



**VILLAGE COUNCIL
AGENDA FOR SPECIAL MEETING OF MAY 16, 2022
395 MAGNOLIA ROAD, PINEHURST
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA**

**FY 2023 BUDGET WORK SESSION
4:30 PM
Council Conference Room**

1. Call to Order.
2. Discussion of the Recommended 2023 Strategic Operating Plan
3. Adjournment.

*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.
Values: Service, Initiative, Teamwork, and Improvement.*



**DISCUSSION OF THE RECOMMENDED 2023 STRATEGIC OPERATING
PLAN
ADDITIONAL AGENDA DETAILS:**

FROM:

Jeff Sanborn

CC:

Council Members

DATE OF MEMO:

5/4/2022

MEMO DETAILS:

Staff will review the contents of the 2023 Strategic Operating Plan and facilitate a Council discussion of the initiatives and other items funded in the annual budget and five-year plan. Attached is the agenda for the Budget Work Session as well as some supplemental information that we will discuss with you during the work session.

ATTACHMENTS:

Description

- ▢ 2023 Strategic Operating Plan
- ▢ Budget Work Session Agenda



VILLAGE OF
PINEHURST

2023
Strategic
Operating
Plan

Village of Pinehurst, North Carolina



VILLAGE OF PINEHURST

2023 Strategic Operating Plan

Including the

FY 2023 Budget



Village Council:

Council Member Jane Hogeman, Mayor Pro-Tem Patrick Pizzella, Mayor John C. Strickland,
Treasurer Lydia Boesch, Council Member Jeff Morgan



VILLAGE OF PINEHURST

395 MAGNOLIA ROAD

PINEHURST, NC 28374

910.295.1900

www.vopnc.org

www.facebook.com/vopnc

www.twitter.com/vopnc

www.instagram.com/vopnc

VISION

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

MISSION

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

VALUES

Service, Initiative, Teamwork, and Improvement

VILLAGE SENIOR LEADERSHIP

Village Manager	Jeff Sanborn
Assistant Village Manager	Jeff Batton
Assistant Village Manager	Doug Willardson
Village Clerk	Kelly Chance
Organizational Performance Director	Matthew McKirahan
Financial Services Director	Brooke Hunter
Human Resources Director	Angela Kantor
Chief Information Officer	Jason Whitaker
Police Chief	Glen Webb
Fire Chief	Carlton Cole
Planning and Inspections Director	Darryn Burich
Public Services and Engineering Director	Mike Apke
Parks and Recreation Director	Mark Wagner
Library and Archives Director	Audrey Moriarty



Introduction

Table of Contents	i
Introduction	iii
Organizational Chart	v
Personnel Classification Summary	vi
GFOA Distinguished Budget Presentation Award	vii
ICMA Certificate of Excellence in Performance Management	viii

Budget in Brief

Budget in Brief	1
-----------------------	---

Budget Message

Budget Message	5
----------------------	---

About Village Services

About Village Services	17
------------------------------	----

Strategic Operating Plan Guide

Strategic Planning Process Overview	27
Strategic Operating Plan Calendar	29
Financial Policies	30
Budget Requirements	32
Budget Format	34

Strategic Priorities

Strategic Planning Process	37
Balanced Scorecard	42
Initiative Action Plans	44
Performance Improvement	45
Strategic Goals	46

General Fund

General Fund Summary	69
Revenue Highlights	74
Expenditure Highlights	76
Fund Balance	77
Ad Valorem Taxes	79
Other Taxes and Licenses	81
Unrestricted Intergovernmental Revenues	82
Restricted Intergovernmental Revenues	85
Permits and Fees	87
Assessments	89
Sales and Services	90
Other Revenues	92
Investment Income	93
Other Financing Sources	94
Fund Balance Appropriations	95
Governing Body	96
Administration	97
Financial Services	99
Human Resources	101
Police	103



General Fund (continued)

Fire	105
Inspections	107
Public Services Administration.....	109
Streets & Grounds	110
Powell Bill	112
Solid Waste	113
Planning	115
Community Development.....	117
Recreation	119
Library and Archives	121
Harness Track	123
Fair Barn	125
Buildings & Grounds	127
Fleet Maintenance	129
Information Technology	131
Debt Service.....	133
Other Financing Uses.....	135
Capital Expenditures	136

Capital Project Funds

Summary	139
Library Expansion.....	140
Carriage House Parking Facility	141

Special Revenue Fund

Summary & American Rescue Plan Act.....	142
---	-----

Five-Year Financial Forecast FY 2023-2027

Five-Year Financial Forecast.....	143
-----------------------------------	-----

Capital Improvement Plan FY 2023-2027

Capital Improvement Plan	150
Capital Projects	156
Fleet Purchase Plan	159
IT Purchase Plan	161
Other Capital Additions Purchase Plan.....	162

Annual Budget Ordinance

Annual Budget Ordinance.....	164
------------------------------	-----

Budget Glossary

Budget Glossary.....	167
----------------------	-----

Supplementary Information

History.....	174
Demographic and Geographic Characteristics.....	177
Demographic and Economic Statistics	178
Principal Property Tax Payers	179
Principal Employers.....	180



Welcome to the Village of Pinehurst! This Strategic Operating Plan (SOP) document represents the plans of the Village Council and staff to achieve our vision and accomplish our mission. We hope this document will prove to be a valuable tool for Village residents, businesses, visitors, Council, and staff.



The Pinehurst Village Hall, located at 395 Magnolia Road

Strategic Operating Plans can be very complex and confusing. Should there be any questions regarding information provided in this document, please contact the Financial Services Department at 910.295.1900.

The layout of the document is intended to take the reader from the broadest perspective (consolidated totals, etc.) to a more specific perspective (individual departments, divisions, etc.). Realizing that information needs differ for every reader, the document is divided into sections to make the information easy to locate.

Budget in Brief - The Budget in Brief provides an overview of the FY 2023 Budget that is a component of the Strategic Operating Plan. It helps the reader quickly understand what initiatives and other key elements are included in the annual budget.

Budget Message - In the Budget Message, the Village Manager discusses the proposed annual budget and any outside factors that were used in determining the budgeted expenditures and the revenues needed to cover these expenditures.

About Village Services - This section provides a description of the duties and responsibilities of the different Village departments and divisions.

Strategic Operating Plan Guide - This guide details the steps in preparing and adopting the annual budget, which is a component of the Strategic Operating Plan. A summary of key financial policies affecting the budget process is given. This section also includes the budget calendar, the budget planning phases, and a description of how the process works. Finally, it has a brief description of fund accounting, how the Village's finances are organized, and how to read the department tables contained in the *General Fund* section.



