



NORTH CAROLINA



2016 Strategic Operating Plan



# **VILLAGE OF PINEHURST**

## **2016 Strategic Operating Plan**

**Including**

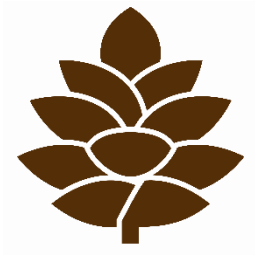
**FY 2015-2016 Budget**

**&**

**FY 2016-2020 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)

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## **VISION**

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

## **MISSION**

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

## **VALUES**

Competent, Courteous, Professional, and Responsive

## **VILLAGE SENIOR LEADERSHIP**

Interim Village Manager  
Assistant Village Manager  
Village Clerk  
Financial Services Director  
Human Resources Director  
Police Chief  
Fire Chief  
Planning and Inspections Director  
Public Services Director  
Parks and Recreation Director  
Fleet Maintenance Director  
Chief Information Officer

Jeff Batton  
Natalie Dean  
Lauren Craig  
John Frye  
Angela Kantor  
Earl Phipps  
Carlton Cole  
Kevin Reed  
Walt Morgan  
Mark Wagner  
Randy Kuhn  
Jason Whitaker



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Welcome to the Village of Pinehurst! This Strategic Operating Plan (SOP) document represents the plans of the Village Council and staff to achieve our vision and accomplish our mission. We hope this document will prove to be a valuable tool for Village citizens, businesses, visitors, Council, and staff.



*The Pinehurst Village Hall, located at 395 Magnolia Road*

Strategic Operating Plans can be very complex and confusing. Should there be any 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.

***Budget in Brief*** - The Budget in Brief provides a 4 page overview of the FY 2016 Budget that is a component of the Strategic Operating Plan. It helps the reader quickly understand what initiatives and other key elements are included in the annual budget.

***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.

***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 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.

***Strategies Priorities*** - This section provides an overview of the strategic planning process, the Village's Balanced Scorecard (BSC), and also contains the Council's goals and strategic objectives. 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.

**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 key performance indicators (KPIs) with targets. These are the most specific presentations within the document.

**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.

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

**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 process.

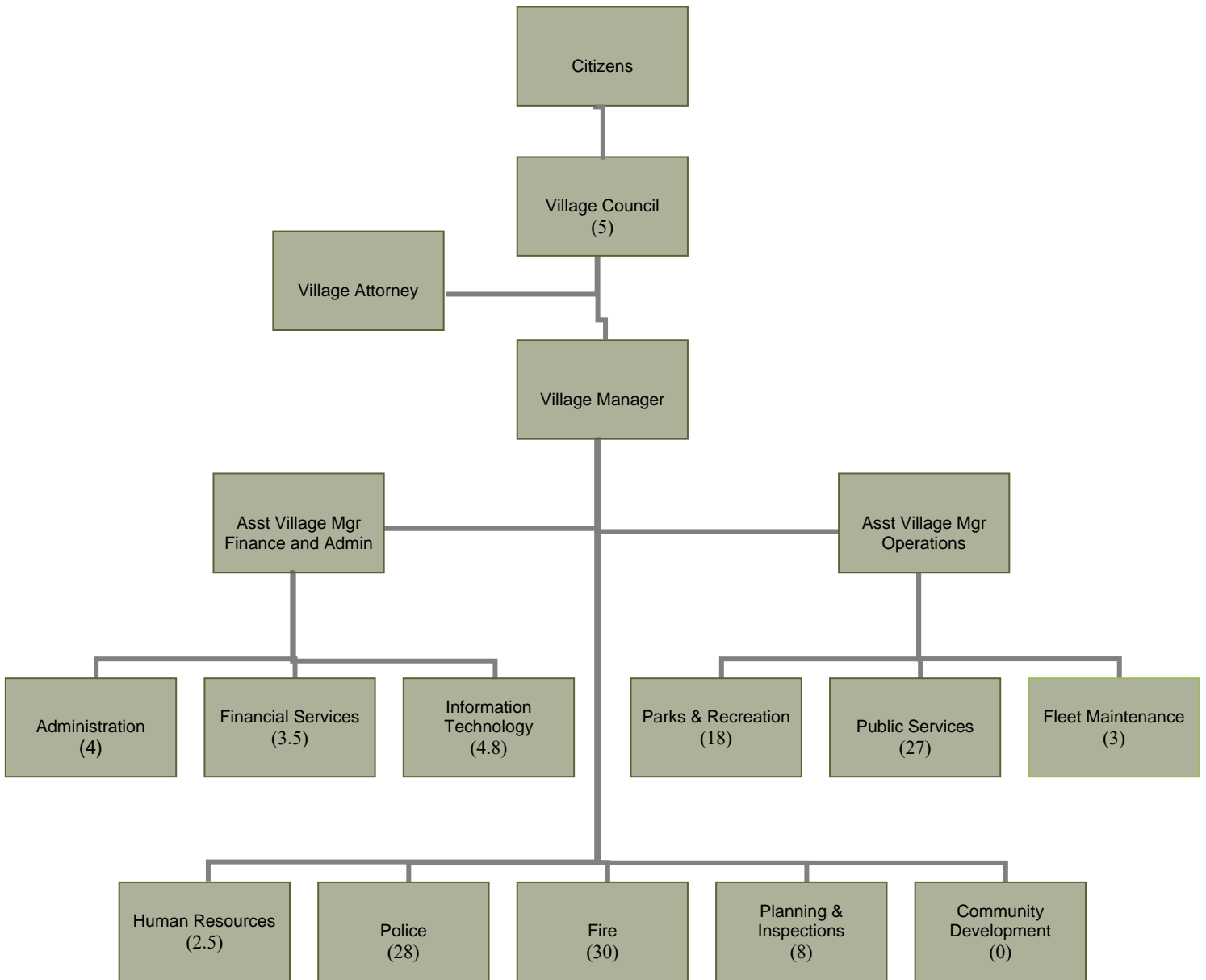
**Supplementary Information** - This section includes miscellaneous information about the Village of Pinehurst, such as the history of the Village and the Personnel Classification Plan.

To find specific information addressed in individual sections, please refer to the *Table of Contents* in the front of the budget document.





# Organizational Chart







## Personnel Classification Summary

Personnel expenditures make up 60% of the Village's operating budget. The Personnel Classification Summary represents a five-year trend of staffing by function as well as a snapshot of the FTE's on which the FY 2016 Adopted Budget is based.

### Fiscal Year 2016 Staffing By Function in Full-Time Equivalents

Classification Plan Summary	Budgeted FY 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15	Budgeted FY 16
<b>General Government</b>					
Administration					
Administration	6.0	7.0	7.0	7.0	7.0
Financial Services	4.0	3.5	3.5	3.5	3.5
Human Resources	1.5	2.5	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	4.0	4.0	4.8	4.8	4.8
<b>Total General Government</b>	<b>24.5</b>	<b>26.0</b>	<b>26.8</b>	<b>26.8</b>	<b>26.8</b>
<b>Public Safety</b>					
Police	28.0	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>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>
<b>Economic and Physical Development</b>					
Planning	6.5	6.0	6.0	6.0	6.0
<b>Total Economic and Physical Development</b>	<b>6.5</b>	<b>6.0</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	15.0	15.0	15.0	15.0	15.0
<b>Total Transportation</b>	<b>18.0</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	6.0	6.0	6.0	6.7
Harness Track	4.0	4.0	4.0	4.3	4.3
Fair Barn	1.8	1.8	1.8	1.8	1.8
<b>Total Cultural and Recreation</b>	<b>10.8</b>	<b>11.8</b>	<b>11.8</b>	<b>12.1</b>	<b>12.8</b>
<b>GRAND TOTAL</b>	<b>128.8</b>	<b>130.8</b>	<b>131.6</b>	<b>131.9</b>	<b>132.6</b>

<b>Population</b>	<b>14,783</b>	<b>14,979</b>	<b>15,150</b>	<b>15,525</b>	<b>15,730</b>
<b>Employees per 1,000 Population</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.5</b>	<b>8.4</b>

See the *General Fund* section for departmental staffing expenditures and explanation of staffing changes.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Village of Pinehurst**

**North Carolina**

For the Fiscal Year Beginning

**July 1, 2014**

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

Executive Director



### Letter from the Mayor

The Village Council is driven by the commitment to ensure Pinehurst is a charming, vibrant community which reflects our rich history and traditions. For the past three years, you have given us feedback on our services through the annual Community or Business Survey. The Council and staff have used that feedback, along with other relevant data, to prepare the FY 2016 Strategic Operating Plan that includes the FY 2016 Budget.

This year, the Village Council streamlined its goals on the Balanced Scorecard (BSC) and linked Key Performance Indicators (KPIs) to specific objectives for each goal. The nine goals of the Village Council for FY 2016 are to:

1. Safeguard the community,
2. Preserve the character of Pinehurst and the quality of neighborhoods,
3. Promote economic vitality,
4. Provide and promote multimodal transportation connectivity,
5. Promote environmental sustainability,
6. Promote an active, healthy community,
7. Professionally manage a high performing organization,
8. Recruit and develop a skilled and diverse workforce, and
9. Maintain a strong financial condition.



*Mayor Nancy R. Fiorillo*

The FY 2016 Budget contains a tax rate of \$0.29 per \$100 valuation. Pinehurst's property values declined 5.15% as a result of this year's revaluation. The proposed property tax rate is one cent lower than the estimated revenue neutral tax rate of \$0.30 per \$100 valuation.

There are numerous initiatives in the FY 2016 Strategic Operating Plan to achieve the Council goals listed above. These initiatives span the five year planning period of FY 2016 – FY 2020. This *Budget in Brief* describes the initiatives and other key items included in the FY 2016 Budget. For more information on initiatives beyond FY 2016, please see the *Strategic Priorities* section of the 2016 Strategic Operating Plan, which may be found on our website at [www.vopnc.org](http://www.vopnc.org).

With diligent financial oversight, the Village's professional staff and Council have been effective stewards of our tax dollars, ensuring the delivery of quality services that our residents, businesses, and visitors require and expect. As in the past, the FY 2016 Budget is prepared utilizing sound financial policies and reflects the Council's thoughtful consideration of the services provided.

Several new initiatives are planned for FY 2016 and I encourage you to read further about those in the 2016 Strategic Operating Plan.

Nancy Fiorillo, Mayor  
Village of Pinehurst, NC



## General Fund Expenditures

The FY 2016 Budget includes 35 initiatives with incremental funding of approximately \$1,351,000 to address the Council’s nine goals on the BSC. Several process improvements are planned for FY 2016 and are identified as an ACE or a BIRDIE, the Village’s systematic performance improvement methodologies. Strategic initiatives for each Council goal in the FY 2016 Budget and their cost follows:

### Customer Perspective

#### 1. *Safeguard the community (\$18,500)*

- Evaluate alternative methods to proactively investigate and deter crime (BIRDIE)
- Achieve national accreditation in the Fire Department - \$6,000
- Expand traffic pre-emption program to additional intersections in Village limits - \$12,500

#### 2. *Preserve the character of Pinehurst and the quality of neighborhoods (\$10,200)*

- Implement the recommendations of the Code Enforcement BIRDIE Team - \$6,200
- Develop an "Adopt a Plant Bed" program with the Beautification Committee (ACE) - \$4,000
- Evaluate the consolidation of Streets & Grounds and Buildings & Grounds (BIRDIE)

#### 3. *Promote economic vitality (\$575,800)*

- Collaborate with the UNC-School of Government to evaluate opportunities for Village Place redevelopment - \$50,000
- Re-develop the Public Services campus - \$400,000
- Support Pinehurst businesses through collaboration with Pinehurst Business Partners
- Incrementally expand the Village Center into Village Place/Rattlesnake Corridor - \$91,000

#### 4. *Provide and promote multimodal transportation connectivity (\$346,000)*

- Make intersection improvements at McKenzie Rd and Hwy 5 & Barrett Rd and Hwy 5 - \$146,000
- Install sidewalks and/or greenways according to the Pedestrian Master Plan - \$200,000
- Install bike paths according to the Bicycle Master Plan –(\* \$50,000 expected to roll forward from FY 2015)

#### 5. *Promote environmental sustainability (\$0)*

- Evaluate the use of solar energy for Village facilities

#### 6. *Promote an active, healthy community (\$326,890)*

- Develop a comprehensive recommendation for a new Community Center Facility
- Develop Rassie Wicker Park facilities - \$297,500
- Enhance maintenance of Village buildings and facilities – \$24,240
- Establish a P&R internship program - \$5,150

### Balanced Scorecard

The BSC contains goals, objectives, and key performance indicators (KPIs) in four perspectives to ensure a balanced approach to the evaluation of achievement of organizational strategy. These four perspectives are:

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



## Internal Perspective

### 7. *Professionally manage a high performing organization (\$28,000)*

- Develop an organization wide complaint management process -VOP 311 (BIRDIE) - \$8,000
- Continue to utilize the Baldrige excellence framework to improve organizational performance
- Develop a method to evaluate the effectiveness of the Village Council (ACE) - \$1,000
- Develop a mechanism to share best practices between departments and evaluate the effectiveness (ACE)
- Increase capability to secure and monitor the Village computer network for legal compliance – \$19,000
- Review key Village processes annually for opportunities for improvement

## Workforce Perspective

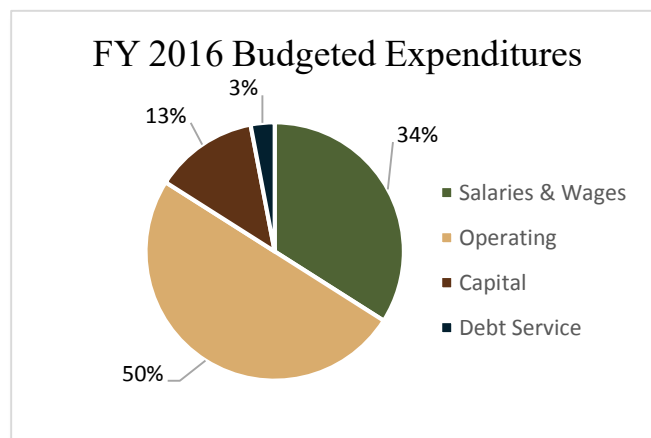
### 8. *Recruit and develop a skilled and diverse workforce (\$2,000)*

- Implement a reward and recognition program (ACE) - \$2,000
- Review and revise the in-house TOPS training program (ACE)

## Financial Perspective

### 9. *Maintain a strong financial condition (\$78,600)*

- Implement BIRDIE Team recommendations to ensure the financial sustainability of the Harness Track - \$76,600
- Evaluate alternative revenue sources for the Village
- Implement the recommendations from the evaluation of the sale of Village owned land - \$2,000



The FY 2016 Budget for salaries and wages for the Village’s 132 full-time equivalents (FTEs) includes a total of \$165,000 for merit raises ranging from 0-3%. This is an increase from the 2% maximum merit raise available to employees in the previous five fiscal years. Also, the FY 2016 Budget plans to begin the phase out (incrementally over the next five years) of the 25% dependent coverage health insurance premium subsidy provided by the Village. This budget also includes the addition of a part-time Events Assistant position (0.5 FTE) to assist with Arboretum rentals, downtown events, and the issuance of temporary use permits.

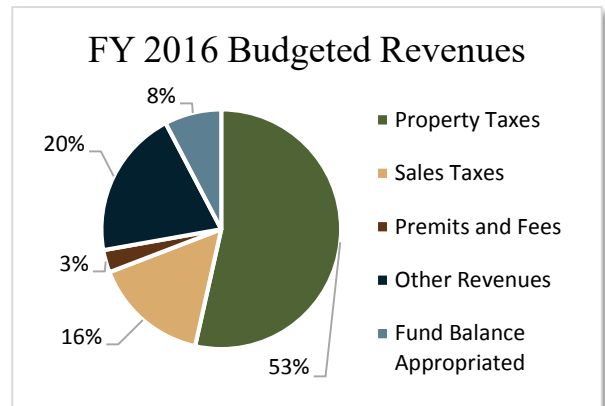
Overall, the FY 2016 Budget totals \$17,895,244, or 1.1% below the prior year’s amended budget at February 28, 2015.



## General Fund Revenues

The primary revenue source for the Village is property taxes, accounting for 53% of total revenues, or \$9.6 million. In FY 2016, the Village will increase the tax rate by one cent to a rate of \$0.29 per \$100 valuation to offset the impact of a 5.15% decline in property values as a result of this year’s revaluation. The proposed rate is one cent lower than the revenue neutral rate of \$0.30.

At \$2.8 million, sales taxes are the second largest revenue source for the Village, representing 16% of the budget. 2 cents of the 6 ¾ cents paid in sales tax comes back to the Village to help fund operations.



Permits and fees are projected to generate \$544,000 in revenue, representing 3% of total General Fund revenues. Other revenues include intergovernmental revenue, investment income, and other miscellaneous revenues, accounting for 20% of total General Fund revenues.

The Village is also budgeting to use \$1.4 million of appropriated fund balance (or Village savings), which is above the expected budget-to-actual variance of \$919,000. Because revenues historically come in at 101% of budget and expenditures typically fall 5% below budget, we estimate the Village will actually only use \$456,000 of appropriated fund balance in FY 2016. This will result in an ending fund balance of approximately 38%, well within the Council’s adopted fund balance policy range.

## Long Term Debt

The Village continues to pay down its debts and has only \$1.8 million in long-term debt outstanding. Total required principal and interest payments for FY 2016 amount to \$464,000, or 2.6% of the total annual budget. The Village does not plan to issue new debt in FY 2016.

### Viewing the Budget Online

To view the FY 2016 Budget online, go to [www.vopnc.org](http://www.vopnc.org).

On the Budget “launch” page, citizens can open the entire FY 2016 Budget and Strategic Operating Plan document or an individual section, with a linked table of contents.

## Capital Expenditures

Capital expenditures total \$2.3 million in FY 2016, or 13% of the annual budget. Significant capital expenditures include:

- Routine replacement of vehicles and equipment (\$674,600)
- Routine buildings and grounds improvements (\$219,500)
- Redevelop the Public Services complex – Phase 1 (\$400,000)
- Wicker Park splash pad (\$280,000)
- Sidewalk expansion (\$200,000)
- Small drainage projects (\$150,000)
- McCaskill Road streetscape improvements (\$91,000)
- Purchase of a mobile stage for cultural events (\$80,000)
- Other various miscellaneous capital improvements (\$254,500)



May 12, 2015

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 2016 Strategic Operating Plan, including the Recommended Budget for Fiscal Year 2015-2016 (FY 2016), 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 2016 Strategic Operating Plan.

FY 2016 marks the third year of the Village's strategic planning process. In FY 2014, 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 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 Framework. This framework 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. Implementing these criteria has transformed the Village's budgeting process into a more strategic, results-driven process. Resource allocation is now more closely aligned with the Village Council's strategies and on achieving the results articulated in the Village's Balanced Scorecard (BSC).

The FY 2016 Budget as presented was developed through the Village's Strategic Planning Process. This process is described in detail in the *Strategic Priorities* section of this document. The strategic planning process includes the development of the Village's Balanced Scorecard (BSC). The BSC contains 9 goals, 26 objectives, and 35 key performance indicators (KPIs) with targets around which this SOP was developed. 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.

In the overall economy, the unemployment rate has improved to 5.7% compared to 6.5% the previous year. This rate is reflective of the state and national rates, and marks a significant improvement over the past few years. Fallout from the housing crisis of 2008 resulted in a multi-year decline in new home construction in the Village. Housing prices have declined slightly overall and the rate of new home construction has been slow to recover. This has 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. Women's Open Championships hosted in the Village in June 2015 had significant financial and operational impacts on the Village government. Sales taxes for the time period surrounding the events were significantly higher. Tourism officials speculate that hosting these major events will positively impact local tourism over the next few years. Also, with a large percentage of our population made up of retirees, the Village is dependent on new retirees coming to the Village. This in migration was suppressed during the Great Recession as some retirees were not able to sell their homes in other parts of the country. Also, new retirement patterns, especially among baby boomers, will have a significant impact on the Village. In addition to these external challenges, potential legislative changes at the state level could significantly impact Village revenues going forward.

The Recommended FY 2016 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 nine organizational goals:

1. Safeguard the community,
2. Preserve the character of Pinehurst and the quality of neighborhoods,
3. Promote economic vitality,
4. Provide and promote multimodal transportation connectivity,
5. Promote environmental sustainability,
6. Promote an active, healthy community,
7. Professionally manage a high performing organization,
8. Recruit and develop a skilled and diverse workforce, and
9. Maintain a strong financial condition.

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,
- Adopt a revenue neutral tax rate of \$0.30 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.



**INITIATIVES**

The FY 2016 Budget includes 35 initiatives with incremental funding of approximately \$1,386,000 to achieve the target performance levels on the BSC. Included in this year’s initiatives are three significant process improvement evaluations, using the systematic BIRDIE process that is described in the *Strategic Priorities* section. The more significant initiatives proposed to address the Council’s goals and objectives for this fiscal year are indicated below:

Initiative
<b>Safeguard the community</b>
<ul style="list-style-type: none"> <li>Evaluate alternative methods to proactively investigate and deter crime (BIRDIE)</li> <li>Expand traffic pre-emption program (Opticom) to additional intersections in Village limits</li> </ul>
<b>Preserve the character of Pinehurst and the quality of neighborhoods</b>
<ul style="list-style-type: none"> <li>Implement the recommendations of the Code Enforcement BIRDIE Team</li> <li>Evaluate the consolidation of Streets &amp; Grounds and Buildings &amp; Grounds (BIRDIE)</li> </ul>
<b>Promote economic vitality</b>
<ul style="list-style-type: none"> <li>Collaborate with Pinehurst Business Partners to provide economic development services</li> <li>Incrementally expand Village Center into Village Place/Rattlesnake Corridor (sidewalks and streetscape improvements on McCaskill Rd.)</li> <li>Collaborate with the UNC School of Government to evaluate opportunities for Village place redevelopment (1/2 of Development Finance Institute contract fee)</li> <li>Redevelop Public Services Complex</li> </ul>
<b>Provide and promote multimodal transportation connectivity</b>
<ul style="list-style-type: none"> <li>Make intersection improvements at McKenzie Rd and Hwy 5 &amp; Barrett Rd. and Hwy 5</li> <li>Install sidewalks and/or greenways according to the Pedestrian Master Plan</li> <li>Install bike paths according to the Bicycle Master Plan <i>*Staff expects to roll forward \$50,000 from the FY 2015 budget for bike paths</i></li> </ul>
<b>Promote environmental sustainability</b>
<ul style="list-style-type: none"> <li>Evaluate the use of solar energy for Village facilities</li> </ul>
<b>Promote an active, healthy community</b>
<ul style="list-style-type: none"> <li>Develop a comprehensive recommendation for a new Community Center facility</li> <li>Develop Rassie Wicker Park facilities (Install a splashpad)</li> </ul>
<b>Professionally manage a high performing organization</b>
<ul style="list-style-type: none"> <li>Develop an organizational wide complaint management process – VOP311 (BIRDIE)</li> </ul>
<b>Recruit and develop a skilled and diverse workforce</b>
<ul style="list-style-type: none"> <li>Review and revise the in-house TOPS training program</li> <li>Implement a reward &amp; recognition program</li> </ul>
<b>Maintain a strong financial condition</b>
<ul style="list-style-type: none"> <li>Implement BIRDIE Team recommendations to ensure the financial sustainability of the Harness Track</li> </ul>

The *Strategic Priorities* section of this document identifies ALL initiatives in the five-year planning period that are aimed at achieving the strategic objectives on the BSC.



In FY 2016, the Village plans to undertake an initiative to determine the level of public support for the construction and funding of a Community Center. The evaluation could include additional surveys, focus groups, or other methods to gauge whether residents support the project.

The Village will also continue participating in the NC Awards for Excellence Program (NCAfE), implementing the national Baldrige Excellence Framework. In FY 2016, the Village's Level 3 NCAfE application will be reviewed by independent examiners during a 3-day site visit.

### **FY 2016 GENERAL FUND RECOMMENDED BUDGET**

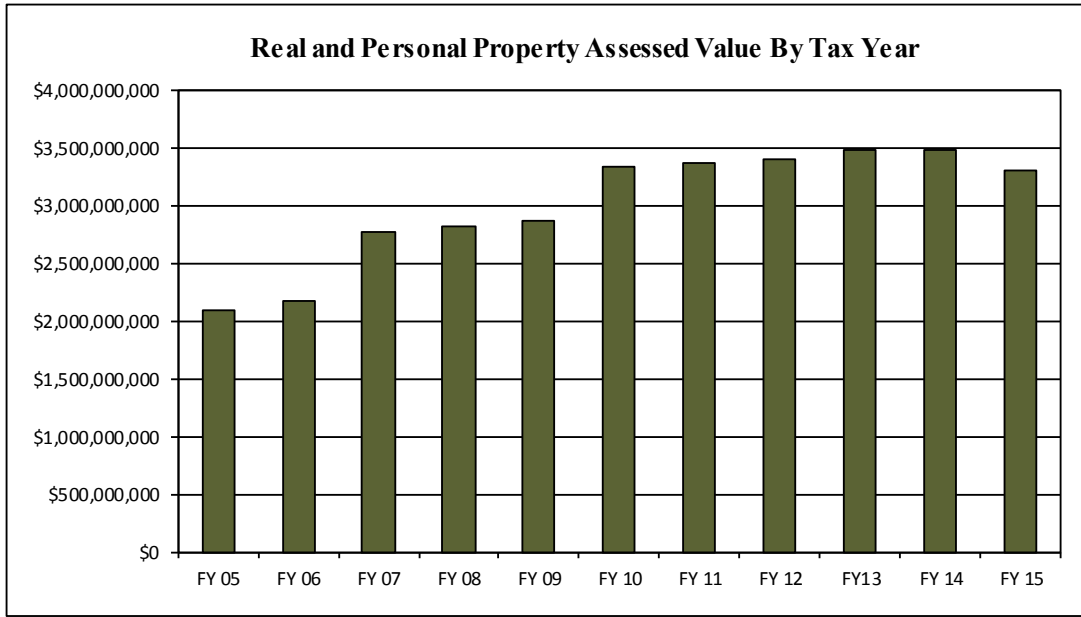
#### **OVERVIEW**

The FY 2016 recommended General Fund budget totals \$17,890,044. This is a decrease of 1.1% below the prior year's amended General Fund Budget at February 28, 2015 of \$18,091,959. The primary reason for the \$202,000 decline in the General Fund Budget was the deferral of a \$200,000 commitment to the Given Memorial Library for a future capital expansion project. The \$200,000 will be paid in \$100,000 increments in FY 2017 and FY 2018. The recommended budget as presented results in a per capita expenditure of \$1,137 based on a projected population of 15,525.

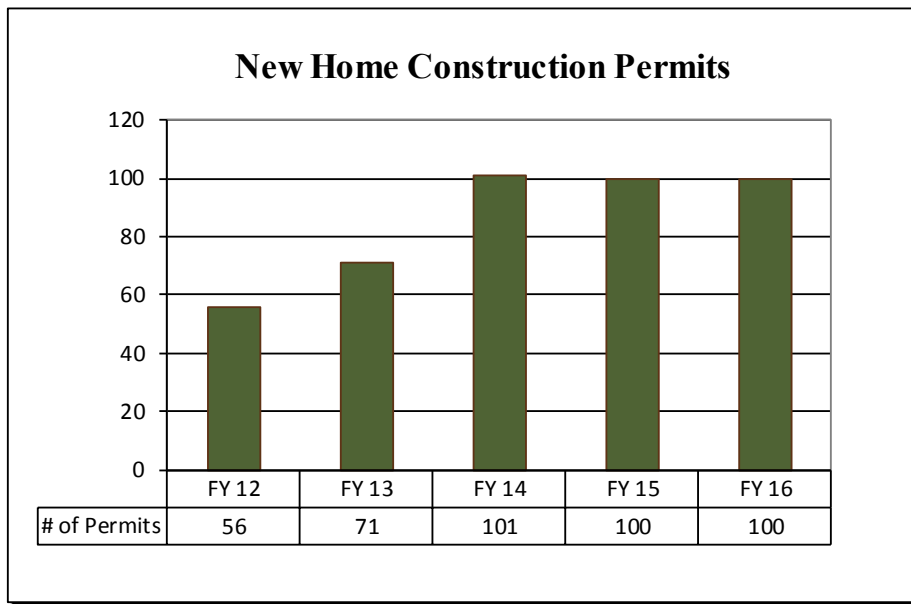
The General Fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund. Over the past few years, the Village has completed several capital projects and closed out several special revenue funds. This has left the General Fund as the only budgeted fund of the Village.

The FY 2016 General Fund is balanced with a proposed property tax rate of \$0.30 per \$100 valuation, which is the lowest municipal tax rate in Moore County. All property in the county was revalued by Moore County as of January 1, 2015. As a result, the Village's total tax value decreased by 5.15%. The Village Council elected to adopt a revenue neutral tax rate that is achieved by setting a property tax rate that generates the same revenue as the previous year, plus normal growth. The exact revenue neutral rate for the Village as calculated by the formula provided by the North Carolina Local Government Commission is \$0.2986.

The proposed rate of \$0.30 will provide approximately \$9,902,000 in property tax revenues based on an anticipated collection rate of 99.9% for real and personal property and 99.0% 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 \$325,000 in revenue.



Our budget estimates assume an average growth in the real property tax base of 1.0% after accounting for the decline due to the revaluation. This growth rate is considerably lower than historical 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 few years and we project approximately 100 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 \$2,826,000 in FY 2016. This represents an increase of 1% from the previous year. This modest increase is based on an expected increase in retail sales of 3% being offset by the loss of additional revenues that resulted from the U.S. Open Championships received in the previous year.

Overall, the Recommended Budget for the General Fund utilizes \$1,041,439 of appropriated fund balance. 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 exceeds this budget variance amount by approximately \$118,000. The Recommended Budget complies with the Village's Fund Balance Policy, resulting in a fund balance as a percentage of expenditures that is approximately 40% and at the upper limit of the Village's adopted fund balance policy range.

### **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 stabilization of the housing market and strong retail sales.

#### **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 revenue neutral property tax rate of \$0.30 per \$100 of valuation as discussed above. This means that for every \$100,000 in value of property, \$300 is due. Total Ad Valorem Tax revenues are projected to be \$9,902,000 in FY 2016. 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.

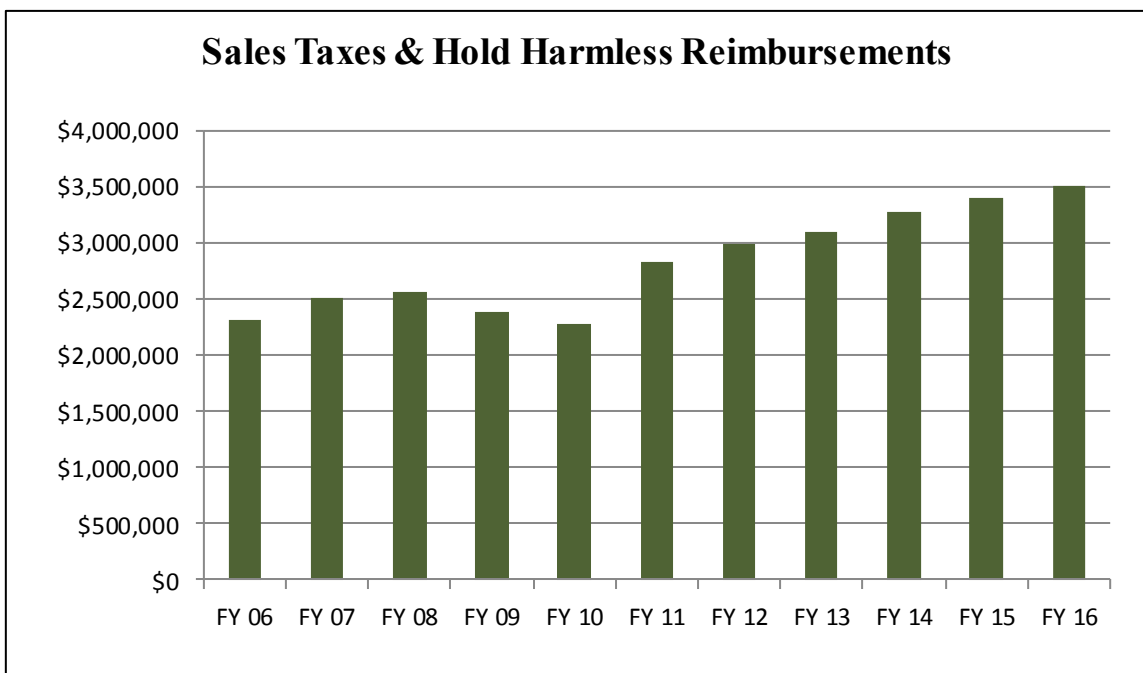
#### **Local Option Sales Taxes**

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 within Moore County. Currently there is a bill in the N.C. Senate that would radically alter the distribution of local option sales taxes in North Carolina. An estimate by the N.C. League of Municipalities has calculated that this change could reduce the Village’s sales tax revenues by \$1.1 million per year if implemented. It is unclear at this time if this bill will pass in its current form or what the final impact will be to the Village.

Local option sales tax revenues are projected to be \$2,826,000 in FY 2016, 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 \$2,465,000 for FY 2016, or approximately 14% 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. Total Permits and Fees revenue are expected to be \$544,000 in FY 2016, or approximately 3% of total General Fund revenues.

