporate client

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Success of marketing & promotion efforts
- Competition from private sector with more amenities such as lodging and in-house catering
- Booking weekday events due to lighting, room setup, and availability of private space
- Adequate staffing to cover events, day to day operations, set-up and breakdown for events
- Staff scheduling as primary usage is on weekends

Initiatives

- Enhance marketing of Fair Barn facility



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 78,218	\$ 106,700	\$ 103,000	\$ 110,000	3.1%
Operating	104,424	154,220	154,220	152,830	-0.9%
Capital	8,074	96,051	96,051	12,575	-86.9%
Expenditures Total	\$ 190,716	\$ 356,971	\$ 353,271	\$ 275,405	-22.8%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 29,776	\$ 222,971	\$ 204,271	\$ 122,405	-45.1%
Fair Barn Revenues	160,940	134,000	149,000	153,000	14.2%
Revenues Total	\$ 190,716	\$ 356,971	\$ 353,271	\$ 275,405	-22.8%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	0.80	0.80	0.80	0.80	0.0%
Total Authorized Personnel	1.80	1.80	1.80	1.80	0.0%

<u>Decreases</u>	<u>Increases</u>
A parking lot and lights were added at the Fair Barn in fiscal year 2013 resulting in a decrease in capital spending in FY 2014.	Salaries & Benefits include a 2% merit increase. Operating expenditures are consistent with prior year levels and Capital includes the purchase of new chairs.

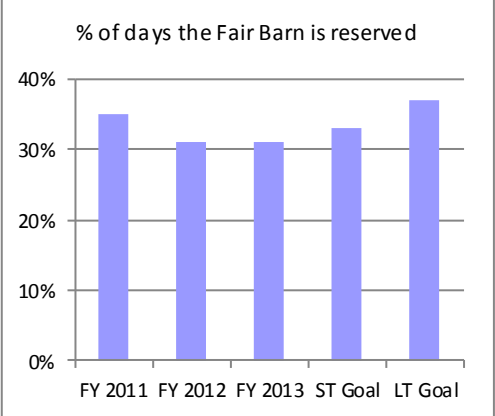
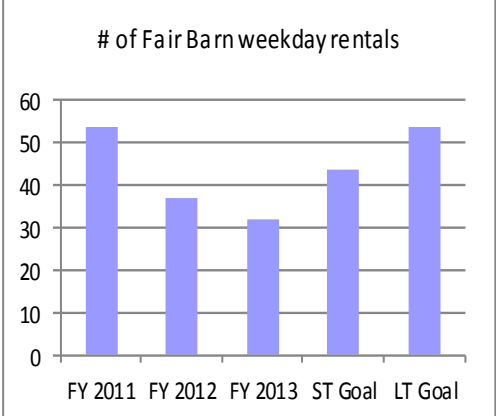
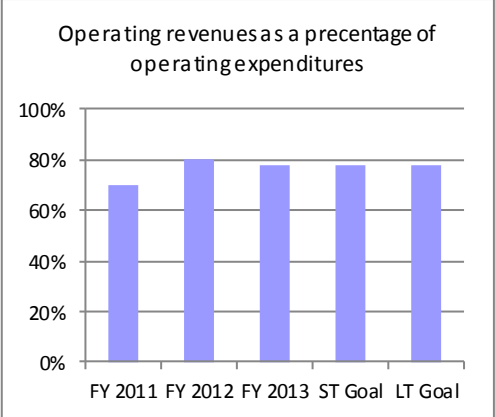
Additional information about the Fair Barn Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.2817 or mwagner@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Provide a Variety of Recreational and Cultural Opportunities				
• # of Fair Barn weekday rentals	54	37	32	44
• % of days the Fair Barn is reserved	35.0%	31.0%	31.0%	33.0%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• Operating revenues as a percentage of operating expenditures	70.0%	80.0%	78.0%	78.0%



EFFECTIVENESS Measures	OUTPUT Measures																								
<p data-bbox="297 401 638 426">% of days the Fair Barn is reserved</p>  <table border="1" data-bbox="224 380 716 793"><thead><tr><th>Year/Goal</th><th>Percentage</th></tr></thead><tbody><tr><td>FY 2011</td><td>35%</td></tr><tr><td>FY 2012</td><td>31%</td></tr><tr><td>FY 2013</td><td>31%</td></tr><tr><td>ST Goal</td><td>33%</td></tr><tr><td>LT Goal</td><td>37%</td></tr></tbody></table>	Year/Goal	Percentage	FY 2011	35%	FY 2012	31%	FY 2013	31%	ST Goal	33%	LT Goal	37%	<p data-bbox="997 407 1305 432"># of Fair Barn weekday rentals</p>  <table border="1" data-bbox="906 380 1398 793"><thead><tr><th>Year/Goal</th><th>Number of Rentals</th></tr></thead><tbody><tr><td>FY 2011</td><td>54</td></tr><tr><td>FY 2012</td><td>37</td></tr><tr><td>FY 2013</td><td>32</td></tr><tr><td>ST Goal</td><td>44</td></tr><tr><td>LT Goal</td><td>54</td></tr></tbody></table>	Year/Goal	Number of Rentals	FY 2011	54	FY 2012	37	FY 2013	32	ST Goal	44	LT Goal	54
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Department Profile

The Buildings & Grounds Division (B&G) operates under the direction of the Director of Parks and Recreation. B&G includes a Park Supervisor, 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. B&G services include:

- Maintaining 17 facilities used to carry out municipal activities totaling 69,200 square feet
- Maintaining 3 parks and recreation facilities totaling 185 acres
- Maintaining greenway trails totaling 6.8 linear miles
- Completing approximately 22 work orders monthly.

Major Accomplishments for Fiscal Year 2012-2013

- Upgraded fire alarm system for the Fair Barn and twenty plus buildings at the Harness Track
- Replaced roof on Cannon Park picnic shelter and re-landscaped the area around the parking lot
- Reconfigured P&R office space in the Village Hall to better suit the needs of the current staff and the relocation of a staff member from the Fair Barn office
- Completed another .5 miles of Greenway extending the Greenway from Chicken Plant Road to Pine Vista
- Conducted another controlled burn on approximately 12 acres in Rassie Wicker Park as part of the Forestry Management Plan to restore areas in the parks to the Longleaf Pine ecosystem

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Maintain quality of athletic fields due to high usage from private organizations running athletic leagues on Village facilities
- Adequate staffing for expanded facility maintenance including park facilities, public areas, and greenways
- Adequate equipment and tools to maintain facilities
- Formalized plan/schedule for turf and shrub maintenance in parks and public areas

Initiatives

- Enhance the quality of athletic fields



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 293,013	\$ 305,100	\$ 305,100	\$ 313,650	2.8%
Operating	433,088	462,356	462,356	477,820	3.3%
Capital	186,004	792,452	792,452	485,225	-38.8%
Expenditures Total	\$ 912,105	\$ 1,559,908	\$ 1,559,908	\$ 1,276,695	-18.2%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ 912,105	\$ 1,559,908	\$ 1,559,908	\$ 1,276,695	-18.2%
Revenues Total	\$ 912,105	\$ 1,559,908	\$ 1,559,908	\$ 1,276,695	-18.2%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	6.00	6.00	6.00	6.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	6.00	6.00	6.00	6.00	0.0%

<u>Decreases</u>	<u>Increases</u>
Detail to support the decrease in Capital expenditures can be found in individual department analysis of expenditure decreases.	<p>Operating expenditures include costs to maintain or improve the buildings and grounds used by the community and that provide a workplace for employees. See the individual departments for detail supporting increased in operating expenditures.</p> <p>The Capital items for this division include the costs for improvement to building and grounds that are purchased or made for the other departments. See the Capital Expenditures section for the detail by department.</p>

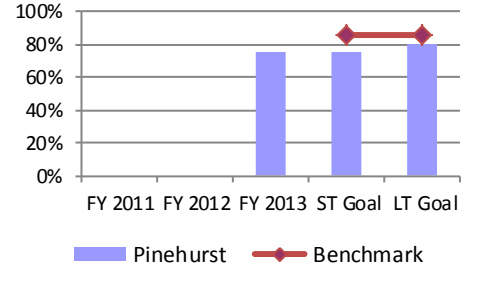
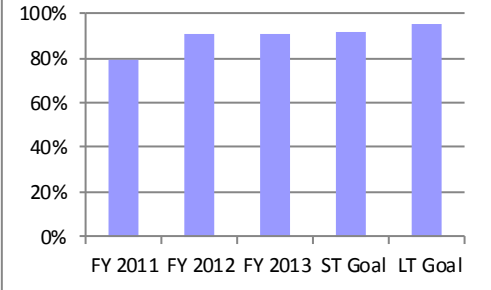
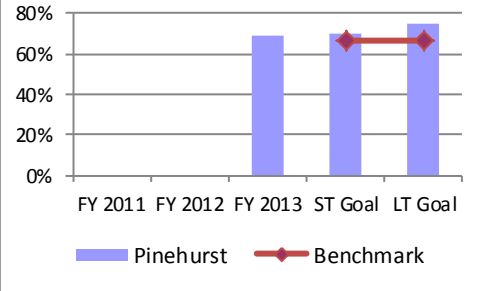
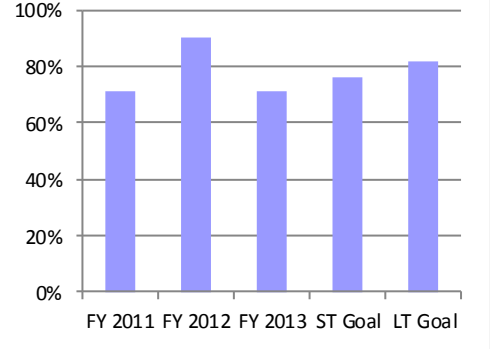
Additional information about the Building & Grounds Division may be obtained by contacting Mark Wagner, Director of Parks and Recreation, at 910.295.1900 or mwagner@vopnc.org.