Strategic Priorities - This section provides an overview of the strategic planning process, the Village's Balanced Scorecard (BSC), and also contains the Council's strategic goals and objectives. Key Performance Indicators (KPIs) with short-term and long-term goals on the Village's Balanced Scorecard are also included in this section along with specific Initiative Action Plans (IAPs) aimed at achieving those performance targets.

General Fund - This section includes detailed information about General Fund revenues and assumptions used to determine budgeted amounts. Every Village department or division also appears with individual department profiles and budget summaries. Department goals, objectives, and Key Performance Indicators (KPIs) with short-term and long-term projections are also included. These are the most specific presentations within the document. This section also provides information on debt service and on capital expenditures contained in the current year budget.

Capital Project Funds - Each Capital Project Fund budget is presented separately. This section includes an overview of any capital projects and its funding sources.

Special Revenue Fund - Each Special Revenue Fund budget is presented separately. This section includes an overview of any special revenue source and its intended use.

Five-Year Financial Forecast - This section contains the Village's long-range financial forecast. The forecast is developed to ensure that adequate financial resources are available to meet future financial obligations. The forecast serves to inform decision makers of the long-term financial implications of the budgetary decisions they are making today.

Capital Improvement Plan (CIP) - The CIP outlines the Village's plan for the replacement and acquisition of capital assets over the five-year planning period. Capital assets include vehicles, equipment, infrastructure, and new facilities. The Village uses this plan to ensure that these investments are aligned with the Village's strategic direction.

Annual Budget Ordinance - The Budget Ordinance is the legally binding ordinance that establishes the new annual budget.

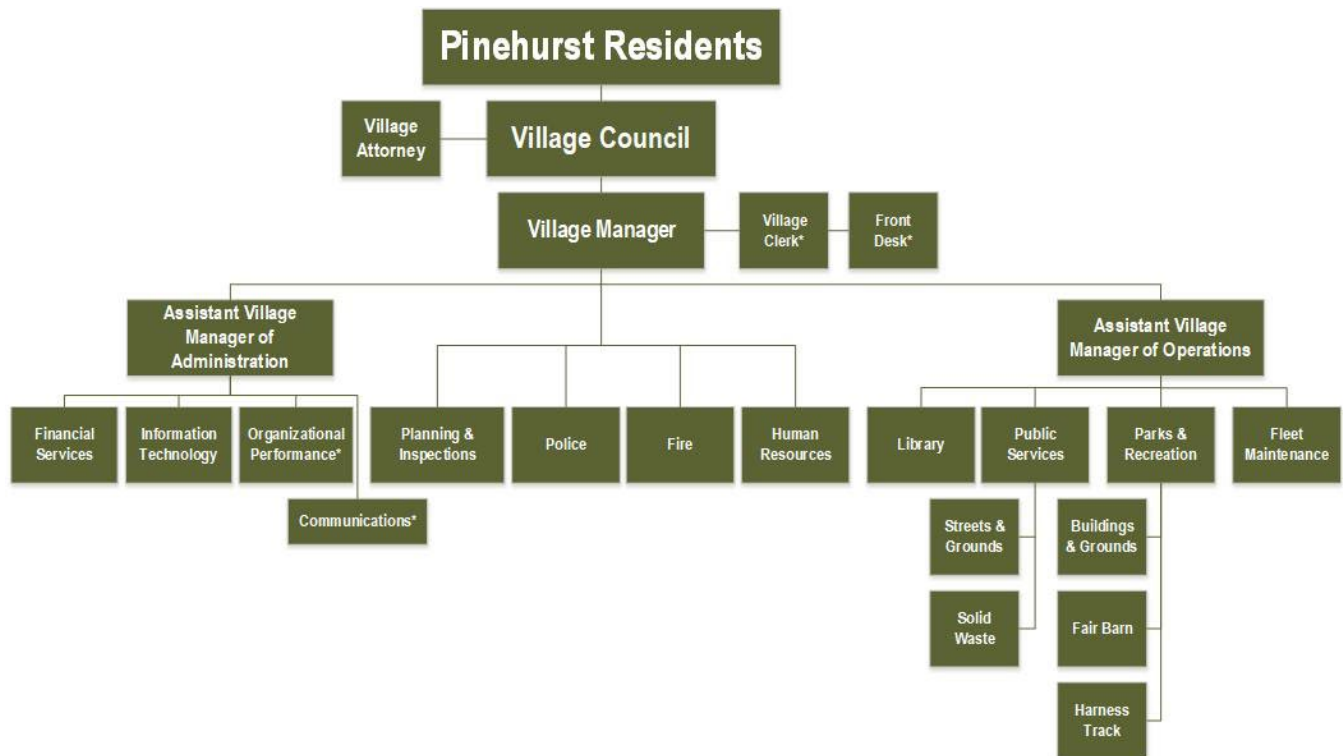
Budget Glossary - This section includes a list of common terms, acronyms and abbreviations used throughout the document. A detailed definition of these terms is provided to aid the reader in understanding the budget and strategic planning process.

Supplementary Information - This section includes miscellaneous information about the Village of Pinehurst, such as the history of the Village and other relevant economic data.

To find specific information addressed in individual sections, please refer to the *Table of Contents* in the front of the budget document.



Organizational Chart



*This function is included in the Administration Department for budget purposes.

See the *Personnel Classification Summary* for details of full-time equivalents (FTEs) by department.



Personnel Classification Summary

Personnel expenditures comprise 51% of the Village's General Fund budget. The Personnel Classification Summary represents a five-year trend of staffing by function as well as a snapshot of the FTEs on which the FY 2023 Budget is based.

