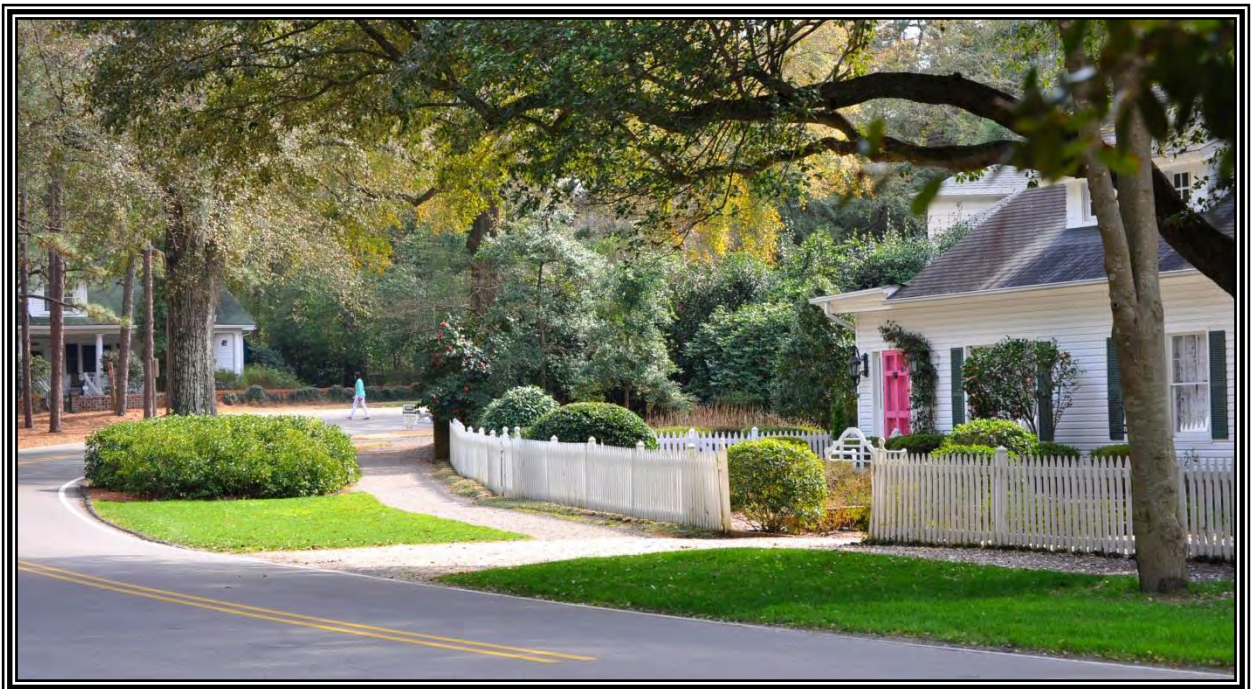




NORTH CAROLINA



2015 Strategic Operating Plan



# **VILLAGE OF PINEHURST**

## **2015 Strategic Operating Plan**

**Including**

**FY 2014-2015 Budget**

**&**

**FY 2015-2019 Capital Improvement Plan**



Treasurer John Strickland, Council Member Claire Phillips, Mayor Nancy Roy Fiorillo,  
Mayor Pro-Tem John Cashion, Council Member Clark Campbell



## **VILLAGE OF PINEHURST**

**395 MAGNOLIA ROAD**

**PINEHURST, NC 28374**

**910.295.1900**

**[www.vopnc.org](http://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	Andrew Wilkison
Assistant Village Manager	Natalie Dean
Assistant Village Manager	Jeff Batton
Village Clerk	Lauren Craig
Director of Financial Services	John Frye
Director of Human Resources	Angela Kantor
Police Chief	Earl Phipps
Fire Chief	Carlton Cole
Director of Planning and Inspections	Bruce Gould, Interim
Director of Public Services	Walt Morgan
Director of Parks & Recreation	Mark Wagner
Manager of Fleet Maintenance	Randy Kuhn
Director of Information Technology	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.

***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.

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

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

***Strategic Operating Plan 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.



***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.

***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 2014-2015 Strategic Operating Plan for the Village of Pinehurst was developed based on customer feedback and comparison of Village performance with benchmark communities for 15 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 2014-2015 recommended Net Budget, which includes all funds less transfers between funds, totals \$17,756,065. This is a decrease of 2% over the prior year's amended Net Budget at February 28, 2014. 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 2014-2015 expenditures.

Growth for most revenue sources is conservatively estimated based on current economic conditions. For FY 2014-2015 we have appropriated \$1,687,710 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 use approximately \$763,000 of our fund balance this fiscal year.

Capital outlays of \$1,974,000 are included in the recommended budget. This represents a decrease of \$350,921 or 15% over the previous year. In the previous fiscal year, the Village replaced a fire engine, which increased the capital budget significantly.

The Village's 2015 Strategic Operating Plan and FY 2014-2015 Budget includes 55 initiatives that total \$1.6 million to achieve the Strategic Objectives of the balanced scorecard. From these objectives, the Village Council selected four short-term Areas of Focus. They include: preserve the character and ambience of the village, promote economic opportunity, provide safe traffic & pedestrian mobility, and provide a variety of recreational & cultural opportunities.

For FY 2014-2015, the budgeted number of employees is 0.25 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.

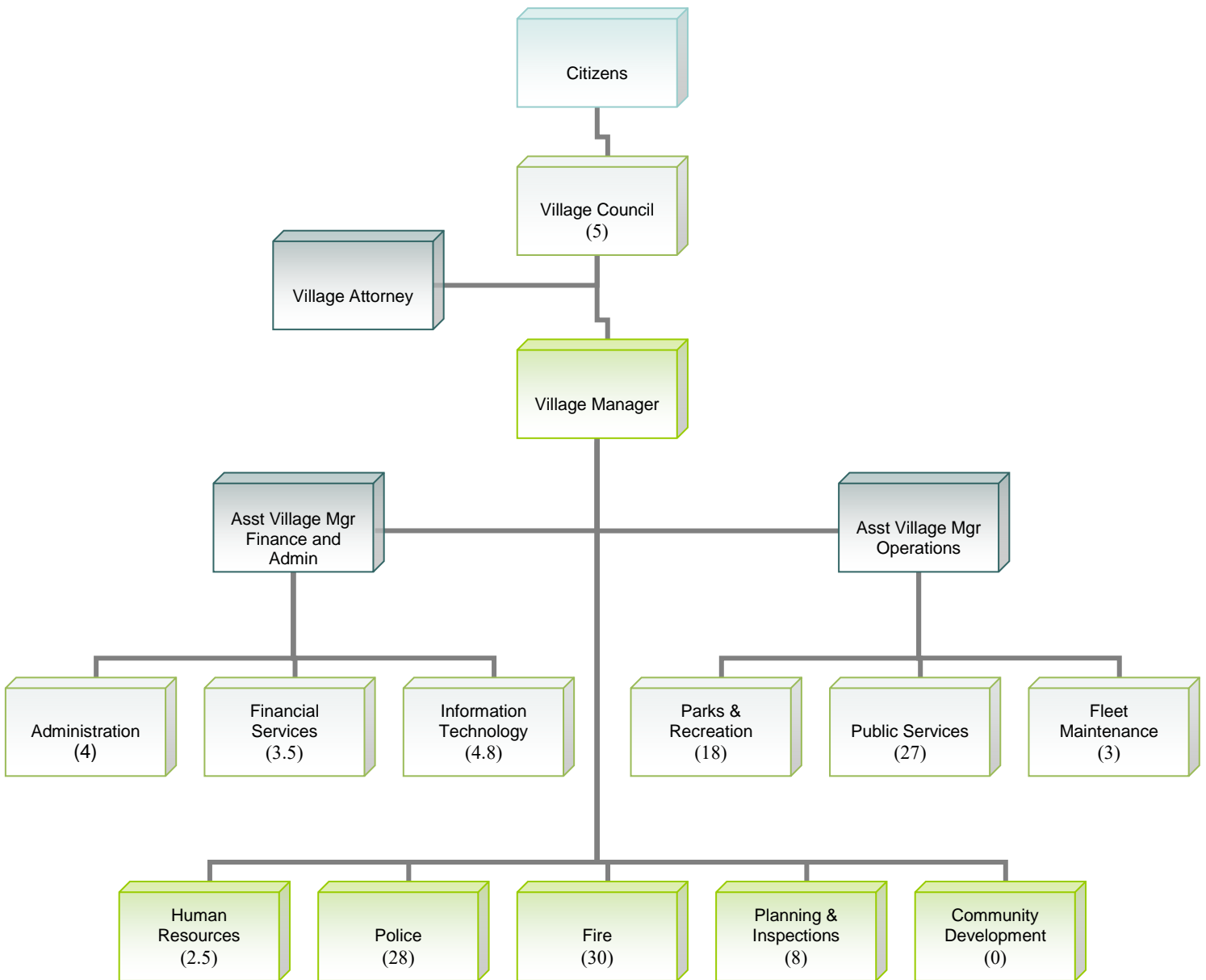
Although the budget does not fund all the requests made by departments, it addresses the Council's Strategic Areas of Focus and aims for continuous improvement to ensure the provision of high quality services for residents, businesses, and visitors.

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, 2013**

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

Executive Director





May 13, 2014

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 2015 Strategic Operating Plan, including the Recommended Budget for fiscal year (FY) 2014-2015, 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 2015 Strategic Operating Plan.

Fiscal Year 2015 marks the second year of the Village's new strategic planning process. Last year the Village transitioned from adopting a separate Capital Improvement Plan (CIP) and operating budget to adopting a Strategic Operating Plan (SOP) that contains a one-year budget and a five-year 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 are transforming 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 2014-2015 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 15 strategic objectives and 29 performance measures around which this SOP was developed. From these objectives, the Village Council selected four short-term Areas of Focus, one long-term Area of Focus, and set goals for each strategic objective. 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.



Economic concerns include the unemployment rate, which is currently 6.5% in Moore County. This is slightly below the state and national rates, a reversal from the past few years, and 3% lower than this time last year. Fallout from the housing crisis resulted in a five-year decline in construction in the Village. Although housing prices have remained somewhat stable, the number of new homes constructed has been slow to recover. This significantly suppressed the growth rate of our tax base, which challenges the Village to determine how to provide high quality municipal services in times of slower revenue growth. Sales tax revenues have surpassed pre-recessionary levels and the overall growth rate has returned to historical averages.

Besides the overall economy, other external factors have affected our budget planning process. The U.S. Open and U.S. Open 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 2014-2015 Budget as presented provides a financial plan for the ensuing fiscal year and has been developed in accordance with the Village's financial policies and the balanced scorecard (BSC). Based on a review of current or baseline performance relative to benchmark communities, the Village Council has identified four Strategic Areas of Focus for FY 2014-2015:

- Preserve the character and ambience of the Village
- Promote economic opportunity
- Provide and promote safe traffic and pedestrian mobility
- Provide a variety of recreational and cultural opportunities

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

- Maintain adequate funding levels to provide basic Village services,
- 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 2014-2015 Recommended Net Budget, which includes all funds less transfers between funds, totals \$17,756,065. This is a decrease of 2% below the prior year's amended Net Budget at February 28, 2014 of \$18,120,732. The primary reason for the \$364,000 decline in the Net Budget was the inclusion of a \$550,000 fire engine in last year's General Fund Budget. 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 \$1,152 based on a projected population of 15,411.





### INITIATIVES

The Village's 2015 Strategic Operating Plan and FY 2014-2015 Budget includes 55 initiatives that total \$1.6 million to achieve the target performance levels on the BSC. A list of the Areas of Focus and the initiatives proposed to address the Areas of Focus for this fiscal year are provided below:

#### **Preserve the Character and Ambience of the Village**

- Evaluate the consolidation of Streets & Grounds and Buildings & Grounds departments
- Develop a rating system for the appearance of public areas in partnership with the Community Appearance Commission
- Evaluate the code enforcement process

#### **Promote Economic Opportunity**

- Incrementally expand the Village Center into the Village Place/Rattlesnake Trail Corridor
- Develop a rating system for the appearance of public areas in partnership with the Community Appearance Commission
- Evaluate and enhance marketing efforts

#### **Provide and Promote Safe Traffic & Pedestrian Mobility**

- Implement a global positioning system (GPS) based software solution to track and analyze data on infrastructure maintenance and vehicle route management
- Extend sidewalk and walkway system
- Continue to work with NC Department of Transportation to identify a viable long-term solution for the traffic circle
- Develop and implement a public education campaign for roadway safety
- Improve the adequacy of street lighting in neighborhoods

#### **Provide a Variety of Recreational & Cultural Opportunities**

- Expand cultural arts events in Village parks
- Support the Given Memorial Library expansion and operations
- Evaluate the need for indoor recreation facilities
- Develop park facilities

The *Council Priorities and Strategies* section of this document, identifies initiatives aimed at the 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 2014-2015 Budget that address safety, legal, or regulatory requirements, such as:

- Single-day collection system with automated yard debris collection,
- Red Cedar Lane storm drainage project,
- Cotswold annexation and related storm drainage project,
- Given Memorial Library's new operational initiative, and
- Required security upgrades for the Police Department computer network.



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

- The code enforcement process,
- Planning and zoning permits and applications process,
- Inspection applications and processes, and
- Consolidation of Streets & Grounds and Buildings & Grounds departments.

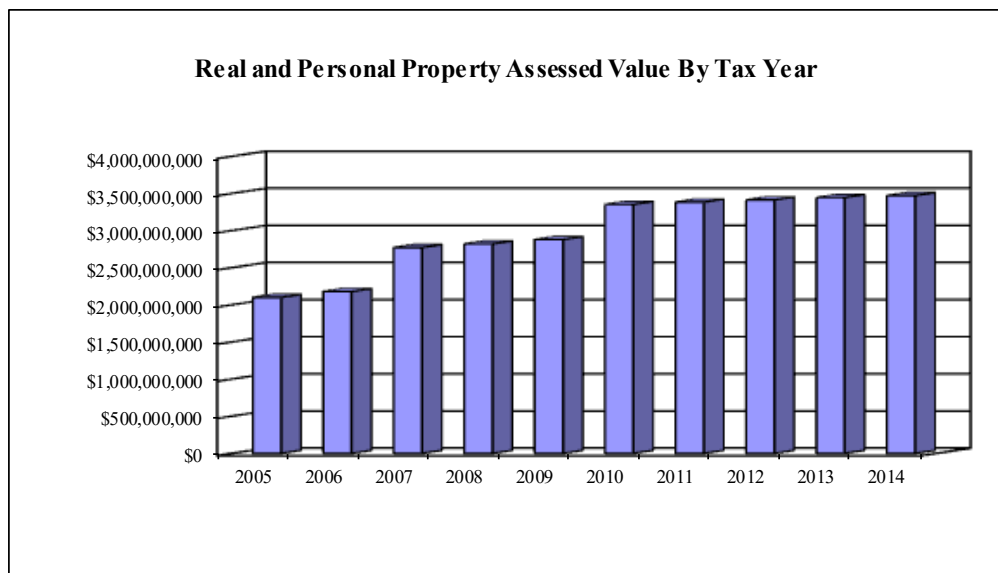
In addition, the Village will undertake an initiative to determine the level of public support for the construction of a Community Center. The evaluation could include additional surveys, focus groups, or a referendum to gauge whether residents would support a property tax increase to fund the project.

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

## FUNDS OF THE RECOMMENDED BUDGET

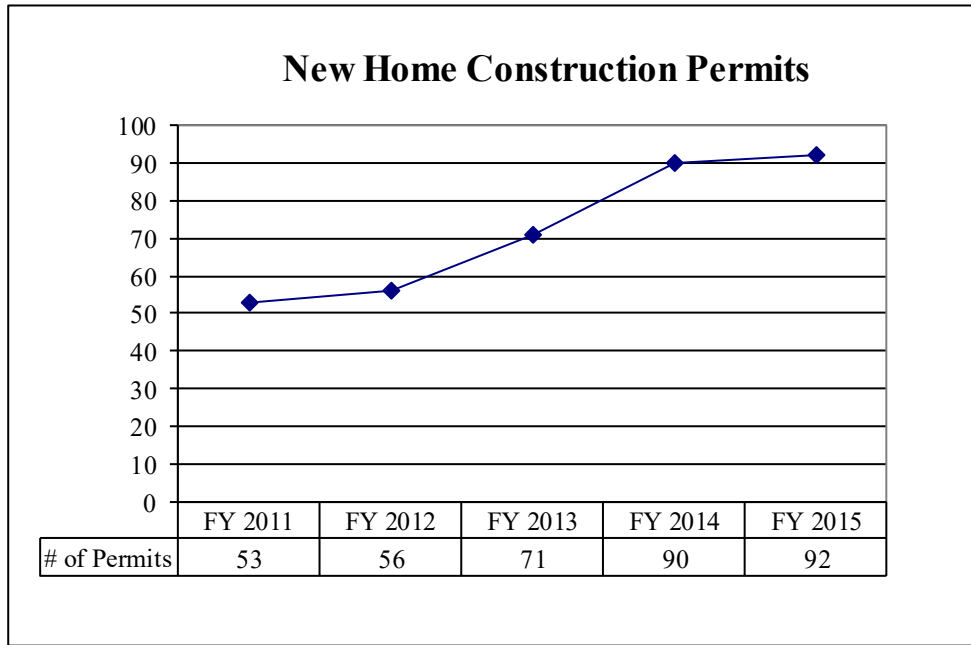
### General Fund

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 2014-2015 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 \$9,767,000 in property tax revenues based on an anticipated collection rate of 99.9% for real and personal property and 96.9% 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 \$342,000 in revenue.





Our budget estimates assume an average growth in the real property tax base of 0.8%. 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. As the chart below indicates, this has rebounded slowly over the past four fiscal years and we project approximately 92 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 16% of the Village's total General Fund budget, or \$2,799,000 in FY 2014-2015. This represents an increase of 8% from the previous year and is due to the effects of the U.S. Open Championships and the overall economic recovery.

The FY 2014-2015 Recommended Budget for the General Fund totals \$17,756,060, which is \$364,000 or 2% lower than the amended FY 2013-2014 Budget of \$18,120,132 as of February 28, 2014. The primary reason for the decrease is the prior year budget contained \$550,000 in capital funding for a fire engine replacement.

Overall, the Recommended Budget for the General Fund utilizes \$1,687,710 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 37%, slightly lower than the 41% of 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 71% of all General Fund revenue comes from ad valorem taxes and local option sales taxes. Over the past decade, the Village's revenue sources have become much less diversified due to the repeal of taxes at the state level and dependence on the ad valorem tax has increased as a result. This year the Village expects moderate revenue growth due to the recovering housing market and strong retail sales. The loss of one-time licensing fees from the United States Golf Association (USGA) for the U. S. Open Championships received in the previous fiscal year created a downward pressure on revenues.

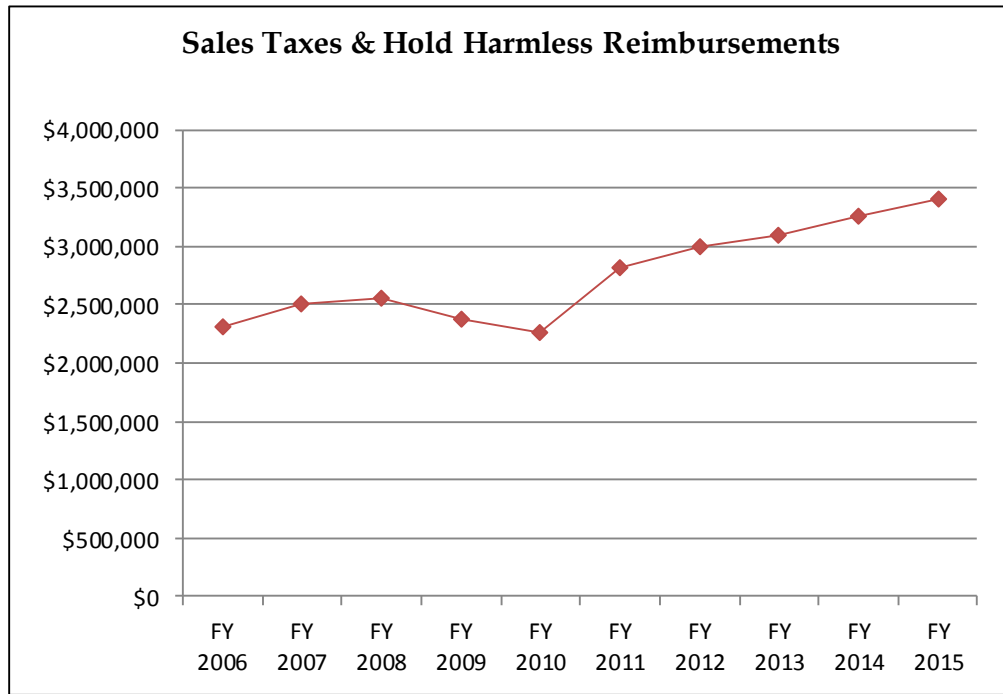
### **Ad Valorem Taxes (Property Taxes)**

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 \$9,767,000 in FY 2014-2015. 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 ( $6\frac{3}{4}$ ) cents paid in sales tax on retail sales in North Carolina represents the local share of this tax. This tax consists of a one percent tax that was first levied in 1971, a one-half cent tax levied in 1983, and a one-half cent tax levied in 1986. 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 \$2,799,000 in FY 2014-2015, which accounts for 16% of total revenues for the General Fund. As the following chart illustrates, sale tax revenues have surpassed 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 \$2,172,000 for FY 2014-2015, or approximately 12% of General Fund revenues.

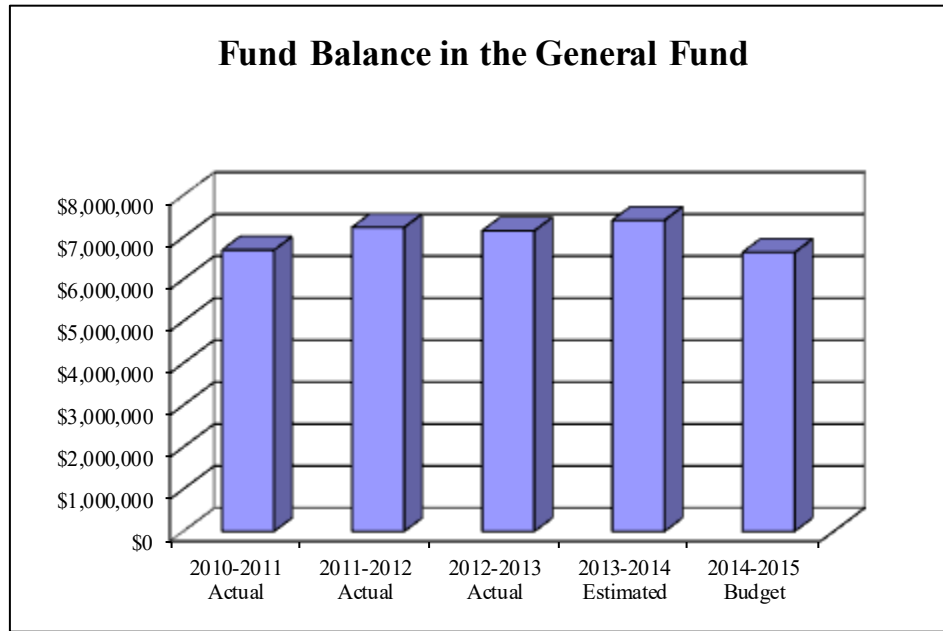
## Permits and Fees

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 received \$700,000 in one-time fees from the USGA for license fees related to the 2014 U.S. Open and U.S. Women's Open Championships. After this reduction, total Permits and Fees revenue are expected to be \$558,000 in FY 2014-2015, or approximately 3% of total General Fund revenues.

## FUND BALANCES

At June 30, 2014, the Village's fund balance in the General Fund is projected to be approximately \$7.4 million, or 41% of the FY 2013-2014 Budget. This is just over the top of the Village's targeted range of 30%-40% of budgeted expenditures. The budget as proposed for FY 2014-2015 will reduce the level of fund balance to approximately \$6.6 million, or 37% of expenditures.





A summary of all funds and their estimated fund balances as of June 30, 2014 are as follows:

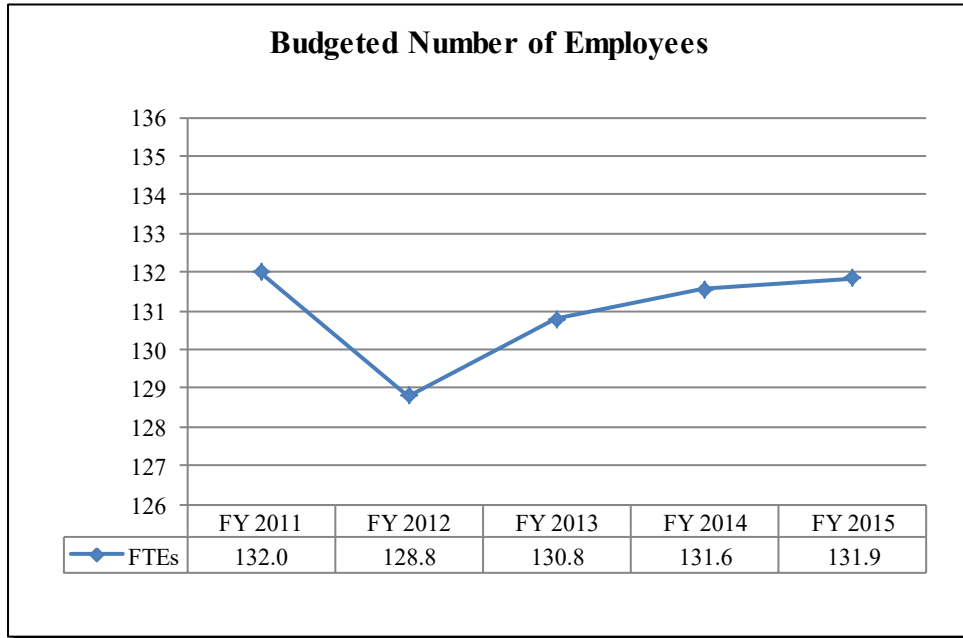
FUND	ESTIMATED AMOUNT
General Fund	\$ 7,410,763
Land Dedication Fund	<u>2,893</u>
	<u>\$ 7,413,656</u>

**EXPENDITURES BY CATEGORY**

**Salaries and Wages**

Salaries and wages, excluding benefits, for the Village’s 132 full-time equivalents (FTEs) accounts for \$5,892,000 or 33% of the total Net Budget. This percentage is 2% percent higher than the previous year. The budgeted number of employees is 0.25 FTE higher than in the previous year’s adopted budget.

The budget recommends an increase of 0.25 FTE for one position. A Harness Track Specialist position was reduced from full-time to part-time as part of cost containment some years ago. The subsequent use of contract laborers at the track has resulted in inconsistent customer service. Based on this, the budget recommends restoring this position from ¾-time to full-time.



A total of \$134,000 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 four years.

**Operating Costs**

This category of expenditures accounts for \$9,395,000 or 53% 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 initiatives, carts for automated yard debris collection, the transfer of \$300,000 to the Given Library capital campaign, and annual resurfacing funds for approximately 4 miles of Village-owned streets.

Group insurance costs have historically escalated at a very rapid pace. This past year, however, the Village did not have an increase at renewal due to contract negotiations and plan design changes. The Village’s Risk Management Committee evaluates the group insurance plan each year and recommends an insurance program for the next calendar year. This year’s budget assumes a 10% increase in group insurance costs at our January 2015 renewal due to projected medical care cost increases and our recent claims experience.

**Capital**

This category of expenditures accounts for \$1,974,000, or 11% of the total Net Budget. This represents a decrease of \$351,000 or 15% over the previous year. The previous fiscal year budget contained a \$550,000 fire engine replacement, which increased the capital budget significantly. This budget as proposed does not contain any significant non-routine capital expenditures, such as a new building, that would increase 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 2014-2015 can be found in the *Capital Expenditures* section of the Strategic Operating Plan document. The list below highlights some of the more notable items:

- Sidewalks and enhanced traffic control devices on Highway 211,
- Cotswold storm drainage project,
- Streetscape improvements on Community Road,
- Expansion of sidewalks/greenways,
- Wicker Park improvements, and
- Storm drainage projects.

### **Debt Service**

This category of expenditures accounts for \$495,000, or 3% of the total Net Budget. This represents an increase of \$26,000 or 6% over the previous year. In FY 2013-2014, the Village began paying debt service on a \$550,000 loan 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 37% of FY 2014-2015 General Fund expenditures, which is well within our policy range of 30% to 40%.

The Recommended Budget for FY 2014-2015 includes numerous strategic initiatives designed to improve performance as outlined in the Village's Balanced Scorecard. Specifically, fourteen strategic initiatives are planned to address performance in the Council's four strategic areas of focus. Significant initiatives include incrementally expanding the Village Center into Village Place, improving the adequacy of street lighting in neighborhoods, and implementing single-day collection of all solid waste. The budget also continues our commitment to the Given Memorial Library's capital campaign and sets aside \$50,000 for their new operational initiative in contingency.

Departmental requests were reduced by approximately \$1,800,000 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 2014-2015:

Function	Fund		
	General	Land Dedication	Total
Revenues	\$ 16,068,350	\$ 5	\$ 16,068,355
Other Financing Sources	-		-
Fund Balance Appropriated	1,687,710		1,687,710
<b>Total Revenues</b>	<b>\$ 17,756,060</b>	<b>\$ 5</b>	<b>\$ 17,756,065</b>
General Government	\$ 2,863,715		\$ 2,863,715
Public Safety	5,806,805		5,806,805
Transportation	2,954,025		2,954,025
Environmental Protection	1,633,875		1,633,875
Economic & Physical Development	1,452,845		1,452,845
Cultural and Recreation	2,450,270		2,450,270
Debt Service	494,525		494,525
Reserve for Future Expenditures	-	\$ 5	5
Other Financing Uses	-		-
Contingency	100,000		100,000
<b>Total Expenditures</b>	<b>\$ 17,756,060</b>	<b>\$ 5</b>	<b>\$ 17,756,065</b>
Less transfers between funds *			-
<b>Net Budget</b>			<b>\$ 17,756,065</b>

\* 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 4:30 pm in the Assembly Hall of the Pinehurst Village Hall on Tuesday, May 27, 2014. A copy of the proposed budget is available for inspection at Village Hall and on the Village's website [www.vopnc.org](http://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 2014-2015**

**BE IT ORDAINED AND ESTABLISHED** by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 27th day of May 2014 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, 2014 and ending June 30, 2015, in accordance with the chart of accounts heretofore established for this Village:

**OPERATING EXPENDITURES:**

Governing Body	\$ 233,000
Administration	1,074,975
Financial Services	606,310
Human Resources	459,905
Police	2,773,875
Fire	2,535,925
Inspections	226,090
Public Services	405,025
Streets & Grounds	1,213,665
Powell Bill	788,300
Solid Waste	1,435,975
Planning	658,435
Community Development	293,900
Recreation	1,288,335
Library	380,000
Harness Track	524,040
Fair Barn	289,380
Contingency	100,000
Debt Service	<u>494,525</u>

Total Operating Expenditures    \$ 15,781,660



## Annual Budget Ordinance

### CAPITAL EXPENDITURES:

Administration	\$ 102,205
Financial Services	4,880
Human Resources	2,440
Police	142,695
Fire	126,575
Inspections	1,645
Public Services	67,505
Streets & Grounds	479,530
Solid Waste	197,900
Planning	2,010
Community Development	498,500
Recreation	162,755
Harness Track	109,245
Fair Barn	<u>76,515</u>

Total Capital Expenditures \$ 1,974,400

TOTAL EXPENDITURES \$ 17,756,060

**SECTION 2.** It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

Ad Valorem Tax Revenue	\$ 9,767,000
Other Taxes and Licenses	2,800,700
Unrestricted Intergovernmental Revenue	1,664,900
Restricted Intergovernmental Revenue	506,760
Permits and Fees	557,750
Sales and Services	532,500
Assessments	31,110
Other Revenues	193,530
Investment Income	14,100
Appropriated Fund Balance	<u>1,687,710</u>

TOTAL REVENUES \$ 17,756,060

**SECTION 3.** The following amounts are hereby appropriated in the Land Dedication Special Revenue Fund for the fiscal year beginning July 1, 2014, and ending June 30, 2015 in accordance with the chart of accounts heretofore approved for the Village:

Reserve for Future Use \$ 5



## 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, 2014, and ending June 30, 2015:

Investment Income \$ 5

**SECTION 5.** 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, 2014, 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 \$3,492,000,000 and an estimated collection rate of 99.9% for real and personal property and 96.9% for motor vehicles.

**SECTION 6.** 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 7.** The Village Manager or his designee is hereby authorized to execute the necessary agreements within funds included in the Budget Ordinance for the following purposes:

- a. Purchase of apparatus, supplies, and materials where formal bids are not required by law;
- b. Leases of normal and routine business equipment;
- c. Construction or repair work where formal bids are not required by law;
- d. Consultant, 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 8.** 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.



# Annual Budget Ordinance

THIS ORDINANCE passed and adopted this 27<sup>th</sup> day of May, 2014.



VILLAGE OF PINEHURST  
VILLAGE COUNCIL

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

Attest:

Approved as to Form:

Lauren Craig  
Lauren Craig, Village Clerk

Michael J. Newman  
Michael J. Newman, Village Attorney



Visit the Village of Pinehurst's web site: [www.vopnc.org](http://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 5" 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](mailto: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](mailto: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](mailto: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](mailto: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 employees and volunteers are also critical to the success of our organization.



*Employee Academy Participants*

## **PUBLIC SAFETY**

### **Fire ([jccole@vopnc.org](mailto: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.



### **Police ([ephipps@vopnc.org](mailto: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.



*Award-Winning Police Car Design*

### **Inspections ([bgould@vopnc.org](mailto:bgould@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. 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](mailto: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](mailto: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 streets in the Village, the largest amount of any local government in Moore County. Routine tasks include asphalt patching, installing and maintaining storm drains, installing and maintaining traffic and street name signs, repairing sidewalks, street sweeping, and tree trimming. This division also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.



*Enhanced Village Center Signage*

## **ENVIRONMENTAL PROTECTION**

### **Solid Waste ([wmorgan@vopnc.org](mailto:wmorgan@vopnc.org))**

The Solid Waste Division of the Public Services Department reports to the Assistant Director of Public Services. The Solid Waste Division provides residents with 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 ([bgould@vopnc.org](mailto:bgould@vopnc.org))**

The Director of Planning and Inspections reports directly to the Village Manager and is a member of the senior leadership team. It is the mission of the Planning Department to preserve and enhance the unique character of the Village of Pinehurst and to manage and guide growth in ways that complement the quality of life. The Planning Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. The Planning Department assures that all activities are in compliance with the Pinehurst Development Ordinance and other applicable Village codes.



### **Community Development ([jbatton@vopnc.org](mailto:jbatton@vopnc.org) or [ndean@vopnc.org](mailto: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.



*Newly Opened Welcome Center*

## **CULTURAL AND RECREATION**

### **Library ([jfrve@vopnc.org](mailto: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 and has contributed to its capital expansion campaign. The library functions as a free public library and has a collection of over 23,000 items including fiction, non-fiction, audio books, e-books, and reference materials. The Library also serves as the curator of the Tufts Archives, the Pinehurst History Museum and operates a book shop in the Village Center.

### **Recreation ([mwagner@vopnc.org](mailto: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.





*Face Painting at Downtown Event*

### **Fair Barn ([dbunch@vopnc.org](mailto: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.

### **Harness Track ([rskellington@vopnc.org](mailto: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.



*Polo Field at Harness Track Facility*



### INTERNAL SERVICE DEPARTMENTS

#### **Fleet Maintenance ([rkuhn@vopnc.org](mailto:rkuhn@vopnc.org))**

The Director of Fleet Maintenance reports directly to the Assistant Manager of Operations and is a member of the Senior Leadership Team. The Fleet Maintenance Department is responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. This department performs lube, oil, and filter changes, tire replacements and repairs, and engine and pump repairs. Fleet Maintenance personnel also maintain, repair, and replace pumps, motors, and generators at the ponds in the Municipal Service District and at the police and fire stations.

#### **Buildings & Grounds Maintenance ([kbrewer@vopnc.org](mailto: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 the Arboretum*

#### **Information Technology ([jwhitaker@vopnc.org](mailto:jwhitaker@vopnc.org))**

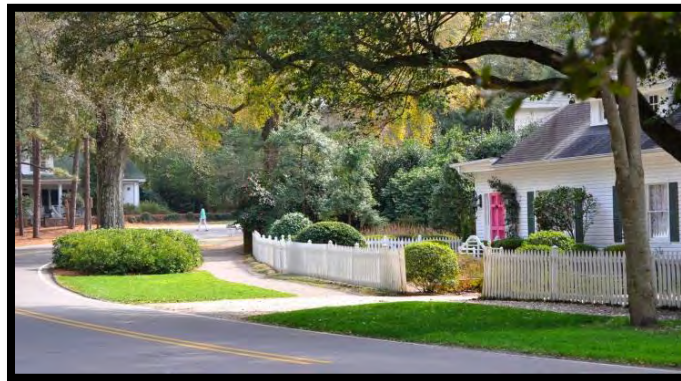
The Director of Information Technology reports directly to the Assistant Village Manager of Finance and Administration. The Information Technology Department provides hardware and software support to Village employees and is responsible for the maintenance and security of the Village's network infrastructure. The Information Technology Department is also responsible for the Village's internet and intranet web sites.



### BOARDS, COMMISSIONS AND COMMITTEES

#### **Historic Preservation Commission ([bgould@vopnc.org](mailto:bgould@vopnc.org))**

The Historic Preservation Commission recommends design guidelines and standards 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 any work requiring a certificate of appropriateness (COAs) for exterior alterations, demolitions, or new construction within the historic district.



*Village Historic District*

#### **Planning And Zoning Board ([bgould@vopnc.org](mailto:bgould@vopnc.org))**

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

#### **Board of Adjustment ([bgould@vopnc.org](mailto:bgould@vopnc.org))**

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





### **Community Appearance Commission ([bgould@vopnc.org](mailto:bgould@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 administers the CAC Appearance Grant, the Beautification Grant, and the Warren H. Manning Beautification Award Program.

### **Beautification Committee ([mwagner@vopnc.org](mailto:mwagner@vopnc.org))**

The Beautification Committee serves as an advisory committee to the Village Council for the purpose of enhancing the appearance of the Village Center and surrounding residential areas. The Committee also assists the Public Services Department in beautifying key intersections and street corners in and near the Village Center.

### **Conservation Commission ([bgould@vopnc.org](mailto:bgould@vopnc.org))**

The Conservation Commission was started in 2003 as part of the Village's Comprehensive Long-Range Plan to meet the conservation goals of Pinehurst. It has now grown into a large entity with six committees and many members. Over the past several years, the commission has performed a number of activities including: educational workshops, Arbor Day celebration, and promoting conservation by participating in community events. The subcommittees identify plants along the greenway, and promote recycling, tree planting, water conservation, open space preservation, and energy conservation.



*Village Volunteer Luncheon Attendees*

### **Village Center Enhancement Committee ([ndeane@vopnc.org](mailto:ndeane@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.



## Need More Information?

The best source for additional information is our web site [www.vopnc.org](http://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.....	<b>911</b>
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

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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 seven consecutive years and last year was awarded the Special Performance Measures Recognition for the first time.

### **What's New in the Document This Year?**

This year, the Village has continued with the second year of our Strategic Planning Process (SPP). The Village is becoming a strategy-focused organization that aligns resources with strategic organizational objectives, utilizing its Balanced Scorecard (BSC) that cascades to Department Dashboards. This has a tremendous impact on the types and amount of information that is included in this document.

