



May 14, 2019

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 2020 Strategic Operating Plan including the recommended budget for Fiscal Year (FY) 2020 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 2020 Strategic Operating Plan. In order to qualify for the program, the Village's budget document must be proficient as a policy document, a financial plan, an operations guide, and a communications device.

FY 2020 marks the seventh 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, a five-year financial forecast and a capital improvement plan. In FY 2012, the Village began a focused continuous process improvement effort 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 Baldrige 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. Implementation of this framework 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 focused on achieving the results articulated in the Village's Balanced Scorecard (BSC).

The FY 2020 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 strategic goals, 17 objectives, and 30 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 vision of being a charming, vibrant community which reflects our rich history and traditions. This message provides information on how the SOP addresses our vision, mission, goals, and objectives in a meaningful and measurable way.

PRINCIPAL ISSUES FACING THE VILLAGE IN DEVELOPING THE SOP

Growth in population and increased development are the primary issues facing the Village in developing the FY 2020 SOP. According to the North Carolina State Demographer's Office, Pinehurst's population increased 25.4% from 2010 to 2016, making the Village the 12th fastest growing municipality in the state. This growth drives our need to plan for the long-term future of the Village, manage the impact of growth on the character of our community, address traffic and transportation related issues, and ensure adequate staff capacity and capabilities to continue to provide high quality services.



In addition, the Village must ensure that it remains financially postured to respond to the effects of negative economic shocks, natural disasters and other major unanticipated expenses. To do so, it is important to replenish our fund balance after funding the \$4.7 million design and construction of the Community Center at Cannon Park.

This year, the Village has seen continued growth in new construction for both single-family homes and non-residential construction. Fallout from the housing crisis of 2008 resulted in a drastic decline in new home construction in the Village. That trend reversed over the past few years. Prior to the housing crisis, the Village averaged 200 new single-family homes per year, which dropped to a low of 51 in 2010. We project approximately 120 homes will be constructed in FY 2019, and 120 in FY 2020. Both of these estimates are lower than the 144 homes constructed in FY 2018. The lower estimates are due to mortgage interest rate increases and the depletion of buildable lots. The growth experienced over the past three years has added to our tax base and resulted in additional revenue available to provide and expand high quality municipal services. The Village has also seen significant commercial development over the past three years which is reflected in our tax base estimate.

The local unemployment rate has declined to 4.0% compared to 4.5% the previous year. This rate is reflective of state and national rates and highlights continued improvement over the past few years in the local economy. Declining unemployment rates have impacted the Village's ability to attract and retain capable staff.

To address current and projected growth and development in the Village, the Long-Range Comprehensive Plan was funded in FY 2019 with plan adoption scheduled for FY 2020. As community needs change due to growth and shifting demographics, updating this long-range plan will help ensure the Village is positioned to grow in a way that helps us remain a charming, historic, and vibrant community. In addition to this endeavor, the FY 2020 Budget includes development of a small area plan for Village Place and the Rattlesnake Trail corridor. This area is one of the key gateways into the Village Center and is ripe for redevelopment.

Due to our increasing population, popularity as a tourist destination, and recent development in Village Place, the need for additional parking near the Village Center has become evident. To address these issues, as well as promote the development of our business community, the FY 2020 Budget includes funding for the potential purchase of land to develop structured parking near the Village Center.

Also due to our increasing population, the Village has identified a possible need for a third fire station to respond to calls on the west side of the community in a timely manner. A formal process evaluation is currently underway to research this issue and identify a recommended solution. The FY 2020 Budget includes funding for the potential purchase of land in this area to secure a future building site.

Increasing community desires for more effective stormwater management has created the need to invest more heavily in stormwater repairs and maintenance. As a result, the FY 2020 Budget includes an increase of \$106,000, or 48%, to improve drainage conditions in areas across the community. Council's initiative to expand GIS capabilities, as referenced in the *Strategic Priorities* section of this document, will also provide value to stormwater maintenance. In addition to the increase mentioned above, funding of \$42,000 is included in the proposed budget to engage a firm to identify and electronically inventory drainage facilities across the Village. The new GIS Analyst position in FY 2020 will assist with updating drainage maps and providing the tools for staff to track maintenance performed at each location in accordance with the Village's new GIS strategic plan.



