



**2018
Strategic
Operating
Plan**

Village of Pinehurst, North Carolina

Presentation of the
**2018 Strategic
Operating Plan**

May 9, 2017



Overview

1. Council's Strategic Direction
2. SOP components & enhancements
3. FY 2018 Budget
4. FY 2018-2022 Financial Forecast
5. Next steps



VALUES

Initiative
Teamwork
Service
Improvement

VISION

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

MISSION

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

The SOP is policy document, a financial plan, an operations guide, and a communication device. It has been prepared to comply with the GFOA Distinguished Budget Presentation Award.

Council's Strategic Direction

Council's Strategic Direction

- Discussed in *Strategic Priorities* Section (pgs. 37-64)
- This section identifies:
 - Priorities (or Areas of Focus) and how they were determined
 - What actions (IAPs) the Village is planning to take to address strategic goals & objectives
 - Historical and projected performance, given resources allocated in the SOP



Council's Strategic Direction

- **Four Areas of Focus:**

1. Guide appropriate redevelopment and growth
2. Provide interconnected greenway trails, bike paths, & sidewalks
3. Maintain high quality streets
4. Provide recreation programs, leisure activities, & cultural arts events for all ages

- **Areas of Focus** were selected based on:

1. Performance levels
2. Strategic challenges and opportunities
3. Resident priorities identified in annual Community Survey

SOP Components and Enhancements

SOP Key Components and Enhancements

- **Budget in Brief**
- **Budget Message**
- **Strategic Operating Plan Guide**
- **Strategic Priorities** - Expanded information on IAPs
- **General Fund** - Added department areas of focus for FY18; Added notes for select Key Performance Indicators (KPIs); Projected performance based on five-year resource allocations
- **Capital Project Fund** - NEW section for Community Center
- **Five Year Financial Forecast**
- **Capital Improvement Plan** - Identifies ongoing operating expenses of significant non-recurring capital expenditures

FY 2018 Budget

Items Included in FY 2018 Budget

- \$19.1 million budget, 0.5% higher than the amended FY 2017 Budget
- Consistent property tax rate of \$0.295
- Includes \$1.3 million of appropriated fund balance (savings) - expect to use \$295,000, given budget to actual variance
- Expect ending fund balance to remain at 47.8% of expenditures
- Addition of 2.5 full-time equivalents (FTEs) for five positions:
 - 1.00 - Grounds Specialist (1 position)
 - 0.70 - Maintenance Workers (2 positions)
 - 0.50 - Finance Technician (1 position)
 - 0.25 - HR Administrative Assistant (1 position)
- 12 Initiative Action Plans (IAPs) at a cost of \$1.3 million