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
CUSTOMER PERSPECTIVE				
Provide a Variety of Recreational and Cultural Opportunities				
<ul style="list-style-type: none"> % of residents satisfied with quality of outdoor athletic fields and facilities 	n/a	n/a	75.0%	76.0%
<ul style="list-style-type: none"> % of residents satisfied with availability of outdoor athletic fields and facilities 	n/a	n/a	69.0%	70.0%
INTERNAL PERSPECTIVE				
Enhance Customer Service				
<ul style="list-style-type: none"> % of facilities inspected quarterly 	71.0%	90.0%	71.0%	76.0%
<ul style="list-style-type: none"> % of requests closed within 14 days 	79.0%	91.0%	91.0%	92.0%



EFFECTIVENESS Measures	EFFECTIVENESS Measures (continued)																														
<p data-bbox="280 401 657 457">% of residents satisfied with quality of outdoor athletic fields and facilities</p>  <table border="1" data-bbox="227 478 714 766"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>75</td> <td>80</td> </tr> <tr> <td>ST Goal</td> <td>75</td> <td>80</td> </tr> <tr> <td>LT Goal</td> <td>80</td> <td>80</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	-	-	FY 2012	-	-	FY 2013	75	80	ST Goal	75	80	LT Goal	80	80	<p data-bbox="964 394 1328 478">% of requests responded to within 2 days OR % of requests closed within 14 days</p>  <table border="1" data-bbox="906 504 1393 791"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>80</td> </tr> <tr> <td>FY 2012</td> <td>90</td> </tr> <tr> <td>FY 2013</td> <td>90</td> </tr> <tr> <td>ST Goal</td> <td>90</td> </tr> <tr> <td>LT Goal</td> <td>95</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	FY 2011	80	FY 2012	90	FY 2013	90	ST Goal	90	LT Goal	95
Year/Goal	Pinehurst (%)	Benchmark (%)																													
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<p data-bbox="280 888 641 972">% of residents satisfied with availability of outdoor athletic fields and facilities</p>  <table border="1" data-bbox="227 997 714 1285"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>68</td> <td>70</td> </tr> <tr> <td>ST Goal</td> <td>68</td> <td>70</td> </tr> <tr> <td>LT Goal</td> <td>70</td> <td>70</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	-	-	FY 2012	-	-	FY 2013	68	70	ST Goal	68	70	LT Goal	70	70													
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<p data-bbox="280 1377 613 1409">% of facilities inspected quarterly</p>  <table border="1" data-bbox="227 1434 714 1780"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>72</td> </tr> <tr> <td>FY 2012</td> <td>90</td> </tr> <tr> <td>FY 2013</td> <td>72</td> </tr> <tr> <td>ST Goal</td> <td>78</td> </tr> <tr> <td>LT Goal</td> <td>82</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	FY 2011	72	FY 2012	90	FY 2013	72	ST Goal	78	LT Goal	82																			
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Department Profile

The Fleet Manager 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 Manager and two Mechanics 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 90 preventative maintenance (PM) services annually
- Completing approximately 15 work orders monthly.

Major Accomplishments for Fiscal Year 2012-2013

- Assisted with prototype street and stop signs
- Installed bulk oil tanks which is a cost savings of around \$3,000
- Improved safety by purchasing self-standing salt spreaders to eliminate need to load with a backhoe
- Installed new logo decals on all vehicles with the new vision mission statements
- Completed exchange and installation of all permanent license tags per new regulatory requirement of DMV

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- New technology coming out in vehicles that requires proprietary software to diagnose problems and properly maintain vehicles
- Need for technology training for new vehicles
- Maintaining capital replacement schedule with limited funds

Initiatives

- Evaluate the size of the Village’s fleet and update the Fleet Replacement Plan
- Effectively maintain current capital assets



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 213,960	\$ 223,050	\$ 223,050	\$ 228,800	2.6%
Operating	445,585	413,740	413,740	416,770	0.7%
Capital	540,347	1,077,340	527,340	1,189,150	10.4%
Expenditures Total	\$ 1,199,892	\$ 1,714,130	\$ 1,164,130	\$ 1,834,720	7.0%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 1,199,892	\$ 1,714,130	\$ 1,164,130	\$ 1,834,720	7.0%
Revenues Total	\$ 1,199,892	\$ 1,714,130	\$ 1,164,130	\$ 1,834,720	7.0%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	3.00	3.00	3.00	3.00	0.0%

<u>Decreases</u>	<u>Increases</u>
There are no significant budget decreases in the FY 2014 budget.	<p>The Fleet Maintenance budget includes vehicle and equipment repairs and maintenance expenditures of \$171,870 and fuel expenditures of \$244,900.</p> <p>The Capital items for this department include the vehicles and equipment to be purchased for all departments. See the Capital Expenditures section for the detail by department.</p>

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



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
INTERNAL PERSPECTIVE				
Enhance Customer Service				
• % of PMs performed on time	63.0%	94.0%	88.0%	90.0%
• % of work orders completed within two days of receipt	69.0%	57.0%	55.0%	60.0%
• Average % of rolling stock available	97.0%	88.0%	89.0%	99.0%
FINANCIAL PERSPECTIVE				
Manage Operating Costs				
• # of PMs completed per FTE per month	5	9	8	8



EFFECTIVENESS Measures	OUTPUT Measures																																				
<p data-bbox="300 394 673 424">Average % of rolling stock available</p> <table border="1"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>97</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>88</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>89</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>96</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>96</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	97	-	FY 2012	88	-	FY 2013	89	-	ST Goal	-	96	LT Goal	-	96	<p data-bbox="993 401 1307 430">% of PMs performed on time</p> <table border="1"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>63</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>94</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>89</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>88</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>88</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	63	-	FY 2012	94	-	FY 2013	89	-	ST Goal	-	88	LT Goal	-	88
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<p data-bbox="310 842 630 871">EFFICIENCY Measures</p> <p data-bbox="295 928 618 982"># of PMs completed per FTE per month</p> <table border="1"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>5</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>9</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>8</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>17</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>17</td> </tr> </tbody> </table>	Year/Goal	Pinehurst	Benchmark	FY 2011	5	-	FY 2012	9	-	FY 2013	8	-	ST Goal	-	17	LT Goal	-	17	<p data-bbox="979 928 1333 982">% of work orders completed within two days of receipt</p> <table border="1"> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>68</td> <td>-</td> </tr> <tr> <td>FY 2012</td> <td>58</td> <td>-</td> </tr> <tr> <td>FY 2013</td> <td>55</td> <td>-</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>82</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>82</td> </tr> </tbody> </table>	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2011	68	-	FY 2012	58	-	FY 2013	55	-	ST Goal	-	82	LT Goal	-	82
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Department Profile

The Director of Information Technology (IT) reports directly to the Assistant Village Manager of Finance and Administration and is a member of the senior leadership team. In addition to the Director, the Information Technology Department includes a Network Administrator, Systems Administrator 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
- Managing a network infrastructure that has over 320 devices that includes computers, servers, printers and other technology equipment
- Completing approximately 155 work orders monthly.

Major Accomplishments for Fiscal Year 2012-2013

- Managed renovation of Assembly Hall Audio Visual system
- Implemented Storage Area Network
- Redesigned the Village website as well as the Fair Barn, and Harness Track
- Migrated to Microsoft Windows Server 2012 on cluster virtualization
- Upgraded Public Services Radio system to narrow banding

Strategic Operating Plan For Fiscal Year 2013-2014

Challenges

- Project Management – Put initiatives through a process
- Capacity to support departmental initiatives due to workload
- Improve skills and ability to support and maintain SharePoint
- Inadequate IT HelpDesk software
- Adequately and timely communicating IT changes to employees
- Cross-training and training IT staff
- Managing and sharing data within the Village
- Documenting processes and best practices

Initiatives

- Centralize data access and promote business process analysis by maintaining, supporting, and utilizing SharePoint more effectively
- Continue the orderly replacement of technology assets, per the Village's IT Replacement Plan



Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Salaries & Benefits	\$ 328,521	\$ 342,950	\$ 342,950	\$ 422,800	23.3%
Operating	333,227	412,136	412,136	384,500	-6.7%
Capital	42,844	137,000	137,000	26,000	-81.0%
Expenditures Total	\$ 704,592	\$ 892,086	\$ 892,086	\$ 833,300	-6.6%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Charges for Services - IT	\$ 704,592	\$ 892,086	\$ 892,086	\$ 833,300	-6.6%
Revenues Total	\$ 704,592	\$ 892,086	\$ 892,086	\$ 833,300	-6.6%

Authorized Personnel	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Full Time	3.00	4.00	4.00	4.00	0.0%
Part Time	0.50	-	-	0.75	0.0%
Total Authorized Personnel	3.50	4.00	4.00	4.75	18.8%

<u>Decreases</u>	<u>Increases</u>
Detail to support the decrease in Capital expenditures can be found in individual department analysis of expenditure decreases.	<p>The Information Technology department will be adding a full-time business analyst to focus on developing and maintaining various business applications. This position increases staff by .75 FTE as the position was formerly part-time.</p> <p>The Information Technology department Operating expenditures include costs to maintain and upgrade the Village's hardware, software and network infrastructure as well as the costs for telecommunication services and equipment maintenance.</p> <p>The Capital items for this department include software and equipment to be purchased for all departments. See the Capital Expenditures section for the detail by department.</p>

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



Department Dashboard

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimated	FY 2013-14 Goal
INTERNAL PERSPECTIVE				
Enhance Customer Service				
• % of help desk tickets closed within 2 days	91.1%	81.9%	81.5%	90.0%
• Average # of days to close help desk tickets	0.9	1.1	1.1	1.1
Leverage Technology to Continuously Improve Processes				
• % of failed transactions for critical Intranet/SharePoint applications	n/a	n/a	n/a	<20
FINANCIAL PERSPECTIVE				
Invest in Capital				
• % of computers and servers that are 5 years old or less	89.2%	91.3%	93.0%	95.0%
Manage Operating Costs				
• # of work orders completed per FTE per month	38	30	35	35



EFFECTIVENESS Measures	EFFICIENCY Measures																								
<p data-bbox="297 384 643 443">% of helpdesk tickets closed within two days</p>  <table border="1" data-bbox="228 470 688 772"><thead><tr><th>Year/Goal</th><th>Percentage</th></tr></thead><tbody><tr><td>FY 2011</td><td>91%</td></tr><tr><td>FY 2012</td><td>82%</td></tr><tr><td>FY 2013</td><td>82%</td></tr><tr><td>ST Goal</td><td>90%</td></tr><tr><td>LT Goal</td><td>95%</td></tr></tbody></table>	Year/Goal	Percentage	FY 2011	91%	FY 2012	82%	FY 2013	82%	ST Goal	90%	LT Goal	95%	<p data-bbox="979 384 1325 443"># of work orders completed per FTE per month</p>  <table border="1" data-bbox="911 470 1370 772"><thead><tr><th>Year/Goal</th><th>Count</th></tr></thead><tbody><tr><td>FY 2011</td><td>38</td></tr><tr><td>FY 2012</td><td>30</td></tr><tr><td>FY 2013</td><td>35</td></tr><tr><td>ST Goal</td><td>35</td></tr><tr><td>LT Goal</td><td>30</td></tr></tbody></table>	Year/Goal	Count	FY 2011	38	FY 2012	30	FY 2013	35	ST Goal	35	LT Goal	30
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<p data-bbox="289 877 643 936">Average # of days to close helpdesk tickets</p>  <table border="1" data-bbox="228 963 688 1266"><thead><tr><th>Year/Goal</th><th>Average # of days</th></tr></thead><tbody><tr><td>FY 2011</td><td>0.85</td></tr><tr><td>FY 2012</td><td>1.1</td></tr><tr><td>FY 2013</td><td>1.1</td></tr><tr><td>ST Goal</td><td>1.1</td></tr><tr><td>LT Goal</td><td>1.1</td></tr></tbody></table>	Year/Goal	Average # of days	FY 2011	0.85	FY 2012	1.1	FY 2013	1.1	ST Goal	1.1	LT Goal	1.1													
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Department Profile

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2013-2014 Budget. This item 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 0.3% of the total General Fund budget.

Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
Expenditures Total	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	0.0%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
Revenues Total	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	0.0%

<u>Decreases</u>	<u>Increases</u>
There are no significant budget decreases in the FY 2014 budget.	The Contingency budget that is not allocated to any department totals \$50,000, which is the same as fiscal year 2013.