Other external economic factors have affected our budget planning process. Hosting the U.S. Open Championship over the years has proven to positively impact golf-related tourism. Pinehurst Resort has continued to invest significantly in its properties in recent years, adding amenities to attract a much wider and younger demographic. Military relocations are also supporting growth in the housing market. The Village's name recognition and proximity to the largest US military base, Fort Bragg, make it an attractive location for families with military ties.

Another principal issue impacting the Village is workforce capacity in certain areas of our organization as services and programs expand to meet the needs of residents. To address this, the FY 2020 Budget includes the addition of 4.5 full time equivalents (FTEs).

Changes to the North Carolina Local Government Employees' Retirement System (LGERS) employer contribution rates have placed significant operating pressures on the Village. This year, the LGERS Board voted to increase state-mandated local government retirement contribution rates over the next five years, since actual investment returns for the plan were lower than anticipated. The increased rates are included in the FY 2020 Budget.

Cities nationwide are experiencing increased landfill fees for recycled materials as a result of reduced worldwide demand for these materials. The Village is no exception and is leading local education campaigns to inform residents of the new restrictions imposed on recycling in our area. Our county's tipping fees increased from approximately \$25 to \$115 per ton for this stream of debris collection, and the FY 2020 Budget incorporates the new rates.

Like other cities in North Carolina, the Village is subject to potential legislative changes at the state level which could significantly impact Village intergovernmental revenues. This year's legislative short session, like any session, could impact the Village's revenues or expenses. Since it is unclear at this time what impact, if any, might come from this session, no provisions for changes have been included in this budget.

PRIORITIES AND AREAS OF FOCUS

The recommended FY 2020 Budget 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). At the annual strategic planning retreat, the Village Council identified nine strategic goals:

1. Safeguard the community,
2. Promote high quality development and appearance,
3. Promote a thriving business community,
4. Promote transportation mobility and connectivity,
5. Protect the environment,
6. Promote active living and cultural opportunities,
7. Professionally manage a high performing organization,
8. Attract and retain an engaged workforce, and
9. Maintain a healthy financial condition.



Based on identified strategic challenges and opportunities, community survey areas for improvement, and a review of performance levels relative to benchmark comparisons, the Village Council identified four strategic objectives as Areas of Focus (AOF) for FY 2020 at the annual strategic planning retreat. These include:

1. Manage development and enforce codes and ordinances
2. Provide interconnected pedestrian facilities
3. Maintain high quality streets
4. Provide recreation programs, facilities, and cultural events

The FY 2020 SOP includes 7 Initiative Action Plans (IAPs) with incremental funding of \$914,327 in the five-year planning period to achieve the target performance levels on the BSC and address Areas of Focus:

| Strategic Goal | Strategic Objective | Initiative Action Plans (IAPs) |
|--|---|--|
| Safeguard the community | Deliver effective fire and rescue services | Police Department Accreditation |
| Promote high quality development and appearance | Manage development and enforce codes and ordinances <i>AOF</i> | Adopt and Implement a Long Range Comprehensive Plan |
| | | Small Area Plan for the Village Place/Rattlesnake Trail Corridor |
| Promote active living and cultural opportunities | Provide recreation programs, facilities, and cultural events <i>AOF</i> | Community Center |
| Professionally manage a high performing organization | Continuously improve and innovate | Build Baldrige Framework Systems & Culture |
| | | Expand GIS Capabilities |
| Attract & retain an engaged workforce | Provide a supportive and rewarding work environment | Workforce Learning and Development |

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

All 7 initiatives in the five-year period are scheduled to begin in FY 2020 (or continue from FY 2019). The *Strategic Priorities* section of this document provides additional details on these initiatives that are aimed at achieving the strategic objectives on the BSC and addressing the Council's Areas of Focus.

Of the 7 IAPs planned for the five-year period, only 2 were added this year: 1) small area plan for Village Place and Rattlesnake Trail corridor, and 2) expand GIS capabilities. The remaining 5 IAPs are ongoing initiatives from FY 2019. Examples of ongoing initiatives include the adoption and implementation of a Long Range Comprehensive Plan and the Community Center, both of which are extensive initiatives that spanned multiple years. Funding to maintain current service levels has been provided and service level improvements are focused in recreation, transportation, and planning & development with targeted investments of resources.