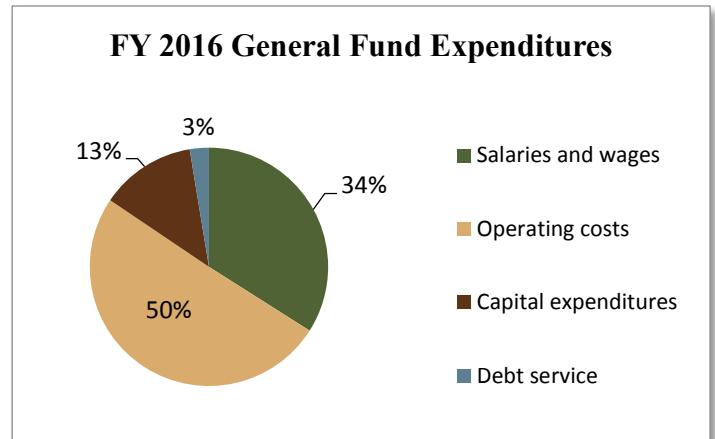
**EXPENDITURES BY CATEGORY**

General Fund Expenditures fall into one of four categories:

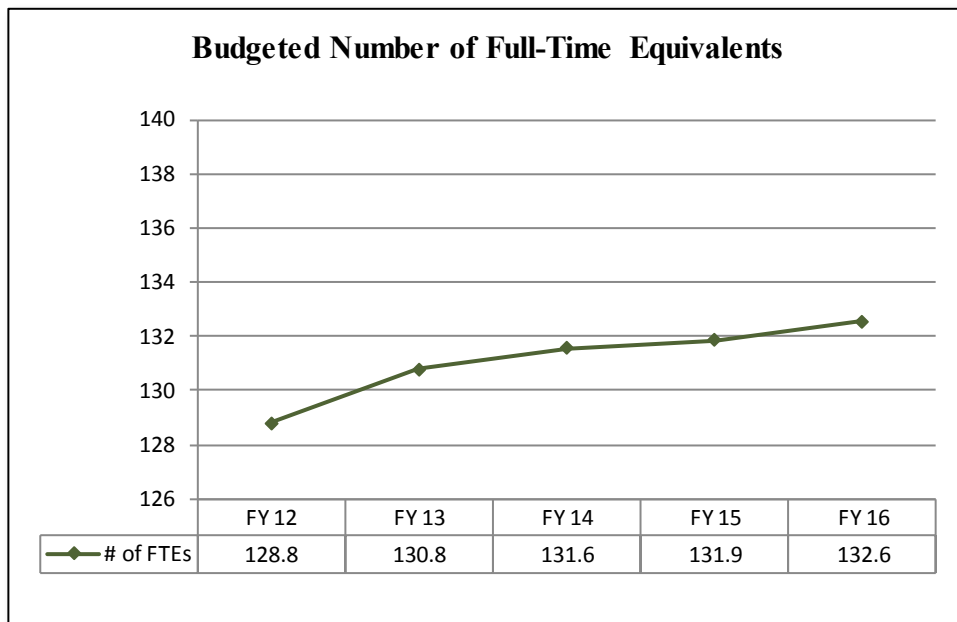
1. Salaries and wages
2. Operating costs
3. Capital expenditures
4. Debt Service

**Salaries and Wages**

Salaries and wages, excluding benefits, for the Village’s 132 full-time equivalents (FTEs) accounts for \$6,081,000 or 34% of the total General Fund Budget. This percentage is 1.7% percent higher than the previous year. The budgeted number of employees is 0.50 FTE higher than in the previous year’s adopted budget.



The budget recommends an increase of 0.50 FTE for one position. A part-time Park Maintenance position will be created to address increased utilization of the Village’s parks and in particular, rentals of the Arboretum. The newly created part-time position will provide setup and post-rental services for these venues on weekends. The position will also provide general park maintenance. The chart below indicates the budgeted number of FTEs for the past five years.







A total of \$165,000 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%-3% and are effective October 1. This is an increase of 1% above the range provided in the previous five fiscal years.

### **Operating Costs**

This category of expenditures accounts for \$9,025,000 or 50% of the total General Fund 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, the transfer of \$100,000 to the Given Library capital campaign, and annual resurfacing funds for approximately 3.2 miles of Village-owned streets.

Group insurance costs have historically escalated at a very rapid pace. This past year, the Village had an increase of 5.5% for employee only medical coverage at renewal. The Village's Risk Management Committee evaluates the group insurance plan each year and recommends an insurance program for the next calendar year. This year's budget assumes a 10% increase in group insurance costs at our January 2016 renewal due to projected medical care cost increases and our recent claims experience. The Village currently subsidizes 25% of dependent coverage premiums for employees. As this is no longer a common practice in local government, the budget as proposed phases out of this subsidy over a five-year period, starting January 1.

### **Capital Expenditures**

This category of expenditures accounts for \$2,320,000, or 13% of the total General Fund Budget. This represents an increase of \$207,000 or 10% over the previous year. This budget as proposed does not contain any significant non-routine capital expenditures that would significantly 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 2016 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, greenways and bike paths,
- Wicker Park Splash Pad,
- Streetscape improvements on Community Road,
- Public Services complex redevelopment,
- Storm drainage projects, and
- Roadway improvements at McKenzie Rd and Hwy 5 & Barrett Rd and Hwy 5.

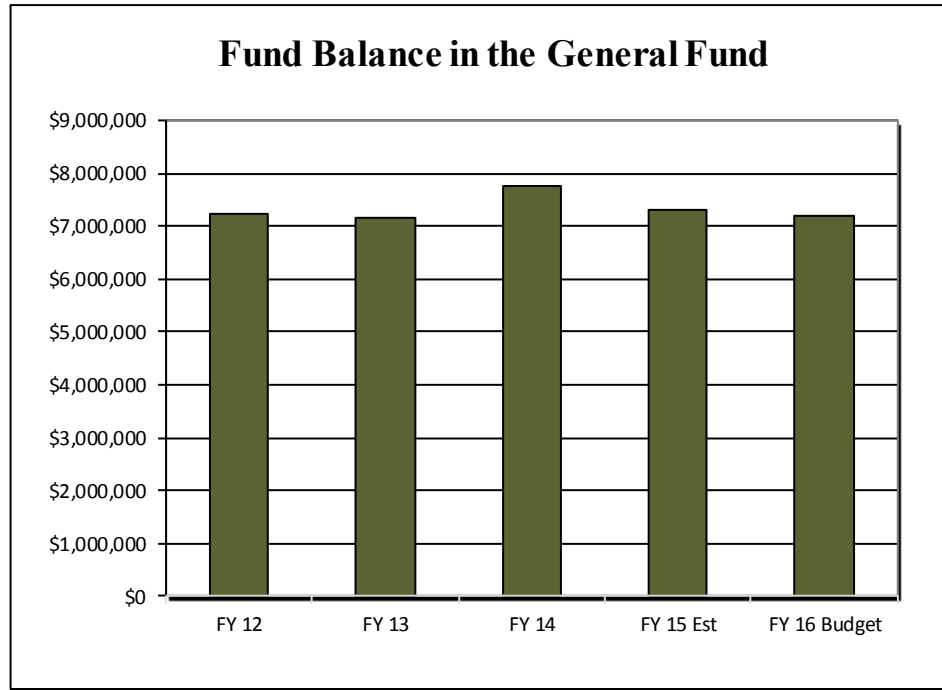
### **Debt Service**

This category of expenditures accounts for \$464,000, or 3% of the total General Fund Budget. This represents a decrease of \$30,000 or 6% over the previous year. In FY 2015, the Village paid off a three-year lease for information technology equipment.



## FUND BALANCE

At June 30, 2015, the Village's fund balance in the General Fund is projected to be approximately \$7.3 million, or 40.4% of the FY 2015 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 2016 will reduce the level of fund balance to approximately \$7.2 million, or 40.2% of expenditures.



## BALANCED RECOMMENDED GENERAL FUND 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 a revenue neutral ad valorem tax rate of \$0.30 per \$100 valuation for the General Fund. The Recommended Budget will result in a fund balance of 40% of FY 2016 General Fund expenditures, which is at the upper limit of our policy range of 30% to 40%.

Departmental requests were reduced by approximately \$1,100,000 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 the Village's General Fund, the only annually budgeted fund for FY 2016:

Revenues by Type	Budgeted FY 2016
Ad Valorem Taxes	\$ 9,902,000
Other Taxes & Licenses	2,826,000
Unrestricted Intergovernmental Rev.	1,959,900
Restricted Intergovernmental Rev.	505,450
Permits & Fees	544,300
Sales & Services	579,000
Assessments	29,075
Other Revenues	492,680
Investment Income	10,200
Revenues	16,848,605
Other Financing Sources	-
Fund Balance Appropriations	1,041,439
<b>Total Revenues</b>	<b>\$ 17,890,044</b>

Expenditures by Function	Budgeted FY 2016
General Government	\$ 2,357,545
Public Safety	5,960,605
Transportation	3,183,975
Environmental Protection	1,641,980
Economic & Physical Dev	1,020,655
Cultural & Recreation	3,210,980
Debt Service	464,304
Contingency	50,000
Expenditures	17,890,044
Other Financing Uses	-
<b>Total Expenditures</b>	<b>\$ 17,890,044</b>

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 26, 2015. 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, leadership, 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,

Jeff Batton  
Interim Village Manager



*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.



*Historic Downtown Business District*

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 to advance the Village's vision to be a "charming, vibrant community which reflects our rich history and traditions."

#### **Administration ([jbatton@vopnc.org](mailto:jbatton@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 and five-year Capital Improvements Plan. 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 human resources 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.

## **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 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, the department also has an obligation to train all personnel in modern fire safety practices and technologies.



*Junior Fire Academy*



### **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 an interface with the Moore 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.



*Bike to School Day*

### **Inspections ([kreed@vopnc.org](mailto:kreed@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.

## **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 automated 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.



*“One & Done” single day collection system*

## **ECONOMIC & PHYSICAL DEVELOPMENT**

### **Planning ([kreed@vopnc.org](mailto:kreed@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.

## **CULTURAL AND RECREATION**

### **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. The department also coordinates activities at Cannon Park, Rassic Wicker Park (including the Arboretum), West Pinehurst Park, and Tufts Park.



*Fourth of July Event Hayride*

### **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 and provides marketing and promotion for the Fair Barn.



### **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. In 2015, the Village celebrated the Harness Track's 100<sup>th</sup> anniversary.



*Matinee Race at Harness Track Facility*

### **Library ([jfrye@vopnc.org](mailto:jfrye@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. In 2015, the library opened "The OutPost" in the former post office downtown. The new facility serves as a used book store, coffee shop, and community gathering place. The Library also serves as the curator of the Tufts Archives and the Pinehurst History Museum.



*Given Memorial Library*



### 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.



*Village Hall*

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

The Chief Information Officer 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.



### COUNCIL APPOINTED BOARDS, COMMISSIONS AND COMMITTEES

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

The Community Appearance Commission (CAC) initiates, promotes and assists in the implementation of programs of general community beautification in the Village. In doing so, the Commission administers the CAC Appearance 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 ([kreed@vopnc.org](mailto:kreed@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*



## 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 five-year 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 has been awarded the Special Performance Measures Recognition.

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

In the spirit of continuous improvement, several enhancements have been made to the FY 2016 Strategic Operating Plan. The most significant changes made in this year's document to make it more useful to the reader include:

- A *Budget in Brief* has replaced the Executive Summary in the front of the document,
- The *Budget Ordinance* has been moved to the back of the document,
- The *Strategic Priorities* section has expanded information about Council BSC goals and now includes graphs of Key Performance Indicators (KPIs) with comparable information, if available and appropriate.
- The *General Fund* section of expenditures identifies departmental goals that are directly linked to Council goals and graphs of departmental dashboard KPIs have been removed

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 John Frye, Director of Financial Services at [jfrye@vopnc.org](mailto:jfrye@vopnc.org).

### **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 affirms goals and objectives.

Using these key inputs into the SPP, the Council set target performance levels, based on comparisons to benchmark communities, for each of the KPIs on the BSC. The senior leadership team then holds a retreat to identify strategic opportunities based on the strategic plan inputs. Department heads then develop departmental strategic operating plans that include departmental goals, KPIs, initiatives for the next five years, and funding requests to address Council goals and objectives and achieve BSC target performance levels.



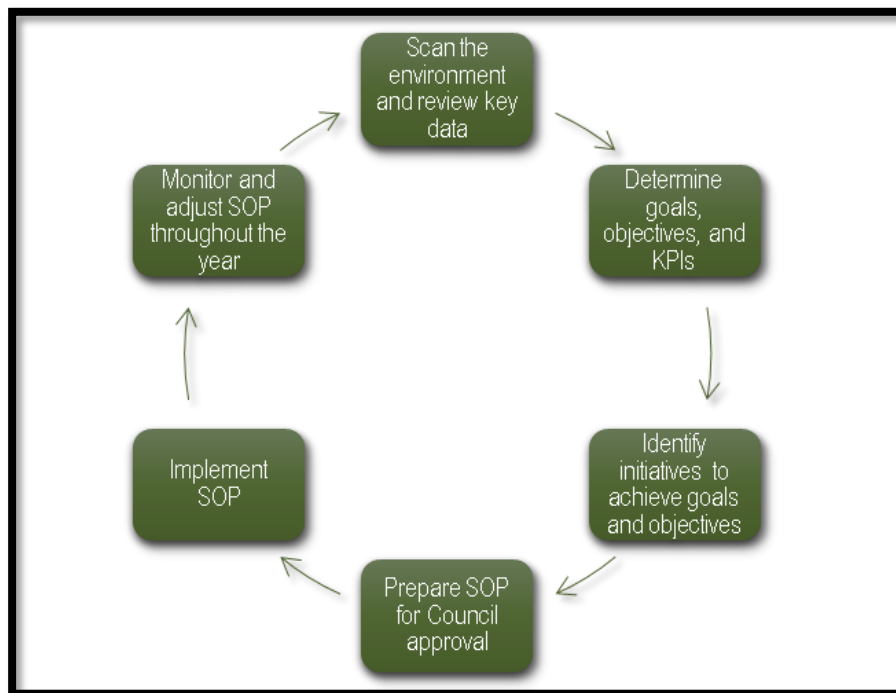
## Strategic Planning Process Overview

All strategic initiatives and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director and Financial Services Director. Strategic initiative are then prioritized based on criteria established by the Council.

To determine the Village's financial capacity to fund the SOP, staff prepares five-year income and expense projections, which include the five-year Capital Improvements Plan. Using the prioritization of initiatives and the five-year income and expense projections, the Strategic Planning Team develops the SOP.

The SOP is prepared in accordance with the Village's Fund Balance Policy, with projected revenues and expenditures resulting in a General Fund fund balance of 30% - 40% of budgeted expenditures during the planning period. Please see the *Strategic Priorities* section of this document for a more detailed discussion of the strategic planning process.

Staff presents the proposed 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.



***Village of Pinehurst Strategic Planning Process***



### Strategic Operating Plan Calendar

The Village has utilized the following schedule in preparing and adopting the 2016 Strategic Operating Plan and FY 2015-2016 Budget:

December 4-5, 2014	Village Council holds Strategic Planning Retreat
January 27, 2015	Village Council approves Balanced Scorecard with performance measures and target performance levels
February 2, 2015	Financial Services Department releases the FY 2014-2015 Strategic Operating Plan (SOP) manual and forms
March 20, 2015	Department Heads submit completed Departmental SOP forms to the Financial Services Department after consultation with their respective Village Manager
March and April 2015	Financial Services Department estimates revenues in conjunction with Department Head input and consolidates departmental requests
March 30 – April 3, 2015	Strategic Planning Team holds Strategic Operating Plan Workshops with Department Heads to discuss their submitted strategic plans
April 6 – April 21, 2015	Strategic Planning Team prioritizes initiatives and develops Strategic Operating Plan with long-term staffing and capital plan included
May 6, 2015	Village Manager submits the draft Strategic Operating Plan to the Village Council
May 12, 2015	Village Manager presents the Strategic Operating Plan to the Village Council at a Council work session
May 13 – May 22, 2015	Village Council holds work sessions to review Strategic Operating Plan and FY 2015-2016 Budget
May 26, 2015	Village holds a public hearing on the FY 2015-2016 Budget
June 9, 2015	Village Council adopts the Strategic Operating Plan and the FY 2015-2016 Budget Ordinance
July 1, 2015	SOP implemented
July 11, 2015	Financial Services Department publishes the final SOP document



### Financial Policies

#### Summary

The Village of Pinehurst's budgetary and financial policies set forth basic guidance for the fiscal management of the Village. Most of the policies represent long standing principles and traditions with its legal framework outlined in both the North Carolina General Statutes (NCGS) and the Village's Ordinances. These policies though general in statement contribute to the Village's financial stability. The major financial policies of the Village are summarized below.

#### Operating Budget Policies

Pursuant to the North Carolina General Statutes Article 159-11 the Village will adopt a balanced budget, which provides a work program and an operational plan for the ensuing year. **A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.**

The Village will maintain a program of budgetary controls to ensure adherence to the budget. Each month, electronic financial information is prepared for department heads and management along with quarterly reports prepared for the Village Council to assist in the monitoring of actual revenues, expenditures, and budgeted amounts. Comprehensive financial data will be compiled to include capital improvement programs and forecasting or projections of financial status. These reports are imperative for long-term financial planning.

The Village will retain an independent accounting firm to perform an annual financial and compliance audit in accordance with general accepted accounting practices and by the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) standards. In conjunction with the independent audit, internal reviews will be conducted periodically to determine if the Village is managing and utilizing its resources in an economical and efficient manner. These internal reviews will also determine if the desired program goals are being achieved and if the objectives established by the Village Council are being met.

#### Revenue Policy

The Village will maintain a diversified and stable revenue program to protect it from short-term fluctuations of any one revenue source. As a part of the normal budget process, the Village will review and estimate revenues in an objective and realistic manner. Attempts will be made to secure additional revenue sources to offset any reductions of federal, state or local funding. The Village's Fees and Charges Policy that has been adopted by the Village Council requires the Financial Services staff to evaluate annually all user fees at a level related to the cost of providing these services.

#### Investment Policy

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



## Budget Requirements

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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. The Village does not currently have any project funds.



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 the only fund included in the budget document.

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.





## Budget Format

In the *General Fund* section the reader will find the individual Departmental SOPs that outlines the departments profile, budget summary, strategic initiatives, and key performance indicators. The following illustration is an example of the expenditure tables that can be found throughout the document:

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 175,662	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	292,925	300,000	296,540	310,500	3.5%
Capital	67,239	30,000	29,950	30,000	0.0%
Expenditures Total	\$ 535,826	\$ 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 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 175,662	\$ 150,000	\$ 146,585	\$ 155,000	3.3%
Operating	292,925	300,000	296,540	310,500	3.5%
Capital	67,239	30,000	29,950	30,000	0.0%
<b>Expenditures Total</b>	<b>\$ 535,826</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 Council Goal that is targeted is listed. These are grouped by the four BSC perspectives. Below is an example explaining the column headings:

Department Goals(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Safeguard the community</b>					
Ensure compliance with building code requirements	% of inspections that are compliant upon initial inspection	96.00%	95.00%	94.00%	97.00%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollar by minimizing operating costs	# of building inspections complete per inspector per day	9	11	12	12
	Average cost per building inspection	\$50.50	\$41.86	\$42.00	\$46.00

The BSC Perspective

The Council goal from the Balanced Scorecard

Historical performance data is provided whenever available

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

Department goal

Specific performance outcome that is being measured (KPI)

Target performance level for next year



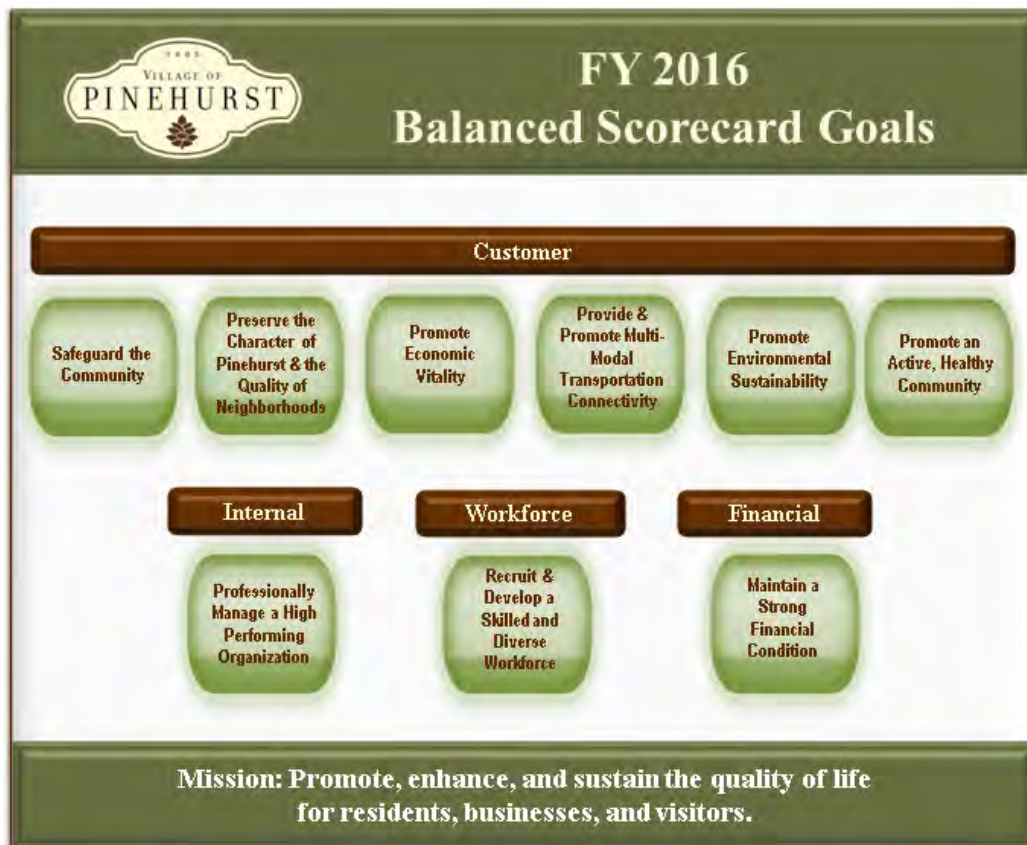
## Strategic Priorities Overview

The Village of Pinehurst Strategic Operating Plan is a tool used to develop and communicate the Village's strategic priorities for the upcoming fiscal year and the five year planning period. This section of the SOP identifies the Village's strategic priorities to advance its vision to be a "charming, vibrant community which reflects our rich history and traditions."

Strategic priorities consist of nine community goals that are established by the Village Council. Each year, the Council and Senior Staff update the SOP based on a review of the current environment at their annual strategic planning retreat. For each community goal, the Council has identified specific objectives with Key Performance Indicators (KPIs) to demonstrate the Village's performance in achieving desired outcomes.

The Village uses a Balanced Scorecard (BSC) to integrate strategic planning and resource allocation. The BSC uses four perspectives to ensure a balanced approach to evaluating achievement of organizational strategy:

1. Customer – Delivering the services customers want at the level desired
2. Internal – Enhancing services through continuous improvement
3. Workforce – Developing an engaged workforce to provide quality services
4. Financial – Managing resources to ensure value of services and financial sustainability





### Strategic Planning Process

The evolution to a strategy-focused organization began as part of the Village's performance excellence program implementing the national Baldrige Excellence Framework. 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 Strategic Planning Process (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 goals and objectives. Council then prioritizes its strategic challenges and strategic objectives to ensure allocation of resources to higher priorities.

Based on these key inputs into the SPP, the Council then sets target performance levels for the KPIs included on the BSC. These target performance levels are based on a review of benchmark communities' performance relative to the Village's performance.

With goals, objectives, and target performance levels set by the Council, management develops initiatives aimed at addressing the strategic objectives for community goals, and ultimately accomplishing the Village's mission and vision. Individual departments then develop and refine departmental goals that are directly linked to the community goals. Accomplishment of departmental goals is measured by departmental KPIs that cascade directly from the BSC.



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

- The extent to which the initiative addresses high priority strategic objectives,
- The extent to which the initiative is able to positively impact performance levels,
- The extent to which the initiative addresses high priority strategic challenges,
- The extent to which the Village has the organizational/workforce capacity to implement the initiative, and
- The net financial impact of the initiative over the five-year planning period.

To help determine the Village's financial capacity to fund the Strategic Operating Plan, staff prepares the five-year income and expense projections that are included in the *Capital Expenditures* section of the SOP. 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



## Strategic Planning Process

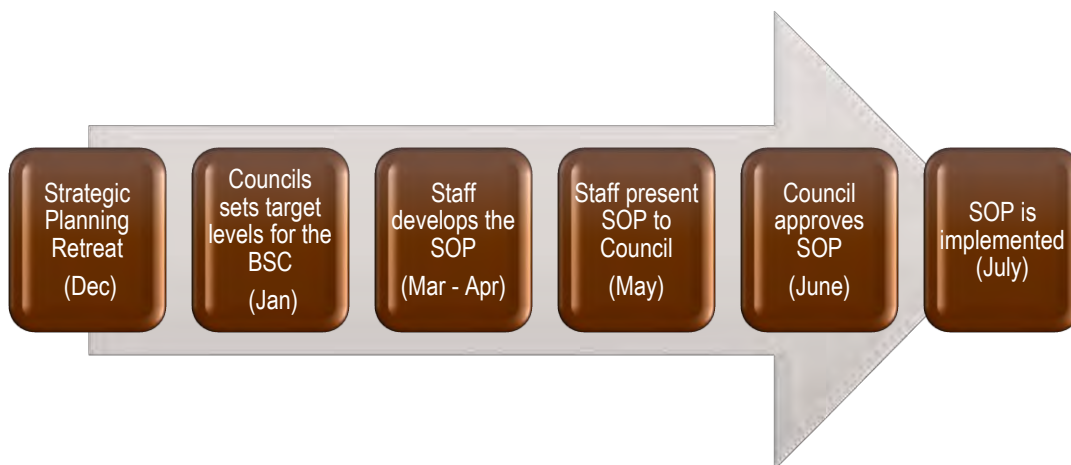
on the overall financial projections, the Strategic Planning Team determines which capital investments are best suited for installment financing to ensure there is adequate financial capacity for the required annual debt service.

The five year income and expense projections prepared for FY 2016-2020 are as follows:

	FY 16	FY 17	FY 18	FY 19	FY 20
General Fund Revenues	\$16,519,605	\$17,071,000	\$17,067,000	\$17,332,000	\$17,607,000
General Fund Expenditures	17,895,244	18,103,123	18,163,522	17,905,382	18,528,699
Revenues Over (Under) Expenditures	\$(1,375,639)	\$(1,032,123)	\$(1,096,522)	\$(573,382)	\$(921,699)
Budget to Actual Variance *	919,263	942,466	961,821	983,764	1,008,680
Projected Actual Gain/(Loss)	\$(456,376)	\$(89,657)	\$(134,701)	\$410,382	\$86,981
Projected GF Balance as a % of Total Budget	38.3%	37.4%	36.5%	39.4%	38.5%

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

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 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 2014 Council Retreat, the Council refined the Village's Mission and Vision and affirmed the core values of Competent, Courteous, Professional, and 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. In December 2014 Retreat, the Council affirmed the five core competencies for the Village:



1. Customer Focus
2. Continuous Improvement
3. Internal/External Collaborative Relationships
4. Talented Volunteers
5. Leverage Technology To Enhance Service

## 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 ten strategic challenges and strategic advantages identified by the Village Council in December 2014 are below:

Strategic Challenges *	Strategic Advantages
Limited revenue growth	Ability to host and manage large scale events
Economic development	Internal and external collaborative relationships
Maintaining high quality services that meet citizen expectations	Institutional knowledge/expertise
Adapting to changing demographics	Professional workforce (employees/volunteers)
Maintaining a low crime rate	Commitment to maximize the use of technology
Two way communication with customers and workforce	Global brand recognition of Pinehurst for golf
Organizational capacity	Financial strength
Federal and state mandates	Safe community
The national historic landmark status	Community resources
Replacing the retiring workforce	Culture of continuous improvement

*\*In order of Council priority*

## SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis

The Council also conducted a SWOT analysis at their December 2014 Strategic Planning Retreat and identified organizational and community strengths, weaknesses, opportunities, and threats.

## Environmental Scan

The environmental scan consists of a review of critical data and information that can impact service delivery. During the December 2014 Strategic Planning retreat management reviewed demographic trends, customer feedback from the annual Community and Business Surveys, feedback from the annual Workforce and Volunteer Surveys, economic analysis, financial data, and emerging trends.

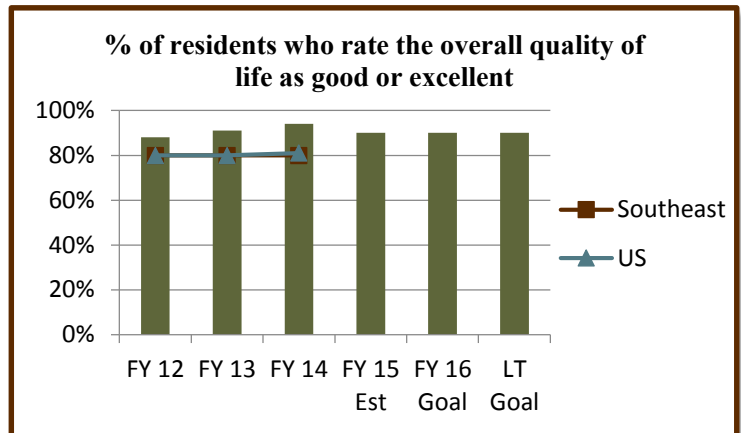
## **FY 2016 Strategic Goals, Objectives, and Key Performance Indicators**

The Council’s strategic goals, objectives, and Key Performance Indicators (KPIs) for each of the four perspectives of the 2016 Balanced Scorecard are detailed in the following pages.





At the core of the BSC is the Village’s mission to “promote, enhance, and sustain the quality of life for residents, businesses, and visitors.” The Village’s measures its mission by asking residents to rate the overall quality of life in the Village during the annual Community Survey. In the most recent survey, **94% of residents rated the overall quality of life as good or excellent**, up from 88% in 2012.



The FY 2016 BSC, by perspective, is shown below:

FY 2016 BSC - Customer Perspective						
Goal	KPI Description	FY 13 Actual	FY 14 Actual	FY 15 Goal	FY 15 Est	FY 16 Goal
Safeguard the community	UCR index crime rate per 1,000 residents	12.08	10.24	12.00	11.50	12.00
	% of residents whose overall feeling of safety in the Village is good or excellent	96%	96%	96%	96%	96%
	% of dispatched emergency calls with a reaction time of 90 seconds or less	69%	68%	75%	74%	75%
	# of public safety education programs	100	109	n/a	100	100
Preserve the character of Pinehurst and the quality of neighborhoods	% of residents who rate the overall appearance of the Village as good or excellent	93%	96%	93%	94%	93%
	% of residents satisfied with the enforcement of Village codes and ordinances	59%	52%	68%	60%	65%
Promote economic vitality	1st floor occupancy rate in the Village Center	77%	88%	85%	94%	90%
	% of businesses likely to recommend the Village as a business location	84%	87%	87%	85%	85%
	Median single-family home value	\$230K	\$233K	n/a	\$246K	\$251K
Provide & promote multimodal transportation connectivity	Pavement condition rating	82.3	82.9	82.9	82.9	82.9
	# of lf of sidewalks constructed	1,830	17,935	1,450	1,450	2,000
	# of lf of greenways constructed	2,600	0	n/a	267	2,000
	# of lf of bike lanes constructed	0	0	5,550	5,550	26,400
	% of residents satisfied with the availability of sidewalks	35%	46%	36%	46%	47%
	% of intersections studied with a level of service (LOS) rating of "C" or higher	69%	76%	n/a	75%	75%
Promote environmental sustainability	Kilowatts used per square foot in Village buildings	13.55	13.43	n/a	13.95	13.70
	% of refuse diverted from the landfill	33%	34%	33%	34%	34%
	Average GPD as a % of water system capacity	34.6%	37.3%	n/a	38.2%	40.0%
Promote an active, healthy community	% of residents satisfied with P&R programs	72%	72%	75%	75%	77%
	% of residents satisfied with Village sponsored cultural arts events	63%	65%	65%	65%	66%
	% of residents satisfied with P&R facilities	78%	77%	80%	80%	81%



FY 2016 BSC - Internal Perspective						
Strategic Objective	KPI Description	FY 13 Actual	FY 14 Actual	FY 15 Goal	FY 15 Est	FY 16 Goal
Professionally manage a high performing organization	% of residents satisfied with customer service provided by Village employees	80%	82%	82%	84%	85%
	% of residents satisfied with Village communications	78%	88%	82%	88%	90%
	Full time equivalents per million \$ of revenue	8.34	7.97	8.40	8.00	8.00
	# of process improvements implemented using the BIRDIE or ACE process	1	9	n/a	14	8
	# of new collaborative initiatives completed	n/a	14	15	20	20

FY 2016 BSC - Workforce Perspective						
Strategic Objective	KPI Description	FY 13 Actual	FY 14 Actual	FY 15 Goal	FY 15 Est	FY 16 Goal
Recruit and develop a skilled and diverse workforce	% of volunteers satisfied with the volunteer experience	90%	86%	91%	88%	88%
	% of employees who agree they are recognized and rewarded for a job well done	80%	68%	n/a	70%	72%
	% of vacancies filled with internal candidates	n/a	36%	n/a	30%	30%
	% of employees who are satisfied with their job	90%	87%	90%	88%	90%
	Employee turnover rate	11.4%	7.9%	10.0%	10.0%	10.0%

FY 2016 BSC - Financial Perspective						
Strategic Objective	KPI Description	FY 13 Actual	FY 14 Actual	FY 15 Goal	FY 15 Est	FY 16 Goal
Maintain a strong financial condition	Unassigned GF fund balance as a % of actual expenditures	28.5%	25.6%	27.0%	25.3%	15.0%
	Operating expenditures as a % of operating revenues	85%	89%	89%	89%	89%
	% of residents satisfied with the value received for taxes paid	71%	69%	70%	70%	70%
	Capital asset condition ratio	49.8%	48.9%	60.0%	48.5%	50.0%

### FY 2016 Strategic Initiatives

The FY 2016 strategic initiatives address the strategic objectives of the Village Council, thereby helping to achieve the community goals. The initiatives strive to leverage the Village’s core competencies and strategic advantages, while addressing strategic challenges and opportunities. In many cases, initiatives are based on research of best practices in benchmark communities.