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



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 Policy. For complete information on anticipated debt, please refer to the *Capital Expenditures* section.

The total amount of debt outstanding at June 30, 2013 will be \$2,091,697. This is a relatively small amount of direct debt compared to our taxable property of \$3,410,000,000. All of the Village's debt is in the form of installment purchase agreements.

In fiscal year 2013-2014 the Village intends to secure new debt of \$550,000 for the purchase of a new fire truck. In the five-year planning period the SAN Lease and Fire Truck 924 debt will be paid off. Additional information regarding the impact of these debt issuances and retirements is contained in the *Capital Expenditures* section of this document.

The Village's credit rating was increased from 85 to 86 in September of 2012 by the North Carolina Municipal Council, which is equivalent to a rating of Aa/AA by the national rating agencies. 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.

Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Principal	\$ 748,878	\$ 457,306	\$ 478,239	\$ 381,017	-16.7%
Interest	116,592	91,318	91,318	87,203	-4.5%
Expenditures Total	\$ 865,470	\$ 548,624	\$ 569,557	\$ 468,220	-14.7%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ 865,470	\$ 548,624	\$ 569,557	\$ 468,220	-14.7%
Revenues Total	\$ 865,470	\$ 548,624	\$ 569,557	\$ 468,220	-14.7%

<u>Decreases</u>	<u>Increases</u>
The final debt payment for the Police Station was made in fiscal year 2013.	New debt of \$550,000 for Fire Truck 914 will be obtained in FY 2014.

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



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				
	2013-14	2014-15	2015-16	2016-17	2017-18
INSTALLMENT PURCHASE AGREEMENTS					
Capital Lease SAN Storage; due in 3 annual payments of \$20,932 beginning on 01/14/13; final payment due on 01/14/15; interest at 5.5%; title passes to the Village at the end of the lease term.	\$ 20,932	\$ 20,847	\$ -	\$ -	\$ -
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.	\$ 84,074	\$ 84,074	\$ 84,074	\$ 41,999	\$ -
Firetruck - Unit 914 \$550,000; due in 14 semi-annual payments of \$82,143 beginning on 1/1/14; final payment due on 7/1/21; interest @ 3.5%; collateralized by firetruck.	\$ 48,086	\$ 99,229	\$ 96,600	\$ 93,972	\$ 91,343
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.	205,368	199,634	193,900	188,167	182,434
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 bldg; final payment due on 3/11/22.	70,125	67,825	65,525	63,225	60,925
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 4/15/18.	39,635	38,308	36,981	35,655	34,328
DEBT SERVICE TOTAL	\$ 468,220	\$ 509,917	\$ 477,080	\$ 423,018	\$ 369,030



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 2014		FY 2015		FY 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
San Lease	\$ 18,811	\$ 2,121	\$ 19,760	\$ 1,087	\$ -	\$ -
Fire Station	166,668	38,700	166,667	32,967	166,667	27,233
Firetruck 914	39,286	8,800	82,143	17,086	82,143	14,457
Firetruck - 924	72,919	11,155	76,187	7,887	79,599	4,475
Fair Barn	50,000	20,125	50,000	17,825	50,000	15,525
67.04 Acres	33,333	6,302	\$ 33,333	\$ 4,975	\$ 33,333	\$ 3,648
Totals	\$ 381,017	\$ 87,203	\$ 428,090	\$ 81,827	\$ 411,742	\$ 65,338

Project	FY 2017		FY 2018-2022		FY 2023-2027	
	Principal	Interest	Principal	Interest	Principal	Interest
Fire Station	\$ 166,667	\$ 21,500	\$ 499,998	\$ 30,100	\$ -	\$ -
Firetruck 914	82,413	11,829	287,500	20,371	-	-
Firetruck - 924	41,089	910	-	-	-	-
Fair Barn	50,000	13,225	250,000	31,625	-	-
67.04 Acres	33,333	2,322	33,333	995	-	-
Totals	\$ 373,502	\$ 49,786	\$ 1,070,831	\$ 83,091	\$ -	\$ -

Project	Total by Project		
	Principal	Interest	Total
San Lease	\$ 38,571	\$ 3,208	\$ 41,779
Fire Station	1,166,667	150,500	1,317,167
Firetruck 914	573,485	72,543	646,028
Firetruck - 924	269,794	24,427	294,221
Fair Barn	450,000	98,325	548,325
67.04 Acres	166,666	18,242	184,908
Totals	\$ 2,665,183	\$ 367,245	\$ 3,032,428

Fiscal Year(s)	Total by Fiscal Year(s)		
	Principal	Interest	Total
FY 2014	\$ 381,017	\$ 87,203	\$ 468,220
FY 2015	428,090	81,827	509,917
FY 2016	411,742	65,338	477,080
FY 2017	373,502	49,786	423,288
FY 2018-2022	1,070,831	83,091	1,153,922
Totals	\$ 2,665,183	\$ 367,245	\$ 3,032,428



Computation of Legal Debt Limit

Net Assessed Value - June 30, 2012	\$ 3,390,682,954	
	<u>8.0%</u>	
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 271,254,636	
Gross Debt:		
Total Bonded Debt	-	
Installment Purchase Agreements	<u>2,510,366</u>	
Total Gross Debt:	2,510,366	
Less: Water Bonds	<u>-</u>	
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>2,510,366</u>	0.07%
Legal Debt Margin	<u><u>\$ 268,744,270</u></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, 2012 is 0.07% compared to the legal debt limit of 8%.



Other Financing Uses

Department Profile

Other Financing Uses represent transfers out of the General Fund to other funds.

Budget Summary

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Operating	\$ -	\$ 252,000	\$ -	\$ -	-100.0%
Expenditures Total	\$ -	\$ 252,000	\$ -	\$ -	100.0%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
General Revenues	\$ -	\$ 252,000	\$ -	\$ -	-100.0%
Revenues Total	\$ -	\$ 252,000	\$ -	\$ -	100.0%

<u>Decreases</u>	<u>Increases</u>
There are no significant budget decreases in the FY 2014 budget.	There will be no transfers from the General Fund to other funds in fiscal year 2014.

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

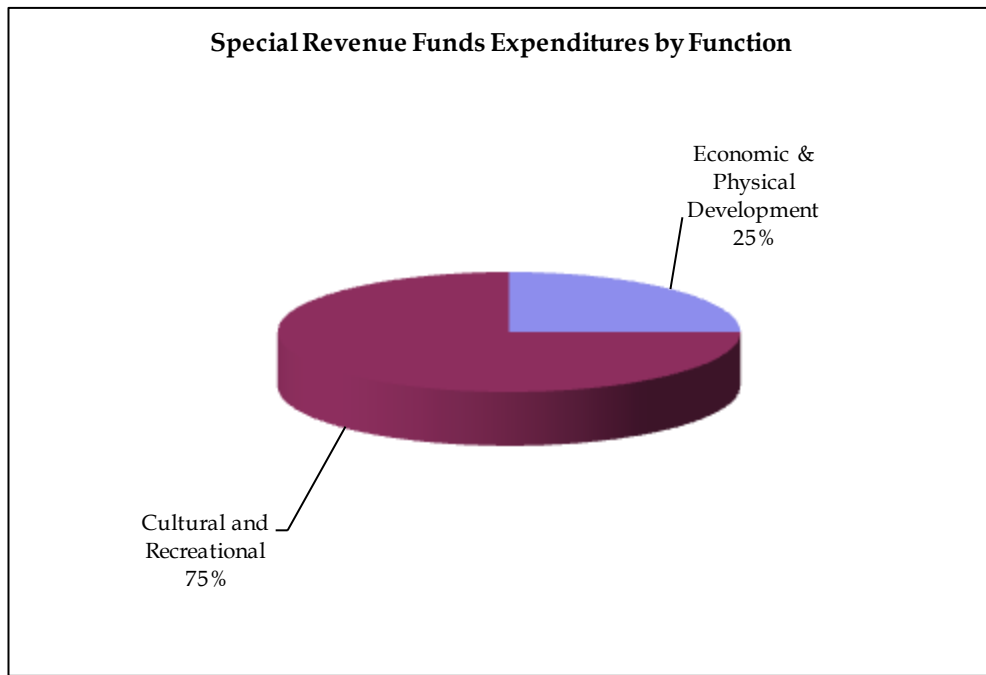




Description

Special revenue funds are used to account for special revenues that are legally restricted to expenditure for particular purposes. The Village of Pinehurst has two special revenue funds that serve distinctive purposes. These funds are detailed later in this section and include:

- ❖ Land Dedication Fund
- ❖ Residential Assurance-Interest Fund



Summary

The Land Dedication Fund accounts for the dedication of land or the payment of fees in lieu of the dedication of land from developers for the preservation of open space. The Residential Assurance-Interest Fund accounts for the investment income earnings from the Residential Assurance Fund and to appropriate funds approved for aesthetic improvements in public areas. These funds currently have little activity to report due to the low level of residential development.



Special Revenue Funds Summary

Revenues

Consolidated Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Investment Income	424	190	115	800	321.1%
Revenues Total	\$ 424	\$ 190	\$ 115	\$ 800	321.1%

Budget Highlights

The only revenues in these funds for this year are interest earnings. There are no other revenues due to the low level of residential development.

Expenditures

Consolidated Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Reserve for Future Use	-	190	-	800	321.1%
Expenditures Total	\$ -	\$ 190	\$ -	\$ 800	321.1%

Budget Highlights

There are no expenditures budgeted for the upcoming year in these fund. The interest earnings will be added to the fund balance of each fund in reserve for future use.



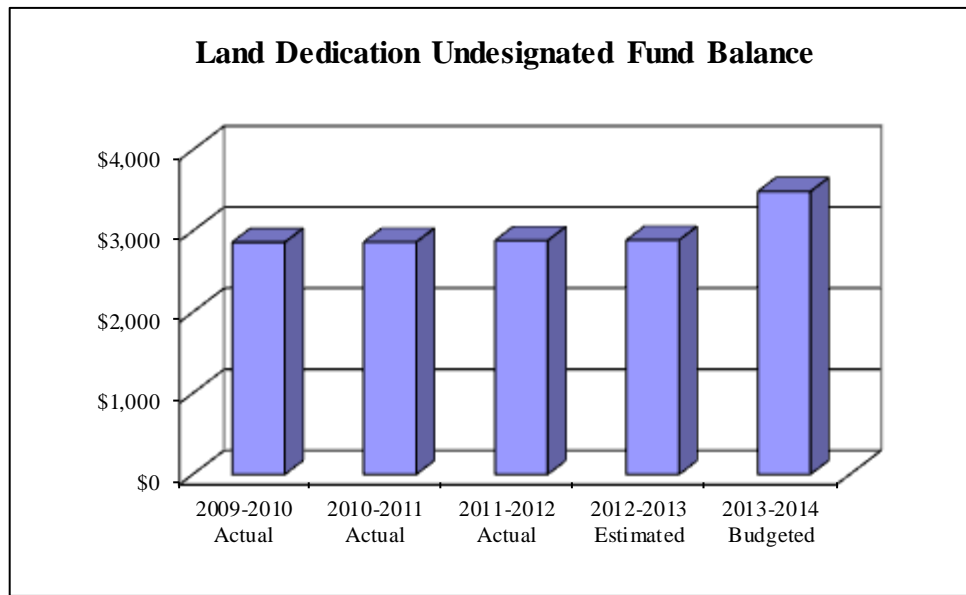
Land Dedication Fund

The Land Dedication Fund is used to account for the dedication of land or the payment of fees in lieu of the dedication of land from developers. The assets of this fund are used to preserve open space within the Village.