FY 2020 GENERAL FUND RECOMMENDED BUDGET

OVERVIEW

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 closed out several special revenue funds, leaving the General Fund as the Village's only annually budgeted fund.

When preparing the FY 2020 SOP, Village Management adhered to the following budgetary principles:

- Maintain adequate funding levels to provide basic Village services,
- Seek to contain operating costs while adequately funding infrastructure and capital replacements,
- Maintain a fund balance in the range of 30% to 40% of budgeted expenditures, per the Village's Fund Balance Policy, and
- Uphold sound budgetary principles such as using conservative revenue estimates and maintaining healthy operating margins.

The FY 2020 recommended General Fund budget totals \$21,578,347. This is a decrease of 8% from the FY 2019 amended General Fund Budget as of December 31, 2018. That budget was \$23,555,450 and included construction of the Community Center. The recommended budget as presented results in a per capita expenditure of \$1,270 based on a projected population of 16,994.

Approximately 71% of all General Fund operating 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 solid revenue growth due an improving real estate market and strong retail sales.

Overall, the recommended budget for the General Fund utilizes \$755,967 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 is less than the budget variance amount by approximately \$423,000. The recommended budget results in fund balance as a percentage of expenditures that is approximately 34.6%. This is within the Council's adopted policy range for fund balance of 30% to 40% of General Fund expenditures.

SOURCES OF REVENUE

The General Fund's primary sources of revenue include:

- Ad valorem taxes,
- Local option sales taxes,
- Intergovernmental revenues,
- Permits and fees, and
- Sales and service revenues.



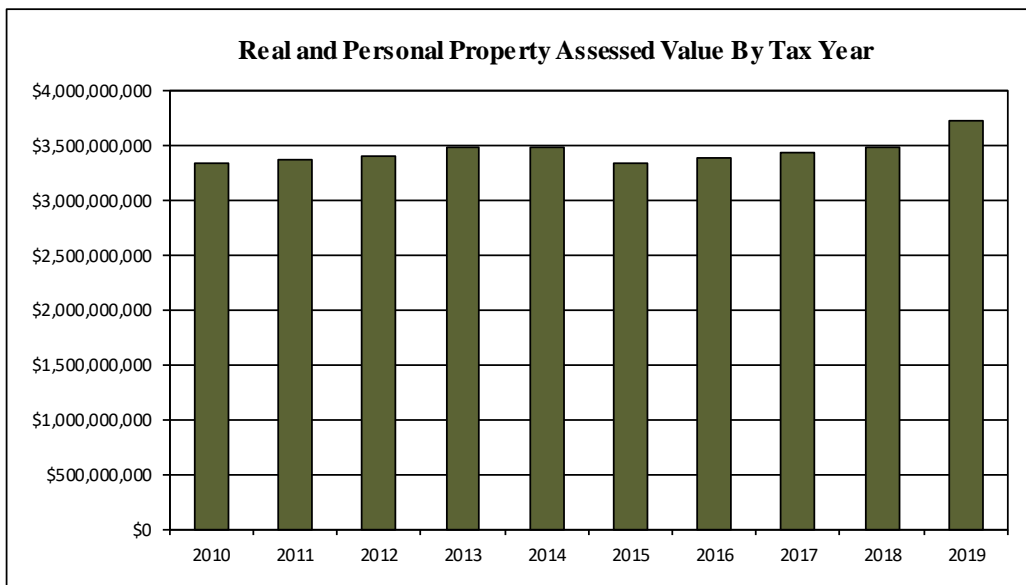
Ad Valorem Taxes (Property Taxes)

Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by the value of the property, not by the owner's ability to pay. Thus, it is often called an "ad valorem" tax, from the Latin phrase meaning, "according to value."