The Village is focused on continuous improvement and several initiatives in the FY 2016 SOP are aimed at process improvements. More significant process improvements follow a systematic six step performance improvement process called BIRDIE. Less significant process improvements follow a simple three step process called ACE (Analyze process requirements, Change the process, and Evaluate the change). The FY 2016 SOP includes 3 BIRDIE and 5 ACE process improvements.





In FY 2016, the Village plans to do three BIRDIE process improvement evaluations:

1. Develop an organization wide complaint management process
2. Evaluate alternative methods to proactively investigate and deter crime
3. Evaluate the consolidation of S&G and B&G



The BIRDIE process is detailed below:

BIRDIE Process	
<b>B</b>	Bring the opportunity forward (identify what can be improved)
<b>I</b>	Investigate the opportunity (what does the data tell you?)
<b>R</b>	Review potential solutions (identify ALL possible solutions)
<b>D</b>	Determine the solution and develop the action plan (includes KPIs, desired outcomes, timing and resources needed)
<b>I</b>	Implement the solution according to the action plan
<b>E</b>	Evaluate the effectiveness of the solution based on performance data

The pages that follow include information on each goal and their associated objectives, short term and long term initiatives, and KPIs. While the vast majority of Council’s objectives have initiatives aimed at achieving them, resources have been allocated in the FY 2016 SOP to higher priority strategic initiatives and a few objectives are therefore not addressed. See the individual department goals and department KPIs included in the *General Fund* section of this document for additional information.

The pages that follow also include graphs of the Village’s observed results for those KPIs on the BSC. The Village’s historical and projected results are indicated by the green bars in the graphs. When applicable and available, the graphs also include comparable information indicating the Village’s performance relative to others, as described below:

- Southeast – Average of cities using the Direction Finder Survey by ETC Institute in the southeast
- US - Average of cities using the Direction Finder Survey by ETC Institute in the United States
- Comp – A benchmark community selected for that KPI
- SOG Avg – Average of the University of North Carolina Performance Benchmarking communities
- SHRM Avg – Society of Human Resources survey average



## Goal: Safeguard the Community

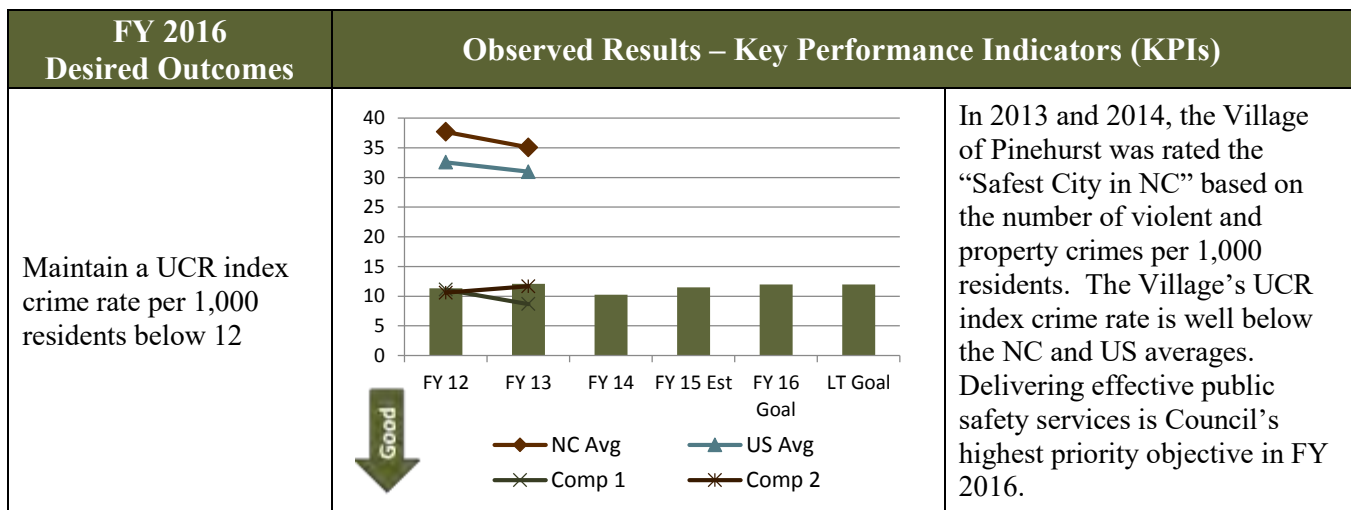
To safeguard the community means to protect the lives and property of residents, businesses, and visitors. There are two objectives under Safeguard the Community:

1. Deliver effective public safety services, and
2. Engage and educate the community on public safety.

Departments primarily responsible include Police, Fire, and Building inspections. Applicable volunteers include Citizens on Patrol and Community Watch. See the *General Fund* section of this document for additional information on the departments.

### Objective: Deliver effective public safety services

Initiative	Department	New/Ongoing	Timeline
Achieve national accreditation in the Fire Department	Fire	Ongoing	FY 2016-2020
Evaluate the creation of a Virtual Pinehurst Police Digital Network (ACE)	Police	New	FY 2017
Evaluate alternative methods to proactively investigate and deter crime (BIRDIE)	Police	New	FY 2016
Expand traffic pre-emption program to additional intersections in Village limits	Fire	Ongoing	FY 2016-2020





FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																													
<p>Maintain a 96% resident rating of overall feeling of safety in the Village as good or excellent</p>	<table border="1"> <caption>Resident Rating of Overall Feeling of Safety</caption> <thead> <tr> <th>Year</th> <th>Village Rating (%)</th> <th>US (%)</th> <th>Southeast (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>96</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 13</td> <td>96</td> <td>77</td> <td>70</td> </tr> <tr> <td>FY 14</td> <td>96</td> <td>74</td> <td>68</td> </tr> <tr> <td>FY 15 Est</td> <td>96</td> <td>74</td> <td>68</td> </tr> <tr> <td>FY 16 Goal</td> <td>96</td> <td>74</td> <td>68</td> </tr> <tr> <td>LT Goal</td> <td>96</td> <td>74</td> <td>68</td> </tr> </tbody> </table>	Year	Village Rating (%)	US (%)	Southeast (%)	FY 12	96	-	-	FY 13	96	77	70	FY 14	96	74	68	FY 15 Est	96	74	68	FY 16 Goal	96	74	68	LT Goal	96	74	68	<p>The Village far exceeds both the US and Southeast in resident overall feeling of safety. In addition, the Village <i>set a national high benchmark</i> of 99% of residents feeling safe in their neighborhood during the day.</p>
Year	Village Rating (%)	US (%)	Southeast (%)																											
FY 12	96	-	-																											
FY 13	96	77	70																											
FY 14	96	74	68																											
FY 15 Est	96	74	68																											
FY 16 Goal	96	74	68																											
LT Goal	96	74	68																											
<p>Increase the % of dispatched fire emergency calls with a reaction time of 90 seconds or less from 74% to 75%</p>	<table border="1"> <caption>Reaction Time of Dispatched Fire Emergency Calls</caption> <thead> <tr> <th>Year</th> <th>Village Rating (%)</th> <th>Accreditation Standard (%)</th> </tr> </thead> <tbody> <tr> <td>FY 13</td> <td>74</td> <td>90</td> </tr> <tr> <td>FY 14</td> <td>74</td> <td>90</td> </tr> <tr> <td>FY 15 Est</td> <td>74</td> <td>90</td> </tr> <tr> <td>FY 16 Goal</td> <td>75</td> <td>90</td> </tr> <tr> <td>LT Goal</td> <td>75</td> <td>90</td> </tr> </tbody> </table>	Year	Village Rating (%)	Accreditation Standard (%)	FY 13	74	90	FY 14	74	90	FY 15 Est	74	90	FY 16 Goal	75	90	LT Goal	75	90	<p>The Pinehurst Fire Department is working towards submitting its application to the Commission on Fire Accreditation International (CFAI) to become nationally accredited. The accreditation standard for reaction times to dispatched fire emergency calls within 90 seconds or less is 90%.</p>										
Year	Village Rating (%)	Accreditation Standard (%)																												
FY 13	74	90																												
FY 14	74	90																												
FY 15 Est	74	90																												
FY 16 Goal	75	90																												
LT Goal	75	90																												

**Objective: Engage and educate the community on public safety**

Initiative	Department	New/Ongoing	Timeline
Establish a junior police academy for middle school aged youth	Police	New	FY 2017
Deliver public safety education programs	Fire	Ongoing	FY 2016-2020

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)													
<p>Continue to conduct at least 100 public safety education programs</p>	<table border="1"> <caption>Number of Public Safety Education Programs</caption> <thead> <tr> <th>Year</th> <th>Number of Programs</th> </tr> </thead> <tbody> <tr> <td>FY 13</td> <td>100</td> </tr> <tr> <td>FY 14</td> <td>110</td> </tr> <tr> <td>FY 15 Est</td> <td>100</td> </tr> <tr> <td>FY 16 Goal</td> <td>100</td> </tr> <tr> <td>LT Goal</td> <td>100</td> </tr> </tbody> </table>	Year	Number of Programs	FY 13	100	FY 14	110	FY 15 Est	100	FY 16 Goal	100	LT Goal	100	<p>Public safety education programs are offered by the Police and Fire Departments and include programs in collaboration with local schools, the P&amp;R Department, and other agencies.</p>
Year	Number of Programs													
FY 13	100													
FY 14	110													
FY 15 Est	100													
FY 16 Goal	100													
LT Goal	100													



## Goal: Preserve the Character of Pinehurst and the Quality of Neighborhoods

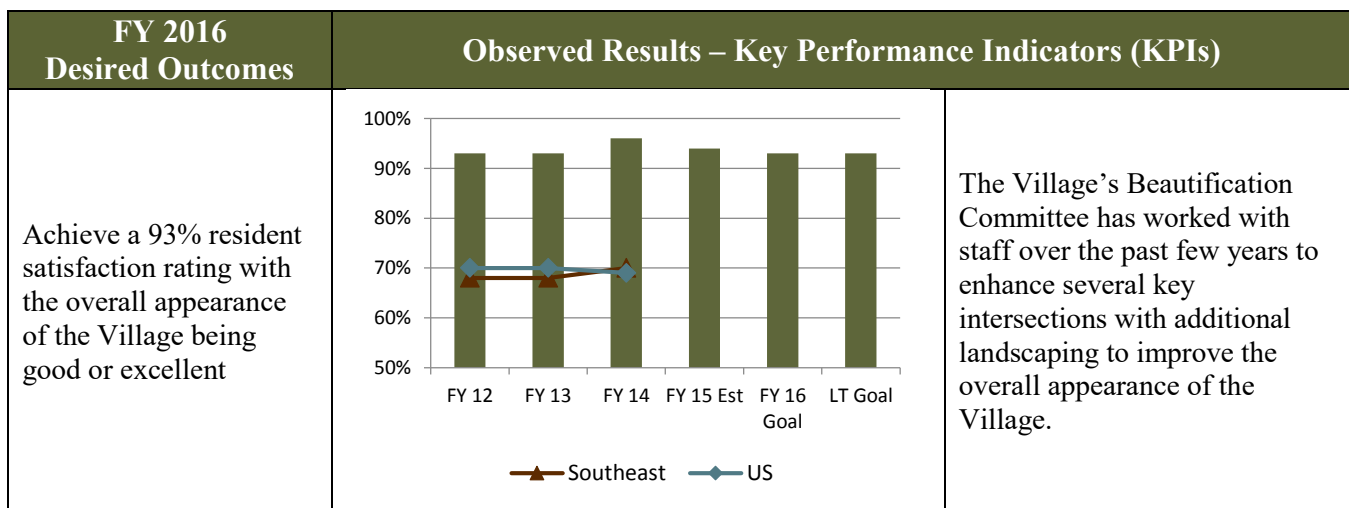
To preserve the character of Pinehurst and the quality of neighborhoods means to deliver planning, infrastructure, code enforcement, and grounds maintenance services to maintain a high level of overall appearance of public spaces and neighborhoods. There are two objectives under Preserve the Character of Pinehurst and the Quality of Neighborhoods:

1. Maintain a high level of overall appearance of Pinehurst public spaces, and
2. Achieve a high level of compliance with Village codes and ordinances.

Departments primarily responsible include Planning, Streets & Grounds, and Buildings & Grounds. Applicable volunteer committees include the Beautification Committee, Community Appearance Commission, Planning & Zoning/Board of Adjustment, the Historic Preservation Commission, and the Neighborhood Advisory Council. See the *General Fund* section of this document for additional information on the departments.

### Objective: Maintain a high level of overall appearance of Pinehurst public spaces

Initiative	Department	New/Ongoing	Timeline
Develop an "Adopt a Plant Bed" program with the Beautification Committee (ACE)	Streets & Grounds	New	2016
Evaluate the consolidation of B&G and S&G (BIRDIE)	Administration	New	2016

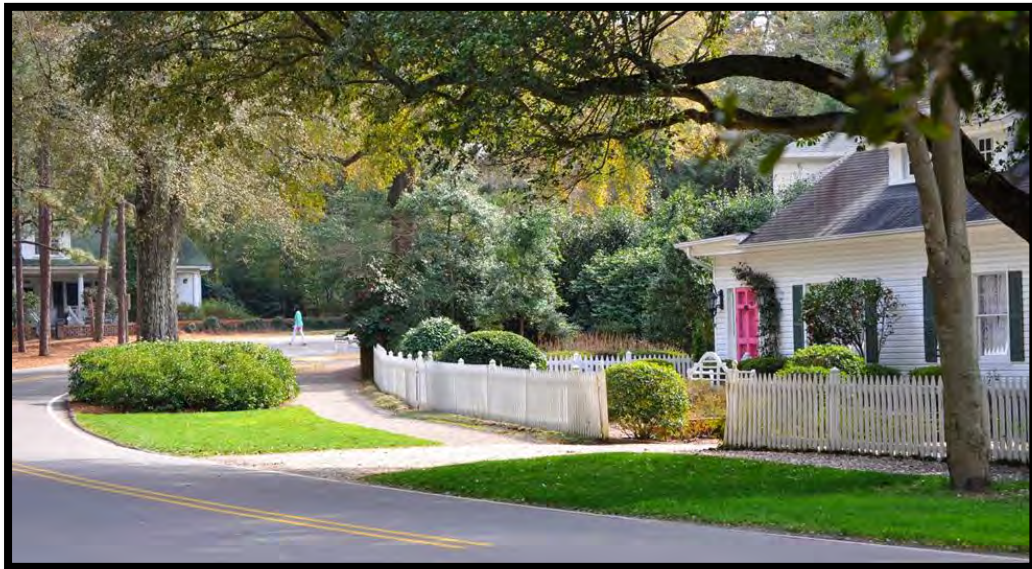


### Objective: Achieve a high level of compliance with Village codes and ordinances

Initiative	Department	New/Ongoing	Timeline
Implement the recommendations of the Code Enforcement BIRDIE Team	Planning	New	2016



FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																						
Increase the resident satisfaction rating with the enforcement of Village codes and ordinances from 60% to 65%	<table border="1"><caption>Observed Results – Key Performance Indicators (KPIs)</caption><thead><tr><th>Year</th><th>Comp 1 (%)</th><th>Comp 2 (%)</th></tr></thead><tbody><tr><td>FY 12</td><td>60</td><td>75</td></tr><tr><td>FY 13</td><td>60</td><td>75</td></tr><tr><td>FY 14</td><td>55</td><td>75</td></tr><tr><td>FY 15 Est</td><td>55</td><td>75</td></tr><tr><td>FY 16 Goal</td><td>65</td><td>65</td></tr><tr><td>LT Goal</td><td>65</td><td>65</td></tr></tbody></table>	Year	Comp 1 (%)	Comp 2 (%)	FY 12	60	75	FY 13	60	75	FY 14	55	75	FY 15 Est	55	75	FY 16 Goal	65	65	LT Goal	65	65	In FY 2015, the Village conducted a BIRDIE on its code enforcement process, with recommendations for improvement to be implemented in FY 2016.
Year	Comp 1 (%)	Comp 2 (%)																					
FY 12	60	75																					
FY 13	60	75																					
FY 14	55	75																					
FY 15 Est	55	75																					
FY 16 Goal	65	65																					
LT Goal	65	65																					



*Pinehurst Neighborhood*



## Goal: Promote Economic Vitality

To promote economic vitality means to support economic and business development in a way that ensures a vibrant, viable, and thriving business community. There are two objectives under Promote Economic Vitality:

1. Support economic and business development to meet the needs of Pinehurst residents and visitors, and
2. Ensure Pinehurst is a premier residential community.

Departments primarily responsible include Administration, Planning, and Community Development. Applicable volunteers include the Welcome Center volunteers. See the *General Fund* section of this document for additional information on the departments.

### Objective: Support economic and business development to meet the needs of Pinehurst residents and visitors

Initiative	Department	New/Ongoing	Timeline
Support Pinehurst businesses through collaboration with Pinehurst Business Partners	Community Development	New	2016
Incrementally expand the Village Center into Village Place/Rattlesnake Corridor	Community Development	Ongoing	2016
Maximize commercial zoning of the Village to create opportunities for new development	Planning	New	2017
Collaborate with the UNC-School of Government to evaluate opportunities for Village Place redevelopment	Planning	New	2016
Re-develop the Public Services campus	Public Services	New	2016

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																					
Maintain at least a 90% occupancy rate for first floor space in the Village Center	<p>The chart displays occupancy rates for two categories: US Avg Retail (represented by brown bars) and US Avg Office (represented by blue bars). The Y-axis ranges from 0% to 100%. The X-axis shows fiscal years from FY 12 to FY 15, with 'Est' for FY 16 and 'Goal' for LT. US Avg Retail consistently stays above 80%, while US Avg Office fluctuates around 80-85%. A horizontal line is drawn at approximately 85%.</p> <table border="1"> <caption>Observed Results – Key Performance Indicators (KPIs)</caption> <thead> <tr> <th>Year</th> <th>US Avg Retail (%)</th> <th>US Avg Office (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>~85</td> <td>~82</td> </tr> <tr> <td>FY 13</td> <td>~85</td> <td>~80</td> </tr> <tr> <td>FY 14</td> <td>~85</td> <td>~85</td> </tr> <tr> <td>FY 15</td> <td>~85</td> <td>~85</td> </tr> <tr> <td>FY 16 (Est)</td> <td>~85</td> <td>~85</td> </tr> <tr> <td>LT (Goal)</td> <td>~85</td> <td>~85</td> </tr> </tbody> </table> <p>In FY 2015, the Given Memorial Library opened the OutPost in the old Post Office, occupying roughly 4,000 sf of first floor space. This increased the occupancy rate above 90% for 1<sup>st</sup> floor space in the Village Center.</p>	Year	US Avg Retail (%)	US Avg Office (%)	FY 12	~85	~82	FY 13	~85	~80	FY 14	~85	~85	FY 15	~85	~85	FY 16 (Est)	~85	~85	LT (Goal)	~85	~85
Year	US Avg Retail (%)	US Avg Office (%)																				
FY 12	~85	~82																				
FY 13	~85	~80																				
FY 14	~85	~85																				
FY 15	~85	~85																				
FY 16 (Est)	~85	~85																				
LT (Goal)	~85	~85																				



FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)															
<p>Maintain the business’s likeliness to recommend the Village as a business location of 85%</p>	<table border="1"> <caption>Business Likelihood to Recommend Village as Business Location</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>72%</td> </tr> <tr> <td>FY 13</td> <td>82%</td> </tr> <tr> <td>FY 14</td> <td>85%</td> </tr> <tr> <td>FY 15 Est</td> <td>83%</td> </tr> <tr> <td>FY 16 Goal</td> <td>84%</td> </tr> <tr> <td>LT Goal</td> <td>90%</td> </tr> </tbody> </table>	Year	Percentage	FY 12	72%	FY 13	82%	FY 14	85%	FY 15 Est	83%	FY 16 Goal	84%	LT Goal	90%	<p>Businesses are one of the Village’s three key customer groups and their likeliness to recommend is an indication of their engagement as a customer. Long-term, the Village is striving for 90% of businesses to be likely to recommend the Village as a business location.</p>
Year	Percentage															
FY 12	72%															
FY 13	82%															
FY 14	85%															
FY 15 Est	83%															
FY 16 Goal	84%															
LT Goal	90%															

**Objective: Ensure Pinehurst is a premier residential community**

Initiative	Department	New/Ongoing	Timeline
Update the Comprehensive Long Range Plan for the Village	Planning	New	2018

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																									
<p>Increase median single family home values from \$246,000 to \$251,000</p>	<table border="1"> <caption>Median Single Family Home Values</caption> <thead> <tr> <th>Year</th> <th>Pinehurst (Comp 1)</th> <th>NC Avg</th> <th>US Avg</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>\$215,000</td> <td>\$140,000</td> <td>\$155,000</td> </tr> <tr> <td>FY 13</td> <td>\$225,000</td> <td>\$145,000</td> <td>\$165,000</td> </tr> <tr> <td>FY 14</td> <td>\$230,000</td> <td>\$145,000</td> <td>\$175,000</td> </tr> <tr> <td>FY 15 Est</td> <td>\$240,000</td> <td>\$145,000</td> <td>\$185,000</td> </tr> <tr> <td>FY 16 Goal</td> <td>\$251,000</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Year	Pinehurst (Comp 1)	NC Avg	US Avg	FY 12	\$215,000	\$140,000	\$155,000	FY 13	\$225,000	\$145,000	\$165,000	FY 14	\$230,000	\$145,000	\$175,000	FY 15 Est	\$240,000	\$145,000	\$185,000	FY 16 Goal	\$251,000	-	-	<p>Pinehurst median single family home values have gradually increased from year to year and have exceeded the NC and US average values, as well as those of a nearby comparable community.</p>
Year	Pinehurst (Comp 1)	NC Avg	US Avg																							
FY 12	\$215,000	\$140,000	\$155,000																							
FY 13	\$225,000	\$145,000	\$165,000																							
FY 14	\$230,000	\$145,000	\$175,000																							
FY 15 Est	\$240,000	\$145,000	\$185,000																							
FY 16 Goal	\$251,000	-	-																							





## Goal: Provide & Promote Multi-Modal Transportation Connectivity

Provide efficient and well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity. There are two objectives under Provide and Promote Multi-Modal Transportation Connectivity:

1. Provide a safe and well-maintained network of streets, sidewalks, greenways, and bike paths, and
2. Provide for efficient traffic flow with minimal congestion.

Departments primarily responsible include Streets & Grounds and Parks & Recreation. Applicable volunteers include the Greenway Committee and the Bicycle and Pedestrian Plan Committee. See the *General Fund* section of this document for additional information on the departments.

### Objective: Provide a safe and well-maintained network of streets, sidewalks, greenways, and bike paths

Initiative	Department	New/Ongoing	Timeline
Install sidewalks and/or greenways according to the Pedestrian Master Plan	Recreation	Ongoing	2016-2020
Install bike paths according to the Bicycle Master Plan	Recreation	Ongoing	2016-2020

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)
Achieve a pavement condition rating (PCR) of 82.9	<p>The PCR is a numerical score between 0 and 100 that is determined every three years as a measure of the condition of roadways as determined by an independent and objective third party. Despite a lower PCR than comparable communities, the Village set a <b><i>national high benchmark</i></b> in FY 2014 with 94% of residents satisfied with maintenance of major streets in the Village.</p>





FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)															
Construct 2,000 linear feet (lf) of sidewalks	<table border="1"> <caption>Sidewalk Construction Data</caption> <thead> <tr> <th>Year</th> <th>Construction (lf)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>~4,000</td> </tr> <tr> <td>FY 13</td> <td>~2,000</td> </tr> <tr> <td>FY 14</td> <td>~18,000</td> </tr> <tr> <td>FY 15 Est</td> <td>~1,500</td> </tr> <tr> <td>FY 16 Goal</td> <td>~2,000</td> </tr> <tr> <td>LT Goal</td> <td>~2,000</td> </tr> </tbody> </table>	Year	Construction (lf)	FY 12	~4,000	FY 13	~2,000	FY 14	~18,000	FY 15 Est	~1,500	FY 16 Goal	~2,000	LT Goal	~2,000	<p>The 2015 Comprehensive Pedestrian Master Plan calls for construction of 23.5 miles (or 124,080 lf) of new sidewalks. Funding for construction of 2,000 lf of new sidewalks is included in each of the next five years. The large increase in construction in FY 2014 was due to the sidewalks installed as part of the HWY 211 project.</p>
Year	Construction (lf)															
FY 12	~4,000															
FY 13	~2,000															
FY 14	~18,000															
FY 15 Est	~1,500															
FY 16 Goal	~2,000															
LT Goal	~2,000															
Construct 2,000 linear feet (lf) of greenways	<table border="1"> <caption>Greenway Construction Data</caption> <thead> <tr> <th>Year</th> <th>Construction (lf)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>0</td> </tr> <tr> <td>FY 13</td> <td>~2,600</td> </tr> <tr> <td>FY 14</td> <td>0</td> </tr> <tr> <td>FY 15 Est</td> <td>~300</td> </tr> <tr> <td>FY 16 Goal</td> <td>~2,000</td> </tr> <tr> <td>LT Goal</td> <td>~2,000</td> </tr> </tbody> </table>	Year	Construction (lf)	FY 12	0	FY 13	~2,600	FY 14	0	FY 15 Est	~300	FY 16 Goal	~2,000	LT Goal	~2,000	<p>The 2015 Comprehensive Pedestrian Master Plan calls for construction of 6.4 miles (or 33,792 lf) of new greenway trails. Funding for construction of 2,000 lf of new greenways is included in each of the next five years.</p>
Year	Construction (lf)															
FY 12	0															
FY 13	~2,600															
FY 14	0															
FY 15 Est	~300															
FY 16 Goal	~2,000															
LT Goal	~2,000															
Construct 2,640 linear feet (lf) of bike paths	<table border="1"> <caption>Bike Path Construction Data</caption> <thead> <tr> <th>Year</th> <th>Construction (lf)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>~3,000</td> </tr> <tr> <td>FY 13</td> <td>~16,000</td> </tr> <tr> <td>FY 14</td> <td>~8,000</td> </tr> <tr> <td>FY 15 Est</td> <td>~5,000</td> </tr> <tr> <td>FY 16 Goal</td> <td>~26,000</td> </tr> <tr> <td>LT Goal</td> <td>~31,000</td> </tr> </tbody> </table>	Year	Construction (lf)	FY 12	~3,000	FY 13	~16,000	FY 14	~8,000	FY 15 Est	~5,000	FY 16 Goal	~26,000	LT Goal	~31,000	<p>The 2015 Comprehensive Bicycle Master Plan calls for construction of 10.1 miles (or 5,328 lf) of new <i>bike lanes</i>; 22.6 miles (or 119,328 lf) of <i>shared lane markings</i>; and 4.0 miles (or 21,120 lf) of <i>paved side paths</i>. Funding for construction of bike paths is included in FY 2018 and FY 2020. The Village also anticipates rolling forward \$50,000 from the FY15 budget to fund bike path construction.</p>
Year	Construction (lf)															
FY 12	~3,000															
FY 13	~16,000															
FY 14	~8,000															
FY 15 Est	~5,000															
FY 16 Goal	~26,000															
LT Goal	~31,000															



FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)	
<p>Achieve a 47% resident satisfaction rating with the availability of sidewalks</p>		<p>In FY 2014, the Village identified increasing the availability of sidewalks as an opportunity for improvement due to low resident satisfaction rates. To address this, the Village appointed a steering committee to develop the Comprehensive Pedestrian Master Plan that was approved in 2015. Construction of neighborhood sidewalks is planned in each of the next five years.</p>

**Objective: Provide for efficient traffic flow with minimal congestion**

Initiative	Department	New/Ongoing	Timeline
<p>Make intersection improvements at McKenzie Rd and Hwy 5 &amp; Barrett Rd and Hwy 5</p>	<p>Powell Bill</p>	<p>New</p>	<p>2016</p>

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)	
<p>Maintain the level of service rating (LOS) of “C” or higher for 75% of key intersections</p>		<p>The Village has identified six key intersections to monitor the LOS rating. In 2016, the Village plans to make improvements at two of those intersections to help maintain the LOS ratings.</p>




## Goal: Promote Environmental Sustainability

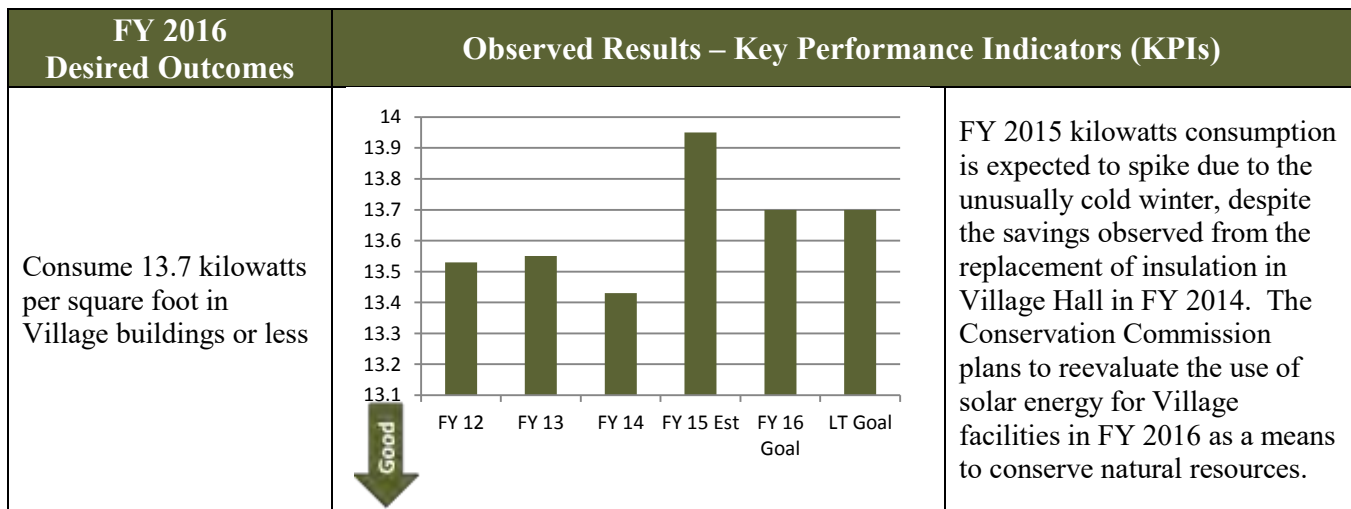
To promote environmental sustainability means to provide programs and services to preserve open space and natural resources. There are three objectives under Promote Environmental Sustainability:

1. Conserve natural resources,
2. Increase solid waste diversion, and
3. Work with Moore County to ensure adequate water and sewer services.

The department primarily responsible is Solid Waste. Applicable volunteers include the Conservation Commission and its subcommittees. See the *General Fund* section of this document for additional information on the departments.

### Objective: Conserve natural resources

Initiative	Department	New/Ongoing	Timeline
Evaluate the use of solar energy for Village facilities	Inspections	New	2016



### Objective: Increase solid waste diversion

Initiative	Department	New/Ongoing	Timeline
Provide additional recycling containers in park facilities	Buildings & Grounds	Ongoing	2016



FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																																				
<p>Divert 34% of waste from the landfill</p>	<table border="1"> <caption>Waste Diversion Data</caption> <thead> <tr> <th>Year</th> <th>Comp 1 (%)</th> <th>Comp 2 (%)</th> <th>Comp 3 (%)</th> <th>Goal (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>25</td> <td>20</td> <td>20</td> <td>34</td> </tr> <tr> <td>FY 13</td> <td>23</td> <td>21</td> <td>21</td> <td>34</td> </tr> <tr> <td>FY 14</td> <td>23</td> <td>21</td> <td>21</td> <td>34</td> </tr> <tr> <td>FY 15 Est</td> <td>-</td> <td>-</td> <td>-</td> <td>34</td> </tr> <tr> <td>FY 16</td> <td>-</td> <td>-</td> <td>-</td> <td>34</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>-</td> <td>-</td> <td>34</td> </tr> </tbody> </table>	Year	Comp 1 (%)	Comp 2 (%)	Comp 3 (%)	Goal (%)	FY 12	25	20	20	34	FY 13	23	21	21	34	FY 14	23	21	21	34	FY 15 Est	-	-	-	34	FY 16	-	-	-	34	LT Goal	-	-	-	34	<p>In 2014, the Village ranked 10<sup>th</sup> in the state of NC for its diversion of solid waste from the landfill due to recycling efforts. Village diversion rates consistently exceed comparable communities and the Village <i>set two national high benchmarks</i> with 92% of residents satisfied with curbside recycling and 96% satisfied with residential trash collection services.</p>
Year	Comp 1 (%)	Comp 2 (%)	Comp 3 (%)	Goal (%)																																	
FY 12	25	20	20	34																																	
FY 13	23	21	21	34																																	
FY 14	23	21	21	34																																	
FY 15 Est	-	-	-	34																																	
FY 16	-	-	-	34																																	
LT Goal	-	-	-	34																																	

**Objective: Work with Moore County to ensure adequate water and sewer services**

There are no initiatives aimed at this objective.