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

- Council Goals have been added that are linked to the Strategic Objectives of the BSC,
- The Budget Message and Budget Ordinance have been moved to the front of the document, and
- The Environmental Scan detail section has been removed from the document and condensed information is incorporated in the Council Strategies and Priorities section.

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, completes a SWOT analysis, and develops goals.

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 Strategic Objectives of 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.



## Strategic Planning Process Overview

In February, the Financial Services Department compiles the Strategic Planning 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 extent to which the initiative addresses the Council's current areas of focus, or strategic priorities,
- The extent to which the initiative addresses an area where customer satisfaction is low,
- The ongoing net financial impact on the Village, and
- The extent to which the initiative may address multiple strategic objectives.

To determine the Village's financial capacity to fund the Strategic Operating Plan, staff prepares five-year income and expense projections, which are 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 30<sup>th</sup> 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

The Village has utilized the following schedule in preparing and adopting the 2015 strategic operating plan and FY 2014-2015 Budget:

December 12-13, 2013	Village Council holds Strategic Planning Retreat
January 28, 2014	Village Council approves Balanced Scorecard with performance measures and target performance levels
February 7, 2014	Financial Services Department releases the FY 2013-2014 Strategic Operating Plan (SOP) manual and forms
March 21, 2014	Department Heads submit completed Departmental SOP forms to the Financial Services Department after consultation with their respective Village Manager
March and April 2014	Financial Services Department estimates revenues in conjunction with Department Head input and consolidates departmental requests
March 31 – April 4, 2014	Strategic Planning Team holds Strategic Operating Plan Workshops with Department Heads to discuss their submitted strategic plans
April 7 – April 25, 2014	Strategic Planning Team prioritizes initiatives and develops Strategic Operating Plan with long-term staffing and capital plan included
May 7, 2014	Village Manager submits the draft Strategic Operating Plan to the Village Council
May 13, 2014	Village Manager presents the Strategic Operating Plan to the Village Council at a Council work session
May 14 – May 23, 2014	Village Council holds work sessions to review Strategic Operating Plan and FY 2013-2014 Budget
May 27, 2014	Village holds a public hearing on the FY 2013-2014 Budget
June 10, 2014	Village Council adopts the Strategic Operating Plan and the FY 2013-2014 Budget Ordinance
July 1, 2014	SOP implemented
July 12, 2013	Financial Services Department publishes the final SOP and budget-in-brief and distributes documents





### 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.





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 basis of accounting for all funds. This approach to accounting recognizes revenues when they become measurable and expenditures at the time liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered shall lapse. The Village of Pinehurst also uses the modified accrual method as the basis for budgeting and for accounting.



The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) controls how municipalities budget and spend money. The major effects of the LGBFCA on the budgetary process are described below.

### **Budget Calendar**

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (G.S. 159-10 through 13). These dates are as follows:

- Departmental requests must be submitted to the Budget Officer by April 30.
- Revenue requests must be submitted to the Budget Officer by April 30.
- The recommended annual budget must be submitted to the Governing Board by June 1.
- The Governing Board must adopt the annual budget ordinance by June 30.

### **Budget Forms and Procedures**

The Budget Officer (Village Manager) must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests “shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe.” G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

### **Departmental Requests**

G.S. 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

### **Recommended Budget**

G.S. 159-11 requires that the budget officer’s recommended budget be balanced unless the Governing Board insists that an unbalanced budget be submitted. **A balanced budget as defined by the North Carolina Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.** It is also required that the budget be submitted to the Governing Board with a budget message. G.S. 159-11(b) states that the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.
- 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** currently accounts for all special revenue fund activity. Special Revenue 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 Village has no agency funds at this time. Agency funds are not appropriated and therefore would not be included in the budget document.



## 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 137,492	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	280,470	300,000	296,540	310,500	3.5%
Capital	159,821	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 577,783	\$ 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 137,492	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	280,470	300,000	296,540	310,500	3.5%
Capital	159,821	30,000	29,950	30,000	0.0%
<b>Expenditures Total</b>	<b>\$ 577,783</b>	<b>\$ 480,000</b>	<b>\$ 473,075</b>	<b>\$ 495,500</b>	<b>3.2%</b>

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 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Safeguard the Community</b>				
• % of inspections that are compliant upon initial inspection	95.50%	95.00%	96.00%	97.00%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
• 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



## 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, completes a SWOT analysis, and identifies strategic objectives and goals.

Based on these key inputs into the SPP, the Council then sets target performance levels, based on comparisons to benchmark communities, for the 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 extent to which the initiative addresses the Council's current areas of focus, or strategic priorities,
- The extent to which the initiative addresses an area where customer satisfaction is low,
- The ongoing net financial impact on the Village, and
- The extent to which the initiative may address multiple strategic objectives.





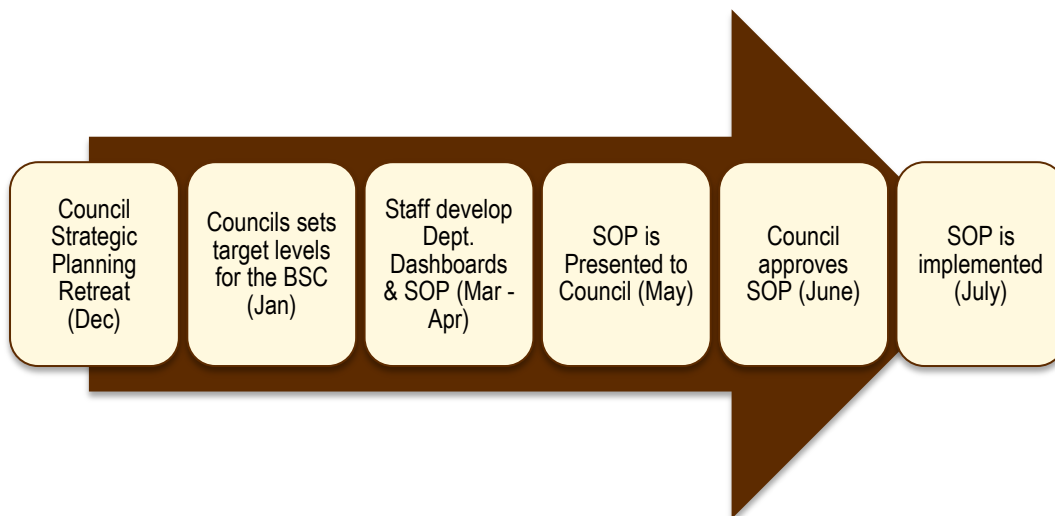
To help determine the Village’s financial capacity to fund the Strategic Operating Plan, staff prepares the five-year income and expense projections. Several assumptions are made relative to revenues and expenditures, based on historical trends and future projections. The five-year projections are inclusive 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 2015 Strategic Operating Plan addresses each of the 15 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 the five year planning period of FY 2015-2019, there are a total of 57 strategic initiatives proposed at an approximate cost of \$5.6 million.

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

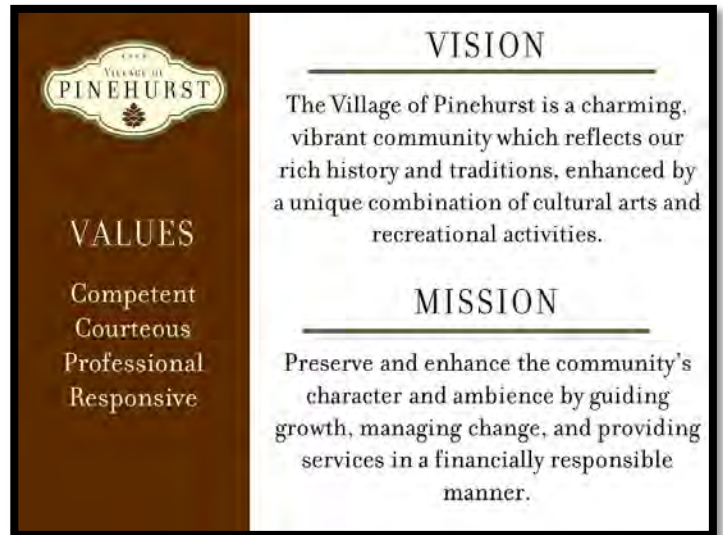
At the December 2013 Council Retreat, the Council affirmed the Village’s Mission and Vision. The Council also affirmed the values the Village workforce, including employees and volunteers, are expected to demonstrate when providing service to customers:

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 2013 Retreat, the Council affirmed the following five core competencies for the Village:

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



### Strategic Advantages and Challenges

Strategic advantages are those benefits that exert a decisive influence on the Village’s likelihood of future success and are the source of competitive success. Strategic challenges are those external pressures that exert a decisive influence on the Village’s likelihood of future success. The eight strategic advantages and challenges identified by the Village Council at the December 2013 Retreat are below.

Strategic Challenges	Strategic Advantages
Adapting to a changing demographic	External relationships & partnerships
Limited revenue growth	Connections to citizens through neighborhood groups (e.g. NAC)
Maintaining the National Historic Landmark designation	Talented volunteers
Recruiting and retaining businesses	Use of technology
Maintaining high quality services that meet citizen expectations	World renowned golf with international name recognition
Determining appropriate land use regulations	National Historic Landmark
Staying connected with citizens	Safe community
Maintaining a low crime rate	Quality healthcare services



### Environmental Scan

The Environmental Scan consists of a review of critical data and information that can impact service delivery. During the Environmental Scan, 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 2015 Strategic Operating Plan.

#### Demographics

Over the past two censuses, Pinehurst's demographic mix has changed. The 55-64 demographic group is getting smaller and the younger population has grown, particularly children under 19 and their parents.

#### Economic environment

New home construction is traditionally what has brought the most revenue growth to the Village. Historically, the Village had averaged over 200 new homes constructed per year for well over a decade. This fell off sharply in 2008 and there has only been a modest recovery in the local housing market.

#### Revenue forecast

Property taxes and sales taxes are the Village's primary revenue sources. Staff is projecting annual tax base growth of 1% and annual sales tax growth of 3% throughout five year planning period.

#### Customer focused results

Results of the 2013 Community Survey and 2013 Business Survey were reviewed in detail with comparisons to the FY 2012 survey results and national/regional benchmarks. In some instances, the Village set national high benchmarks for satisfaction levels and the surveys also identified several opportunities for improvement.

#### Leadership and governance results

The Village achieved greater than 90% approval ratings for elected officials, boards, and Village management.

#### Workforce focused results

Results of the 2013 Workforce Survey and 2013 Volunteer Survey were reviewed in detail with comparisons to the FY 2012 survey results.

#### Financial results

Key financial ratios and data were reviewed and indicate the Village's financial position is strong, with all key ratios falling within target levels.



### Balanced Scorecard

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 and Goals
5. Performance Measures
6. Performance Targets
7. Linkage
8. Benchmark Comparisons

#### 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 and Goals

Strategic objectives are what the Village must achieve to ensure long-term sustainability and help guide resource allocations and redistributions. Goals are actions identified that help the Village achieve its strategic objectives.

At the December 2013 Retreat, the Village Council identified 15 corporate strategic objectives and goals for each objective for its FY 2015 Corporate Balanced Scorecard. Each of the corporate objectives is broadly defined so that it provides context for what the organization is to achieve. This relationship between the four balanced perspectives and the 15 corporate objectives constitutes the blueprint for departmental action and individual employee activity.

The Council identified goals for each strategic objective are identified later in this section under *Council’s Goals and Strategic Initiatives*.



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 FY 2015 Strategic Objectives



*History, Charm, & Southern Hospitality*





Each of the 15 corporate strategic objectives, by Balanced Scorecard Perspective, are broadly defined as follows:

Strategic Objective Definitions		
Customer	Safeguard the Community	Protect the lives and property of residents, businesses, and visitors.
	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.
	Promote Economic Opportunity	Support businesses and promote the Village in a way that ensures a vibrant, viable, and thriving business community.
	Provide & Promote Safe Traffic & Pedestrian Mobility	Provide and promote well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity.
	Protect the Environment	Provide programs and services to preserve open space and natural resources and to ensure environmental sustainability.
	Provide a Variety of Recreational and Cultural Opportunities	Offer recreation programs, facilities, and community events to enhance the overall quality of life.
Internal	Enhance customer service	Improve service delivery to internal and external customers. Provide services that are accessible, responsive to customer needs, and seamless.
	Continuously improve processes	Analyze key processes to ensure alignment to strategies, incorporating new technologies and shared knowledge to improve service delivery and efficiency.
	Develop collaborative solutions	Develop internal and external partnerships to lead, plan, and deliver services.
	Meet legal and regulatory requirements	Comply with all applicable laws and regulations.
Employee	Optimize Volunteer Engagement	Maximize the utilization of a diverse mix of volunteers to further the mission of the Village.
	Recruit & Retain a Skilled & Diverse Workforce	Select and retain qualified and diverse workforce to meet the community's needs.
Financial	Provide Value for Tax Dollars	Ensure value and quality of services by being productive and efficient in service delivery.
	Maintain a Strong Financial Condition	Pursue fiscal policy to maintain a strong credit rating.
	Invest in Capital	Optimize existing infrastructure and create new infrastructure, including streets, technology, equipment, & facilities.



### Performance Measures

For each of the 15 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. For example, the Village may *Optimize Volunteer Engagement* (Internal Perspective), which in turn should help the Village to *Provide Value for Tax Dollars* (Financial 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 FY 2015 Balanced Scorecard**

Each of the four perspectives of the 2015 Balanced Scorecard are detailed in the following pages. For all 15 strategic objectives, the Village Council has identified a defining statement, goals, 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 on the BSC. Village staff will then report this information to the Village Council, residents, businesses, and visitors.



# Balanced Scorecard

FY 2015 Village of Pinehurst Balanced Scorecard							
	Strategic Objective	Performance Measure	FY 2012	FY 2013	FY 2014 Est.	FY 2014 Goal	FY 2015 Goal
Customer	Safeguard the community	UCR index crime rate per 1,000 residents	11.26	11.13	12.50	14.00	12.00
		% of residents whose overall feeling of safety in the Village is good or excellent	96%	96%	96%	96%	96%
	Preserve the character & ambience of the Village	% satisfaction with landscaping in medians and other public areas	85%	83%	84%	85%	85%
		% of residents who rate the overall appearance of the Village as good or excellent	93%	92%	93%	93%	93%
		% of residents who rate the overall quality of life as good or excellent	88%	91%	90%	90%	92%
	Promote economic opportunity	1st floor occupancy rate in the Village Center	n/a	77%	78%	85%	85%
		% of businesses likely to recommend the Village as a business location	73%	84%	85%	77%	87%
	Provide & promote safe traffic & pedestrian mobility	Pavement condition rating	82.3	82.3	82.9	80.0	82.9
		# of lf of sidewalks, greenways, and bike paths constructed	-	4,430	17,935	8,000	7,000
		% of residents satisfied with the availability of sidewalks	37%	35%	36%	37%	36%
		% of residents satisfied with the maintenance of streets in neighborhoods	73%	72%	72%	72%	72%
	Protect the environment	% of refuse diverted from the landfill	32%	33%	32%	33%	33%
		% of residents satisfied with curbside recycling services	92%	91%	91%	92%	92%
	Provide a variety of recreational & cultural opportunities	% of residents satisfied with P&R programs	75%	72%	72%	75%	75%
		% of residents satisfied with Village sponsored cultural arts events	61%	63%	63%	58%	65%
% of residents satisfied with P&R facilities		78%	78%	78%	76%	80%	
Internal	Enhance customer service	% of residents satisfied with customer service provided by Village employees	78%	80%	80%	78%	82%
	Continuously improve processes	Full time equivalents per million \$ of revenue	8.41	8.34	7.80	8.41	8.40
	Develop collaborative solutions	# of new collaborative initiatives developed	n/a	n/a	15	6	15
	Meet legal & regulatory requirements	% compliance with the NC Local Government and Fiscal Control Act	100%	100%	100%	100%	100%
Employee	Optimize volunteer engagement	% of volunteers satisfied with the volunteer experience	88%	91%	91%	88%	91%
	Recruit & retain a skilled & diverse workforce	% of EEs who are satisfied with their job	90%	90%	90%	90%	90%
		Employee turnover rate	10.7%	11.4%	10.0%	8.0%	10.0%
Financial	Provide value for tax dollars	% of residents satisfied with the value received for taxes paid	66%	71%	70%	66%	70%
		Operating expenditures as a % of operating revenues	89%	85%	89%	89%	89%
	Maintain a strong financial condition	Bond rating	Aa2/A A	Aa2/A A	Aa2/A A	Aa2/A A	Aa2/A A
		Debt service expenditures as a % of total budgeted expenditures	5.4%	3.3%	2.9%	4.0%	3.0%
		Unassigned GF fund balance as a % of actual expenditures	29.5%	28.5%	27.0%	15.0%	27.0%
Invest in capital	Capital asset condition ratio	59%	59%	59%	60%	60%	





### 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 2015) or LT (2015-2019) Strategic Area of Focus.

### Strategic Areas of Focus for FY 2015

The Village Council has identified four strategic objectives as their short term areas of focus for FY 2015:



In addition, the Village Council has identified the strategic objective of *Maintain a Strong Financial Condition* as a long-term area of focus to ensure the ongoing success of the Village and to strengthen the organization's overall performance.



## Council's Strategic Areas of Focus

The short term areas of focus for FY 2015 were selected by the Village Council for the following reasons:

<b>Preserve the Character &amp; Ambience of the Village</b>	<b>Promote Economic Opportunity</b>
<ul style="list-style-type: none"> <li>• 33% dissatisfaction with code enforcement when the service is used</li> <li>• 24% dissatisfaction with mowing/cutting of weeds/grass on private property</li> <li>• 21% dissatisfaction with clean-up of litter on private property</li> <li>• 20% dissatisfaction with prohibiting oversized vehicles in residential neighborhoods</li> <li>• <u>Strategic challenges</u> – determining appropriate land use regulations; maintaining the NHL designation</li> <li>• <u>Weakness</u> – abrasive code enforcement</li> <li>• <u>Opportunities</u> – complete PDO rewrite; more effective code enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• Access to quality shopping is largest gap between are needs being met compared to importance</li> <li>• 20% dissatisfaction with quality of retail development</li> <li>• 22% of businesses are dissatisfied with P&amp;Z services/department</li> <li>• 24% of businesses are dissatisfied with supporting business growth and development</li> <li>• 22% of businesses are dissatisfied with business signage regulations</li> <li>• <u>Strategic challenge</u> – recruiting and retaining businesses</li> <li>• <u>Weaknesses</u> – size and layout of the Village Center; lack of service businesses</li> <li>• <u>Opportunities</u> – Village Place redevelopment; Rattlesnake Trail corridor; develop and redevelop commercial; grow in business area</li> </ul>
<b>Provide &amp; Promote Safe Traffic &amp; Pedestrian Mobility</b>	<b>Provide a Variety of Recreational &amp; Cultural Opportunities</b>
<ul style="list-style-type: none"> <li>• 38% dissatisfaction with the availability of sidewalks and rated as a “Very High” priority in I/S ratings</li> <li>• 34% dissatisfaction with adequacy of street lighting – Ranked #1 in should receive the most emphasis in next two years (Public Services) - Rated as a “Very High” priority in I/S ratings - 42% overall satisfaction below national average (63%) and southeast average (55%) – set a record low satisfaction rating for ETC Surveys</li> <li>• <u>Weaknesses</u> – traffic congestion; lack of pedestrian walkways; street lighting</li> </ul>	<ul style="list-style-type: none"> <li>• 25% dissatisfaction with availability of recreation indoor facilities and rated as a “High” priority in I/S ratings</li> <li>• Quality of recreation programs for adults; and range of activities rated as a “High” priority in I/S ratings</li> <li>• Overall satisfaction with youth recreation programs at 49% - below national average (69%) and southeast average (60%)</li> <li>• <u>Strategic Challenge</u> – adapting to a changing demographic</li> <li>• <u>Weaknesses</u> – lack of indoor recreation space; limited cultural activities</li> <li>• <u>Opportunities</u> – construct a community center; recreation facilities/activities for all ages; responding to changing demographics; engaged in youth programs</li> </ul>



## Council’s Goals and Strategic Initiatives

At the December 2013 Retreat, the Village Council identified those actions needed to help the Village achieve its 15 strategic objectives. To address the Council’s goals, Department Heads then recommended specific strategic initiatives. These proposed strategic initiatives were formulated by Departments Heads based on potential solutions researched, best practices from benchmark communities, and analysis of the current services provided.

The tables on the following pages identify the short term or long term goals for each of the Council’s strategic objectives. Short term goals are those that the Village should address in FY 2015. Long term goals are those goals that should be addressed in FY 2015 – FY 2019. While the vast majority of Council’s goals have initiatives aimed at achieving the goals, resources have been allocated in the FY 2015 Strategic Operating Plan to higher priority strategic initiatives and a few goals are therefore not addressed.

Initiatives aimed at achieving significant process improvements are identified as a BIRDIE. This is the Village’s systematic six step performance improvement process.



- B** Bring the opportunity forward (Identify the opportunity)
- I** Investigate the opportunity (Document the circumstances and factors affecting the issue)
- R** Review potential solutions (Identify ALL possible solutions, with input from customers and stakeholders)
- D** Determine the solution (Select and plan the solution, identify performance measures, desired outcomes, and resources needed)
- I** Implement the solution (Identify timing, parties responsible, etc.)
- E** Evaluate the solution (Based on performance measures, evaluate effectiveness of solution)

In some instances, a strategic initiative addresses multiple Council goals. These are indicated with a “\*” in the tables that follow.

Performance measures to track the effectiveness of the initiatives are included either on the Balanced Scorecard or the Department Dashboards.



# Council's Goals and Strategic Initiatives

	Strategic Objective	Council Goal	ST	LT	FY 2015 Proposed Initiatives
Customer	Safeguard the community	Maintain a low crime rate	X	X	Implement Command Central module to analyze crime data Proactively investigate drug and related property crimes activities
		Educate citizens on public safety	X		Partner with others to offer public safety education programs
		Achieve national accreditation in the fire department		X	Achieve national accreditation in the Fire Department
		Achieve national accreditation in the police department		X	
	Preserve the character & ambience of the Village	Maintain landscaping in medians and other public areas	X		Evaluate the consolidation of S&G and B&G
		Maintain the overall appearance of the Village	X		Develop a rating system for the appearance of public areas in partnership with the CAC
		Create the Manning style landscaping plans for appearance	X		
		Improve code enforcement services to increase compliance with Village codes and ordinances	X		Evaluate the code enforcement process (BIRDIE) *
	Promote economic opportunity	Increase retail and commercial development in commercially zoned areas	X	X	Incrementally expand Village Center into Village Place/Rattlesnake Corridor *
		Create a physical and regulatory environment conducive to business while preserving the character and ambience	X		Develop a rating system for the appearance of public areas in partnership with the CAC
		Promote the Village to recruit businesses	X	X	Evaluate and enhance marketing efforts
		Expand the Village Center into Village Place		X	Incrementally expand Village Center into Village Place/Rattlesnake Corridor*
	Provide & promote safe traffic & pedestrian mobility	Adequately maintain neighborhood streets and right of ways	X	X	Implement a GPS based software solution to track and analyze data on infrastructure maintenance and route management
		Provide pedestrian walkways and sidewalks with DOT connectivity to other communities when possible	X	X	Extend sidewalk and walkway system
		Partner with DOT on a long-term solution for the traffic circle	X		Continue to work with NCDOT to identify a viable long-term solution for the traffic circle
		Educate the public for safe use of roads, pedestrian, bikes, golf carts, etc.	X		Develop and implement a public education campaign for roadway safety
		Provide adequate street lighting	X		Improve adequacy of street lighting in neighborhoods
	Protect the environment	Promote recycling	X		Increase public education on the benefits of recycling to encourage greater participation
		Implement new solid waste plan	X		Implement single-day collection system with automated yard debris
		Reduce impact of irrigation on water supply	X		
		Promote litter reduction	X		
		Reduce Village energy consumption	X		Evaluate alternatives to reduce energy consumption for street lighting *
	Provide a variety of recreational & cultural opportunities	Pursue green building whenever possible	X	X	
		Construct a community center	X	X	Evaluate the need for indoor recreation facilities (BIRDIE)*
		Increase offering of cultural events	X		Expand cultural arts events in Village parks
		Foster public/private cultural opportunities in the Village Center	X		Support the Given Memorial Library expansion
		Develop a West Pinehurst park		X	Develop park facilities *
	Continue park development according to Wicker Park Master Plan		X	Develop park facilities *	



# Council's Goals and Strategic Initiatives

	Strategic Objective	Council Goal	ST	LT	FY 2015 Proposed Initiatives
Internal	Enhance Customer Service	Maintain high customer service rating	X		Develop a post service survey for the Fair Barn Conduct post-service surveys for building and development services
		Effectively communicate with customers	X		Redesign Village website to add more functionality and integrate it with a mobile app
					Develop and implement a corporate communications strategy for keeping the public informed, considering a more frequent newsletter publication and eblasts post-Council meetings
					Stream and post video and/or recordings of Council meetings on the Village website
		Continuously Improve Processes	Leverage technology with key submission processes	X	X
	Finalize a process for innovation and assessment for risk		X		
	Investigate ISO9001 certification for operations		X		
	Identify and review key processes for improvement		X		Develop a contract management system
					Streamline inspection applications and processes to better coordinate with other departments
					Streamline P&Z permits and applications
					Implement an E-crash traffic accident solution
					Conduct post-service surveys of building inspection customers
					Automate employee data entry of p-card transactions
					Automate A/P P-Card data entry
	Develop Collaborative Solutions	Partner with others where possible to provide high quality services	X	X	Partner with organizations to host cultural events at the Fair Barn
		Utilize citizen groups and task forces to obtain public input	X	X	Evaluate alternative methods to obtain public input on Council related decisions (i.e. task forces, POA meetings, Peak Democracy web module, etc.)
		Foster positive relationships with key partners	X	X	Identify key partners and assign a Council liaison to each partner
Meet Legal & Regulatory Requirements	Ensure compliance with all legal and regulatory requirements	X	X	Complete Payment Card Industry (PCI) Compliance Project	
				Increase capability to secure and monitor the Village network for legal compliance	



## Council's Goals and Strategic Initiatives

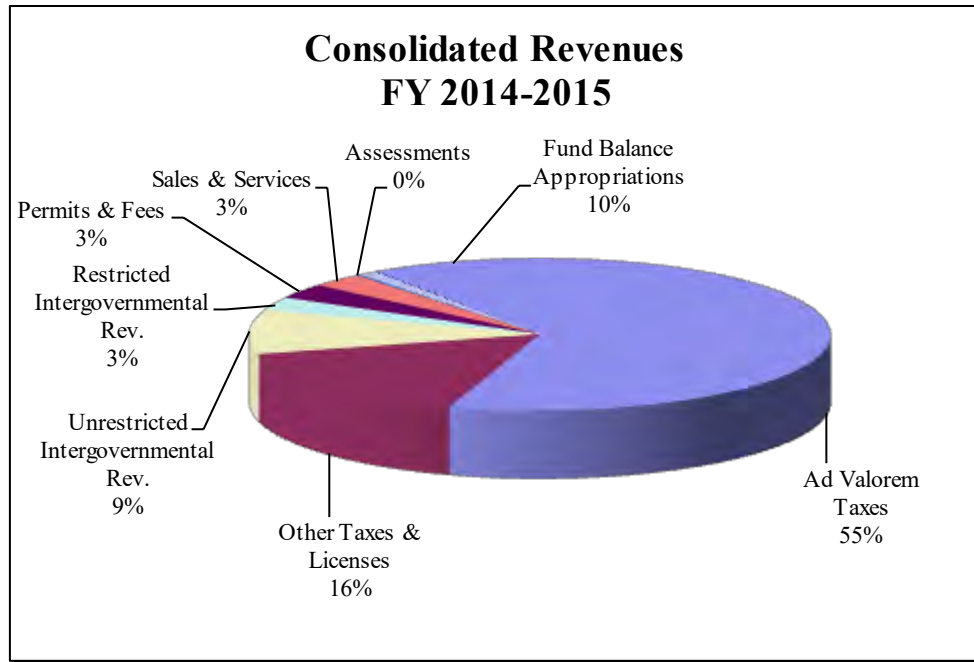
	Strategic Objective	Council Goal	ST	LT	FY 2015 Proposed Initiatives
Employee	Optimize Volunteer Engagement	Recruit and train volunteers	X		Develop an annual training program for volunteer committees
		Reward and recognize volunteerism	X		Develop a comprehensive volunteer reward and recognition program
		Align volunteer resources to fit the needs of the Village	X		Develop a policy on volunteer and committee appointments*
		Implement a standardized volunteer committee and/or task force process	X		Develop a policy on volunteer and committee appointments*
	Recruit & Retain a Skilled and Diverse Workforce	Ensure adequate succession planning for key positions	X		Develop a succession plan
		Develop and implement reward and recognition programs	X	X	Implement selected recommendations from the Compensation Study
					Develop and implement a Village-wide reward and recognition program
Continue training and leadership development programs	X		Offer in-house training through the TOPS program and conduct the annual Employee Academy		
Financial	Provide value for tax dollars	Manage operating costs	X	X	(See proposed process improvements)
					Evaluate alternatives to reduce energy consumption for street lighting *
		Maintain a low tax rate	X	X	Develop an annual budget that meets or exceeds established financial targets *
	Provide high quality municipal services	X	X	(See other initiatives listed)	
				Oversee the annexation of Cotswold	
	Maintain a Strong Financial Condition	Manage the Harness Track and Fair Barn to break even and/or make a profit	X	X	Enhance marketing of the Harness Track
		Seek to maximize use of the Fair Barn			Develop an annual budget that meets or exceeds established financial targets *
	Invest in Capital	Maximize use of Village owned property	X	X	Effectively maintain current capital assets
Light athletic field at Wicker Park					
Evaluate sale of Village-owned land				Effectively maintain our infrastructure	
		X	X	Continue to enhance the Village roadways with the Annual Street Resurfacing Program*	



# Consolidated Budget Summary

## 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.

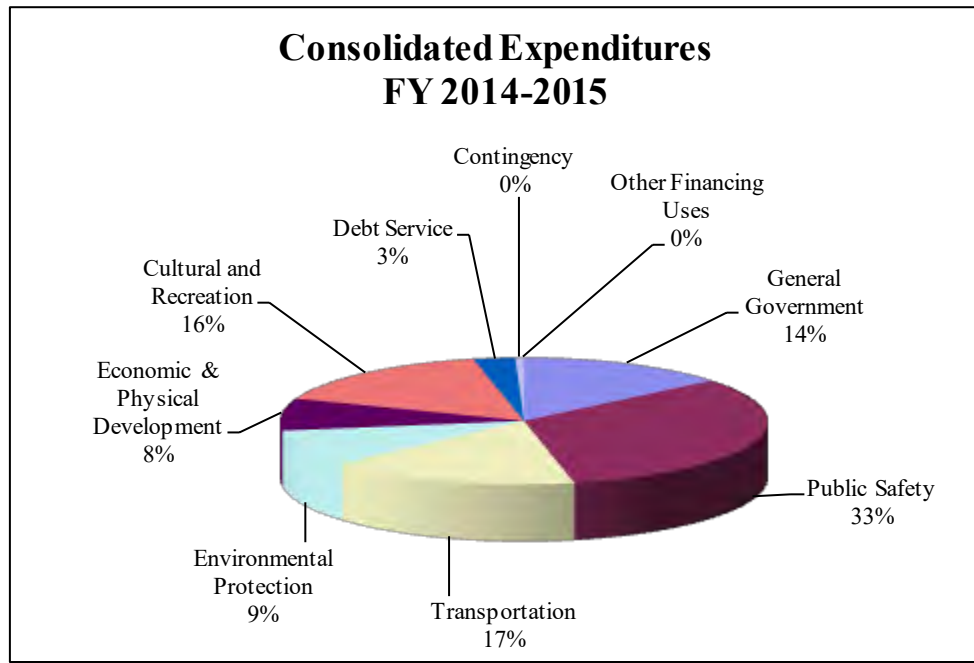


<b>Consolidated Revenues</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,557,452	\$ 9,682,000	\$ 9,682,000	\$ 9,767,000	0.9%
Other Taxes & Licenses	2,575,258	2,591,700	2,671,700	2,800,700	4.8%
Unrestricted Intergovernmental Rev.	1,589,133	1,617,200	1,621,200	1,664,900	2.7%
Restricted Intergovernmental Rev.	503,816	546,255	545,420	506,760	-7.1%
Permits & Fees	535,247	1,241,250	1,233,250	557,750	-54.8%
Sales & Services	517,744	514,015	524,015	532,500	1.6%
Assessments	-	12,410	12,410	31,110	150.7%
Other Revenues	324,892	460,597	445,074	193,530	-56.5%
Investment Income	13,455	21,300	20,508	14,105	-31.2%
<b>Revenues</b>	<b>15,616,997</b>	<b>16,686,727</b>	<b>16,755,577</b>	<b>16,068,355</b>	<b>-4.1%</b>
Other Financing Sources	111,883	557,933	550,000	-	-100.0%
Fund Balance Appropriations	-	876,272	-	1,687,710	100.0%
<b>Total Revenues</b>	<b>\$ 15,728,880</b>	<b>\$ 18,120,932</b>	<b>\$ 17,305,577</b>	<b>\$ 17,756,065</b>	<b>2.6%</b>
<b>Per Capita</b>	<b>\$ 1,050</b>	<b>\$ 1,196</b>	<b>\$ 1,142</b>	<b>\$ 1,152</b>	



## 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Government	\$ 2,246,278	\$ 2,778,305	\$ 2,718,302	\$ 2,483,715	-8.6%
Public Safety	5,197,380	6,224,487	6,041,738	5,806,805	-3.9%
Transportation	2,178,585	2,929,165	2,817,705	2,954,025	4.8%
Environmental Protection	1,347,682	1,667,125	1,489,046	1,633,875	9.7%
Economic & Physical Development	2,131,195	1,599,662	1,587,780	1,452,845	-8.5%
Cultural and Recreation	2,140,905	2,415,768	2,362,160	2,830,275	19.8%
Debt Service	569,449	468,220	468,220	494,525	5.6%
Contingency	-	38,200	38,200	100,000	161.8%
Expenditures	15,811,474	18,120,932	17,523,151	17,756,065	1.3%
Other Financing Uses	-	-	7,876	-	100.0%
<b>Total Expenditures</b>	<b>\$ 15,811,474</b>	<b>\$ 18,120,932</b>	<b>\$ 17,531,027</b>	<b>\$ 17,756,065</b>	<b>1.3%</b>
<b>Per Capita</b>	<b>\$ 1,056</b>	<b>\$ 1,196</b>	<b>\$ 1,157</b>	<b>\$ 1,152</b>	



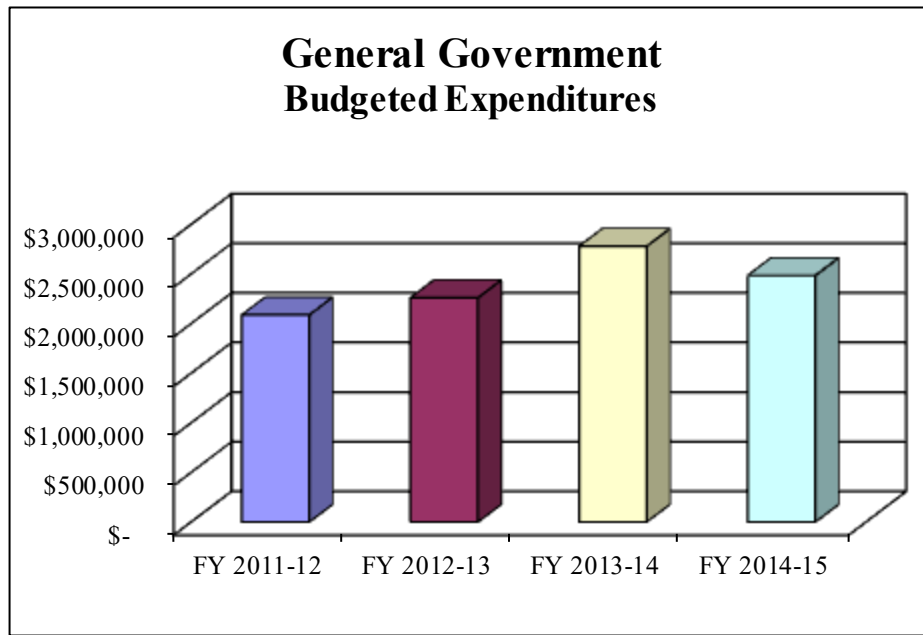


## Functional Expenditure Trend Summary

### *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.



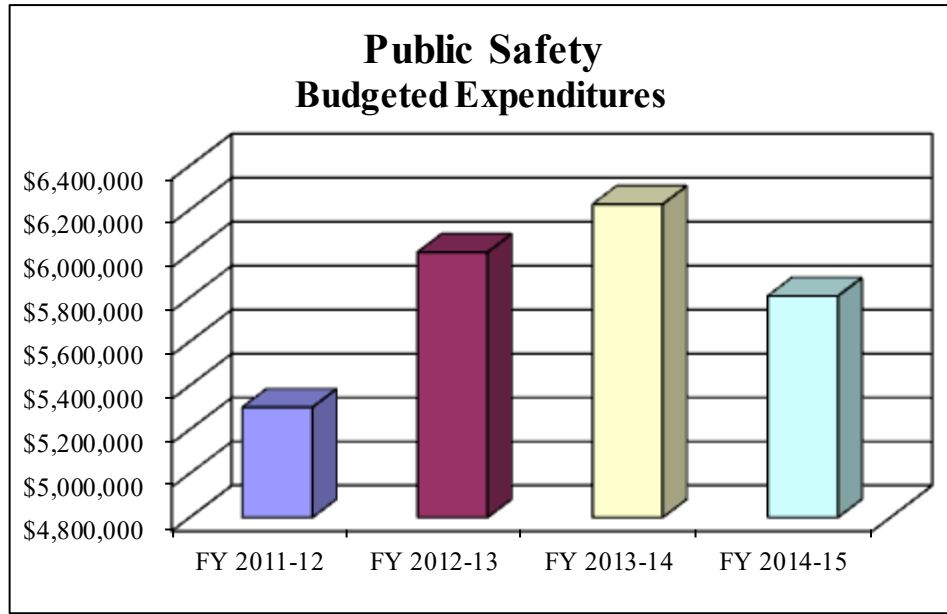
<b>General Government</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 2,086,152	\$ 2,259,044	\$ 2,778,305	\$ 2,483,715
Dollar Change	11,372	172,892	519,261	(294,590)
Percent Change	0.5%	8.3%	23.0%	-10.6%

<b>General Government Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Wages	\$ 883,542	\$ 956,620	\$ 936,200	\$ 970,170	3.6%
Operating	1,234,016	1,690,960	1,671,377	1,404,020	-16.0%
Capital	128,720	130,725	110,725	109,525	-1.1%
<b>Total Expenditures</b>	<b>\$ 2,246,278</b>	<b>\$ 2,778,305</b>	<b>\$ 2,718,302</b>	<b>\$ 2,483,715</b>	<b>-8.6%</b>

