



Letter from the Mayor

The Village Council is committed to ensuring Pinehurst is a charming, vibrant community which reflects our rich history and traditions. For the past five years, you have given us feedback on our services through the annual Community and Business Surveys. The Council and staff have used that feedback, along with other relevant data, to prepare the 2018 Strategic Operating Plan that includes the FY 2018 Budget.

The Village Council has identified nine strategic goals, supported by 15 strategic objectives on the Balanced Scorecard (BSC). The nine strategic goals of the Village for FY 2018 are to:

1. Safeguard the community,
2. Ensure an attractive residential community,
3. Ensure a thriving business community,
4. Provide multimodal transportation systems,
5. Protect the environment,
6. Maintain an active, healthy community,
7. Professionally manage a high performing organization,
8. Attract & retain an engaged workforce, and
9. Maintain a healthy financial condition.



Mayor Nancy R. Fiorillo

The FY 2018 Budget contains a \$0.295 per \$100 valuation property tax rate that is consistent with last year's tax rate. The Council's four Areas of Focus for the Village for FY 2018 include: 1) guiding appropriate redevelopment and growth, 2) providing pedestrian connectivity, 3) maintaining high quality streets, and 4) providing recreation programs, leisure activities, and cultural arts events for all ages.

In support of our goals and objectives, we have several Initiative Action Plans (IAPs) that span the five-year planning period of FY 2018–2022. This *Budget in Brief* describes those action plans and other key items included in the FY 2018 Budget. For more information on action plans, please see the *Strategic Priorities* section of the 2018 Strategic Operating Plan, which may be found on our website at www.vopnc.org.

This year, the Village's budget includes funding for the design of a new 18,000 square foot community center that is planned to be constructed in FY 2019. This project is being funded with existing Village funds and a \$1.0 million loan that will be repaid under the current tax rate of \$0.295 per \$100 valuation.

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 2018 Budget is prepared utilizing sound financial policies and reflects the Council's thoughtful consideration of the services provided and priorities identified by residents and businesses.

Several great initiatives and projects are planned for FY 2018, and I encourage you to read further about those in the 2018 Strategic Operating Plan.

Nancy Fiorillo, Mayor
Village of Pinehurst, NC



Fiscal Year (FY) 2018 Initiative Action Plans

The FY 2018 Budget includes 12 Initiative Action Plans (IAPs) at a cost of \$1.3 million to address the Village’s nine strategic goals, 5 of which are designated as an Area of Focus (AOF). In the five-year planning period there are a total of 13 IAPs at a cost of \$8.1 million. Additional information on action plans can be found in the *Strategic Priorities* section of the 2018 Strategic Operating Plan. Initiative Action Plans in the FY 2018 Budget and their cost are as follows:

Customer Perspective

Safeguard the Community (\$15,000)

1. **Traffic pre-emption program** - Installation of traffic pre-emption devices at 3 signalized intersections - **\$15,000**

Ensure an Attractive Residential Community (\$90,000)

2. **Community aesthetics** – Develop and implement a multi-year master plan for landscape enhancements along Highway 211 - **\$25,000**
3. **Land use planning** AOF – Develop a Village-wide land use plan - **\$65,000**

Ensure a thriving business community (\$145,000)

4. **Commercial streetscape enhancements** – Install brick sidewalks and streetlights on McCaskill and McIntyre Roads - **\$145,000**

Provide multimodal transportation systems (\$442,500)

5. **Pedestrian connectivity** AOF – Install approximately 1 mile of pedestrian facilities - **\$433,000**
6. **Street lighting** AOF – Install approximately 20 street lights within Village neighborhoods - **\$9,500**
7. **Transportation improvements** AOF – Collaborate with NCDOT on state road improvements needed in the Village - **\$0**

Maintain an active, healthy community (\$533,200)

8. **Recreation facilities** AOF – Pave the Cannon Park parking lot and complete design for a *NEW* Community Center to be built in FY19 - **\$533,200**

Internal Perspective

Professionally manage a high performing organization (\$53,600)

9. **Transparent operations** – Create online dashboards to be launched in FY19 to inform the public of Village performance - **\$0**
10. **Planning & Inspection process improvements** – Evaluate the permit & inspection processes and implement technology for efficiency and service level enhancements - **\$53,600**

Workforce Perspective

Attract and retain an engaged workforce (\$5,000)

11. **Workforce learning and development** - Train and develop Village employees and develop a formal Village-wide succession plan - **\$5,000**
12. **Incentive reward program** - Develop and implement a financial incentive reward program for Village employee performance to be implemented in FY19 - **\$0**

Balanced Scorecard (BSC)