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																						
<p>Utilize 40% or less average gallons per day (GPD) of water system capacity</p>	<table border="1"> <caption>Water System Capacity Utilization Data</caption> <thead> <tr> <th>Year</th> <th>Comp 1 (%)</th> <th>Goal (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>38.5</td> <td>40</td> </tr> <tr> <td>FY 13</td> <td>34.5</td> <td>40</td> </tr> <tr> <td>FY 14</td> <td>37.5</td> <td>40</td> </tr> <tr> <td>FY 15 Est</td> <td>38.5</td> <td>40</td> </tr> <tr> <td>FY 16</td> <td>40</td> <td>40</td> </tr> <tr> <td>LT Goal</td> <td>40</td> <td>40</td> </tr> </tbody> </table>	Year	Comp 1 (%)	Goal (%)	FY 12	38.5	40	FY 13	34.5	40	FY 14	37.5	40	FY 15 Est	38.5	40	FY 16	40	40	LT Goal	40	40	<p>For the past several years, the Village's consumption of water has been less than the goal of 40% or less of system capacity.</p>
Year	Comp 1 (%)	Goal (%)																					
FY 12	38.5	40																					
FY 13	34.5	40																					
FY 14	37.5	40																					
FY 15 Est	38.5	40																					
FY 16	40	40																					
LT Goal	40	40																					




## Goal: Promote an Active, Healthy Community

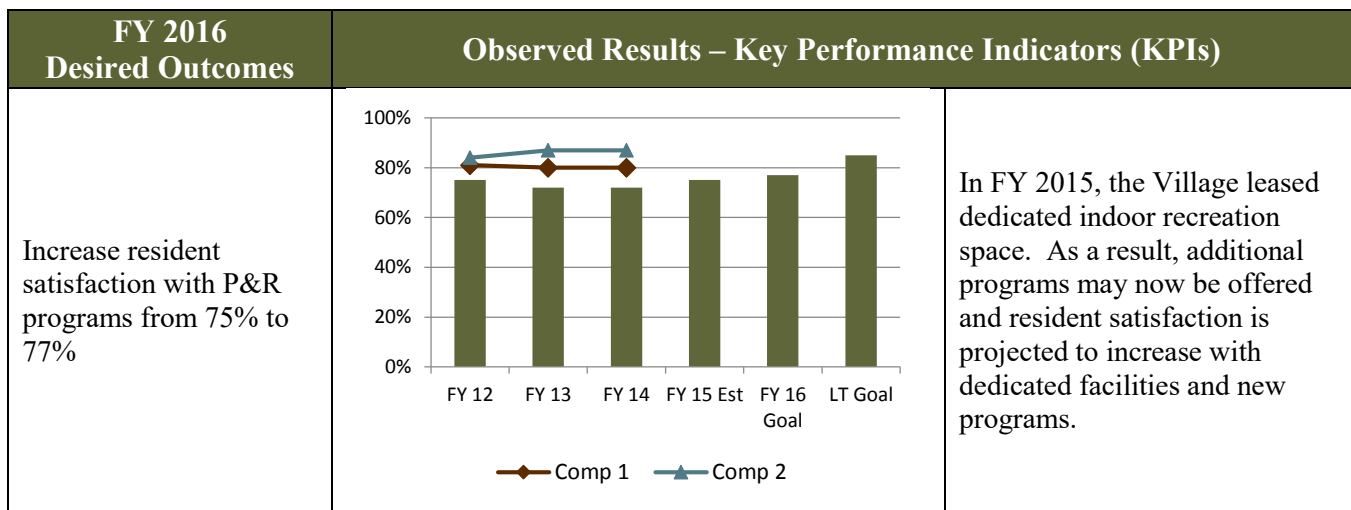
To promote an active, healthy community means to offer recreation programs, facilities, and community events to enhance the overall quality of life. There are three objectives for Promote an Active, Healthy Community:

1. Provide recreation programs and leisure activities for all ages,
2. Offer a variety of quality events to meet community needs, and
3. Provide adequate recreational facilities.

The department primarily responsible is Recreation. Applicable volunteers include the numerous volunteer coaches. See the *General Fund* section of this document for additional information on the departments.

### Objective: Provide recreation programs and leisure activities for all ages

Initiative	New/Ongoing	Timeline
Establish a P&R internship program	New	2016



### Objective: Offer a variety of quality events to meet community needs

Initiative	New/Ongoing	Timeline
Partner with the Arts Council and others to host cultural events at the Fair Barn	Ongoing	2016-2020



FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																						
<p>Increase resident satisfaction with Village sponsored cultural arts events from 65% to 66%</p>	<table border="1"> <caption>Observed Results – Key Performance Indicators (KPIs) for Cultural Arts Events</caption> <thead> <tr> <th>Year</th> <th>Comp 1 (%)</th> <th>Comp 2 (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>65</td> <td>75</td> </tr> <tr> <td>FY 13</td> <td>66</td> <td>75</td> </tr> <tr> <td>FY 14</td> <td>66</td> <td>75</td> </tr> <tr> <td>FY 15 Est</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 16 Goal</td> <td>-</td> <td>-</td> </tr> <tr> <td>LT Goal</td> <td>66</td> <td>-</td> </tr> </tbody> </table>	Year	Comp 1 (%)	Comp 2 (%)	FY 12	65	75	FY 13	66	75	FY 14	66	75	FY 15 Est	-	-	FY 16 Goal	-	-	LT Goal	66	-	<p>In 2013, the Village hired a dedicated Events Coordinator to plan and execute cultural arts events. In 2015, the Village assumed responsibility for the Live After Five music series and other new events (e.g. movie nights) have been added to enhance resident satisfaction with Village sponsored cultural arts events.</p>
Year	Comp 1 (%)	Comp 2 (%)																					
FY 12	65	75																					
FY 13	66	75																					
FY 14	66	75																					
FY 15 Est	-	-																					
FY 16 Goal	-	-																					
LT Goal	66	-																					

**Objective: Provide adequate recreational facilities**

Initiative	Department	New/Ongoing	Timeline
Install lighting at the Wicker Park soccer field	Buildings & Grounds	New	2017
Develop a comprehensive recommendation for a new Community Center Facility	Recreation	Ongoing	2016
Develop Rassie Wicker Park facilities	Recreation	Ongoing	2016-2018
Enhance maintenance of Village buildings and facilities	Buildings & Grounds	New	2016

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																						
<p>Increase resident satisfaction with P&amp;R facilities from 80% to 81%</p>	<table border="1"> <caption>Observed Results – Key Performance Indicators (KPIs) for P&amp;R Facilities</caption> <thead> <tr> <th>Year</th> <th>Comp 1 (%)</th> <th>Comp 2 (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>72</td> <td>82</td> </tr> <tr> <td>FY 13</td> <td>72</td> <td>82</td> </tr> <tr> <td>FY 14</td> <td>72</td> <td>82</td> </tr> <tr> <td>FY 15 Est</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 16 Goal</td> <td>-</td> <td>-</td> </tr> <tr> <td>LT Goal</td> <td>81</td> <td>-</td> </tr> </tbody> </table>	Year	Comp 1 (%)	Comp 2 (%)	FY 12	72	82	FY 13	72	82	FY 14	72	82	FY 15 Est	-	-	FY 16 Goal	-	-	LT Goal	81	-	<p>With satisfaction levels below 80% for the past three Community Surveys, the Village leased indoor space in FY 2015 to help improve resident satisfaction.</p>
Year	Comp 1 (%)	Comp 2 (%)																					
FY 12	72	82																					
FY 13	72	82																					
FY 14	72	82																					
FY 15 Est	-	-																					
FY 16 Goal	-	-																					
LT Goal	81	-																					



**Goal: Professionally Manage a High Performing Organization**

To professionally manage a high performing organization means to continually improve service delivery to internal and external customers. There are five objectives under Professionally Manage a High Performing Organization:

1. Provide a high level of customer service,
2. Effectively communicate with customers in a timely and consistent manner,
3. Leverage technology to enhance Village operations,
4. Continually improve the effectiveness and efficiency of key processes, and
5. Generate collaborative solutions.

ALL departments are responsible for this goal, with ultimate responsibility falling to Administration and the Governing Body. Applicable volunteers include the Risk Management Committee. See the *General Fund* section of this document for additional information on the departments.

**Objective: Provide a high level of customer service**

There are no initiatives aimed at this objective.

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																																					
<p>Increase the % of residents satisfied with customer service provided by Village employees from 84% to 85%</p>	<table border="1"> <caption>Customer Service Satisfaction KPI Data (Estimated)</caption> <thead> <tr> <th>Year</th> <th>Village %</th> <th>Southeast Avg</th> <th>US Avg</th> <th>Comp 1</th> <th>Comp 2</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>84%</td> <td>60%</td> <td>55%</td> <td>75%</td> <td>70%</td> </tr> <tr> <td>FY 13</td> <td>84%</td> <td>60%</td> <td>55%</td> <td>75%</td> <td>70%</td> </tr> <tr> <td>FY 14</td> <td>84%</td> <td>60%</td> <td>55%</td> <td>75%</td> <td>70%</td> </tr> <tr> <td>FY 15 Est</td> <td>84%</td> <td>60%</td> <td>55%</td> <td>75%</td> <td>70%</td> </tr> <tr> <td>FY 16 Goal</td> <td>85%</td> <td>60%</td> <td>55%</td> <td>75%</td> <td>70%</td> </tr> </tbody> </table>	Year	Village %	Southeast Avg	US Avg	Comp 1	Comp 2	FY 12	84%	60%	55%	75%	70%	FY 13	84%	60%	55%	75%	70%	FY 14	84%	60%	55%	75%	70%	FY 15 Est	84%	60%	55%	75%	70%	FY 16 Goal	85%	60%	55%	75%	70%	<p>While the Village has consistently exceeded the Southeast, US, and comparable community satisfaction levels with customer service, staff continues to strive to provide even greater customer service.</p>
Year	Village %	Southeast Avg	US Avg	Comp 1	Comp 2																																	
FY 12	84%	60%	55%	75%	70%																																	
FY 13	84%	60%	55%	75%	70%																																	
FY 14	84%	60%	55%	75%	70%																																	
FY 15 Est	84%	60%	55%	75%	70%																																	
FY 16 Goal	85%	60%	55%	75%	70%																																	

**Objective: Effectively communicate with customers in a timely and consistent manner**

Initiative	Department	New/Ongoing	Timeline
Communicate performance dashboard information to the public through the website (ACE)	Administration	New	2018



FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																															
<p>Increase the % of residents satisfied with Village communications from 88% to 90%</p>	<table border="1"> <caption>Resident Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Bar Value (%)</th> <th>Southeast Avg (%)</th> <th>US Avg (%)</th> <th>Comp 1 (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>78</td> <td>48</td> <td>48</td> <td>78</td> </tr> <tr> <td>FY 13</td> <td>78</td> <td>48</td> <td>48</td> <td>78</td> </tr> <tr> <td>FY 14</td> <td>88</td> <td>60</td> <td>58</td> <td>78</td> </tr> <tr> <td>FY 15 Est</td> <td>88</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 16 Goal</td> <td>90</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Year	Bar Value (%)	Southeast Avg (%)	US Avg (%)	Comp 1 (%)	FY 12	78	48	48	78	FY 13	78	48	48	78	FY 14	88	60	58	78	FY 15 Est	88	-	-	-	FY 16 Goal	90	-	-	-	<p>The Village has had several initiatives to improve communication with residents through its quarterly newsletter, e-News, and social media in recent years. As a result, the Village improved resident satisfaction levels with communication from 78% to 88% in FY 2014, <b>setting a national high benchmark</b> for the overall effectiveness of Village communications.</p>
Year	Bar Value (%)	Southeast Avg (%)	US Avg (%)	Comp 1 (%)																												
FY 12	78	48	48	78																												
FY 13	78	48	48	78																												
FY 14	88	60	58	78																												
FY 15 Est	88	-	-	-																												
FY 16 Goal	90	-	-	-																												

**Objective: Leverage technology to enhance Village operations**

Initiative	Department	New/Ongoing	Timeline
Develop a mobile app for historic walking tour of the Village	Planning	New	2017
Implement permitting, code enforcement and inspection software	Planning	New	2017
Automate the building inspection process	Inspections	New	2017
Increase capability to secure and monitor the Village network for legal compliance	Information Technology	Ongoing	2016

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																															
<p>Maintain full time equivalents per million \$ of revenue of 8.0</p>	<table border="1"> <caption>Full-time Equivalents per Million \$ of Revenue Data</caption> <thead> <tr> <th>Year</th> <th>Bar Value</th> <th>Comp 1</th> <th>Comp 2</th> <th>Comp 3</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>8.0</td> <td>10.0</td> <td>5.5</td> <td>14.5</td> </tr> <tr> <td>FY 13</td> <td>8.0</td> <td>10.0</td> <td>5.5</td> <td>12.0</td> </tr> <tr> <td>FY 14</td> <td>8.0</td> <td>10.0</td> <td>5.5</td> <td>11.5</td> </tr> <tr> <td>FY 15 Est</td> <td>8.0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY 16 Goal</td> <td>8.0</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Year	Bar Value	Comp 1	Comp 2	Comp 3	FY 12	8.0	10.0	5.5	14.5	FY 13	8.0	10.0	5.5	12.0	FY 14	8.0	10.0	5.5	11.5	FY 15 Est	8.0	-	-	-	FY 16 Goal	8.0	-	-	-	<p>One of the Village’s strategic advantages is a commitment to maximize the use of technology. Staff uses technology to improve the efficiency of processes and minimize staff needed to provide services, when possible.</p>
Year	Bar Value	Comp 1	Comp 2	Comp 3																												
FY 12	8.0	10.0	5.5	14.5																												
FY 13	8.0	10.0	5.5	12.0																												
FY 14	8.0	10.0	5.5	11.5																												
FY 15 Est	8.0	-	-	-																												
FY 16 Goal	8.0	-	-	-																												





**Objective: Continually improve the effectiveness and efficiency of key processes**

Initiative	Department	New/ Ongoing	Timeline
Streamline P&Z permits and applications (ACE)	Planning	New	2017
Continue to utilize the Baldrige excellence framework to improve organizational performance	Administration	Ongoing	2016-2020
Develop an organization wide complaint management process -VOP 311 (BIRDIE)	Administration	New	2016
Develop a mechanism to share best practices between departments and evaluate the effectiveness (ACE)	Administration	New	2016
Review key Village processes annually for opportunities for improvement	Administration	Ongoing	2016
Develop a method to evaluate the effectiveness of the Village Council (ACE)	Governing Body	New	2016

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)
Implement at least 8 process improvements using the BIRDIE or ACE process	<p>In FY 2013, the Village began using systematic methodologies for process improvements and plans to conduct at least 8 process improvement evaluations annually.</p>



**Objective: Generate collaborative solutions**

Initiative	Department	New/Ongoing	Timeline
Collaborate with the Given Memorial Library to provide public library services	Library	Ongoing	2016-2020

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)										
Complete at least 20 new collaborative initiatives	<table border="1"> <caption>Observed Results – Key Performance Indicators (KPIs)</caption> <thead> <tr> <th>Year/Goal</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY 14</td> <td>14</td> </tr> <tr> <td>FY 15 Est</td> <td>20</td> </tr> <tr> <td>FY 16 Goal</td> <td>20</td> </tr> <tr> <td>LT Goal</td> <td>20</td> </tr> </tbody> </table> <p>One of the Village’s strategic advantages is internal and external collaborative relationships, which the Village routinely leverages to provide quality services.</p>	Year/Goal	Value	FY 14	14	FY 15 Est	20	FY 16 Goal	20	LT Goal	20
Year/Goal	Value										
FY 14	14										
FY 15 Est	20										
FY 16 Goal	20										
LT Goal	20										



*Given Memorial Library*




## Goal: Recruit and Develop a Skilled and Diverse Workforce

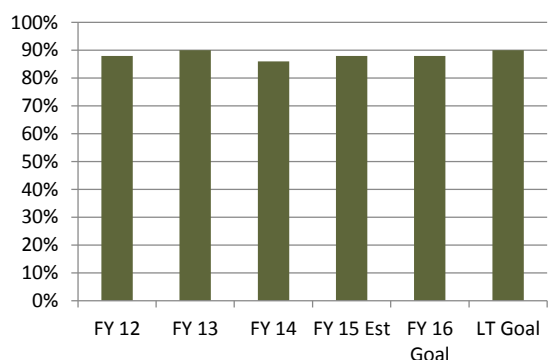
To recruit and develop a skilled and diverse workforce means to select, retain, and develop a qualified and diverse workforce of employees and volunteers. There are four objectives under Recruit and Develop a Skilled and Diverse Workforce:

1. Recruit, train, engage, and reward volunteers,
2. Reward and recognize employees,
3. Ensure adequate succession planning, and
4. Train, develop, and engage employees.

ALL departments are responsible for this goal, with ultimate responsibility falling to Human Resources. See the *General Fund* section of this document for additional information on the departments.

### Objective: Recruit, train, engage, and reward volunteers

Initiative	Department	New/Ongoing	Timeline
Evaluate alternatives to utilizing additional volunteers	Human Resources	New	2018
Develop a citizen's academy (ACE)	Administration	New	2019
Develop effective volunteer training programs (ACE)	Governing Body	New	2017

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)
Maintain volunteer satisfaction with the volunteer experience at 88%	 <p>The Village has numerous volunteers and has several initiatives aimed at enhancing the volunteer experience over the past few years, helping to achieve high volunteer satisfaction ratings.</p>



**Objective: Reward and recognize employees**

Initiative	New/Ongoing	Timeline
Implement a reward and recognition program (ACE)	New	2016-2017
Develop an incentive program (ACE)	New	2017-2018

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)
Increase the % of employees who agree they are recognized and rewarded for a job well done from 70% to 72%	<p>The Village has seen a considerable decline in employee satisfaction levels with reward and recognition. To address this, the FY 2016 budget increases the maximum merit raise from 2% to 3% and there are two initiatives aimed at enhancing the Village’s reward and recognition program over the next two years.</p>

**Objective: Ensure adequate succession planning**

Initiative	New/Ongoing	Timeline
Develop and implement succession planning for key positions (ACE)	New	2017

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)
Fill at least 30% of vacancies with internal candidates	<p>This KPI demonstrates the Village’s ability to develop talent within the organization by equipping them for advancement.</p>



## Objective: Train, develop, and engage employees

Initiative	New/Ongoing	Timeline
Review and revise the in-house TOPS training program (ACE)	New	2016

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)
Increase the % of employees who are satisfied with their job from 88% to 90%	<p>While Village employee satisfaction ratings are above the national SHRM averages, the Village strives to return to 90% satisfaction levels seen in FY 2012 and 2013.</p>
Maintain an employee turnover rate below 10%	<p>The Village's turnover rate declined in FY 2014, but is expected to rise again due to several retirements, which the Village has identified as a strategic challenge. There are several initiatives aimed at maintaining a low turnover rate in the FY 2016-2020 SOP.</p>



## Goal: Maintain a Strong Financial Condition

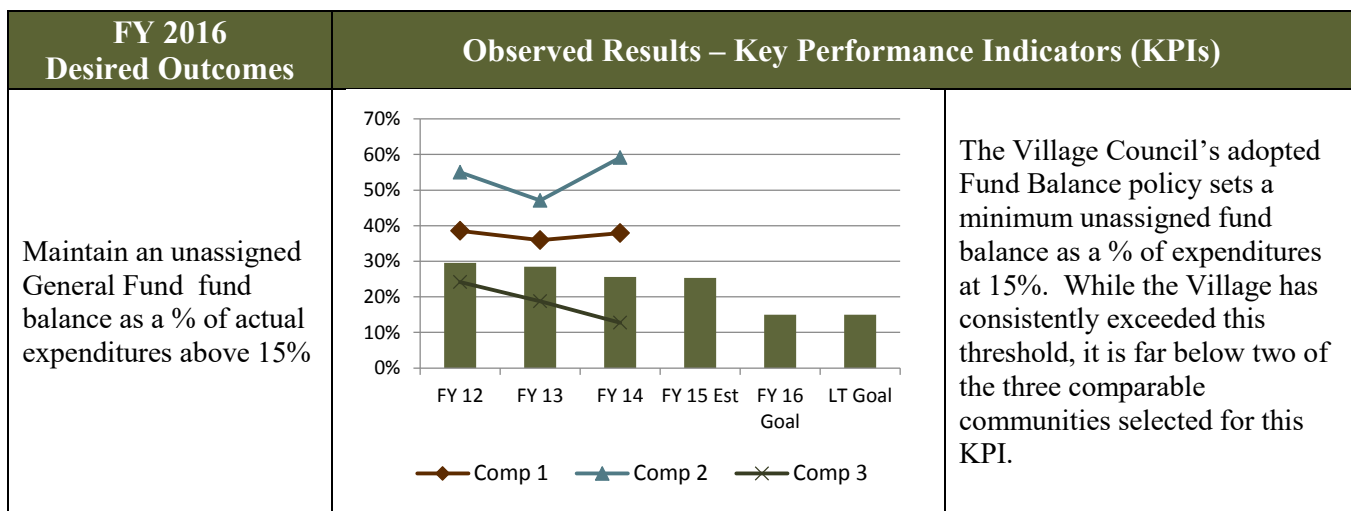
To maintain a strong financial condition means to ensure financial sustainability and strength by achieving financial targets and maintaining capital assets. There are three objectives under Maintain a Strong Financial Condition:

1. Meet or exceed Village established financial targets,
2. Maintain a tax rate commensurate with the community's desired level of services, and
3. Effectively maintain capital assets.

ALL departments are responsible for this goal, with ultimate responsibility falling to Financial Services and Administration. See the *General Fund* section of this document for additional information on the departments.

### Objective: Meet or exceed Village established financial targets

Initiative	Department	New/Ongoing	Timeline
Evaluate alternative revenue sources for the Village	Financial Services	New	2016
Implement a Village-wide cost containment program	Financial Services	New	2017
Implement the recommendations from the evaluation of the sale of Village owned land	Governing Body	New	2016
Implement BIRDIE Team recommendations to ensure the financial sustainability of the Harness Track	Harness Track	New	2016
Market and promote the weekday corporate package to maximize use of the Fair Barn	Fair Barn	Ongoing	2016-2020





FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																																				
<p>Maintain operating expenditures as a % of operating revenues at or below 89%</p>	<table border="1"> <caption>Operating Expenditures as a % of Operating Revenues</caption> <thead> <tr> <th>Year</th> <th>Comp 1</th> <th>Comp 2</th> <th>Comp 3</th> <th>Goal</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>~90%</td> <td>~75%</td> <td>~85%</td> <td>89%</td> </tr> <tr> <td>FY 13</td> <td>~90%</td> <td>~85%</td> <td>~80%</td> <td>89%</td> </tr> <tr> <td>FY 14</td> <td>~90%</td> <td>~75%</td> <td>~65%</td> <td>89%</td> </tr> <tr> <td>FY 15 Est</td> <td>-</td> <td>-</td> <td>-</td> <td>89%</td> </tr> <tr> <td>FY 16</td> <td>-</td> <td>-</td> <td>-</td> <td>89%</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>-</td> <td>-</td> <td>89%</td> </tr> </tbody> </table>	Year	Comp 1	Comp 2	Comp 3	Goal	FY 12	~90%	~75%	~85%	89%	FY 13	~90%	~85%	~80%	89%	FY 14	~90%	~75%	~65%	89%	FY 15 Est	-	-	-	89%	FY 16	-	-	-	89%	LT Goal	-	-	-	89%	<p>To ensure sufficient capacity for capital replacements and/or expansions, the Village strives to maintain operating expenditures below 89% of operating revenues. The FY 2016 budget plans to maintain that same ratio of operating expenditures, which is similar to one of the three comparable communities.</p>
Year	Comp 1	Comp 2	Comp 3	Goal																																	
FY 12	~90%	~75%	~85%	89%																																	
FY 13	~90%	~85%	~80%	89%																																	
FY 14	~90%	~75%	~65%	89%																																	
FY 15 Est	-	-	-	89%																																	
FY 16	-	-	-	89%																																	
LT Goal	-	-	-	89%																																	

**Objective: Maintain a tax rate commensurate with the community's desired level of services**

There are no initiatives aimed at this objective.

FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																																				
<p>Maintain the % of residents satisfied with the value received for taxes paid at 70%</p>	<table border="1"> <caption>Percentage of Residents Satisfied with Value Received for Taxes Paid</caption> <thead> <tr> <th>Year</th> <th>Comp 1</th> <th>Comp 2</th> <th>Comp 3</th> <th>Goal</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>~55%</td> <td>~75%</td> <td>~70%</td> <td>70%</td> </tr> <tr> <td>FY 13</td> <td>~48%</td> <td>~75%</td> <td>~75%</td> <td>70%</td> </tr> <tr> <td>FY 14</td> <td>~48%</td> <td>~75%</td> <td>~75%</td> <td>70%</td> </tr> <tr> <td>FY 15 Est</td> <td>-</td> <td>-</td> <td>-</td> <td>70%</td> </tr> <tr> <td>FY 16</td> <td>-</td> <td>-</td> <td>-</td> <td>70%</td> </tr> <tr> <td>LT Goal</td> <td>-</td> <td>-</td> <td>-</td> <td>70%</td> </tr> </tbody> </table>	Year	Comp 1	Comp 2	Comp 3	Goal	FY 12	~55%	~75%	~70%	70%	FY 13	~48%	~75%	~75%	70%	FY 14	~48%	~75%	~75%	70%	FY 15 Est	-	-	-	70%	FY 16	-	-	-	70%	LT Goal	-	-	-	70%	<p>Two of the three comparable communities have higher resident satisfaction levels with the value received for taxes paid. With no initiatives aimed at improving residents' perception of value, the Village plans to maintain current satisfaction levels.</p>
Year	Comp 1	Comp 2	Comp 3	Goal																																	
FY 12	~55%	~75%	~70%	70%																																	
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FY 16	-	-	-	70%																																	
LT Goal	-	-	-	70%																																	

**Objective: Effectively maintain capital assets**

Initiative	Department	New/Ongoing	Timeline
Replace vehicles and equipment in accordance with the Council-adopted vehicle replacement schedule	Fleet Maintenance	Ongoing	2016-2020



FY 2016 Desired Outcomes	Observed Results – Key Performance Indicators (KPIs)																													
<p>Maintain a capital asset condition ratio of 50% or above</p>	<table border="1"> <caption>Observed Results – Key Performance Indicators (KPIs)</caption> <thead> <tr> <th>Year</th> <th>Comp 1 (%)</th> <th>Comp 2 (%)</th> <th>Comp 3 (%)</th> </tr> </thead> <tbody> <tr> <td>FY 12</td> <td>58</td> <td>78</td> <td>65</td> </tr> <tr> <td>FY 13</td> <td>55</td> <td>72</td> <td>68</td> </tr> <tr> <td>FY 14</td> <td>52</td> <td>70</td> <td>70</td> </tr> <tr> <td>FY 15 Est</td> <td>50</td> <td>50</td> <td>50</td> </tr> <tr> <td>FY 16 Goal</td> <td>50</td> <td>50</td> <td>50</td> </tr> <tr> <td>LT Goal</td> <td>50</td> <td>50</td> <td>50</td> </tr> </tbody> </table>	Year	Comp 1 (%)	Comp 2 (%)	Comp 3 (%)	FY 12	58	78	65	FY 13	55	72	68	FY 14	52	70	70	FY 15 Est	50	50	50	FY 16 Goal	50	50	50	LT Goal	50	50	50	<p>The capital asset condition ratio is an indication of the level of investment in capital and represents the remaining life of the Village’s depreciable capital assets. Comparable communities have less depreciated assets than the Village.</p>
Year	Comp 1 (%)	Comp 2 (%)	Comp 3 (%)																											
FY 12	58	78	65																											
FY 13	55	72	68																											
FY 14	52	70	70																											
FY 15 Est	50	50	50																											
FY 16 Goal	50	50	50																											
LT Goal	50	50	50																											

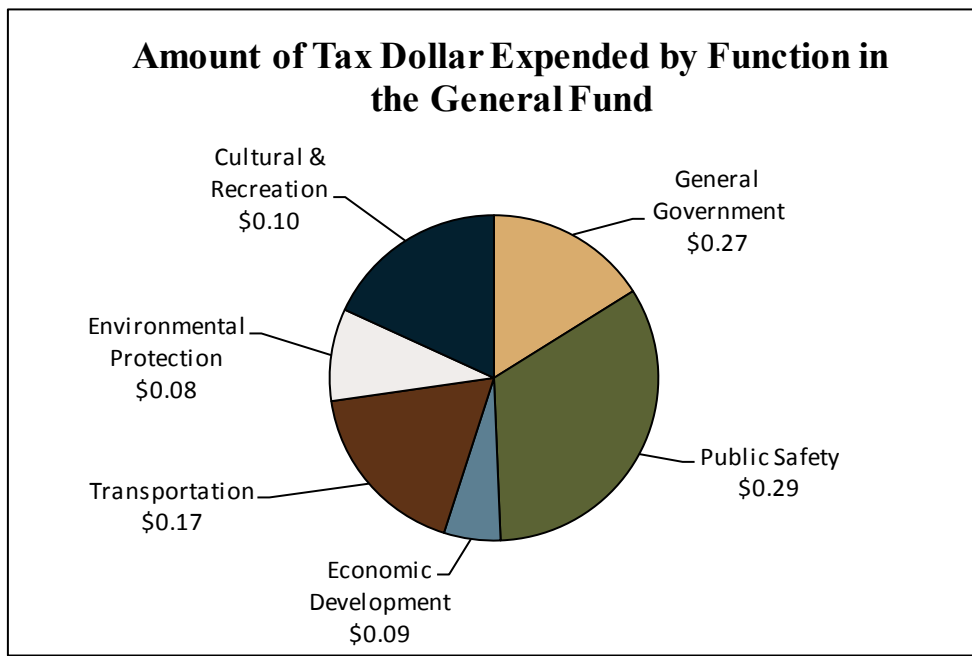




## Description

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
- ❖ Debt Service

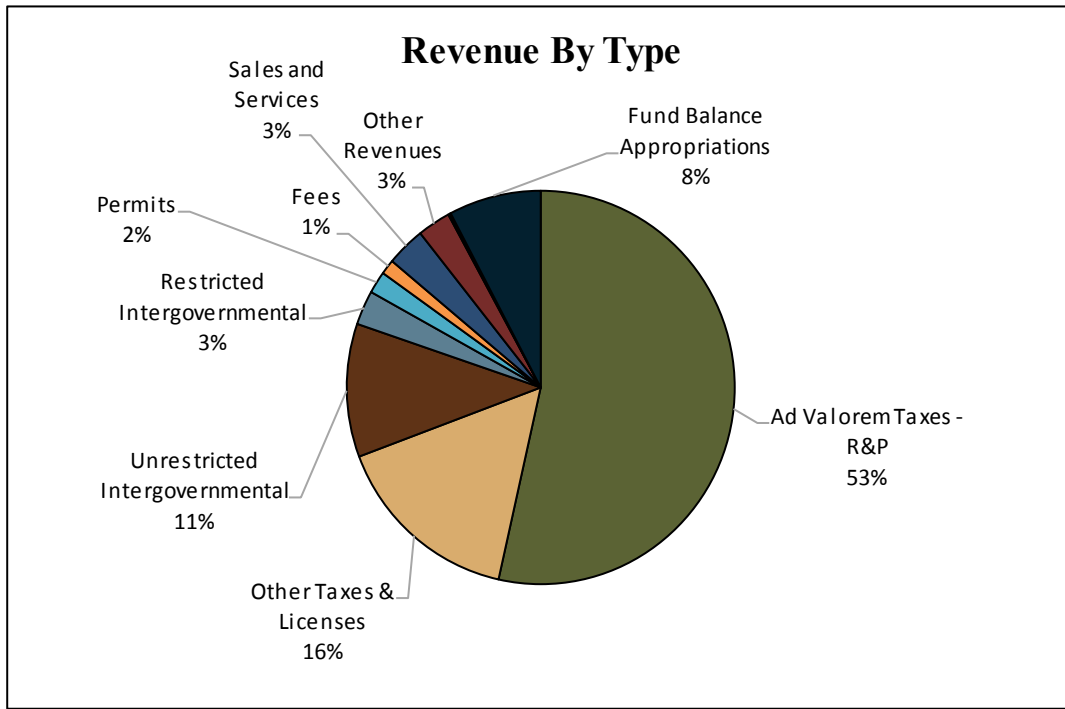




## General Fund Summary

The major revenues as well as other financing sources budgeted by the Village of Pinehurst are summarized in the table and chart below. Ad Valorem Taxes and Other Taxes & Licenses, which includes Local Option Sales Tax, account for approximately 69% of the Village of Pinehurst's total revenues.

