



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 capital investments are financially sustainable. The CIP is developed in conjunction with the Village’s Five-Year Financial Forecast outlined in the previous section.

The FY 2020-2024 CIP represents a \$9.4 million plan to address the Council’s strategic objective to “Maintain village assets” under the strategic goal to “Professionally manage a high performing organization.” 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 all current service levels while enhancing others through increased capital investment.

This CIP was developed under the assumption that the Village will fund those items that are able to be included under the proposed tax rate of \$0.30 per \$100 valuation and projected tax rates shown in the five-year financial forecast.

The Village Council updates the CIP annually as part of the Strategic Operating Plan to ensure it is reflective of the Council’s current strategic goals and objectives. In addition, it is expanded annually 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 2020 of the CIP, however, does represent the amount of capital spending appropriated in the FY 2020 Budget.

Capital Improvement Program

Overview

The FY 2020-2024 CIP includes capital investments with a total estimated cost of \$9,396,900 in the General Fund 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:

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Fleet	\$ 3,872,800	41%
Information Technology	444,000	5%
Other Capital Additions	5,080,100	54%
TOTAL	\$ 9,396,900	100%



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. Key Performance Indicators (KPIs) for Fleet Maintenance are included in the *General Fund* section of this document.

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. Key Performance Indicators (KPIs) for Information Technology are included in the *General Fund* section of this document.

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, pedestrian facilities, and storm water drainage improvements.

Funding Sources

Funding for capital expenditures may be obtained from the following sources:

General Fund Cash – this is provided by appropriated operating revenues or fund balance and will generally be used for routine 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.

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.

Table 2 below shows a summary of the revenues and funding sources for the FY 2020-2024 projected capital investments. It is important to note that all capital improvements are funded with available Village funds or cash, with no reliance on debt financing.

Table 2 - CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
General Fund Cash	\$ 9,396,900
TOTAL	<u>\$ 9,396,900</u>



Capital Improvement Plan FY 2020-2024

Impact on General Fund

Table 3 illustrates the total General Fund impact of the CIP over the five years.

Table 3 - General Fund Impact of the CIP

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Fleet	\$ 864,800	\$ 1,095,000	\$ 407,000	\$ 570,000	\$ 936,000	\$ 3,872,800
Information Technology	28,000	93,000	252,000	29,000	42,000	444,000
Other Capital Additions	955,100	1,143,500	1,050,500	1,048,500	882,500	5,080,100
Capital Paid with Cash	1,847,900	2,331,500	1,709,500	1,647,500	1,860,500	9,396,900
Net Annual Operating Impact	129,970	112,136	120,048	131,605	146,310	640,069
General Fund Impact	\$ 1,977,870	\$ 2,443,636	\$ 1,829,548	\$ 1,779,105	\$ 2,006,810	\$ 10,036,969
\$0.01 of the Tax Rate	372,867	376,721	380,581	384,476	388,438	
Tax Rate Equivalent of CIP	\$ 0.05	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05

Capital Projects

Specific criterion is used to determine whether a capital request is classified as a capital project. The criterion are: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year, and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Capital projects are typically for major facilities and may require the use of a separate capital project fund.

The Community Center at Cannon Park capital project was fully funded in the General Fund in previous fiscal years. The new facility will contain a gymnasium, office space, kitchen, and activity rooms. Design and construction began in FY 2018 and FY 2019, with the opening of the Community Center in FY 2020. Table 4 below shows the Community Center project budget and the facility's cash flow impact. The *Capital Project Fund* section of this document provides additional details regarding this project, including detailed impacts on cash-flow and Key Performance Indicators.

Table 4 - Community Center Capital Project Fund Budget and Cash Flow Impact

Project Budget	Total	Prior Periods	Fiscal Year Ending June 30				
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Appropriations	\$ 4,748,165	\$ 4,748,165	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 4,748,165	\$ 4,748,165	\$ -	\$ -	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 4,748,165	\$ 4,748,165	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 4,748,165	\$ 4,748,165	\$ -	\$ -	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Prior Periods	Fiscal Year Ending June 30				
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue	\$ 169,286	\$ -	\$ 23,278	\$ 34,900	\$ 35,947	\$ 37,025	\$ 38,136
Project Expenditures	(4,748,165)	(2,744,000)	(2,004,165)	-	-	-	-
Net Operating Expenditures	(768,855)	-	(153,248)	(145,536)	(150,995)	(156,630)	(162,446)
TOTAL	\$ (5,347,734)	\$ (2,744,000)	\$ (2,134,135)	\$ (110,636)	\$ (115,048)	\$ (119,605)	\$ (124,310)



Operating Impact

Table 5 summarizes the operating impact of the significant non-recurring capital outlays in the CIP, including capital projects, IAPs and other significant projects. The operating impact of the following non-recurring capital outlays are included below: Community Center, West Pinehurst Park Development, Pedestrian Facilities and Streetscape Improvements. The majority of these expenditures and revenues are associated with the Community Center capital project, however, incremental operating cost increases as a result of other capital outlays are also included. See the *Capital Project Fund* section for segregated information on the Community Center operating impact. Please note that these operating impacts are forward-looking and only include costs associated with capital items included in the five-year planning period.