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



## Functional Expenditure Trend Summary



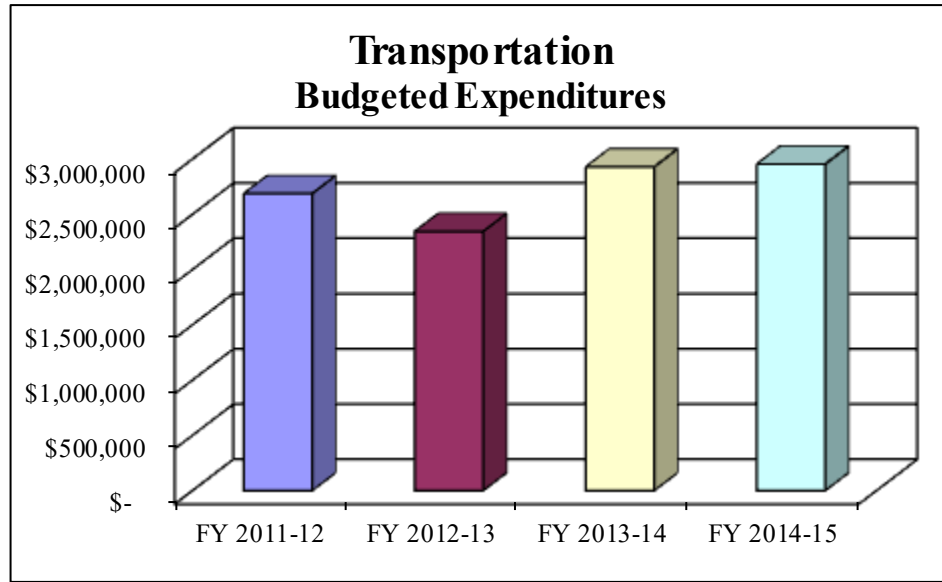
<b>Public Safety</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 5,300,936	\$ 6,006,402	\$ 6,224,487	\$ 5,806,805
Dollar Change	11,644	705,466	218,085	(417,682)
Percent Change	0.2%	13.3%	3.6%	-6.7%

<b>Public Safety Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Wages	\$ 2,896,151	\$ 3,049,130	\$ 2,935,100	\$ 3,101,400	5.7%
Operating	2,145,665	2,549,512	2,480,793	2,434,490	-1.9%
Capital	155,564	625,845	625,845	270,915	-56.7%
<b>Total Expenditures</b>	<b>\$ 5,197,380</b>	<b>\$ 6,224,487</b>	<b>\$ 6,041,738</b>	<b>\$ 5,806,805</b>	<b>-3.9%</b>

**General Fund Departments/Divisions:** Police, Fire and Inspections



## Functional Expenditure Trend Summary



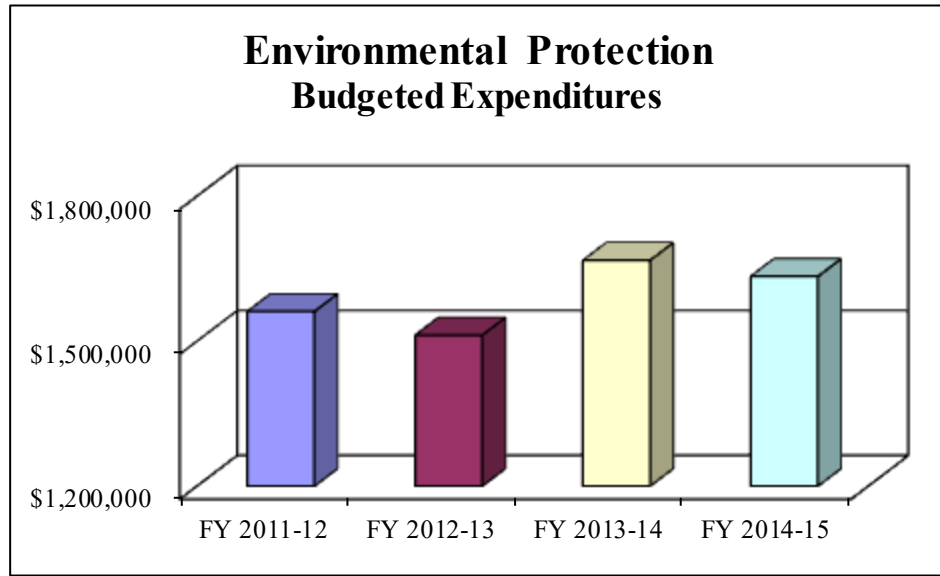
<b>Transportation</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 2,687,093	\$ 2,344,617	\$ 2,929,165	\$ 2,954,025
Dollar Change	159,302	(342,476)	584,548	24,860
Percent Change	6.3%	-12.7%	24.9%	0.8%

<b>Transportation Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Wages	\$ 596,002	\$ 636,044	\$ 602,000	\$ 659,775	9.6%
Operating	1,446,287	1,909,191	1,831,775	1,747,215	-4.6%
Capital	136,296	383,930	383,930	547,035	42.5%
<b>Total Expenditures</b>	\$ 2,178,585	\$ 2,929,165	\$ 2,817,705	\$ 2,954,025	4.8%

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



## Functional Expenditure Trend Summary



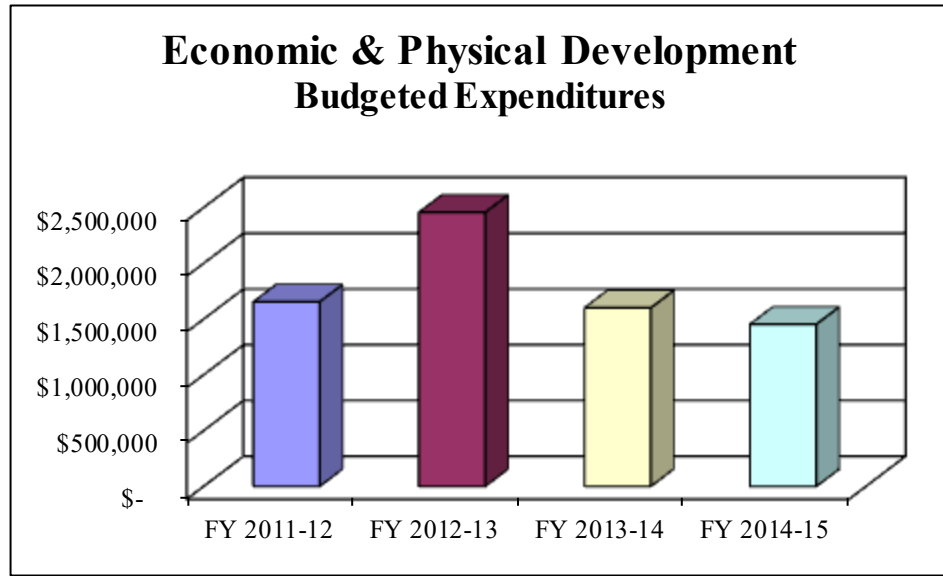
<b>Environmental Protection</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 1,561,353	\$ 1,512,241	\$ 1,667,125	\$ 1,633,875
Dollar Change	(63,632)	(49,112)	154,884	(33,250)
Percent Change	-3.9%	-3.1%	10.2%	-2.0%

<b>Environmental Protection Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Wages	\$ 254,538	\$ 271,059	\$ 269,000	\$ 276,615	2.8%
Operating	902,259	1,187,841	1,011,821	1,159,360	14.6%
Capital	190,885	208,225	208,225	197,900	-5.0%
<b>Total Expenditures</b>	\$ 1,347,682	\$ 1,667,125	\$ 1,489,046	\$ 1,633,875	9.7%

**General Fund Departments/Divisions: Solid Waste**



## Functional Expenditure Trend Summary



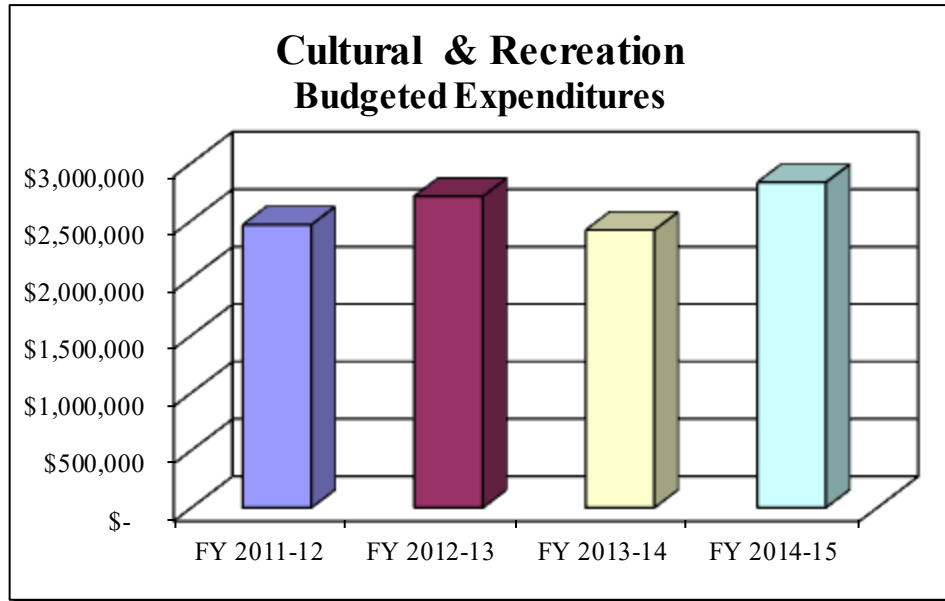
<b>Economic &amp; Physical Dev</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 1,653,934	\$ 2,456,166	\$ 1,599,662	\$ 1,452,845
Dollar Change	296,488	802,232	(856,504)	(146,817)
Percent Change	21.8%	48.5%	-34.9%	-9.2%

<b>Economic &amp; Physical Dev. Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Wages	\$ 338,966	\$ 342,375	\$ 344,100	\$ 357,100	3.8%
Operating	538,150	771,785	758,178	595,235	-21.5%
Capital	1,254,079	485,502	485,502	500,510	3.1%
<b>Total Expenditures</b>	\$ 2,131,195	\$ 1,599,662	\$ 1,587,780	\$ 1,452,845	-8.5%

**General Fund Departments/Divisions:** Planning and Community Development



## Functional Expenditure Trend Summary



<b>Cultural &amp; Recreation</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 2,463,401	\$ 2,710,080	\$ 2,415,768	\$ 2,830,275
Dollar Change	325,207	246,679	(294,312)	414,507
Percent Change	15.2%	10.0%	-10.9%	17.2%

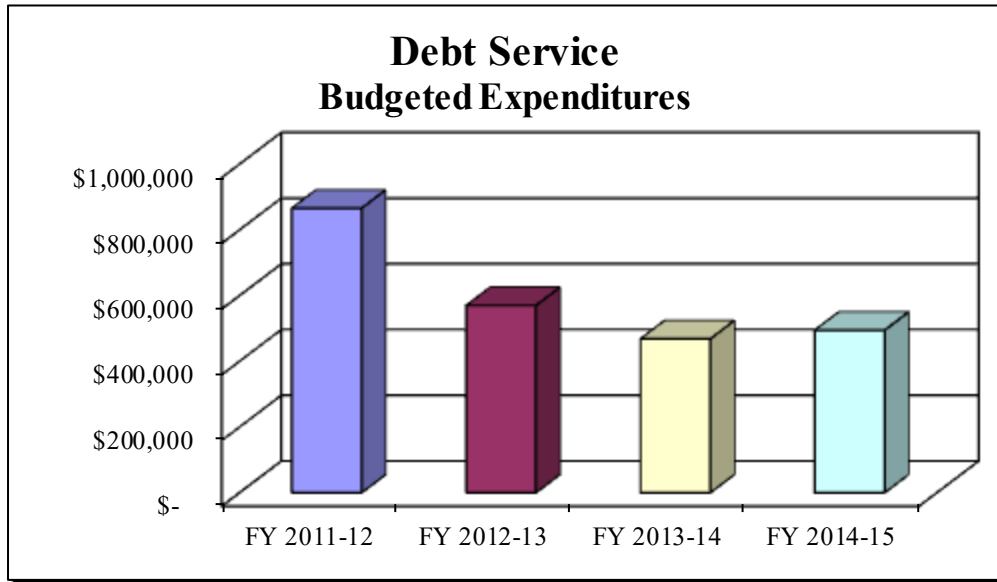
<b>Cultural &amp; Recreation Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Wages	\$ 414,157	\$ 503,925	\$ 466,800	\$ 526,795	12.9%
Operating	1,127,178	1,420,849	1,399,366	1,954,965	39.7%
Capital	599,570	490,994	495,994	348,515	-29.7%
<b>Total Expenditures</b>	<b>\$ 2,140,905</b>	<b>\$ 2,415,768</b>	<b>\$ 2,362,160</b>	<b>\$ 2,830,275</b>	<b>19.8%</b>

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

**Other Funds Included:** Land Dedication Fund



## Functional Expenditure Trend Summary



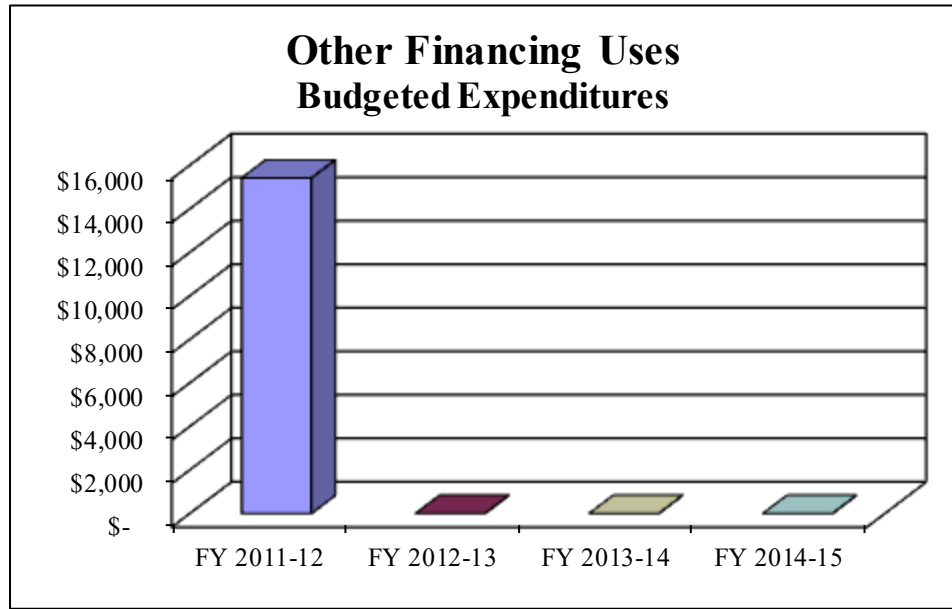
<b>Debt Service</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 865,615	\$ 569,557	\$ 468,220	\$ 494,525
Dollar Change	(176,875)	(296,058)	(101,337)	26,305
Percent Change	-17.0%	-34.2%	-17.8%	5.6%

<b>Debt Service Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Operating	\$ 569,449	\$ 468,220	\$ 468,220	\$ 494,525	5.6%
<b>Total Expenditures</b>	\$ 569,449	\$ 468,220	\$ 468,220	\$ 494,525	5.6%

**Funds with Debt Service:** General Fund



## Functional Expenditure Trend Summary



<b>Other Financing Uses</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 15,413	\$ -	\$ -	\$ -
Dollar Change	(20,437)	(15,413)	-	-
Percent Change	-57.0%	-100.0%	#DIV/0!	0.0%

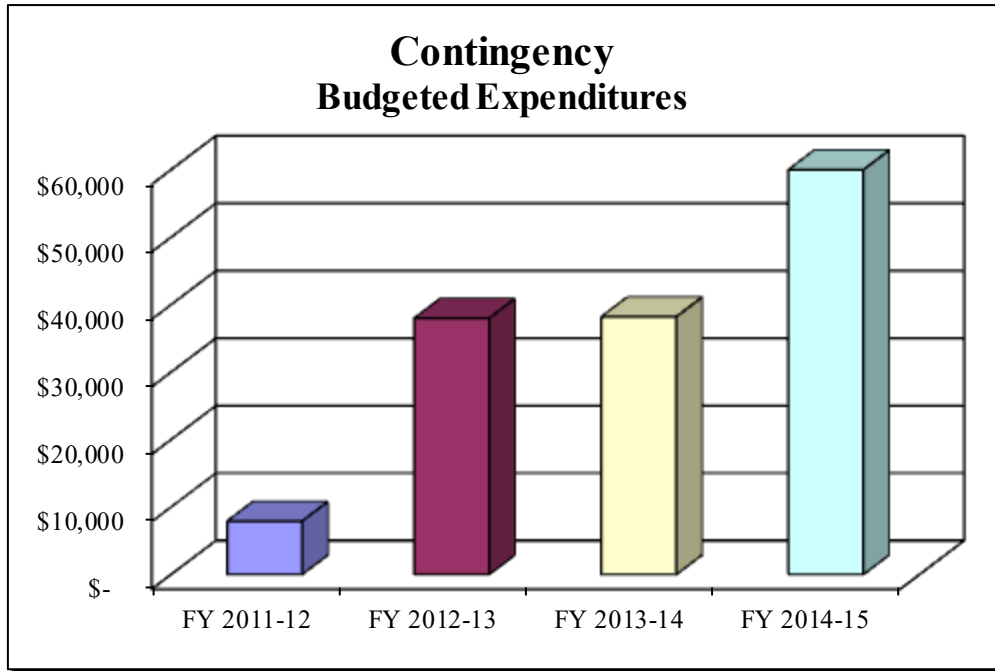
<b>Other Financing Uses Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Operating	\$ -	\$ -	\$ 7,876	\$ -	0.0%
<b>Total Expenditures</b>	\$ -	\$ -	\$ 7,876	\$ -	100.0%

**Funds with Other Financing Uses:** General Fund





## Functional Expenditure Trend Summary



<b>Contingency</b>	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Budgeted Amount	\$ 7,910	\$ 38,000	\$ 38,200	\$ 100,000
Dollar Change	(32,729)	30,090	200	61,800
Percent Change	-80.5%	-100.0%	100.0%	161.8%

<b>Contingency Expenditures</b>	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Operating	\$ -	\$ 38,200	\$ 38,200	\$ 100,000	161.8%
<b>Total Expenditures</b>	\$ -	\$ 38,200	\$ 38,200	\$ 100,000	161.8%

**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 2014-2015 budget and three prior fiscal years.

<b>Fund Balances</b>	FY 2011-12 Beginning	FY 2011-12 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%
<b>Fund Totals</b>	<b>\$ 6,726,511</b>	<b>\$ 7,269,451</b>	<b>\$ 542,940</b>	<b>8.1%</b>

<b>Fund Balances</b>	FY 2012-13 Beginning	FY 2012-13 Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 7,244,455	\$ 7,161,748	\$ (82,707)	-1.1%
Land Dedication Fund	2,882	2,887	5	0.2%
Residential Assurance - Interest Fund	7,760	7,868	108	1.4%
Municipal Service District Fund	14,354	-	(14,354)	-100.0%
<b>Fund Totals</b>	<b>\$ 7,269,451</b>	<b>\$ 7,172,503</b>	<b>\$ (96,948)</b>	<b>-1.3%</b>

<b>Fund Balances</b>	FY 2013-14 Beginning	FY 2013-14 Estimated Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 7,161,748	\$ 7,410,763	\$ 249,015	3.5%
Land Dedication Fund	2,887	2,893	6	0.2%
Residential Assurance - Interest Fund	7,868	-	(7,868)	-100.0%
<b>Fund Totals</b>	<b>\$ 7,172,503</b>	<b>\$ 7,413,656</b>	<b>\$ 241,153</b>	<b>3.4%</b>



## Consolidated Fund Balance

<b>Fund Balances</b>	FY 2014-15 Beginning	FY 2014-15 Estimated Ending	Increase/ (Decrease)	% Increase/ (% Decrease)
General Fund	\$ 7,410,763	\$ 6,648,094	\$ (762,670)	-10.3%
Land Dedication Fund	2,893	2,898	5	0.2%
<b>Fund Totals</b>	<b>\$ 7,413,656</b>	<b>\$ 6,650,992</b>	<b>\$ (762,665)</b>	<b>-10.3%</b>

Fund balance is expected to decrease by 10.3% due to the loss of one-time licensing fees from the United States Golf Association (USGA) for the U. S. Open Championships and continued capital investment by the Village. The Village has committed \$336,000 for sidewalk and lighting improvements along Highway 211, a major gateway into the Village of Pinehurst. Expenditures of \$162,500 for sidewalks and lighting, approximately 40% increase from fiscal year 2014, are also planned for downtown and in neighborhoods to develop connectivity and improve safety and mobility.

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 2014-15, \$762,670 of the \$1,687,710 in fund balance appropriated will be used and ending fund balance will decrease to 37.4% of budgeted expenditures. This level is above the mid-point of the Village's fund balance policy target range.

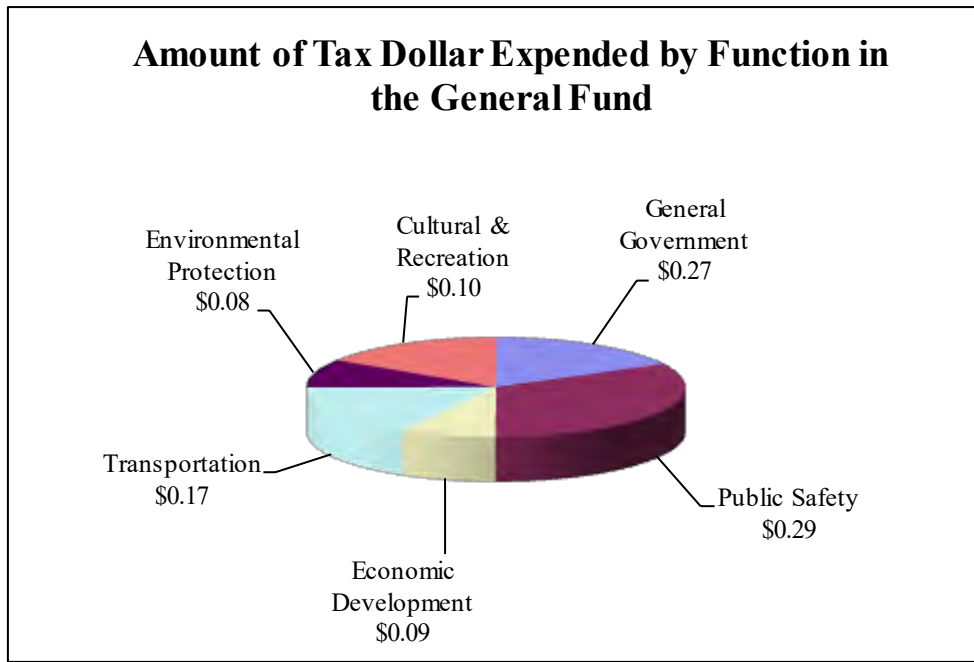




## Description

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





## General Fund Summary

The Functional Expenditure Trend Summary in the Consolidated Budget Summary section provides the detail as to the departmental roll-up for each functional area. The following table provides a summary of expenditures by department for FY 2014-2015.

General Fund Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Governing Body	\$ 297,644	\$ 236,500	\$ 230,895	\$ 233,000	-1.5%
Administration	989,685	1,205,140	1,174,844	1,177,180	-2.3%
Finance	535,720	587,910	579,881	611,190	4.0%
HR	283,229	388,755	372,682	462,345	18.9%
Police	2,618,971	2,833,090	2,729,478	2,916,570	2.9%
Fire	2,367,077	3,163,477	3,091,989	2,662,500	-15.8%
Planning	669,556	642,885	641,203	660,445	2.7%
Inspections	211,332	227,920	220,271	227,735	-0.1%
Public Services Admin.	335,517	376,855	374,791	472,530	25.4%
Streets & Grounds	1,160,202	1,750,510	1,641,114	1,693,195	-3.3%
Powell Bill	682,866	801,800	801,800	788,300	-1.7%
Community Development	1,461,639	956,577	946,577	792,400	-17.2%
Solid Waste	1,347,682	1,667,125	1,489,046	1,633,875	-2.0%
Recreation	1,271,761	1,502,543	1,474,166	1,451,090	-3.4%
Library	140,000	360,000	360,000	380,000	5.6%
Harness Track	577,783	637,220	633,744	633,285	-0.6%
Fair Barn	291,361	275,405	254,250	365,895	32.9%
Contingency	-	38,200	38,200	100,000	161.8%
Debt Service	569,449	468,220	468,220	494,525	5.6%
Total Expenditures	\$ 15,811,474	\$ 18,120,132	\$ 17,523,151	\$ 17,756,060	-2.0%

### 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 2014-2015 is \$17,756,060, a decrease of approximately 2.0% from the previous year's budget. The primary reason for the \$364,000 decrease in the budget was the inclusion of a \$550,000 fire engine in last year's General Fund capital 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>
6/30/10 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 Actual	15,616,884	15,811,474	(194,590)
6/30/14 Estimated	17,305,569	17,523,151	(217,582)
6/30/15 Budgeted	16,068,350	17,756,060	(1,687,710)

The FY 2014-2015 Budget recommends maintaining the current ad valorem tax rate of \$0.28 per \$100 valuation. This is expected to generate \$9,767,000 in ad valorem tax revenues. After adding Appropriated Fund Balance of \$1,687,710 to revenues, the Village's FY 2014-2015 Recommended Budget is balanced in accordance with North Carolina General Statutes.

### Revenues

General Fund Revenue by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,557,452	\$ 9,682,000	\$ 9,682,000	\$ 9,767,000	0.9%
Other Taxes & Licenses	2,575,258	2,591,700	2,671,700	2,800,700	8.1%
Unrestricted Intergovernmental Rev.	1,589,133	1,617,200	1,621,200	1,664,900	2.9%
Restricted Intergovernmental Rev.	503,816	546,255	545,420	506,760	-7.2%
Permits & Fees	535,247	1,241,250	1,233,250	557,750	-55.1%
Assessments	-	12,410	12,410	31,110	150.7%
Sales & Services	517,744	514,015	524,015	532,500	3.6%
Other Revenues	324,892	460,597	445,074	193,530	-58.0%
Investment Income	13,342	20,500	20,500	14,100	-31.2%
<b>Revenues</b>	<b>15,616,884</b>	<b>16,685,927</b>	<b>16,755,569</b>	<b>16,068,350</b>	<b>-3.7%</b>
Other Financing Sources	111,883	557,933	550,000	-	-100.0%
Fund Balance Appropriations	-	876,272	-	1,687,710	92.6%
<b>Total Revenues</b>	<b>\$ 15,728,767</b>	<b>\$ 18,120,132</b>	<b>\$ 17,305,569</b>	<b>\$ 17,756,060</b>	<b>-2.0%</b>

### Budget Highlights

The approved budget for FY 2014-2015 represents a 2.0% decrease from the FY 2013-2014 amended budget. Revenues are estimated to decrease by approximately 3.7% over FY 2013-2014. Ad Valorem taxes, which represent roughly 55% of total revenues, are estimated to increase by approximately 1.0%. The Village of Pinehurst is expecting the annexation of Cotswold of Pinehurst effective July 1, 2014 which will increase ad valorem taxes by approximately \$60,000. The Village also projects an increase of approximately \$70,000 due to the number and value of new homes constructed in the prior calendar year. However, these increases will be offset by a reduction in motor vehicle collections as an additional four months of levy was collected in FY 2014 that will not be received in FY 2014-15 due to the change in the motor vehicle billing and collection system in North Carolina.





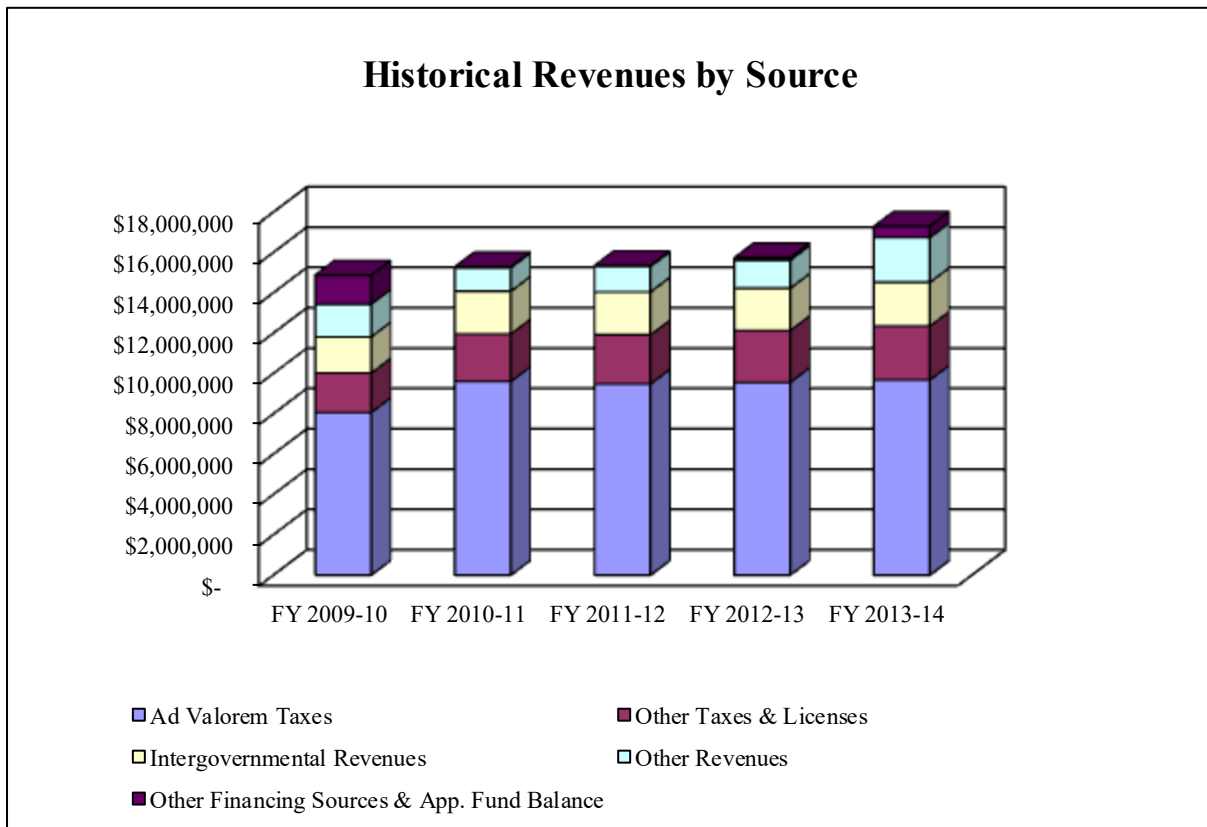
Other Taxes & Licenses and Unrestricted Intergovernmental Revenues, both of which are distributed by the North Carolina Department of Revenue based on population, are expected to increase due the annexation of Cotswold of Pinehurst.

The Village of Pinehurst will be host to both the 2014 U.S. Open and U.S. Women's Open Championships back-to-back in consecutive weeks on Pinehurst No. 2 in June 2014. Permits & Fees will decrease by \$700,000 in fiscal year 2015 due to compensation received in FY 2014 from the USGA for services and the use of facilities during the Championships.

Assessments are increasing by 150.7% for two reasons. First, \$12,410 in assessments previously reflected in the Municipal Service District Fund (closed in fiscal year 2013) are now reflected in the General Fund. Second, the annexation of Cotswold of Pinehurst will result in the assessment of \$18,700 to the property owners for a stormwater project.

The Village sold a vacant fire station for \$220,000 in FY 2014 that is reflected in the 58% reduction in Other Revenues.

Interest rates for the upcoming year are expected to remain low and the funds available to invest will decrease in FY 2015 causing investment income to decrease 31.2%. 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 8,241,877	\$ 9,000,113	\$ 8,648,422	\$ 9,028,470	0.3%
Operating	4,535,034	6,326,578	6,096,288	6,258,665	-1.1%
Capital	2,465,114	2,325,221	2,310,221	1,974,400	-15.1%
Debt Service	569,449	468,220	468,220	494,525	5.6%
<b>Total Expenditures</b>	<b>\$ 15,811,474</b>	<b>\$ 18,120,132</b>	<b>\$ 17,523,151</b>	<b>\$ 17,756,060</b>	<b>-2.0%</b>

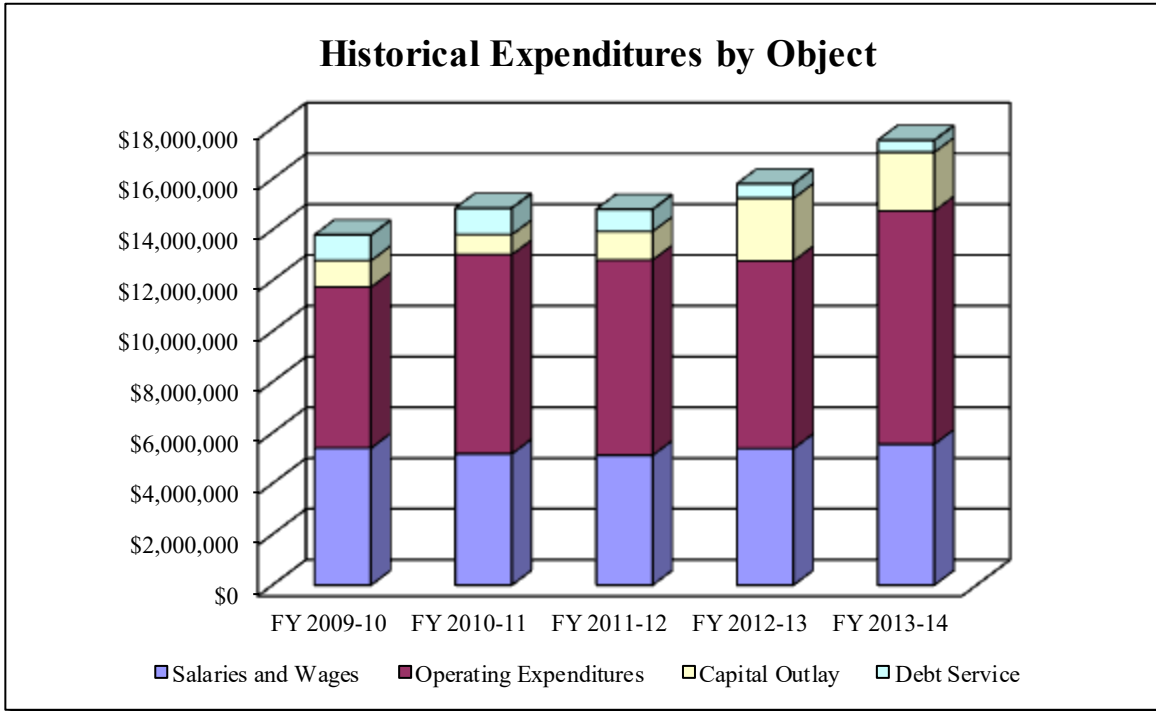
## Budget Highlights

The increase in Salaries & Benefits in FY 2014-2015 is the result of the transition of a 30-hour employee to a full-time employee in the Harness Track division of the Recreation department to improve track maintenance. An average merit increase for employees of 0%-2%, a state-mandated increase in the employer retirement contributions, and a projected 10% increase in group insurance are also included in the approved budget.

Village Department Heads are focused on achieving the strategic objectives and performance targets established by the Council that are reflected on the Balanced Scorecard (BSC). A decrease in operating expenditures reflects the removal of expenditures in FY 2013-2014 that were related to the U.S. Open and U.S. Women's Open Championships. Operating expenditures include funding for other strategic initiatives supporting the Council's areas of focus listed in the *Council's Strategies & Priorities* section of this document.

The 5.6% increase in Debt Service reflects the payments due on the purchase of a fire truck in fiscal year 2014 on an installment basis.

Capital spending in the General Fund decreased by 15.1%. Fiscal Year 2014 included capital appropriations of \$550,000 for the replacement of a fire truck. Capital spending for FY 2014-2015 includes \$294,000 for drainage and stormwater projects, \$336,000 for Highway 211 sidewalks and enhanced light posts; and \$142,500 that supports economic development in the Village. The balance of the funding is for routine replacement of capital items.

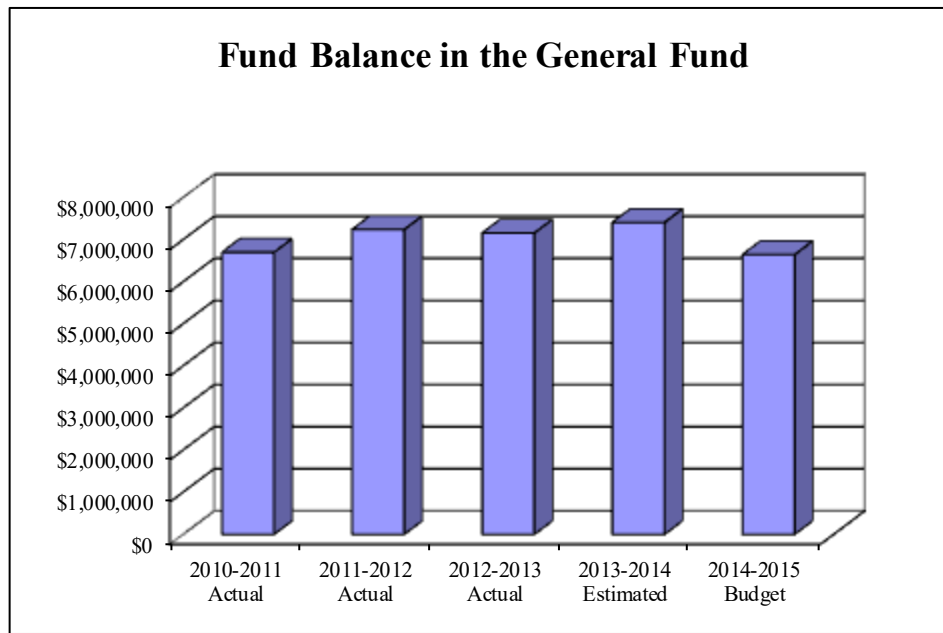




## Fund Balance

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 2014-2015 we have appropriated \$1,687,710 of the Village's fund balance as a revenue source. This amount is \$811,438 higher than the previous fiscal year. The amount of fund balance appropriated in FY 2014-2015 is higher than the previous fiscal year primarily due to the 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 \$7,410,763 at June 30, 2014. This is 40.9% of the budgeted FY 2013-2014 expenditures of \$18,120,132. The Village's fund balance policy is to maintain 30%-40% of expenditures in fund balance. Fund balance at June 30, 2015 is estimated to be \$6,648,094 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-and-Tag-Together” system. In the new system, tax bills 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 10<sup>th</sup> 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Real & Personal - Current Year	\$ 9,077,129	\$ 9,110,000	\$ 9,110,000	\$ 9,224,000	1.3%
Real & Personal - Prior Years	2,348	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	457,757	565,000	565,000	536,000	-5.1%
Motor Vehicles - Prior Years	8,801	2,000	2,000	2,000	0.0%
Discounts/Reliefs/Refunds	(3,879)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	15,296	5,000	5,000	5,000	0.0%
<b>Total Ad Valorem Tax Revenue</b>	<b>\$ 9,557,452</b>	<b>\$ 9,682,000</b>	<b>\$ 9,682,000</b>	<b>\$ 9,767,000</b>	<b>0.9%</b>

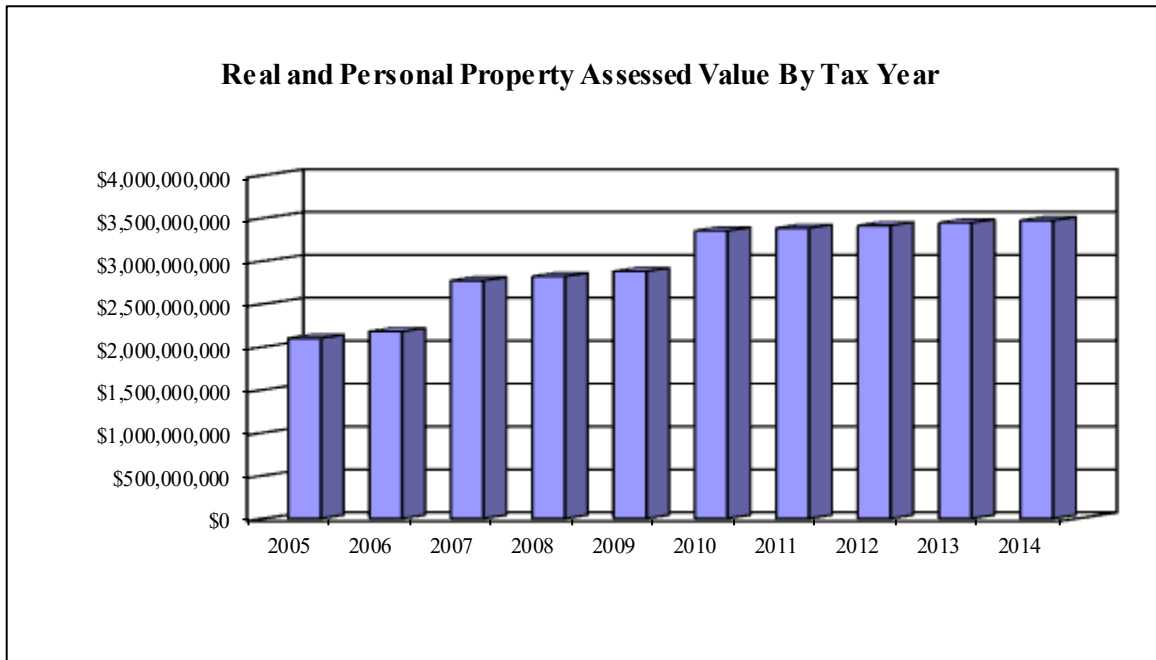
### Revenue Assumptions

- 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, 2015. This is expected to generate \$9,767,000 in ad valorem tax revenue. Ad valorem tax revenue increased by approximately \$60,000 due to the annexation of Cotswold of Pinehurst that is expected to be effective July 1, 2014.