In North Carolina, property tax rates are customarily expressed in dollars per \$100 valuation. The maximum property tax rate allowed in North Carolina is \$1.50 per \$100 of valuation. This proposed budget recommends a property tax rate of \$0.30 per \$100 of valuation, which is the lowest municipal tax rate in Moore County. This means that for every \$100,000 in value of property, \$300 of ad valorem tax is due. All property in the county was revalued by Moore County as of January 1, 2019. As a result of this revaluation, the average property in the Village of Pinehurst appreciated in value by 5.38%. The Village Council elected to adopt an "inflation-adjusted revenue neutral tax rate" of \$0.30, not to be confused with the revenue neutral tax rate defined by the North Carolina Local Government Budget and Fiscal Control Act. The "inflation-adjusted revenue neutral tax rate" concept was developed by Village staff and recognizes that the cost of doing business has increased since the last revaluation period. It is calculated by modifying the traditional revenue neutral tax rate by inflation that has occurred since the last revaluation date of January 1, 2015.

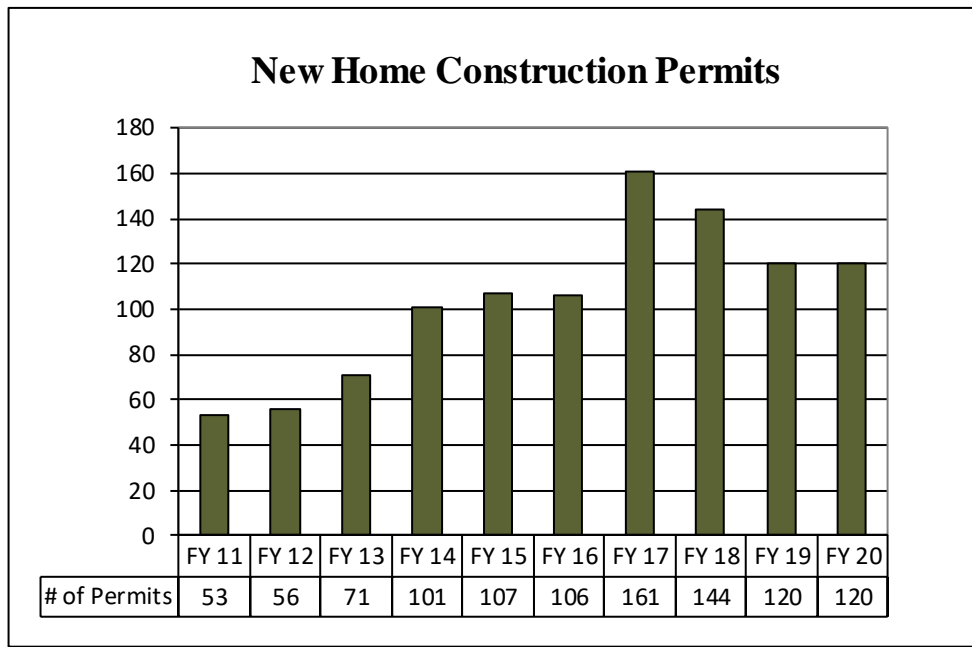
The revenue neutral tax rate is achieved by setting a property tax rate that generates the same revenue as the previous year, plus normal growth. The revenue neutral tax rate for the Village, as calculated by the formula provided by the North Carolina Local Government Commission, is \$0.2806.

With an anticipated collection rate of 99.9% for real and personal property and 100.0% for motor vehicles, the Village typically achieves one of the highest tax collection rates in the State of North Carolina. A penny on the tax rate generates approximately \$367,000 in revenue. Total ad valorem tax revenues are projected to be \$11,186,000 in FY 2020. 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 54% of the General Fund's operating revenues.





Our budget estimates assume an average growth in the property tax base of 1.68% for real property and 1.50% for motor vehicles for FY 2020. Since the majority of the Village’s property tax base is residential property, our new home construction projection is a critical component of the financial forecast. The housing market rebounded significantly in FY 2017 with 161 homes constructed, but fell slightly in FY 2018 with 144 homes. Because of expected increases in mortgage interest rates and decreasing lot availability, we are expecting to permit 120 homes in FY 2019 and 120 in FY 2020.