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

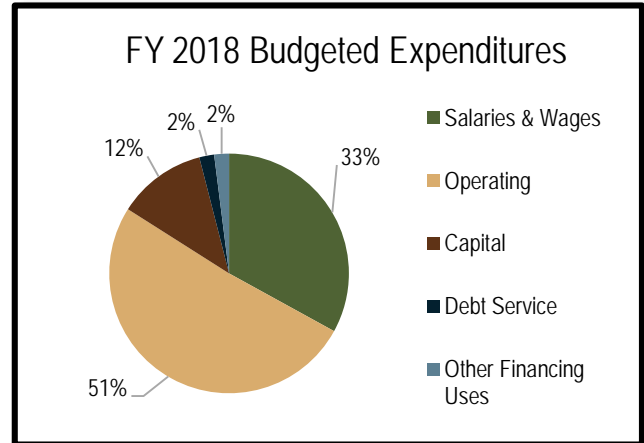


Fiscal Year (FY) 2018 General Fund Expenditures

The FY 2018 Budget for salaries and wages for the Village’s 139 full-time equivalents (FTEs) accounts for 52% of total expenditures, or \$6.4 million. Funding for merit raises ranging from 0-3% for employees totals \$174,000. Also, the FY 2018 Budget includes the third year of a five-year phase out of the dependent coverage health insurance premium subsidy provided by the Village. The Village currently subsidizes 15% of dependent coverage insurance premiums for employees and will continue to pay for 100% of health insurance premiums for employees.

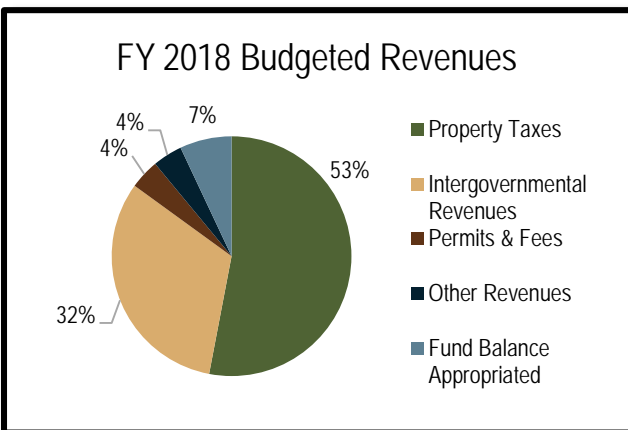
This budget includes an increase of 2.45 full time equivalents (FTEs) for 4 positions. A full time Grounds Specialist in Buildings & Grounds and two seasonal Maintenance Workers totaling 0.7 FTEs in Streets & Grounds are included based on the recommendation from the Grounds Maintenance evaluation completed last year. In addition, a part-time Finance Technician position is being moved to full time and a part-time Human Resources Assistant is being increased by 0.25 FTEs to address capacity shortages in these departments.

In FY 2018, the recommended budget includes \$2.2 million in capital investment, or 12% of total expenditures. In addition, the budget also includes a transfer of \$344,000 from the General Fund to a capital project fund to cover the cost of design for the new Community Center. This Other Financing Use represents 2% of total expenditures.



Overall, the FY 2018 Budget totals \$19,139,093 or 0.5% above the prior year’s amended General Fund budget at December 31, 2016. The recommended budget as presented results in a per capita expenditure of \$1,172 based on a projected population of 16,328.

Fiscal Year (FY) 2018 General Fund Revenues



The primary revenue source for the Village is property taxes, accounting for 53% of total revenues, or \$10.1 million. In FY 2018, the Village will maintain the current \$0.295 per \$100 valuation property tax rate.

At \$6.1 million, intergovernmental revenues are the second largest revenue category, making up 32% of total General Fund revenues. These revenues include local option sales taxes, utility sales taxes, and other state-collected revenues. Of these, local option sales taxes (or 2 cents of the 6 ¾ cents paid in sales tax) are the largest intergovernmental revenue source for the Village, representing 17% of the budget.

The Village is also budgeting to use \$1.3 million of appropriated fund balance (or Village savings), which represents 6.7% of total revenues and is above the expected budget-to-actual variance of \$990,000. Because revenues historically come in at 101% of budget and expenditures typically fall 5% below budget, we estimate the Village will actually only use \$295,000 of appropriated fund balance in FY 2018. This will result in an ending fund balance of approximately 47.8%, above the Council’s target fund balance policy range of 30%-40%.



Long Term Debt

The Village continues to pay down its debts and has only \$1.07 million in long-term debt outstanding. Total required principal and interest payments for FY 2018 amount to \$363,000, or 2% of the total annual budget. The Village does not plan to issue any new debt in FY 2018.

Capital Expenditures

Capital expenditures total \$2.2 million in FY 2018, or 12% of the annual budget. In addition to routine vehicle and equipment replacements, significant capital expenditures include:

- Pedestrian facilities (\$430,000)
- Streetscape improvements on McCaskill Road (\$145,000)
- Paving of Cannon Park parking lot (\$120,000)
- Storm drainage projects (\$110,000)

NEW! Community Center

In FY 2018, the Village will begin designing a new 18,000 square foot community center to be constructed in FY 2019 and open in July 2020. The new facility will likely contain a gymnasium, office space and multiple activity rooms of varying sizes. While the site of the new community center has not yet been determined, two potential locations include Cannon Park (site of the old Village Hall) or Rassie Wicker Park (behind Village Hall).



Viewing the Budget Online

To view the FY 2018 Budget online, go to www.vopnc.org.

On the Budget “launch” page, citizens can open the entire FY 2018 Budget and Strategic Operating Plan document or an individual section, with a linked table of contents.