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Ad Valorem Taxes	\$ 9,771,682	\$ 9,767,000	\$ 9,767,000	\$ 9,573,000	-2.0%
Other Taxes & Licenses	2,601,561	2,800,700	2,746,125	2,826,000	0.9%
Unrestricted Intergovernmental Rev.	1,672,372	1,728,900	1,915,880	1,959,900	13.4%
Restricted Intergovernmental Rev.	502,679	549,985	551,935	505,450	-8.1%
Permits & Fees	1,252,453	557,750	560,300	544,300	-2.4%
Sales & Services	564,975	552,500	552,500	579,000	4.8%
Assessments	11,791	31,110	20,125	29,075	-6.5%
Other Revenues	508,097	198,586	202,642	492,680	148.1%
Investment Income	10,642	14,100	10,070	10,200	-27.7%
<b>Revenues</b>	<b>16,896,252</b>	<b>16,200,631</b>	<b>16,326,577</b>	<b>16,519,605</b>	<b>2.0%</b>
Other Financing Sources	557,933	2,898	2,897	-	-100.0%
Fund Balance Appropriations	-	1,888,430	-	1,375,639	-27.2%
<b>Total Revenues</b>	<b>\$ 17,454,185</b>	<b>\$ 18,091,959</b>	<b>\$ 16,329,474</b>	<b>\$ 17,895,244</b>	<b>-1.1%</b>
<b>Per Capita</b>	<b>\$ 1,152</b>	<b>\$ 1,165</b>	<b>\$ 1,052</b>	<b>\$ 1,138</b>	

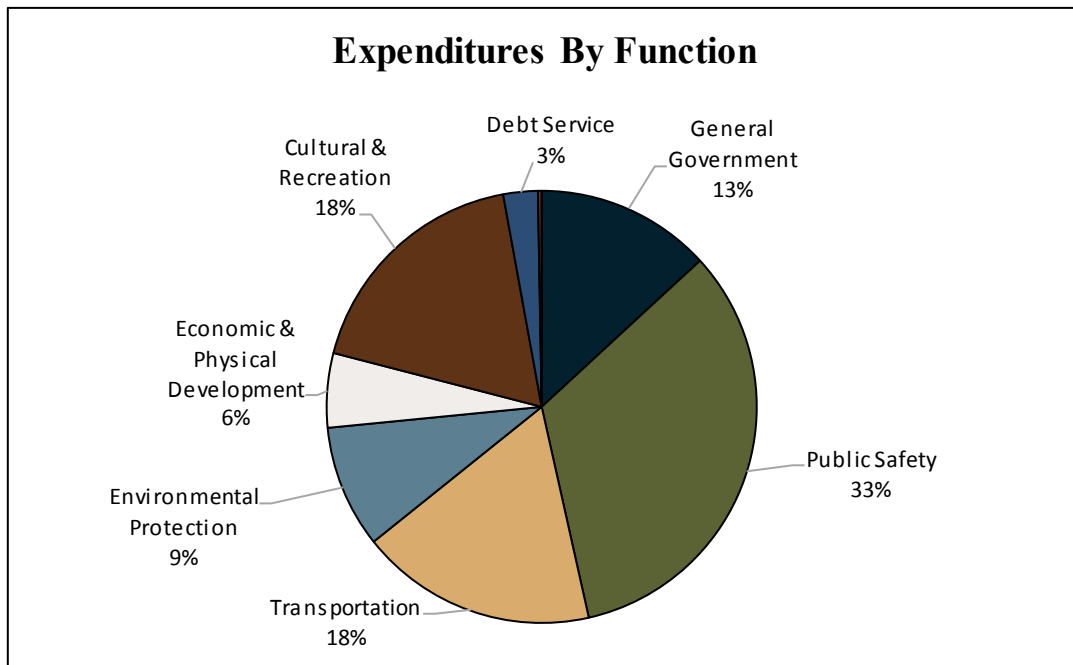




## General Fund Summary

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 table and chart present the trends for all of the Village of Pinehurst's different functions.

Expenditures by Function	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
General Government	\$ 2,196,932	\$ 2,429,330	\$ 2,369,660	\$ 2,357,545	-3.0%
Public Safety	5,856,008	5,938,437	5,844,060	5,960,605	0.4%
Transportation	2,792,152	2,992,085	2,853,268	3,183,975	6.4%
Environmental Protection	1,456,374	1,686,675	1,642,225	1,641,980	-2.6%
Economic & Physical Dev	1,409,024	1,543,880	1,440,693	995,855	-35.5%
Cultural & Recreation	2,694,672	2,912,027	2,588,724	3,240,980	11.3%
Debt Service	461,927	494,525	494,525	464,304	-6.1%
Contingency	-	95,000	-	50,000	-47.4%
<b>Total Expenditures</b>	<b>\$ 16,867,089</b>	<b>\$ 18,091,959</b>	<b>\$ 17,233,155</b>	<b>\$ 17,895,244</b>	<b>-1.1%</b>





## General Fund Summary

The Village also summarizes expenditures by type and department to facilitate further analysis of expenditure trends. The following tables provide a summary of expenditures by Expenditure Type and Department for Fiscal Year 2016.

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 8,732,504	\$ 9,154,070	\$ 8,858,266	\$ 9,320,435	1.8%
Operating	5,551,904	6,331,031	5,798,324	5,760,905	-9.0%
Capital	2,120,754	2,112,333	2,082,040	2,349,600	11.2%
Debt Service	461,927	494,525	494,525	464,304	-6.1%
<b>Total Expenditures</b>	<b>\$ 16,867,089</b>	<b>\$ 18,091,959</b>	<b>\$ 17,233,155</b>	<b>\$ 17,895,244</b>	<b>-1.1%</b>

Expenditures by Department	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Governing Body	\$ 189,982	\$ 233,000	\$ 204,495	\$ 224,500	-3.6%
Administration	1,113,832	1,205,180	1,198,480	1,120,075	-7.1%
Finance	563,129	611,190	610,570	608,830	-0.4%
HR	329,989	379,960	356,115	404,140	6.4%
Police	2,668,063	2,940,228	2,952,420	2,921,030	-0.7%
Fire	2,975,822	2,769,874	2,671,489	2,782,535	0.5%
Planning	604,498	673,105	615,693	703,815	4.6%
Inspections	212,123	228,335	220,151	257,040	12.6%
Public Services Admin.	345,916	467,715	428,416	835,745	78.7%
Streets & Grounds	1,656,001	1,736,070	1,648,552	1,548,230	-10.8%
Powell Bill	790,235	788,300	776,300	800,000	1.5%
Community Development	804,526	870,775	825,000	292,040	-66.5%
Solid Waste	1,456,374	1,686,675	1,642,225	1,641,980	-2.6%
Recreation	1,571,262	1,468,966	1,269,623	1,973,445	34.3%
Library	360,000	380,000	380,000	200,000	-47.4%
Harness Track	535,826	686,197	631,651	700,250	2.0%
Fair Barn	227,584	376,864	307,450	367,285	-2.5%
Contingency	-	95,000	-	50,000	-47.4%
Debt Service	461,927	494,525	494,525	464,304	-6.1%
<b>Total Expenditures</b>	<b>\$ 16,867,089</b>	<b>\$ 18,091,959</b>	<b>\$ 17,233,155</b>	<b>\$ 17,895,244</b>	<b>-1.1%</b>
<b>Per Capita</b>	<b>\$ 1,113</b>	<b>\$ 1,165</b>	<b>\$ 1,110</b>	<b>\$ 1,138</b>	<b>-2.4%</b>



## 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 having a positive impact on new home construction and this budget reflects moderate growth in Property Tax and Local Option Sales Tax revenues. There is also a significant increase in Electricity Sales Tax due to a favorable change in the distribution method.

The proposed General Fund budget for FY 2015-2016 is \$17,895,244, a decrease of approximately 1.1% from the previous year’s budget. The primary reason for the \$196,715 decrease in the budget is the deferral of a \$200,000 commitment to the Given Memorial Library for a future capital expansion project. The \$200,000 will be paid in \$100,000 increments in FY 2017 and FY 2018.

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>
6/30/11 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 Actual	16,654,796	16,867,090	(212,294)
6/30/15 Estimated	16,329,474	17,233,155	(903,681)
6/30/16 Budgeted	16,519,605	17,895,244	(1,375,639)

After adding Appropriated Fund Balance of \$1,375,639 to revenues, the Village’s FY 2015-2016 Recommended Budget is balanced in accordance with North Carolina General Statutes.

## Revenue Highlights

The approved budget for FY 2015-2016 represents a 1.1% decrease from the FY 2014-2015 amended budget. Revenues are estimated to increase by approximately 2.0% over FY 2014-2015. Property revaluation by the Moore County Tax Department resulted in an estimated 5.15% decrease in property values. As a result, the FY 2015-2016 Budget recommends increasing the ad valorem tax rate to a rate of \$0.29 per \$100 valuation, up from the current rate of \$0.28. This rate, although lower than the revenue neutral rate of \$0.30, is expected to generate \$9,573,000 in ad valorem tax revenues. Ad Valorem taxes, which represent roughly 53% of total revenues, are estimated to decrease by approximately 2.0% due to the effects of the revaluation, offset by normal growth.

Unrestricted Intergovernmental Revenues which are distributed by the North Carolina Department of Revenue based on population, are expected to increase significantly. The formula for distribution of Electricity Sales Tax was changed and the Village is seeing favorable results in this revenue source. We are expecting to see an increase of approximately \$230,000 or 13.4% over the FY 2014-2015 budget.



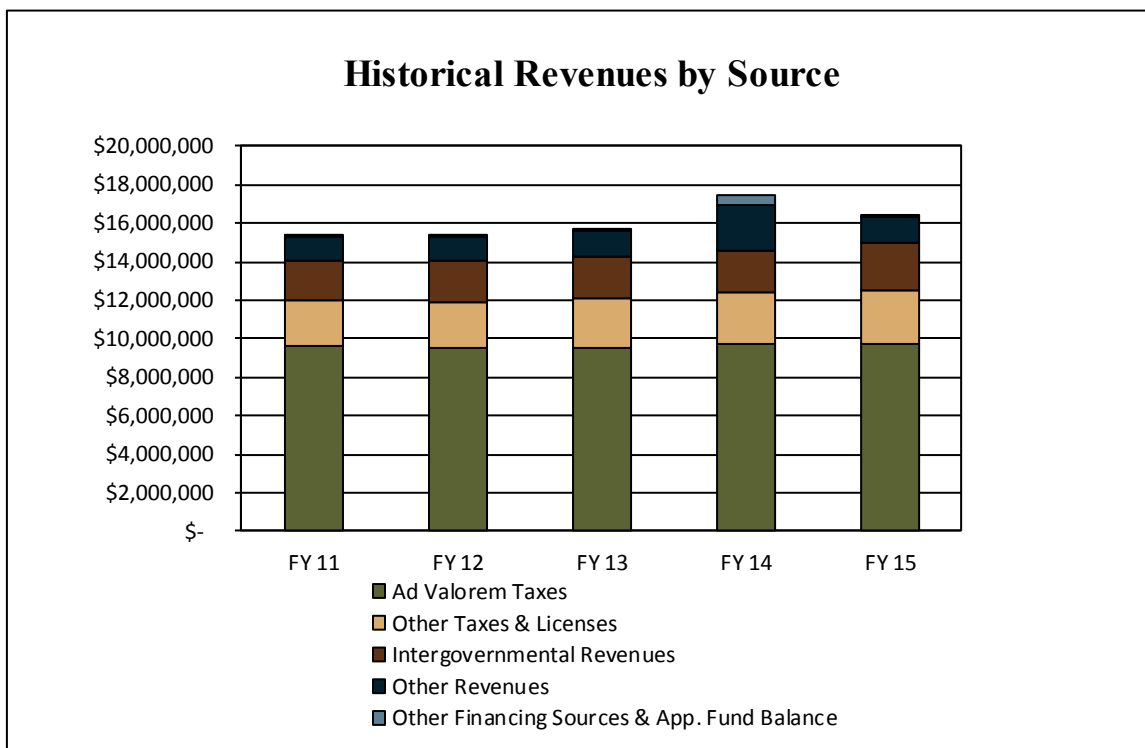
## Revenue Highlights

The Village of Pinehurst hosted 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 decreased by \$700,000 in FY 2014-2015 due to compensation received from the USGA for services and use of facilities during the Championships.

Assessments are expected to decrease as the annual installment is paid for repairs made to improve dams in FY 2006-2007 in the Municipal Service District (MSD). The FY 2014-2015 and FY 2015-2016 budgets reflect an assessment of \$18,700 to the Cotswold of Pinehurst property owners for a stormwater project. The Village expects this project to be completed in FY2014-2015 and the property owners assessed in FY 2015-2016.

Other Revenues reflect \$300,000 for the sale of land purchased for a new Public Services complex. Council has decided to sell the land and make improvements at the existing location instead. The Village also sold a vacant fire station for \$220,000 in FY 2013-2014.

Interest rates for the upcoming year are expected to remain low and the funds available to invest will decrease in FY 2016 causing investment income to decrease 27.7%. The low investment rates are due to the interest rates available in the market on both short and long term investments.



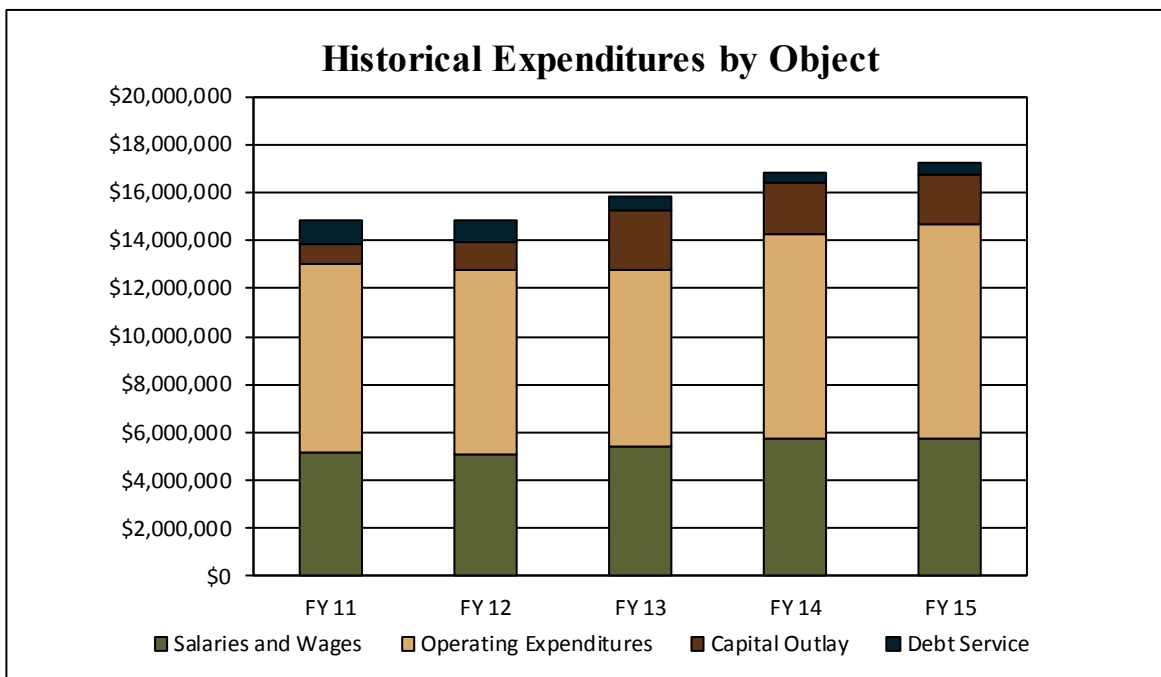


## Expenditure Highlights

Salaries & Benefits are expected to increase by 1.8% in FY 2015-2016. This is the result of an average merit increase for employees of 0%-3% and a projected 10% increase in group insurance. These increases are offset by a slight decrease in the state-mandated employer retirement contributions and a 13.3% reduction in workers' compensation premiums.

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). The 9.0% decrease in operating expenditures reflects the completion of initiatives and their associated expenditures in FY 2014-2015. This includes implementing a single-day collection system for solid waste, recycling and yard debris; completing a pedestrian and bicycle master plans; and deferring the funding for a future library expansion project. Current year Operating Expenditures include funding for other strategic initiatives supporting the Council's goals and objectives as listed in the *Strategic Priorities* section of this document.

Capital spending in the General Fund increased by 11.2% primarily due to the inclusion of capital appropriations of \$400,000 for the redevelopment of the Public Services complex. Fiscal Year 2016 also includes \$280,000 for a spray ground/splash pad at Rassie Wicker Park, \$200,000 for greenways and sidewalks, \$150,000 for drainage and stormwater projects, and \$91,000 for streetscape improvements on McCaskill Road. There is also \$146,000 for intersection improvements at McKenzie Road, Barrett Road and Hwy 5 to improve traffic safety. The balance of the funding is for routine replacement of capital items.





**Fund Balance**

Fund balance refers to the difference between current financial assets and liabilities reported 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 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.

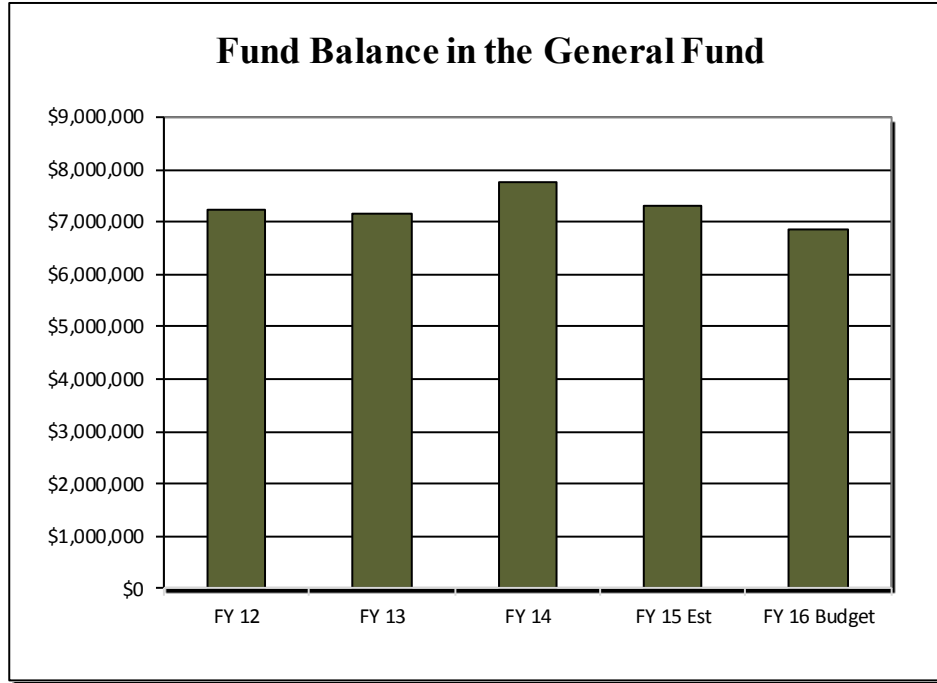
The following schedules outline the percentage increase or decrease for the Village’s fund balance for the FY 2015-2016 budget and three prior fiscal years.

<b>Fund Balance</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Estimated</b>	<b>FY 2015-16 Budgeted</b>
Beginning	\$7,244,455	\$7,161,748	\$7,748,844	\$7,316,871
Ending	7,161,748	7,748,844	7,316,871	6,860,495
Increase/(Decrease)	(82,707)	587,096	(431,973)	(456,376)
% Change	-1.1%	8.2%	-5.6%	-6.2%
% of Expenditures	45.3%	45.9%	40.4%	38.3%

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 2015-2016 we have appropriated \$1,375,639 of the Village’s fund balance as a revenue source. This amount is \$512,791 less than the previous fiscal year due to lower expenditure levels. Significant expenditure reductions are reflected in the Solid Waste, Community Development and the Library departments as follows, respectively: \$105,000 for rolling carts purchased for a new yard debris collection system; \$142,000 for a Bicycle/Pedestrian Master Plan and Village Place study; and the deferral of a \$200,000 commitment for a future capital expansion project.

Fund balance is estimated to be \$7,316,871 at June 30, 2015. This is 40.4% of the budgeted FY 2014-2015 expenditures of \$18,091,959. The Village’s fund balance policy is to maintain 30%-40% of expenditures in fund balance. Fund balance at June 30, 2016 is estimated to be \$6,860,495 or 38.3% of budgeted expenditures. The Village Council plans to reduce fund balance to the mid-point of the policy range of 30-40% over the next two years by adopting a tax rate that is one-cent lower than the revenue neutral tax.







## 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 2015 tax year, or FY 2015-2016.

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 53% of all Village General Fund revenues. This includes current year’s collections, prior year’s collections, penalties and interest, and refunds.

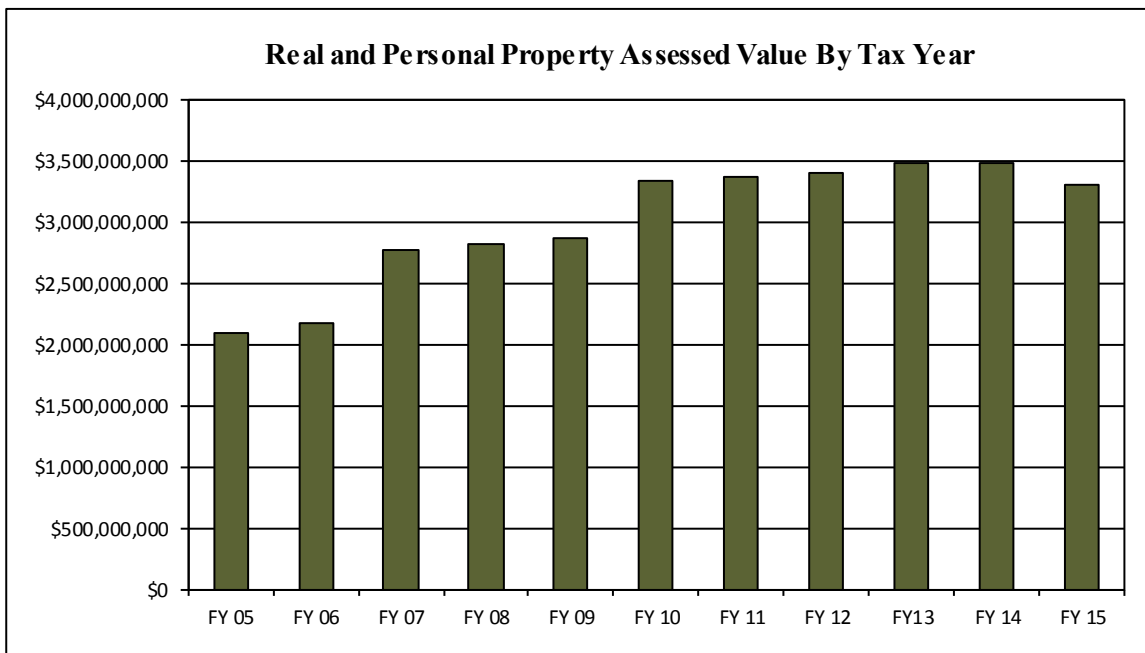
Ad Valorem Taxes	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Real & Personal - Current Year	\$ 9,103,395	\$ 9,224,000	\$ 9,224,000	\$ 9,073,000	-1.6%
Real & Personal - Prior Years	3,097	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	611,920	536,000	536,000	493,000	-8.0%
Motor Vehicles - Prior Years	45,504	2,000	2,000	2,000	0.0%
Discounts/Reliefs/Refunds	(6,604)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	14,370	5,000	5,000	5,000	0.0%
<b>Total Ad Valorem Tax Revenue</b>	<b>\$ 9,771,682</b>	<b>\$ 9,767,000</b>	<b>\$ 9,767,000</b>	<b>\$ 9,573,000</b>	<b>-2.0%</b>

## Revenue Assumptions

- Property revaluation by the Moore County Tax Department resulted in an estimated 5.15% decrease in property values. As a result, the budget reflects an increased tax rate of \$0.29 per \$100 valuation, up from \$0.28. The proposed rate, although one cent lower than the revenue neutral tax rate of \$0.30, is expected to generate \$9,573,000 in ad valorem tax revenue. A revenue neutral rate is achieved by setting a property tax rate that will generate the same revenue as the previous year, plus normal growth. The proposed rate of \$0.29 is estimated to generate \$329,000 less than the revenue neutral tax rate.



- The total estimated valuation of real and personal property is \$3,312,000,000, of which \$3,133,000,000 is real property valuation and \$179,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.
- The growth factor used to estimate the total real property valuation is 1.0%. The number of new homes constructed in the Village increased significantly in Fiscal Year 2013-2014, from 71 to 101, and we are expecting to maintain this level in FY 2015-2016. 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 99.0% 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 were issued annually to license the use of personal golf carts on Village streets. The Village charged a fee of \$5 per cart, per year to license personal golf carts. Starting in FY 2016, golf cart stickers will no longer be issued.

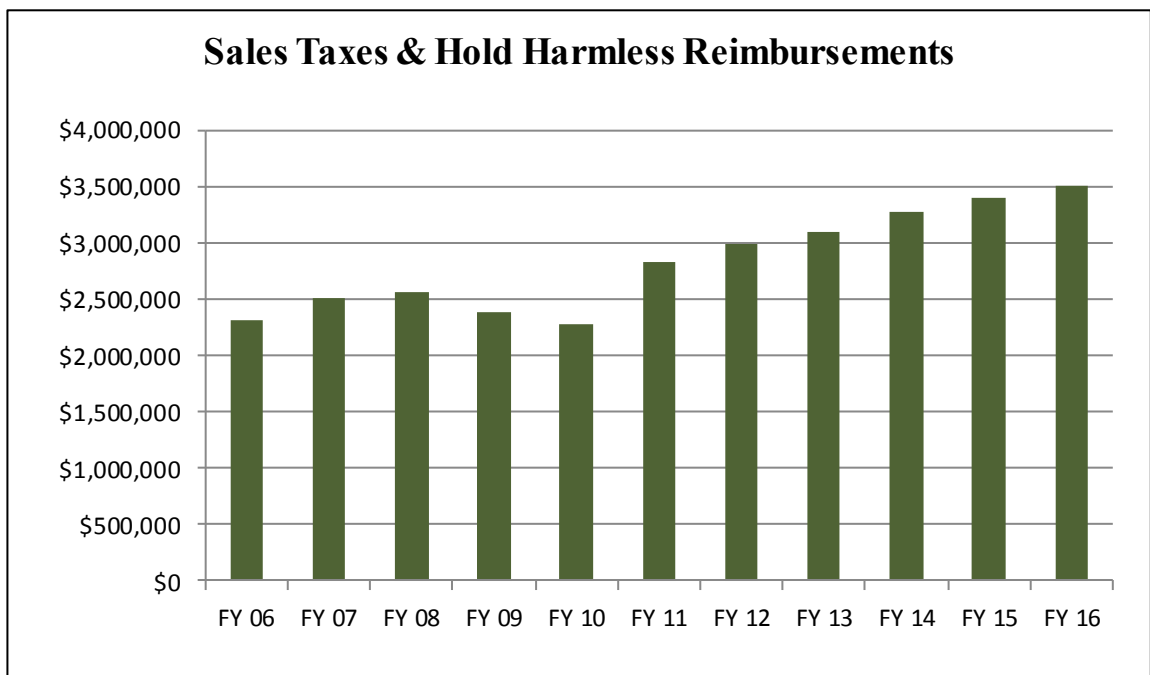
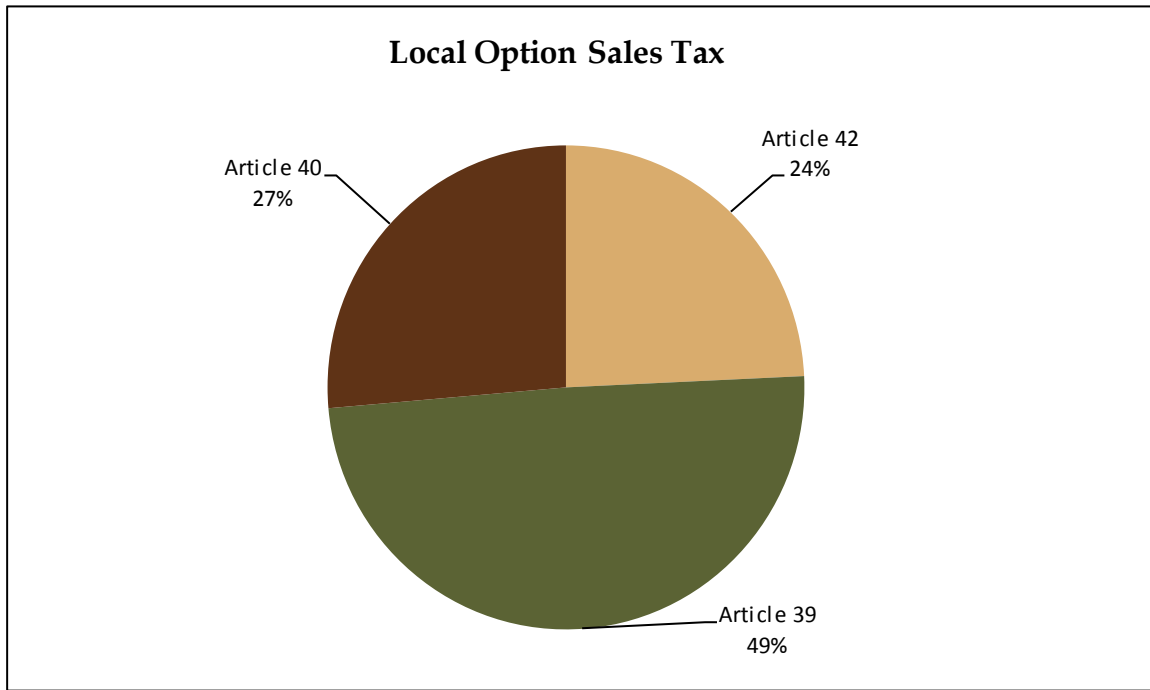
Other Taxes & Licenses	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Local Option Sales Tax	Actual	\$ 2,799,000	\$ 2,744,125	\$ 2,826,000	1.0%
Golf Cart Stickers	2,230	1,700	2,000	-	-100.0%
Total Other Taxes & Licenses	\$ 2,230	\$ 2,800,700	\$ 2,746,125	\$ 2,826,000	0.9%

## 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 were up in FY 2015 primarily due to hosting the U.S. Open Championships in June 2014. In addition, FY 2015 reflects the annexation of Cotswold of Pinehurst. Both of these events will not be repeated in FY 2016, as a result we estimate that local option sales taxes will only increase by approximately 1.0% in FY 2016.
- There is currently a bill in the N.C. Senate that would radically alter the distribution of local option sales taxes in North Carolina. An estimate by the N.C. League of Municipalities has calculated that this change could reduce the Village’s sales tax revenues by \$1.1 million per year if implemented. It is unclear at this time if this bill will pass in its current form or what the final impact will be to the Village. Our sales tax revenue assumptions have not been altered based on this potential action by the N.C. Legislature.



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.

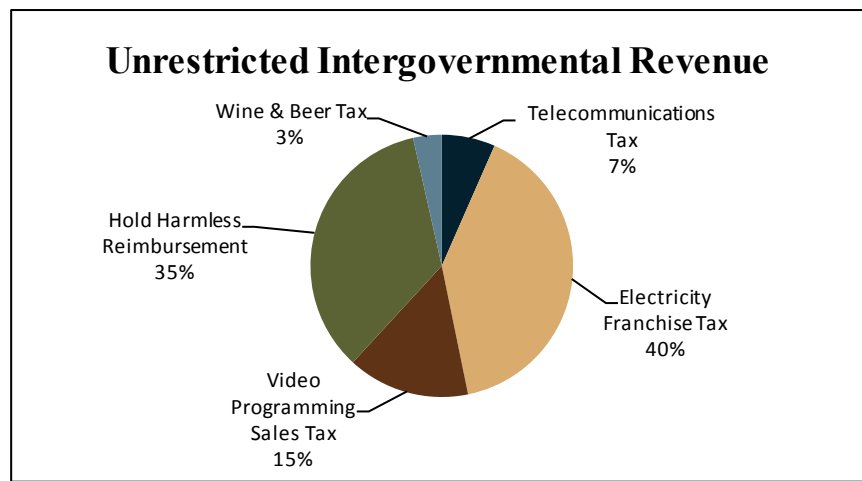
Unrestricted Intergovernmental Revenue	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Telecommunications Tax	\$ 115,413	\$ 115,000	\$ 115,000	\$ 129,000	12.2%
Electricity Franchise Tax	608,170	650,000	765,000	788,000	21.2%
Video Programming Sales Tax	290,050	289,000	289,000	295,000	2.1%
Hold Harmless Reimbursement	592,468	612,000	679,380	679,000	10.9%
Wine & Beer Tax	66,271	62,900	67,500	68,900	9.5%
Total Unrest. Intergovernmental Rev.	\$ 1,672,372	\$ 1,728,900	\$ 1,915,880	\$ 1,959,900	13.4%



## Revenue Assumptions

- Telecommunications Taxes are projected based upon growth assumptions provided by the North Carolina League of Municipalities. The telecommunication industry is continuing to experience a decline in the number of landlines in FY 2015. However, wireless revenue is expected to continue growing and this growth will offset the declines in landline revenue. Therefore, we are estimating a 9% increase in revenue for Telecommunications Taxes in FY 2014-2015 and 0% growth in FY 2015-2016 for a total increase of 12.2% between the FY 2015 and FY 2016 budgets.
- Electricity Franchise Taxes are also projected based upon growth assumptions provided by the North Carolina League of Municipalities. FY 2014-2015 marked the first year of a new distribution method. The distribution formula is written into law and is not scheduled to be revisited. Therefore, future distributions should more closely mirror this year's distributions. Through two distributions, under the new system, electricity sales tax is up 46% from the corresponding quarters in FY 2013-2014. As a result, the estimated Fiscal Year 2014-2015 revenue is 17.7% more than the FY 2014-2015 budget. This, coupled with an estimated 3% increase from the FY 2015 estimated budget, results in a 21.2% increase between the FY 2014-2015 and FY 2015-2016 budgets.
- Thus far, distributions of Video Programming Sales Taxes for FY 2014-2015 are ahead of estimates and the North Carolina League of Municipalities expect that video programming revenues will increase by 1.5% in FY 2014-2015. However industry projections indicate that the competitive trends will continue to depress subscriber revenue. Therefore, we are projecting a 1.0% decrease in this revenue source for FY 2015-2016. As a result, Video Programming Sales Tax will increase by 2.1% between the FY 2014-2015 and FY 2015-2016 budgets.
- Beer and Wine Tax revenues are expected to increase by 9.5% as FY 2014-2015 revenues are projected to increase by 7.3% over budget and fiscal year 2015-16 distributions are expected to increase by approximately 2.0%.