Land Dedication Expenditures and Revenues

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Reserve for Future Use	\$ -	\$ 10	\$ -	\$ 600	5900.0%
Expenditures Total	\$ -	\$ 10	\$ -	\$ 600	0.0%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Land Dedication Payments	\$ -	\$ -	\$ -	\$ -	0.0%
Investment Income	19	10	5	600	5900.0%
Revenues Total	\$ 19	\$ 10	\$ 5	\$ 600	0.0%





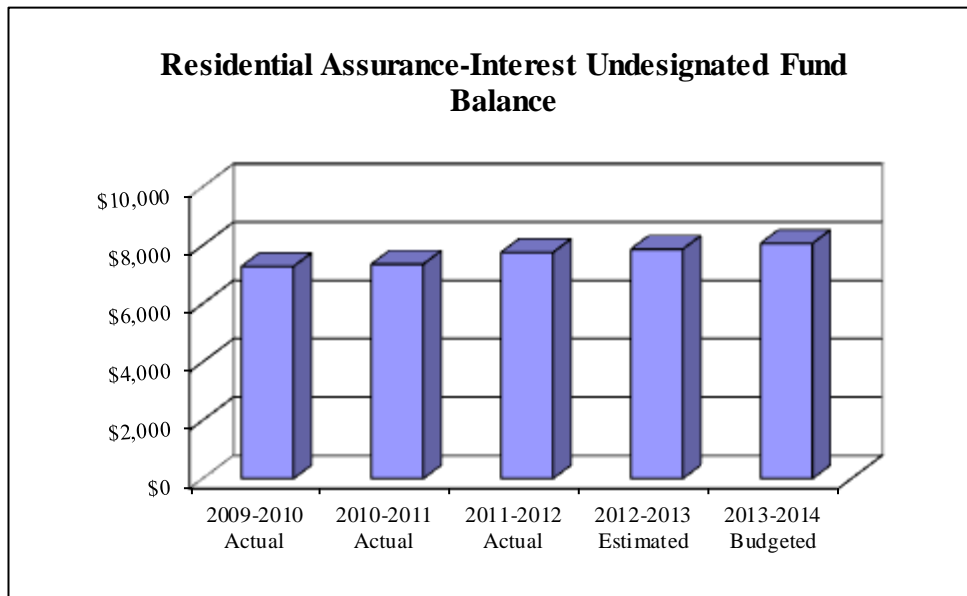
Residential Assurance-Interest Fund

The Residential Assurance-Interest Fund is used to account for the investment income earnings from the Residential Assurance Fund and to appropriate funds approved for aesthetic improvements in public areas.

Residential Assurance-Interest Expenditures and Revenues

Expenditures by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Reserve for Future Use	\$ -	\$ 180	\$ -	\$ 200	11.1%
Expenditures Total	\$ -	\$ 180	\$ -	\$ 200	11.1%

Revenues by Type	FY 2011-12 Actual	FY 2012-13 Budget	FY 2012-13 Estimated	FY 2013-14 Budgeted	Percent Change
Investment Income	\$ 405	\$ 180	\$ 110	\$ 200	11.1%
Revenues Total	\$ 405	\$ 180	\$ 110	\$ 200	11.1%





Capital Project Funds Summary

Description

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Capital projects are approved through a separate Capital Project Ordinance as they usually span over more than one fiscal year. The Village of Pinehurst currently has one capital project fund. This fund is detailed later in this section and includes:

- ❖ Jackson Hamlet CDBG-III Project Fund

This section will provide information regarding the major on-going or upcoming capital projects for the Village of Pinehurst, the revenues to date, the expenditures to date, a brief description of the project, as well as the anticipated impact of the project on the operating budget.

Summary

The Village has been awarded a third Community Development Block Grant to improve sewer service in the Jackson Hamlet community. The Village received a grant from the U. S. Department of Housing and Urban Development to design and construct additional sewer improvements for the Jackson Hamlet community adjacent to Pinehurst.

Revenues

Consolidated Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Community Development Block Grant	683,200	-	683,200
Revenues Total	\$ 683,200	\$ -	\$ 683,200

Budget Highlights

The CDBG III Project fund is in the design phase with no expenditures to date. Design costs of \$15,000 are anticipated in the current fiscal year with construction in FY 2013-2014.

Expenditures

Consolidated Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Consulting Costs	\$ 73,200	\$ -	\$ 73,200
Construction Costs	610,000	-	610,000
Expenditures Total	\$ 683,200	\$ -	\$ 683,200



Jackson Hamlet CDBG-III Grant Project Fund

Budget Highlights

The Jackson Hamlet Sewer CDBG-III Project Fund was established to account for the costs incurred in the design and construction of third phase of sewer improvements for the Jackson Hamlet community adjacent to Pinehurst. The project is 100% funded by a federal U. S. Department of Housing and Urban Development grant passed through the North Carolina Department of Commerce, Division of Community Assistance. The grant project budget detailed below was adopted by the Village Council on October 24, 2012 by Ordinance #12-35.

CDBG III Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Consulting Costs	\$ 73,200	\$ -	\$ 73,200
Construction Costs	610,000	-	610,000
Expenditures Total	\$ 683,200	\$ -	\$ 683,200

Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Community Block Grant	\$ 683,200	\$ -	\$ 683,200
Revenues Total	\$ 683,200	\$ -	\$ 683,200

Impact on Operating Budget

There will be no impact on the operating budget for the FY 2013-2014 fiscal year. Once the sewer improvements are completed, ownership of the improvements will be turned over to Moore County Public Utilities.

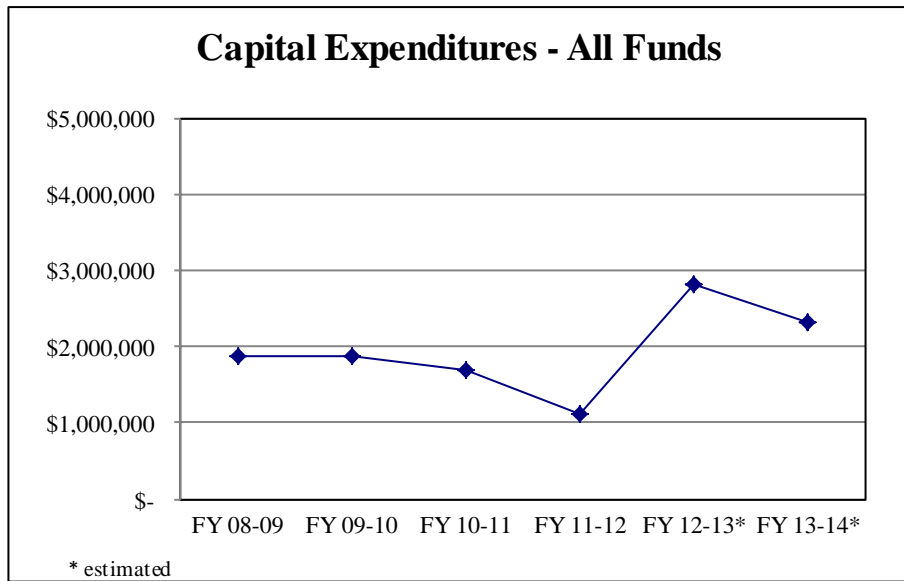


Description

Capital expenditures are appropriated within each fund, primarily the General Fund and Capital Project Funds. This section is provided to give the reader a summary of all capital expenditures and to provide trend data related to capital expenditures.

Also included in this section is a summary of the Village's Five-Year Capital Improvement Plan. This plan outlines the anticipated capital costs to be incurred by the Village over the next five fiscal years. Items included are those with a cost of \$5,000 or more or any foreseeable capital projects. Each has a detailed description including the total cost, revenue source to be used, capital project and estimated incremental operating costs. The Village takes a systematic approach to capital improvement programming to ensure that all operating costs affected by capital spending decisions are included in the plan and ultimately in the annual or project budget. Although inclusion in the CIP does not constitute a commitment to fund a particular item, it is however the basis upon which the budget for the ensuing year is founded.

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 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. In the Capital Project Funds a project ordinance is adopted for a multi-year period and remains in effect until the project is completed. The following sections highlight capital expenditures in both the General and Capital Project funds.



Capital Expenditures Summary

General Fund Capital Expenditures

The schedule on the following pages details the specific capital items funded in the FY 2013-2014 Budget. In addition to routine vehicle replacements, the Village intends to install way-finding signage, construct a parking lot for the Arboretum, and continue to make storm drainage improvements. Please refer to the *General Fund* section for additional information on these items.

General Fund Capital Items	Budget Department	FY 2014 Funded Amount
Public Safety		
Opti-Com Traffic Light System	Fire	\$ 35,000
Total Public Safety		35,000
Economic & Physical Development		
Street/Pathway Lighting	Community Development	20,000
Brick Sidewalks	Community Development	75,000
Improve Corners at Chinquapin	Community Development	35,000
Downtown Public Restrooms	Community Development	30,000
Gateway & Way-finding Signage	Community Development	125,000
Small Drainage Projects	Streets & Grounds	180,000
Remington Lane Drainage Project	Streets & Grounds	120,000
Total Economic & Physical Development		585,000
Buildings & Grounds Maintenance		
Replace carpet in Village Hall (AH)	Administration	25,000
Replace Light Dimming System (AH)	Administration	28,000
Replace HVAC	Administration	7,500
Replace Roof Insulation	Administration	60,000
Build 2nd Floor Conference Room	Administration	20,000
Carpet Replacement	Police	6,000
Replace HVAC	Police	7,500
Replace Folding Chairs	Fair Barn	12,000
Water Quality Enhancement Project	Harness Track	64,000
Barns Structural Improvements	Harness Track	25,000
Rebuild Judges Stand on Mile Track	Harness Track	5,000
Barn Roof Replacements	Harness Track	15,000
Replace Carpeting	Public Services	7,000
Rental Space Renovations	Recreation	25,000
Cannon Park Irrigation (Soccer & Field 1)	Recreation	20,000
Arboretum Parking Lot	Recreation	135,000
Greenway Trail Surface Upgrades	Recreation	35,000
Total Buildings & Grounds Maintenance		\$ 497,000



Capital Expenditures Summary

General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department	FY 2014 Funded Amount
Information Technology		
Automated Agenda Software	Administration	\$ 8,500
Benefits Enrollment Software	Human Resources	10,000
Server	Information Technology	7,500
Total Information Technology		26,000
Fleet Maintenance		
Fire truck - Pumper/Tanker	Fire	550,000
Mid-Size Truck 4x4	Harness Track	30,000
Dodge Charger Patrol Vehicles (3)	Police	90,000
Automated 20yd Garbage Truck	Solid Waste	195,000
Automated 28yd Garbage Truck-Refurbish	Solid Waste	50,000
Mid-Size Truck 4x4	Streets & Grounds	30,000
Standard Pickup Truck	Streets & Grounds	25,000
Mower-Grasshopper	Streets & Grounds	22,000
Standard Pickup Truck	Streets & Grounds	25,000
Vacuum Sweeper	Streets & Grounds	150,000
Zero-Turn Mower	Streets & Grounds	22,000
Total Fleet Maintenance		1,189,000
General Fund Total		\$ 2,332,000
% of Expenditures		13.3%

Multi-Year Capital Project Fund Capital Items	Approved Amount
Capital Projects	
Community Development Block Grant-III	\$ 683,200
Capital Project Fund Total	\$ 683,200

See the *Capital Project Funds* section for details on the current projects.



