



2015 Budget in Brief

Letter from the Mayor

The Village's Strategic Operating Plan and annual budget for the fiscal year (FY) 2015 is driven by the commitment to ensure Pinehurst is a charming, vibrant community which reflects our rich history and traditions. For the past two years, you have given us feedback on the services we provide you through the Community Survey or Business Survey. Based on that feedback, the Village Council has decided to focus on the following four service areas, while continuing to provide high levels of service in other areas:

1. Promote economic opportunity,
2. Provide and promote safe traffic & pedestrian mobility,
3. Provide a variety of recreational and cultural opportunities, and
4. Preserve the character & ambience of the Village.

The FY 2015 budget maintains the current tax rate of \$0.28 per \$100 valuation and is slightly smaller than the current year's budget. The FY 2015 Strategic Operating Plan also includes 55 initiatives that total \$1.6 million to achieve the Village Council's strategic objectives on the Balanced Scorecard. The Village has been effective in controlling the cost of services so funds can be devoted to ensuring the quality and amount of services that our residents and businesses require and expect.

As in the past, the budget is prepared utilizing sound financial policies and reflects the Village Council's thoughtful consideration about the services provided and the level of capital investment. Professional staff's daily stewardship of tax dollars, combined with sound financial planning has resulted in the Village's credit rating being equivalent to a bond rating of Aa/AA by the national rating agencies.

Several new initiatives are planned for FY 2015 and I encourage you to read further about those in this document and the full Strategic Operating Plan which may be found on our website at www.vopnc.org.

Nancy Fiorillo, Mayor
Village of Pinehurst, NC



*Councilmember John Strickland,
Councilmember Claire Phillips,
Mayor Nancy R. Fiorillo, Mayor Pro-Tem John Cashion,
and Councilmember Clark Campbell*





General Fund Expenses (\$17.8 million)

The Village's FY 2015 Strategic Operating Plan includes 55 initiatives that total \$1.6 million to achieve the Village Council's strategic objectives on the Balanced Scorecard. This year, the Village Council has identified four service areas of focus. Key strategic initiatives planned for FY 2015 in these areas include:

1. Promote Economic Opportunity

Initiatives aimed to support businesses and promote the Village in a way that ensures a vibrant, viable, and thriving business community include:

- Incrementally expand the Village Center into Village Place – Community Road Streetscape Improvements and Phase 2 of Village Place developments services (e.g. community engagement and development of public/private partnerships)

2. Provide & Promote Safe Traffic & Pedestrian Mobility

Initiatives aimed to provide and promote well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity include:

- Extend the sidewalk and walkway system
- Improve the adequacy of street lighting in neighborhoods

3. Provide a Variety of Recreational & Cultural Opportunities

Initiatives aimed to offer recreation programs, facilities, and community events to enhance the overall quality of life include:

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

4. Preserve the Character & Ambience of the Village

Initiatives aimed to deliver planning, infrastructure, code enforcement, and landscape maintenance services to enhance the quality of life in neighborhoods and the Village Center include:

- Evaluate the code enforcement process
- Evaluate the consolidation of the Streets & Grounds Department and the Buildings & Grounds Department

Other noteworthy initiatives include:

- Evaluate alternative methods to obtain public input on Council related decisions
- Develop a comprehensive volunteer reward & recognition program
- Oversee the annexation of Cotswold

- Stream and post video and/or audio recordings of Council meetings on the Village website
- Evaluate the sale of Village-owned land
- Continue to enhance Village roadways with the annual street resurfacing program
- Streamline Planning & Zoning permits and applications
- Implement single-day collection system with automated yard debris

In addition, the Village continues to develop an alternative transportation master plan to address pedestrian mobility throughout the Village in FY 2015.

The FY 2015 Budget for salaries and wages for the Village's 132 full-time equivalents (FTE) includes merit raises ranging from 0-2% . The budget also includes increasing a Harness Track Specialist position from .75 FTE to full-time. While the Village did not have an increase in health insurance at renewal this last year, the FY 2015 budget assumes a 10% increase in group health insurance costs at the next renewal.





Viewing the Budget Online

To view the FY 2015 Budget online, go to www.vopnc.org.

On the Budget “launch” page, citizens can open the entire FY 2015 Budget and Strategic Operating Plan document or an individual section.

The table of contents is also linked, allowing readers to jump to individual sections from the table of contents.

All of the documents are searchable PDFs, so you can hit Ctrl+F and enter any word in the document to find all occurrences in the text.

General Fund Revenues (\$17.8 million)

The primary revenue source for the Village is property taxes, accounting for 55% of total revenues, or \$9.8 million. In FY 2015, the Village will maintain the current tax rate of \$0.28 per \$100 valuation for the 8th consecutive year.

Generating \$2.8 million, sales taxes are the second largest revenue source for the Village, representing 16% of the budget. 2 cents of the 6 ³/₄ cents paid in sales tax comes back to the Village to help fund operations.

Building permit revenues are projected to increase to \$294,000, or increase 13% due to an uptick in building levels and anticipated increases in inspections.