The following graph shows that the Village receives approximately 62% 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 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Powell Bill	\$ 485,356	\$ 494,000	\$ 494,000	\$ 492,000	-0.4%
BAB Interest Rebates	3,713	2,760	2,760	1,450	-47.5%
Controlled Substance Tax Distribution	1,005	1,000	1,150	1,100	10.0%
Solid Waste Disposal	9,257	9,000	9,700	9,900	10.0%
Other Grants	3,348	43,225	44,325	1,000	-97.7%
Total Rest. Intergovernmental Rev.	\$ 502,679	\$ 549,985	\$ 551,935	\$ 505,450	-8.1%

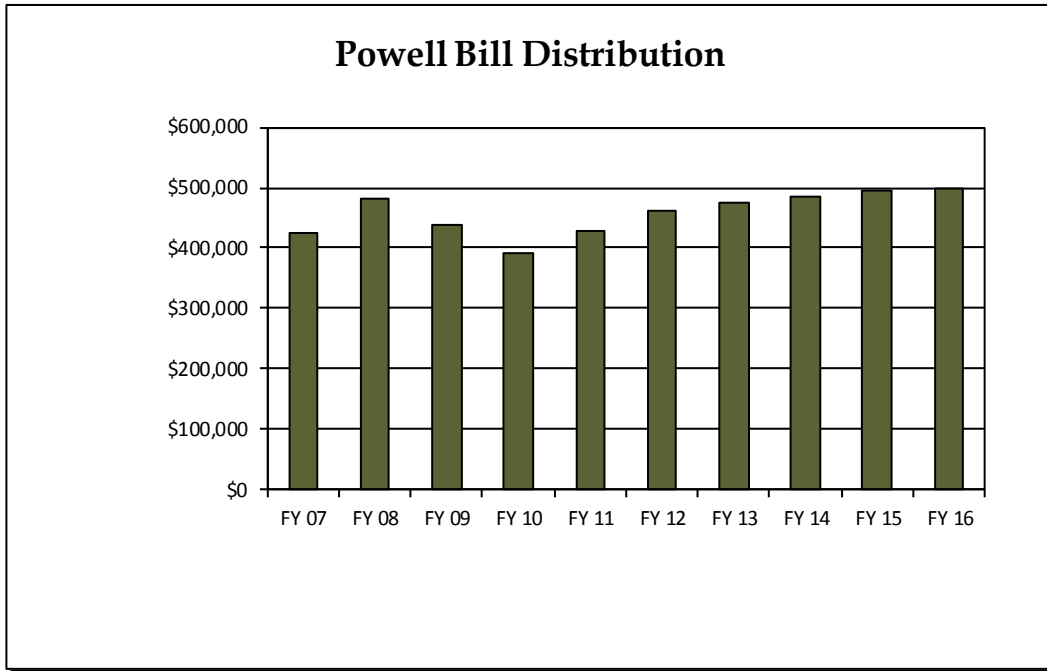
### Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$20.39, which is 1.5% decrease from the previous year's actual distribution rate. The street mile rate utilized to project the allocation is \$1,629 per street mile maintained, which increased by \$33 from the FY 2014-2015 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 FY 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 FY 2014-15 will increase by 5.5% over FY 2013-2014. In addition, construction continues to be strong and revenue for FY 2015-2016 are projected to increase 2.5% over FY 14-15. However, FY 2015 actual results are significantly more than budgeted revenues resulting in a 10.0% percentage change between Fiscal Years 2015 and 2016. The Village uses these funds primarily to fund its recycling program.
- The Village does not normally budget for other grant revenues until a grant award notification has been received.





## Restricted Intergovernmental Revenues





## 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.

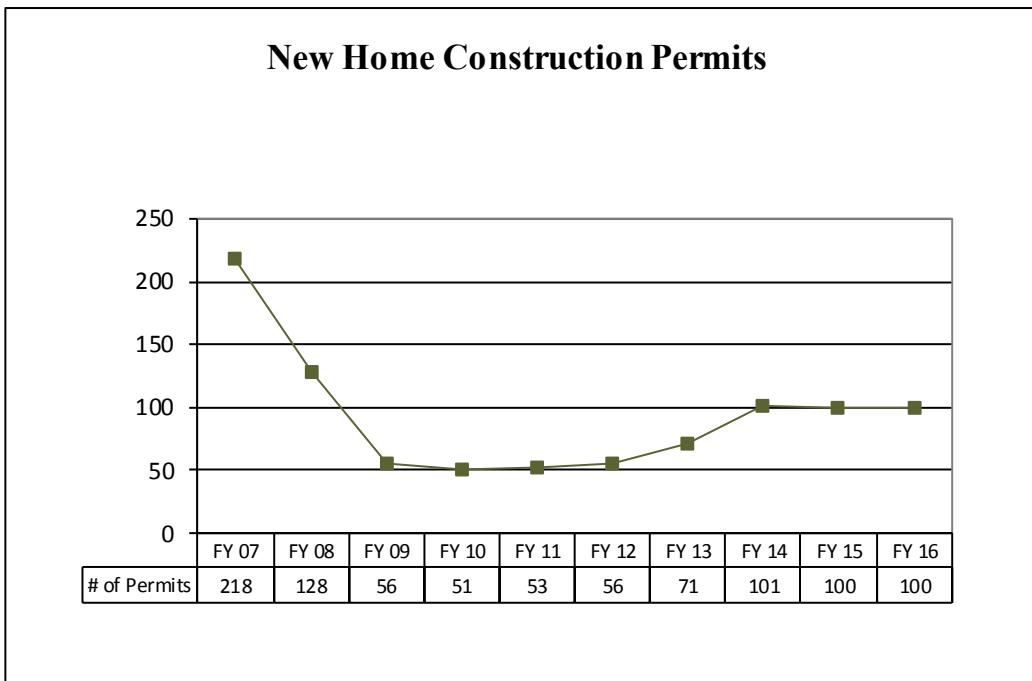
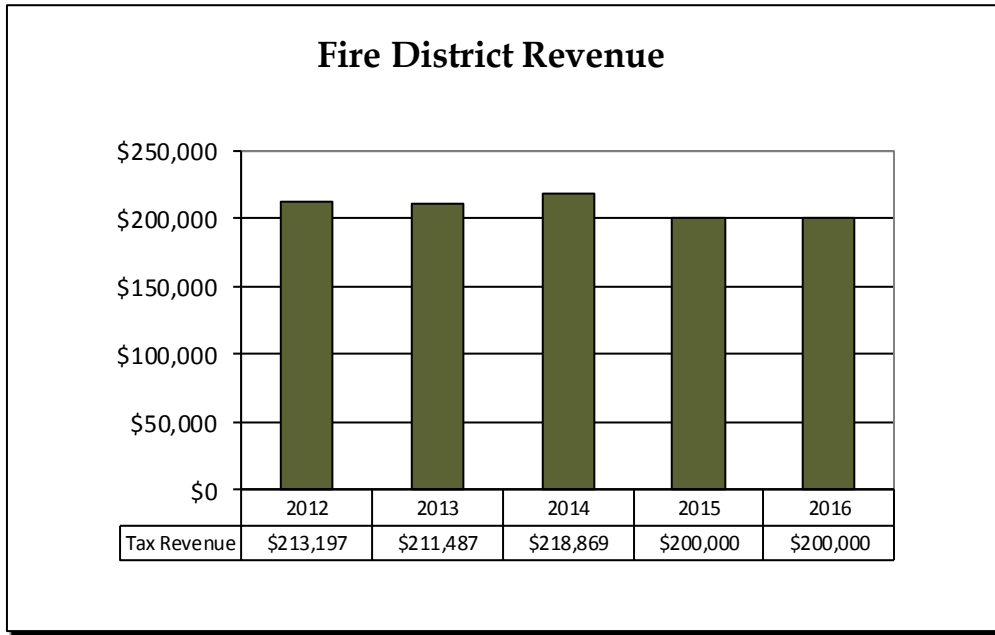
Permit and Inspection Fees and Planning & Zoning Fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village’s growth is generated 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 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
US Open Franchise Fees	\$ 700,000	\$ -	\$ -	\$ -	0.0%
Permit & Inspection Fees	273,142	294,500	294,500	280,000	-4.9%
Planning & Zoning Fees	42,827	45,000	45,500	46,500	3.3%
Fire District Revenue	218,869	200,000	200,000	200,000	0.0%
Other Fees	17,615	18,250	20,300	17,800	-2.5%
Total Permit & Fees	\$ 1,252,453	\$ 557,750	\$ 560,300	\$ 544,300	-2.4%

## Revenue Assumptions

- U.S. Open Franchise Fees include \$700,000 in FY 2013-2014 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 remain the same in FY 2015-2016 as the number and value of new homes being constructed remains flat. The Village expects approximately 100 homes to be constructed in both FY 2015 and FY 2016 in the Village limits and ETJ. Fees related to non-residential projects are expected to decrease slightly as several large projects at FirstHealth and Pinehurst LLC were done in Fiscal Year 2015 and will not be repeated in FY 2016.
- Fire district revenue is based upon a tax rate of \$0.089 per \$100 of property valuation, which is an increase from the current rate of \$0.84 in order to remain revenue neutral after the 2015 property revaluation.





### Description of Revenue Source

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 \$10,410 for the 10<sup>th</sup> installment of a 15 year assessment in FY 2015-2016. The Village also intends to assess property owners in the newly annexed Cotswold of Pinehurst for a stormwater project in Fiscal Year 2015-2016. The budget assumes that the assessment will be paid in five equal installments of approximately \$18,700 annually.

Assessments	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Assessments	\$ 11,791	\$ 31,110	\$ 20,125	\$ 29,075	-6.5%
Total Assessments	\$ 11,791	\$ 31,110	\$ 20,125	\$ 29,075	-6.5%





### Description of Revenue Source

Sales and Services revenue consists of three separate revenue sources for Parks and Recreation Fees and Charges. The first source is Harness Track revenue for stall and other facility rentals, as well as revenues generated from shows and special events held on the property. The Harness Track is owned and operated by the Village and is the oldest continuously operating equine sports facility in North Carolina.

The second primary revenue source in this category is revenue generated from the Village’s Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering place. Revenue consists of rental fees and admission fees for Village-sponsored special events.

The third major category of Sales and Services revenue is Recreation Fees. These are the fees charged to participants in programs and athletic leagues sponsored by the Recreation Department.

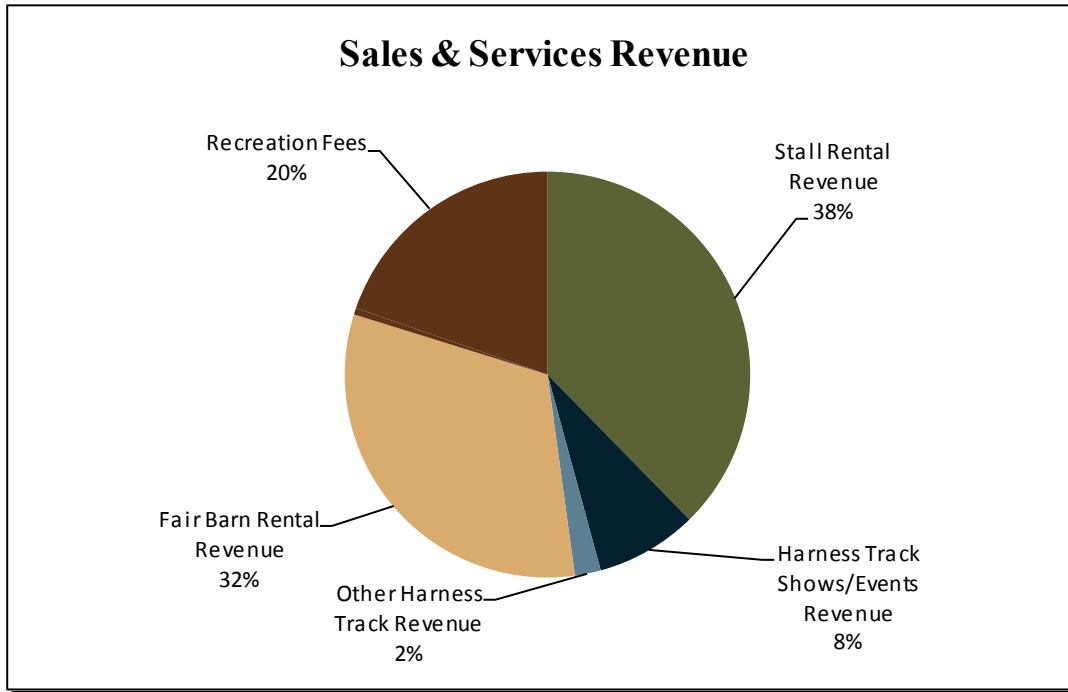
Sales & Services	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Stall Rental Revenue	\$ 199,446	\$ 197,000	\$ 197,000	\$ 218,000	10.7%
Harness Track Shows/Events Revenue	33,492	47,000	47,000	47,000	0.0%
Other Harness Track Revenue	10,161	12,000	12,000	12,000	0.0%
Fair Barn Rental Revenue	203,372	180,000	180,000	185,000	2.8%
Fair Barn Shows/Events Revenue	-	3,000	3,000	3,000	0.0%
Recreation Fees	118,504	113,500	113,500	114,000	0.4%
Total Sales & Services	\$ 564,975	\$ 552,500	\$ 552,500	\$ 579,000	4.8%

### Revenue Assumptions

- Harness Track Stall Rental revenue are projected to increase for FY 2015-2016 as recommendations made by the process improvement BIRDIE team are expected to include an increase in fees.
- The events held at the Fair Barn continue to be successful. Revenues are expected to increase slightly to \$185,000 for FY 2015-2016 as efforts to increase weekday rentals are expected to yield positive results.
- Recreation Fees are expected to increase slightly as increased fees associated with the Arboretum and lawns rentals are received.



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 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
ABC Revenues	\$ 116,864	\$ 113,800	\$ 109,500	\$ 111,700	-1.8%
Recycling Revenues	21,194	-	-	-	0.0%
Other Miscellaneous Revenues	370,039	84,786	93,142	380,980	349.3%
Total Other Revenues	\$ 508,097	\$ 198,586	\$ 202,642	\$ 492,680	148.1%

### Revenue Assumptions

- ABC revenue is projected to decrease by 1.8% for FY 2015–2016. This reduction is expected as sales return to normal after the Men’s and Women’s U.S. Opens 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 increase by 349.3%. The primary factor contributing to the increase is the anticipated sale of land purchased for a new Public Services complex. Council has decided to sell the land and are considering making improvements at the existing Public Services location. In FY 2014, the Village sold a vacant fire station and received \$220,000 from the sale.



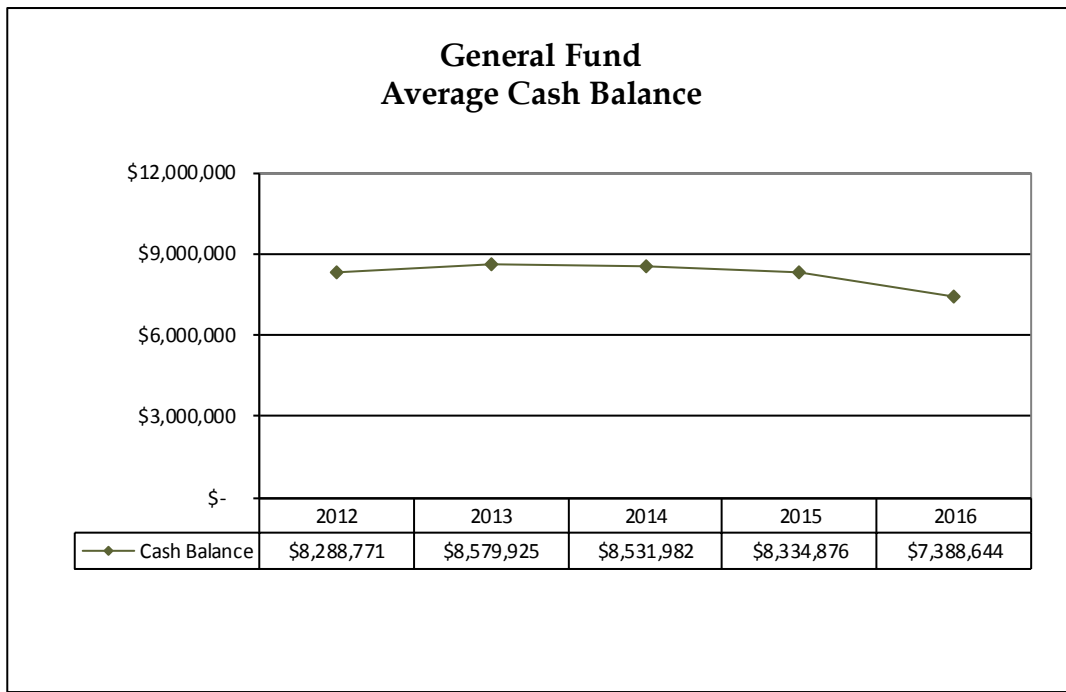
**Description of Revenue Source**

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.

Investment Income	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Investment Income	\$ 10,642	\$ 14,100	\$ 10,070	\$ 10,200	-27.7%
Total Investment Income	\$ 10,642	\$ 14,100	\$ 10,070	\$ 10,200	-27.7%

**Revenue Assumptions**

- Investment income is estimated to decrease 27.7% as investment rates continue to remain at historically low levels and funds available to invest decline. The average rate of return expected in Fiscal Year 2015-2016 is 0.12% which is the same rate of return in FY 2014-2015.







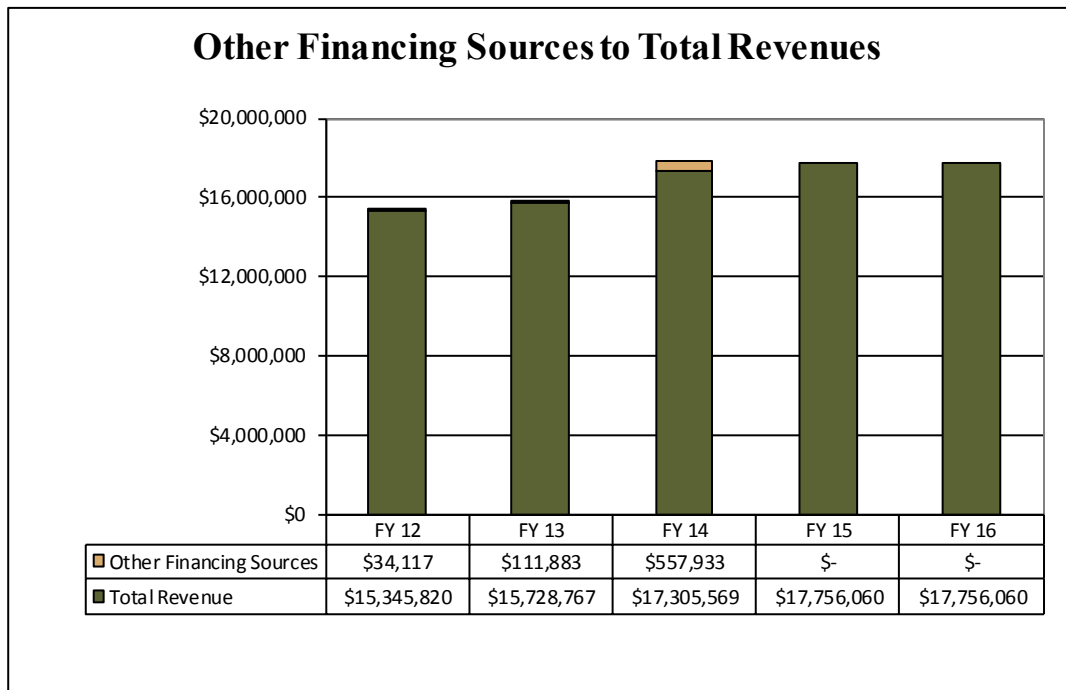
### Description of Revenue Source

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 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Loan Proceeds	\$ 550,000	\$ -	\$ -	\$ -	0.0%
Transfer from Special Rev Funds	7,933	2,898	2,897	-	-100.0%
Total Other Financing Sources	\$ 557,933	\$ 2,898	\$ 2,897	\$ -	-100.0%

### Revenue Assumptions

- Loan proceeds of \$550,000 were received to facilitate the purchase of a replacement fire truck in FY 2013-2014.
- The Interest-Residential Assurance Special Revenue Fund was closed in FY2014, the Land Dedication Fund was closed in FY 2015 and all assets were transferred to the General Fund.
- Currently, there are no Special Revenue Funds or Capital Project Funds. Therefore, no transfers to the General Fund are expected in fiscal year 2016.





### 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 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 1,888,430	\$ -	\$ 1,375,639	-27.2%
Total Fund Balance Appropriations	\$ -	\$ 1,888,430	\$ -	\$ 1,375,639	-27.2%

### Revenue Assumptions

- For FY 2015-2016 we have appropriated \$1,375,639 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 exceeds this budget variance amount. If this historical trend continues for FY 2015-16 we will subtract approximately \$456,000 from Fund Balance which will cause fund balance to decrease to approximately 38.3% of General Fund expenditures, well within the Council's adopted range of 30%-40%.
- The amount of fund balance appropriated in FY 2015-2016 is 27% lower than the previous fiscal year. This amount is \$512,791 less than the previous fiscal year due to lower expenditure levels. Significant expenditure reductions are reflected in the Solid Waste, Community Development and the Library departments as follows, respectively: \$105,000 for rolling carts purchased for a new yard debris collection system; \$142,000 for a Bicycle/Pedestrian Master Plan and Village Place study; and the deferral of a \$200,000 commitment for a future capital expansion project.



**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 15,730
- 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

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

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 29,943	\$ 31,000	\$ 30,030	\$ 31,000	0.0%
Operating	160,039	202,000	174,465	193,500	-4.2%
Expenditures Total	\$ 189,982	\$ 233,000	\$ 204,495	\$ 224,500	-3.6%

**Budget Highlights**

- There are no significant budget highlights in the Governing Body FY 2016 budget.





**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Develop a method to evaluate the effectiveness of the Village Council (ACE)	New
Implement the recommendations from the evaluation of the sale of Village owned land	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Provide effective local government leadership	% of residents satisfied with leadership provided by elected officials	60%	66%	65%	65%
Utilize volunteer boards and commissions effectively	% of residents satisfied with the effectiveness of appointed boards/commissions	52%	60%	60%	60%
Seek input from residents on local decisions	% of residents satisfied with levels of public involvement in decision making	40%	43%	45%	45%
<b>WORKFORCE PERSPECTIVE</b>					
<b>Council Goal: Recruit and develop a skilled and diverse workforce</b>					
Recruit, train, engage, and reward volunteers	# of volunteer applications received	11	55	20	20
	% of volunteers who agree they are offered training and development to enhance their skills	51%	67%	65%	65%



**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 promote, enhance, and sustain the quality of life for residents, businesses, and visitors. Other responsibilities include:

- Providing vision and leadership to 17 other departments and divisions of the Village
- Overseeing the development and implementation of the strategic plan and monitoring performance results
- Leading the organization on its performance excellence journey
- Maintaining Village meeting minutes, records and contracts
- Providing customer service and administration support to both internal and external customers

Additional information about the Administration Department may be obtained by contacting Natalie Dean, Assistant Village Manager, at 910.295.1900 or [ndean@vopnc.org](mailto:ndean@vopnc.org).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 696,843	\$ 721,035	\$ 720,435	\$ 697,250	-3.3%
Operating	354,470	353,940	347,840	389,630	10.1%
Capital	62,519	130,205	130,205	33,195	-74.5%
Expenditures Total	\$ 1,113,832	\$ 1,205,180	\$ 1,198,480	\$ 1,120,075	-7.1%

**Budget Highlights**

- FY 2016 Operating expenditures include \$22,000 for election costs. County-wide elections are held every two years and the Village reimburses Moore County for expenses related to local elections.
- Audio and video upgrades were made in the Assembly Hall in FY 2015 which made video streaming of Council meetings available for the first time. In addition, gutters on the Village Hall were replaced in FY 2015. Therefore, expenditures for capital will be reduced by 74.5% in Fiscal Year 2016.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Continue to utilize the Baldrige excellence framework to improve organizational performance	Ongoing
Develop an organization-wide complaint management process - VOP311 (BIRDIE)	New
Develop a mechanism to share best practices between departments & evaluate effectiveness (ACE)	New
Review key processes annually for opportunities for improvement	New
Evaluate the consolidation of Streets & Grounds and Buildings & Grounds (BIRDIE)	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Provide exceptional customer service at the Village Hall front desk	% of residents satisfied with Village Hall reception desk service	91%	90%	90%	90%
Communicate information to Pinehurst residents in a timely and consistent manner	% of residents satisfied with Village efforts to keep residents informed about local issues	69%	79%	80%	85%
Provide electronic Council agenda materials at least 5 days in advance of the meetings	% of agendas with supporting materials posted to the VOP website 5 days in advance of the meetings	n/a	61%	100%	100%
Engage residents to participate in local government	% of residents satisfied with the opportunities to participate in local government	58%	56%	60%	65%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Manage the annual budget to meet or exceed established financial targets	Fund Balance Appropriated during the year (less the roll-forward) as a % of original budget	0.85%	4.67%	1.00%	<2.00%



**Department Profile**

The Financial Services Director 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 \$7.4 million dollars
- Insuring that fund balance stays within the Council approved level of 30% - 40% of budgeted expenditures
- Managing debt to achieve acceptable debt service and bond rating objectives
- Preparing the \$17.9 million annual budget and five-year forecast
- Processing accounts payable, accounts receivable, and payroll

Additional information about the Financial Services Department may be obtained by contacting John G. Frye, CPA, Financial Services Director, at 910.295.1900 or [jfrye@vopnc.org](mailto:jfrye@vopnc.org).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 293,372	\$ 307,060	\$ 307,110	\$ 314,550	2.4%
Operating	269,757	299,250	298,580	293,380	-2.0%
Capital	-	4,880	4,880	900	-81.6%
Total Expenditures	\$ 563,129	\$ 611,190	\$ 610,570	\$ 608,830	-0.4%

**Budget Highlights**

- Capital expenditures in FY 2015 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.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Evaluate alternative revenue sources for the Village	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Provide high quality financial services in a timely manner	% of employees who rate the quality of procurement services as excellent or good	n/a	86%	78%	80%
	% of employees who rate the timeliness of procurement services as excellent or good	n/a	85%	78%	80%
	% of employees satisfied with overall financial services customer service	n/a	90%	90%	90%
	% of employees who rate the accuracy of payroll services as excellent or good	n/a	n/a	90%	90%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	Cumulative # of enrolled ACH vendors	92	125	130	135
	% of total purchases made using p-cards	12%	15%	13%	12%
	# of transactions processed per Finance Technician FTE per month	898	942	1,300	1,300





## Department Profile

The Human Resources Director 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
- Training and development programs to ensure workforce performance meets current and future needs
- Education and services to promote a safe work environment

Additional information about the Human Resources Department may be obtained by contacting Angela Kantor, Human Resources Director, at 910.295.1900 or [akantor@vopnc.org](mailto:akantor@vopnc.org).

## Budget Summary

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 200,002	\$ 213,825	\$ 213,790	\$ 222,450	4.0%
Operating	122,487	163,695	139,885	181,240	10.7%
Capital	7,500	2,440	2,440	450	-81.6%
Expenditures Total	\$ 329,989	\$ 379,960	\$ 356,115	\$ 404,140	6.4%

## Budget Highlights

- Various positions are reviewed annually for salary and benefit competitiveness. \$40,000 in potential market adjustments are included in the FY 2016 operating expenditures. If market adjustments are made, the HR budget is reduced and the impacted departmental budget is increased.
- Capital expenditures in FY 2015 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.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Review and revise the in-house TOPS training program (ACE)	New
Implement a reward and recognition program (ACE)	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Provide high quality human resources services in a timely manner	% of employees who rate the timeliness of HR services as excellent or good	n/a	80%	70%	75%
<b>WORKFORCE PERSPECTIVE</b>					
<b>Council Goal: Recruit and develop a skilled and diverse workforce</b>					
Reward and recognize employees	% of employees who agree they are recognized for contributing to the VOP mission	78%	68%	70%	73%
Maintain a safe work environment	# of lost time workers’ compensation claims	4	4	2	0
Provide competitive salaries and benefits	% of employees who agree they are paid fairly	67%	66%	67%	68%
	% of positions reviewed for salary range competitiveness	28%	86%	35%	35%
Minimize time to fill vacant positions	Average # of days to recruit from requisition to start date	n/a	70	75	75
Train, develop, and engage employees	% of employees who agree they are offered training and development to enhance their skills	89%	87%	88%	90%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	Ratio of HR staff per 100 employees	1.9	1.9	1.9	1.9



**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 15,730 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

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).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 1,970,973	\$ 2,054,750	\$ 2,058,675	\$ 2,032,935	-1.1%
Operating	671,596	726,783	735,050	759,010	4.4%
Capital	25,494	158,695	158,695	129,085	-18.7%
Expenditures Total	\$ 2,668,063	\$ 2,940,228	\$ 2,952,420	\$ 2,921,030	-0.7%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Controlled Substance Tax Distribution	\$ 1,005	\$ 1,000	\$ 1,150	\$ 1,100	10.0%
Parking Fines	480	-	400	-	0.0%
Miscellaneous Police Revenues	8,603	3,000	7,500	6,000	100.0%
Revenues Total	\$ 10,088	\$ 4,000	\$ 9,050	\$ 7,100	77.5%

**Budget Highlights**

- Fiscal Year 2015 included \$16,000 for 2 Segway patrol vehicles as well as the replacement of three patrol vehicles. Capital expenditures in FY 2016 include the replacement of three police vehicles with an estimated 6% price increase. The result is a reduction in budgeted capital expenditures of 18.7% in Fiscal Year 2016.
- The FY 2016 budget for Miscellaneous Police Revenues is based on actual historical receipts from the Clerk of Superior Court for officer fees.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Evaluate alternative methods to proactively investigate and deter crime (ACE)	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Safeguard the community</b>					
Conduct high visibility patrols	% of residents satisfied with the frequency of patrols in neighborhoods	67%	67%	67%	68%
	% of businesses satisfied with the frequency of patrols in business districts	88%	95%	95%	95%
Encourage voluntary compliance with traffic laws to minimize the risk of accidents	% of collisions with an injury or fatality	8.3%	7.0%	7.0%	7.0%
Investigate and solve crimes	% of index offenses cleared	47%	49%	50%	50%
<b>WORKFORCE PERSPECTIVE</b>					
<b>Council Goal: Recruit and develop a skilled and diverse workforce</b>					
Recruit, train, and engage Citizen on Patrol volunteers	# of Citizen on Patrol volunteer hours	2,369	3,719	2,400	2,600
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	# of calls dispatched per sworn officer	576	552	560	600



**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 & the 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

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).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 2,006,776	\$ 2,071,250	\$ 1,982,154	\$ 2,167,450	4.6%
Operating	407,066	549,049	539,610	532,270	-3.1%
Capital	561,980	149,575	149,725	82,815	-44.6%
Expenditures Total	\$ 2,975,822	\$ 2,769,874	\$ 2,671,489	\$ 2,782,535	0.5%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Fire Grants	\$ 1,073	\$ -	\$ 1,100	\$ 1,000	100.0%
Fire District Revenue	218,869	200,000	200,000	200,000	0.0%
Fire Inspection Fees	14,000	14,000	14,000	14,000	0.0%
Revenues Total	\$ 233,942	\$ 214,000	\$ 215,100	\$ 215,000	0.5%

**Budget Highlights**

- Capital expenditures decreased by 73.4% between FY 2014 and FY 2015 as a replacement fire truck totaling \$550,000 was purchased in FY 2014.
- A brush truck that was 26 years old was replaced in FY 2015 at a cost of approximately \$90,000 and a utility vehicle totaling \$35,000 is planned to be replaced in FY 2016. Replacement of flooring, kitchen cabinets and a training projector at Station 92, estimated at \$28,000, are planned for FY 2016.
- The traffic pre-emption program will be expanded in FY 2016 with the purchase and installation of an Opticom device at an additional intersection at an estimated cost of \$12,500.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Expand traffic pre-emption program to additional intersections	Ongoing
Achieve national accreditation in the Fire Department	Ongoing
Provide public safety education programs	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Safeguard the community</b>					
Provide quality fire inspection services to ensure compliance with codes	% of fire code violations corrected upon 90 day re-inspection	94%	96%	90%	91%
Provide quality fire inspection services	% of businesses satisfied with fire prevention inspection services	n/a	95%	95%	95%
Respond to fire calls for service in a timely manner	% of calls with response time of 6 minutes and 30 seconds or less for first due apparatus	78%	73%	73%	74%
<b>WORKFORCE PERSPECTIVE</b>					
<b>Council Goal: Recruit and develop a skilled and diverse workforce</b>					
Train and develop a professional, competent firefighting force	% of Fire Department employees who complete advanced training programs of 30 or more hours per year	27%	30%	30%	25%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	# of initial fire inspections completed per inspector per month	6	12	16	16



## Department Profile

The Inspections Department is a division of the Planning Department and reports directly to the Planning and Inspections Director. The Inspections Department includes two building inspectors. Inspections personnel both review and enforce compliance with the North Carolina Codes for all types of residential and commercial building and development. Responsibilities include:

- Performing, on average, 6,512 inspections annually
- Approving plans for approximately 157 residential and 15 commercial projects per year resulting in the issuance of 97 Certificates of Occupancy (CO)
- Issuing 150 invitations to building community for public education forum

Additional information about the Inspections Department may be obtained by contacting Kevin Reed, Planning and Inspections Director, at 910.295.8659 or [kreed@vopnc.org](mailto:kreed@vopnc.org).