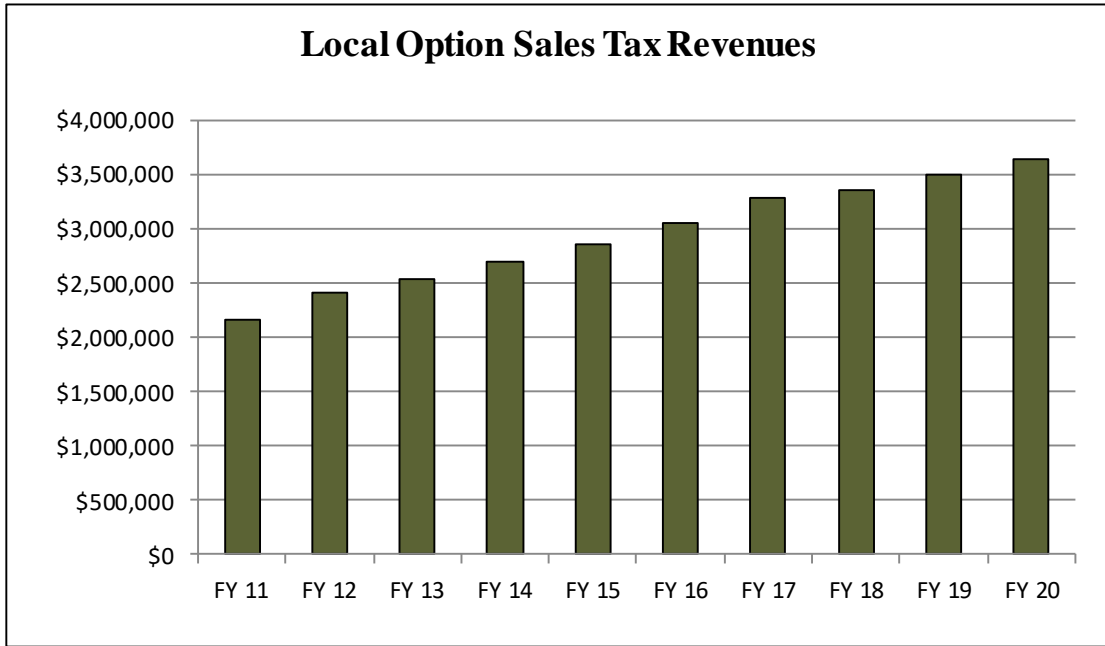


Intergovernmental Revenues

Intergovernmental revenues consist primarily of the local option sales taxes, utility sales taxes, hold harmless sales tax reimbursements, and the Powell Bill allocation. Local option sales taxes are considered an intergovernmental revenue source for the Village since they are levied by the Moore County Board of Commissioners and not by the Village itself.

Two and one-quarter (2.25) cents of the seven (7) 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 percent tax levied in 1983, a one-half percent tax levied in 1986, and a one-quarter percent tax levied in 2019. The state collects the sales taxes and distributes them to local governmental jurisdictions, with the exception of the one-quarter percent tax, which remains with Moore County to support education. Sales tax revenues are distributed on a proportional population basis to municipalities within Moore County.

The Village’s second largest revenue source, local option sales tax, is expected to generate approximately 17% of the Village’s operating revenues, or \$3,632,000 in FY 2020. This represents an increase of 5.2% from the previous year’s budget. This solid increase is based on higher than expected levels of retail sales over the last three fiscal years as the local economy has improved, especially in the areas of construction and tourism. As the following chart illustrates, sale tax revenues have returned to average historical growth levels.



Utility sales taxes are collected by the State and are distributed to the Village based on actual receipts from the providers of electricity, telephone, and video services 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, including sales taxes, is estimated to be \$6,534,400 for FY 2020, or approximately 31% of General Fund operating revenues. This is an increase of approximately 1.4% over estimated intergovernmental revenues in FY 2019.

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 revenues are expected to be \$925,700 in FY 2020, or approximately 4% of total General Fund operating revenues.

Sales and Services Revenues

Sales and services revenues consist primarily of Harness Track stall rentals, Fair Barn rentals, and recreation fees. The Village owns and operates the Harness Track, which is the oldest continuously operating equine sports facility in North Carolina. The Village also operates the Fair Barn at the Harness Track which serves as a venue for weddings and other events. Total revenues in this category are expected to be \$720,700, or approximately 3% of total General Fund operating revenues.