Capital Improvement Plan FY 2014-2018

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 *Council Priorities and Strategies* 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 projects are financially sustainable.

The CIP incorporates five-year projections of revenues and expenditures (salaries & benefits and operating costs), 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 expenditures.

The FY 2014-2018 CIP represents an \$11 million plan to address the Council's Strategic Objective of "Invest in Capital". 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 most current service levels and enhancing others through the continued investment in capital.

This CIP was developed under the assumption that the Village funds those items that are able to be included under the current tax rate of \$0.28 per \$100 valuation with an estimated adjustment to a revenue neutral tax rate of \$0.27 per \$100 valuation when property is revalued in FY 2016.

The Village Council approves the CIP annually as part of the Strategic Operating Plan to ensure it is reflective of the Council's current Strategic Objectives and Areas of Focus, given the most recently conducted Environmental Scan. In addition, it is expanded each year 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 2014 of the CIP, however, does represent the amount of capital spending projected in the FY 2013-2014 Budget.

Capital Improvement Program

Overview

The FY 2014-2018 CIP includes capital investments with a total estimated cost of \$11,623,000 over the next five years. These costs are divided into four major areas – Fleet, Information Technology (IT), Other Capital Additions, and Capital Projects. Table 1 indicates the breakdown of capital investments by area:



Capital Improvement Plan FY 2014-2018

Table 1 - Capital Cost by Major Area

	Cost of Capital	% of Total
Capital Projects	\$ 2,970,000	26%
Fleet	5,105,000	44%
Information Technology	258,000	2%
Other Additions	3,290,000	28%
	<u>\$ 11,623,000</u>	<u>100%</u>

Capital Projects

Specific criterion is used to determine whether or not a capital request is classified as a capital project.

The criterion are: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Capital projects are typically for major facilities and may require the use of a separate capital project fund.

The FY 2014-2018 CIP includes one capital project for the construction of the Carriage House parking facility on Dogwood Road.



Schematic of Carriage House Parking Facility

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.

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.

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, greenway trails, and storm water drainage improvements.



Capital Improvement Plan FY 2014-2018

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

Current General Fund – this is provided by appropriated operating revenues or fund balance and will generally be used for routine operating 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. Funds may be granted from Parks and Recreation Trust Fund (PARTF), Federal Emergency Management Administration (FEMA), Community Development Block Grant (CDBG), etc.

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.

Five-Year Income and Expense Projections

The FY 2014-2018 Income and Expense Projections and CIP are shown in Table 2. These projections indicate very modest revenue growth, which is consistent with the Council identified Strategic Challenge and is discussed more fully in the *Environmental Scan* section of this document.

One new position, or a .75 full-time equivalent, is currently contemplated in the five-year period. Other demands in services are projected to be met with the addition of contracted services while the Village evaluates some key processes for continuous improvement, such as yard waste collection and grounds maintenance.

Debt service is projected to increase due to three installment purchase agreements projected in the five-year period:

1. A fire truck in FY 2014,
2. The construction of the Carriage House Parking Facility, and
3. A fire truck in FY 2017.

Capital expenditures are projected to average 12.4% of expenditures during the five years and fund balance is projected to fall within the Village's Fund Balance Policy range of 30% - 40% of expenditures, as shown in Table 2.



Capital Improvement Plan FY 2014-2018

Table 2 - Projected Budgeted General Fund Revenues and Expenditures

	2014	2015	2016	2017	2018
Population	15,082	15,184	15,287	15,389	15,492
Operating Revenues					
Property Tax Revenue	\$ 9,682,000	\$ 9,773,000	\$ 10,070,000	\$ 10,271,000	\$ 10,476,000
Sales Tax Revenues	2,591,700	2,668,700	2,748,700	2,830,700	2,914,700
Intergovernmental Revenues	2,169,955	2,146,261	2,188,167	2,232,267	2,276,467
Permits & Fees	1,241,250	547,000	544,000	547,000	549,000
Sales & Services	484,015	496,000	507,000	518,000	529,000
Other Operating Revenues	221,480	223,000	225,000	227,000	228,000
Interest Income	20,500	32,000	62,000	92,000	92,000
Other Financing Sources	550,000	-	-	600,000	-
Operating Revenues	\$ 16,960,900	\$ 15,886,000	\$ 16,345,000	\$ 17,318,000	\$ 17,066,000
Tax Rate	0.28	0.28	0.27	0.27	0.27
Operating Expenditures					
Personnel in FTEs	130	130	130	130	130
Salaries and Benefits	8,978,085	9,150,667	9,368,907	9,584,105	9,793,740
Operating	5,783,770	5,909,963	6,067,962	5,974,001	6,153,221
Other Financing Uses	-	170,000	-	-	-
Debt Service	468,220	510,000	478,000	700,000	745,000
Operating Expenditures	15,230,075	15,740,630	15,914,869	16,258,106	16,691,960
Capital Expenditures in GF	2,332,000	1,824,000	1,380,000	1,883,000	1,234,000
Total GF Expenditures	17,562,075	17,564,630	17,294,869	18,141,106	17,925,960
Revenues Over (Under) Exp	\$ (601,175)	\$ (1,678,630)	\$ (949,869)	\$ (823,106)	\$ (859,960)

Capital As a Percent of Total Expenditures

	2014	2015	2016	2017	2018
Total Expenditures	17,562,075	17,734,630	20,094,869	18,141,106	17,925,960
Total Capital Expenditures	2,267,000	1,994,000	4,180,000	1,883,000	1,234,000
% of Total Expenditures	12.9%	11.2%	20.8%	10.4%	6.9%

Projected Impact on Fund Balance in the General Fund

	2014	2015	2016	2017	2018
Beginning Fund Balance	\$ 6,268,421	\$ 6,569,448	\$ 5,802,709	\$ 5,788,133	\$ 5,910,113
Revenues Over (Under) Exp	(601,175)	(1,678,630)	(949,869)	(823,106)	(859,960)
Budget to Actual Variance*	902,202	911,892	935,293	945,085	968,008
Projected Actual Gain/(Loss)	301,027	(766,739)	(14,576)	121,980	108,048
Projected Ending GF Bal	6,569,448	5,802,709	5,788,133	5,910,113	6,018,161
% of Total Budget	37.4%	33.0%	33.5%	32.6%	33.6%



Capital Improvement Plan FY 2014-2018

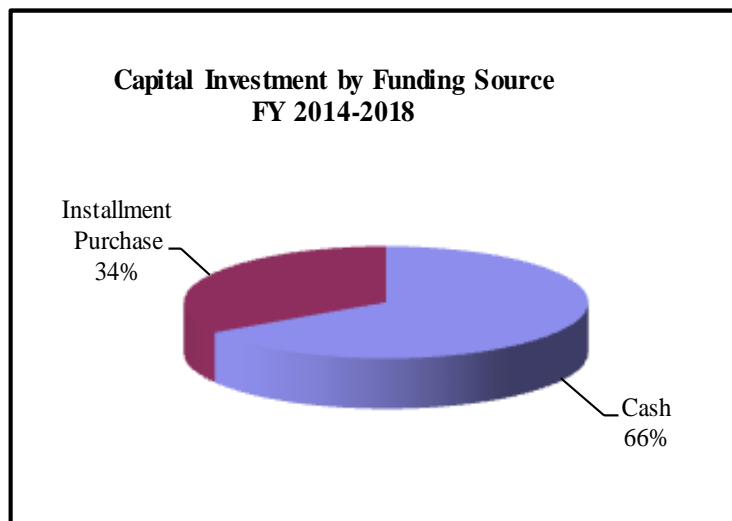
Funding Sources

Table 3 and the chart below show a summary of the revenues and funding sources for the FY 2014-2018 projected capital investments:

Table 3 - CIP Revenue/Funding Sources Summary

<u>Funding Source</u>	<u>Cost of Capital</u>
Cash	\$ 7,673,000
Installment Financing	3,950,000
TOTAL	<u>\$ 11,623,000</u>

It is important to note that the majority of the capital improvements are funded with available Village funds or cash, while another 34% is funded with installment purchase financing.



Additional Operating and Debt Service Expenses

Table 4 summarizes the impact of the Carriage House Parking Facility capital project on incremental operating expenses and debt service for those items financed in the FY 2014-2018 CIP.



Capital Improvement Plan FY 2014-2018

Table 4 - Detail of Net Operating Expense by Capital Item

	Total	Fiscal Year Ending June 30				
		2014	2015	2016	2017	2018
Incremental Operating Expense						
Carriage House Facility	\$ 48,720	\$ -	\$ -	\$ -	\$ 24,000	\$ 24,720
Subtotal	48,720	-	-	-	24,000	24,720
Annual Debt Service						
Carriage House	546,560	-	-	-	276,267	270,293
Fire Truck 914	412,657	48,086	94,914	92,400	89,886	87,371
Fire Truck 923	104,914	-	-	-	-	104,914
Subtotal	1,064,131	48,086	94,914	92,400	366,152	462,579
Net Operating Expense	\$ 1,112,851	\$ 48,086	\$ 94,914	\$ 92,400	\$ 390,152	\$ 487,299

Operating Expenses

Additional operating expenses include all direct operating costs associated with a capital project, such as facility maintenance costs, utility costs, and additional personnel costs as well as an estimate for indirect costs estimated to be 20% of direct costs. We estimate that the project included in the FY 2014-2018 CIP will increase operating expenses starting in fiscal year 2017 when the Carriage House Parking Facility is completed.

Debt Service

To estimate debt service, we assumed a 3.20% interest rate with a 15 year amortization for the Carriage House Parking Facility and a 3.5% interest rate with a 7 year amortization for the fire trucks. Table 5 shows the impact of the total incremental \$1,064,000 in debt service on debt ratios over the five years.