## Budget Summary

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 186,092	\$ 192,600	\$ 186,639	\$ 197,500	2.5%
Operating	26,031	33,490	33,512	34,185	2.1%
Capital	-	2,245	-	25,355	1029.4%
Expenditures Total	\$ 212,123	\$ 228,335	\$ 220,151	\$ 257,040	12.6%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Inspection Permit Revenue	\$ 212,123	\$ 228,335	\$ 220,151	\$ 257,040	12.6%
Revenues Total	\$ 212,123	\$ 228,335	\$ 220,151	\$ 257,040	12.6%

## Budget Highlights

- FY 2016 Capital expenditures include the replacement of a vehicle used by the inspectors.
- Inspection Permit Revenue is estimated to increase due to renovations expected at FirstHealth Moore Regional Hospital in FY 2016.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Evaluate the use of solar energy for Village facilities	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Safeguard the community</b>					
Ensure compliance with building code requirements	% of inspections that are compliant upon initial inspection	96%	95%	94%	97%
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Provide exceptional building inspection services in a timely manner	% of inspections completed within one business day	99%	95%	98%	99%
	% of businesses satisfied with building inspections	93%	100%	98%	95%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	# of building inspections completed per inspector FTE per day	9	11	12	12
	Average cost per building inspection	\$50.50	\$41.86	\$42.00	\$46.00





**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 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

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

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 273,889	\$ 292,450	\$ 277,818	\$ 298,850	2.2%
Operating	72,027	112,575	87,908	106,610	-5.3%
Capital	-	62,690	62,690	430,285	586.4%
Expenditures Total	\$ 345,916	\$ 467,715	\$ 428,416	\$ 835,745	78.7%

**Budget Highlights**

- Capital expenditures in FY 2016 include \$400,000 to begin Phase I of the Public Services complex redevelopment. The project includes relocating buildings, construction of a parking lot and relocating the recycling yard.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Redevelop the Public Services complex	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Provide exceptional customer service for Public Services requests for service	% of residents satisfied with Public Services “request for service”	83%	87%	87%	88%





**Department Profile**

The Streets and Grounds (S&G) Division of the Public Services Department operates under the direction of the Public Services Director. There are 15 members of the Streets and Grounds team, led by an Infrastructure Superintendent. This department serves approximately 15,730 residents encompassing an area of 14.9 square miles. Responsibilities include:

- Maintaining over 106 miles of paved streets
- Maintaining directional, roadway and regulatory signs
- Periodically assisting Solid Waste Division in removing 1,310 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)
- Collecting metal white goods

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

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 629,099	\$ 668,875	\$ 609,647	\$ 678,400	1.4%
Operating	663,419	581,352	553,062	593,640	2.1%
Capital	363,483	485,843	485,843	276,190	-43.2%
Expenditures Total	\$ 1,656,001	\$ 1,736,070	\$ 1,648,552	\$ 1,548,230	-10.8%

**Budget Highlights**

- Capital expenditures in FY 2016 decreased by 43.2% as FY 2015 included \$150,000 for the replacement of a 15-year old John Deere 4x4 loader and a \$140,000 drainage project for Cotswold of Pinehurst, a development annexed by the Village of Pinehurst in FY 2015.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Develop an “Adopt a Plant Bed” program with the Beautification Committee (ACE)	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Provide &amp; promote multi-modal transportation connectivity</b>					
Inspect and maintain Village right of ways	% of right of way roadway lane miles shoulders inspected	10%	16%	10%	11%
Maintain street signs and pavement markings	% of residents satisfied with maintenance of street signs/pavement markings	81%	81%	81%	82%
Maintain quality of Village roadways	% of residents satisfied with maintenance of main Village street thoroughfares	89%	91%	91%	91%





**Department Profile**

The Powell Bill Department is managed by the Public Services Director 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

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

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Operating	\$ 790,235	\$ 763,300	\$ 751,300	\$ 654,000	-14.3%
Capital	-	25,000	25,000	146,000	484.0%
Expenditures Total	\$ 790,235	\$ 788,300	\$ 776,300	\$ 800,000	1.5%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Powell Bill Revenue	\$ 485,356	\$ 494,000	\$ 494,000	\$ 492,000	-0.4%
Revenues Total	\$ 485,356	\$ 494,000	\$ 494,000	\$ 492,000	-0.4%

**Budget Highlights**

- Capital expenditures in the Powell Bill FY 2016 budget include improvements to two key intersections on Hwy 5 to provide a more efficient traffic flow and improve safety at these key intersections. Curbing and a brick island at Hwy 5 & McKenzie Rd East and West will provide a right-in, right-out only island. A cul-de-sac at McCaskill Road West and Barrett Road East will also be installed.





**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Make intersection improvements at McKenzie Rd and Hwy 5 & Barrett Rd and Hwy 5	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Provide &amp; promote multi-modal transportation connectivity</b>					
Maintain quality Village roadways	# of miles of Village roadways resurfaced	3.6	5.0	4.07	3.2
	% of centerline miles of Village roadways resurfaced	3.30%	4.72%	3.83%	2.99%
	5 year rolling average of the number of roadway miles resurfaced	4.44	4.48	4.33	4.03
	% of roadways rated 85 or better	67%	60%	60%	60%





**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 176 tons of curbside recyclables monthly
- Removing approximately 344 tons of curbside household refuse monthly
- Removing approximately 1,671 tons of yard debris annually

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

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 400,813	\$ 437,915	\$ 430,065	\$ 478,050	9.2%
Operating	882,685	1,049,360	1,012,960	903,150	-13.9%
Capital	172,876	199,400	199,200	260,780	30.8%
Expenditures Total	\$ 1,456,374	\$ 1,686,675	\$ 1,642,225	\$ 1,641,980	-2.6%

**Budget Highlights**

- Operating expenditures in FY 2016 decreased by 13.9% as FY 2015 included \$150,000 for the purchase of rolling carts to implement automated yard debris collection in neighborhoods.
- While Capital expenditures included \$190,000 for the replacement of a garbage truck in FY 2015, FY 2016 includes the purchase of an automated solid waste vehicle costing an estimated \$260,000, resulting in a 30.8% increase in capital expenditures.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
There are no FY 2016 Strategic Initiatives for Solid Waste	n/a

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Promote environmental sustainability</b>					
Increase solid waste diversion	# of households participating in curbside recycling	5,445	6,136	6,599	6,676
	% of households participating in curbside recycling	69%	77%	79%	79%
	# of tons recycled	1,913	2,025	2,114	2,134
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	Household refuse collection costs per household per month	\$209.00	\$189.79	\$185.47	\$181.14
	Yard waste tons collected per FTE	420	416	400	700







**Department Profile**

The Planning and Inspections Director 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 \$26,353,804
- Reviewing 12 commercial development plans on average in the Village and expansion areas each year
- Conducting approximately 50 code enforcement inspections monthly

Additional information about the Planning Department may be obtained by contacting Kevin Reed, Planning and Inspections Director, at 910.295.2581 or [kreed@vopnc.org](mailto:kreed@vopnc.org).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 455,972	\$ 480,550	\$ 468,650	\$ 457,350	-4.8%
Operating	148,526	186,240	140,728	220,320	18.3%
Capital	-	6,315	6,315	26,145	314.0%
Expenditures Total	\$ 604,498	\$ 673,105	\$ 615,693	\$ 703,815	4.6%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Planning Permit Revenue	\$ 44,797	\$ 46,000	\$ 47,000	\$ 47,700	3.7%
Revenues Total	\$ 44,797	\$ 46,000	\$ 47,000	\$ 47,700	3.7%

**Budget Highlights**

- The FY 2016 Operating budget includes \$50,000 to fund an analysis of the redevelopment of Village Place.
- Capital expenditures in FY 2016 include \$25,000 for the replacement of a vehicle that is 15 years old and used by staff for site visits.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Implement the recommendations of the Code Enforcement BIRDIE Team	New
Collaborate with the UNC-School of Government to evaluate opportunities for Village Place redevelopment	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Preserve the character of Pinehurst and the quality of life</b>					
Resolve code violations promptly	% of code violations resolved within 45 days of notification	95%	96%	98%	95%
Provide high quality planning and inspection services	% of residents satisfied with planning and inspection services	72%	77%	80%	80%
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Review building plans submitted in a timely manner	% of time comments are received from TRC in three weeks	75%	79%	95%	90%
	% of single family residential plans reviewed within 7 days	n/a	n/a	n/a	95%



## 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. 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

Additional information about the Community Development Department may be obtained by contacting Jeff Batton, Interim Village Manager, or Natalie Dean, Assistant Village Manager of Finance and Administration, at 910.295.1900 or [jbatten@vopnc.org](mailto:jbatten@vopnc.org) or [nDean@vopnc.org](mailto:nDean@vopnc.org).

## Budget Summary

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Operating	\$ 308,454	\$ 372,275	\$ 326,500	\$ 201,040	-46.0%
Capital	496,072	498,500	498,500	91,000	-81.7%
Expenditures Total	\$ 804,526	\$ 870,775	\$ 825,000	\$ 292,040	-66.5%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Engineering Plan Review Fees	\$ 300	\$ 500	\$ 1,000	\$ 500	0.0%
Engineering Fee Revenue	-	2,500	2,800	1,500	-40.0%
Revenues Total	\$ 300	\$ 3,000	\$ 3,800	\$ 2,000	-33.3%

## Budget Highlights

- Advertising expenditures are planned to be reduced in FY 2016 by \$20,000 in an effort to transition 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 2015.
- Investment in sidewalks and lighting to develop connectivity and improve safety and mobility in downtown and neighborhoods was included in FY 2015 Capital expenditures.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Support Pinehurst businesses through collaboration with Pinehurst Business Partners	New
Incrementally expand Village Center into Village Place/Rattlesnake Corridor	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Promote economic vitality</b>					
Provide resources and services that support Pinehurst businesses	% of businesses satisfied with the Village’s overall job of communicating with businesses	63%	62%	62%	65%
	# of unique visitors to online business resources	1,450	1,479	1,500	1,500
	% of businesses satisfied with the overall quality of services provided to businesses	87%	87%	87%	87%
	% businesses satisfied with the Village website	75%	77%	77%	85%
Provide adequate public parking in business districts	% of residents satisfied with the availability of parking downtown	68%	75%	75%	75%
	# of parking spaces in the Village Center per 1,000 sf of commercial space	2.29	2.29	2.29	2.29
<b>Council Goal: Provide &amp; promote multi-modal transportation connectivity</b>					
Provide adequate street lighting	% of residents satisfied with the adequacy of street lighting	42%	55%	60%	60%
<b>Council Goal: Promote environmental sustainability</b>					
Maintain adequate stormwater facilities	% of residents satisfied with the quality of stormwater	48%	56%	60%	65%



**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 Events Coordinator 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

Additional information about the Recreation Division may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or [mwagner@vopnc.org](mailto:mwagner@vopnc.org).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 403,032	\$ 418,035	\$ 389,409	\$ 423,250	1.2%
Operating	815,155	893,468	730,749	929,650	4.0%
Capital	353,075	157,463	149,465	620,545	294.1%
Expenditures Total	\$ 1,571,262	\$ 1,468,966	\$ 1,269,623	\$ 1,973,445	34.3%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Athletic Programs	\$ 28,160	\$ 32,500	\$ 32,500	\$ 32,500	0.0%
Recreation Fees	67,513	56,000	56,000	58,000	3.6%
Facility Rentals	22,831	25,000	25,000	23,500	-6.0%
Revenues Total	\$ 118,504	\$ 113,500	\$ 113,500	\$ 114,000	0.4%

**Budget Highlights**

- The capital for FY 2016 includes \$295,000 for a splash pad and shade structures at Rassie Wicker Park. Also included in Capital expenditures is \$200,000 for continued investment in greenways and sidewalks, according to the Pedestrian Master Plan.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Develop a comprehensive recommendation for a new Community Center	New
Develop Rassie Wicker Park facilities	Ongoing
Establish a Parks and Recreation Internship Program	New
Install bike paths according to the Bicycle Master Plan	Ongoing
Install sidewalks and greenways according to Pedestrian Master Plan	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Promote an active, healthy community</b>					
Provide recreation programs and leisure activities for all ages	% of residents satisfied with quality of youth recreation programs	49%	51%	51%	51%
	% of residents satisfied with quality of adult recreation programs	51%	53%	53%	54%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	# of program and athletics participants per Recreation Coordinator FTE	2,025	1,615	1,800	1,820



**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 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

Additional information about the Library Department may be obtained by contacting John G. Frye, CPA, Financial Services Director, at 910.295.1900 or [jfrye@vopnc.org](mailto:jfrye@vopnc.org).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Operating	\$ 360,000	\$ 380,000	\$ 380,000	\$ 200,000	-47.4%
Expenditures Total	\$ 360,000	\$ 380,000	\$ 380,000	\$ 200,000	-47.4%

**Budget Highlights**

- Operating expenditures include \$100,000 for annual operating costs and \$100,000 for a contribution to the library expansion campaign. The expansion contribution decreased by \$200,000 in FY 2016 and will be distributed in \$100,000 installments in FY 2017 and FY 2018.
- A total of \$700,000 is currently held in trust for the Village contributions.
- Contributions will be held by an escrow agent and distributed to Given Memorial Library in Fiscal Year 2018 if they have met their fund raising targets. If the targets are not met, then the funds will be returned to the Village.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Collaborate with the Given Memorial Library to provide public library services	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Promote an active, healthy community</b>					
Support the provision of public library services	# of books checked out per year	38,474	37,040	36,400	36,400
	# of e-books checked out per year	8,660	8,373	8,700	8,800







## Department Profile

The Harness Track Division (HT) of the Parks and Recreation Department reports to the Parks and Recreation Director. 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-clay training tracks totaling 2.25 miles of track and 111 acres to host 25 special events annually
- Maintaining 17 barns with 260 rentable stalls
- Maintaining a Track Restaurant and Tack Shop
- Maximizing the use of the facility by the equine industry, residents and visitors to consistently generate between \$250,000 and \$275,000 in revenue annually

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

## Budget Summary

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 175,662	\$ 200,400	\$ 160,880	\$ 206,200	2.9%
Operating	292,925	342,640	327,614	333,060	-2.8%
Capital	67,239	143,157	143,157	160,990	12.5%
Expenditures Total	\$ 535,826	\$ 686,197	\$ 631,651	\$ 700,250	2.0%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Stall Rental	\$ 199,446	\$ 197,000	\$ 197,000	\$ 218,000	10.7%
Tack Shop Rental	4,532	4,800	4,800	4,800	0.0%
Restaurant Rent	5,629	7,200	7,200	7,200	0.0%
Shows/Events Revenue	33,492	47,000	47,000	47,000	0.0%
Revenues Total	\$ 243,099	\$ 256,000	\$ 256,000	\$ 277,000	8.2%

## Budget Highlights

- Capital expenditures in FY 2016 include \$53,600 for the replacement of a tractor that is 26 years old.
- The FY 2016 budgeted Stall Rental revenue assumes that the BIRDIE team will recommend fee increases and once implemented this revenue source will increase.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Implement BIRDIE Team recommendations to ensure the financial sustainability of the Harness Track	New

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Maintain a high level of customer satisfaction with Harness Track facilities	% of customers satisfied with Harness Track facilities	n/a	92%	87%	88%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Maximize profitability of the Harness Track	Operating revenues as a percentage of operating expenditures	61%	52%	53%	56%
Maximize utilization of the Harness Track	% of capacity reached for stall rentals	86%	96%	96%	100%
	# of days the facilities are reserved for equestrian events	34	38	38	40
	# of days the facilities are reserved for non-equestrian uses	69	87	15	17



**Department Profile**

The Fair Barn (FB) is a Division of the Parks and Recreation Department and operates under the direction of the Events Coordinator. The Fair Barn Department is comprised of the Fair Barn Coordinator, several part-time assistants, and 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 \$200,000 in revenue
- Maintaining 6,400 square feet of rental space
- Promoting and managing the facility to maximize its use

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

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 85,563	\$ 108,810	\$ 90,065	\$ 110,300	1.4%
Operating	131,505	182,129	151,460	191,120	4.9%
Capital	10,516	85,925	65,925	65,865	-23.3%
Expenditures Total	\$ 227,584	\$ 376,864	\$ 307,450	\$ 367,285	-2.5%

Revenues by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Fair Barn Rental	\$ 203,372	\$ 180,000	\$ 180,000	\$ 185,000	2.8%
Shows/Events Revenue	-	3,000	3,000	3,000	0.0%
Revenues Total	\$ 203,372	\$ 183,000	\$ 183,000	\$ 188,000	2.7%

**Budget Highlights**

- In order to improve customer satisfaction with the facility, new chairs and a sound system were purchased and included in the FY 2015 capital budget.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Market and promote the weekday Corporate package in order to maximize use of the Fair Barn	Ongoing
Partner with the Arts Council and others to host cultural events at the Fair Barn	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Maintain a high level of customer satisfaction with Fair Barn facilities	% of customers satisfied with the Fair Barn facility	n/a	n/a	75%	77%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Maximize profitability of the Fair Barn	Fair Barn operating revenues as a % of operating expenditures	78%	94%	102%	100%
Maximize utilization of the Fair Barn	# of weekdays the Fair Barn is used	34	64	75	34
	% of available days the Fair Barn is used	30%	55%	37%	35%



## Department Profile

The Buildings & Grounds Division (B&G) operates under the direction of the Parks and Recreation Director. 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

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

## Budget Summary

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 307,329	\$ 318,100	\$ 311,460	\$ 344,100	8.2%
Operating	511,011	700,242	698,735	680,310	-2.8%
Capital	482,833	265,760	259,760	729,950	174.7%
Expenditures Total	\$ 1,301,173	\$ 1,284,102	\$ 1,269,955	\$ 1,754,360	36.6%

## 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 changes in Salaries & Benefits and 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.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Enhance maintenance of Village buildings and facilities	Ongoing
Provide additional recycling containers in park facilities	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>CUSTOMER PERSPECTIVE</b>					
<b>Council Goal: Promote an active, healthy community</b>					
Provide and maintain adequate recreational facilities	% of residents satisfied with quality of outdoor athletic fields and facilities	69%	68%	70%	70%
	% of residents satisfied with availability of outdoor athletic fields and facilities	63%	62%	62%	65%
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Respond promptly to B&G work order requests	% of work order requests closed within 14 days	79%	81%	85%	85%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Effectively maintain Village buildings and grounds	% of facilities inspected quarterly	63%	87%	85%	85%



## 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 125 preventative maintenance (PM) services annually
- Completing approximately 15 work orders monthly

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).

## Budget Summary

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 221,283	\$ 232,215	\$ 222,909	\$ 237,550	2.3%
Operating	457,701	457,730	502,038	451,140	-1.4%
Capital	865,523	640,765	928,150	625,900	-2.3%
Expenditures Total	\$ 1,544,507	\$ 1,330,710	\$ 1,653,097	\$ 1,314,590	-1.2%

## Budget Highlights

- 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.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Replace vehicles and equipment in accordance with the Council-adopted vehicle replacement schedule	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Respond promptly to fleet work order requests	% of work orders completed within 2 days of receipt	63%	81%	81%	80%
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	# of PMs completed per FTE per month	5	5	5	4
Maintain the Village’s fleet and equipment	% of rolling stock available	95%	97%	98%	98%
	% of PMs completed on time	86%	74%	87%	95%







## Department Profile

The Chief Information Officer (CIO) reports directly to the Assistant Village Manager of Finance and Administration and is a member of the senior leadership team. In addition to the CIO, the Information Technology Department (IT) 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 as well as the Village website, mobile app, Mobile 311 and a downtown kiosk
- Managing a secure network infrastructure that has multiple WAN connections and over 320 devices including computers, servers, printers and other technology equipment
- Completing approximately 100 work orders monthly

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

## Budget Summary

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Salaries & Benefits	\$ 395,861	\$ 405,200	\$ 398,530	\$ 423,250	4.5%
Operating	325,067	466,800	414,112	466,400	-0.1%
Capital	7,500	169,800	169,800	49,000	-71.1%
Expenditures Total	\$ 728,428	\$ 1,041,800	\$ 982,442	\$ 938,650	-9.9%

## Budget Highlights

- 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.



**FY 2016 Strategic Initiatives**

Strategic Initiative(s)	New/ Ongoing
Increase capability to secure and monitor the Village computer network for legal compliance	Ongoing

**Key Performance Indicators (KPIs)**

Departmental goals are directly linked to the Village Council’s strategic objectives and goals. Key performance indicators (KPIs) for departmental goals are identified below.

Department Goal(s)	KPI	FY 13 Actual	FY 14 Actual	FY 15 Est.	FY 16 Goal
<b>INTERNAL PERSPECTIVE</b>					
<b>Council Goal: Professionally manage a high performing organization</b>					
Respond promptly to IT work order requests	% of help desk tickets closed within 2 days	83%	88%	90%	90%
	Average # of days to close help desk tickets	0.98	0.51	0.48	0.75
Provide a secure Village network	% of CJIS compliance issues addressed	n/a	n/a	50%	100%
Provide effective online and mobile resources	% of residents satisfied with the Village website	68%	62%	65%	75%
	# of app downloads	n/a	n/a	300	500
<b>FINANCIAL PERSPECTIVE</b>					
<b>Council Goal: Maintain a strong financial condition</b>					
Provide value for tax dollars by minimizing operating costs	# of work orders completed per FTE per month	40	31	22	30
Maintain the Village’s technology infrastructure	% of computers and servers that are 5 years old or less	78%	97%	95%	98%



**Department Profile**

The Contingency Department includes an allocation of funds for unexpected items that may occur in the FY 2015-2016 Budget. This item is recommended by the Fiscal Management Staff of the N. C. Local Government Commission.

These funds may not legally exceed 5.0% of all other General Fund appropriations. The \$50,000 budget is 0.27% of the total General Fund budget.

Additional information about the Contingency Department may be obtained by contacting John G. Frye, CPA, Financial Services Director, at 910.295.1900 or [jfrye@vopnc.org](mailto:jfrye@vopnc.org).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Operating	\$ -	\$ 95,000	\$ -	\$ 50,000	-47.4%
Expenditures Total	\$ -	\$ 95,000	\$ -	\$ 50,000	-47.4%

**Budget Highlights**

- The Contingency budget that is not allocated to any department totals \$50,000, which is a 47.4% decrease from FY 2015. An additional \$50,000 was set aside in the FY 2015 budget for a proposed initiative of the Given Memorial Library that was considered and funded by Council in FY 2015.



**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, 2015 will be \$1,841,241. This is a relatively small amount of direct debt compared to our taxable property of \$3,311,000,000. All of the Village’s debt is in the form of installment purchase agreements.

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 Engine 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.

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.

Additional information about Debt Service expenditures may be obtained by contacting John G. Frye, CPA, Financial Services Director, at 910.295.1900 or [jfrye@vopnc.org](mailto:jfrye@vopnc.org).

**Budget Summary**

Expenditures by Type	FY 2013-14 Actual	FY 2014-15 Budget	FY 2014-15 Estimated	FY 2015-16 Budgeted	Percent Change
Principal	\$ 378,829	\$ 421,143	\$ 421,143	\$ 406,103	-3.6%
Interest	83,098	73,382	73,382	58,201	-20.7%
Expenditures Total	\$ 461,927	\$ 494,525	\$ 494,525	\$ 464,304	-6.1%

**Budget Highlights**

- The final debt payment for a SAN Storage capital lease was made in FY 2015.



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				
	2015-16	2016-17	2017-18	2018-19	2019-20
<b>INSTALLMENT PURCHASE AGREEMENTS</b>					
<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.	\$ 84,073	\$ 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.	83,825	83,825	83,825	83,825	83,825
<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.	193,900	188,167	182,434	176,700	170,967
<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 building; final payment due on 03/11/22.	65,525	63,225	60,925	58,625	56,325
<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 04/15/18.	36,981	35,655	34,329	-	-
<b>DEBT SERVICE TOTAL</b>	<b>\$ 464,304</b>	<b>\$ 412,722</b>	<b>\$ 361,513</b>	<b>\$ 319,150</b>	<b>\$ 311,117</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 2016		FY 2017		FY 2018	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>Fire Station</b>	\$ 166,667	\$ 27,233	\$ 166,667	\$ 21,500	\$ 166,667	\$ 15,767
<b>Firetruck 914</b>	76,498	7,327	77,842	5,983	79,211	4,614
<b>Firetruck - 924</b>	79,605	4,468	40,942	908	-	-
<b>Fair Barn</b>	50,000	15,525	50,000	13,225	50,000	10,925
<b>67.04 Acres</b>	\$ 33,333	\$ 3,648	\$ 33,333	\$ 2,322	33,334	995
<b>Totals</b>	<u>\$ 406,103</u>	<u>\$ 58,201</u>	<u>\$ 368,784</u>	<u>\$ 43,938</u>	<u>\$ 329,212</u>	<u>\$ 32,301</u>

Project	FY 2019		FY 2020-2024		FY 2025-2029	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>Fire Station</b>	\$ 166,667	\$ 10,033	\$ 166,667	\$ 4,300	\$ -	\$ -
<b>Firetruck 914</b>	80,603	3,222	123,205	2,169	-	-
<b>Fair Barn</b>	50,000	8,625	150,000	12,075	-	-
<b>Totals</b>	<u>\$ 297,270</u>	<u>\$ 21,880</u>	<u>\$ 439,872</u>	<u>\$ 18,544</u>	<u>\$ -</u>	<u>\$ -</u>

Project	Total by Project		
	Principal	Interest	Total
<b>Fire Station</b>	\$ 833,335	\$ 78,833	\$ 912,168
<b>Firetruck 914</b>	437,359	23,315	460,674
<b>Firetruck - 924</b>	120,547	5,376	125,923
<b>Fair Barn</b>	350,000	60,375	410,375
<b>67.04 Acres</b>	100,000	6,965	106,965
<b>Totals</b>	<u>\$ 1,841,241</u>	<u>\$ 174,864</u>	<u>\$ 2,016,105</u>

Fiscal Year(s)	Total by Fiscal Year(s)		
	Principal	Interest	Total
<b>FY 2016</b>	\$ 406,103	\$ 58,201	\$ 464,304
<b>FY 2017</b>	368,784	43,938	412,722
<b>FY 2018</b>	329,212	32,301	361,513
<b>FY 2019</b>	297,270	21,880	319,150
<b>FY 2020-2024</b>	439,872	18,544	458,416
<b>Totals</b>	<u>\$ 1,841,241</u>	<u>\$ 174,864</u>	<u>\$ 2,016,105</u>



**Computation of Legal Debt Limit**

Net Assessed Value - June 30, 2014	\$ 3,482,722,727	
		<u>8.0%</u>
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 278,617,818	
Gross Debt:		
Capital Leases	19,760	
Installment Purchase Agreements	<u>2,242,982</u>	
Total Gross Debt:	<u>2,262,742</u>	
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>2,262,742</u>	0.06%
<b>Legal Debt Margin</b>	<b><u><u>\$ 276,355,076</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, 2014 is 0.06% compared to the legal debt limit of 8%.

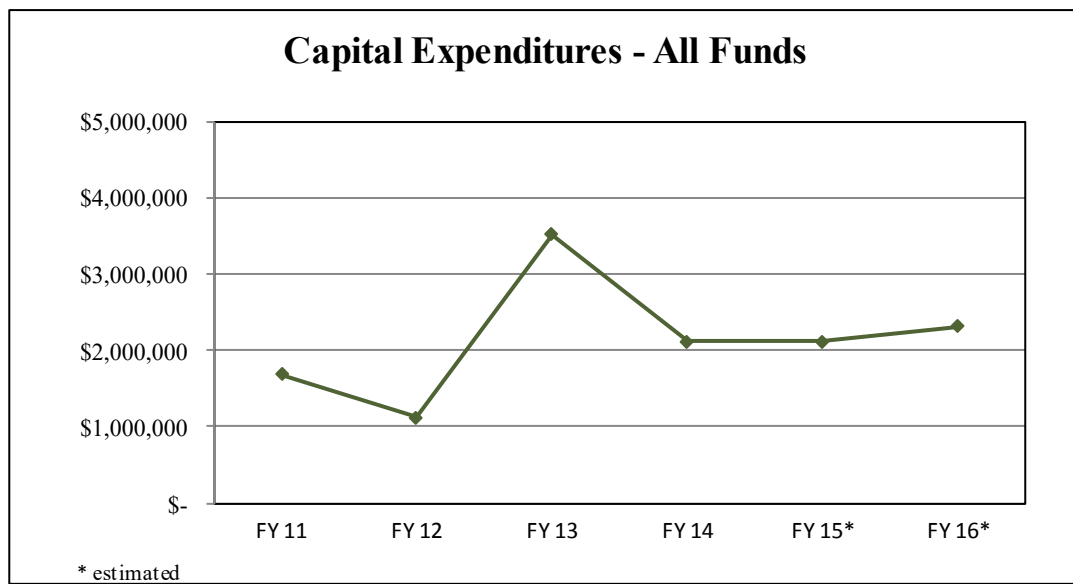


## Description

Capital expenditures are appropriated within each fund, typically in 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, 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 typically 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. For FY 2016, the Village does not have any Capital Project Funds. The following sections highlight capital expenditures in the General Fund.





## Capital Expenditures Summary

### General Fund Capital Expenditures

The schedule on the following pages details the specific capital items funded in the FY 2015-2016 Budget. In addition to routine vehicle and equipment replacements, the Village intends to make improvements along Community and McCaskill Roads; fund greenways, sidewalks, and bike paths; make storm drainage improvements; expand facilities in Rassie Wicker Park; and begin to redevelop the Public Services complex. Please refer to the *General Fund* section for additional information on these items.

General Fund Capital Items	Budget Department	FY 16 Funded Amount
<b>Public Safety</b>		
Opticom - Traffic light preemption system	Fire	\$ 12,500
Flooring at Station 92	Fire	8,000
Spreader/Cutter - Extrication equipment	Fire	5,000
<b>Total Public Safety</b>		<b>25,500</b>
<b>Transportation</b>		
Redevelop Public Services Complex (Phase I)	Public Services	400,000
Small Drainage Projects	Streets & Grounds	80,000
Old Hunt Road - Storm drainage project	Streets & Grounds	30,000
Lake Forest SW - Storm drainage project	Streets & Grounds	40,000
<b>Total Transportation</b>		<b>550,000</b>
<b>Recreation</b>		
Structural Repairs to Barns	Harness Track	30,000
Track Conditioner	Harness Track	23,000
Mobile Stage	Recreation	80,000
<b>Total Recreation</b>		<b>133,000</b>
<b>Economic &amp; Physical Development</b>		
McCaskill Road Sidewalk	Community Development	40,000
Street Lighting on Community Road	Community Development	26,000
On-street Parking on Community Road	Community Development	25,000
Roadway Improvements at Hwy 5, Barrett & McKenzie Rds.	Powell Bill	146,000
<b>Total Economic &amp; Physical Development</b>		<b>237,000</b>



## Capital Expenditures Summary

### General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department	FY 16 Funded Amount
<b>Buildings &amp; Grounds Maintenance</b>		
Replace HVAC in Village Hall	Administration	\$ 9,000
Replace carpet	Administration	7,000
Lower Council Seating in AH	Administration	15,000
Replace Kitchen Cabinets at Station 92	Fire	15,000
Replace HVAC	Public Services	30,000
Landscaping and Irrigation	Fair Barn	10,000
Repair Stucco Exterior	Fair Barn	25,000
Replace Stable Lights with LED Lights	Fair Barn	8,000
Tint Skylights	Fair Barn	17,500
Replace Floor Grates	Fair Barn	5,000
Surface Water Runoff Improvement	Harness Track	20,000
Sand for 5/8 Mile Track	Harness Track	19,000
Rebuild Turns on One-Mile Track	Harness Track	15,000
Replace HVAC	Police	9,000
Install sidewalks between Pavilion and Pergola	Recreation	30,000
Wicker Park Shade Structures	Recreation	15,000
Wicker Park Splash Pad	Recreation	280,000
Greenways/Sidewalks/Bike Paths	Recreation	200,000
<b>Total Buildings &amp; Grounds Maintenance</b>		<b>729,500</b>
<b>Information Technology</b>		
Projector	Fire	5,000
Dell Power Edge Server R710	Information Technology	7,000
CJIS Security Software	Information Technology	8,000
Security Camera System	Police	14,000
On-line Registration Software	Recreation	15,000
<b>Total Information Technology</b>		<b>49,000</b>
<b>Fleet Maintenance</b>		
Dodge Durango	Fire	35,000
John Deere Tractor/Backhoe	Harness Track	53,600
Chevy Impala	Inspections	25,000
Chevy S10	Planning	25,000
Dodge Charger (3)	Police	102,000
Automated Solid Waste Vehicle	Solid Waste	260,000
VMC Arm Mower	Streets & Grounds	25,000
Mini Salt Spreader	Streets & Grounds	10,000
Ford F150	Streets & Grounds	30,000
Chevy C1500	Streets & Grounds	35,000
John Deere Zero-Turn Mower	Streets & Grounds	25,000
<b>Total Fleet Maintenance</b>		<b>625,600</b>
<b>General Fund Total</b>		<b>\$ 2,349,600</b>
<b>% of Expenditures</b>		<b>13.1%</b>

There are no Capital Projects in the Village's Five-Year Capital Improvement Plan.