Fiscal Year 2023 Staffing By Function in Full-Time Equivalents

Classification Plan Summary	Budgeted FY 2019	Budgeted FY 2020	Budgeted FY 2021	Budgeted FY 2022	FY 2023 Change	Projected FY 2023	Projected FY 2027
General Government							
Administration							
Administration	8.0	8.0	8.0	8.5	-	8.5	8.5
Financial Services	4.0	4.0	4.0	5.0	-	5.0	5.0
Human Resources	2.8	2.8	3.0	3.0	-	3.0	3.0
Fleet Maintenance	3.0	3.0	3.0	3.0	-	3.0	3.0
Buildings and Grounds Maintenance	8.0	8.0	8.0	8.0	-	8.0	8.0
Information Technology	4.8	6.0	6.0	6.0	-	6.0	6.0
Total General Government	30.6	31.8	32.0	33.5	-	33.5	33.5
Public Safety							
Police	31.3	31.3	31.3	31.3	2.0	33.3	33.3
Fire	30.0	31.0	31.0	33.0	-	33.0	33.0
Inspections	2.0	3.0	3.0	3.0	-	3.0	2.5
Total Public Safety	63.3	65.3	65.3	67.3	2.0	69.3	68.8
Economic and Physical Development							
Planning	6.0	6.0	7.0	8.5	-	8.5	8.5
Community Development	0.5	0.5	0.5	-	-	-	-
Total Economic and Physical Development	6.5	6.5	7.5	8.5	-	8.5	8.5
Transportation							
Public Services Administration	3.0	4.0	4.0	4.0	-	4.0	4.0
Streets and Grounds	15.7	15.0	15.0	15.0	-	15.0	15.0
Total Transportation	18.7	19.0	19.0	19.0	-	19.0	19.0
Environmental Protection							
Solid Waste	9.0	9.0	9.0	10.0	-	10.0	10.0
Total Environmental Protection	9.0	9.0	9.0	10.0	-	10.0	10.0
Cultural and Recreation							
Parks and Recreation	6.7	7.7	7.7	7.7	-	7.7	7.7
Library and Archives	-	-	-	4.5	-	4.5	7.5
Harness Track	4.3	4.3	4.3	4.3	-	4.3	4.3
Fair Barn	1.8	1.8	1.8	1.8	-	1.8	1.8
Total Cultural and Recreation	12.8	13.8	13.8	18.3	-	18.3	21.3
GRAND TOTAL	140.9	145.4	146.6	156.6	2.0	158.6	161.1

Population	16,754	17,100	17,484	17,651	N/A	17,980	19,193
Employees per 1,000 Population	8.4	8.5	8.4	8.9	N/A	8.8	8.4

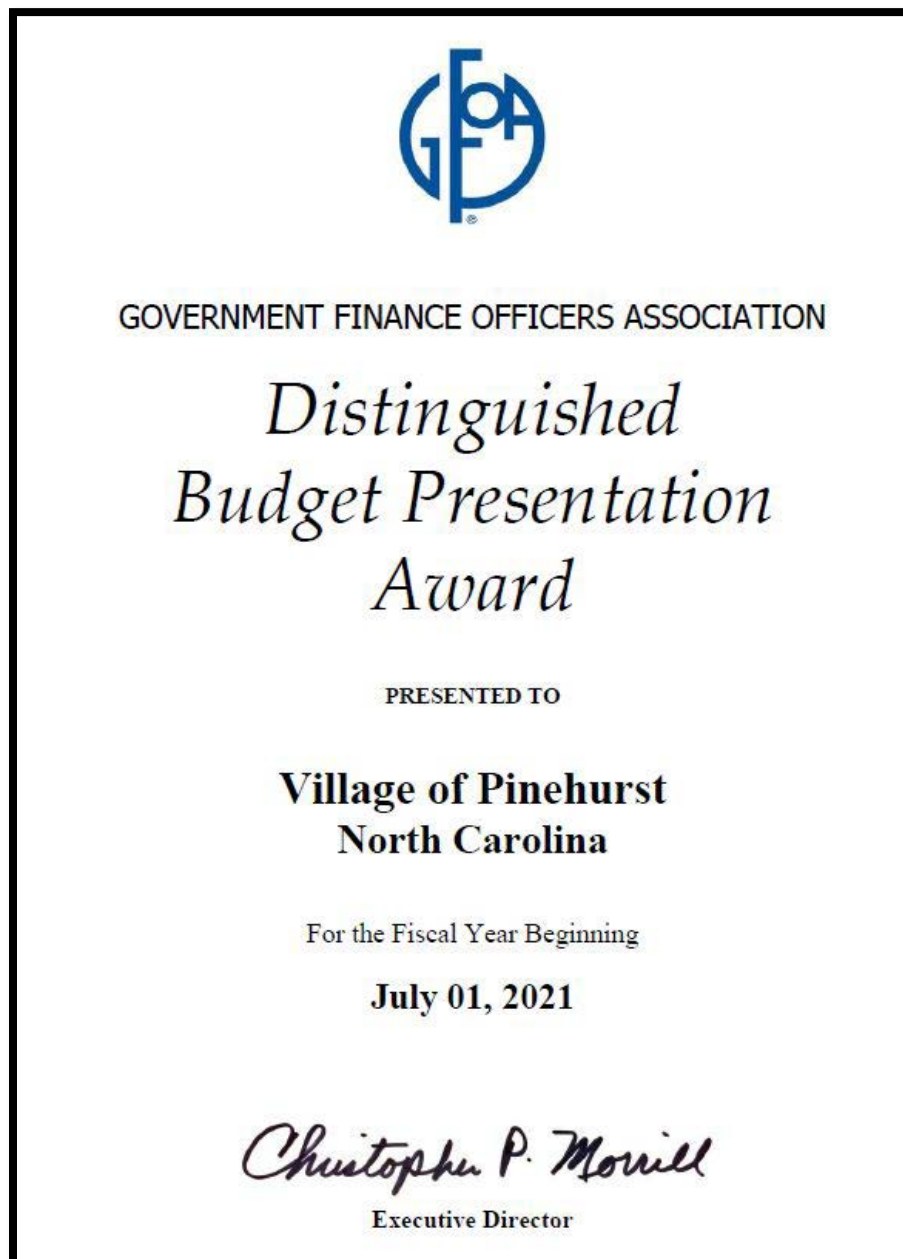
The FY 2023 Budget includes an increase of two FTEs for two police officers.

See the *General Fund* section for departmental staffing expenditures and additional explanation of staffing changes.



GFOA AWARD FOR DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Village of Pinehurst for its annual budget for Fiscal Year 2022, which began July 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets specific program criteria as a policy document, an operations guide, a financial plan, and a communications device. The award applies specifically to the Fiscal Year 2022 budget document and is valid for a period of one year. We plan to submit the Fiscal Year 2023 Budget to the GFOA for award consideration as well.





Performance Management Award

ICMA CERTIFICATE OF EXCELLENCE IN PERFORMANCE MANAGEMENT

The International City/County Management Association (ICMA) presented a Certificate of Excellence in Performance Management, the highest level of recognition, to the Village of Pinehurst in 2021 for its data-driven management and reporting efforts. In order to receive this award, recipients collect and verify data to ensure reliability, train staff in performance measurement, report data to the public through budgets, newsletters, and/or information provided to elected officials, provide comparative and benchmarking information to the public, use performance data in strategic planning and operational decision-making, share their knowledge with other local governments through presentations, site visits, and other networking activities, track and report key outcomes, survey residents and local government employees, incorporate data into performance dashboards or other visual communications, and foster the development of a performance culture throughout their organizations.





Letter from the Mayor

The Village Council is committed to ensuring the Village of Pinehurst is a charming, vibrant community that reflects our rich history and traditions. Each year, we ask residents and businesses for feedback on our services through the community and business surveys. Council and senior leaders used that feedback, along with other relevant data, to prepare the 2023 Strategic Operating Plan, which includes the Fiscal Year (FY) 2023 Budget.