FY 2018 Strategic Operating Plan



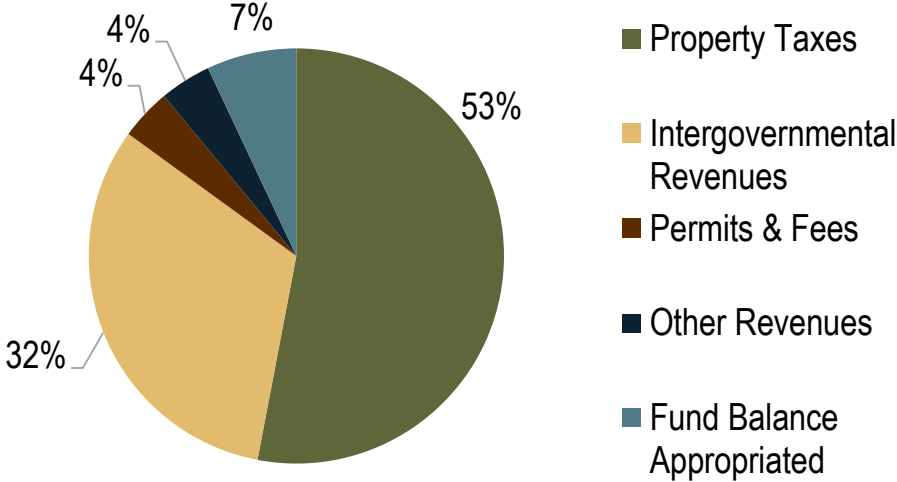
	IAP Name	IAP Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
1	Transparent Operations	Creating online dashboards to better inform public of VOP performance	\$0	\$0	\$0	\$0	\$0	\$0
2	Workforce Learning & Development	Develop VOP employees and succession planning	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
3	Incentive Reward Program	Program to reward VOP employee financially for performance	\$0	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000
4	Neighborhood Sidewalks <small>AOF</small>	Construct approximately 1 mile sidewalks in neighborhoods each year	\$433,500	\$407,000	\$407,000	\$407,000	\$407,000	\$2,061,500
5	Recreation Facilities <small>AOF</small>	Community Center (FY 18-19); Pave Cannon Park parking lot (FY18), Rassie Wicker playground (FY22); W. Pinehurst Park Master Plan (FY22)	\$533,200	\$3,904,900	\$179,760	\$186,000	\$390,300	\$5,194,160
6	Land Use Planning <small>AOF</small>	Develop a comprehensive land use plan	\$65,000	\$0	\$0	\$0	\$0	\$65,000
7	P&I Process Improvements	Conduct a BIRDIE & implement new technology to improve processes	\$53,600	\$10,000	\$10,000	\$10,000	\$10,000	\$93,600
8	Comp Plan Update <small>AOF</small>	Conduct a 10 year update to the Comprehensive Long Range Plan	\$0	\$50,000	\$70,000	\$0	\$0	\$120,000
9	Traffic Pre-emption Program	Complete installation of devices at all 13 Village intersections	\$15,000	\$15,000	\$15,000	\$7,500	\$0	\$52,500
10	Commercial Streetscape Enhancements	McCaskill/McIntyre streetscape enhancements	\$145,000	\$2,500	\$2,500	\$2,500	\$2,500	\$155,000
11	Street Lighting <small>AOF</small>	Install approximately 20 street lights in neighborhoods each year	\$9,500	\$11,900	\$14,300	\$16,700	\$19,100	\$71,500
12	Community Aesthetics	Develop and implement multi-year master plan for Hwy 211 landscaping	\$25,000	\$24,000	\$23,000	\$22,000	(\$4,000)	\$90,000
13	Transportation Improvements <small>AOF</small>	Collaborate with NCDOT and fund state road improvements in Village	\$0	\$0	\$50,000	\$0	\$0	\$50,000
		TOTAL NET COST	\$1,284,800	\$4,470,300	\$816,560	\$696,700	\$869,900	\$8,138,260

Items in red are IAPs that support Council's Areas of Focus

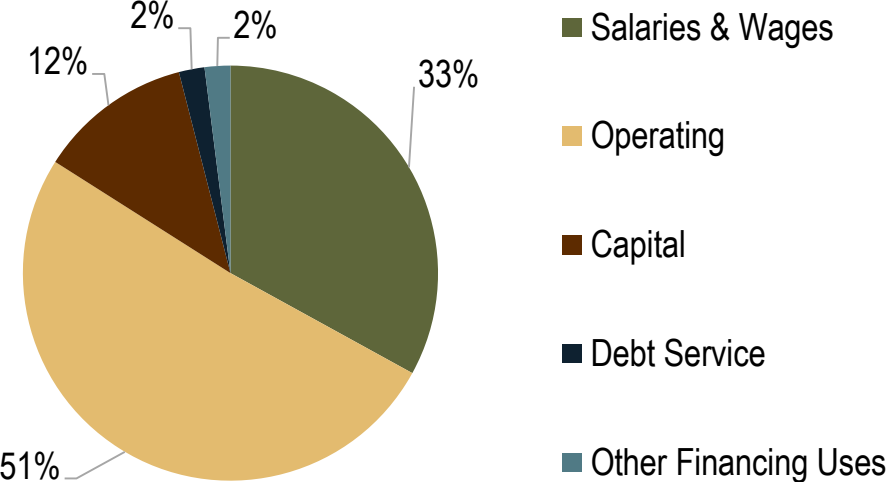
FY 2018 Strategic Operating Plan



FY 2018 Budgeted Revenues



FY 2018 Budgeted Expenditures



FY 2018 General Fund Budget Overview:

- Revenue Assumptions

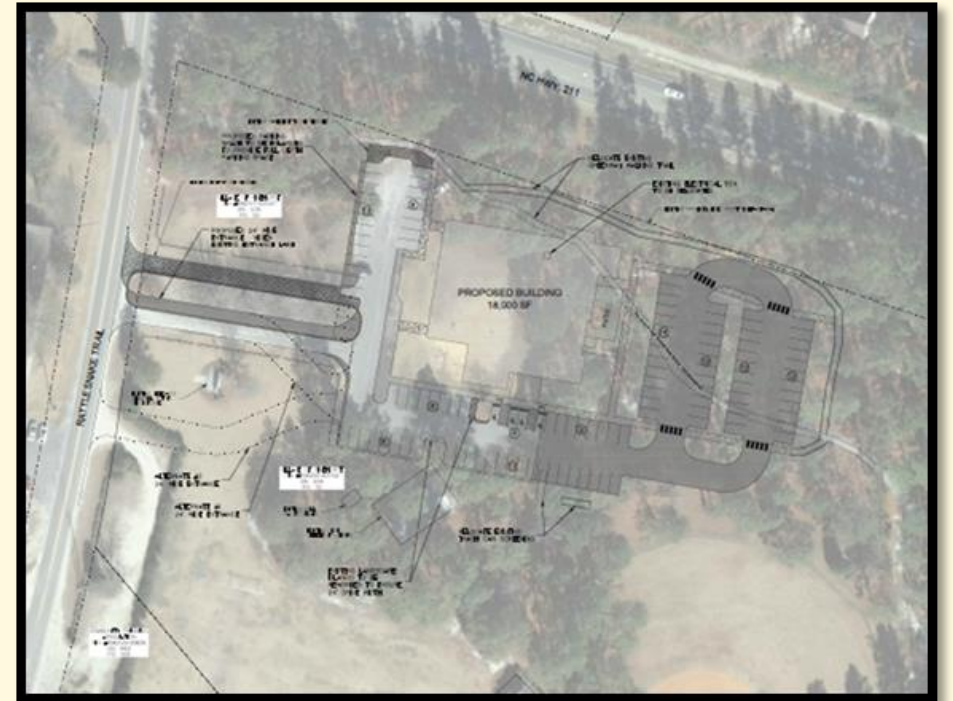
- Assumes 120 new homes and a 1.2% growth in the real property tax base
- Assumes 7.6% growth in sales tax receipts over FY17 budget

- Expenditure Assumptions

- Merit pay raises can range from 0% to 3%, same as last year
- Cover 100% of employee cost of insurance and continue the 5-year phase out of dependent care health subsidy
- Estimated 10% increase in health insurance premiums

Significant FY 2018 Capital (\$2.5 million)

- \$344,000 for Community Center design
- \$914,000 for routine replacement of vehicles and equipment
- \$28,500 for IT infrastructure
- \$1,262,000 in other capital additions:
 - Neighborhood sidewalks - \$430,000
 - Pave Cannon Park lot - \$120,000
 - McIntyre Road streetscape - \$145,000
 - Storm drainage projects - \$111,000



FY 2018-2022 Five-year Financial Forecast

FY 2018 Strategic Operating Plan



FY 2018-2022 Financial Forecast

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
General Fund Revenues	\$17,854,580	\$18,213,000	\$18,562,000	\$18,843,000	\$19,077,000
General Fund Expenditures	19,139,093	21,870,066	19,220,064	19,162,366	19,795,343
Revenues Over (Under) Expenditures	\$(1,284,513)	\$(3,657,066)	\$(658,064)	\$(319,366)	\$(718,343)
Budget to Actual Variance *	989,945	1,014,858	1,058,723	1,084,773	1,116,587
Projected Actual Gain/(Loss)	\$(294,568)	\$(2,642,208)	\$400,659	\$765,407	\$398,244
Projected Operating Margin	0.87	0.88	0.91	0.90	0.92
Projected GF Balance as a % of Total Budget	47.8%	29.8%	35.9%	40.0%	40.8%

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

FY 2018 Strategic Operating Plan



FY 2018-2022 Planned Capital Expenditures

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Capital Projects	\$ 344,000	\$ 2,775,000	\$ -	\$ -	\$ -	\$ 3,119,000
Fleet	914,000	775,000	563,000	381,000	401,000	3,034,000
Information Technology	28,500	98,500	54,000	99,000	74,000	354,000
Other Capital Improvements	1,262,100	1,153,000	737,000	568,500	663,000	4,383,600
Total Capital Exp. Paid with Cash	\$2,548,600	\$ 4,801,500	\$ 1,354,000	\$1,048,500	\$1,138,000	\$10,890,600
Additional Debt Service	-	94,167	92,333	90,500	88,667	365,667
Net Annual Operating Impact	3,500	149,867	226,393	229,200	232,067	841,027
General Fund Impact	\$ 2,552,100	\$ 5,045,534	\$ 1,672,726	\$ 1,368,200	\$ 1,458,734	\$ 12,097,294

Next Steps

Next Steps

- Two Budget Work Sessions:
 - Monday, May 15th (4:00 pm)
 - Wednesday, May 17th (4:00 pm)
- Budget Public Hearing:
 - Tuesday, May 23rd (4:30 pm)
- Adopt the Budget:
 - Tuesday, June 13th (4:30 pm)



Questions