### Introduction

The Village of Pinehurst's five-year Capital Improvement Plan (CIP) is an integral part of the Village's Strategic Planning Process, which is described in detail in the *Strategic Priorities* section of this document. The CIP process is used to plan for the budgeting and financing of routine replacement of vehicles and equipment, significant infrastructure improvements, new facility construction, and other capital asset additions greater than \$5,000. The Village uses this process to ensure that high-dollar, long-lived projects are aligned with the Village's strategic direction and that 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 2016-2020 CIP represents a \$9.1 million plan to address the Council's goal to "Maintain a Strong Financial Condition." Capital expenditures are driven by the types and levels of services provided to customers and the target performance levels established by the Village Council. The proposed plan represents maintaining most current service levels and enhancing others through the continued investment in capital.

This CIP was developed under the assumption that the Village will fund those items that are able to be included under the proposed FY 2016 tax rate of \$0.29 per \$100 valuation and the proposed rate of \$0.30 from FY 2018 through FY 2020.

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 goals and objectives, 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 2016 of the CIP, however, does represent the amount of capital spending projected in the FY 2015-2016 Budget.

### Capital Improvement Program

#### Overview

The FY 2016-2020 CIP includes capital investments with a total estimated cost of \$9,098,100 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 2016-2020

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Fleet	\$ 4,148,600	46%
Information Technology	335,000	4%
Other Capital Additions	4,614,500	51%
TOTAL	<u>\$ 9,098,100</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; sidewalks, greenways, and bike paths; 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 2016-2020

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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 2016-2020 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 of limited revenue growth and is discussed more fully in the *Strategic Priorities* section of this document.

A part-time Events Assistant and summer intern for the Recreation Department are being added in the five-year period. Other demands in services are projected to be met with 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 10.9% of expenditures during the five years and fund balance is projected to remain between the midpoint and upper limit of the Village's Fund Balance Policy range of 30% - 40% of expenditures, as shown in Table 2.



## Capital Improvement Plan FY 2016-2020

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

	FY 16	FY 17	FY 18	FY 19	FY 20
<b>Population</b>	<b>15,730</b>	<b>15,935</b>	<b>16,140</b>	<b>16,345</b>	<b>16,550</b>
<b>Operating Revenues</b>					
Property Tax Revenue	\$ 9,573,000	\$ 9,672,000	\$10,111,000	\$10,217,000	\$10,325,000
Sales Tax Revenues	2,826,000	2,910,000	2,997,000	3,086,000	3,178,000
Intergovernmental Revenues	2,465,350	2,504,294	2,553,200	2,603,400	2,655,600
Permits & Fees	544,300	549,000	553,000	557,000	561,000
Sales & Services	579,000	594,000	608,000	622,000	637,000
Other Operating Revenues	521,755	230,000	233,000	235,000	238,000
Interest Income	10,200	11,000	11,000	11,000	12,000
Other Financing Sources	-	600,000	-	-	-
<b>Operating Revenues</b>	<b>\$16,519,605</b>	<b>\$17,071,000</b>	<b>\$17,067,000</b>	<b>\$17,332,000</b>	<b>\$17,607,000</b>
Tax Rate	0.29	0.29	0.30	0.30	0.30
<b>Operating Expenditures</b>					
Personnel in FTEs	133	133	133	133	133
Salaries and Benefits	\$ 9,320,435	\$ 9,511,706	\$ 9,770,156	\$10,059,010	\$10,368,138
Operating	5,760,905	6,043,417	6,052,866	6,149,872	6,284,062
Debt Service	464,304	413,000	467,000	422,000	411,000
<b>Operating Expenditures</b>	<b>15,545,644</b>	<b>15,968,123</b>	<b>16,290,022</b>	<b>16,630,882</b>	<b>17,063,199</b>
<b>Operating Income</b>	<b>973,961</b>	<b>1,102,877</b>	<b>776,978</b>	<b>701,118</b>	<b>543,801</b>
<b>Capital Expenditures in GF</b>	<b>2,349,600</b>	<b>2,135,000</b>	<b>1,873,500</b>	<b>1,274,500</b>	<b>1,465,500</b>
<b>Total GF Expenditures</b>	<b>17,895,244</b>	<b>18,103,123</b>	<b>18,163,522</b>	<b>17,905,382</b>	<b>18,528,699</b>
<b>Revenues Over (Under) Exp</b>	<b>\$ (1,375,639)</b>	<b>\$ (1,032,123)</b>	<b>\$ (1,096,522)</b>	<b>\$ (573,382)</b>	<b>\$ (921,699)</b>

### Capital As a Percent of Total Expenditures

	FY 16	FY 17	FY 18	FY 19	FY 20
<b>Total Expenditures</b>	\$17,895,244	\$18,103,123	\$18,163,522	\$17,905,382	\$18,528,699
<b>Total Capital Expenditures</b>	2,349,600	2,135,000	1,873,500	1,274,500	1,465,500
<b>% of Total Expenditures</b>	13.1%	11.8%	10.3%	7.1%	7.9%

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

	FY 16	FY 17	FY 18	FY 19	FY 20
<b>Beginning Fund Balance</b>	\$ 7,316,871	\$ 6,860,495	\$ 6,770,838	\$ 6,636,137	\$ 7,046,519
Revenues Over (Under) Exp	(1,375,639)	(1,032,123)	(1,096,522)	(573,382)	(921,699)
Budget to Actual Variance*	919,263	942,466	961,821	983,764	1,008,680
Projected Actual Gain/(Loss)	(456,376)	(89,657)	(134,701)	410,382	86,981
<b>Projected Ending GF Bal</b>	<b>\$ 6,860,495</b>	<b>\$ 6,770,838</b>	<b>\$ 6,636,137</b>	<b>\$ 7,046,519</b>	<b>\$ 7,133,500</b>
<b>% of Total Budget</b>	38.3%	37.4%	36.5%	39.4%	38.5%

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



## Capital Improvement Plan FY 2016-2020

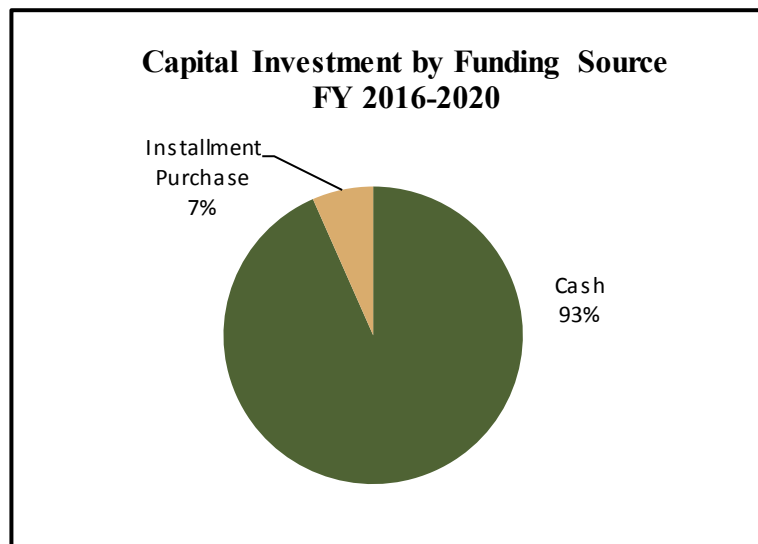
### Funding Sources

Table 3 and the chart below show a summary of the revenues and funding sources for the FY 2016-2020 projected capital investments:

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

<b>Funding Source</b>	<b>Cost of Capital</b>
Cash	\$ 8,498,100
Installment Financing	600,000
<b>TOTAL</b>	<b>\$ 9,098,100</b>

It is important to note that the majority of the capital improvements are funded with available Village funds or cash, while another 7% 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 2016-2020 CIP.



## Capital Improvement Plan FY 2016-2020

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

	Total	Fiscal Year Ending June 30				
		FY 16	FY 17	FY 18	FY 19	FY 20
<b>Annual Debt Service</b>						
Fire Truck 923	\$ 306,514	\$ -	\$ -	\$ 104,914	\$ 102,171	\$ 99,429
<b>Net Operating Expense</b>	<b>\$ 306,514</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 104,914</b>	<b>\$ 102,171</b>	<b>\$ 99,429</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 \$306,514 in debt service on debt ratios over the five years.

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

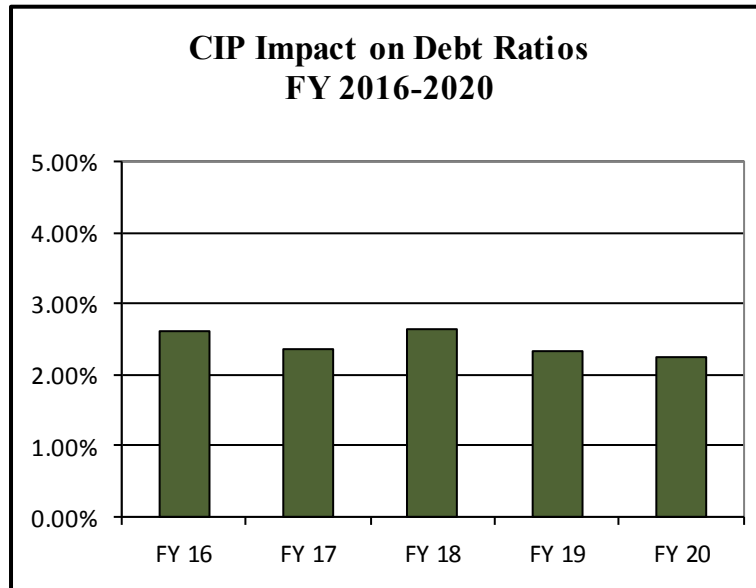
	Fiscal Year Ending June 30				
	FY 16	FY 17	FY 18	FY 19	FY 20
Existing Debt Service	\$ 464,304	\$ 412,722	\$ 361,513	\$ 319,150	\$ 311,116
Additional Debt Service:					
Fire Truck	-	-	104,914	102,171	99,429
Subtotal	-	-	104,914	102,171	99,429
<b>Total Debt Service</b>	<b>\$ 464,304</b>	<b>\$ 412,722</b>	<b>\$ 466,427</b>	<b>\$ 421,321</b>	<b>\$ 410,545</b>
Estimated Expenditures	\$17,756,060	\$17,506,516	\$17,614,641	\$18,016,883	\$18,341,987
<b>% of Expenditures</b>	<b>2.61%</b>	<b>2.36%</b>	<b>2.65%</b>	<b>2.34%</b>	<b>2.24%</b>

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%.



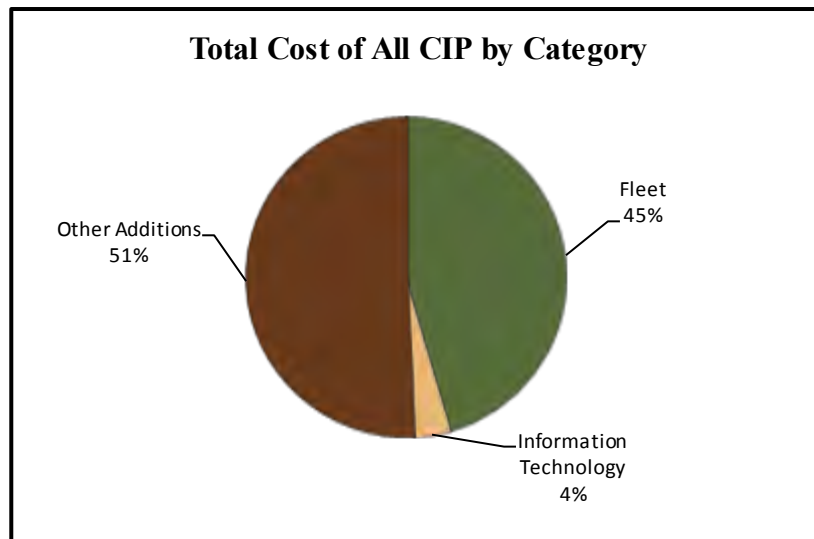


## Capital Improvement Plan FY 2016-2020



### Summary

In summary, the FY 2016-2020 CIP represents a \$9.1 million investment in capital for fleet, information technology, and other capital additions in the five-year planning period.





## Capital Improvement Plan FY 2016-2020

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### 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 2016-2020

### Fleet Purchase Plan

Description	Year	Life	Budget		CIP		
			FY 16	FY 17	FY 18	FY 19	FY 20
<b>Buildings &amp; Grounds</b>							
Chevy Express Van	2004	15	\$ -	\$ -	\$ 32,000	\$ -	\$ -
Ventrac Mower	2012	15	-	-	-	-	30,000
<b>Fire</b>							
Firetruck-Pumper/Tanker	1998	20	-	600,000	-	-	-
Ford F650 Hackney Body	2004	20	-	-	-	350,000	-
Dodge Durango	2005	12	35,000	-	-	-	-
<b>Fleet Maintenance</b>							
Chevy C1500	2006	12	-	-	-	-	35,000
<b>Harness Track</b>							
Ford F250	2006	15	-	-	32,000	-	-
Kubota Zero Turn Mower	2009	7	-	-	25,000	-	25,000
Ford F250 4X4	2001	12	-	28,000	-	-	-
John Deere Tractor/Backhoe	<b>New</b>	20	53,600	-	-	-	-
<b>Inspections</b>							
Chevy Impala	2004	15	25,000	-	-	-	-
<b>Planning</b>							
Chevy S10	1999	15	25,000	-	-	-	-
<b>Police</b>							
Dodge Charger	2007	6	-	-	-	-	42,000
Dodge Charger	2007	6	-	-	-	-	42,000
Dodge Charger	2007	6	-	-	-	-	42,000
Dodge Charger	2008	6	-	36,000	-	-	-
Dodge Charger	2008	6	-	36,000	-	-	-
Dodge Charger	2009	6	34,000	-	-	-	-
Dodge Charger	2009	6	-	36,000	-	-	-
Dodge Charger	2009	6	34,000	-	-	-	-
Dodge Charger	2009	6	34,000	-	-	-	-
Dodge Charger	2010	6	-	-	36,000	-	-
Dodge Charger	2010	6	-	-	-	38,000	-
Dodge Charger	2010	6	-	-	36,000	-	-
Chevy Tahoe	2011	10	-	-	36,000	-	-
Chevy Tahoe	2011	10	-	-	-	38,000	-
Chevy Tahoe	2011	10	-	-	-	38,000	-



## Capital Improvement Plan FY 2016-2020

### Fleet Purchase Plan (continued)

Description	Year	Life	Budget		CIP		
			FY 16	FY 17	FY 18	FY 19	FY 20
<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
Freightliner Dump Truck	2007	10	-	-	-	200,000	-
28yd Automted Garbage Trk	2006	10	-	190,000	-	-	-
28yd Automted Garbage Trk	2007	10	-	-	170,000	-	-
Freightliner Garbage Truck	2012	7	-	-	-	-	200,000
Freightliner Garbage Truck	2013	7	-	-	-	-	210,000
<b>Streets &amp; Grounds</b>							
John Deere Motor Grader	<b>New</b>	20	-	-	-	225,000	-
Chevy Dump Truck-2.5 Ton	1998	20	-	-	110,000	-	-
Chevy Dump Truck-2.5 Ton	1998	20	-	-	110,000	-	-
Vmc Arm Mower	2003	5	25,000	-	-	-	25,000
Mini Salt Spreader	2005	5	10,000	-	-	-	-
Ford F150	2005	15	30,000	-	-	-	-
Chevy C1500	2006	15	35,000	-	-	-	-
John Deere Zero Turn Mower	2009	7	25,000	-	-	-	-
<b>Total</b>			\$ 625,600	\$ 926,000	\$ 867,000	\$ 889,000	\$ 841,000



## 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 2016-2020

### Information Technology Purchase Plan

Description	Year	Life	Budget		CIP			
			FY 16	FY 17	FY 18	FY 19	FY 20	
<b>Administration</b>								
Building Access System	New	5	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
<b>Fair Barn</b>								
A/V Projector	2010	5	-	6,000	-	-	-	-
<b>Fire</b>								
Projector Replacement			5,000	-	-	-	-	-
<b>Information Technology</b>								
Server 1 - Host (VOP12H1)	2012	3	-	7,000	-	-	-	-
Server - Phone System Host	2011	3	-	7,000	-	-	-	-
Server Backup Primary AACore1	2011	3	-	7,000	-	-	-	-
Server Backup Secondary Aacore 2	2011	3	-	7,000	-	-	-	-
Server - PD Host		3	-	7,000	-	-	-	-
Server - Vrtx (Blade Server)	2015	4	-	-	-	40,000	-	-
Dell Power Edge Server R710	2009	3	7,000	-	-	-	-	-
Village Wide Phone System	2011	5	-	-	80,000	-	-	-
Village Hall Fat Pipe	2008	5	-	18,000	-	-	-	-
Hp Procurve Core Switch	2006	5	-	-	-	25,000	-	-
Website Redesign	2015	3	-	-	10,000	-	-	-
CJIS Security Software	2015	3	8,000	-	-	-	-	-
<b>Inspections</b>								
Inspection Software	New		-	10,000	-	-	-	-
<b>Planning</b>								
Planning Software	New		-	30,000	-	-	-	-
<b>Police</b>								
Security Camera System Upgrade			14,000	-	-	-	-	-
Voice Recorder System	2010	6	-	12,000	-	-	-	-
<b>Recreation</b>								
On-line Registration Software	2011	3	15,000	-	-	-	-	-
<b>Total</b>			<b>\$ 49,000</b>	<b>\$ 131,000</b>	<b>\$ 90,000</b>	<b>\$ 65,000</b>	<b>\$ -</b>	<b>\$ -</b>



## 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 2016-2020

### Other Capital Additions Purchase Plan

Description	Purpose/ Justification	Budget	CIP			
		FY 16	FY 17	FY 18	FY 19	FY 20
<b>Administration</b>						
Replace HVAC	Maintain facility	\$ 9,000	\$ 10,000	\$ 12,000	\$ 14,000	\$ 16,000
Replace carpet	Maintain facility	7,000	-	-	-	-
Lower Council Seating in AH	Improve facility	15,000	-	-	-	-
<b>Streets &amp; Grounds</b>						
Small Drainage Project	Improvements	80,000	80,000	80,000	80,000	80,000
Stormwater Project	Old Hunt Rd	30,000	-	-	-	-
Stormwater Project	Lake Forest SW	40,000	-	-	-	-
<b>Community Development</b>						
McCaskill Rd Sidewalk	Develop connectivity downtown	40,000	-	-	-	-
Street Lighting on Community Road	Develop connectivity downtown	26,000	-	-	-	-
Expand Village Center into Village Place	On-street parking on Community Rd.	25,000	-	-	-	-
<b>Fair Barn</b>						
Landscaping and irrigation	Improve facility	10,000	-	-	-	-
Repair stucco exterior	Improve facility	25,000	-	-	-	-
Replace stable lights with LED	Improve functionality of the facility to promote economic growth	8,000	-	-	-	-
Tint Skylights	Improve functionality of the facility to promote economic growth	17,500	-	-	-	-
Replace floor grates	Remove trip hazards	5,000	-	-	-	-
Parking Lot Improvements	Resurface main parking lot	-	150,000	-	-	-





## Capital Improvement Plan FY 2016-2020

### Other Capital Additions Purchase Plan (continued)

Description	Purpose/ Justification	Budget		CIP		
		FY 16	FY 17	FY 18	FY 19	FY 20
<b>Fire</b>						
Opticom	Traffic control for emergency response	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
Thermal Imager	Replaces an eight year old unit	-	-	-	-	-
Flooring at Station 92	Maintain facility	8,000	-	-	-	-
Spreader/Cutter	Rescue emergency response	5,000	7,500	-	-	-
Replace kitchen cabinets at Station 92	Maintain facility	15,000	-	-	-	-
<b>Harness Track</b>						
Structural Repairs to Barns	Stabilize structural deficiencies	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Replace Siding, Barn	Maintain facility	-	-	-	-	-
Suface Water Runoff	Improve facilities and track condition	20,000	-	-	-	-
Monticello Gate	Rebuild entrance on					
Restructure	Monticello for egress		50,000			
Track Conditioner	Maintain facility	23,000	-	-	-	-
Sewer Connection Barns 15,16,17	Connect to sewer and remove septic system	-	75,000	-	-	-
Sewer Connection Barns 9 & 10	Connect to sewer and remove septic system	-	-	30,000	-	-
Sand for 5/8 Track	Replace sections of track that have deteriorated due to erosion	19,000	-	-	-	-
Rebuild turn sections of mile track	Replace sections of track that have deteriorated due to erosion	15,000	-	-	-	-
<b>Police</b>						
Replace Carpet in Upper Hallway	Improve appearance and safety	-	-			
Replace HVAC	Maintain facility	9,000	10,000	12,000	14,000	16,000
<b>Powell Bill</b>						
McKenzie & Hwy 5 and Barrett Rd. & Hwy 5	Improve traffic safety	146,000	-	-	-	-



## Capital Improvement Plan FY 2016-2020

### Other Capital Additions Purchase Plan (continued)

Description	Purpose/Justification	Budget	CIP			
		FY 16	FY 17	FY 18	FY 19	FY 20
<b>PS Administration</b>						
Redevelop the Public Services complex	Improve functionality of the facility and enhance the area to promote economic growth	\$ 400,000	\$ 350,000	\$ -	\$ -	\$ -
Replace HVAC	Maintain facility	30,000	-	-	-	-
<b>Recreation</b>						
Mobile Stage	Replace existing stage for events	\$ 80,000	\$ -	\$ -	\$ -	\$ -
WP Development	Shade Shelters	15,000	-	-	-	-
WP Development	Add Spray Ground/Splash Pad	280,000	-	-	-	-
WP Development	Soccer field lighting	-	133,000	-	-	-
WP Development	Sand volleyball courts	-	-	45,000	-	-
Cannon Park Parking Lot	Pave Main Parking Lot	-	-	225,000	-	-
Wicker Park Arboretum	Install brick sidewalks from Pavilion to Pergola	30,000	-	-	-	-
Bike Lanes	Phased implementation of Bike Plan	-	-	300,000	-	300,000
Greenways/Sidewalks	Phased implementation of	200,000	200,000	200,000	200,000	200,000
<b>Total</b>		<b>\$ 1,675,000</b>	<b>\$ 1,078,000</b>	<b>\$ 916,500</b>	<b>\$ 320,500</b>	<b>\$ 624,500</b>



**VILLAGE OF PINEHURST  
Budget Ordinance  
Fiscal Year 2015-2016**

**BE IT ORDAINED AND ESTABLISHED** by the Village Council of Pinehurst, North Carolina, in Regular Session assembled this 9th day of June 2015 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, 2015 and ending June 30, 2016, in accordance with the chart of accounts heretofore established for this Village:

**OPERATING EXPENDITURES:**

Governing Body	\$ 224,500
Administration	1,086,880
Financial Services	607,930
Human Resources	403,690
Police	2,791,945
Fire	2,699,720
Inspections	231,685
Public Services	405,460
Streets & Grounds	1,272,040
Powell Bill	654,000
Solid Waste	1,381,200
Planning	677,670
Community Development	201,040
Recreation	1,352,900
Library	200,000
Harness Track	539,260
Fair Barn	301,420
Contingency	50,000
Debt Service	<u>464,304</u>

Total Operating Expenditures    \$ 15,545,644



## Annual Budget Ordinance

### CAPITAL EXPENDITURES:

Administration	\$ 33,195
Financial Services	900
Human Resources	450
Police	129,085
Fire	82,815
Inspections	25,355
Public Services	430,285
Streets & Grounds	276,190
Powell	146,000
Solid Waste	260,780
Planning	26,145
Community Development	91,000
Recreation	620,545
Harness Track	160,990
Fair Barn	<u>65,865</u>

Total Capital Expenditures \$ 2,349,600

TOTAL EXPENDITURES \$ 17,895,244

**SECTION 2.** It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

### REVENUES:

Ad Valorem Tax Revenue	\$ 9,573,000
Other Taxes and Licenses	2,826,000
Unrestricted Intergovernmental Revenue	1,959,900
Restricted Intergovernmental Revenue	505,450
Permits and Fees	544,300
Sales and Services	579,000
Assessments	29,075
Other Revenues	492,680
Investment Income	10,200
Appropriated Fund Balance	<u>1,375,639</u>

TOTAL REVENUES \$ 17,895,244

**SECTION 3.** There is hereby levied a tax at the rate of twenty-nine cents (\$0.29) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2015, 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 \$3,312,000,000 and an estimated collection rate of 99.9% for real and personal property and 99.0% for motor vehicles.



## Annual Budget Ordinance

**SECTION 4.** 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 5.** 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 6.** 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.

**THIS ORDINANCE** passed and adopted this 9<sup>th</sup> day of June, 2015.

VILLAGE OF PINEHURST  
VILLAGE COUNCIL

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

Attest:

Approved as to Form:

\_\_\_\_\_  
Lauren Craig, Village Clerk

\_\_\_\_\_  
Michael J. Newman, Village Attorney



**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.

**ACE** – Is an acronym for one of the Village’s informal process improvement methodologies. It stands for Analyze process requirements, Change the process, and Evaluate the change. For more significant process improvements, see BIRDIE.

**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.

**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.

**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, known as KPIs, 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 Excellence Framework** – 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 one of the Village’s process improvement methodologies used for significant process improvements. It stands for Bring the opportunity forward, Investigate the opportunity, Review potential solutions, Determine the solution, Implement the solution, and Evaluate the solution. For another methodology, see ACE.

**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.

**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.

**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.

**KPI** – The acronym used for Key Performance Indicators that measure a program's workload, efficiency, or effectiveness and is used to track operational performance.

**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.

**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 Excellence Framework.

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

**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. 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 all real properties, including land, homes, and commercial buildings 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.



**Revenue Neutral** – Is the revenue amount achieved after a property revaluation when the new property tax rate generates the same property tax revenue as the previous year, plus normal growth.

**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.

**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** – A readily measurable statement of aim or expected accomplishment to achieve a strategic goal.

**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.

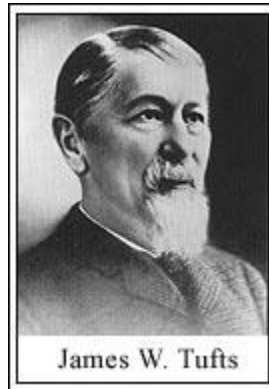
**Tax Base** – The assessed valuation of all taxable real and personal property within the Village's corporate limits.

**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.



*Photo courtesy of Tufts Archives*

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  
Photos courtesy of Tufts Archives*

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*  
*Photo courtesy of Tufts Archives*

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 & Geographic Characteristics

### *Demographic Characteristics*

With a current population of 15,525, 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 also hosted 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 Ten Fiscal Years

Function	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
<b>Financial Services</b>										
Purchase orders issued	323	262	207	225	260	280	295	269	299	338
Vendor checks issued	2,673	2,529	2,427	2,448	2,333	2,471	2,444	2,365	1,840	1,641
Vendor EFTs issued	-	-	-	-	-	-	-	401	620	998
<b>Human Resources</b>										
Workers' compensation lost time (days)	322	6	60	12	446	32	425	33	74	144
Employee turnover rate	9.0%	9.0%	9.4%	7.8%	7.9%	9.2%	8.5%	10.7%	11.4%	7.9%
<b>Fleet Maintenance</b>										
Tire work orders completed	150	186	132	311	216	116	188	200	205	204
10-point service performed	350	200	291	233	208	194	288	228	220	200
Public Safety										
<b>Fire Protection</b>										
Public fire & life safety classes	95	219	204	167	159	170	176	191	254	307
Incident calls	842	922	827	843	855	884	1,031	865	982	993
Structure fires	21	26	56	63	44	55	58	35	43	28
Inspections	766	824	787	732	620	423	784	1,174	950	1,898
Child passenger seat inspections	833	579	583	396	173	222	228	120	182	170
<b>Police Protection</b>										
Physical arrests	206	202	262	585	444	445	233	165	184	239
Citations issued	1,560	1,285	3,806	3,891	3,993	2,970	3,053	1,908	1,208	2,082
Response to calls/officer initiated activity	11,500	9,801	11,866	13,513	13,640	14,495	14,362	13,364	10,901	13,041
Traffic accidents	447	432	483	500	474	418	476	414	447	422
<b>Inspections</b>										
Building inspections conducted (1)	11,286	10,588	9,194	7,683	5,409	4,281	4,370	3,832	4,608	7,540
Certificates of occupancy issued	254	271	227	169	181	156	197	48	68	79
<b>Transportation</b>										
Street resurfacing (miles)	5.0	5.0	6.3	5.6	4.8	3.2	6.4	4.5	3.6	5.0
<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	3,988
Homes receiving service	6,345	6,485	6,651	6,782	6,862	7,686	7,736	7,812	7,877	7,955
Recyclables collected (tons annually)	305	369	568	943	966	1,473	1,734	1,807	1,913	2,025
<b>Economic &amp; Physical Development</b>										
Building permits issued	318	378	424	359	278	259	239	287	275	313
Zoning compliance investigations	475	480	477	690	624	475	501	577	596	522
Cultural & Recreation										
<b>Recreation</b>										
Program participants	398	468	679	830	939	1,065	1,739	1,748	1,591	1,807
Athletics participants	1,507	1,503	1,556	1,982	2,323	2,287	2,296	1,934	1,838	1,442
<b>Harness Track</b>										
Standardbred stalls leased	280	285	249	220	281	251	276	259	223	240
Facilities reserved (days)	62	45	32	30	20	30	32	32	103	125
<b>Fair Barn</b>										
Events	67	87	89	84	80	88	113	113	102	122
Rental days	125	131	117	95	98	96	120	113	112	199

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)
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%
2014	2013	15,150	\$ 650,586,450	\$ 42,943	60.9	6.3%

### 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 Southern Pines-Pinehurst area.



## Principal Property Tax Payers

### Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2014		2005	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 159,291,425	4.57%	\$ 118,565,300	5.83%
Pinehurst Surgical Clinic	23,614,600	0.68%	7,616,410	0.37%
Country Club of North Carolina	22,019,470	0.63%	17,847,520	0.88%
Pinehurst Medical	20,244,470	0.58%	10,487,499	0.52%
Pinewild Project Limited PTNS	14,042,077	0.40%	-	0.00%
Progress Energy Carolinas	12,502,793	0.36%	11,646,416	0.57%
East Lake Development, LLC	6,847,520	0.20%	-	0.00%
MTMM Associates (Carolina Eye Assoc.)	5,644,060	0.16%	6,617,107	0.33%
SCOP (Surgery Center of Pinehurst)	5,148,450	0.15%	-	0.00%
Pinehurst Nursing	4,286,825	0.12%	3,401,170	0.17%
Infinity B&C LLC	4,127,550	0.12%	-	0.00%
CenturyLink, f/n/a Carolina Telephone & Telegraph	4,002,740	0.11%	4,430,287	0.22%
Branch Banking and Trust Co.	-	0.00%	4,377,622	0.22%
Pleasant Living Health Care (Quail Haven)	-	0.00%	8,174,043	0.40%
<b>Total</b>	<b>\$ 281,771,980</b>	<b>8.09%</b>	<b>\$ 193,163,374</b>	<b>9.49%</b>

**Sources:** Moore County Tax Department.

**Notes:** 2014 and 2005 data are for tax years 2013 and 2004 respectively.



## Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>2014</u>		<u>2005</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)	3,401	71.05%	2,370	56.44%
Pinehurst, LLC (2)	1,260	26.32%	1,253	29.84%
Total		97.37%		86.28%

### 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:

2014 employment is based on calendar year 2013.  
 2005 employment is estimated.  
 GASB 44 requires comparative data for the current calendar year and nine years prior. 2010 adjusted Census Data was used for 2005 and 2014 to estimate the percentage of total employment.



*The Carolina Hotel*