Annually, the Council affirms the Balanced Scorecard and identifies strategic objectives as Areas of Focus to improve Village services. The three Areas of Focus for FY 2023:

- Managing development to protect Village character
- Supporting the business community
- Providing a safe and effective multi-modal transportation system

The \$27.1 million FY 2023 Budget contains a \$0.31 per \$100 valuation property tax rate, the lowest in the county and a \$0.005 reduction from the FY 2022 property tax rate. The Budget includes several great initiatives and projects that are sure to enhance the quality of life and bring new value to the Village of Pinehurst.

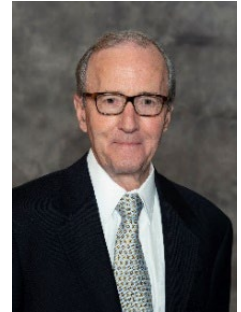
We are excited to welcome the Given Memorial Library and Tufts Archives into the Village's suite of services in April 2022. The FY 2023 budget reflects the Village of Pinehurst's commitment to renovating and improving this gem of the Village community. The FY 2023 budget also makes strategic investments in public safety, public spaces, and future growth as we look through FY 2027.

As we recover from the COVID-19 coronavirus pandemic, we continue to keep a watchful eye on our operating environment, including the current inflationary economic period we find ourselves in as well as being mindful stewards of approximately \$5.3 million in American Rescue Plan Act (ARPA) funding. With these considerations in mind, I believe we have prepared a Strategic Operating Plan that will promote, enhance, and sustain the quality of life in the Village of Pinehurst.

I encourage you to read further about our plans and the FY 2023 Budget in our 2023 Strategic Operating Plan.

Sincerely,

John C. Throckmold



Quick Facts

\$27.1 M

Total Budget

\$0.31

Per \$100 of Valuation
Tax Rate

5

Initiative Action Plans

2

Increase of Staff
Full Time Equivalents (FTEs)



Fiscal Year 2023 Initiative Action Plans

The FY 2023 Budget includes five Initiative Action Plans (IAPs) at a cost of \$1,587,000 to address the Village's nine strategic goals. Three of these IAPs are designated to address an Area of Focus (AOF). In the five-year planning period, there are seven IAPs totaling \$9,029,625. Additional information on IAPs, including costs to be incurred after FY 2023, can be found in the *Strategic Priorities* section of the 2023 Strategic Operating Plan. The FY 2023 Initiative Action Plans and the funding incorporated in the FY 2023 Budget include:

1. Update the Pinehurst Development Ordinance AOF (\$0)

The Village will continue to conduct a comprehensive update to the Pinehurst Development Ordinance to reflect priorities of the 2019 Comprehensive Plan and revisions required by changes in NC legislation. Funding for this IAP was budgeted in FY 2022.

2. Small Area Plan for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area AOF (\$0)

The Village will continue its work to implement two small area plans for the Village Place and the Rattlesnake Trail Corridor, which will be an update to and expansion of the previously adopted 2008 New Core Master Plan, and the Pinehurst South/Hwy 5 Commercial Area. These are two of five focus areas identified in the 2019 Comprehensive Plan. Funding for this IAP was budgeted in FY 2021.

3. Expand and Renovate Given Library/Tufts Archives (\$0)

In FY 2023, the Village has allocated \$1,000,000 for unspecified building upgrades. These funds are not associated with the IAP, but they will assist in providing initial improvements to the current building. A capital fundraising campaign is scheduled for FY 2024, which is designed to aid in future expansion and renovation needs.



4. Retrofit Current Athletic Fields with Synthetic Turf (\$1,237,000)

The Village will begin retrofitting athletic fields to synthetic turf, which will provide a more durable surface for increased programming while reducing maintenance costs over time. The FY 2023 budget reflects the conversion of Cannon Park Field 1.

5. Relocation of the Public Services Complex AOF (\$350,000)

The Village will explore properties suitable for moving the public services facility from its current location to allow for future development in Village Place. The FY 2023 budget reflects the cost associated with acquiring a potential property.

Future Year IAPs:

- **Develop a Consolidated Multi-Modal Transportation Plan AOF** This IAP will consolidate the Village's multi-modal transportation plans into one document that incorporates bicycle, pedestrian, and golf cart accessibility.
- **Expand Downtown Parking Facilities** This IAP will seek to increase the number of parking spaces available to the public in the downtown area. This may include the construction of a parking deck.

Other Significant FY 2023 Projects

Construct pedestrian facilities (\$400,000)
Stormwater facility enhancements (\$385,000)
Streetscape enhancements in Village Place (\$200,000)
Public safety radio improvements (\$157,500)
Update SCBA air packs to meet new NFPA standards (\$162,000)



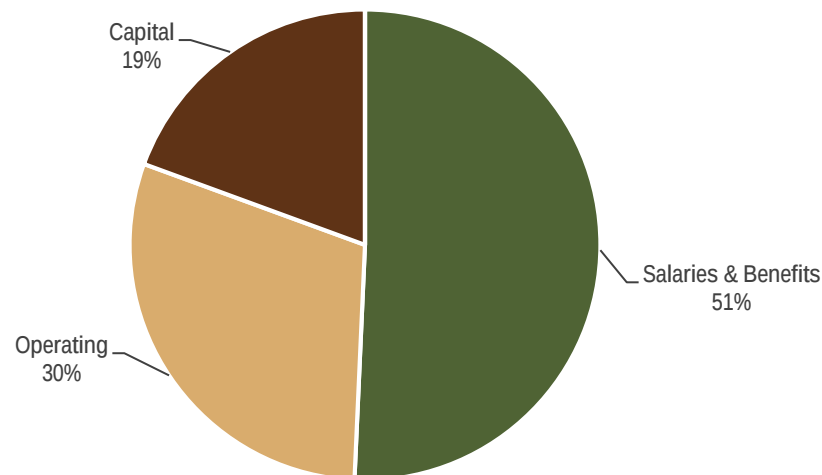
How will your tax dollars be spent in FY 2023?

The FY 2023 Budget for salaries and benefits for the Village's 158.6 full-time equivalents (FTEs) accounts for 51% of total expenditures, or \$13.7 million. The budget includes a 4.7% cost of living adjustment and merit raises at an average of 2% per employee. The Village currently pays for 100% of health, dental, and vision insurance premiums for employee-only coverage.