Table 5 - Operating Impact of Significant Non-Recurring Capital Outlays in the CIP

	Fiscal Year Ending June 30					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Revenues:						
Recreation Fees	\$ 23,278	\$ 34,900	\$ 35,947	\$ 37,025	\$ 38,136	\$ 169,286
Total Revenues	\$ 23,278	\$ 34,900	\$ 35,947	\$ 37,025	\$ 38,136	\$ 169,286
Operating Costs:						
Salaries & Benefits	\$ 66,205	\$ 68,522	\$ 70,920	\$ 73,403	\$ 75,972	\$ 355,022
Operating Costs	100,043	104,514	111,075	121,227	134,474	571,333
Reduction in Lease Exp	(13,000)	(26,000)	(26,000)	(26,000)	(26,000)	(117,000)
Total Operating Costs	\$ 153,248	\$ 147,036	\$ 155,995	\$ 168,630	\$ 184,446	\$ 809,355
Net Operating Impact	\$ 129,970	\$ 112,136	\$ 120,048	\$ 131,605	\$ 146,310	\$ 640,069

Revenues generated because of significant non-recurring capital include recreation fees from expanded programs at the new Community Center.

Salaries and benefits are for an additional position, an Administrative Assistant, in FY 2020 associated with the Community Center. All of the Administrative Assistant salaries and benefits are allocated since this position will solely serve the Community Center.

Operating costs are primarily related to the new Community Center but also include costs associated with all other significant non-recurring capital. Operating costs primarily include utilities and maintenance costs for buildings and grounds.

Anticipated savings include the reduction in lease expenditures for the space that is currently rented for recreation programs and activities. Once the Community Center is operational, this leased space will no longer be needed. You will see that there is no additional debt service required across the planning timeline due to capital expenditures in the plan.



Debt Service

Table 6 shows the ratio of projected debt service to estimated total expenditures over the five years. During the planning horizon, the Village’s debt service as a percentage of total expenditures is projected to decline to 0% of General Fund expenditures, as our remaining debts are paid off in FY 2022. The Village’s policy is to keep debt service as a percentage of expenditures below 10%.

Table 6 - Impact of CIP Debt Issuances on Debt Ratios

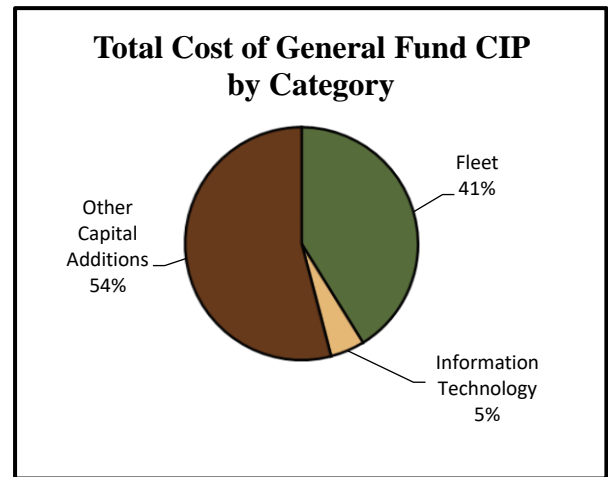
	Fiscal Year Ending June 30				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Existing Debt Service	\$ 312,127	\$ 95,942	\$ 51,725	\$ -	\$ -
Total Debt Service	\$ 312,127	\$ 95,942	\$ 51,725	\$ -	\$ -
Estimated Expenditures	\$ 21,578,347	\$ 21,256,043	\$ 21,330,982	\$ 21,880,007	\$ 22,986,173
% of Expenditures	1.45%	0.45%	0.24%	0.00%	0.00%

Summary

In summary, the FY 2020-2024 CIP represents a \$9.4 million General Fund investment in capital for fleet, information technology, and other capital additions.

The list below highlights some of the more notable items included the five year plan:

- Potential land purchase for structured parking (FY 2020),
- Potential land purchase for Fire Station 93 (FY 2020),
- Replacement of a rescue vehicle and fire engine (FY 2020-2021),
- Replacement of five solid waste vehicles (FY 2020-2024),
- Streetscape improvements (FY 2020-2023),
- Replacement of three police vehicles each year (all years),
- Storm drainage projects (all years),
- Paving of Cannon Park parking lot (FY 2021),
- Pedestrian facilities (FY 2021-2024), and
- West Pinehurst Park development (FY 2022-2024).