## Ad Valorem Taxes

- The total estimated valuation of real and personal property is \$3,492,000,000, of which \$3,296,000,000 is real property valuation and \$196,000,000 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 in FY 14 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 0.8%. The number of new homes constructed in the Village increased significantly in fiscal year 2013-2014, from 71 to 90, and we are expecting this level to increase by approximately 2% in FY 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 96.9% 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Local Option Sales Tax	\$ 2,573,483	\$ 2,590,000	\$ 2,670,000	\$ 2,799,000	8.1%
Golf Cart Stickers	1,775	1,700	1,700	1,700	0.0%
Total Other Taxes & Licenses	\$ 2,575,258	\$ 2,591,700	\$ 2,671,700	\$ 2,800,700	8.1%

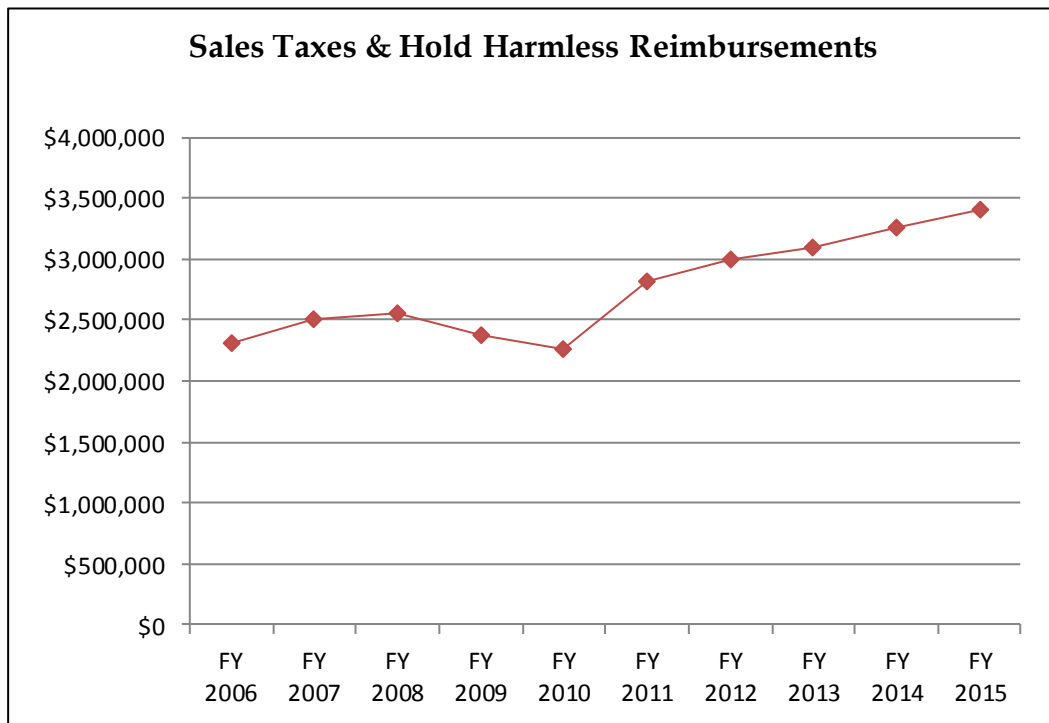
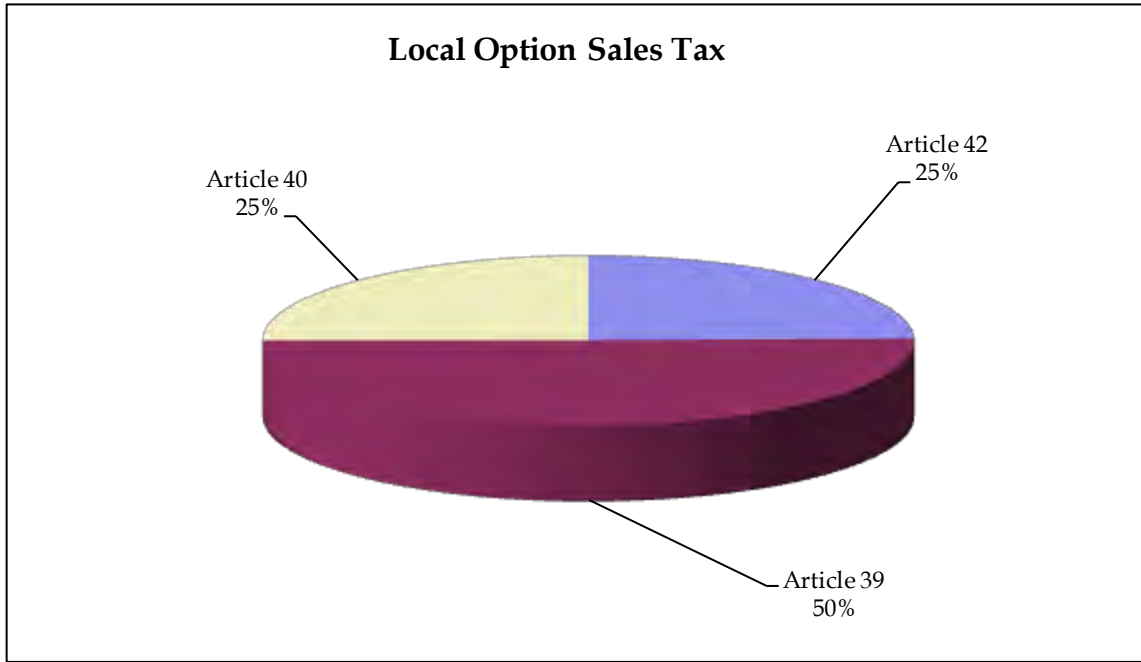
### Revenue Assumptions

- 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 the Village expects to annex Cotswold of Pinehurst effective July 1, 2014. As a result we estimate that local option sales taxes will increase by approximately 4.8% in addition to a gain of 3.3% 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.

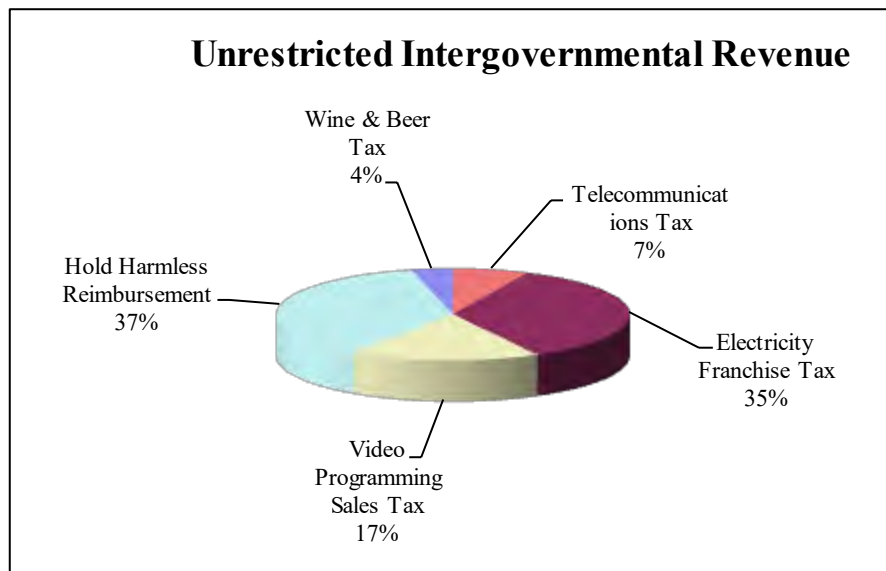
Unrestricted Intergovernmental Revenue	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Telecommunications Tax	\$ 114,189	\$ 125,000	\$ 115,000	\$ 115,000	-8.0%
Electricity Franchise Tax	553,832	565,000	565,000	586,000	3.7%
Video Programming Sales Tax	295,237	280,000	290,000	289,000	3.2%
Hold Harmless Reimbursement	565,398	580,000	584,000	612,000	5.5%
Wine & Beer Tax	60,477	67,200	67,200	62,900	-6.4%
<b>Total Unrest. Intergovernmental Rev.</b>	<b>\$ 1,589,133</b>	<b>\$ 1,617,200</b>	<b>\$ 1,621,200</b>	<b>\$ 1,664,900</b>	<b>2.9%</b>



## Revenue Assumptions

- Telecommunications Taxes are projected based upon growth assumptions provided by the North Carolina League of Municipalities. The telecommunication industry is continuing to experiencing a decline in the number of landlines in fiscal year 2014 resulting in a 6.5% decline between the fiscal year 2013 actual and 2014 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 4.5% decrease in revenue for Telecommunications Taxes in FY 2014-15 for a total decrease of 8.0% between the FY 2014 and FY 2015 budgets.
- Electricity Franchise Taxes are also projected based upon growth assumptions provided by the North Carolina League of Municipalities. The Energy Information Administration forecasts indicate an expected increase in usage due to warmer temperatures. In addition, distributions will be affected by the annexation of Cotswold. Therefore, Electricity Franchise Taxes is estimated to increase by 3.7% in FY 2014-2015.
- Video Programming Sales Taxes are reflecting greater cable and satellite competition with internet-based programming. Thus far, distributions for fiscal year 2014 are ahead of estimates. However 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 2015. As a result, we are projecting that Video Programming Sales Tax will increase by 3.2% from the FY 2013-14 budget.
- Beer and Wine Tax revenues are projected to decrease by 6.4% in FY 2014-2015. The Village expects sales and state distributed revenues to decrease in FY 2015 as sales return to normal levels after hosting the U.S. Open Championships in June, 2014.

The following graph shows that the Village receives approximately 59% of unrestricted intergovernmental revenue from telecommunications, electricity, and video programming taxes.





## 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 (1<sup>3</sup>/<sub>4</sub>) 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Powell Bill	\$ 476,150	\$ 485,000	\$ 485,000	\$ 494,000	1.9%
BAB Interest Rebates	4,799	3,555	3,555	2,760	-22.4%
Controlled Substance Tax Distribution	774	2,500	2,500	1,000	-60.0%
Solid Waste Disposal	8,438	9,700	8,865	9,000	-7.2%
Other Grants	13,655	45,500	45,500	-	-100.0%
Total Rest. Intergovernmental Rev.	\$ 503,816	\$ 546,255	\$ 545,420	\$ 506,760	-7.2%

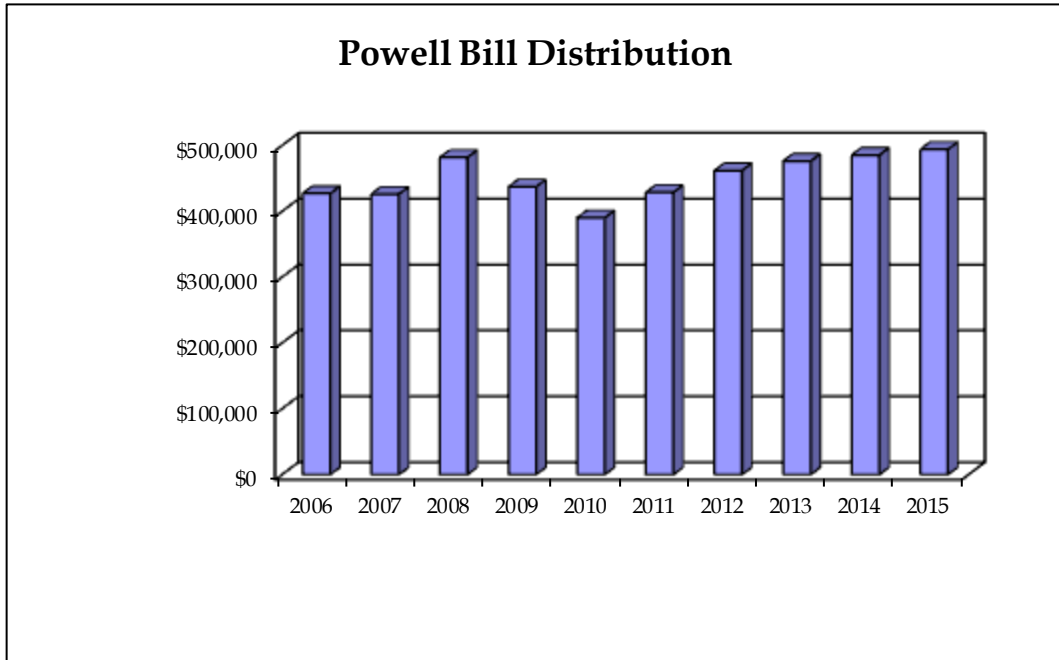
### Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$20.71, which is 2.7% increase 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 has also increased by \$44 from the FY 2013-14 distribution. 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. The rebate will decline each year as the amount of interest paid decreases.
- The North Carolina League of Municipalities projects that Solid Waste Disposal revenue for fiscal year 2014-15 will increase by 2% over FY 2013-2014. However, FY 14 actual results are significantly less than budgeted revenues resulting in a 7.2% percentage change between fiscal years 2014 and 2015. 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.





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.

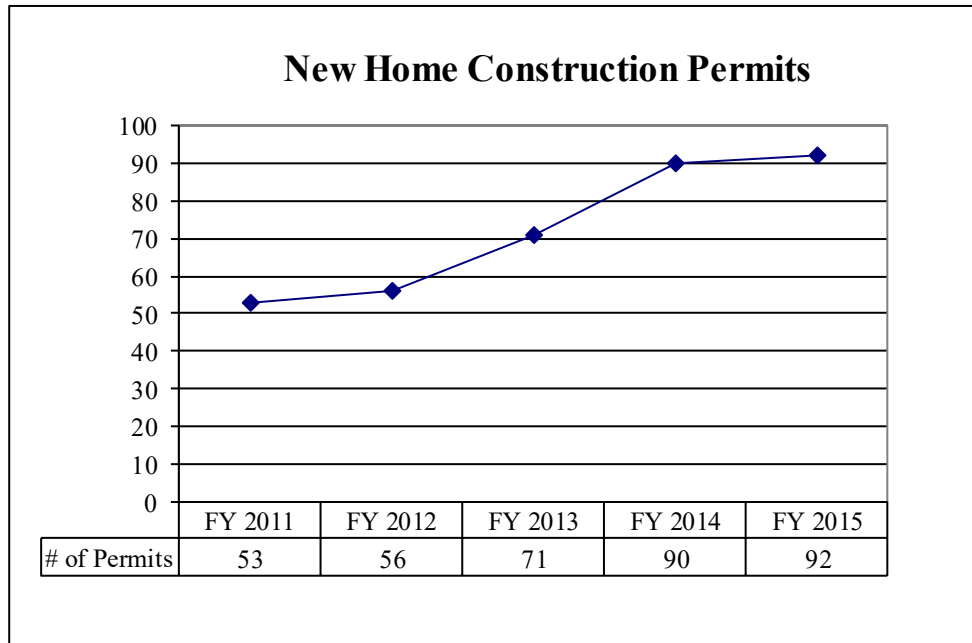
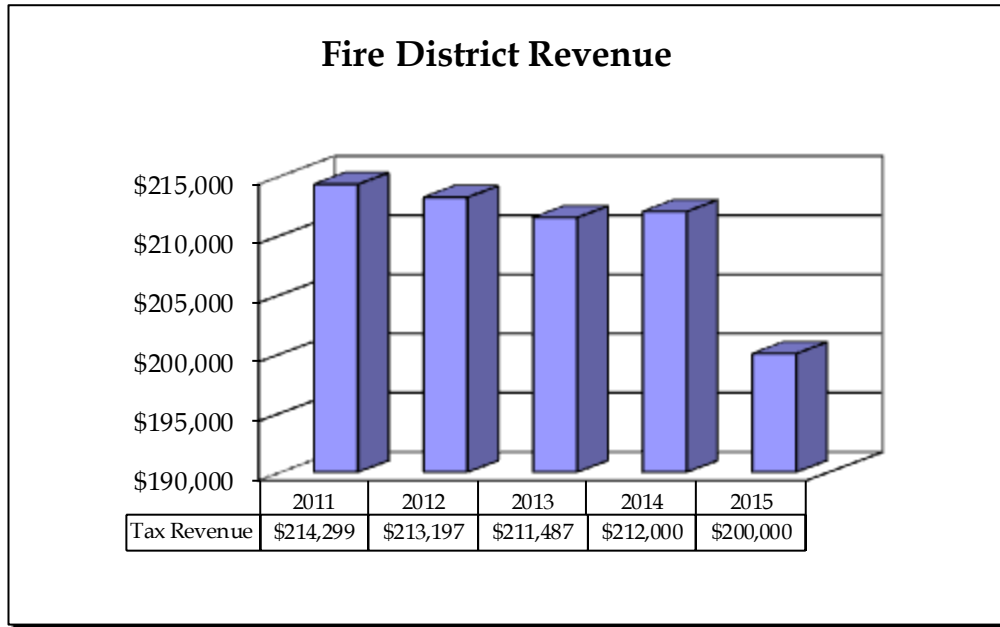
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village’s growth is generated 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
US Open Franchise Fees	\$ -	\$ 700,000	\$ 700,000	\$ -	-100.0%
Permit & Inspection Fees	251,511	260,000	260,000	294,500	13.3%
Planning & Zoning Fees	53,294	51,000	43,000	45,000	-11.8%
Fire District Revenue	211,487	212,000	212,000	200,000	-5.7%
Other Fees	18,955	18,250	18,250	18,250	0.0%
<b>Total Permit &amp; Fees</b>	<b>\$ 535,247</b>	<b>\$ 1,241,250</b>	<b>\$ 1,233,250</b>	<b>\$ 557,750</b>	<b>-55.1%</b>

Revenue Assumptions

- U.S. Open Franchise Fees include \$700,000 in fiscal year 2014 from the USGA to provide services and facilities for the U.S. Open Championships hosted by the Village in June 2014.
- Permit & Inspection Fees and Planning & Zoning Fees for residential construction are expected to increase in FY 2014-2015 as the number and value of new homes being constructed rises. The Village expects approximately 90 homes to be constructed in FY 2014 in the Village limits and ETJ and increase to 92 in FY 2015. 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 Cotswold community was part of the Village’s ETJ prior to its annexation on July, 1, 2014. Upon annexation, a Fire District tax is no longer levied on the Cotswold properties, which is reflected in the net decrease in this revenue.







As allowed by state statute, the Village of Pinehurst may assess property owners for expenditures that directly benefit specific property owners. Currently, the Village has assessed property owners for improvements made to dams in FY 2006-2007 in the Municipal Service District (MSD). The Village expects to collect \$12,410 for the 9<sup>th</sup> installment of a 15 year assessment in FY 2015. The Village also intends to assess property owners in the newly annexed Cotswold of Pinehurst for a stormwater project in fiscal year 2015. The budget assumes that the assessment will be paid in five equal installments of approximately \$18,700 annually.

Assessments	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Assessments	\$ -	\$ 12,410	\$ 12,410	\$ 31,110	150.7%
Total Assessments	\$ -	\$ 12,410	\$ 12,410	\$ 31,110	150.7%



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.

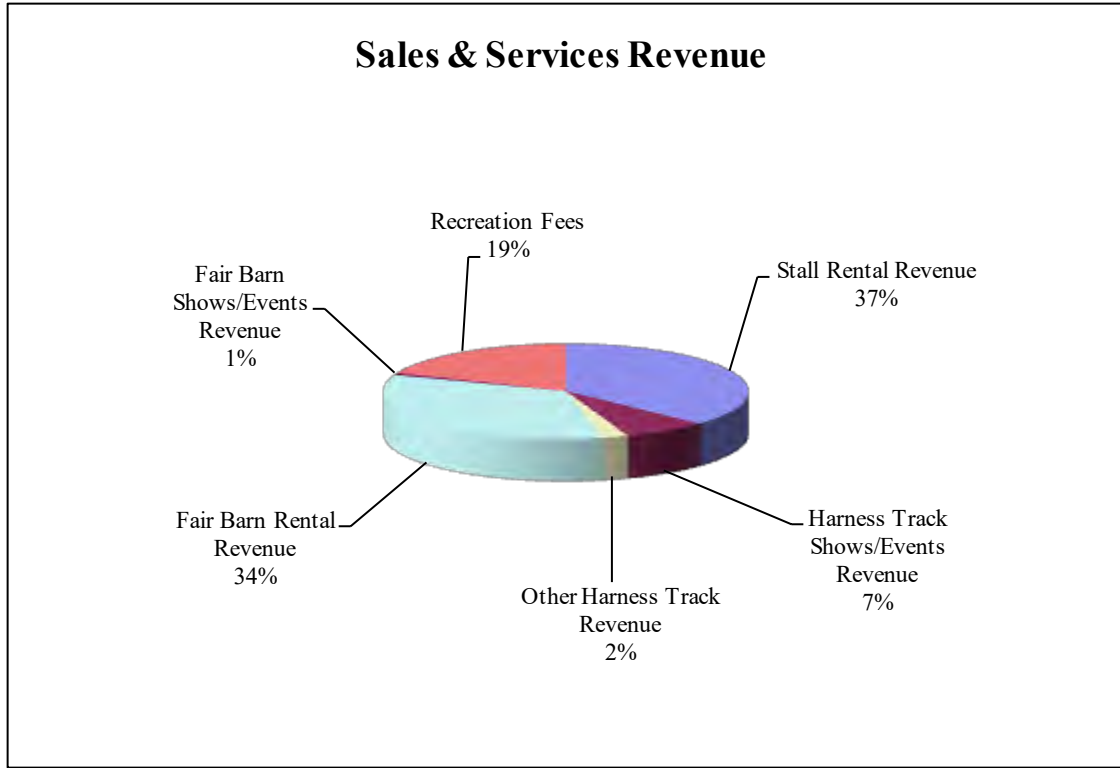
Table with 6 columns: Revenue Source, FY 2012-13 Actual, FY 2013-14 Budget, FY 2013-14 Estimated, FY 2014-15 Budgeted, Percent Change. Rows include Stall Rental Revenue, Harness Track Shows/Events Revenue, Other Harness Track Revenue, Fair Barn Rental Revenue, Fair Barn Shows/Events Revenue, Recreation Fees, and Total Sales & Services.

Revenue Assumptions

- Harness Track fees are expected to increase for FY 2014-2015 as rental of the facility returns to normal levels as parts of the facility were used by the United States Golf Association (USGA) leading up to and during the U.S. Open Championships in June 2014.
• The events held at the Fair Barn continue to be successful. Revenues are expected to remain steady at \$180,000 for FY 2014-2015 as the number and types of events are expected to be similar to fiscal year 2013-2014.
• Recreation Fees are expected to increase by 7.5% as existing programs are expanded and new programs are added in fiscal year 2015. Expanded programming includes ballroom and line dancing, pottery classes and cooking classes. The Fair Barn is being used to increase capacity and revenue for recreation programs.



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





### Description of Revenue Source

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

Other Revenues	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
ABC Revenues	\$ 105,758	\$ 90,000	\$ 123,000	\$ 113,800	26.4%
Recycling Revenues	55,406	55,000	21,194	-	-100.0%
Other Miscellaneous Revenues	163,728	315,597	300,880	79,730	-74.7%
Total Other Revenues	\$ 324,892	\$ 460,597	\$ 445,074	\$ 193,530	-58.0%

### Revenue Assumptions

- ABC revenue is projected to increase by 26.4% for the FY 2014–2015. This increase is due to fiscal year 2014 actual estimates are 37.0% higher than budgeted revenues as well as a return to normal growth in sales after the Men’s and Women’s U.S. Open held in June 2014.
- Prior to FY 2014-2015, the Village derived recycling revenues from a private contract between the Village and Pratt Industries. This relationship was discontinued in fiscal year 2014 and assumed by Moore County.
- Other miscellaneous revenues are expected to decrease by 74.7%. The primary factor contributing to this decrease is fixed asset sales. The Village sold a vacant fire station and received \$220,000 from the sale in FY 2014.



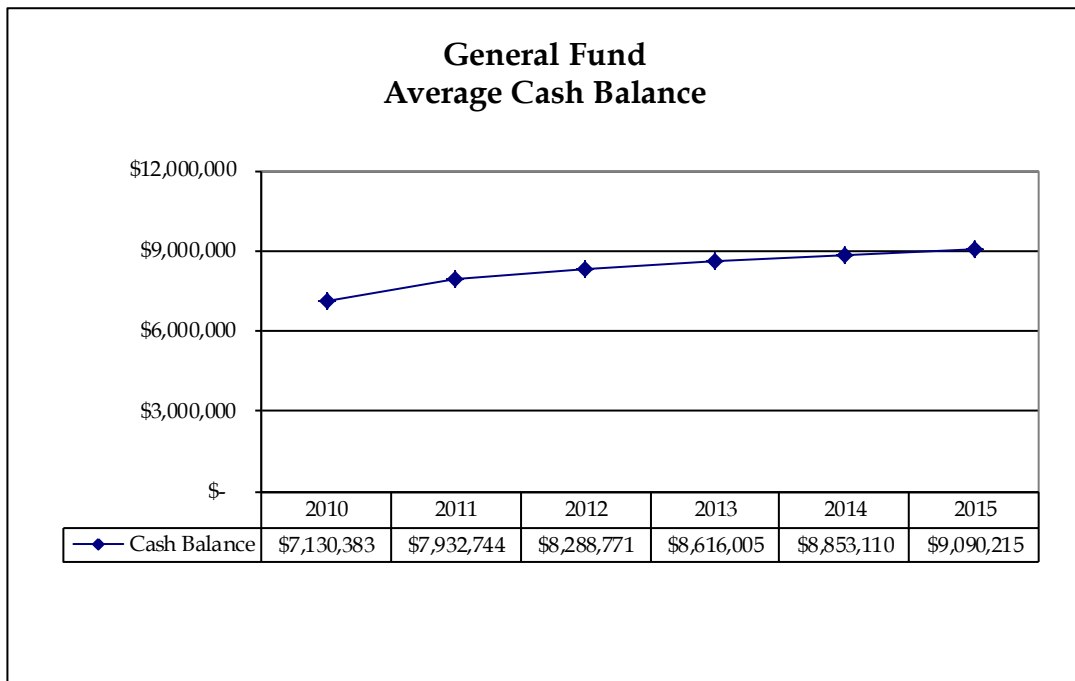
**Description of Revenue Source**

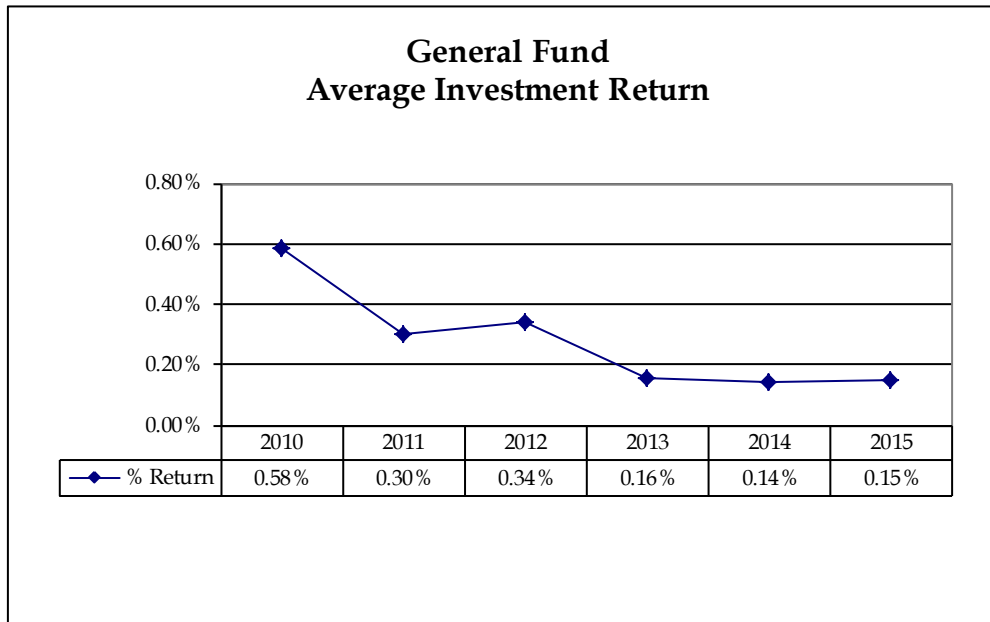
Investment Income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, bank certificates of deposit, U. S. Treasury and Agency securities,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

	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Investment Income	\$ 13,342	\$ 20,500	\$ 20,500	\$ 14,100	-31.2%
Total Investment Income	\$ 13,342	\$ 20,500	\$ 20,500	\$ 14,100	-31.2%

**Revenue Assumptions**

- Investment income is estimated to decrease 31.2% as investment rates continue to remain at historically low levels. The average rate of return expected in fiscal year 2015 is 0.15% which is 1 basis point above the rate of return in FY 2013-2014.







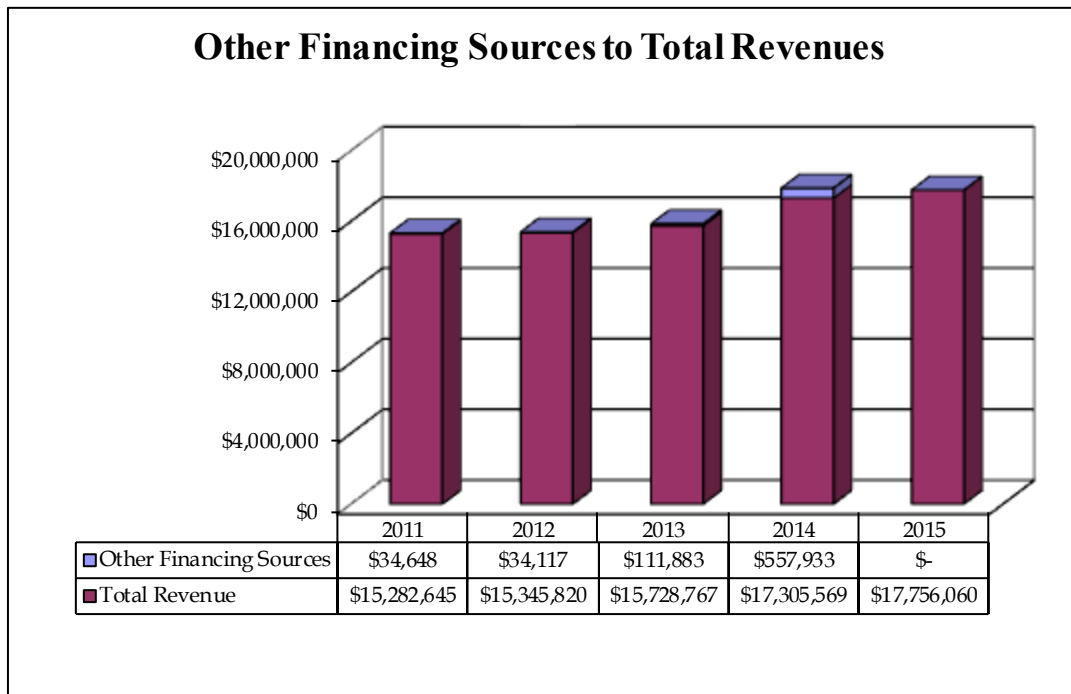
### Description of Revenue Source

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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Loan Proceeds	\$ 59,503	\$ 550,000	\$ 550,000	\$ -	-100.0%
Transfer from Capital Project Funds	24,982	-	-	-	0.0%
Transfer from Special Rev Funds	27,398	7,933	-	-	-100.0%
<b>Total Other Financing Sources</b>	<b>\$ 111,883</b>	<b>\$ 557,933</b>	<b>\$ 550,000</b>	<b>\$ -</b>	<b>-100.0%</b>

### Revenue Assumptions

- Loan proceeds of \$550,000 were received to facilitate the purchase of a replacement fire truck in the 2013-2014 fiscal year.
- The Interest-Residential Assurance Special Revenue Fund was closed in FY2014 and all assets were transferred to the General Fund.
- No transfers to the General Fund are expected in fiscal year 2015.







## Description of Revenue Source

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

Fund Balance Appropriations	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 876,272	\$ -	\$ 1,687,710	92.6%
Total Fund Balance Appropriations	\$ -	\$ 876,272	\$ -	\$ 1,687,710	92.6%

## Revenue Assumptions

- For FY 2014-2015 we have appropriated \$1,687,710 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 2014-15 we will subtract approximately \$762,670 from Fund Balance which will cause fund balance to decrease 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 2014-2015 is 92.6% higher than the previous fiscal year as \$700,000 was received 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 2013-2014***

- Adopted the first Strategic Operating Plan, which included the adoption of the Balanced Scorecard

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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**

- Evaluate alternative methods to obtain public input on Council related decisions
- Develop an annual training program for volunteer committees
- Develop a comprehensive volunteer reward and recognition program
- Develop a policy on volunteer and committee appointments
- Identify key partners and assign a Council liaison to each partner
- Oversee the annexation of Cotswold
- Stream and post video and/or recordings of Village Council meetings online
- Continue to work with NCDOT to identify a viable long-term solution for the traffic circle
- Evaluate sale of Village-owned land



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 29,974	\$ 31,000	\$ 30,030	\$ 31,000	0.0%
Operating	176,805	205,500	200,865	202,000	-1.7%
Capital	90,865	-	-	-	0.0%
Expenditures Total	\$ 297,644	\$ 236,500	\$ 230,895	\$ 233,000	-1.5%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 297,644	\$ 236,500	\$ 230,895	\$ 233,000	-1.5%
Revenues Total	\$ 297,644	\$ 236,500	\$ 230,895	\$ 233,000	-1.5%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 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%

**Budget Highlights**

- There are no significant budget highlights in the Governing Body FY 2015 budget.

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

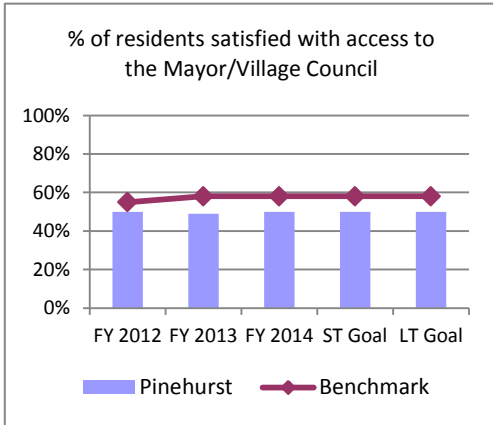


**Department Dashboard**

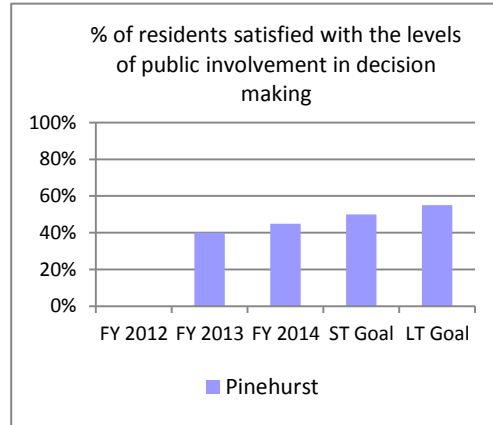
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"> <li>• % of residents satisfied with access to the Mayor/Village Council</li> </ul>	50%	49%	50%	50%
<ul style="list-style-type: none"> <li>• % of residents satisfied with the effectiveness of appointed boards/commissions</li> </ul>	54%	52%	54%	60%
<ul style="list-style-type: none"> <li>• % of residents satisfied with levels of public involvement in decision making</li> </ul>	n/a	40%	45%	50%
<b>EMPLOYEE PERSPECTIVE</b>				
<b>Increase Volunteer Engagement</b>				
<ul style="list-style-type: none"> <li>• # of volunteer applications received</li> </ul>	23	11	45	30
<ul style="list-style-type: none"> <li>• % of volunteers who agree they are offered training and development to enhance their skills</li> </ul>	56%	51%	65%	65%



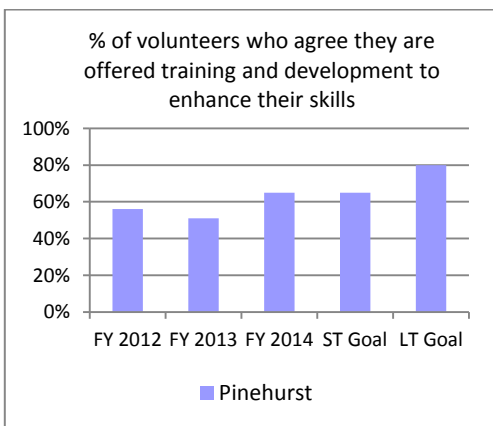
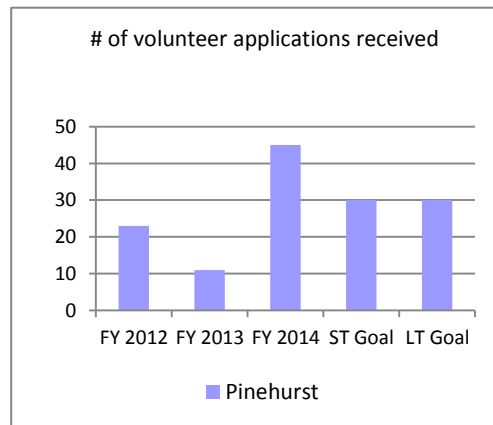
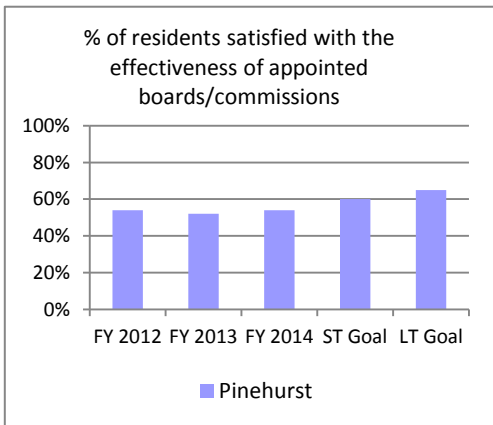
EFFECTIVENESS Measures



EFFECTIVENESS Measures (continued)



OUTPUT Measures





**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 2013-2014***

- Automated the Village Council agenda preparation and distribution process to allow public access to agenda materials
- Awarded the NC State Treasurer’s Award for the Village’s strategic planning process that incorporates the Balanced Scorecard
- Sold the Old Fire Station on Community Road
- Partnered with the USGA to organize and facilitate the U.S. Open Experience in the Village Center during the 2014 U.S. Open Championships

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

- 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
- Inefficient document management system and accessibility of documents to other departments

**Initiatives**

- Develop and implement a corporate communications strategy for keeping the public informed, considering a more frequent newsletter publication and eblasts post-Council meetings
- Develop an annual budget that meets or exceeds established financial targets



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 655,289	\$ 707,620	\$ 699,032	\$ 721,035	1.9%
Operating	305,666	377,470	375,762	353,940	-6.2%
Capital	28,730	120,050	100,050	102,205	-14.9%
Expenditures Total	\$ 989,685	\$ 1,205,140	\$ 1,174,844	\$ 1,177,180	-2.3%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 989,685	\$ 1,205,140	\$ 1,174,844	\$ 1,177,180	-2.3%
Revenues Total	\$ 989,685	\$ 1,205,140	\$ 1,174,844	\$ 1,177,180	-2.3%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	7.00	7.00	7.00	7.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	7.00	7.00	7.00	7.00	0.0%

**Budget Highlights**

- Salaries & Benefits reflect 2% merit increases and associated FICA and retirement benefits.
- FY 2014 Operating expenditures included \$20,000 for election costs. County-wide elections are held every two years and the Village reimburses Moore County for expenses related to local elections.
- Software to automate the Council agenda packets was purchased in FY 2014 resulting in a 14.9% reduction in Capital expenditures in fiscal year 2015.