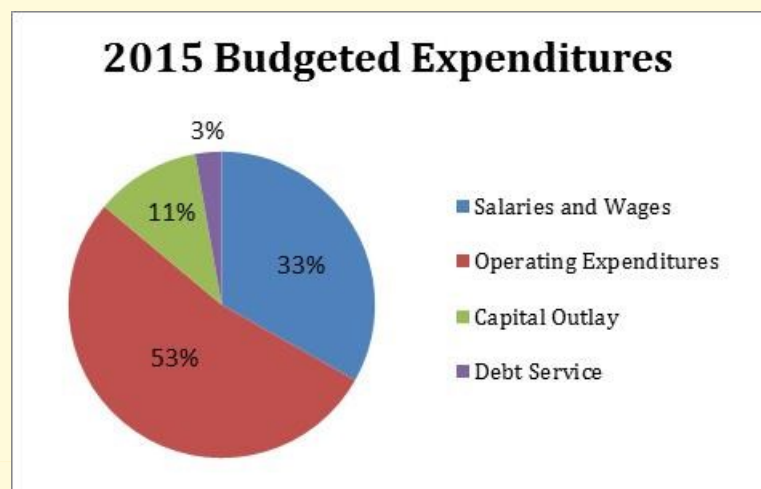
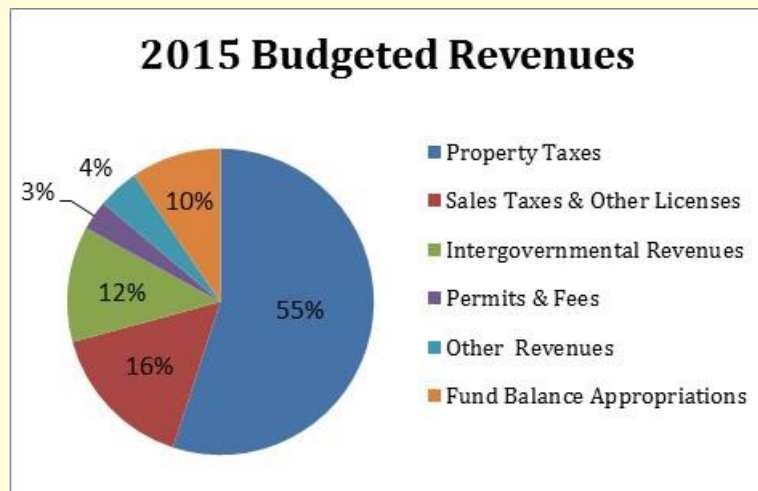
The Village is also budgeting to use \$1.7 million of appropriated fund balance (or Village savings), which is above the expected budget-to-actual variance of \$925,000. It is estimated the Village will actually use \$762,000 of fund balance by the end of FY 2015.

Long-Term Debt

The Village continues to pay down its debts and has only \$2.3 million in long-term debt outstanding. Total required principal and interest payments for FY 2015 amount to \$494,000, or 2.8% of the total annual budget. The Village does not plan to issue any new debt in FY 2015.

Fund Balance

The Council has adopted a policy to keep the Village’s fund balance, or our savings, between 30% and 40% of total expenditures. This budget anticipates the Village will reduce fund balance by approximately \$762,000 at the end of FY 2015, ending with a fund balance of roughly 37% of expenditures.





Significant FY 2015 Capital Expenditures

The FY 2015 Budget includes a total of \$2.0 million in capital expenditures, or 11% of the total General Fund budget. Capital expenditures include \$667,000 in routine replacement of fleet and equipment and \$169,800 in routine replacement of information technology assets. Other significant capital items include \$336,000 for the sidewalks and enhanced street light posts on the expanded Hwy 211, \$293,000 for drainage projects, and \$57,500 in additional street lighting. In addition, the FY 2015 Budget includes the addition of amenities at Rassie Wicker Park and expansion of walking and biking trails.



FY 2015-2019 Capital Improvement Plan (CIP)

The Village's Five-Year Capital Improvement Plan for FY 2015-2019 totals \$7.9 million and is a reduction of 32% from the prior year's CIP of \$11.6 million. The reduction is attributable to the removal of the Carriage House facility project on Dogwood Road that was planned in the previous CIP.

The FY 2015-2019 CIP does not include any significant multi-year capital projects, but includes the routine replacement of vehicles & equipment and other capital improvements over the five year planning horizon. Fleet replacements account for approximately 52% of the five year capital spending at \$4.1 million. Other significant capital additions planned in the five years include storm water drainage improvements, additions to sidewalks, greenways and bike paths, and improvements to Rassie Wicker Park.

Balanced Scorecard

The Balanced Scorecard (BSC) uses four perspective to ensure a balanced approach to evaluation achievement of organizational strategy. Those four perspectives are the:

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

The BSC contains performance measures in these four perspectives and the Village Council sets target performance levels for each measure.

It is these target performance levels that are used to determine which initiatives will be funded and implemented, with an aim to improve performance levels where needed.

The BSC helps the Village to :

- Clarify strategy
- Align the organization around strategy, and
- Integrate strategic planning and resource allocation.

Village of Pinehurst

395 Magnolia Road
Pinehurst, NC 28374
910.295.1900
www.vopnc.org