Other Revenues

Other revenues typically consist of small miscellaneous receipts. However, in FY 2020, the Village expects the return of \$1 million from the Given Memorial Library capital campaign trust account. The Village contributed \$1 million to the trust account over the past several years and anticipates these funds to be returned due to the library’s inability to meet its requirements under the agreement. Total revenues in this category are expected to be \$1,249,880, or approximately 6% of total General Fund operating revenues.



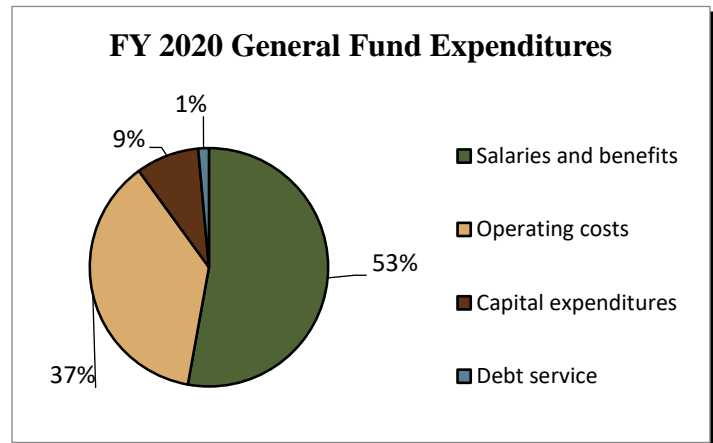
EXPENDITURES BY CATEGORY

General Fund Expenditures fall into one of four categories:

1. Salaries and benefits
2. Operating costs
3. Capital expenditures
4. Debt service

Salaries and Benefits

Salaries and benefits for the Village's 145 full-time equivalents (FTEs) account for \$11,401,570, or 53%, of the total General Fund Budget. This amount includes all employees, however, salaries and benefits for internal service department employees are allocated to the direct service departments as an operating expenditure.



Group insurance costs have historically escalated at a very rapid pace. However, this past year the Village negotiated the same rates for employee medical coverage at renewal. Premiums for other insurance coverages, such as dental and vision, increased modestly. 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 2020 renewal, based on previous historical trends. The Village currently pays for 100% of employee coverage and subsidizes 5% of dependent coverage premiums for employees. As this is no longer a common practice in local government, this benefit is being phased out over a five-year period, reducing the subsidy by 5% per year.

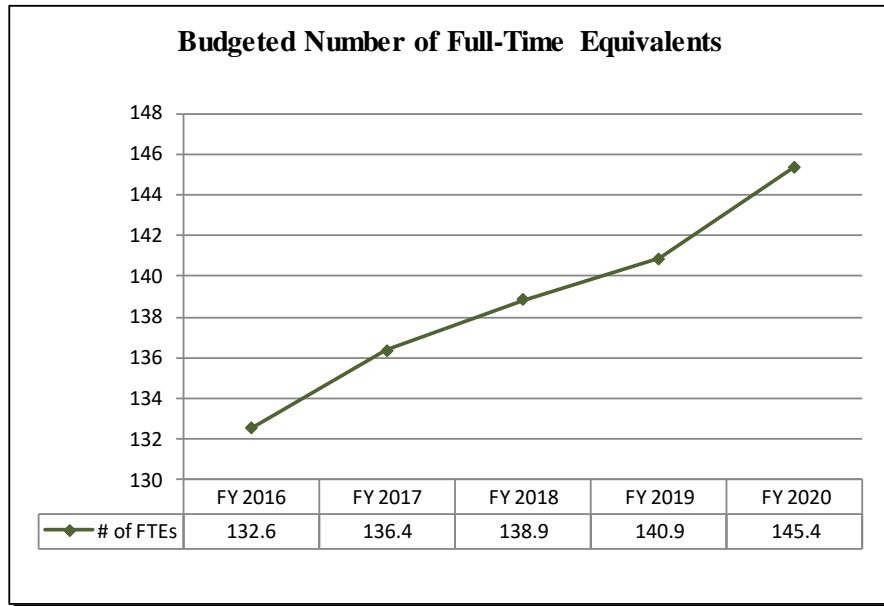
For FY 2020, the budget recommends the increase of 4.5 FTEs for several positions:

- Administrative Assistant for Recreation (1 FTE)
- GIS Analyst for Information Technology (1 FTE)
- Building Inspector for Inspections (1 FTE)
- Firefighter for Fire Department (1 FTE)
- Maintenance Worker to replace two part-time seasonal Maintenance Workers in Streets & Grounds (.3 FTE)
- Increase current IT Systems Specialist from 30-hour position to full-time (.2 FTE)

Several proposed restructures are also recommended in the FY 2020 budget to increase career development opportunities and enhance performance across the organization. These restructures require no additional FTEs and include the following: Buildings & Grounds Crew Leader, Harness Track Specialist II, Assistant Grounds Crew Leader, Assistant Infrastructure Crew Leader, Assistant Solid Waste Superintendent, and a proposed Recreation restructure to be determined.



The following chart indicates the budgeted number of FTEs for the past five years and shows the increased staff capacity needed to serve a growing population.



Last year, the Village implemented a cost of living adjustment in addition to the merit pay system. A total of \$175,000 has been included in the recommended budget to fund cost of living adjustments, which are based on the annual average consumer price index percentage for the prior calendar year. For FY 2020, this equates to 2.4% and adjustments are effective July 1. An additional \$112,000 has been included to fund the Village’s merit pay system. Merit pay raises available to employees are funded at an average of 2% and are effective October 1. The Village does not provide longevity raises.

Operating Costs

This category of expenditures accounts for \$8,016,750 or 37% of the total General Fund Budget. These expenditures include all costs other than salaries and benefits, debt service, and capital costs. Notable operating costs include funding for strategic initiatives supporting the Council’s goals and objectives as listed in the *Strategic Priorities* section of this document. These include developing a small area plan for Village Place and the Rattlesnake Trail corridor, expanding GIS capabilities, and operating costs associated with the new Community Center. It is estimated that the first year of operating costs for the Community Center will equal approximately \$153,000. Contingency funding of \$1 million has also been set aside as a budgetary technique to return the \$1 million from the Given Memorial Library capital campaign trust account to fund balance. Village Council does not plan to spend these funds in FY 2020, but an appropriation is necessary to comply with the North Carolina Local Government Budget and Fiscal Control Act’s requirement to adopt a balanced budget.

Capital Expenditures

This category of expenditures accounts for \$1,847,900, or 9% of the total General Fund Budget. This represents an increase of 45.4% from the previous year, largely due to the replacement of a rescue truck and the potential purchase of land for structured parking and a third fire station in response to Council’s strategic opportunities identified in the *Strategic Priorities* section of this document.



Capital expenditures are for the purchase of vehicles, equipment, land, infrastructure and other items that have a value greater than \$5,000 and a life expectancy of at least one year. Detailed information on capital purchases for FY 2020 can be found in the *General Fund Capital Expenditures* section of the Strategic Operating Plan document. The list below highlights some of the more notable items for FY 2020:

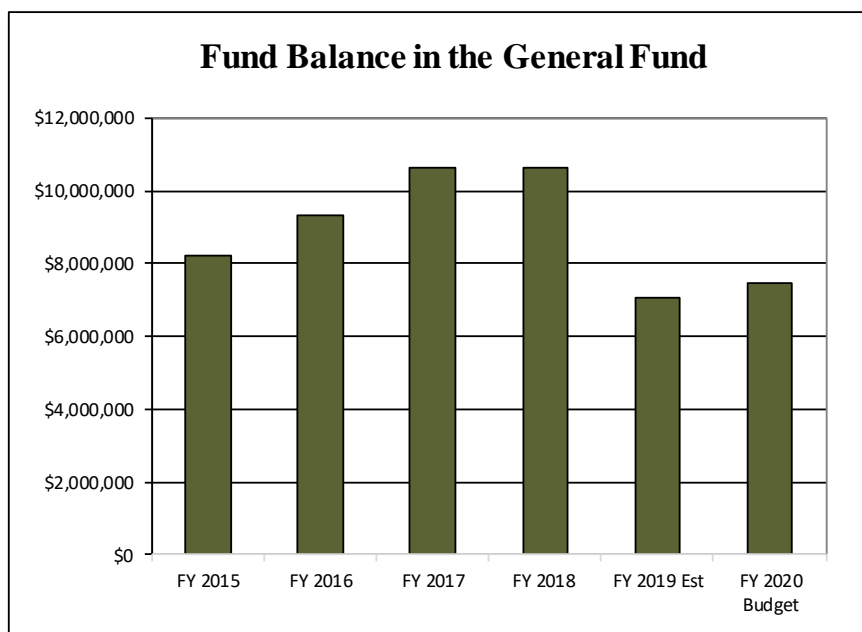
- Rescue truck,
- Three Police vehicles,
- Streetscape improvements on Magnolia Road,
- Funding for a potential land acquisition for structured parking near the Village Center,
- Funding for a potential land acquisition for a future fire station location,
- Garbage truck, and
- Stormwater drainage projects