New Positions Funded
Police Patrol Officers (2 FTE)

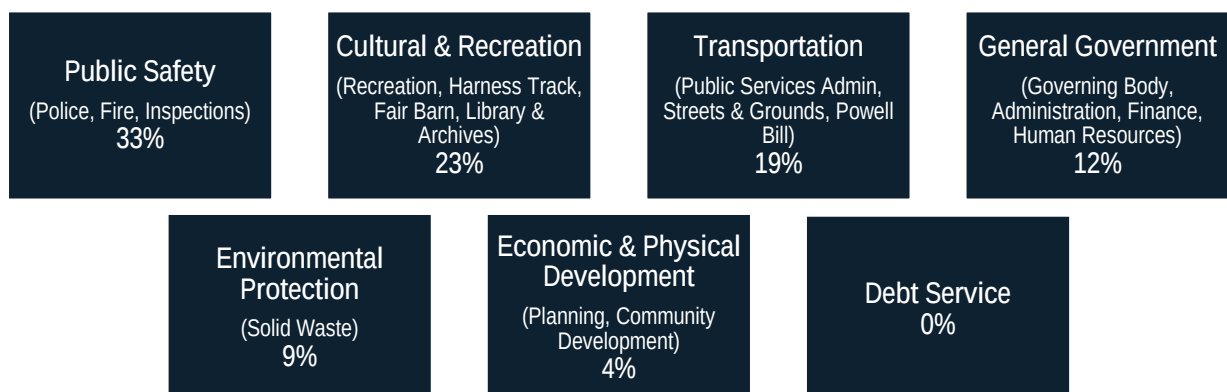
The FY 2023 Budget includes an increase of 2.0 full time equivalents (FTEs) for patrol officers, an increase related to the need to increase staff capacity to serve a growing population in the Village of Pinehurst. For more details, see *Personnel Classification Summary*.

\$27.1 Million Budgeted Expenditures



The FY 2023 Budget includes \$5.3 million in capital investment, or 19% of total expenditures. Significant operating costs include funding for Initiative Action Plans supporting the Council's goals and objectives. The operating expenditures also include a \$1.4 million investment in street resurfacing and patching devoted to improving the quality of Village streets (see *Powell Bill* section for additional details).

Expenditures by Function





In FY 2023, the Village has no debt service expenditures, as all existing debt agreements were paid off in FY 2021.

Overall, the FY 2023 Budget totals \$27,099,100 or 6% above the prior year's amended General Fund budget as of December 31, 2021. The FY 2023 Budget as presented results in a per capita expenditure of \$1,507 based on a projected population of 17,980.

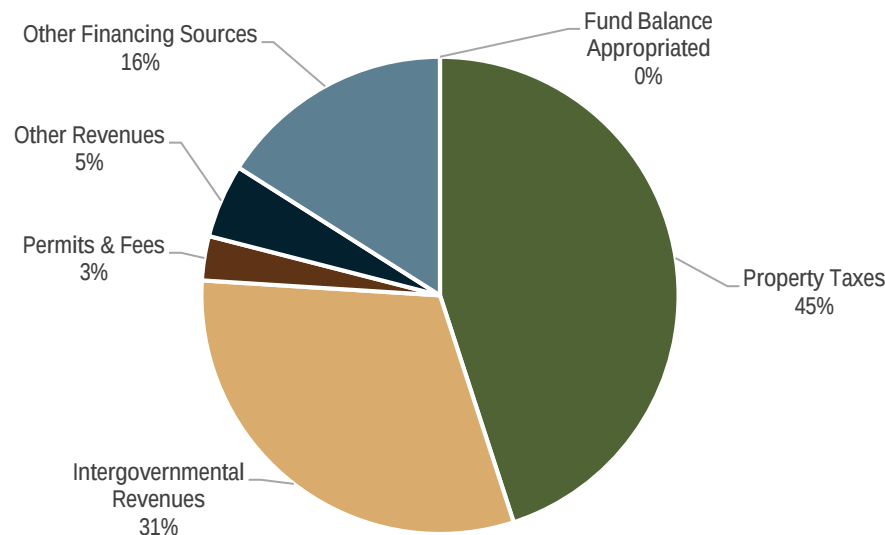
How is the Village of Pinehurst Funded in FY 2023?

The primary revenue source for the Village is property taxes, accounting for 45% of total revenues, or \$12.2 million. In FY 2023, the Village has a proposed tax rate of \$0.31 per \$100 of valuation property tax rate, which is the lowest municipal tax rate in Moore County.

Other key revenues that make up 31% of total General Fund revenues include local option sales taxes, utility sales taxes, and other state-collected revenues. Of these, local option sales taxes are the largest intergovernmental revenue source for the Village, representing 19% of the total budget. Sales tax revenue for FY 2023 is projected above FY 2022 estimates. Other financing sources consist of transfers from the American Rescue Plan Act Special Revenue Fund to the General Fund, estimated at \$4,286,720. These funds are not considered operating revenues.

At the end of the year, we estimate the Village will add \$1,756,798 to fund balance in FY2023 primarily due to the transfer of funds from the American Rescue Plan Act Special Revenue Fund. This will result in an ending fund balance of approximately 54.9% of General Fund expenditures. This is above the Council's adopted policy minimum of 30% and positions the Village well to address significant future projects.

\$27.1 Million Budgeted Revenues



View the Budget Online

To view the FY 2023 Budget online, go to www.vopnc.org/sop.

On the Budget "launch" page, residents can open the entire FY 2023 Budget and Strategic Operating Plan document or an individual section, with a linked table of contents.



May 10, 2022

The Honorable John C. Strickland, Mayor
Members of the Village Council
Pinehurst, North Carolina

Dear Mayor Strickland and Members of the Village Council:

Pursuant to Section 159-11 of the North Carolina General Statutes (NCGS), I am pleased to present the 2023 Strategic Operating Plan including the recommended budget for Fiscal Year (FY) 2023 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 2023 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 2023 marks the tenth 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 operating plan and 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). In FY 2021, the Village submitted an application for the Malcolm Baldrige National Quality Award and was one of only nine U.S. organizations selected to receive a site visit. After the site visit, the Village received a detailed feedback report identifying the key strengths and improvement opportunities. This feedback was used in our strategic planning process while developing the 2023 Strategic Operating Plan.

The FY 2023 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 nine strategic goals, 20 objectives, and 37 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

During the development of this year's plan, the local economy continues to see recovery from the COVID-19 coronavirus pandemic. Despite the pandemic, the Village experienced local option sales tax revenue growth over the past two years and expects continued growth in this revenue source.



Local governments, including the Village, received direct financial assistance to respond to the pandemic through the American Rescue Plan Act passed on March 11, 2021. The Village's allocation of nearly \$5.3 million is planned to be used for general government services, more specifically local government salaries and benefits. This will free up \$5.3 million of General Fund dollars to utilize in the most strategic and advantageous way without the complex Federal reporting restrictions. This funding is expected to allow us to pursue two significant capital projects within the next five years without debt financing.

The consumer price index began a steep climb over the past year from 1.4% in January 2021 to 7.5% in January 2022. As with all other consumers, this high rate of inflation places operating pressures on the Village's budget.