In addition, the FY 2020-2024 CIP includes one Capital Project Fund in the five-year planning period, with \$2,004,165 of construction costs expected to be expended in FY 2020.



Capital Improvement Plan FY 2020-2024

Fleet Purchase Plan

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.

Description	Year	Life	Budget		CIP			
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Buildings & Grounds								
Ventrac Mower	2012	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Fire								
KME Pumper Tanker	2001	20	-	650,000	-	-	-	-
Ford F650 Hackney Body	2004	20	400,000	-	-	-	-	-
Fleet Maintenance								
Howco Car Wash System	New	10	18,000	-	-	-	-	-
Harness Track								
Ford F250	2008	15	-	-	-	30,000	-	-
Ford F250	2009	15	-	-	-	-	-	23,000
Kubota Zero Turn Mower	2009	7	20,000	-	-	-	-	-
John Deere Zero Turn Mower	2013	7	-	20,000	-	-	-	-
John Deere Utility Tractor	2015	20	-	-	-	-	-	55,000
Utility Vehicle	New	10	-	-	11,000	-	-	-
Inspections								
Chevy Colorado	2011	15	-	-	-	-	-	28,000
Chevy C1500 4X4 Truck	2003	12	-	25,000	-	-	-	-
Police								
Chevy Tahoe	2011	10	38,000	-	-	-	-	-
Chevy Tahoe	2011	10	-	-	-	45,000	-	-
Chevy Tahoe	2011	10	-	-	42,000	-	-	-
Chevy Tahoe	2012	10	-	-	42,000	-	-	-
Chevy Tahoe	2012	10	-	-	-	45,000	-	-
Chevy Tahoe	2013	10	-	-	-	-	-	50,000
Dodge Charger	2009	6	38,000	-	-	-	-	-
Dodge Charger	2008	10	-	-	42,000	-	-	-
Dodge Charger	2009	10	-	40,000	-	-	-	-
Dodge Charger	2009	10	38,000	-	-	-	-	-
Dodge Charger	2010	10	-	40,000	-	-	-	-
Dodge Charger	2010	10	-	40,000	-	-	-	-
Dodge Charger	2013	10	-	-	-	-	-	50,000
Dodge Charger	2014	6	-	-	-	45,000	-	-
Dodge Charger	2015	10	-	-	-	-	-	50,000
PS Administration								
US Marine Corp Generator	1970	20	56,400	-	-	-	-	-
Recreation								
Ford F250 4X4	2004	15	-	-	25,000	-	-	-



Capital Improvement Plan FY 2020-2024

Fleet Purchase Plan (continued)

Description	Year	Life	Budget		CIP			
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Solid Waste								
Freightliner Garbage Truck	2016	7	\$ -	\$ -	\$ -	\$ -	\$ 240,000	
Chevy C1500	2007	6	-	-	-	-	50,000	
Freightliner Garbage Truck	2012	7	200,000	-	-	-	-	
Freightliner Garbage Truck	2013	7	-	-	220,000	-	-	
Freightliner Garbage Truck	2015	7	-	-	-	230,000	-	
Freightliner Garbage Truck	2014	7	-	210,000	-	-	-	
Streets & Grounds								
Aera-Vator 80 Inc	1996	5	-	-	-	20,000	-	
John Deere Motor Grader	1992	20	-	-	-	-	160,000	
Wood Chipper	2000	5	-	45,000	-	-	-	
300 Land Long Tractor	2001	20	-	-	-	-	45,000	
Grasshopper Mower	2004	7	-	25,000	-	-	-	
Chevy Dump Truck-1 Ton	2006	20	-	-	-	-	60,000	
Ventrac Compact Mower	2007	7	35,000	-	-	-	-	
Ford F150	2008	15	-	-	-	25,000	-	
Ford F150	2008	15	-	-	-	-	30,000	
John Deere Zero Turn Mower	2009	7	-	-	25,000	-	-	
Johnston Vacuum Sweeper	2012	5	-	-	-	130,000	-	
John Deere 5085 Tractor	2012	20	-	-	-	-	60,000	
Monroe Cross Over Spreader	2009	10	16,300	-	-	-	-	
Lee Trailer	2004	10	5,100	-	-	-	-	
Total			\$ 864,800	\$ 1,095,000	\$ 407,000	\$ 570,000	\$ 936,000	



Capital Improvement Plan FY 2020-2024

Information Technology Purchase Plan

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.