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



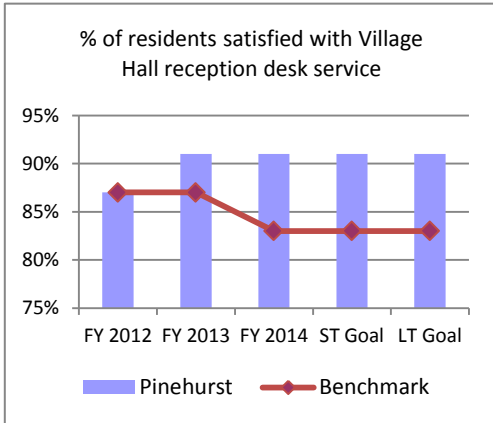


**Department Dashboard**

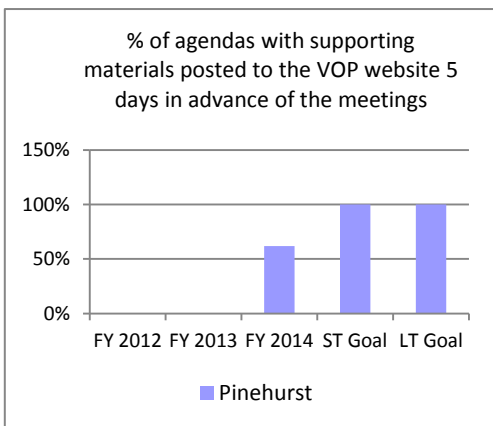
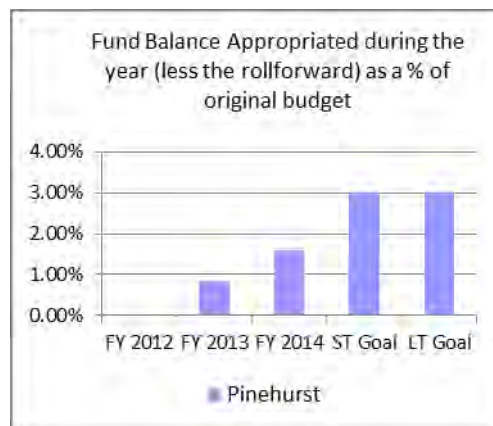
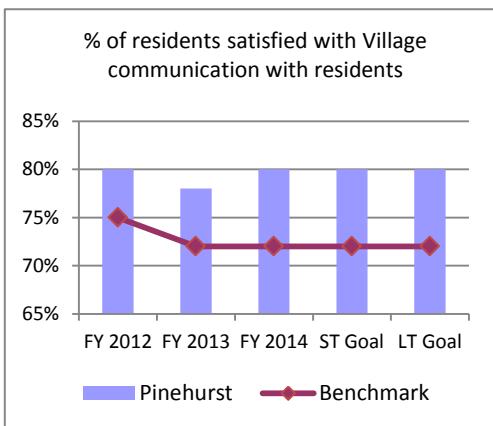
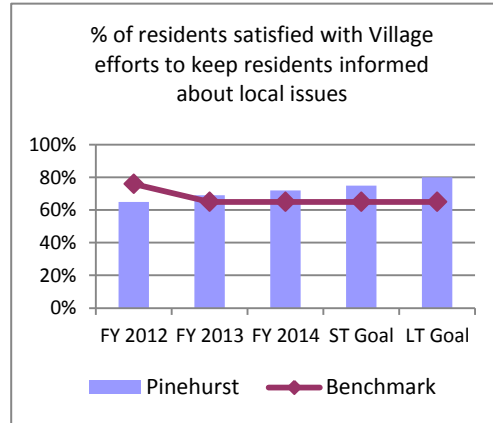
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"> <li>• % of residents satisfied with Village Hall reception desk service</li> </ul>	87%	91%	91%	91%
<ul style="list-style-type: none"> <li>• % of residents satisfied with Village communication with residents</li> </ul>	80%	78%	80%	82%
<ul style="list-style-type: none"> <li>• % of agendas with supporting materials posted to the VOP website 5 days in advance of the meetings</li> </ul>	n/a	n/a	62%	100%
<ul style="list-style-type: none"> <li>• % of residents satisfied with Village efforts to keep residents informed about local issues</li> </ul>	65%	69%	72%	75%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Maintain Strong Financial Condition</b>				
<ul style="list-style-type: none"> <li>• Fund Balance Appropriated during the year (less the rollforward) as a % of original budget</li> </ul>	n/a	0.85%	1.59%	< 3%



EFFECTIVENESS Measures



EFFECTIVENESS Measures (continued)





**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 \$8.8 million dollars
- Insuring that fund balance stays within the Council approved level of 30% - 40% of budgeted expenditures
- Preparing the \$17.6 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 2013-2014***

- Received the Government Finance Officers’ Association (GFOA) Distinguished Budget Presentation Award for the 7<sup>th</sup> year. Was also awarded the Special Performance Measures Recognition for the first time
- Prepared the Comprehensive Annual Financial Report in-house and received the GFOA Certificate of Achievement in Financial Reporting for the 21<sup>st</sup> consecutive year
- Assisted management in the development and implementation of performance-based budgeting system and the balanced scorecard
- Received the State Treasurer’s Governmental Award for Excellence in Accounting and Financial Management for the implementation of our strategic planning and budgeting model with balanced scorecard

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

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

**Initiatives**

- Automate employee data entry of p-card transactions
- Automate A/P p-card data entry
- Complete Payment Card Industry (PCI) compliance project



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 285,092	\$ 302,600	\$ 295,244	\$ 307,060	1.5%
Operating	244,294	284,860	284,187	299,250	5.1%
Capital	6,334	450	450	4,880	984.4%
Total Expenditures	\$ 535,720	\$ 587,910	\$ 579,881	\$ 611,190	4.0%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 535,720	\$ 587,910	\$ 579,881	\$ 611,190	4.0%
Total Revenues	\$ 535,720	\$ 587,910	\$ 579,881	\$ 611,190	4.0%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	0.50	0.50	0.50	0.50	0.0%
Total Authorized Personnel	3.50	3.50	3.50	3.50	0.0%

**Budget Highlights**

- Salaries & Benefits reflect 2% merit increases and associated FICA and retirement benefits.
- Financial Services plans to upgrade its ERP system in FY 2015 and Operating expenditures reflect costs related to the upgrade.
- Capital expenditures reflect the purchase of multiple servers and a website redesign by the Information Technology department. The cost of these expenditures is allocated to various departments. Details regarding individual capital expenditures can be found in the Capital Expenditures section of the budget.

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](mailto:jfrye@vopnc.org).

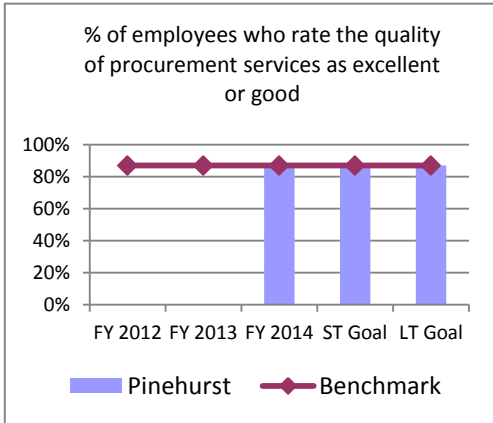


**Department Dashboard**

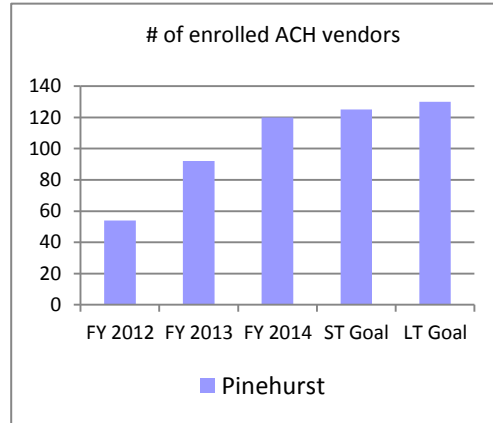
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"> <li>% of employees who rate the quality of procurement services as excellent or good</li> </ul>	n/a	n/a	86%	86%
<ul style="list-style-type: none"> <li>% of employees who rate the timeliness of procurement services as excellent or good</li> </ul>	n/a	n/a	85%	85%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
<ul style="list-style-type: none"> <li># of enrolled ACH vendors</li> </ul>	54	92	120	125
<ul style="list-style-type: none"> <li>% of total purchases made using p-cards</li> </ul>	11.8%	12.0%	12.0%	12.0%
<ul style="list-style-type: none"> <li># of transactions processed per Finance Technician FTE per month</li> </ul>	834	898	950	950



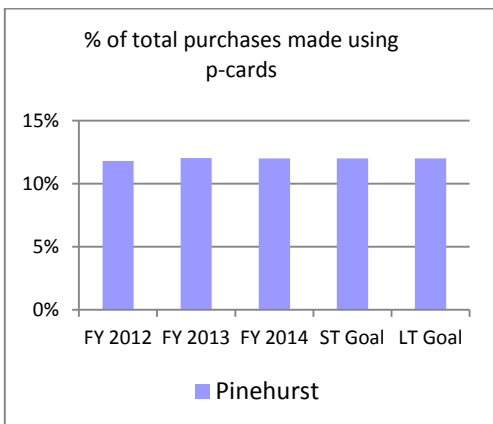
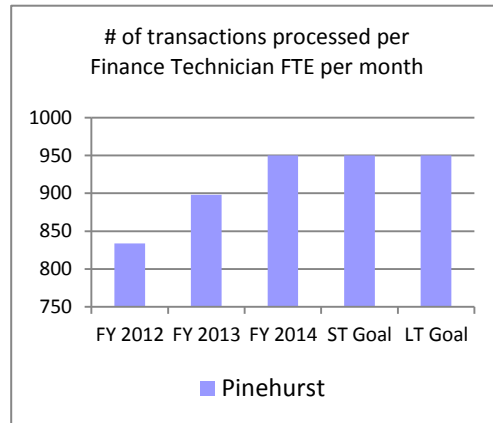
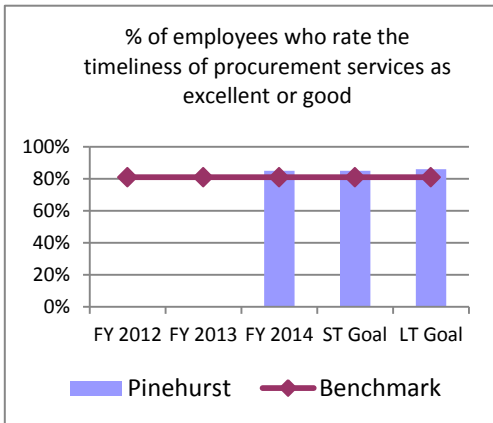
## EFFECTIVENESS Measures



## OUTPUT Measures



## EFFICIENCY Measures





**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 2013-2014***

- Successfully implemented a new electronic performance evaluation program
- Implemented a new electronic benefits enrollment program
- Collaborated with all Internal Service Departments to develop and distribute an Internal Services Customer Service Survey
- Coordinated a Village-wide pay and classification study

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

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

**Initiatives**

- Develop and implement a Village-wide reward and recognition program
- Develop a succession plan
- Implement selected recommendations from the Compensation Survey
- Offer in-house training through the TOPS program and conduct the annual Employee Academy



## Budget Summary

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 183,383	\$ 227,050	\$ 211,465	\$ 213,825	-5.8%
Operating	97,055	151,480	150,992	246,080	62.5%
Capital	2,791	10,225	10,225	2,440	-76.1%
<b>Expenditures Total</b>	<b>\$ 283,229</b>	<b>\$ 388,755</b>	<b>\$ 372,682</b>	<b>\$ 462,345</b>	<b>18.9%</b>

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 283,229	\$ 388,755	\$ 372,682	\$ 462,345	18.9%
<b>Revenues Total</b>	<b>\$ 283,229</b>	<b>\$ 388,755</b>	<b>\$ 372,682</b>	<b>\$ 462,345</b>	<b>18.9%</b>

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	0.50	-	0.50	0.50	100.0%
<b>Total Authorized Personnel</b>	<b>2.50</b>	<b>2.00</b>	<b>2.50</b>	<b>2.50</b>	<b>0.0%</b>

### Budget Highlights

- The Village negotiated a zero percent increase in our medical and dental group insurance rate for calendar year 2014 which is reflected in the 5.8% reduction in Salaries & Benefits expenditures for fiscal year 2014-2015.
- Operating expenditures include \$90,000 for salary adjustments to be made across the organization that were identified by a compensation study conducted in FY 2014.
- The fiscal year 2014 budget included \$10,000 for the purchase of software to streamline benefits enrollment.

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](mailto:akantor@vopnc.org).



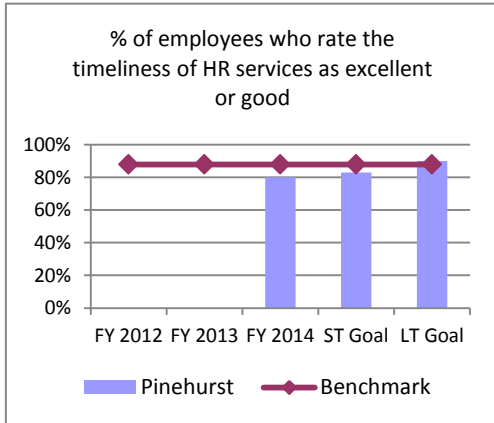


**Department Dashboard**

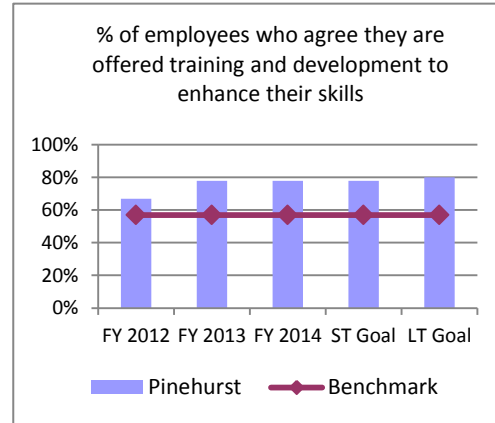
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"> <li>% of employees who rate the timeliness of HR services as excellent or good</li> </ul>	n/a	n/a	80%	83%
<b>EMPLOYEE PERSPECTIVE</b>				
<b>Recruit &amp; Retain a Skilled &amp; Diverse Workforce</b>				
<ul style="list-style-type: none"> <li>% of employees who agree they are recognized for contributing to the VOP Mission</li> </ul>	n/a	67%	78%	78%
<ul style="list-style-type: none"> <li>% of employees who agree they are offered training and development to enhance their skills</li> </ul>	n/a	83%	89%	89%
<ul style="list-style-type: none"> <li># of lost time workers' compensation claims</li> </ul>	2	4	4	0
<ul style="list-style-type: none"> <li>% of employees who agree they are paid fairly</li> </ul>	n/a	61%	67%	67%
<ul style="list-style-type: none"> <li>Average # of days to recruit from post date to first day of employment</li> </ul>	n/a	n/a	60	55
<ul style="list-style-type: none"> <li>% of positions reviewed for salary range competitiveness</li> </ul>	37%	28%	98%	35%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
<ul style="list-style-type: none"> <li>Ratio of HR staff per 100 employees</li> </ul>	1.55	1.55	1.89	1.89



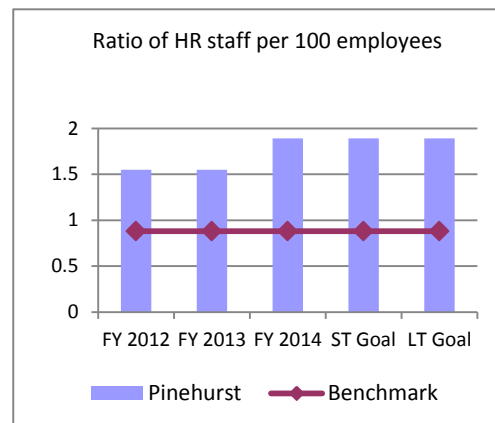
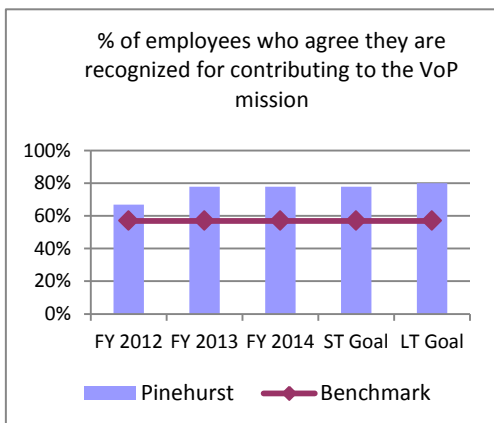
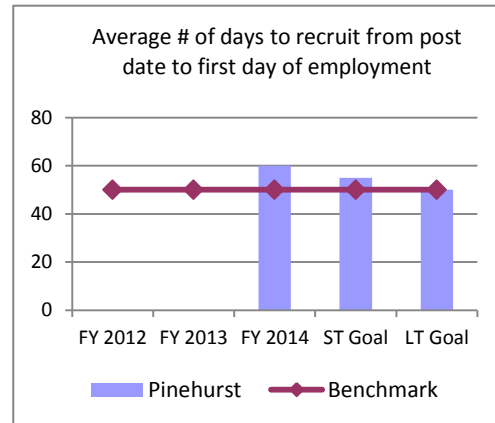
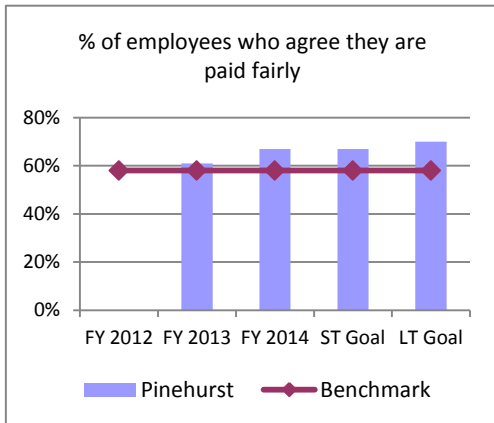
## EFFECTIVENESS Measures



## 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 2013-2014***

- Was recognized in April 2014 as the safest city in North Carolina according to the SafeWise 50 Safest Cities in North Carolina 2014 report
- Graduated Session III and IV of the Citizen Police Academy
- Filled all 6 reserve positions for the first time in the history of the reserve program
- Won the National Law and Order Magazine International Police Vehicle Design Contest and was featured on the cover of the magazine
- Raised over \$17,000 in support of Special Olympics North Carolina
- Planned and directed security for the 2014 U.S. Open and Women’s Open Golf Championships
- Planned and directed security for the Concours d’Elegance vehicle show
- Participated in the joint Moore County and State Law Enforcement task force initiative “Operation Safe Streets” to round up over 40 violent criminals in Moore County
- Was awarded a full scholarship grant from the NCSPI Chapter to send one Lieutenant to the world-renowned Southern Police Institute’s Administrative Officers Course in Louisville KY

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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

**Initiatives**

- Implement an E-crash traffic accident solution
- Implement Command Central module to analyze crime data
- Proactively investigate drug and related property crimes activities
- Develop and implement a public education campaign for roadway safety



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 1,875,888	\$ 2,028,930	\$ 1,932,422	\$ 2,053,750	1.2%
Operating	644,799	764,560	757,456	720,125	-5.8%
Capital	98,284	39,600	39,600	142,695	260.3%
Expenditures Total	\$ 2,618,971	\$ 2,833,090	\$ 2,729,478	\$ 2,916,570	2.9%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 2,615,438	\$ 2,830,090	\$ 2,726,478	\$ 2,913,570	2.9%
Parking Fines	-	-	-	-	0.0%
Miscellaneous Police Revenues	3,533	3,000	3,000	3,000	0.0%
Revenues Total	\$ 2,618,971	\$ 2,833,090	\$ 2,729,478	\$ 2,916,570	2.9%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	28.00	28.00	28.00	28.00	0.0%
Part Time	-	-	-	-	0.0%
Total Authorized Personnel	28.00	28.00	28.00	28.00	0.0%

**Budget Highlights**

- Salaries & Benefits reflect 2% merit increases and associated FICA and retirement benefits.
- Fiscal year 2014 included \$32,610 for equipment for conversion to the Viper radio communication system.
- Capital expenditures include the replacement of three police vehicles and the HVAC system at the Police Station.

Additional information about the Police Department may be obtained by contacting Earl Phipps, Police Chief, at 910.295.3141 or [ephipps@vopnc.org](mailto:ephipps@vopnc.org).

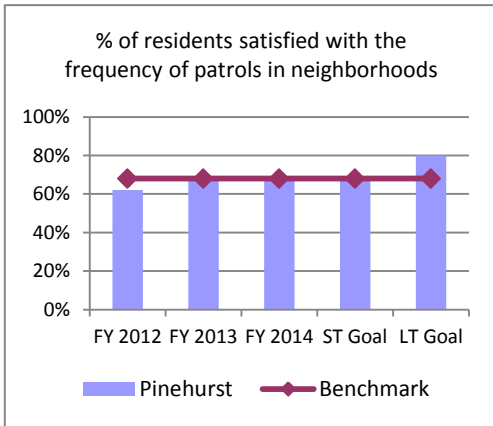


**Department Dashboard**

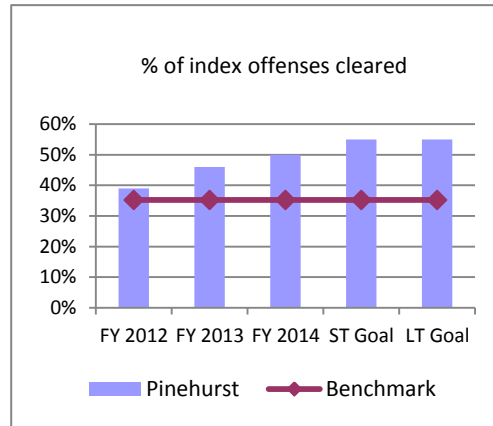
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Safeguard the Community</b>				
• % satisfaction with frequency of patrols in neighborhoods	62%	67%	67%	68%
• % satisfaction with frequency of patrols in business districts	45%	88%	88%	90%
• % of index offenses cleared	39%	46%	50%	55%
<b>Provide Safe Traffic &amp; Pedestrian Mobility</b>				
• % of collisions with an injury or fatality	16%	8%	9%	8%
<b>EMPLOYEE PERSPECTIVE</b>				
<b>Increase Volunteer Engagement</b>				
• # of Citizen on Patrol volunteer hours	398	2,369	2,800	2,700
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
• # of calls dispatched per sworn officer	602	576	597	600



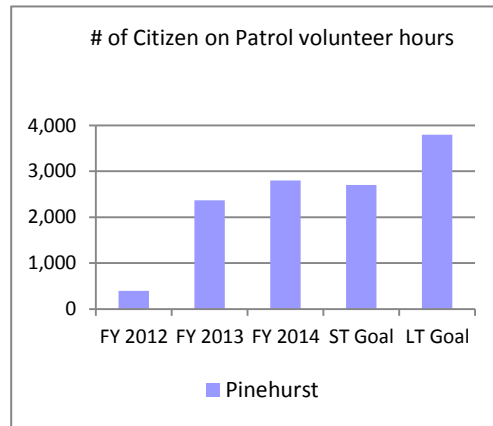
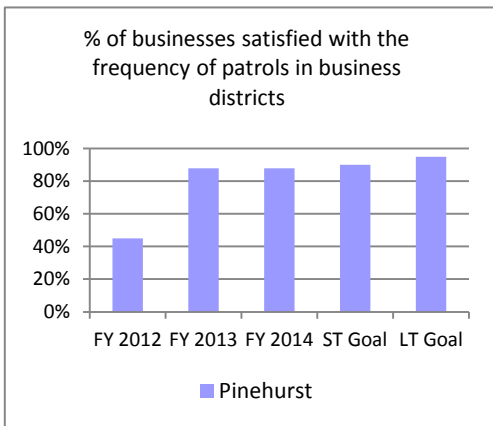
EFFECTIVENESS Measures



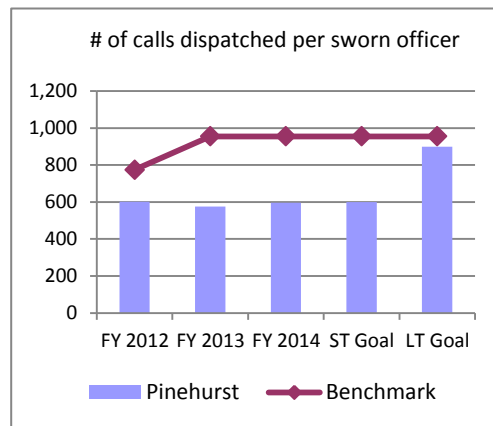
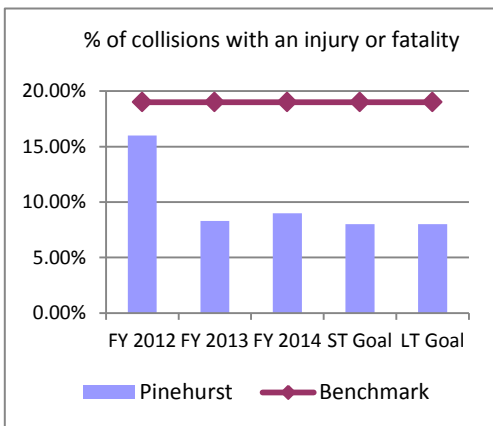
EFFECTIVENESS Measures (continued)



OUTPUT Measures



EFFICIENCY Measures





**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, this includes a rural county district & Town of Taylortown
- 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 2013-2014***

- Maintained Medium Duty Rescue provider certification
- One employee completed the NC Chief Officers Executive Development Program
- Two employees completed the NC High Angle Rescue School
- Two employees completed the Waterous Fire Pump mechanic seminar
- Chief and Deputy Chief re-designated as Chief Fire Officer (CFO)

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

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

**Initiatives**

- Achieve national accreditation in the fire department
- Partner with others to offer public safety education programs



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 1,925,748	\$ 2,028,800	\$ 1,962,554	\$ 2,022,250	-0.3%
Operating	386,238	548,552	543,310	513,675	-6.4%
Capital	55,091	586,125	586,125	126,575	-78.4%
Expenditures Total	\$ 2,367,077	\$ 3,163,477	\$ 3,091,989	\$ 2,662,500	-15.8%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 2,140,483	\$ 2,937,477	\$ 2,865,989	\$ 2,448,500	-16.6%
Fire Grants	1,107	-	-	-	0.0%
Fire District Revenue	211,487	212,000	212,000	200,000	-5.7%
Revenues Total	\$ 2,367,077	\$ 3,163,477	\$ 3,091,989	\$ 2,662,500	-15.8%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 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%

**Budget Highlights**

- Salaries and Benefits declined by 0.3% in FY 2014-2015 as there is an additional \$32,380 budgeted for overtime in FY 2013-2014 to provide fire and rescue services for the Men’s and Women’s U.S. Open Championships in June 2014.
- Fiscal year 2014 included \$26,000 for equipment for conversion to the Viper radio communication system.
- Capital expenditures decreased by 78.4% as a replacement fire truck totaling \$550,000 was purchased in FY 2013-2014. In addition, a brush truck that is 26 years old is planned to be replaced in fiscal year 2015 at a cost of \$90,000.

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

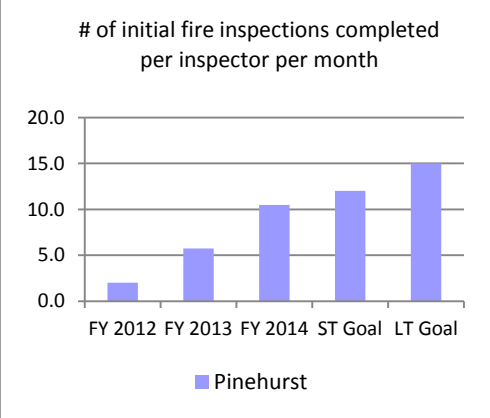
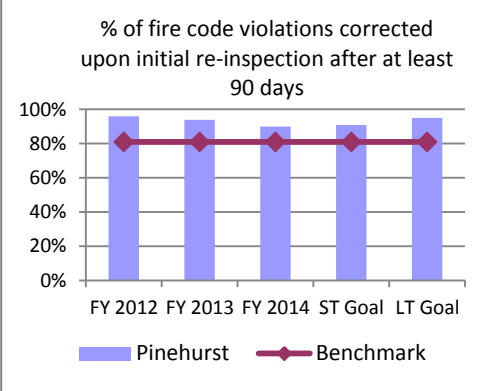
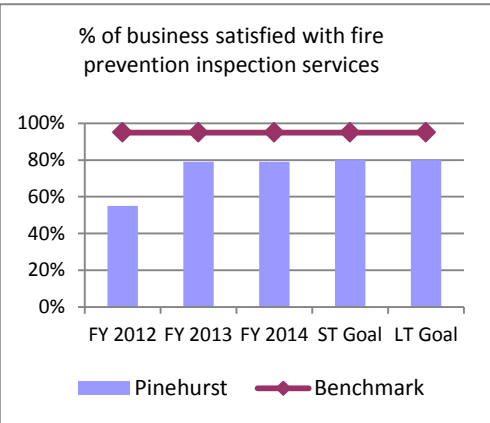
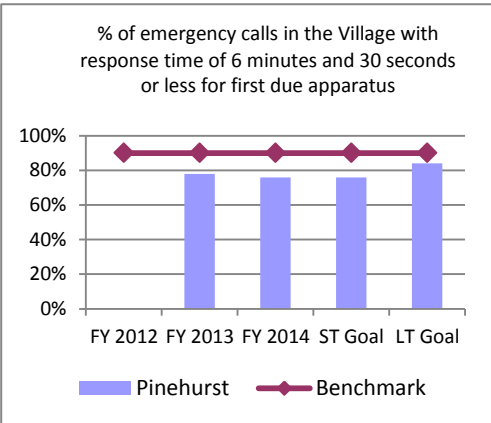
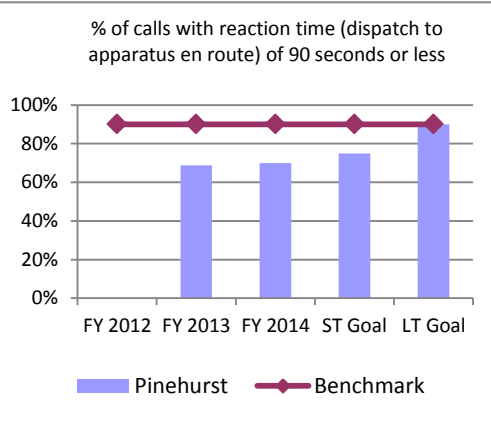




**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Safeguard the Community</b>				
<ul style="list-style-type: none"> <li>% of fire code violations corrected upon initial re-inspection after at least 90 days</li> </ul>	96%	94%	90%	91%
<ul style="list-style-type: none"> <li>% of emergency calls with reaction time (dispatch to apparatus en-route) of 90 seconds or less</li> </ul>	n/a	69%	70%	75%
<ul style="list-style-type: none"> <li>% of emergency calls in the Village with response time of 6 minutes and 30 seconds or less for the first due apparatus</li> </ul>	n/a	78%	75%	75%
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"> <li>% of businesses satisfied with fire prevention inspection services</li> </ul>	55%	79%	79%	80%
<b>EMPLOYEE PERSPECTIVE</b>				
<b>Promote Learning &amp; Leadership Development</b>				
<ul style="list-style-type: none"> <li>% of FD employees who complete advanced training programs of 30 or more hours per year</li> </ul>	n/a	27%	30%	33%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Provide Value for Tax Dollars</b>				
<ul style="list-style-type: none"> <li># of initial fire inspections completed per inspector per month</li> </ul>	2.0	5.8	10.5	12.0



EFFECTIVENESS Measures	EFFICIENCY Measures																																																												
<p data-bbox="300 394 665 451"># of initial fire inspections completed per inspector per month</p>  <table border="1" data-bbox="224 378 711 793"> <caption># of initial fire inspections completed per inspector per month</caption> <thead> <tr> <th>Year</th> <th>Pinehurst</th> <th>ST Goal</th> <th>LT Goal</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>2.0</td> <td>10.0</td> <td>15.0</td> </tr> <tr> <td>FY 2013</td> <td>5.0</td> <td>10.0</td> <td>15.0</td> </tr> <tr> <td>FY 2014</td> <td>10.0</td> <td>10.0</td> <td>15.0</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>10.0</td> <td>15.0</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>10.0</td> <td>15.0</td> </tr> </tbody> </table>	Year	Pinehurst	ST Goal	LT Goal	FY 2012	2.0	10.0	15.0	FY 2013	5.0	10.0	15.0	FY 2014	10.0	10.0	15.0	ST Goal	-	10.0	15.0	LT Goal	-	10.0	15.0	<p data-bbox="982 394 1347 478">% of fire code violations corrected upon initial re-inspection after at least 90 days</p>  <table border="1" data-bbox="906 378 1393 766"> <caption>% of fire code violations corrected upon initial re-inspection after at least 90 days</caption> <thead> <tr> <th>Year</th> <th>Pinehurst</th> <th>Benchmark</th> <th>ST Goal</th> <th>LT Goal</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>95%</td> <td>80%</td> <td>80%</td> <td>80%</td> </tr> <tr> <td>FY 2013</td> <td>95%</td> <td>80%</td> <td>80%</td> <td>80%</td> </tr> <tr> <td>FY 2014</td> <td>90%</td> <td>80%</td> <td>80%</td> <td>80%</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>80%</td> <td>80%</td> <td>80%</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>80%</td> <td>80%</td> <td>80%</td> </tr> </tbody> </table>	Year	Pinehurst	Benchmark	ST Goal	LT Goal	FY 2012	95%	80%	80%	80%	FY 2013	95%	80%	80%	80%	FY 2014	90%	80%	80%	80%	ST Goal	-	80%	80%	80%	LT Goal	-	80%	80%	80%						
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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 2013-2014***

- Inspected all permanent and temporary structures to host the U.S. Open Championships
- Completed inspections on commercial renovations at Christ Community Church and FirstHealth interior renovations
- Completed inspections of the 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 Village recreation facilities at Cannon Park

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

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

**Initiatives**

- Conduct post-service surveys of building inspection customers
- Streamline inspection applications and processes to better coordinate with other departments



## Budget Summary

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 184,211	\$ 193,800	\$ 186,639	\$ 192,600	-0.6%
Operating	24,932	34,000	33,512	33,490	-1.5%
Capital	2,189	120	120	1,645	1270.8%
<b>Expenditures Total</b>	<b>\$ 211,332</b>	<b>\$ 227,920</b>	<b>\$ 220,271</b>	<b>\$ 227,735</b>	<b>-0.1%</b>

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Inspection Permit Revenue	\$ 211,332	\$ 227,920	\$ 220,271	\$ 227,735	-0.1%
<b>Revenues Total</b>	<b>\$ 211,332</b>	<b>\$ 227,920</b>	<b>\$ 220,271</b>	<b>\$ 227,735</b>	<b>-0.1%</b>

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	2.00	2.00	2.00	2.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>0.0%</b>

## Budget Highlights

- There are no significant budget highlights in the Inspections FY 2015 budget.

Additional information about the Inspections Department may be obtained by contacting Bruce Gould, Interim Director of Planning and Inspections, at 910.295.8659 or [bgould@vopnc.org](mailto:bgould@vopnc.org).