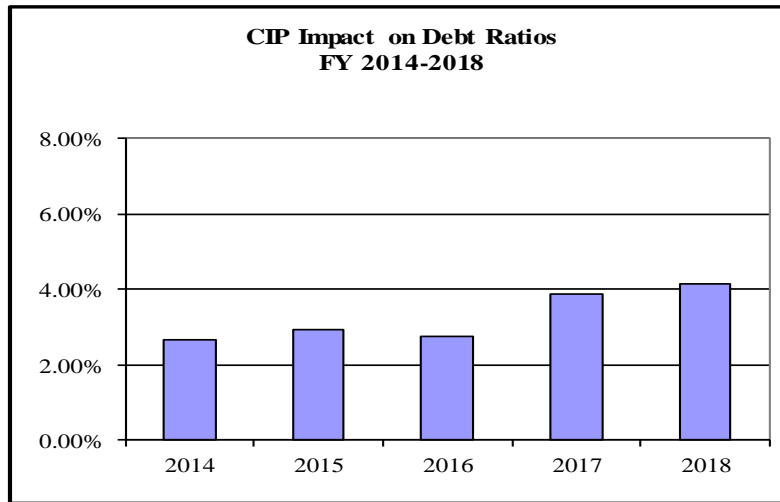
Table 5 - Impact of CIP Debt Issuances on Debt Ratios

	Fiscal Year Ending June 30				
	2014	2015	2016	2017	2018
Existing Debt Service	\$ 420,134	\$ 415,003	\$ 384,680	\$ 333,133	\$ 281,659
Additional Debt Service:					
Carriage House	-	-	-	276,267	270,293
Fire Trucks	48,086	94,914	92,400	89,886	192,286
Subtotal	48,086	94,914	92,400	366,152	462,579
Total Debt Service	\$ 468,220	\$ 509,917	\$ 477,080	\$ 699,285	\$ 744,238
Estimated Expenditures	17,562,075	17,564,630	17,294,869	18,141,106	17,925,960
% of Expenditures	2.67%	2.90%	2.76%	3.85%	4.15%



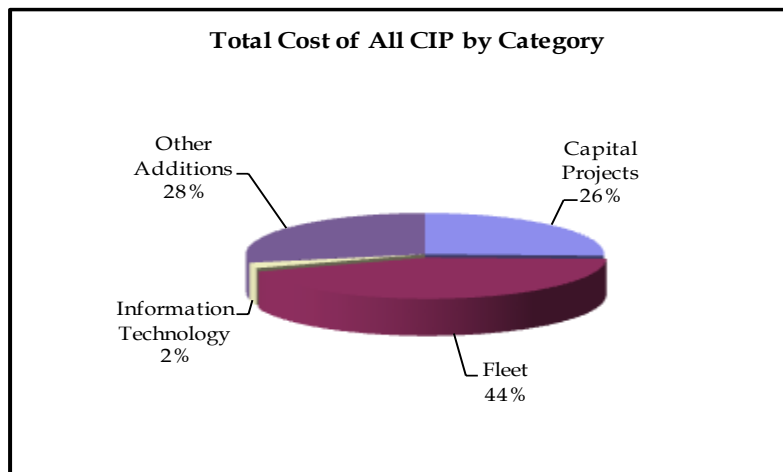
Capital Improvement Plan FY 2014-2018

During the planning horizon, the Village's debt service as a percentage of total expenditures is projected to remain at what is widely accepted as a moderate to low level of debt service. The Village's policy is to keep debt service as a percentage of expenditures below 10%.



Summary

In summary, the FY 2014-2018 CIP represents an \$11 million investment in capital for fleet, information technology, other capital additions, and includes one capital project in the five-year planning period.





Capital Projects

This section contains detail on the capital projects included in the 2014-2018 CIP. Specific criterion is used to determine whether or not a capital request is classified as a capital project. The criterion are: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Capital projects are typically for major facilities and may require the use of a separate capital project fund.

Carriage House Parking Facility – This capital project will construct a two-level, 115-space parking facility in the Village Center with a civic space and public restrooms.



Capital Improvement Plan FY 2014-2018

Carriage House Parking Facility

Department Community Development

Strategic Priorities Promote Economic Opportunity
Invest in Capital
Develop Collaborative Solutions

Performance Measures % of residents satisfied with the availability of parking downtown
of parking spaces in the Village Center per 1,000 SF of commercial space

Project Description/ Justification

This project includes the design and construction of the Carriage House Parking Facility on Dogwood Road in partnership with Pinehurst, LLC. This is a public-private partnership as the facility will be constructed on property owned by Pinehurst, LLC and leased back to the Village for a forty year period. The two-level parking facility will be located behind the historic Holly Inn and will provide in the range of 108 to 162 parking spaces for the Village Center depending on the occupancy of the Holly Inn. The building will also contain public restrooms and a civic space that can serve a variety of public uses. Design is expected to occur in FY 2015, with construction beginning in FY 2016.

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2014	2015	2016	2017	2018
Appropriations	\$ 2,970,000	\$ -	\$ -	\$ 170,000	\$ 2,800,000	\$ -	\$ -
TOTAL	\$ 2,970,000	\$ -	\$ -	\$ 170,000	\$ 2,800,000	\$ -	\$ -
Funding Source:							
Cash	\$ 170,000	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -
Installment Financing	2,800,000	-	-	-	2,800,000	-	-
TOTAL	\$ 2,970,000	\$ -	\$ -	\$ 170,000	\$ 2,800,000	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2014	2015	2016	2017	2018
Debt Proceeds	\$ 2,800,000	\$ -	\$ -	\$ -	\$ 2,800,000	\$ -	\$ -
Project Expenditures	2,970,000	-	-	170,000	2,800,000	-	-
Operating Expenditures	48,720	-	-	-	-	24,000	24,720
Debt Service	546,560	-	-	-	-	276,267	270,293
TOTAL	\$ (765,280)	\$ -	\$ -	\$(170,000)	\$ -	\$(300,267)	\$(295,013)



Capital Improvement Plan FY 2014-2018

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 2014-2018

Fleet Purchase Plan

Description	Year	Life	Budget		CIP			
			2014	2015	2016	2017	2018	
Buildings & Grounds								
Chevy Express Van	2004	6	\$ -	\$ -	\$ 30,000	\$ -	\$ -	
Ford F350 - Brushtruck	1989	6	-	-	90,000	-	-	
Firetruck-Pumper/Tanker	1998	20	-	-	-	600,000	-	
Dodge Durango	2005	6	-	35,000	-	-	-	
Firetruck-Pumper/Tanker	2013	20	550,000	-	-	-	-	
Fleet Maintenance								
Chevy C1500 4X4 Truck	2003	6	-	-	35,000	-	-	
Chevy C1500	2006	6	-	-	-	40,000	-	
Harness Track								
Gmc Dump Truck	1991	10	-	85,000	-	-	-	
Ford F250 4X4	2004	6	30,000	-	-	-	-	
Bobcat Zero Turn Mower	2005	5	-	20,000	-	-	-	
Ford F250	2006	6	-	-	37,000	-	-	
Kubota Zero Turn Mower	2009	5	-	-	-	-	-	25,000
Inspections								
Chevy Impala	2004	5	-	25,000	-	-	-	
Planning								
Chevy S10	1999	6	-	-	25,000	-	-	
Police								
Dodge Charger	2007	4	30,000	-	-	-	-	
Dodge Charger	2007	4	30,000	-	-	-	-	
Dodge Charger	2007	4	30,000	-	-	-	-	
Dodge Charger	2007	4	-	32,000	-	-	-	
Dodge Charger	2008	4	-	-	-	36,000	-	
Dodge Charger	2008	4	-	32,000	-	-	-	
Dodge Charger	2008	4	-	32,000	-	-	-	
Dodge Charger	2008	4	-	32,000	-	-	-	
Dodge Charger	2009	4	-	-	34,000	-	-	
Dodge Charger	2009	4	-	-	-	36,000	-	
Dodge Charger	2009	4	-	-	34,000	-	-	
Dodge Charger	2009	4	-	-	34,000	-	-	
Dodge Charger	2010	4	-	-	-	36,000	-	
Chevy Tahoe	2011	4	-	-	-	-	-	40,000
Chevy Tahoe	2011	4	-	-	-	-	-	40,000



Capital Improvement Plan FY 2014-2018

Fleet Purchase Plan

Description	Year	Life	Budget	CIP			
			2014	2015	2016	2017	2018
PS Administration							
Chevy C1500 4X4	2003	6	-	-	28,000	-	-
Chevy C1500 4X4	2003	6	-	-	28,000	-	-
Solid Waste							
Rear Load Garbage Truck	2000	10	-	-	260,000	-	-
Ford Rear Load Garbage Trk	2004	10	-	-	-	-	280,000
28yd Automted Garbage Trk	2006	7	195,000	-	-	-	-
International 4300	2006	10	-	170,000	-	-	-
28yd Automted Garbage Trk	2007	7	50,000	-	-	-	-
Semi-Automated Garbage Trk	2007	10	-	-	-	190,000	-
Semi-Automated Garbage Trk	2007	10	-	-	-	190,000	-
Chevy C1500	2007	6	-	-	45,000	-	-
Chevy C1500	2007	6	-	45,000	-	-	-
Chevy 5500 Semi-Auto Mated	2007	10	-	-	-	-	170,000
Streets & Grounds							
John Deere Motor Grader	1992	15	-	-	-	200,000	-
Chevy Dump Truck-2.5 Ton	1998	15	-	-	-	-	110,000
Chevy Dump Truck-2.5 Ton	1998	15	-	-	-	-	110,000
New Holland 3930 Tractor	1999	15	-	-	-	45,000	-
New Holland 3930 Tractor	1999	15	-	-	-	45,000	-
John Deere 4X4 Loader	1999	15	-	150,000	-	-	-
Ford F250 4X4	2000	6	30,000	-	-	-	-
300 Land Long Tractor	2001	15	-	-	-	40,000	-
Ford F150	2002	6	25,000	-	-	-	-
Jdeere 410G Loader Backhoe	2003	15	-	150,000	-	-	-
Grasshopper Mower	2004	5	22,000	-	-	-	-
Chevy Truck	2004	6	25,000	-	-	-	-
Mini Salt Spreader	2005	5	-	20,000	-	-	-
Ford F150	2005	6	-	-	30,000	-	-
Salt/Sand Spreader	2006	5	-	-	35,000	-	-
Vacuum Sweeper	2006	5	150,000	-	-	-	-
Chevy C1500	2006	6	-	-	35,000	-	-
Zero Turn Mower	2008	5	22,000	-	-	-	-
John Deere Zero turn mower	2009	5	-	-	25,000	-	-
Zero Turn Mower Zero turn	2010	5	-	25,000	-	-	-
Ford F150	2013	6	-	25,000	-	-	-
Total			\$1,189,000	\$ 878,000	\$ 805,000	\$1,458,000	\$ 775,000



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 2014-2018

Information Technology Purchase Plan

Description	Year	Life	Budget	CIP			
			2014	2015	2016	2017	2018
Administration							
Automated Agenda Software	New	3	8,500	-	-	-	-
Governing Body							
Assembly Hall Projector	2006	5	-	15,000	-	-	-
Human Resources							
Benefits Enrollment Software	New		10,000	-	-	-	-
Information Technology							
Dell Power Edge Server	2005	3	7,500	-	21,000	-	-
Village Wide Phone System	2011	5	-	-	-	-	100,000
Village Hall Firewall	2008	5	-	14,000	-	-	-
Village Hall Fat Pipe	2008	5	-	-	-	18,000	-
Hp Procurve Core Switch	2006	5	-	-	6,000	-	-
Planning							
Hp Plotter	2007	5	-	21,000	-	-	-
Police							
CCTV Surveillance System	2007	3	-	-	25,000	-	-
Voice Recorder System	2010	5	-	-	-	12,000	-
Total			\$ 26,000	\$ 50,000	\$ 52,000	\$ 30,000	\$ 100,000