Debt Service

This category of expenditures accounts for \$312,000, or 1% of the total General Fund budget. This represents a decrease of \$8,000 or 3% over the previous year. In FY 2020, the Village will pay off the fire station loan, which is the Village's only significant remaining debt obligation.

FUND BALANCE

At June 30, 2019, the Village's fund balance in the General Fund is projected to be approximately \$7.0 million, or 30% of the FY 2019 Budget. The reduction in fund balance from FY 2018 to FY 2019 was the result of funding the \$4.4 million construction of the Community Center at Cannon Park without debt financing. The FY 2020 Budget as proposed, including the \$1 million contingency to offset the returned library capital contribution, will increase the level of fund balance to approximately \$7.5 million, or 34.6% of expenditures. However, since the \$1 million contingency funding in FY 2020 is not expected to be spent, the estimated fund balance will likely be approximately 39.2%. The *Five-Year Financial Forecast* section of this document provides additional information regarding the impact of the \$1 million on fund balance over the five-year period.





BALANCED RECOMMENDED GENERAL FUND BUDGET

As required by North Carolina General Statutes, the recommended budget is balanced. In other words, total revenues equal total expenditures. The budget is based on an ad valorem tax rate of \$0.30 per \$100 valuation for the General Fund. The recommended budget will result in a fund balance of 34.6% of FY 2020 General Fund budgeted expenditures, which is within our policy range of 30% to 40%.

Departmental requests were reduced by approximately \$650,000 to balance the budget. Although the budget does not fund all the requests made by departments or external groups, it is set to achieve strategic goals and 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 2020:

| Revenues by Type | Budgeted FY 2020 |
|-------------------------------------|----------------------|
| Ad Valorem Taxes | \$ 11,186,000 |
| Other Taxes & Licenses | 1,500 |
| Unrestricted Intergovernmental Rev. | 6,023,300 |
| Restricted Intergovernmental Rev. | 511,100 |
| Permits & Fees | 925,700 |
| Sales & Services | 720,700 |
| Assessments | 24,200 |
| Other Revenues | 1,249,880 |
| Investment Income | 180,000 |
| Revenues | 20,822,380 |
| Fund Balance Appropriations | 755,967 |
| Total Revenues | \$ 21,578,347 |

| Expenditures by Function | Budgeted FY 2020 |
|---------------------------|----------------------|
| General Government | \$ 2,759,362 |
| Public Safety | 7,512,012 |
| Transportation | 3,724,845 |
| Environmental Protection | 1,931,473 |
| Economic & Physical Dev | 1,170,688 |
| Cultural & Recreation | 3,167,840 |
| Debt Service | 312,127 |
| Contingency | 1,000,000 |
| Expenditures | 21,578,347 |
| Other Financing Uses | - |
| Total Expenditures | \$ 21,578,347 |

A Public Hearing to receive citizen input on the recommended budget is set for 4:30 pm in the Assembly Hall of the Pinehurst Village Hall on Tuesday, May 28, 2019. A copy of the proposed budget is available for inspection at Village Hall and on the Village’s website www.vopnc.org.



Budget Message

I wish to express my thanks to the Village Council and senior leadership for their support in developing this FY 2020 Budget. I also want to recognize all of 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,

A handwritten signature in black ink, appearing to read "Jeff Sanborn". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Jeff Sanborn
Village Manager