One area of economic uncertainty surrounds the recent Russian invasion of Ukraine. In the United States, a ban on importing Russian oil led to increased fuel prices across the country. Further supply chain impacts and product cost increases may be seen as the situation continues.

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 maintain a healthy fund balance level.

In addition to the pandemic, growth in population and increased development are other key issues facing the Village in developing the FY 2023 SOP. According to the North Carolina State Demographer's Office, Pinehurst's population increased 34% from 2010 to 2020, making the Village the 57th fastest growing municipality in the state. While much of this growth resulted from annexation, 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.

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. The COVID-19 pandemic did not have a significant negative impact on the housing market in our area. We project approximately 150 homes will be constructed in FY 2022 and FY 2023. The Village has also seen significant commercial development over the past five years, which is reflected in our tax base estimate.

The local unemployment rate has declined to 3.5% compared to 5.2% the previous year. This decrease is reflective of state and national trends.

To address current and projected growth and development in the Village, several strategies identified in the Comprehensive Plan have been programmed over the five-year planning period. These strategies will ensure the Village is positioned to grow in a way that helps us remain a charming, historic, and vibrant community.

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. In September 2020, the United States Golf Association (USGA) announced that it would expand its operations into Pinehurst with a \$25 million facility that will bring 50 new jobs. The new development is expected to include a golf equipment research and testing center, museum and visitor center, and offices. In addition, the USGA



committed to hosting five Men's U.S. Open Championships in Pinehurst by 2047. According to independent studies, the total economic impact of the USGA's long-term presence is estimated to exceed \$2 billion in North Carolina. To promote this economic development opportunity, the Village committed to ten years of incentive payments to the USGA equaling 90% of property taxes paid to the Village.

Pinehurst Resort has continued to invest significantly in its properties in recent years, adding amenities to attract a much wider and younger demographic. In November 2020, Pinehurst Resort committed to constructing a \$16.2 million lodge with over 30 rooms that will add 20 new jobs in Pinehurst. The Village also committed to ten years of incentive payments to the Resort equal to 90% of the property taxes paid to the Village on this facility. However, the Resort recently decided to place the lodge project on hold.

Military relocations are also supporting growth in the housing market. The Village's name recognition and proximity to the largest U.S. military base, Fort Bragg, make it an attractive location for families with military ties.

The Village recently conducted a formal library needs assessment to determine the community's desires and needs for enhanced library services. In April 2022, the Village of Pinehurst Council and Given Memorial Library and Tufts Archives Board signed an agreement to transfer assets and operations of the privately-funded library and archives to the Village. Based on feedback received from Pinehurst residents, the Village also plans to expand the existing Given Memorial Library and Tufts Archives building to increase space for library and archives services in FY 2025. Design for the expansion project began in FY 2022.

Another principal issue affecting 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 2023 Budget includes the addition of two full time equivalents (FTEs) in the Police Department.

Increases to the North Carolina Local Government Employees' Retirement System (LGERS) employer contribution rates continue to place significant operating pressures on the Village. In January 2022, the LGERS Board voted to increase state-mandated local government retirement contribution rates over the next five years, with guardrails in place that allow for potential decreases in the rate beginning in FY 2026 if certain criteria are met. The increased rates are included in the FY 2023 Budget.

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 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 2023 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. Preserve 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 three strategic objectives as Areas of Focus (AOF) for FY 2023 at the annual strategic planning retreat. These include:

1. Manage development to protect Village character
2. Support the business community
3. Provide a safe and effective multi-modal transportation system

The five-year planning period includes seven Initiative Action Plans (IAPs) with incremental funding of \$9,029,625 to achieve the target performance levels on the BSC and address Areas of Focus. Of the seven IAPs in the five-year period, five are scheduled to begin in FY 2023 (or continue from FY 2022) and two are scheduled to begin in FY 2024 to expand downtown parking facilities and develop a consolidated multi-modal transportation plan. 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.

Strategic Goal	Strategic Objective	Initiative Action Plans (IAPs)	Fiscal Year(s)
Promote high quality development and appearance	Manage development to protect Village character <i>AOF</i>	Relocation of the Public Services Complex to allow for redevelopment of Village Place	2023-2025
		Update the Pinehurst Development Ordinance	2023-2024
		Small Area Plans for Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area	2023
Promote a thriving business community	Support the business community <i>AOF</i>	Expand downtown parking facilities	2024-2027
Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system <i>AOF</i>	Develop a consolidated multi-modal transportation plan	2024-2025
Promote active living and cultural opportunities	Provide cultural services and events	Retrofit current athletic fields with synthetic turf	2023-2027
		Expand and renovate Given Library and Tufts Archives	2023-2027

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

Of the seven IAPs planned for the five-year period, only two were added this year: 1) relocation of the Public Services Complex to allow for redevelopment of Village Place and 2) retrofit current athletic fields with synthetic turf. The remaining five IAPs were either previously scheduled in the five-year financial plan to begin in a future year or were ongoing initiatives from FY 2022. Examples of ongoing initiatives include updating the Pinehurst Development Ordinance and the small area plans for Village Place/Rattlesnake Trail Corridor and Pinehurst South/Highway 5 Commercial Area, both of which are significant initiatives that spanned multiple years. Funding to maintain current service levels has been provided and service level improvements are focused in planning & development and cultural & recreation services with targeted investments of resources.



FY 2023 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. The General Fund is the Village's only annually budgeted fund.

When preparing the FY 2023 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 of at least 30% 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 2023 recommended General Fund budget totals \$27,099,100. This is an increase of 6% from the FY 2022 amended General Fund Budget as of December 31, 2021 of \$25,472,907. The recommended budget as presented results in a per capita expenditure of \$1,507 based on a projected population of 17,980.

Approximately 76% of all General Fund operating revenue comes from ad valorem taxes and local option sales taxes. Over the past two decades, the Village's revenue sources have become much less diversified due to the repeal of taxes at the state level. Dependence on the ad valorem tax has increased as a result.

Overall, the recommended budget for the General Fund utilizes no appropriated fund balance due to the transfer of \$4,286,720 from the American Rescue Plan Act Special Revenue Fund. Historically, operating revenues come in at 101% of budget, while operating expenditures typically fall 7% below budget. If the projected budget to actual variance is achieved in FY 2023, we will add approximately \$1,757,000 to fund balance, which will cause fund balance to increase to 54.9%. This is above the Council's adopted policy minimum for fund balance of 30% of General Fund expenditures. This positions the Village well to address several planned significant future projects.