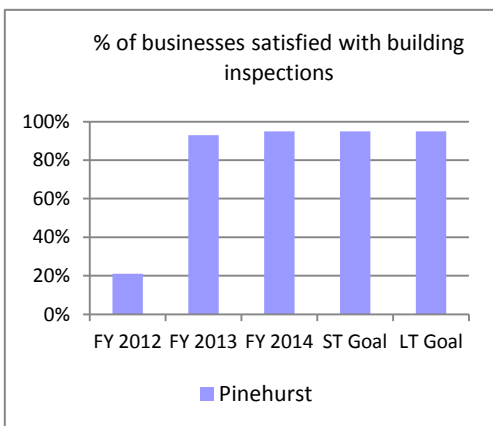
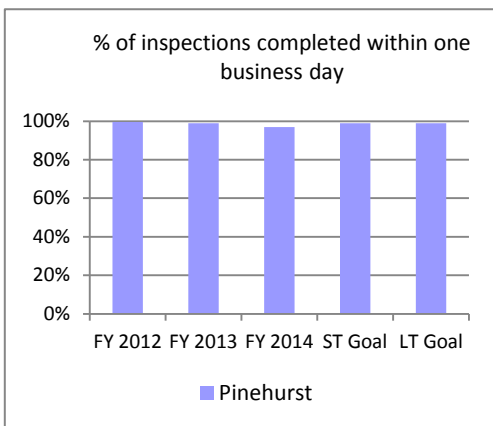


## Department Dashboard

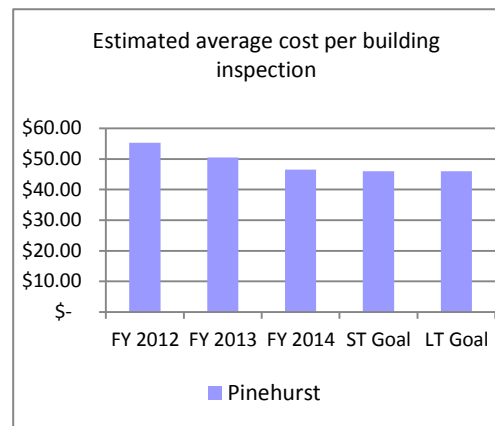
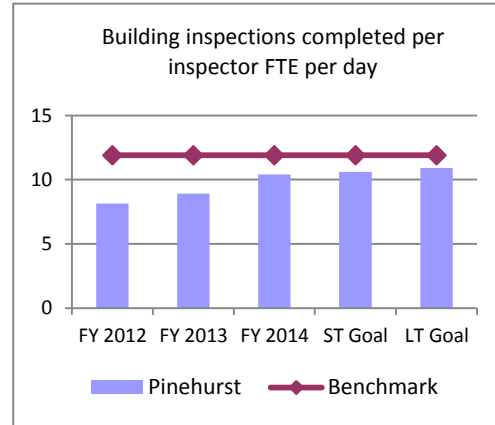
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Safeguard the Community</b>				
<ul style="list-style-type: none"> <li>% of inspections that are compliant upon initial inspection</li> </ul>	95%	96%	93%	97%
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"> <li>% of inspections completed within one business day</li> </ul>	100%	99%	97%	99%
<ul style="list-style-type: none"> <li>% of businesses satisfied with building inspections</li> </ul>	21%	93%	95%	95%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
<ul style="list-style-type: none"> <li>Building inspections completed per inspector FTE per day</li> </ul>	8.2	8.6	9.0	9.0
<ul style="list-style-type: none"> <li>Average cost per building inspection</li> </ul>	\$55.20	\$52.70	\$51.00	\$51.00



## EFFECTIVENESS Measures



## EFFICIENCY Measures





**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 Senior 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 2013-2014***

- Implemented landscape plan to enhance overall appearance of the Village
- See Department Profiles for Streets & Grounds and Solid Waste Divisions for other accomplishments

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

- Keeping staff routinely informed of Village-wide activities and priorities
- Maintaining capital replacement schedule with limited funds
- Retaining highly skilled, trained employees in an easily transferable environment

**Initiatives**

- Implement a GPS based software solution to track and analyze data on infrastructure maintenance and route management



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 267,332	\$ 279,150	\$ 277,818	\$ 292,450	4.8%
Operating	66,682	90,140	89,408	112,575	24.9%
Capital	1,503	7,565	7,565	67,505	792.3%
Expenditures Total	\$ 335,517	\$ 376,855	\$ 374,791	\$ 472,530	25.4%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 335,517	\$ 376,855	\$ 374,791	\$ 472,530	25.4%
Revenues Total	\$ 335,517	\$ 376,855	\$ 374,791	\$ 472,530	25.4%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 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%

**Budget Highlights**

- Salaries & Benefits reflect 2% merit increases and associated FICA and retirement benefits.
- Approximately \$15,500 for equipment to implement a mobile 311 system in fiscal year 2015 is included in Operating expenditures. This system will provide the ability to improve infrastructure maintenance and vehicle route management.
- Capital expenditures in FY 2014-15 reflect the replacement of two full size pick-up trucks that are 10 years old.

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](mailto:wmorgan@vopnc.org).



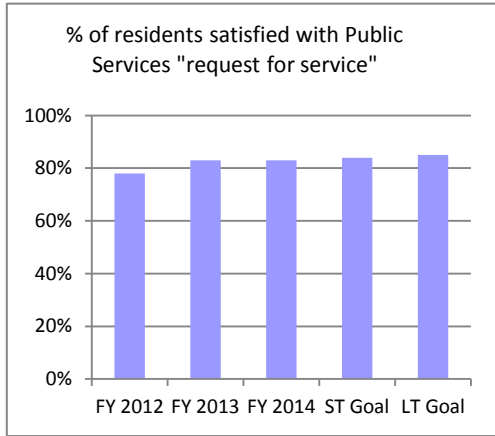


**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"><li>• % of residents satisfied with Public Services “request for service”</li></ul>	78%	83%	83%	84%



## 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 Solid Waste Division in removing 1,368 tons of debris annually
- Maintaining 15,278 linear feet of pedestrian walkways
- Maintaining/improving sidewalks and other public landscape areas
- Managing 106 right of way roadway lane miles (center miles)
- Collect metal white goods.

***Major Accomplishments for Fiscal Year 2013-2014***

- Managed over 4.0 miles of street resurfacing
- Completed construction of 1,700 feet additional brick sidewalks on Ritter Rd East, Hwy 2 & Village Green West, Cherokee
- Managed 1 major drainage project, 7 small drainage projects, and addressed 60+ minor drainage issues
- Oversaw installation of enhanced sign posts downtown
- Completed 2,230 feet installation/upgrades of clay walkways

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

- Retaining highly skilled, trained employees in an easily transferable environment
- Maintaining capital replacement schedule with limited funds
- Ability to track maintenance requirements for landscape areas, infrastructure, work orders, etc.
- Storm water management
- Managing the completion of projects with limited staff due to absences and turnover

**Initiatives**

- Evaluate alternatives to reduce energy consumption for street lighting



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 597,213	\$ 659,294	\$ 609,147	\$ 638,575	-3.1%
Operating	428,196	714,851	655,602	575,090	-19.6%
Capital	134,793	376,365	376,365	479,530	27.4%
Expenditures Total	\$ 1,160,202	\$ 1,750,510	\$ 1,641,114	\$ 1,693,195	-3.3%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 1,149,702	\$ 1,740,510	\$ 1,626,614	\$ 1,678,695	-3.6%
Street Cut Permit Revenues	10,500	10,000	14,500	14,500	45.0%
Revenues Total	\$ 1,160,202	\$ 1,750,510	\$ 1,641,114	\$ 1,693,195	-3.3%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 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%

**Budget Highlights**

- The Village negotiated a zero percent increase in our medical and dental group insurance rate for calendar year 2014 which is reflected in the 3.1% decrease in Salaries & Benefits expenditures for fiscal year 2014-2015. There is an additional \$8,500 budgeted for overtime to provide maintenance services for the U.S. Open and U.S. Women's Open Championships in FY 2014.
- The decrease in fiscal year 2015 Operating expenditures is a combination of expenditures in FY 2014 that will not be repeated. The FY 2014 Operating budget includes approximately \$60,000 to support the U.S. Open Championships. The Village made several public area enhancements that included landscaping, irrigation and brick sidewalks. In addition, the Village Beautification budget of \$30,000 in fiscal year 2014 has been moved to other departments in FY 2015.
- FY 2015 Capital expenditures include \$150,000 for the replacement of a 15-year old John Deere 4x4 loader.

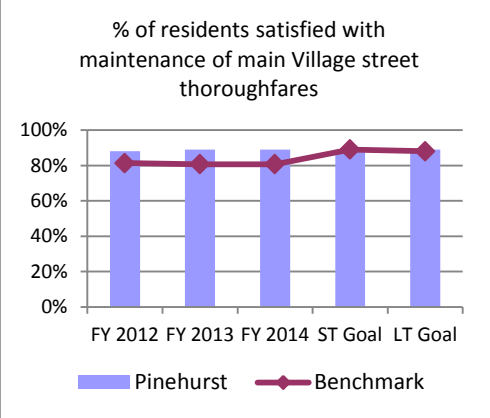
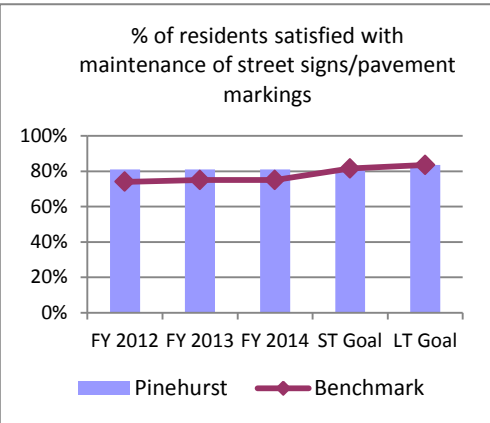
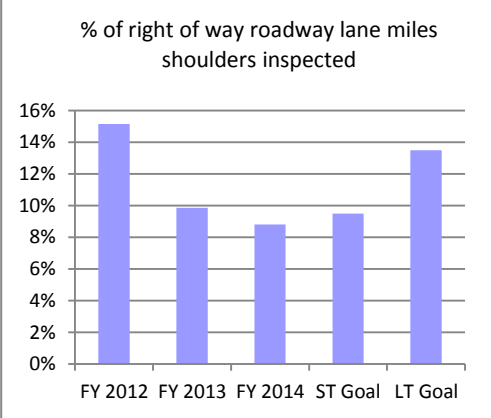
Additional information about Streets and Grounds Division may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or [wmorgan@vopnc.org](mailto:wmorgan@vopnc.org).



**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Provide Safe Traffic &amp; Pedestrian Mobility</b>				
• % right of way roadway lane miles shoulders inspected and/or repaired	15.1%	9.9%	8.8%	9.5%
• % of residents satisfied with maintenance of street signs/pavement markings	81%	81%	81%	82%
• % of residents satisfied with maintenance of main Village street thoroughfares	88%	89%	89%	89%



EFFECTIVENESS Measures	OUTPUT Measures																																																
<p data-bbox="300 394 673 478">% of residents satisfied with maintenance of main Village street thoroughfares</p>  <table border="1" data-bbox="224 378 711 793"><thead><tr><th>Year</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2012</td><td>85</td><td>80</td></tr><tr><td>FY 2013</td><td>85</td><td>80</td></tr><tr><td>FY 2014</td><td>85</td><td>80</td></tr><tr><td>ST Goal</td><td>90</td><td>90</td></tr><tr><td>LT Goal</td><td>88</td><td>88</td></tr></tbody></table> <p data-bbox="300 892 673 976">% of residents satisfied with maintenance of street signs/pavement markings</p>  <table border="1" data-bbox="224 871 711 1291"><thead><tr><th>Year</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2012</td><td>75</td><td>75</td></tr><tr><td>FY 2013</td><td>75</td><td>75</td></tr><tr><td>FY 2014</td><td>75</td><td>75</td></tr><tr><td>ST Goal</td><td>80</td><td>80</td></tr><tr><td>LT Goal</td><td>82</td><td>82</td></tr></tbody></table>	Year	Pinehurst (%)	Benchmark (%)	FY 2012	85	80	FY 2013	85	80	FY 2014	85	80	ST Goal	90	90	LT Goal	88	88	Year	Pinehurst (%)	Benchmark (%)	FY 2012	75	75	FY 2013	75	75	FY 2014	75	75	ST Goal	80	80	LT Goal	82	82	<p data-bbox="982 394 1356 451">% of right of way roadway lane miles shoulders inspected</p>  <table border="1" data-bbox="906 378 1393 793"><thead><tr><th>Year</th><th>Inspected (%)</th></tr></thead><tbody><tr><td>FY 2012</td><td>15</td></tr><tr><td>FY 2013</td><td>10</td></tr><tr><td>FY 2014</td><td>9</td></tr><tr><td>ST Goal</td><td>9</td></tr><tr><td>LT Goal</td><td>13</td></tr></tbody></table>	Year	Inspected (%)	FY 2012	15	FY 2013	10	FY 2014	9	ST Goal	9	LT Goal	13
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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 15-25 year life cycle for Village maintained streets.

***Major Accomplishments for Fiscal Year 2013-2014***

- Paved 4.09 miles of roads
- Completed the Pavement Condition Survey (done every 3 years)

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Operating	\$ 682,866	\$ 801,800	\$ 801,800	\$ 788,300	-1.7%
Expenditures Total	\$ 682,866	\$ 801,800	\$ 801,800	\$ 788,300	-1.7%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 206,716	\$ 316,800	\$ 316,800	\$ 294,300	-7.1%
Powell Bill Revenue	476,150	485,000	485,000	494,000	1.9%
Revenues Total	\$ 682,866	\$ 801,800	\$ 801,800	\$ 788,300	-1.7%

**Budget Highlights**

- There are no significant budget highlights in the Powell Bill FY 2015 budget.
- Actual Powell Bill revenue from the State of North Carolina is expected to increase by 1.9% from the FY 13-14 level as the State is projecting that collections on motor fuel taxes will increase in FY 2015.

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](mailto:wmorgan@vopnc.org).

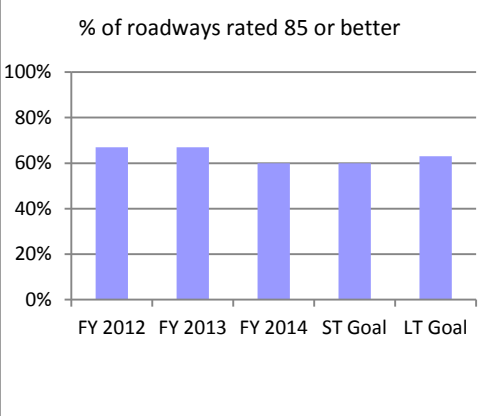
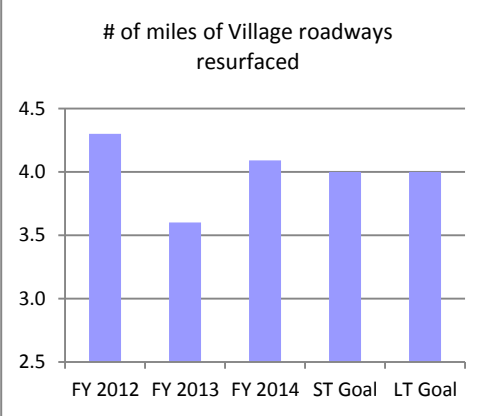
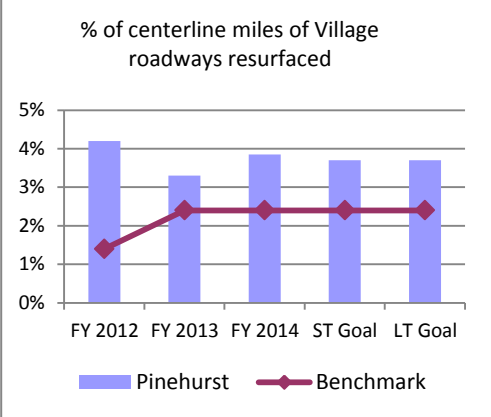
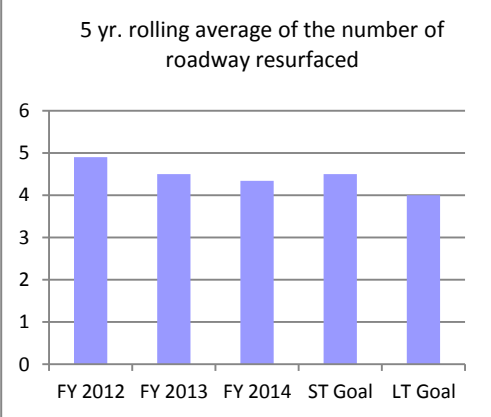




**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Provide Safe Traffic &amp; Pedestrian Mobility</b>				
• # of miles of Village roadways resurfaced	4.5	3.6	4.1	4.0
• % of centerline miles of Village roadways resurfaced	4.2%	3.3%	3.9%	3.7%
• 5 yr. rolling average of the number of roadway resurfaced	4.9	4.5	4.3	4.5
<b>FINANCIAL PERSPECTIVE</b>				
<b>Provide Value for Tax Dollars</b>				
• % of roadways rated 85 or better	67%	67%	60%	60%



EFFECTIVENESS Measures	OUTPUT Measures																																																						
<p data-bbox="300 394 625 422">% of roadways rated 85 or better</p>  <table border="1" data-bbox="224 380 711 793"><thead><tr><th>Year/Goal</th><th>% of roadways rated 85 or better</th></tr></thead><tbody><tr><td>FY 2012</td><td>68%</td></tr><tr><td>FY 2013</td><td>68%</td></tr><tr><td>FY 2014</td><td>60%</td></tr><tr><td>ST Goal</td><td>60%</td></tr><tr><td>LT Goal</td><td>65%</td></tr></tbody></table>	Year/Goal	% of roadways rated 85 or better	FY 2012	68%	FY 2013	68%	FY 2014	60%	ST Goal	60%	LT Goal	65%	<p data-bbox="1003 394 1328 453"># of miles of Village roadways resurfaced</p>  <table border="1" data-bbox="906 380 1393 793"><thead><tr><th>Year/Goal</th><th># of miles of Village roadways resurfaced</th></tr></thead><tbody><tr><td>FY 2012</td><td>4.3</td></tr><tr><td>FY 2013</td><td>3.6</td></tr><tr><td>FY 2014</td><td>4.1</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="982 892 1307 951">% of centerline miles of Village roadways resurfaced</p>  <table border="1" data-bbox="906 877 1393 1291"><thead><tr><th>Year/Goal</th><th>Pinehurst (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>FY 2012</td><td>4.2</td><td>1.5</td></tr><tr><td>FY 2013</td><td>3.3</td><td>2.5</td></tr><tr><td>FY 2014</td><td>3.9</td><td>2.5</td></tr><tr><td>ST Goal</td><td>3.8</td><td>2.5</td></tr><tr><td>LT Goal</td><td>3.8</td><td>2.5</td></tr></tbody></table> <p data-bbox="982 1390 1356 1449">5 yr. rolling average of the number of roadway resurfaced</p>  <table border="1" data-bbox="906 1375 1393 1789"><thead><tr><th>Year/Goal</th><th>5 yr. rolling average of the number of roadway resurfaced</th></tr></thead><tbody><tr><td>FY 2012</td><td>4.9</td></tr><tr><td>FY 2013</td><td>4.5</td></tr><tr><td>FY 2014</td><td>4.3</td></tr><tr><td>ST Goal</td><td>4.5</td></tr><tr><td>LT Goal</td><td>4.0</td></tr></tbody></table>	Year/Goal	# of miles of Village roadways resurfaced	FY 2012	4.3	FY 2013	3.6	FY 2014	4.1	ST Goal	4.0	LT Goal	4.0	Year/Goal	Pinehurst (%)	Benchmark (%)	FY 2012	4.2	1.5	FY 2013	3.3	2.5	FY 2014	3.9	2.5	ST Goal	3.8	2.5	LT Goal	3.8	2.5	Year/Goal	5 yr. rolling average of the number of roadway resurfaced	FY 2012	4.9	FY 2013	4.5	FY 2014	4.3	ST Goal	4.5	LT Goal	4.0
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**Department Profile**

The Solid Waste Division of the Public Services Department operates under the direction of the Assistant 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 7,916 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 170 tons of curbside recyclables monthly
- Removing approximately 332 tons of curbside household refuse monthly
- Removing approximately 1,722 tons of yard debris annually.

***Major Accomplishments for Fiscal Year 2013-2014***

- Received Council approval to implement the BIRDIE recommendations to achieve efficiency improvements in the yard debris collection process. Completed Phase I which included installing cart corrals at various condo locations
- Increased number of tons recycled by approximately 6.7%

**Strategic Operating Plan For Fiscal Year 2014-2015**

**Challenges**

- Maintaining capital replacement schedule with limited funds
- Tracking vehicles to develop most efficient routes to collect refuse, yard debris, and recycling
- Communicating pick-up schedules and acceptable refuse in each rolling cart to residents

**Initiatives**

- Implement single-day collection system with automated yard debris
- Increase public education on the benefits of recycling to encourage greater participation



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 378,579	\$ 413,059	\$ 402,168	\$ 411,615	-0.3%
Operating	778,218	1,045,841	878,653	1,024,360	-2.1%
Capital	190,885	208,225	208,225	197,900	-5.0%
Expenditures Total	\$ 1,347,682	\$ 1,667,125	\$ 1,489,046	\$ 1,633,875	-2.0%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 1,347,682	\$ 1,667,125	\$ 1,489,046	\$ 1,633,875	-2.0%
Revenues Total	\$ 1,347,682	\$ 1,667,125	\$ 1,489,046	\$ 1,633,875	-2.0%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 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%

**Budget Highlights**

- Operating expenditures include \$150,000 for the purchase of rolling carts to implement the new yard debris collection system in neighborhoods in FY 2014-2015. It also includes \$16,200 for contracted services to collect refuse in the newly annexed area of Cotswold of Pinehurst.
- Capital expenditures include \$190,000 for the replacement of a garbage truck.

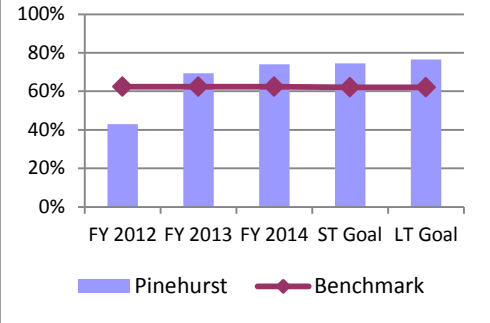
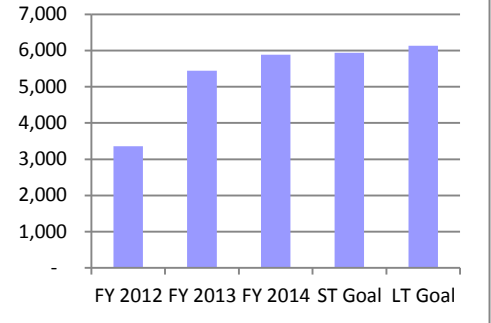
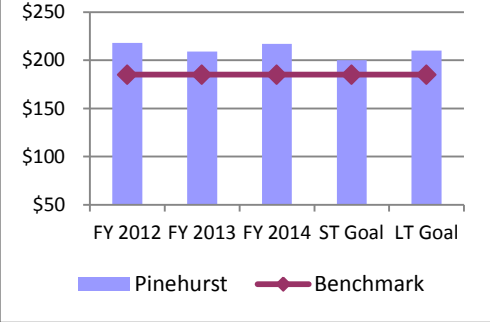
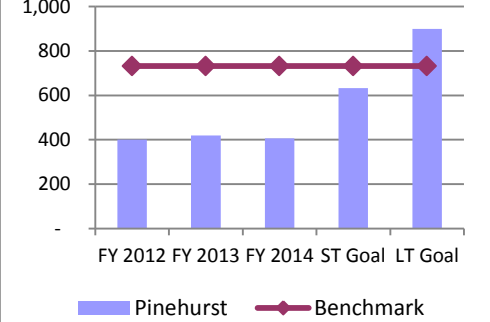
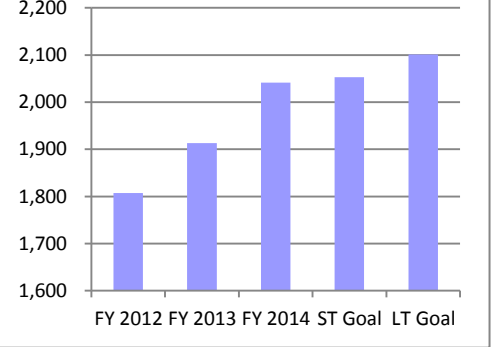
Additional information about Solid Waste Division may be obtained by contacting Walt Morgan, Director of Public Services, at 910.295.5021 or [wmorgan@vopnc.org](mailto:wmorgan@vopnc.org).



**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Protect the Environment</b>				
• # of households participating in curbside recycling	3,358	5,445	5,888	5,936
• % of households participating in curbside recycling	43%	69%	74%	75%
• # of tons recycled	1,807	1,913	2,041	2,053
<b>FINANCIAL PERSPECTIVE</b>				
<b>Maintain a Strong Financial Condition</b>				
• Household refuse collection costs per household per year using Village staff	\$188.00	\$188.27	\$189.00	\$191.00
• Yard waste tons collected per FTE	400	420	406	633



EFFECTIVENESS Measures	OUTPUT Measures																																																
<p data-bbox="305 401 626 457">% of households participating in curbside recycling</p>  <table border="1" data-bbox="224 478 711 798"> <caption>% of households participating in curbside recycling</caption> <thead> <tr> <th>Year</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>42</td> <td>62</td> </tr> <tr> <td>FY 2013</td> <td>68</td> <td>62</td> </tr> <tr> <td>FY 2014</td> <td>72</td> <td>62</td> </tr> <tr> <td>ST Goal</td> <td>72</td> <td>62</td> </tr> <tr> <td>LT Goal</td> <td>78</td> <td>62</td> </tr> </tbody> </table>	Year	Pinehurst (%)	Benchmark (%)	FY 2012	42	62	FY 2013	68	62	FY 2014	72	62	ST Goal	72	62	LT Goal	78	62	<p data-bbox="992 401 1305 457"># of households participating in curbside recycling</p>  <table border="1" data-bbox="911 478 1398 798"> <caption># of households participating in curbside recycling</caption> <thead> <tr> <th>Year</th> <th>Pinehurst</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>3,300</td> </tr> <tr> <td>FY 2013</td> <td>5,400</td> </tr> <tr> <td>FY 2014</td> <td>5,900</td> </tr> <tr> <td>ST Goal</td> <td>5,900</td> </tr> <tr> <td>LT Goal</td> <td>6,100</td> </tr> </tbody> </table>	Year	Pinehurst	FY 2012	3,300	FY 2013	5,400	FY 2014	5,900	ST Goal	5,900	LT Goal	6,100																		
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**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 230 residential projects for zoning compliance annually with a permit value of \$ 26,353,844
- Reviewing 12 commercial development plans on average in the Village and expansion areas each year
- Conducting approximately 50 code enforcement inspections monthly.

***Major Accomplishments for Fiscal Year 2013-2014***

- Completed GIS mapping projects including work for the USGA for the U.S. Open Championships
- Drafted pollution prevention plan for Fleet Maintenance
- Held on-boarding for new members of the Community Appearance Commission, Board of Adjustment and Planning & Zoning (P&Z)
- Consulted on proposal to limit short term rentals
- Provided leadership on the rewrite of the Pinehurst Development Ordinance
- Evaluated and completed rezoning requirements for Senior Housing Project

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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**

- Evaluate the code enforcement process (BIRDIE)
- Conduct post-service surveys for building and development services
- Streamline P&Z permits and applications
- Evaluate opportunities for electronic submittal of P&Z forms and plans (BIRDIE)



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 460,277	\$ 469,800	\$ 468,650	\$ 480,550	2.3%
Operating	202,917	172,910	172,378	177,885	2.9%
Capital	6,362	175	175	2,010	1048.6%
Expenditures Total	\$ 669,556	\$ 642,885	\$ 641,203	\$ 660,445	2.7%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 614,652	\$ 590,885	\$ 597,203	\$ 614,445	4.0%
Planning Permit Revenue	54,904	52,000	44,000	46,000	-11.5%
Revenues Total	\$ 669,556	\$ 642,885	\$ 641,203	\$ 660,445	2.7%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 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%

**Budget Highlights**

- Salaries & Benefits reflect 2% merit increases and associated FICA and retirement benefits.
- Capital expenditures reflect the purchase of multiple servers and a website redesign by the Information Technology department. The cost of these expenditures is allocated to various departments. Details regarding individual capital expenditures can be found in the Capital Expenditures section of the budget.

Additional information about the Planning Department may be obtained by contacting Bruce Gould, Interim Director of Planning and Inspections, at 910.295.2581 or [bgould@vopnc.org](mailto:bgould@vopnc.org).

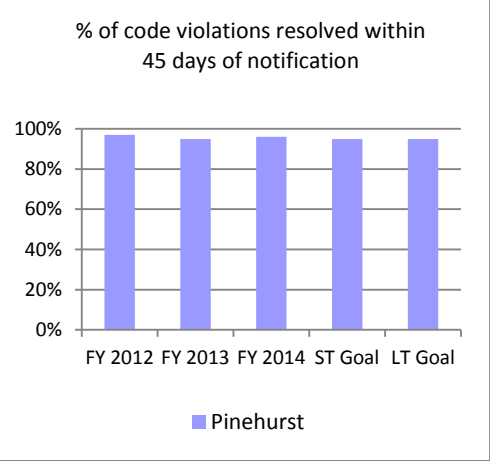
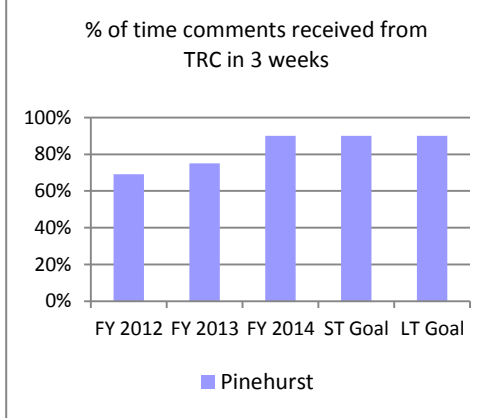
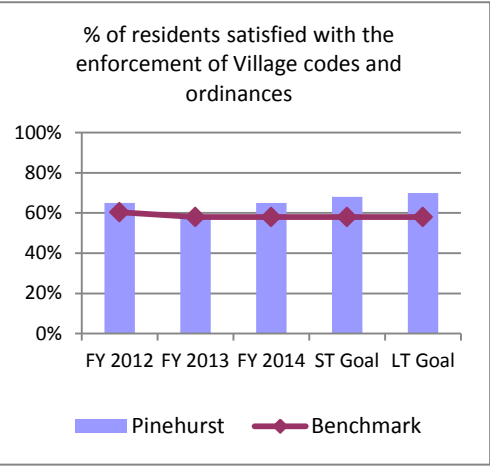
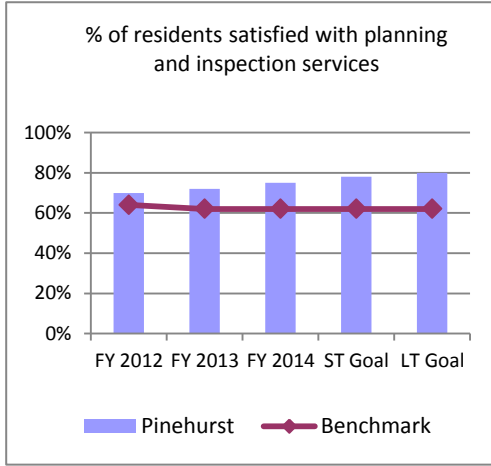




**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Preserve the Character &amp; Ambience of the Village</b>				
• % of code violations resolved within 45 days of notification	97%	95%	96%	95%
• % of residents satisfied with enforcement of Village codes and ordinances	65%	59%	65%	68%
• % of residents satisfied with planning and inspection services	70%	72%	75%	78%
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
• % of time the TRC responds to comments within three weeks	69%	75%	90%	90%



EFFECTIVENESS Measures	EFFECTIVENESS Measures (continued)																																				
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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 2013-2014*

- Relocated the Welcome Center and constructed public restrooms in the Theatre Building
- Began sending monthly e-blasts to businesses
- Completed sidewalk expansions connecting the Resort to the Village Center
- Prepared a Guide to Doing Business and expanded online business resources
- Installed an interactive electronic kiosk in the Village Center
- Installed wayfinding signage throughout the Village
- Installed five additional street lamps in downtown
- Installed Phase II of the decorative street signs
- Completed streetscape project at Chinquapin and Magnolia and around flagpole

## **Strategic Operating Plan For Fiscal Year 2014-2015**

### 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

- Improve adequacy of street lighting in neighborhoods
- Incrementally expand Village Center into Village Place/Rattlesnake Corridor
- Evaluate and enhance marketing efforts
- Develop a rating system for the appearance of public areas in partnership with the CAC
- Evaluate the consolidation of S&G and B&G (BIRDIE)



## Budget Summary

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Operating	\$ 213,922	\$ 471,250	\$ 461,250	\$ 293,900	-37.6%
Capital	1,247,717	485,327	485,327	498,500	2.7%
Expenditures Total	\$ 1,461,639	\$ 956,577	\$ 946,577	\$ 792,400	-17.2%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 1,459,339	\$ 954,077	\$ 944,077	\$ 789,900	-17.2%
Engineering Fee Revenue	2,300	2,500	2,500	2,500	0.0%
Revenues Total	\$ 1,461,639	\$ 956,577	\$ 946,577	\$ 792,400	-17.2%

## Budget Highlights

- Advertising expenditures are planned to be reduced in fiscal year 2015 by \$93,000 in an effort to transition a portion of this operating expenditure to the downtown merchants. In addition, \$85,000 in professional services for the development of a bike and pedestrian plan was budgeted in Operating expenditures for FY 2014.
- Continued investment in sidewalks and lighting to develop connectivity and improve safety and mobility in downtown and neighborhoods is included in Capital expenditures.

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](mailto:jbatton@vopnc.org) or [ndean@vopnc.org](mailto:ndean@vopnc.org).



**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Promote Economic Opportunity</b>				
<ul style="list-style-type: none"> <li>• % of businesses satisfied with the Village’s overall job of communicating with businesses</li> </ul>	46%	63%	65%	65%
<ul style="list-style-type: none"> <li>• % of residents satisfied with the availability of parking downtown</li> </ul>	56%	68%	70%	70%
<ul style="list-style-type: none"> <li>• # of parking spaces in the Village Center per 1,000 sf of commercial space</li> </ul>	2.01	2.27	2.27	2.27
<ul style="list-style-type: none"> <li>• # of unique visitors to online business resources</li> </ul>	n/a	1,450	1,000	1,000
<ul style="list-style-type: none"> <li>• % businesses satisfied with the Village website</li> </ul>	38%	75%	75%	75%
<b>Provide and Promote Safe Traffic &amp; Pedestrian Mobility</b>				
<ul style="list-style-type: none"> <li>• % of residents satisfied with the adequacy of street lighting</li> </ul>	45%	42%	42%	43%
<b>Protect the Environment</b>				
<ul style="list-style-type: none"> <li>• % of residents satisfied with the quality of stormwater runoff/management</li> </ul>	54%	48%	48%	50%



EFFECTIVENESS Measures	EFFECTIVENESS Measures (continued)																																				
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**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 2013-2014***

- Utilized Fair Barn for programs and activities
- Constructed tennis/pickleball courts in Wicker Park, concession stand/restroom in Cannon Park, and a storage building
- Received NCDOT Grant for Comprehensive Bicycle Plan
- Offered new programs including Stroller Striders, Line and Shag Dancing, Pottery, and Cooking

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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**

- Evaluate the need for indoor recreation facilities (BIRDIE)
- Expand cultural arts events in Village parks
- Develop park facilities
- Extend sidewalk and walkway system



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 338,672	\$ 391,810	\$ 389,409	\$ 418,035	6.7%
Operating	584,710	741,464	740,488	870,300	17.4%
Capital	348,379	369,269	344,269	162,755	-55.9%
Expenditures Total	\$ 1,271,761	\$ 1,502,543	\$ 1,474,166	\$ 1,451,090	-3.4%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 1,165,881	\$ 1,409,043	\$ 1,380,666	\$ 1,352,590	-4.0%
Recreation Services	105,880	93,500	93,500	98,500	5.3%
Revenues Total	\$ 1,271,761	\$ 1,502,543	\$ 1,474,166	\$ 1,451,090	-3.4%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	4.00	4.00	4.00	4.00	0.0%
Part Time	2.00	2.00	2.34	2.47	23.5%
Total Authorized Personnel	6.00	6.00	6.34	6.47	2.1%

**Budget Highlights**

- Salaries and Benefits reflect a 2% merit increase and associated FICA and retirement benefits. Also included is an increase in hours and associated pay for part-time staff needed to support expanded and new recreation programs and cultural event set up.
- \$35,000 is included in Operating expenditures to re-sod Tufts Park after the U.S. Open Championships and \$41,000 was moved from the Streets & Grounds division to the Recreation division for downtown beautification. There is also \$35,000 for additional maintenance at the Arboretum.
- The capital for FY 2014 included \$137,000 for construction of the Cannon Park Fieldhouse and \$135,000 for completion of the Arboretum parking lot. Expansion of the greenway system will be limited to \$50,000 in FY 2015 as implementation of the new bike path plan is expected to begin.

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](mailto:mwagner@vopnc.org).

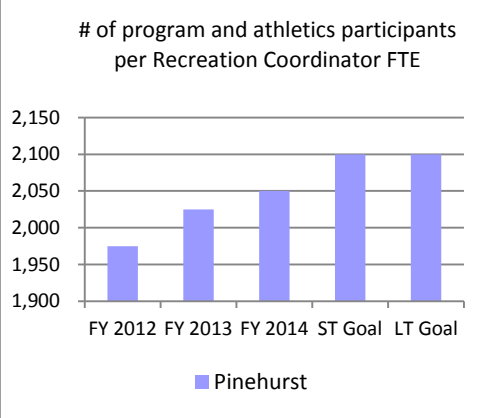
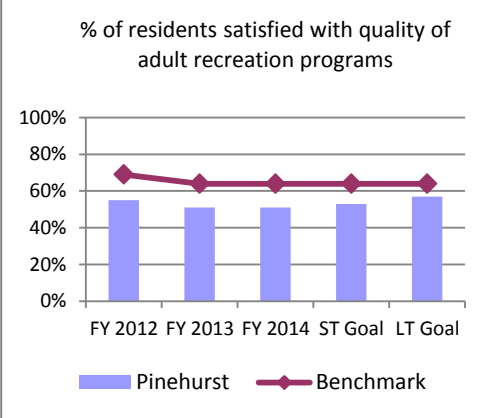
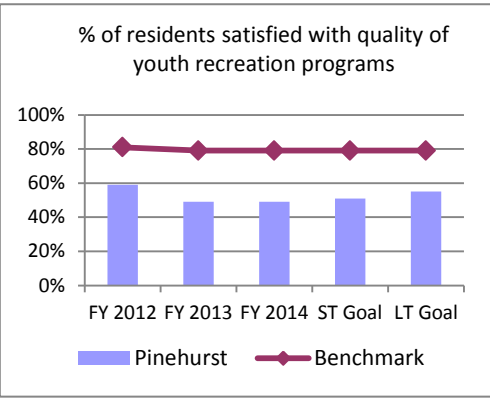




**Department Dashboard**

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Provide a Variety of Recreational and Cultural Opportunities</b>				
• % of residents satisfied with quality of youth recreation programs	n/a	59%	49%	51%
• % of residents satisfied with quality of adult recreation programs	n/a	55%	51%	53%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
• # of program and athletics participants per Recreation Coordinator FTE	1,975	2,025	2,050	2,100



EFFECTIVENESS Measures	EFFECTIVENESS Measures (continued)																														
<p data-bbox="298 394 678 449"># of program and athletics participants per Recreation Coordinator FTE</p>  <table border="1" data-bbox="224 378 711 793"> <caption># of program and athletics participants per Recreation Coordinator FTE</caption> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>~1,975</td> </tr> <tr> <td>FY 2013</td> <td>~2,025</td> </tr> <tr> <td>FY 2014</td> <td>~2,050</td> </tr> <tr> <td>ST Goal</td> <td>~2,100</td> </tr> <tr> <td>LT Goal</td> <td>~2,100</td> </tr> </tbody> </table>	Year/Goal	Pinehurst	FY 2012	~1,975	FY 2013	~2,025	FY 2014	~2,050	ST Goal	~2,100	LT Goal	~2,100	<p data-bbox="980 394 1360 449">% of residents satisfied with quality of adult recreation programs</p>  <table border="1" data-bbox="906 378 1393 793"> <caption>% of residents satisfied with quality of adult recreation programs</caption> <thead> <tr> <th>Year/Goal</th> <th>Pinehurst</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>~55%</td> <td>~70%</td> </tr> <tr> <td>FY 2013</td> <td>~50%</td> <td>~65%</td> </tr> <tr> <td>FY 2014</td> <td>~50%</td> <td>~65%</td> </tr> <tr> <td>ST Goal</td> <td>~55%</td> <td>~65%</td> </tr> <tr> <td>LT Goal</td> <td>~55%</td> <td>~65%</td> </tr> </tbody> </table>	Year/Goal	Pinehurst	Benchmark	FY 2012	~55%	~70%	FY 2013	~50%	~65%	FY 2014	~50%	~65%	ST Goal	~55%	~65%	LT Goal	~55%	~65%
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**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 2013-2014***

- Increased contribution for operating costs from \$60,000 to \$80,000, a 33% increase
- Disbursed \$300,000 for annual contribution toward \$1,000,000 pledge to the Library capital expansion campaign - a total of \$400,000 is currently held in Trust for the Village contributions

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Operating	\$ 140,000	\$ 360,000	\$ 360,000	\$ 380,000	5.6%
Expenditures Total	\$ 140,000	\$ 360,000	\$ 360,000	\$ 380,000	5.6%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 140,000	\$ 360,000	\$ 360,000	\$ 380,000	5.6%
Revenues Total	\$ 140,000	\$ 360,000	\$ 360,000	\$ 380,000	5.6%

**Budget Highlights**

- Operating expenditures include \$80,000 for annual operating costs and \$300,000 for a contribution to the library expansion campaign.
- 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.
- Set aside \$50,000 in General Contingency for a proposed operational initiative that will be considered by the Village Council in early FY 2014-2015 for funding.