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 2014-2018

Other Capital Additions Purchase Plan

Description	Purpose/ Justification	Year	Budget	CIP				
			2014	2015	2016	2017	2018	
Administration								
Install Assembly Hall Dimmer Panel	Improve lighting in Assembly Hall		\$ 28,000	\$ -	\$ -	\$ -	\$ -	
Build 2nd floor conference room	Current space needed for new HR position		20,000	-	-	-	-	
Replace Carpet in Assembly Hall	Improve appearance and safety		25,000	-	-	-	-	
Replace HVAC	Replace HVAC equipment		7,500	7,500	9,000	10,000	12,000	
Replace Roof Insulation	Improve efficiency of building		60,000	-	-	-	-	
Streets & Grounds								
Small Drainage Projects	Spot Drainage Improvements		180,000	150,000	150,000	150,000	150,000	
Stormwater Project	Remington Lane		120,000	-	-	-	-	
Community Development								
Street and Pathway Lighting	Improve safety and mobility		20,000	-	-	-	-	
Sidewalks Roadway Improvements	Develop connectivity Sidewalks and traffic lights on 211	New	75,000	-	-	-	-	
Downtown Improvements	Improve corners at Chinquapin		-	336,000	-	-	-	
Downtown restrooms	Provide public restrooms	New	35,000	-	-	-	-	
Gateway & Wayfinding Signage	Promote direction to and around Pinehurst	New	30,000	-	-	-	-	
Fair Barn								
Replace Mahogany folding chairs	Improve facility assets		125,000	50,000	-	-	-	
Parking Lot Improvements	Resurface main parking lot		-	-	150,000	-	-	
Fire								
Opticom	Traffic control for emergency response	New	-	-	-	-	-	
Replace HVAC	Replace HVAC at Station 92		-	35,000	-	-	-	
			-	5,000	-	-	-	



Capital Improvement Plan FY 2014-2018

Other Capital Additions Purchase Plan

Description	Purpose/ Justification	Year	Budget		CIP		
			2014	2015	2016	2017	2018
Harness Track							
Surface Water Runoff Project	Reduce sediment runoff	New	64,000	-	-	-	-
Structural Repairs Barns 16,17,18,19,20	Stabilize structural deficiencies		-	30,000	-	-	-
Interior Barn Work	Replace main interior supports in barns 1,2		25,000	-	-	-	-
Rebuild Judges Stand on One Mile	Improve safety and function		5,000	-	-	-	-
Roof Replacement Blk. Smith&Maint.	Building maintenance requirements		15,000	-	-	-	-
Sewer Connection Barns 15,16,17	Connects barn and remove septic systems		-	75,000	-	-	-
Rebuild turns on the One Mile Track	Track maintenance /US Open repair		-	50,000	-	-	-
Sewer Connection Barns 9 & 10	Connects barn and remove septic systems		-	-	20,000	-	-
Rebuild straight sections of mile track	Repair sections of track that have deteriorated due to erosion		-	-	-	40,000	-
Police							
Replace Carpet in Upper Hallway	Improve appearance and safety		6,000	-	-	-	-
Replace HVAC	Replace HVAC		7,500	7,500	9,000	10,000	12,000
PS Administration							
Replace Carpet in Hallways	Improve appearance		7,000	-	-	-	-
Recreation							
Space Renovation	Renovate existing space for Programs	New	25,000	-	-	-	-
Cannon Park Irrigation Arboretum Parking Lot	Field 1 & practice soccer field	New	20,000	-	-	-	-
Greenway Trails	Improvements to Addition to trails	New	135,000	-	-	-	-
Greenway Trail Repairs	Repair/upgrade trails		-	150,000	150,000	150,000	150,000
			35,000	35,000	35,000	35,000	35,000
Total			\$1,117,000	\$896,000	\$523,000	\$395,000	\$359,000



Budget Glossary

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

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

Agency Funds – Funds used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

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

Area of Focus – Strategic objectives from the balance scorecard selected for improvement where the organization seeks to develop strategic new initiatives to improve performance.

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 budget submitted to the Village Council be balanced.

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

Baldrige Criteria for Performance Excellence – 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 performance surveys, state performance measurement projects, or industry standards.

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 Calendar – The schedule of key dates that the Village's departments follow in the preparation, adoption and administration of the budget.



Budget Glossary

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.

Budget Summary – A brief overview of the budget that helps readers to quickly become acquainted with the key elements of the budget.

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 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.

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

Capital Reserve – An account used to indicate that a portion of a fund’s balance is legally restricted for a specific capital purpose and is, therefore, not available for general appropriation.

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 the inflows and outflows of cash, mobilizing cash to improve its availability for investment, 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.

Community Development Block Grant (CDBG) – Grants from the U.S. Department of Housing and Urban Development to states that are competitively awarded to local governments for housing related infrastructure.

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.



Budget Glossary

Core Competencies – Specific strengths or strategic advantages of the Village that are central to the way we operate that are not easy for others to imitate that positively affect the services we provide.

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.

Departmental Dashboard – This is the departmental version of a balanced scorecard. It is the single listing of all approved departmental measures and is used to monitor progress.

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.

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.

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 types of revenue. This fund usually includes most of the basic operation 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 – A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless. It is not concerned with a specific achievement in a given time period.

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.

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

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.

Long-Term Objective (LT) – An objective targeted for achievement in years two through five of the strategic operating plan.

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 Criteria for Performance Excellence.

NCDOT – This acronym is short for North Carolina Department of Transportation.

North Carolina Municipal Council – A not-for-profit, non-stock group of banks, investment dealers, bond attorneys, and other financial institutions, all of which are interested in ownership or distribution on bonds and notes of counties, municipalities, and districts in North Carolina.

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 within the fiscal year. 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 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.

Performance Measures – Descriptions of a program’s effectiveness, or efficiency (i.e., response time to public request, frequency of document updates) used to track operational performance.

Perspectives – These are 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.

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 properties, buildings, vehicles, and equipment used for business and residential purposes 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.

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.

Short-Term Objective (ST) – An objective targeted for achievement in the upcoming fiscal year.

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 Initiative – A collection of Action Plans undertaken to achieve a performance target related to a strategic objective. A new initiative is an initiative not approved in the prior year’s strategic planning process.

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 - The Village Council’s articulated goals aimed to achieve the Village’s mission in the context of their vision and values.

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.

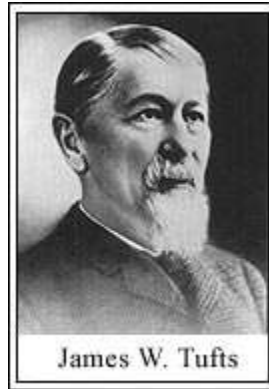
TOPS Training – Training and education opportunities made available to all employees throughout the year. An annual calendar details the training opportunities and employees register for the classes that are personally and/or professionally beneficial to them. TOPS is an acronym for **TTraining Of the PPinehurst SStaff.**

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.



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

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

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

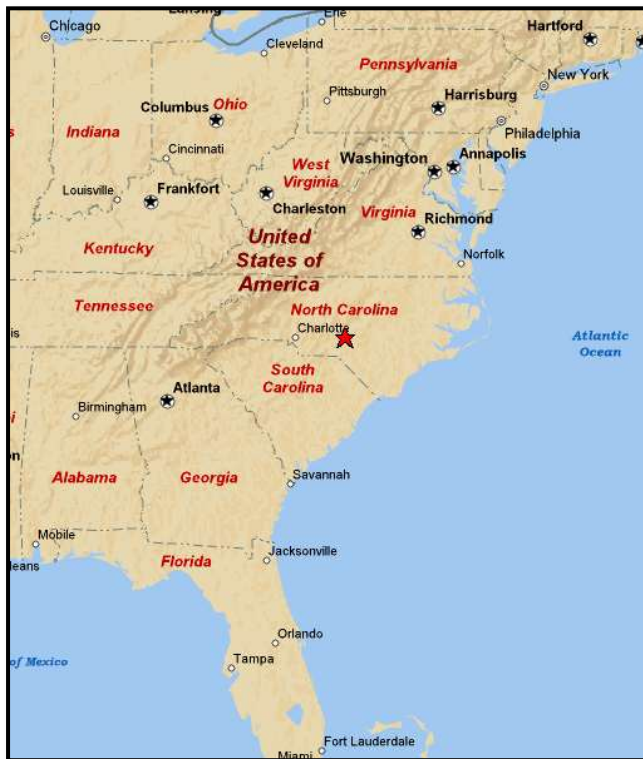


Demographic Characteristics

With a current population of 14,979, 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 eight championship golf courses in the Village, including the famous Pinehurst No. 2 course (site of the 1999 and 2005 US Open Men’s Golf Tournament). Pinehurst Resort will also be hosting 14 days of championship play in 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 Nine Fiscal Years

Function	Fiscal Years								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government									
Financial Services									
Purchase orders issued	440	323	262	207	225	260	280	295	269
Vendor checks issued	3,595	2,673	2,529	2,427	2,448	2,333	2,471	2,444	2,365
Human Resources									
Workers' compensation lost time (days)	n/a	322	6	60	12	446	32	425	33
Employee turnover rate	n/a	9.0%	9.0%	9.4%	7.8%	7.9%	9.2%	8.5%	10.7%
Fleet Maintenance									
Tire work orders completed	125	150	186	132	311	216	116	188	200
10-point service performed	300	350	200	291	233	208	194	288	228
Public Safety									
Fire Protection									
Public fire & life safety classes	95	95	219	204	167	159	170	176	191
Incident calls	743	842	922	827	843	855	884	1,031	865
Structure fires	24	21	26	56	63	44	55	58	35
Inspections	877	766	824	787	732	620	423	784	1,174
Child passenger seat inspections	389	833	579	583	396	173	222	228	120
Police Protection									
Physical arrests	172	206	202	262	585	444	445	233	165
Citations issued	1,479	1,560	1,285	3,806	3,891	3,993	2,970	3,053	1,908
Response to calls/officer initiated activity	11,782	11,500	9,801	11,866	13,513	13,640	14,495	14,362	13,364
Traffic accidents	467	447	432	483	500	474	418	476	414
Inspections									
Building inspections conducted	11,064	11,286	10,588	9,194	7,683	5,409	4,281	4,370	3,832
Certificates of occupancy issued	214	254	271	227	169	181	156	197	48
Transportation									
Street resurfacing (miles)	4.9	5.0	5.0	6.3	5.6	4.8	3.2	6.4	4.5
Environmental Protection									
Refuse collected (tons annually)	5,673	4,578	4,287	4,392	4,094	3,948	3,849	4,124	3,808
Homes receiving service	n/a	6,345	6,485	6,651	6,782	6,862	7,686	7,736	7,812
Recyclables collected (tons annually)	330	305	369	568	943	966	1,473	1,734	1,807
Economic & Physical Development									
Building permits issued	374	318	378	424	359	278	259	239	287
Zoning compliance investigations	538	475	480	477	690	624	475	501	577
Cultural & Recreation									
Recreation									
Program participants	361	398	468	679	830	939	1,065	1,739	1,748
Athletics participants	1,456	1,507	1,503	1,556	1,982	2,323	2,287	2,296	1,934
Harness Track									
Standardbred stalls leased	270	280	285	249	220	281	251	276	259
Facilities reserved (days)	67	62	45	32	30	20	30	32	32
Fair Barn									
Events	61	67	87	89	84	80	88	113	113
Rental days	85	125	131	117	95	98	96	120	113

Source: Various Village departments

Note: n/a indicates "not available"



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)
2003	2002	9,948	436,388,334	43,867	60.4	6.4%
2004	2003	10,218	458,407,284	44,863	60.4	6.5%
2005	2004	10,498	483,590,811	46,065	60.4	5.6%
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%

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 Moore County.