SOURCES OF REVENUE

The General Fund's primary sources of revenue include:

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

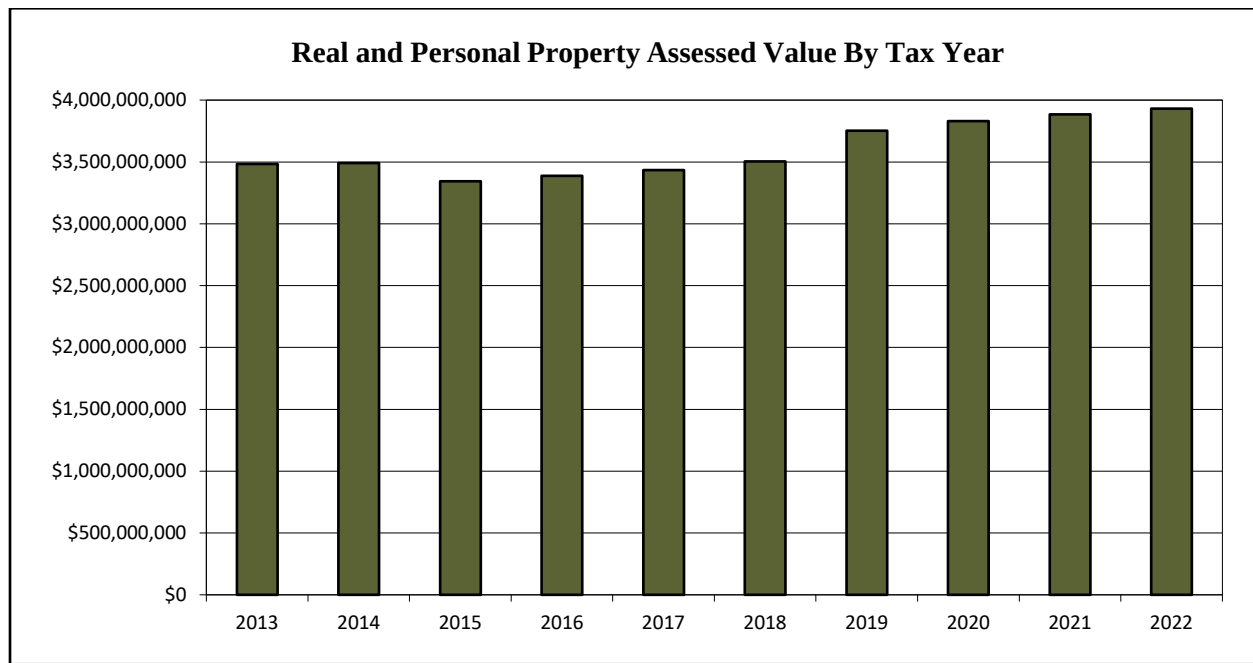


Ad Valorem Taxes (Property Taxes)

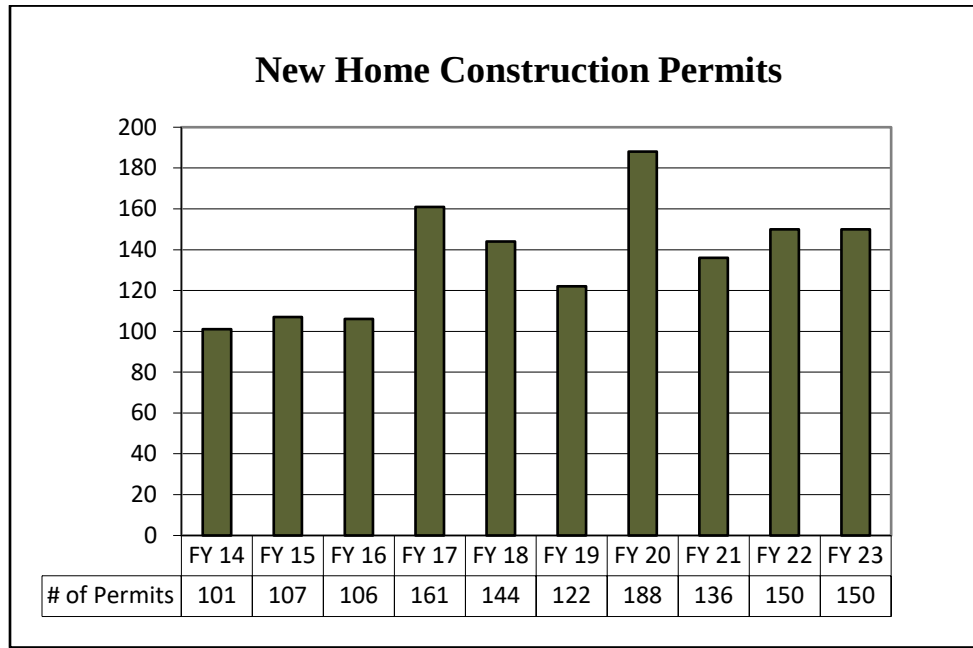
Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by 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 \$0.31 per \$100 of valuation, which is the lowest municipal tax rate in Moore County and is a \$0.005 reduction from the previous year. This means that for every \$100,000 in value of property, \$310 of ad valorem tax is due. 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 \$386,000 in revenue. Total ad valorem tax revenues are projected to be \$12,176,000 in FY 2023. 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 53% of the General Fund's operating revenues.

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%.



Our budget estimates assume an average growth in the property tax base of 1.24% for real property and 1.00% for motor vehicles for FY 2023. 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 experienced significant growth in FY 2020 with 188 homes constructed. This is the highest number of homes constructed since FY 2007 before the Great Recession. Despite the COVID-19 pandemic, the housing market remained strong in FY 2021 with 136 homes constructed and in FY 2022 with an estimated 150 homes constructed. We expect to permit 150 homes in FY 2023.