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](mailto: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, three full-time Track Specialists and part-time seasonal personnel responsible for the operations and maintenance of the Harness Track facility. Responsibilities include:

- Maintaining three sand 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 2013-2014***

- Partnered with Polocrosse Club to build a new Judges Stand on the 1 mile track
- Approximately 240 Standardbred horses stabled during Training Season
- Installed Storm water management system to filter sediment from tracks

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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**

- Marketing of the Harness Track



## Budget Summary

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 137,492	\$ 191,950	\$ 160,880	\$ 181,400	-5.5%
Operating	280,470	336,120	333,714	342,640	1.9%
Capital	159,821	109,150	139,150	109,245	0.1%
<b>Expenditures Total</b>	<b>\$ 577,783</b>	<b>\$ 637,220</b>	<b>\$ 633,744</b>	<b>\$ 633,285</b>	<b>-0.6%</b>

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 323,879	\$ 399,705	\$ 386,229	\$ 384,285	-3.9%
Harness Track Services	253,904	237,515	247,515	249,000	4.8%
<b>Revenues Total</b>	<b>\$ 577,783</b>	<b>\$ 637,220</b>	<b>\$ 633,744</b>	<b>\$ 633,285</b>	<b>-0.6%</b>

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	3.80	3.80	3.80	4.00	5.3%
Part Time	0.20	0.20	0.20	0.20	0.0%
<b>Total Authorized Personnel</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.20</b>	<b>5.0%</b>

## Budget Highlights

- A 30-hour position is being transitioned to a full-time position in fiscal year 2015. However, the Village negotiated a zero percent increase in our medical and dental group insurance rate for calendar year 2014 and there is an additional \$5,150 budgeted for overtime to provide maintenance services for the Men's and Women's U.S. Open in FY 2014, causing a 5.5% decrease in Salaries & Benefits expenditures for fiscal year 2014-2015.
- There are no significant Operating or Capital expenditures in the FY 2014-2015 budget.
- The USGA is using the Harness Track facility leading up to and during the U.S. Open Championships. Stall rental and Event fees are expected to return to normal levels in FY 2015.

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](mailto:mwagner@vopnc.org).

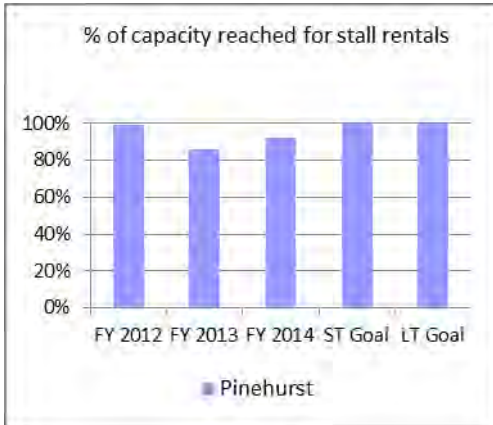


**Department Dashboard**

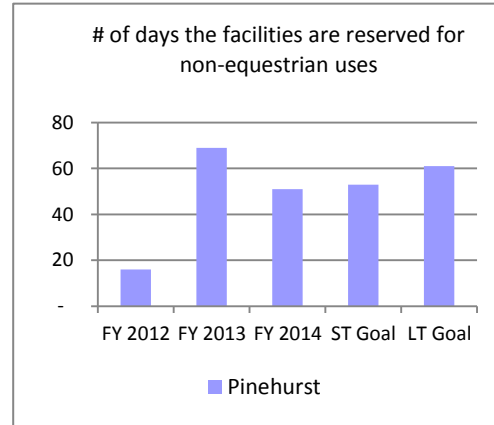
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Provide a Variety of Recreational and Cultural Opportunities</b>				
• % of capacity reached for stall rentals	99%	86%	92%	100%
• # of days the facilities are reserved for equestrian events	28	34	36	38
• # of days the facilities are reserved for non-equestrian uses	16	69	51	53
• % of customers satisfied with Harness Track facilities	n/a	n/a	85%	87%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
• Operating revenues as a percentage of operating expenditures	57%	61%	51%	52%



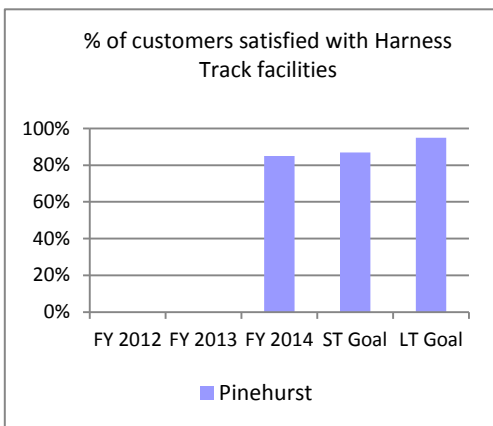
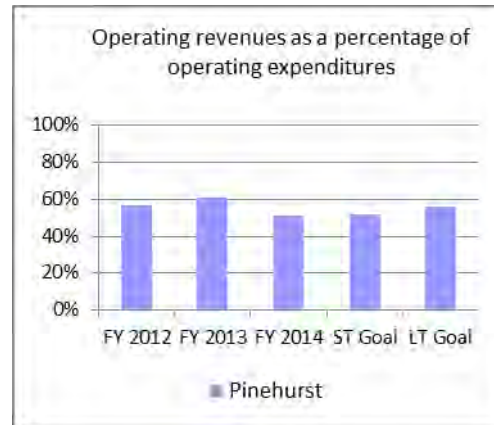
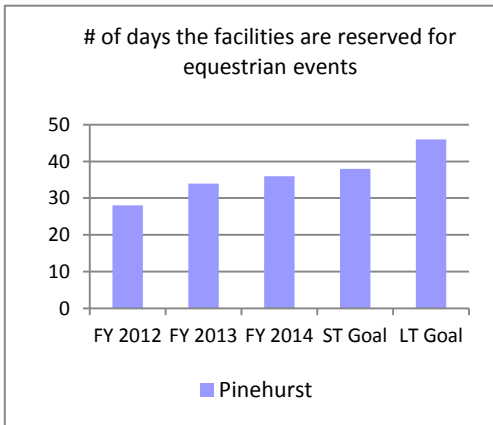
EFFECTIVENESS Measures



EFFECTIVENESS Measures (continued)



EFFICIENCY Measures







**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 2013-2014***

- Created Corporate Meeting Rate Package to increase usage on weekdays
- Had 67 weekdays used during the FY (Includes 16 due to US Open)
- Hosting 9-10 Recreation Programs now in the Fair Barn during the year

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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**

- Maximize use of the Fair Barn
- Partner with organizations to host cultural events
- Develop a post event service survey



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 84,637	\$ 110,000	\$ 90,065	\$ 108,810	-1.1%
Operating	115,354	152,830	151,610	180,570	18.2%
Capital	91,370	12,575	12,575	76,515	508.5%
Expenditures Total	\$ 291,361	\$ 275,405	\$ 254,250	\$ 365,895	32.9%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 133,401	\$ 92,405	\$ 71,250	\$ 182,895	97.9%
Fair Barn Revenues	157,960	183,000	183,000	183,000	0.0%
Revenues Total	\$ 291,361	\$ 275,405	\$ 254,250	\$ 365,895	32.9%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	1.00	1.00	1.00	1.00	0.0%
Part Time	0.80	0.80	1.00	0.80	0.0%
Total Authorized Personnel	1.80	1.80	2.00	1.80	-10.0%

**Budget Highlights**

- Merit raises of 2% are mitigated by a reduction in group insurance premiums.
- Operating expenditures include \$20,000 for interior maintenance that includes floor waxing, repainting the Annex and replacing grapevine and lights on columns.
- In order to improve weekday facility rental, tinting on skylights is planned in the FY 2014-2015 Capital expenditures budget. In addition, the main door to the Fair Barn will be replaced at a cost of approximately \$8,000 and a new sound system will be installed.

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](mailto:mwagner@vopnc.org).

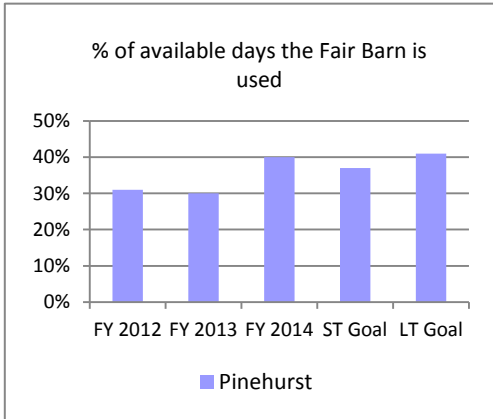


Department Dashboard

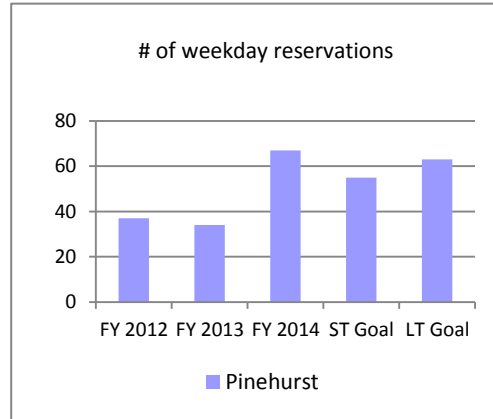
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Provide a Variety of Recreational and Cultural Opportunities</b>				
• # of Fair Barn weekday rentals	37	32	67	55
• % of days the Fair Barn is used	31%	31%	40%	37%
• % of customers satisfied with the Fair Barn	n/a	n/a	n/a	75%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
• Fair Barn operating revenues as a % of operating expenditures	80%	78%	100%	102%



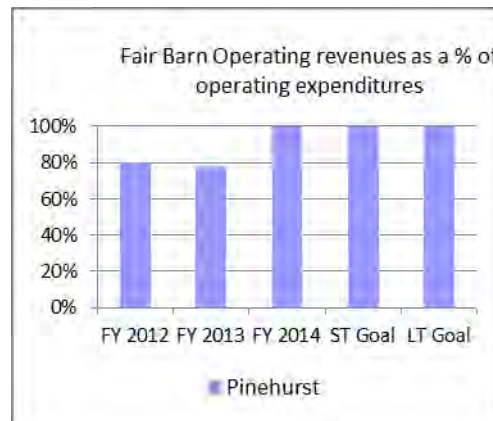
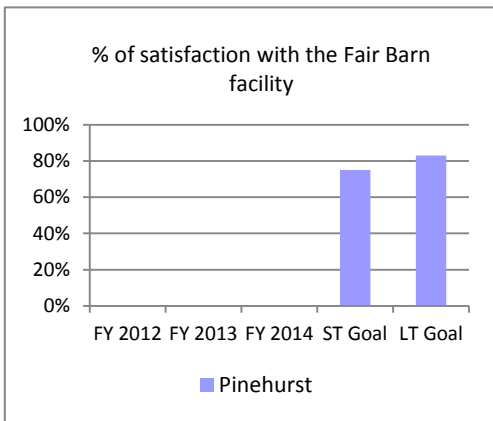
EFFECTIVENESS Measures



EFFECTIVENESS Measures (continued)



EFFICIENCY Measures





**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 2013-2014***

- Completed Tennis/Pickleball Court construction
- Constructed parking lots for Greenway Trail access and Timmel Pavilion
- Constructed new Comfort Station at Cannon Park
- Constructed new storage facility at Wicker Park

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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**

- Light athletic field at Wicker Park
- Maintain VOP buildings and facilities



## Budget Summary

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 293,013	\$ 313,650	\$ 311,460	\$ 318,100	1.4%
Operating	433,088	477,820	550,088	690,830	44.6%
Capital	186,004	674,119	556,119	201,950	-70.0%
<b>Expenditures Total</b>	<b>\$ 912,105</b>	<b>\$ 1,465,589</b>	<b>\$ 1,417,667</b>	<b>\$ 1,210,880</b>	<b>-17.4%</b>

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Charges for Services - B&G Maint	\$ 912,105	\$ 1,465,589	\$ 1,417,667	\$ 1,210,880	-17.4%
<b>Revenues Total</b>	<b>\$ 912,105</b>	<b>\$ 1,465,589</b>	<b>\$ 1,417,667</b>	<b>\$ 1,210,880</b>	<b>-17.4%</b>

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	6.00	6.00	6.00	6.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.0%</b>

### Budget Highlights

- 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 increases in operating expenditures.
- 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.

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](mailto:mwagner@vopnc.org).

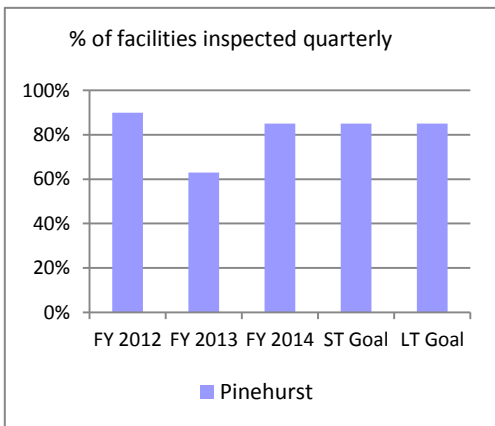
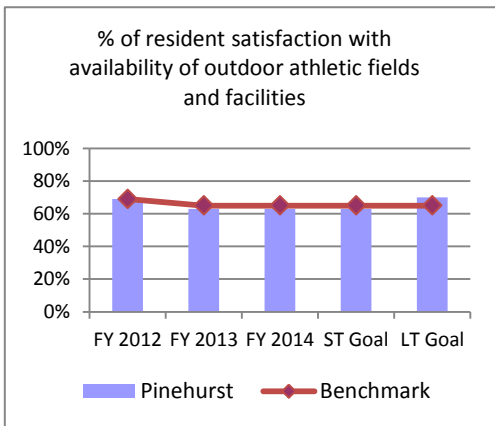
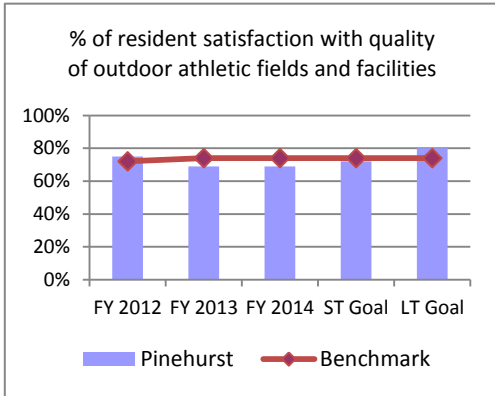


**Department Dashboard**

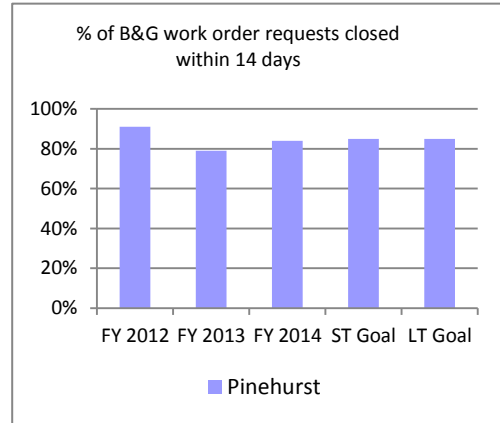
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>CUSTOMER PERSPECTIVE</b>				
<b>Provide a Variety of Recreational and Cultural Opportunities</b>				
<ul style="list-style-type: none"> <li>% of residents satisfied with quality of outdoor athletic fields and facilities</li> </ul>	75%	69%	69%	76%
<ul style="list-style-type: none"> <li>% of residents satisfied with availability of outdoor athletic fields and facilities</li> </ul>	69%	63%	63%	70%
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
<ul style="list-style-type: none"> <li>% of facilities inspected quarterly</li> </ul>	90%	71%	85%	85%
<ul style="list-style-type: none"> <li>% of B&amp;G work order requests closed within 14 days</li> </ul>	91%	91%	84%	85%



**EFFECTIVENESS Measures**



**EFFECTIVENESS Measures (continued)**







**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 2013-2014***

- Evaluated the size of the Village’s fleet and updated the Fleet Replacement Plan
- Improved safety by revising the method used to mix salt brine
- Modified the preventative maintenance process to be more cost effective

**Strategic Operating Plan For Fiscal Year 2014-2015**

**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**

- Effectively maintain current capital assets



**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 215,471	\$ 228,800	\$ 222,909	\$ 232,215	1.5%
Operating	407,957	416,770	502,038	457,730	9.8%
Capital	444,512	1,014,150	928,150	668,765	-34.1%
<b>Expenditures Total</b>	<b>\$ 1,067,940</b>	<b>\$ 1,659,720</b>	<b>\$ 1,653,097</b>	<b>\$ 1,358,710</b>	<b>-18.1%</b>

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Charges for Services - Fleet Maint	\$ 1,067,940	\$ 1,659,720	\$ 1,653,097	\$ 1,358,710	-18.1%
<b>Revenues Total</b>	<b>\$ 1,067,940</b>	<b>\$ 1,659,720</b>	<b>\$ 1,653,097</b>	<b>\$ 1,358,710</b>	<b>-18.1%</b>

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	3.00	3.00	3.00	3.00	0.0%
Part Time	-	-	-	-	0.0%
<b>Total Authorized Personnel</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>0.0%</b>

**Budget Highlights**

- The Fleet Maintenance budget includes vehicle and equipment repairs and maintenance expenditures of \$205,730 and fuel expenditures of \$252,000.
- 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.

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

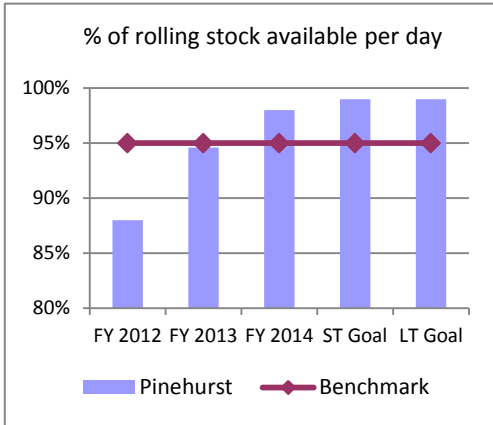


## Department Dashboard

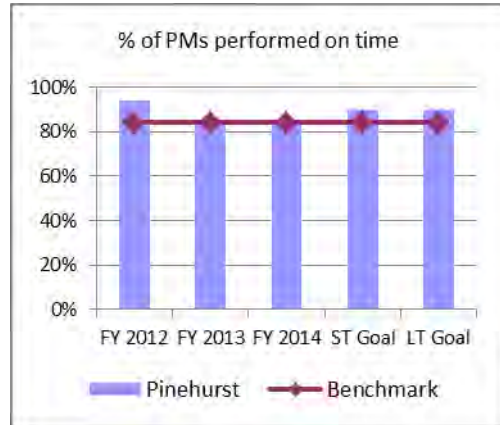
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
• % of PMs performed on time	94%	80%	84%	90%
• % of work orders completed within 24 hours	57%	63%	70%	65%
• % of rolling stock available per day	88%	98%	98%	99%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Manage Operating Costs</b>				
• # of PMs completed per FTE per month	9	3	4	4



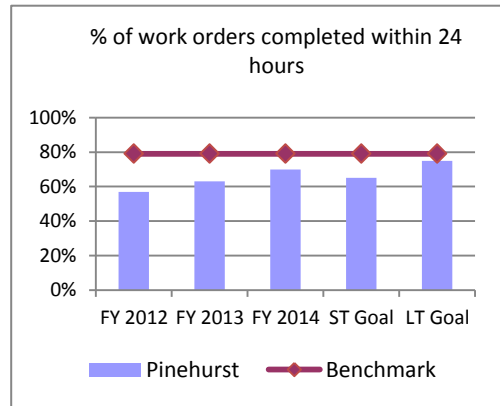
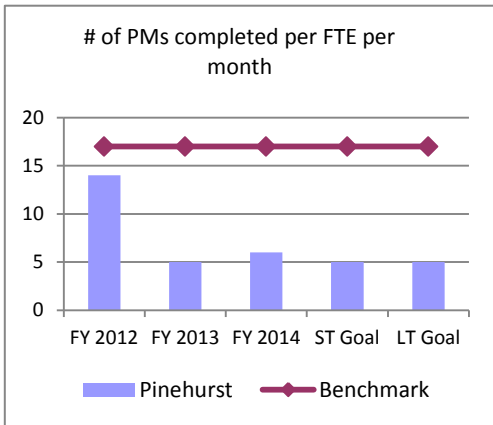
## EFFECTIVENESS Measures



## OUTPUT Measures



## EFFICIENCY Measures





## 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, Business Analyst, and IT Technician. All of these positions are responsible for the support, maintenance, and security of hardware, software and network infrastructure. All expenditures of this department are charged back to other departments in the form of internal service charges. Information technology services include:

- Maintaining more than 20 software programs and applications that support municipal services
- Managing a network infrastructure that has multiple WAN connections and over 320 devices including computers, servers, printers and other technology equipment
- Completing approximately 152 work orders monthly.

## *Major Accomplishments for Fiscal Year 2013-2014*

- Assisted Human Resources with the implementation of a Benefits Enrollment System and a Performance Measurement system
- Upgraded Core Systems to latest versions (SharePoint, SQL, Exchange, Server 2012)
- Brought the design of the Downtown Kiosk in-house to improve UI interface
- Assisted Administration and Council with the implementation of an Automated Agenda system with hardware and software
- Implemented a wireless network backbone to Public Services and Fleet to increase bandwidth

## **Strategic Operating Plan For Fiscal Year 2014-2015**

### 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

- Redesign Village website to add more functionality and integrate it with a mobile app
- Increase capability to secure and monitor the Village network for legal compliance
- Evaluate an integrated document management/imaging program (BIRDIE)



## Budget Summary

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Salaries & Benefits	\$ 329,606	\$ 422,800	\$ 398,530	\$ 405,200	-4.2%
Operating	353,566	396,600	396,112	462,800	16.7%
Capital	168,573	21,000	21,000	169,800	708.6%
Expenditures Total	\$ 851,745	\$ 840,400	\$ 815,642	\$ 1,037,800	23.5%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Charges for Services - IT	\$ 851,745	\$ 840,400	\$ 815,642	\$ 1,037,800	23.5%
Revenues Total	\$ 851,745	\$ 840,400	\$ 815,642	\$ 1,037,800	23.5%

Authorized Personnel	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Full Time	3.80	4.80	4.80	4.80	0.0%
Part Time	0.20	-	-	-	0.0%
Total Authorized Personnel	4.00	4.80	4.80	4.80	0.0%

## Budget Highlights

- 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.
- 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.

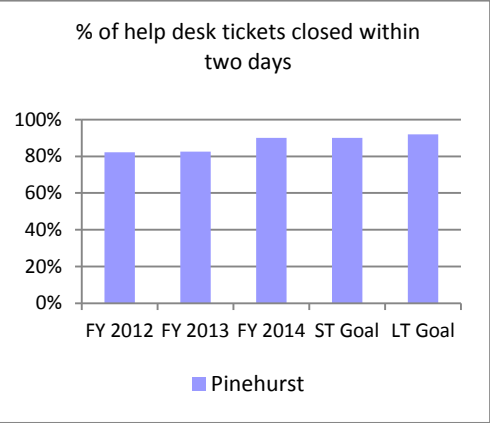
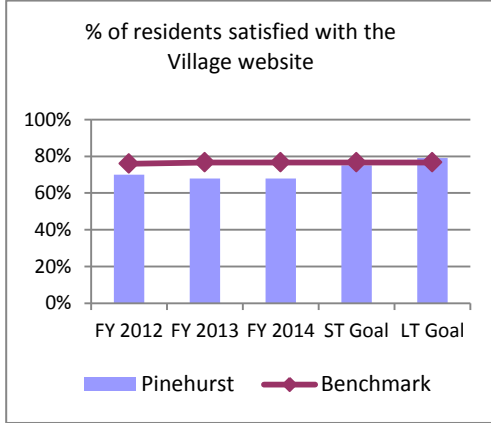
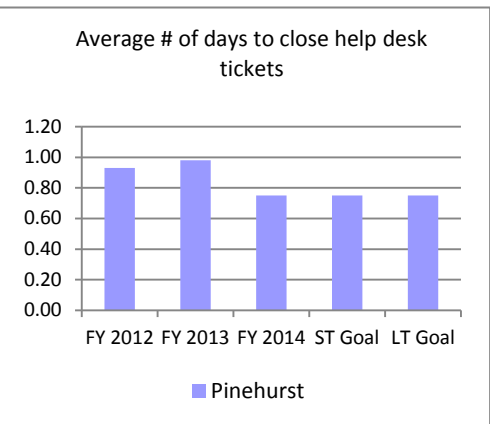
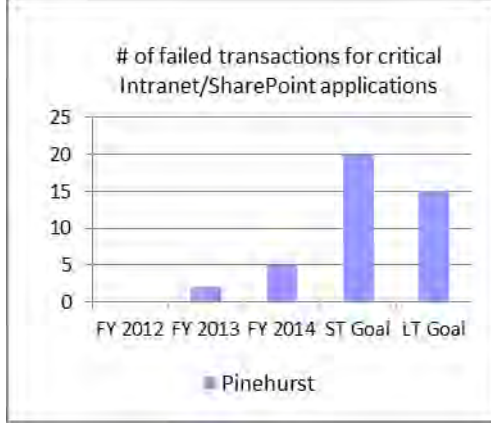
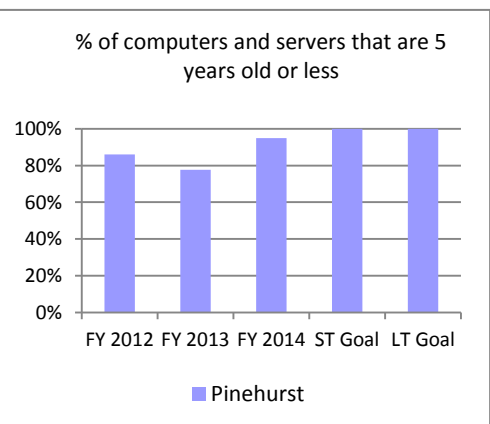
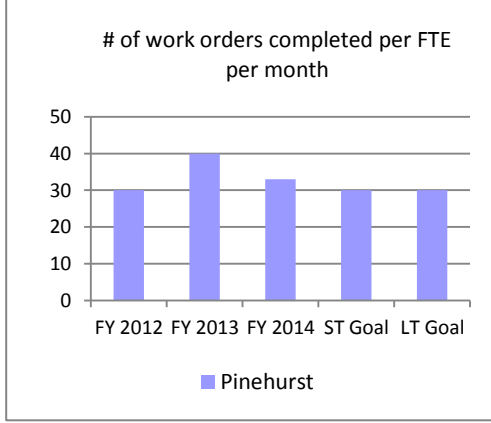
Additional information about the Information Technology Department may be obtained by contacting Jason Whitaker, Director of Information Technology, at 910.295.1900 or [jwhitaker@vopnc.org](mailto:jwhitaker@vopnc.org).



Department Dashboard

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Goal
<b>INTERNAL PERSPECTIVE</b>				
<b>Enhance Customer Service</b>				
• % of residents satisfied with the Village website	70%	68%	68%	75%
• # of app downloads	n/a	n/a	n/a	300
• % of help desk tickets closed within 2 days	82%	83%	90%	90%
• Average # of days to close help desk tickets	.93	.98	.75	.75
• # of failed transactions for critical Intranet/SharePoint applications	n/a	2	5	<20
<b>Meet Legal &amp; Regulatory Compliance</b>				
• % of CJIS compliance issues addressed	n/a	n/a	n/a	100%
<b>FINANCIAL PERSPECTIVE</b>				
<b>Provide Value for Tax Dollars</b>				
• # of work orders completed per FTE per month	30	29	33	30
<b>Invest in Capital</b>				
• % of computers and servers that are 5 years old or less	91%	95%	95%	100%



EFFECTIVENESS Measures	EFFECTIVENESS Measures (continued)																																																						
<p data-bbox="300 388 657 441"><b>% of help desk tickets closed within two days</b></p>  <table border="1" data-bbox="227 367 714 787"> <thead> <tr> <th>Year</th> <th>Pinehurst (%)</th> <th>ST Goal (%)</th> <th>LT Goal (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>80</td> <td>90</td> <td>90</td> </tr> <tr> <td>FY 2013</td> <td>80</td> <td>90</td> <td>90</td> </tr> <tr> <td>FY 2014</td> <td>90</td> <td>90</td> <td>90</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>90</td> <td>90</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>90</td> <td>90</td> </tr> </tbody> </table>	Year	Pinehurst (%)	ST Goal (%)	LT Goal (%)	FY 2012	80	90	90	FY 2013	80	90	90	FY 2014	90	90	90	ST Goal	-	90	90	LT Goal	-	90	90	<p data-bbox="982 388 1307 441"><b>% of residents satisfied with the Village website</b></p>  <table border="1" data-bbox="901 367 1388 787"> <thead> <tr> <th>Year</th> <th>Pinehurst (%)</th> <th>Benchmark (%)</th> <th>ST Goal (%)</th> <th>LT Goal (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>70</td> <td>75</td> <td>75</td> <td>75</td> </tr> <tr> <td>FY 2013</td> <td>68</td> <td>75</td> <td>75</td> <td>75</td> </tr> <tr> <td>FY 2014</td> <td>68</td> <td>75</td> <td>75</td> <td>75</td> </tr> <tr> <td>ST Goal</td> <td>-</td> <td>75</td> <td>75</td> <td>75</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>75</td> <td>75</td> <td>75</td> </tr> </tbody> </table>	Year	Pinehurst (%)	Benchmark (%)	ST Goal (%)	LT Goal (%)	FY 2012	70	75	75	75	FY 2013	68	75	75	75	FY 2014	68	75	75	75	ST Goal	-	75	75	75	LT Goal	-	75	75	75
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**Department Profile**

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2014-2015 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 \$100,000 budget is 0.5% of the total General Fund budget.

**Budget Summary**

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Operating	\$ -	\$ 38,200	\$ 38,200	\$ 100,000	161.8%
Expenditures Total	\$ -	\$ 38,200	\$ 38,200	\$ 100,000	161.8%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ -	\$ 38,200	\$ 38,200	\$ 100,000	161.8%
Revenues Total	\$ -	\$ 38,200	\$ 38,200	\$ 100,000	161.8%

**Budget Highlights**

- The Contingency budget that is not allocated to any department totals \$100,000, which is a \$61,800 increase from fiscal year 2014.
- An additional \$50,000 is being set aside in contingency for a proposed operational initiative of the Given Memorial Library that will be considered by the Village Council in early FY 2014-2015 for funding.

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](mailto: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, 2014 will be \$2,299,634. This is a relatively small amount of direct debt compared to our taxable property of \$3,492,000,000. All of the Village's debt is in the form of installment purchase agreements.

In FY 2014-2015 the SAN Lease debt will be paid off. In the five-year planning period the Village intends to secure new debt of \$600,000 for the purchase of a new fire truck and the debts for fire truck 924 and the 67.04 acres 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 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Principal	\$ 478,298	\$ 381,017	\$ 381,017	\$ 421,143	10.5%
Interest	91,151	87,203	87,203	73,382	-15.8%
Expenditures Total	\$ 569,449	\$ 468,220	\$ 468,220	\$ 494,525	5.6%

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
General Revenues	\$ 569,449	\$ 468,220	\$ 468,220	\$ 494,525	5.6%
Revenues Total	\$ 569,449	\$ 468,220	\$ 468,220	\$ 494,525	5.6%

**Budget Highlights**

- New debt of \$550,000 for Fire Truck 914 was obtained in FY 2014. A full year of debt service will be paid in FY 2015. In addition, the final debt payment for the SAN Storage capital lease will be made in fiscal year 2015.

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](mailto: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				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>INSTALLMENT PURCHASE AGREEMENTS</b>					
<b>Capital Lease</b> 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.	\$ 20,847	\$ -	\$ -	\$ -	\$ -
<b>Firetruck - Unit 924</b> \$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	84,073	41,850	-	-
<b>Firetruck - Unit 914</b> \$550,000; due in 14 semi-annual payments of \$41,917 beginning on 2/1/14; final payment due on 8/1/20; interest @ 1.75%; collateralized by firetruck.	83,837	83,835	83,834	83,835	83,834
<b>Firetruck - Unit 923</b> \$600,000; due in 14 semi-annual payments of \$42,857 beginning on 7/1/17; final payment due on 1/1/23; interest @ 3.2%; collateralized by firetruck.	-	-	-	104,914	102,171
<b>Fire Station</b> \$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.	199,634	193,900	188,167	182,434	176,700
<b>Fair Barn</b> \$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.	67,825	65,525	63,225	60,925	58,625
<b>67.04 Acres (Chicken Plant Road)</b> \$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.	38,308	36,981	35,655	34,328	-
<b>DEBT SERVICE TOTAL</b>	<b>\$ 494,525</b>	<b>\$ 464,314</b>	<b>\$ 412,731</b>	<b>\$ 466,436</b>	<b>\$ 421,330</b>



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 2015		FY 2016		FY 2017	
	Principal	Interest	Principal	Interest	Principal	Interest
San Lease	\$ 19,760	\$ 1,087	\$ -	\$ -	\$ -	\$ -
Fire Station	166,667	32,967	166,667	27,233	166,667	21,500
Firetruck 914	75,190	8,647	76,510	7,325	77,837	5,998
Firetruck - 924	76,193	7,881	79,605	4,468	40,942	907
Fair Barn	50,000	17,825	50,000	15,525	50,000	13,225
67.04 Acres	\$ 33,333	\$ 4,975	\$ 33,333	\$ 3,648	\$ 33,333	\$ 2,322
<b>Totals</b>	<b>\$ 421,143</b>	<b>\$ 73,382</b>	<b>\$ 406,115</b>	<b>\$ 58,199</b>	<b>\$ 368,779</b>	<b>\$ 43,952</b>

Project	FY 2018		FY 2019-2023		FY 2024-2028	
	Principal	Interest	Principal	Interest	Principal	Interest
Fire Station	\$ 166,667	\$ 17,767	\$ 333,332	\$ 14,333	\$ -	\$ -
Firetruck 914	79,223	4,612	204,202	5,385	-	-
Firetruck - 923	38,577	9,600	421,398	60,370	140,026	4,505
Fair Barn	50,000	10,925	200,000	20,700	-	-
67.04 Acres	33,334	995	-	-	-	-
<b>Totals</b>	<b>\$ 367,801</b>	<b>\$ 43,899</b>	<b>\$ 1,158,932</b>	<b>\$ 100,788</b>	<b>\$ 140,026</b>	<b>\$ 4,505</b>

Project	Total by Project		
	Principal	Interest	Total
San Lease	\$ 19,760	\$ 1,087	\$ 20,847
Fire Station	1,000,000	113,800	1,113,800
Firetruck 914	512,962	31,967	544,929
Firetruck 923	600,001	74,475	674,476
Firetruck - 924	196,740	13,256	209,996
Fair Barn	400,000	78,200	478,200
67.04 Acres	133,333	11,940	145,273
<b>Totals</b>	<b>\$ 2,862,796</b>	<b>\$ 324,725</b>	<b>\$ 3,187,521</b>

Fiscal Year(s)	Total by Fiscal Year(s)		
	Principal	Interest	Total
FY 2015	\$ 421,143	\$ 73,382	\$ 494,525
FY 2016	406,115	58,199	464,314
FY 2017	368,779	43,952	412,731
FY 2018	367,801	43,899	411,700
FY 2019-2023	1,158,932	100,788	1,259,720
FY 2024-2028	140,026	4,505	144,531
<b>Totals</b>	<b>\$ 2,862,796</b>	<b>\$ 324,725</b>	<b>\$ 3,187,521</b>



**Computation of Legal Debt Limit**

Net Assessed Value - June 30, 2013	\$ 3,419,368,756	
	<u>8.0%</u>	
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 273,549,500	
Gross Debt:		
Total Bonded Debt	-	
Installment Purchase Agreements	<u>2,053,001</u>	
Total Gross Debt:	2,053,001	
Less: Water Bonds	<u>-</u>	
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>2,053,001</u>	0.06%
<b>Legal Debt Margin</b>	<b><u><u>\$ 271,496,499</u></u></b>	

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, 2013 is 0.06% compared to the legal debt limit of 8%.





## Special Revenue Funds Summary

### Description

Special revenue funds are used to account for special revenues that are legally restricted to expenditure for particular purposes. The Village of Pinehurst currently has one special revenue fund that serves a distinctive purpose. The fund is detailed later in this section and includes:

- ❖ Land Dedication 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. This fund currently has little activity to report due to the low level of residential development.

### Revenues

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Investment Income	\$ 5	\$ 600	\$ 6	\$ 5	-99.2%
Revenues Total	\$ 5	\$ 600	\$ 6	\$ 5	0.0%

### Budget Highlights

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

### Expenditures

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Reserve for Future Use	\$ -	\$ 600	\$ -	\$ 5	-99.2%
Expenditures Total	\$ -	\$ 600	\$ -	\$ 5	0.0%

### Budget Highlights

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



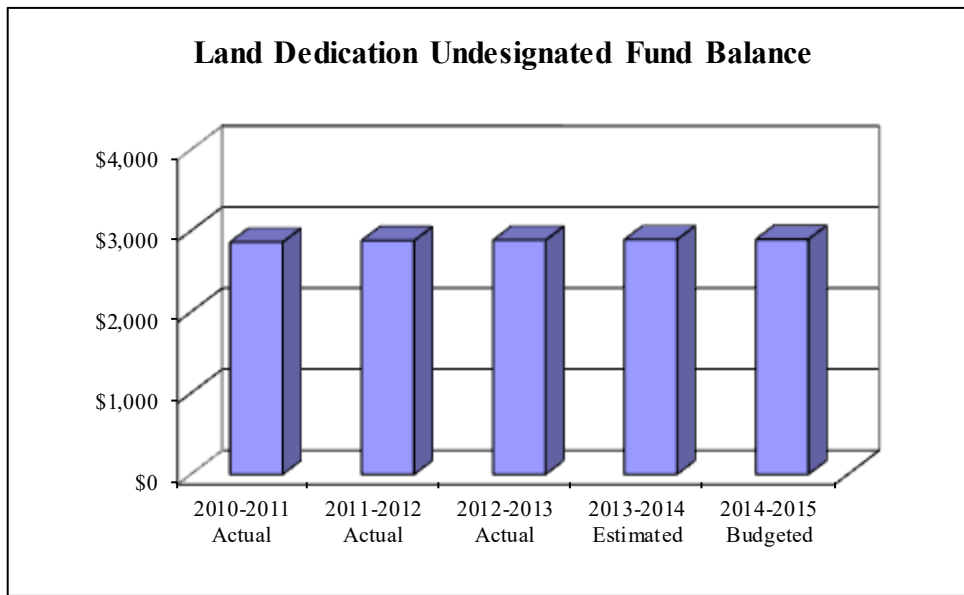


The Land Dedication Fund is used to account for the dedication of land or the payment of fees in lieu of the dedication of land from developers. The assets of this fund are used to preserve open space within the Village.