Principal Tax Payers

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2012		2003	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 169,422,809	5.04%	\$ 122,721,821	9.22%
Country Club of North Carolina	30,109,680	0.90%	19,234,509	1.44%
Pinehurst Surgical Clinic	26,145,544	0.78%	7,476,792	0.56%
Pinehurst Medical	20,244,470	0.60%	10,518,950	0.79%
Pinewild Project Limited PTNS	14,386,473	0.43%	-	0.00%
Progress Energy Carolinas	12,380,640	0.37%	11,188,017	0.84%
MTMM Associates (Carolina Eye Assoc.)	9,792,516	0.29%	7,497,974	0.56%
SCOP (Surgery Center of Pinehurst)	7,104,095	0.21%	-	0.00%
Branch Banking and Trust Co.	6,470,884	0.19%	4,149,931	0.31%
Pleasant Living Health Care (Quail Haven)	-	0.00%	8,164,628	0.61%
Francis Maser	5,613,400	0.17%	-	0.00%
Carolina Telephone and Telegraph	-	0.00%	4,171,776	0.31%
Total	\$ 301,670,511	8.98%	\$ 195,124,398	14.89%

Sources:

Moore County Tax Department

Notes:

2012 and 2003 data are for tax years 2011 and 2002 respectively.



The Carolina Hotel



Personnel Classification Schedule

Classification Plan Summary	Budgeted FY 2010	Budgeted FY 2011	Budgeted FY 2012	Budgeted FY 2013	Budgeted FY 2014
General Government					
Administration					
Administration	6.0	6.0	6.0	7.0	7.0
Financial Services	4.0	4.0	4.0	3.5	3.5
Human Resources	2.0	2.0	1.5	2.5	2.5
Fleet Maintenance	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds Maintenance	7.0	6.0	6.0	6.0	6.0
Information Technology	3.5	3.5	4.0	4.0	4.8
Total General Government	25.5	24.5	24.5	26.0	26.8
Public Safety					
Police	32.0	29.0	28.0	28.0	28.0
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	64.0	61.0	60.0	60.0	60.0
Economic and Physical Development					
Planning	7.0	7.0	6.5	6.0	6.0
Community Development	2.5	2.5	0.0	0.0	0.0
Total Economic and Physical Development	9.5	9.5	6.5	6.0	6.0
Transportation					
Public Services Administration	3.0	3.0	3.0	3.0	3.0
Streets and Grounds	15.0	13.0	15.0	15.0	15.0
Total Transportation	18.0	16.0	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	5.0	5.0	5.0	6.0	6.0
Harness Track	5.0	4.5	4.0	4.0	4.0
Fair Barn	2.5	2.5	1.8	1.8	1.8
Total Cultural and Recreation	12.5	12.0	10.8	11.8	11.8
GRAND TOTAL	138.5	132.0	128.8	130.8	131.6

Population	11,795	13,460	14,783	14,979	15,082
Employees per 1,000 Population	11.7	9.8	8.7	8.7	8.7



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013	Budgeted 2013-2014
General Government					
Administration					
Village Manager	1.0	1.0	1.0	1.0	1.0
Assistant Village Manager, Admin & Financial Svcs	1.0	1.0	1.0	1.0	1.0
Assistant Village Manager, Operations	1.0	1.0	1.0	1.0	1.0
Village Clerk	1.0	1.0	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0	1.0	1.0
Customer Service Representative	1.0	1.0	1.0	1.0	2.0
Total Administration	6.0	6.0	6.0	6.0	7.0
Financial Services					
Director of Financial Services	1.0	1.0	1.0	1.0	1.0
Operations Manager, Financial Services	1.0	1.0	1.0	1.0	1.0
Finance Technician	2.0	2.0	2.0	1.5	1.5
Total Financial Services	4.0	4.0	4.0	3.5	3.5
Human Resources					
Director of Human Resources	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	0.0	0.0	0.0	1.0	0.5
Human Resources Generalist	1.0	1.0	0.5	1.0	1.0
Total Human Resources	2.0	2.0	1.5	3.0	2.5
Fleet Maintenance					
Fleet Manager	1.0	1.0	1.0	1.0	1.0
Mechanic	2.0	2.0	2.0	2.0	2.0
Total Fleet Maintenance	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds					
Parks Supervisor	1.0	1.0	1.0	1.0	1.0
Buildings and Grounds Supervisor	0.0	0.0	0.0	0.0	0.0
Grounds Specialist	4.0	4.0	4.0	4.0	4.0
Maintenance Technician	2.0	1.0	1.0	1.0	1.0
Total Buildings & Grounds	7.0	6.0	6.0	6.0	6.0
Information Technology					
System Administrator	1.0	1.0	1.0	1.0	0.8
Director of Information Technology	1.0	1.0	1.0	1.0	1.0
Network Administrator	1.0	1.0	1.0	1.0	1.0
Business Analyst	0.0	0.0	0.0	0.0	1.0
Information Technology Technician	0.0	0.0	0.0	1.0	1.0
Administrative Assistant	0.5	0.5	1.0	0.0	0.0
Total Information Technology	3.5	3.5	4.0	4.0	4.8
Total General Government	25.5	24.5	24.5	25.5	26.8



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013	Budgeted 2013-2014
Public Safety					
Police					
Police Chief	1.0	1.0	1.0	1.0	1.0
Captain, Police Department	1.0	1.0	1.0	1.0	1.0
Lieutenant	4.0	4.0	4.0	4.0	4.0
Sergeant	5.0	5.0	5.0	5.0	5.0
Detective	1.0	1.0	1.0	1.0	1.0
Officer	7.0	4.0	3.0	4.0	3.0
Sr.Patrol Officer	3.0	3.0	3.0	2.0	1.0
Master Patrol Officer	5.0	5.0	5.0	5.0	7.0
Telecommunications Specialist	4.0	4.0	4.0	4.0	4.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Total Police	32.0	29.0	28.0	28.0	28.0
Fire					
Fire Chief	1.0	1.0	1.0	1.0	1.0
Deputy Fire Chief/Fire Marshall	1.0	1.0	1.0	1.0	1.0
Fire and Life Safety Educator	1.0	1.0	1.0	1.0	1.0
Battalion Chief	3.0	3.0	3.0	3.0	3.0
Captain	2.0	2.0	2.0	3.0	4.0
Lieutenant	4.0	4.0	4.0	3.0	2.0
Master Firefighter	11.0	11.0	11.0	10.0	12.0
Senior Firefighter	1.0	1.0	1.0	1.0	3.0
Firefighter	6.0	6.0	6.0	7.0	3.0
Total Fire	30.0	30.0	30.0	30.0	30.0
Inspections					
Building Code Official	1.0	1.0	1.0	1.0	1.0
Building Inspector - Level III	1.0	1.0	1.0	1.0	1.0
Total Inspections	2.0	2.0	2.0	2.0	2.0
Total Public Safety	64.0	61.0	60.0	60.0	60.0



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013	Budgeted 2013-2014
Economic & Physical Development					
Planning					
Director of Planning and Inspections	1.0	1.0	1.0	1.0	1.0
Senior Planner	1.0	2.0	2.0	2.0	2.0
Planner	1.0	0.0	0.0	0.0	0.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Planning Technician	1.0	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	1.0	1.0
Customer Service Representative	1.0	1.0	0.5	0.5	0.0
Total Planning	7.0	7.0	6.5	6.5	6.0
Community Development					
Director of Engineering	1.0	1.0	0.0	0.0	0.0
Engineering Technician	1.0	1.0	0.0	0.0	0.0
Administrative Assistant	0.5	0.5	0.0	0.0	0.0
Total Community Development	2.5	2.5	0.0	0.0	0.0
Total Economic & Physical Development	9.5	9.5	6.5	6.5	6.0
Transportation					
Public Services Administration					
Director of Public Services	1.0	1.0	1.0	1.0	1.0
Assistant Director, Public Services	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Total Public Services Administration	3.0	3.0	3.0	3.0	3.0
Streets and Grounds					
Infrastructure Supervisor	0.0	0.0	1.0	1.0	1.0
Crew Leader (CDL), Streets and Grounds	1.0	1.0	0.0	0.0	0.0
Team Leader, Streets and Grounds	1.0	1.0	1.0	1.0	1.0
Equipment Operator III/Foreman	0.0	0.0	1.0	1.0	1.0
Maintenance Worker (CDL), Streets and Grounds	2.0	2.0	3.0	4.0	4.0
Maintenance Worker, Streets and Grounds	11.0	9.0	9.0	8.0	8.0
Total Streets and Grounds	15.0	13.0	15.0	15.0	15.0
Total Transportation	18.0	16.0	18.0	18.0	18.0



Personnel Classification Schedule

Classification Plan Detail	Budgeted 2009-2010	Budgeted 2010-2011	Budgeted 2011-2012	Budgeted 2012-2013	Budgeted 2013-2014
Environmental Protection					
Solid Waste					
Sanitation Superintendent	1.0	1.0	1.0	1.0	1.0
Solid Waste Worker (CDL)	6.0	6.0	6.0	6.0	6.0
Solid Waste Worker	2.0	2.0	2.0	2.0	2.0
Total 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					
Director of Parks and Recreation	1.0	1.0	1.0	1.0	1.0
Recreation Program Coordinator	2.0	2.0	2.0	2.0	2.0
Events Coordinator	0.0	0.0	0.0	0.0	1.0
Seasonal Part-Time (FTE)	2.0	2.0	2.0	2.0	2.0
Total Parks and Recreation	5.0	5.0	5.0	5.0	6.0
Harness Track					
Harness Track Supervisor	1.0	1.0	1.0	1.0	1.0
Harness Track Specialist, CDL	1.0	1.0	1.0	0.0	0.0
Harness Track Specialist	2.0	2.0	1.8	2.8	2.8
Seasonal Part-Time (FTE)	1.0	0.5	0.3	0.3	0.3
Total Harness Track	5.0	4.5	4.0	4.0	4.0
Fair Barn					
Fair Barn Events Coordinator	1.0	1.0	1.0	1.0	1.0
Fair Barn Events Assistant (FTE)	0.5	0.0	0.3	0.3	0.3
Seasonal Part-Time (FTE)	1.0	1.5	0.5	0.5	0.5
Total Fair Barn	2.5	2.5	1.8	1.8	1.8
Total Cultural and Recreation	12.5	12.0	10.8	10.8	11.8
GRAND TOTAL	138.5	132.0	128.8	129.8	131.6