Description	Year	Life	Budget		CIP			
			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Administration								
Assembly Hall Sound System Upgrade	2013	5	\$ -	\$ -	\$ -	\$ 12,000	\$ -	
Assembly Hall Projector	2015	5	-	6,000	-	-	-	
Building Access System	2016	10	-	-	25,000	-	-	
Village-wide Imaging System	New	10	-	-	75,000	-	-	
Fair Barn								
A/V Projector	2017	5	-	-	-	5,000	-	
Sound System	2015	5	-	-	12,000	-	-	
Fire								
Galaxy Door Control System	2017	6	-	-	-	12,000	-	
Information Technology								
Server - Phone System Host	2017	4	-	7,000	-	-	-	
Server - System Center Host	2017	4	-	7,000	-	-	-	
Server Backup Primary AACore1	2016	4	7,000	-	-	-	-	
Server Backup Secondary Aacore 2	2016	4	7,000	-	-	-	-	
Server - PD Hyper-V	2017	4	-	7,000	-	-	-	
Server - Vrtx (Blade Server)	2014	4	-	-	-	-	-	42,000
Village Wide Phone System	2011	5	-	35,000	-	-	-	
Village Hall Firewall	2016	6	-	-	14,000	-	-	
Village Hall Load Balancers (Fat Pipe)	2016	5	-	16,000	-	-	-	
HP Procurve Core Switch	2013	5	-	-	25,000	-	-	
HP Designjet Plotter	2011	5	8,000	-	-	-	-	
Police								
CCTV Surveillance System	2016	4	-	15,000	-	-	-	
Body Camera Replacements	2017	3	-	-	11,000	-	-	
Phone Recording Solution Upgrade	2016	5	-	-	24,000	-	-	
Viper Radios	2014	8	-	-	66,000	-	-	
Viper Antenna/Repeater for Basement	New	15	6,000	-	-	-	-	
Total			\$ 28,000	\$ 93,000	\$ 252,000	\$ 29,000	\$ 42,000	



Capital Improvement Plan FY 2020-2024

Other Capital Additions Purchase Plan

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 stormwater drainage improvements. Capital additions are made on an as needed basis.

Description	Budget		CIP		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Administration					
Replace HVAC	\$ 16,000	\$ 18,000	\$ 18,000	\$ 36,000	\$ -
Streets & Grounds					
Small Drainage Projects/Paving Prep	85,000	85,000	85,000	85,000	85,000
Community Road - Stormwater Project	15,000	-	-	-	-
Sugar Gum Headwall - Stormwater Project	40,000	-	-	-	-
Deerwood & Tamarisk - Stormwater Project	60,000	-	-	-	-
Magnolia Avenue - Stormwater Project	25,000	-	-	-	-
Large Stormwater Projects (locations to be determined)	-	100,000	100,000	100,000	100,000
Magnolia & McCaskill Road - Streetscape Improvements	115,000	45,000	75,000	130,000	-
Pedestrian Facilities	-	440,000	400,000	400,000	400,000
Pipe Inspection Camera	-	75,000	-	-	-
Community Development					
Potential Land for Structured Parking near Village Center	200,000	-	-	-	-
Fair Barn					
Repair Stucco Exterior	25,000	-	-	-	-
Replace Indoor Stage	-	16,000	-	-	-
Replace HVAC	8,000	9,000	-	-	-
Gutters for Annex	6,000	-	-	-	-
Replace Exterior Doors	15,000	15,000	-	-	-
Fire					
Opticom - Traffic Light Preemption System	8,300	-	-	-	-
Replace HVAC	5,000	-	-	-	-
Potential Land for Future Fire Station 93	200,000	-	-	-	-
Harness Track					
Replace Siding	48,000	40,000	20,000	40,000	40,000
Surface Water Runoff - Per Master Plan	-	50,000	50,000	-	-
Monticello Gate Restructure	-	5,000	45,000	-	-
Remodel Barn Bathrooms	11,000	7,500	7,500	7,500	7,500
Track Restaurant Floor	6,500	-	-	-	-
Sewer Connections	-	33,000	-	-	-
Track Conditioner	-	24,000	-	-	-
Track Packer	16,000	-	-	-	-



Capital Improvement Plan FY 2020-2024

Other Capital Additions Purchase Plan (continued)

Description	Budget	CIP			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Police					
Reseal and Restripe Parking Lot	\$ 8,500	\$ -	\$ -	\$ -	\$ -
Replace HVAC	16,000	18,000	-	-	-
Recreation					
Cannon Park Parking Lot	-	103,000	-	-	-
Wicker Park Maintenance Building Parking Expansion	25,800	-	-	-	-
Wicker Park Maintenance Storage Expansion	-	60,000	-	-	-
West Pinehurst Park Development	-	-	250,000	250,000	250,000
	\$ 955,100	\$ 1,143,500	\$ 1,050,500	\$ 1,048,500	\$ 882,500