## Land Dedication Expenditures and Revenues

Expenditures by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Reserve for Future Use	\$ -	\$ 600	\$ -	\$ 5	-99.2%
<b>Expenditures Total</b>	<b>\$ -</b>	<b>\$ 600</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>0.0%</b>

Revenues by Type	FY 2012-13 Actual	FY 2013-14 Budget	FY 2013-14 Estimated	FY 2014-15 Budgeted	Percent Change
Investment Income	\$ 5	\$ 600	\$ 6	\$ 5	-99.2%
<b>Revenues Total</b>	<b>\$ 5</b>	<b>\$ 600</b>	<b>\$ 6</b>	<b>\$ 5</b>	<b>0.0%</b>





## 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	63,194	620,006
Revenues Total	\$ 683,200	\$ 63,194	\$ 620,006

## Budget Highlights

The Jackson Hamlet CDBG III project began in the fourth quarter of FY 2012-2013 and construction will be completed in the second quarter of FY 2014-2015.

## Expenditures

Consolidated Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Consulting Costs	\$ 73,200	\$ 6,643	\$ 66,557
Construction Costs	610,000	57,676	552,324
Expenditures Total	\$ 683,200	\$ 64,319	\$ 618,881



# 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

Consolidated Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Consulting Costs	\$ 73,200	\$ 6,643	\$ 66,557
Construction Costs	610,000	57,676	552,324
Expenditures Total	\$ 683,200	\$ 64,319	\$ 618,881

Consolidated Revenues by Type	Project Budget	Amount Received to Date	Balance Remaining
Community Development Block Grant	683,200	63,194	620,006
Revenues Total	\$ 683,200	\$ 63,194	\$ 620,006

## Impact on Operating Budget

There will be no impact on the operating budget for FY 2014-2015. Once the sewer improvements are completed, ownership of the improvements will be turned over to Moore County Public Utilities.

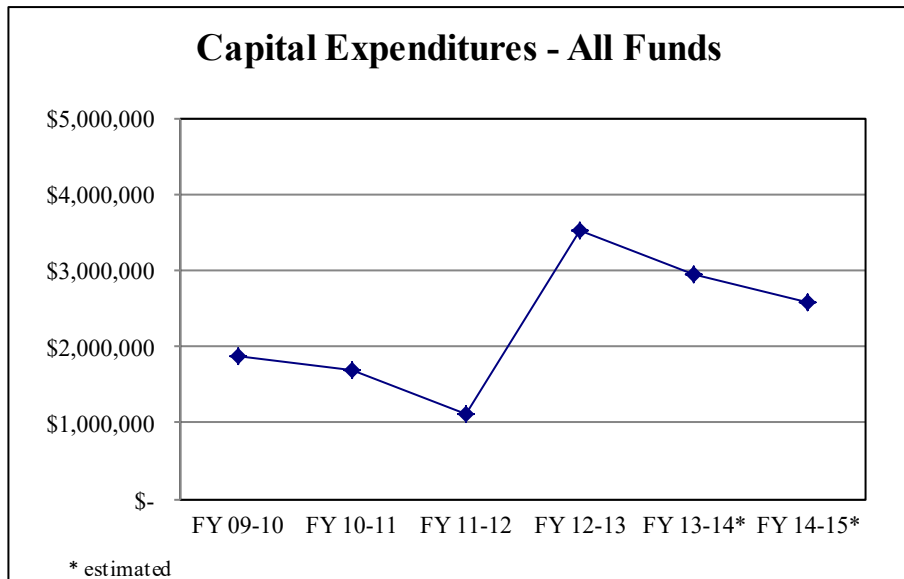


## Description

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 (CIP). 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 2014-2015 Budget. In addition to routine vehicle replacements, the Village intends to make streetscape improvements along Community Road, fund sidewalk and lighting upgrades on Highway 211, construct storm drainage improvements in the Cotswold subdivision, and make capital additions to Wicker Park. Please refer to the *General Fund* section for additional information on these items.

General Fund Capital Items	Budget Department	FY 2015 Funded Amount
<b>Recreation</b>		
Replace Mahogany folding chairs	Fair Barn	28,000
Structural Repairs to Barns 16-20	Harness Track	30,000
Rebuild Turns on One-Mile Track	Harness Track	50,000
Artificial Christmas Tree for Downtown	Recreation	22,000
Light System at Cannon Park	Recreation	16,000
<b>Total Recreation</b>		<b>146,000</b>
<b>Economic &amp; Physical Development</b>		
Street/Pathway Lighting in Neighborhoods	Community Development	20,000
Street/Pathway Lighting Downtown	Community Development	20,000
Street/Pathway Lighting on Community Rd.	Community Development	17,500
Sidewalks Downtown	Community Development	40,000
Expand Village Center into Village Place	Community Development	65,000
Roadway Improvements on Hwy. 211	Community Development	336,000
Small Drainage Projects	Streets & Grounds	80,000
Cotswold Stormwater Project	Streets & Grounds	140,000
Red Cedar Lane Stormwater Project	Streets & Grounds	73,800
<b>Total Economic &amp; Physical Development</b>		<b>792,300</b>
<b>Buildings &amp; Grounds Maintenance</b>		
Replace Carpet in Village Hall	Administration	5,000
Install Security in Assembly Hall	Administration	6,200
Replace HVAC	Administration	7,500
Replace Rain Gutters	Administration	15,000
Replace Entrance Door	Fair Barn	8,000
Tint Skylights	Fair Barn	14,000
Replace Countertops in Station 91	Fire	6,000
Replace Carpet in Training/Day Room	Fire	8,100
Replace HVAC	Police	7,500
Wicker Park Development	Recreation	50,000
Bike Trails	Recreation	50,000
Brick Veneer for Storage Building	Recreation	22,000
<b>Total Buildings &amp; Grounds Maintenance</b>		<b>\$ 199,300</b>



## Capital Expenditures Summary

### General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department	FY 2015 Funded Amount
<b>Information Technology</b>		
Assembly Hall Video Screen Upgrade	Administration	\$ 10,000
Video Streaming for Council Meetings	Administration	17,500
Assembly Hall Projector	Administration	17,000
Building Access System	Administration	12,000
Sound System	Fair Barn	20,000
Building Access System	Fire	7,200
Website Redesign	Information Technology	35,000
CJIS System	Information Technology	18,300
Servers (4)	Information Technology	28,000
Building Access System	Public Services Admin.	4,800
<b>Total Information Technology</b>		<b>169,800</b>
<b>Fleet Maintenance</b>		
Ford F350 - Brushtruck	Fire	90,000
Chevy C1500 4x4 Truck	Fleet Maintenance	35,000
Ford F250 4x4 Truck	Harness Track	25,000
Dodge Charger Patrol Vehicles (3)	Police	96,000
Chevy C1500 Truck (2)	Public Services Admin.	56,000
International 4300 Truck	Solid Waste	190,000
John Deere 4x4 Loader	Streets & Grounds	150,000
Zero-Turn Mower	Streets & Grounds	25,000
<b>Total Fleet Maintenance</b>		<b>667,000</b>
<b>General Fund Total</b>		<b>\$ 1,974,400</b>
<b>% of Expenditures</b>		<b>11.2%</b>

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

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



### 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 2015-2019 CIP represents an \$7.9 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 2015 of the CIP, however, does represent the amount of capital spending projected in the FY 2014-2015 Budget.

### Capital Improvement Program

#### Overview

The FY 2015-2019 CIP includes capital investments with a total estimated cost of \$7,895,900 over the next five years. These costs are divided into three major areas – Fleet, Information Technology (IT), and Other Capital Additions. Table 1 indicates the breakdown of capital investments by area:



## Capital Improvement Plan FY 2015-2019

Table 1 - Capital Cost by Major Area

	Cost of Capital	% of Total
Fleet	\$ 4,121,000	52%
Information Technology	534,800	7%
Other Additions	3,240,100	41%
	<u>\$7,895,900</u>	<u>100%</u>

### 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.

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.





## Capital Improvement Plan FY 2015-2019

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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 2015-2019 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 position is converting from a .75 to 1.0 full time equivalent 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 grounds maintenance.

Debt service is projected to increase due to the installment purchase of a fire truck in FY 2017.

Capital expenditures are projected to average 8.9% 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 2015-2019

**Table 2 - Projected Budgeted General Fund Revenues and Expenditures**

	2015	2016	2017	2018	2019
<b>Population</b>	<b>15,441</b>	<b>15,616</b>	<b>15,790</b>	<b>15,964</b>	<b>16,138</b>
<b>Operating Revenues</b>					
Property Tax Revenue	\$ 9,767,000	\$ 9,974,000	\$ 10,080,000	\$ 10,186,000	\$ 10,293,000
Sales Tax Revenues	2,800,700	2,883,700	2,969,700	3,058,700	3,149,700
Intergovernmental Revenues	2,171,660	2,212,467	2,254,467	2,296,900	2,342,900
Permits & Fees	557,750	562,000	564,000	566,000	568,000
Sales & Services	532,500	545,000	558,000	571,000	585,000
Other Operating Revenues	220,640	224,000	226,000	229,000	231,000
Interest Income	14,100	26,000	51,000	56,000	56,000
Other Financing Sources	-	-	600,000	-	-
<b>Operating Revenues</b>	<b>\$ 16,065,000</b>	<b>\$ 16,428,000</b>	<b>\$ 17,304,000</b>	<b>\$ 16,964,000</b>	<b>\$ 17,226,000</b>
Tax Rate	0.28	0.27	0.27	0.27	0.27
<b>Operating Expenditures</b>					
Personnel in FTEs	132	132	132	132	132
Salaries and Benefits	9,028,470	9,336,714	9,530,098	9,705,758	9,897,168
Operating	6,258,665	6,046,802	6,236,043	6,423,125	6,615,818
Debt Service	494,525	465,000	413,000	467,000	422,000
<b>Operating Expenditures</b>	<b>15,781,660</b>	<b>15,848,516</b>	<b>16,179,141</b>	<b>16,595,883</b>	<b>16,934,987</b>
<b>Operating Income</b>	<b>283,340</b>	<b>579,484</b>	<b>1,124,859</b>	<b>368,117</b>	<b>291,013</b>
<b>Capital Expenditures in GF</b>	<b>1,974,400</b>	<b>1,658,000</b>	<b>1,435,500</b>	<b>1,421,000</b>	<b>1,407,000</b>
<b>Total GF Expenditures</b>	<b>17,756,060</b>	<b>17,506,516</b>	<b>17,614,641</b>	<b>18,016,883</b>	<b>18,341,987</b>
<b>Revenues Over (Under) Exp</b>	<b>\$ (1,691,060)</b>	<b>\$ (1,078,516)</b>	<b>\$ (310,641)</b>	<b>\$ (1,052,883)</b>	<b>\$ (1,115,987)</b>

### Capital As a Percent of Total Expenditures

	2015	2016	2017	2018	2019
<b>Total Expenditures</b>	17,756,060	17,506,516	17,614,641	18,016,883	18,341,987
<b>Total Capital Expenditures</b>	1,974,400	1,658,000	1,435,500	1,421,000	1,407,000
<b>% of Total Expenditures</b>	11.1%	9.5%	8.1%	7.9%	7.7%

### Projected Impact on Fund Balance in the General Fund

	2015	2016	2017	2018	2019
<b>Beginning Fund Balance</b>	\$ 7,410,763	\$ 6,644,710	\$ 6,499,649	\$ 7,144,355	\$ 7,067,557
Revenues Over (Under) Exp	(1,691,060)	(1,078,516)	(310,641)	(1,052,883)	(1,115,987)
Budget to Actual Variance*	925,007	933,456	955,347	976,084	997,909
Projected Actual Gain/(Loss)	(766,053)	(145,060)	644,706	(76,799)	(118,077)
<b>Projected Ending GF Bal</b>	<b>6,644,710</b>	<b>6,499,649</b>	<b>7,144,355</b>	<b>7,067,557</b>	<b>6,949,479</b>
<b>% of Total Budget</b>	37.4%	37.1%	40.6%	39.2%	37.9%



## Capital Improvement Plan FY 2015-2019

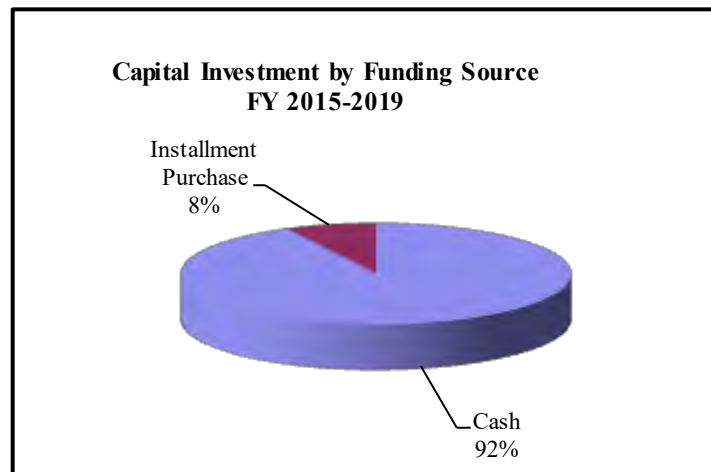
### Funding Sources

Table 3 and the chart below show a summary of the revenues and funding sources for the FY 2015-2019 projected capital investments:

**Table 3 - CIP Revenue/Funding Sources Summary**

<u>Funding Source</u>	<u>Cost of Capital</u>
Cash	\$ 7,295,900
Installment Financing	600,000
TOTAL	<u>\$ 7,895,900</u>

It is important to note that the majority of the capital improvements are funded with available Village funds or cash, while another 8% is funded with installment purchase financing.



### Additional Debt Service Expenses

Table 4 summarizes the impact of the purchase of a new fire truck on incremental debt service which is financed in the FY 2015-2019 CIP.



## Capital Improvement Plan FY 2015-2019

**Table 4 - Detail of Net Operating Expense by Capital Item**

	Total	Fiscal Year Ending June 30				
		2015	2016	2017	2018	2019
<b>Annual Debt Service</b>						
Fire Truck 923	\$ 207,085	\$ -	\$ -	\$ -	\$ 104,914	\$ 102,171
<b>Net Operating Expense</b>	<b>\$ 207,085</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 104,914</b>	<b>\$ 102,171</b>

### Debt Service

To estimate debt service, we assumed a 3.2% interest rate with a 7 year amortization for the fire truck. Table 5 shows the impact of the total incremental \$207,085 in debt service on debt ratios over the five years.

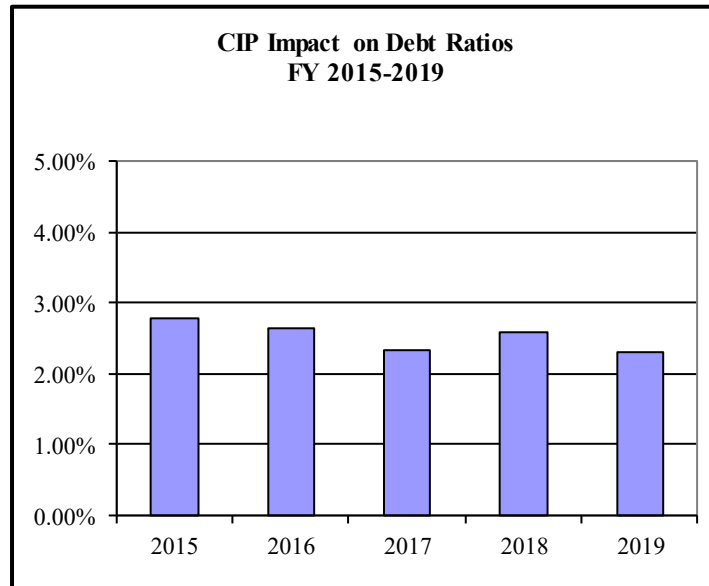
**Table 5 - Impact of CIP Debt Issuances on Debt Ratios**

	Fiscal Year Ending June 30				
	2015	2016	2017	2018	2019
Existing Debt Service	\$ 494,524	\$ 464,314	\$ 412,731	\$ 361,522	\$ 319,159
Additional Debt Service:					
Fire Truck	-	-	-	104,914	102,171
Subtotal	-	-	-	104,914	102,171
<b>Total Debt Service</b>	<b>\$ 494,524</b>	<b>\$ 464,314</b>	<b>\$ 412,731</b>	<b>\$ 466,436</b>	<b>\$ 421,330</b>
Estimated Expenditures	17,756,060	17,506,516	17,614,641	18,016,883	18,341,987
<b>% of Expenditures</b>	2.79%	2.65%	2.34%	2.59%	2.30%

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%.

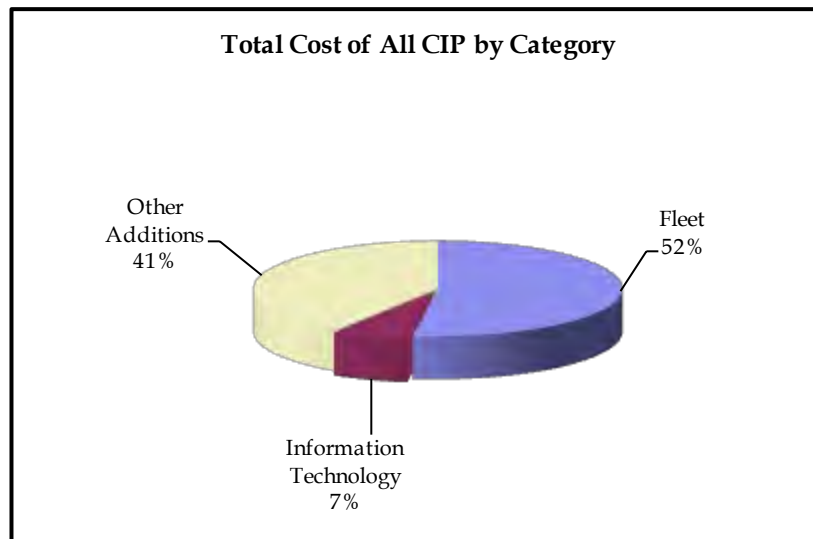


## Capital Improvement Plan FY 2015-2019



### Summary

In summary, the FY 2015-2019 CIP represents an \$8 million investment in capital for fleet, information technology, and other capital additions in the five-year planning period.





### **Fleet**

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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.

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## Capital Improvement Plan FY 2015-2019

### Fleet Purchase Plan

Description	Year	Life	Budget		CIP			
			2015	2016	2017	2018	2019	
<b>Buildings &amp; Grounds</b>								
Chevy Express Van	2004	6	\$ -	\$ -	\$ -	\$ 32,000	\$ -	
<b>Fire</b>								
Ford F350 - Brushtruck	1989	6	90,000	-	-	-	-	
Firetruck-Pumper/Tanker	1998	20	-	-	600,000	-	-	
Ford F650 Hackney Body	2004	5	-	-	-	-	350,000	
Dodge Durango	2005	6	-	35,000	-	-	-	
<b>Fleet Maintenance</b>								
Chevy C1500 4X4 Truck	2003	6	35,000	-	-	-	-	
Chevy C1500	2006	6	-	35,000	-	-	-	
<b>Harness Track</b>								
Ford F250 4X4	2004	6	-	28,000	-	-	-	
Ford F250	2006	6	-	-	-	32,000	-	
Kubota Zero Turn Mower	2009	5	-	-	-	25,000	-	
Ford F250 4X4	2001	6	25,000	-	-	-	-	
<b>Inspections</b>								
Chevy Impala	2004	5	-	25,000	-	-	-	
<b>Planning</b>								
Chevy S10	1999	6	-	25,000	-	-	-	
<b>Police</b>								
Dodge Charger	2007	4	32,000	-	-	-	-	
Dodge Charger	2008	4	-	-	36,000	-	-	
Dodge Charger	2008	4	-	-	36,000	-	-	
Dodge Charger	2008	4	32,000	-	-	-	-	
Dodge Charger	2008	4	-	-	36,000	-	-	
Dodge Charger	2009	4	32,000	-	-	-	-	
Dodge Charger	2009	4	-	34,000	-	-	-	
Dodge Charger	2009	4	-	34,000	-	-	-	
Dodge Charger	2009	4	-	34,000	-	-	-	
Dodge Charger	2010	4	-	-	-	36,000	-	
Dodge Charger	2010	4	-	-	-	-	38,000	
Dodge Charger	2010	4	-	-	-	36,000	-	
Chevy Tahoe	2011	4	-	-	-	36,000	-	
Chevy Tahoe	2011	4	-	-	-	-	38,000	
Chevy Tahoe	2011	4	-	-	-	-	38,000	



## Capital Improvement Plan FY 2015-2019

### Fleet Purchase Plan

Description	Year	Life	Budget	CIP			
			2015	2016	2017	2018	2019
<b>PS Administration</b>							
Chevy C1500 4X4	2003	6	28,000	-	-	-	-
Chevy C1500 4X4	2003	6	28,000	-	-	-	-
<b>Solid Waste</b>							
Rear Load Garbage Truck	2000	10	-	260,000	-	-	-
Ford Rear Load Garbage Trk	2004	10	-	-	-	280,000	-
International 4300	2006	10	190,000	-	-	-	-
Semi-Automated Garbage Trk	2007	10	-	-	-	-	200,000
Semi-Automated Garbage Trk	2007	10	-	-	190,000	-	-
Chevy 5500 Semi-Auto Mated	2007	10	-	-	-	170,000	-
20yd Automated Garbage Trk	2012	7	-	-	-	-	200,000
<b>Streets &amp; Grounds</b>							
John Deere Motor Grader	<b>New</b>		-	-	-	-	225,000
Chevy Dump Truck-2.5 Ton	1998	15	-	-	-	110,000	-
Chevy Dump Truck-2.5 Ton	1998	15	-	-	-	110,000	-
John Deere 4X4 Loader	1999	15	150,000	-	-	-	-
Ford F150	2005	6	-	30,000	-	-	-
Chevy C1500	2006	6	-	35,000	-	-	-
John Deere Zero turn mower	2009	5	-	25,000	-	-	-
Zero Turn Mower Zero turn	2010	5	25,000	-	-	-	-
<b>Total</b>			\$ 667,000	\$ 600,000	\$ 898,000	\$ 867,000	\$ 1,089,000





## Information Technology

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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.

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## Capital Improvement Plan FY 2015-2019

### Information Technology Purchase Plan

Description	Year	Life	Budget	CIP				
			2015	2016	2017	2018	2019	
<b>Administration</b>								
Assembly Hall Screen Upgrade	2013	5	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
Video Streaming for Meetings	<b>New</b>		17,500	-	-	-	-	-
Assembly Hall Projector	2006	5	17,000	-	-	-	-	-
Building Access System	<b>New</b>		12,000	-	-	-	-	-
<b>Fair Barn</b>								
A/V Projector	2010	5	-	6,000	-	-	-	-
Sound System	2002	5	20,000	-	-	-	-	-
<b>Fire</b>								
Building Access System	<b>New</b>		7,200	-	-	-	-	-
<b>Information Technology</b>								
Dell Power Edge Server	2005	3	-	21,000	-	-	-	-
Server 2 - Host	2012	3	7,000	-	-	-	-	-
Server 3 - Host	2012	3	7,000	-	-	-	-	-
Server - Phone System Host	2011	3	-	7,000	-	-	-	-
Server - VDI	2011	3	-	7,000	-	-	-	-
Server Backup Primary	2011	3	7,000	-	-	-	-	-
Server Backup Secondary	2011	3	-	7,000	-	-	-	-
Server - PD Host	<b>New</b>	3	7,000	-	-	-	-	-
SAN Secondary	2013	3	-	-	70,000	-	-	-
SAN Primary	2013	3	-	-	50,000	-	-	-
Dell Power Edge Server R710	2009	3	-	7,000	-	-	-	-
Village Wide Phone System	2011	5	-	-	-	80,000	-	-
Village Hall Firewall	2008	5	-	14,000	-	-	-	-
Village Hall Fat Pipe	2008	5	-	-	18,000	-	-	-
Hp Procurve Core Switch	2006	5	-	6,000	-	-	-	-
Website Redesign	<b>New</b>		35,000	-	-	35,000	-	-
CJIS Barracuda 410 Spam	<b>New</b>		6,000	-	-	-	-	-
CJIS Solar Winds Systems	<b>New</b>		5,100	-	-	-	-	-
CJIS HP IMC Network Mgmt.	<b>New</b>		7,200	-	-	-	-	-
<b>Police</b>								
CCTV Surveillance System	2007	3	-	25,000	-	-	-	-
Voice Recorder System	2010	5	-	12,000	-	-	-	-
<b>PS Administration</b>								
Building Access System	<b>New</b>		4,800	-	-	-	-	-
<b>Total</b>			\$ 169,800	\$ 112,000	\$ 138,000	\$ 115,000	\$ -	\$ -



### Other Capital Additions

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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.

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# Capital Improvement Plan FY 2015-2019

## Other Capital Additions Purchase Plan

Description	Purpose/ Justification	Budget 2015	CIP				
			2016	2017	2018	2019	
<b>Administration</b>							
Install Hardware on Assembly Hall Doors	Secure AV/IT equipment	\$ 6,200	\$ -	\$ -	\$ -	\$ -	
Replace Carpet Upstairs in North Wing of Village Hall	Improve appearance and safety	5,000	-	-	-	-	
Replace VH Gutters	Imrpve efficiency of building	15,000	-	-	-	-	
Replace HVAC	Maintain facility	7,500	9,000	10,000	12,000	14,000	
<b>Streets &amp; Grounds</b>							
Small Drainage Projects	Spot Drainage Improvements	80,000	120,000	120,000	120,000	120,000	
Stormwater Project	Blake Blvd.	-	50,000	-	-	-	
Stormwater Project	Red Cedar Lane	73,800	-	-	-	-	
Stormwater Project	Cotswold	140,000	-	-	-	-	
<b>Community Development</b>							
Street and Pathway Lighting	Improve safety and mobility in neighborhoods	20,000	20,000	20,000	20,000	20,000	
Street and Pathway Lighting	Improve safety and mobility in downtown	20,000	-	-	-	-	
Street and Pathway Lighting	Improve safety and mobility on Community Road	17,500	35,000	10,000	-	-	
Sidewalks	Develop connectivity downtown	40,000	-	-	-	-	
Expand Village Center into Village Place	Sidewalks and infrastructure on Community Rd.	65,000	-	-	-	-	
Roadway Improvements	Sidewalks and traffic lights on 211	336,000	-	-	-	-	
Gateway & Wayfinding Signage	Promote direction to and around Pinehurst	-	3,000	4,500	-	-	
Downtown Improvements	Bullnose curbing	-	50,000	-	-	-	



## Capital Improvement Plan FY 2015-2019

### Other Capital Additions Purchase Plan

Description	Purpose/ Justification	Budget	CIP				
		2015	2016	2017	2018	2019	
<b>Fair Barn</b>							
Replace Mahogany folding chairs	Improve facility assets	\$ 28,000	\$ -	\$ -	\$ -	\$ -	
Install tinting to skylights	Increase daytime use by providing sun shade	14,000	-	-	-	-	
Replace Main Door	Maintain facility	8,000	-	-	-	-	
Parking Lot Improvements	Resurface main parking lot	-	150,000	-	-	-	
<b>Fire</b>							
Replace Countertops in Station 91	Maintain facility	6,000	-	-	-	-	
Replace Carpet in Training/Day Room	Improve appearance and safety	8,100	-	-	-	-	
<b>Harness Track</b>							
Structural Repairs Barns 16,17,18,19,20	Stabilize structural deficiencies	30,000	-	-	-	-	
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	-	30,000	-	-	-	
Rebuild straight sections of mile track	Repair sections of track that have deteriorated due to erosion	-	40,000	-	-	-	
<b>Police</b>							
Replace HVAC	Maintain facility	7,500	9,000	10,000	12,000	14,000	



## Capital Improvement Plan FY 2015-2019

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### Other Capital Additions Purchase Plan

Description	Purpose/ Justification	Budget	CIP			
		2015	2016	2017	2018	2019
<b>Recreation</b>						
Artificial Tree for Downtown	Annual Tree Lighting	\$ 22,000	\$ -	\$ -	\$ -	\$ -
Musco Control Link Light System at Cannon Park	Maintain athletic fields	16,000	-	-	-	-
WP Storage Building	Add brick veneer to building	22,000	-	-	-	-
WP Development	Add shuffleboard, bocce, volleyball and shelter	50,000	-	-	-	-
WP Development	Add Spray Ground/Splash Pad	-	280,000	-	-	-
WP Development	Soccer field lighting	-	-	-	125,000	-
Greenways/Bike Paths	Addition to trails	50,000	150,000	150,000	150,000	150,000
<b>Total</b>		<b>\$ 1,137,600</b>	<b>\$ 946,000</b>	<b>\$ 399,500</b>	<b>\$ 439,000</b>	<b>\$ 318,000</b>





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

**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.

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

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

**Area of Focus** – 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 recommended budget 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.

**BIRDIE** – Is an acronym for the Village's performance improvement methodology system. It stands for Bring the opportunity forward, Incinvestigate the opportunity, Review potential solutions, Determine the solution, Implement the solution, and Evaluate the solution.

**Bond** – A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.





**Budget** – A statement in dollar terms of the Village’s program of service delivery for the ensuing fiscal year.

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

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

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

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

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

**Capital Assets** – Assets of long-term character which 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 cash flows, improving cash availability for investment, and establishing and maintaining banking relationships.

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

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

**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.

**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 revenues. This fund includes basic governmental services, such as fire and police protection, finance, public services, general administration, planning and inspections, community development, and recreation.

**General Ledger** – A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

**GFOA** – The acronym used for Government Finance Officers Association of the United States and Canada.

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

**Operating Transfer** – Routine and/or recurring transfer of assets between funds.

**Peer Group** – Other municipalities in the state of North Carolina with a population between 10,000 and 50,000.

**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.

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

**Program** – An organized set of related work activities that are directed toward accomplishing a common goal. Each Village department is usually responsible for a number of related service programs.

**Property Taxes** – Property taxes are levied on both real and personal property according to the property’s valuation and tax rate.

**Reclassification** – Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

**Reserve** – A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.



**Restricted Intergovernmental Revenues** – Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.

**Resources** – Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.

**Revaluation** – Assignment of value to 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.

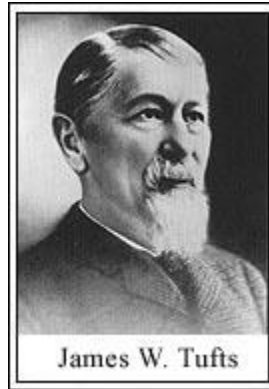
**Tax Base** – The assessed valuation of all taxable real and personal property within the Village’s corporate limits.

**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.

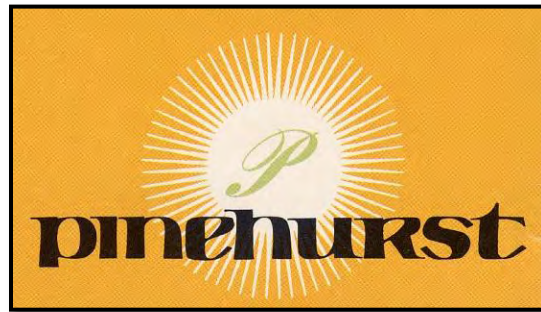
During the Great Depression, as other resorts began to fail, property owners in Pinehurst agreed to pay more taxes in order to support the resort through the Depression and ensure that it would not fail like the surrounding resorts. During World War II, Pinehurst served as a support area for neighboring 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 15,411, 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 U.S. Open Championships). Pinehurst Resort will also host 14 days of championship play in June 2014, with back to back U.S. Open and U.S. Women's Open Championships – for the first time in history.

The Village also provides other recreational opportunities for residents. The Village owns and operates a 111 acre Harness Track facility, which is used for winter training of standardbred horses and horse shows at various times throughout the year. The Village has 3 major parks that include an in-line hockey rink, tennis courts, ball diamonds and concession stands, playgrounds and disc golf. The Village also has an extensive Greenway System. The Greenway System will eventually connect most of the Village via a pedestrian and bicycle pathway.



## *Geographic Characteristics*

The Village of Pinehurst is located in the Sandhills Region of North Carolina, 60 miles southwest of Raleigh and about 75 miles east of Charlotte. The city spans approximately 17 square miles and is locally recognized as an outstanding residential community and major golf resort. The central location of Pinehurst allows quick and easy access to the beautiful Blue Ridge Mountains and the white, sandy beaches of North and South Carolina.



## Operating Indicators By Function

### Operating Indicators by Function Last Nine Fiscal Years

Function	Fiscal Years								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government									
<b>Financial Services</b>									
Purchase orders issued	323	262	207	225	260	280	295	269	299
Vendor checks issued	2,673	2,529	2,427	2,448	2,333	2,471	2,444	2,365	1,840
Vendor EFTs issued	-	-	-	-	-	-	-	401	620
<b>Human Resources</b>									
Workers' compensation lost time (days)	322	6	60	12	446	32	425	33	74
Employee turnover rate	9.0%	9.0%	9.4%	7.8%	7.9%	9.2%	8.5%	10.7%	11.4%
<b>Fleet Maintenance</b>									
Tire work orders completed	150	186	132	311	216	116	188	200	205
10-point service performed	350	200	291	233	208	194	288	228	220
Public Safety									
<b>Fire Protection</b>									
Public fire & life safety classes	95	219	204	167	159	170	176	191	254
Incident calls	842	922	827	843	855	884	1,031	865	982
Structure fires	21	26	56	63	44	55	58	35	43
Inspections	766	824	787	732	620	423	784	1,174	950
Child passenger seat inspections	833	579	583	396	173	222	228	120	182
<b>Police Protection</b>									
Physical arrests	206	202	262	585	444	445	233	165	184
Citations issued	1,560	1,285	3,806	3,891	3,993	2,970	3,053	1,908	1,208
Response to calls/officer initiated activity	11,500	9,801	11,866	13,513	13,640	14,495	14,362	13,364	10,901
Traffic accidents	447	432	483	500	474	418	476	414	447
<b>Inspections</b>									
Building inspections conducted	11,286	10,588	9,194	7,683	5,409	4,281	4,370	3,832	4,608
Certificates of occupancy issued	254	271	227	169	181	156	197	48	68
<b>Transportation</b>									
Street resurfacing (miles)	5.0	5.0	6.3	5.6	4.8	3.2	6.4	4.5	3.6
<b>Environmental Protection</b>									
Refuse collected (tons annually)	4,578	4,287	4,392	4,094	3,948	3,849	4,124	3,808	3,856
Homes receiving service	6,345	6,485	6,651	6,782	6,862	7,686	7,736	7,812	7,877
Recyclables collected (tons annually)	305	369	568	943	966	1,473	1,734	1,807	1,913
<b>Economic &amp; Physical Development</b>									
Building permits issued	318	378	424	359	278	259	239	287	275
Zoning compliance investigations	475	480	477	690	624	475	501	577	596
Cultural & Recreation									
<b>Recreation</b>									
Program participants	398	468	679	830	939	1,065	1,739	1,748	1,591
Athletics participants	1,507	1,503	1,556	1,982	2,323	2,287	2,296	1,934	1,838
<b>Harness Track</b>									
Standardbred stalls leased	280	285	249	220	281	251	276	259	223
Facilities reserved (days)	62	45	32	30	20	30	32	32	103
<b>Fair Barn</b>									
Events	67	87	89	84	80	88	113	113	102
Rental days	125	131	117	95	98	96	120	113	112

Source: Various Village departments



## 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)
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%
2013	2012	14,979	\$ 608,671,665	\$ 40,635	60.6	8.6%

**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	2013		2004	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 165,094,503	4.83%	\$ 122,721,821	6.22%
Pinehurst Surgical Clinic	23,614,600	0.69%	7,476,792	0.38%
Country Club of North Carolina	22,019,470	0.64%	19,234,509	0.98%
Pinehurst Medical	20,244,470	0.59%	10,518,950	0.53%
Pinewild Project Limited PTNS	14,041,942	0.41%	-	0.00%
Progress Energy Carolinas	12,381,585	0.36%	11,188,017	0.57%
MTMM Associates (Carolina Eye Assoc.)	9,634,212	0.28%	7,497,974	0.38%
East Lake Development, LLC	8,162,720	0.24%	-	0.00%
SCOP (Surgery Center of Pinehurst)	5,148,450	0.15%	-	0.00%
Carolina Telephone and Telegraph	4,323,982	0.13%	4,171,776	0.21%
Branch Banking and Trust Co.	-	0.00%	4,149,931	0.21%
Pleasant Living Health Care (Quail Haven)	-	0.00%	8,164,628	0.41%
Pinehurst Nursing	-	0.00%	3,555,883	0.18%
Total	<u>\$ 284,665,934</u>	<u>8.33%</u>	<u>\$ 198,680,281</u>	<u>10.08%</u>

**Sources:**

Moore County Tax Department

**Notes:**

2013 and 2004 data are for tax years 2012 and 2003 respectively.



*The Carolina Hotel*



## Principal Employers

### Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
First Health of the Carolinas (1)	2,677	58.32%	2,255	56.59%
Pinehurst, LLC (2)	1,128	24.58%	1,184	29.71%
Total		<u>82.90%</u>		<u>86.30%</u>

**Sources:**

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

**Notes:**

2013 employment is based on calendar year 2012.  
2004 employment is estimated.  
GASB 44 requires comparative data for the current calendar year and nine years prior. 2010 adjusted Census Data was used for 2004 and 2013 to estimate the percentage of total employment.



## Personnel Classification Schedule

Classification Plan Summary	Budgeted FY 2011	Budgeted FY 2012	Budgeted FY 2013	Budgeted FY 2014	Budgeted FY 2015
<b>General Government</b>					
Administration					
Administration	6.0	6.0	7.0	7.0	7.0
Financial Services	4.0	4.0	3.5	3.5	3.5
Human Resources	2.0	1.5	2.5	2.5	2.5
Fleet Maintenance	3.0	3.0	3.0	3.0	3.0
Buildings and Grounds Maintenance	6.0	6.0	6.0	6.0	6.0
Information Technology	3.5	4.0	4.0	4.8	4.8
<b>Total General Government</b>	<b>24.5</b>	<b>24.5</b>	<b>26.0</b>	<b>26.8</b>	<b>26.8</b>
<b>Public Safety</b>					
Police	29.0	28.0	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
<b>Total Public Safety</b>	<b>61.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>
<b>Economic and Physical Development</b>					
Planning	7.0	6.5	6.0	6.0	6.0
Community Development	2.5	0.0	0.0	0.0	0.0
<b>Total Economic and Physical Development</b>	<b>9.5</b>	<b>6.5</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>
<b>Transportation</b>					
Public Services Administration	3.0	3.0	3.0	3.0	3.0
Streets and Grounds	13.0	15.0	15.0	15.0	15.0
<b>Total Transportation</b>	<b>16.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>
<b>Environmental Protection</b>					
Solid Waste	9.0	9.0	9.0	9.0	9.0
<b>Total Environmental Protection</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
<b>Cultural and Recreation</b>					
Parks and Recreation	5.0	5.0	6.0	6.0	6.0
Harness Track	4.5	4.0	4.0	4.0	4.3
Fair Barn	2.5	1.8	1.8	1.8	1.8
<b>Total Cultural and Recreation</b>	<b>12.0</b>	<b>10.8</b>	<b>11.8</b>	<b>11.8</b>	<b>12.1</b>
<b>GRAND TOTAL</b>	<b>132.0</b>	<b>128.8</b>	<b>130.8</b>	<b>131.6</b>	<b>131.9</b>

<b>Population</b>	<b>13,460</b>	<b>14,783</b>	<b>14,979</b>	<b>15,082</b>	<b>15,082</b>
<b>Employees per 1,000 Population</b>	<b>9.8</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>