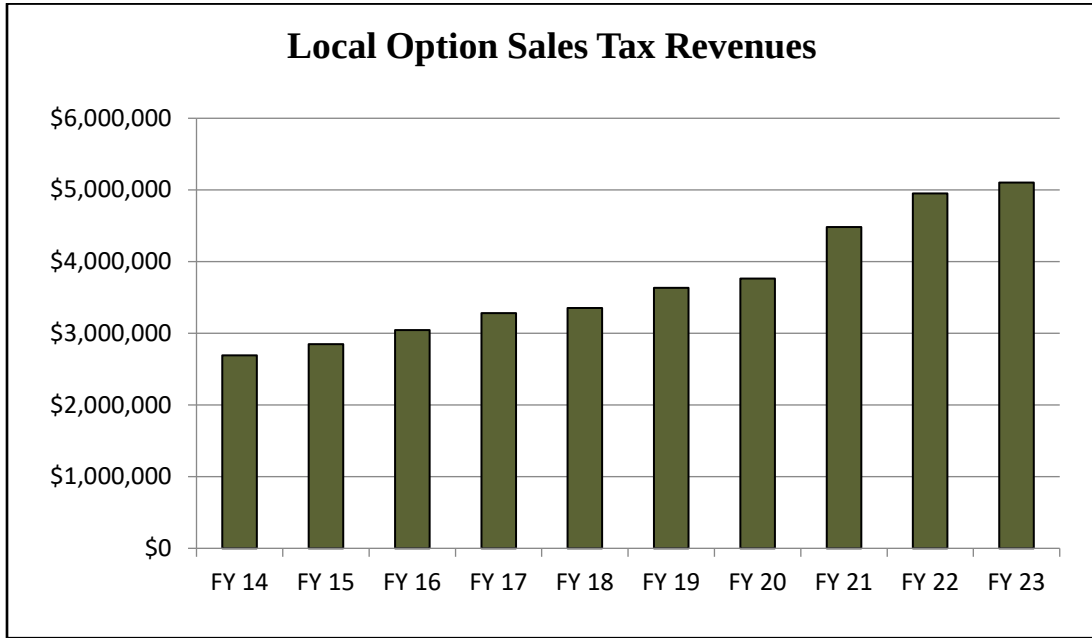


Intergovernmental Revenues

Intergovernmental revenues consist primarily of the local option sales taxes, utility sales taxes, hold harmless sales tax reimbursements, and the Powell Bill allocation.

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.

As the Village's second largest revenue source, local option sales tax is expected to generate approximately 22% of the Village's operating revenues, or \$5,104,000 in FY 2023. This represents an increase of 18% from the previous year's budget. Several factors contributed to this increase: direct federal aid to taxpayers and tax credits placed additional funds into the hands of many people, consumer spending during the COVID-19 pandemic shifted from services to taxable goods, and recent legislation passed in North Carolina called for the collection of sales tax on nearly all online transactions.



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 \$8,371,200 for FY 2023, or approximately 37% of General Fund operating revenues. This is an increase of approximately 15% over budgeted intergovernmental revenues in FY 2022.

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 \$924,500 in FY 2023, or approximately 4% of total General Fund operating revenues. This is an increase of approximately 3% over budgeted permits and fees revenue in FY 2022.

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. Beginning in FY 2022, this category of revenue also includes minor income associated with archives document sales. Total revenues in this category are expected to be \$767,900, or approximately 3% of total General Fund operating revenues. This is an increase of approximately 11% from budgeted sales and services revenue in FY 2022.

Other Financing Sources

Other financing sources consist of transfers from the American Rescue Plan Act Special Revenue Fund. Total transfers to the General Fund are estimated to be \$4,286,720 and are not considered operating revenues.



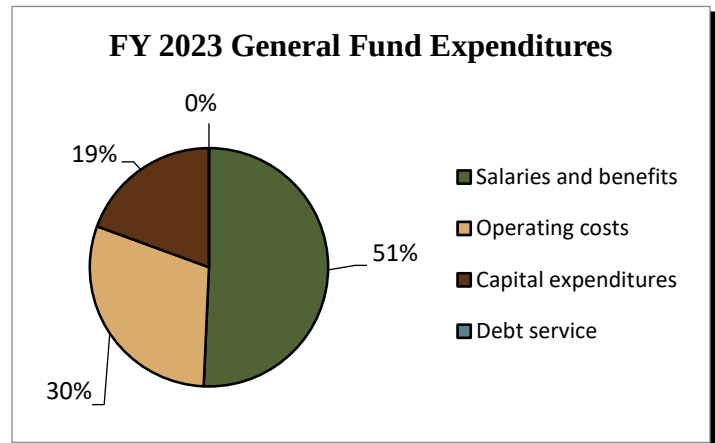
EXPENDITURES BY CATEGORY

General Fund Expenditures fall into one of four categories:

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

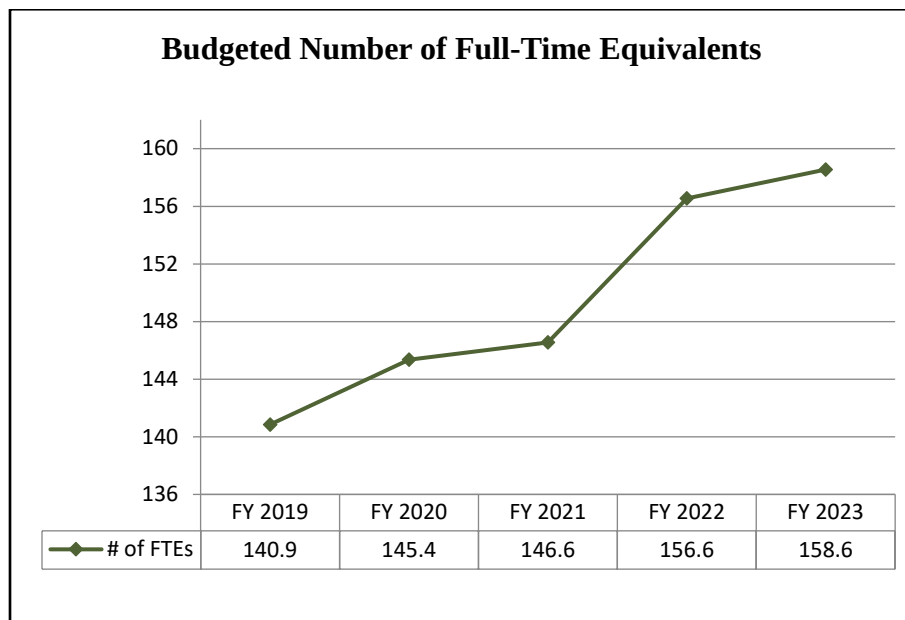
Salaries and Benefits

Salaries and benefits for the Village's 158.6 full-time equivalents (FTEs) account for \$13,742,900, or 51%, 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 a modest increase of 2.5% for employee medical coverage at renewal. 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 2023 renewal, based on previous historical trends. The Village currently pays for 100% of employee coverage.

For FY 2023, the budget recommends the increase of 2.0 FTEs for two police officers. 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 as well as expansion of services (library and archives).





The Village provides an annual cost of living adjustment in addition to the merit pay system. A total of \$401,000 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 2023, this equates to 4.7% and adjustments are effective July 1. An additional \$134,000 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 \$8,095,300 or 30% 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 \$1.4 million for street resurfacing and patching, as well as funding for strategic initiatives supporting the Council's goals and objectives as listed in the *Strategic Priorities* section of this document.

Capital Expenditures

This category of expenditures accounts for \$5,260,900, or 19% of the total General Fund Budget. This represents an increase of 30% from the previous year's General Fund capital expenditures, largely due to the installation of synthetic turf at Cannon Park. Estimated operating costs associated with significant non-routine capital expenditures are detailed in the *Capital Improvement Plan* section and are incorporated into the *Five-Year Financial Forecast*.

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 2023 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 2023:

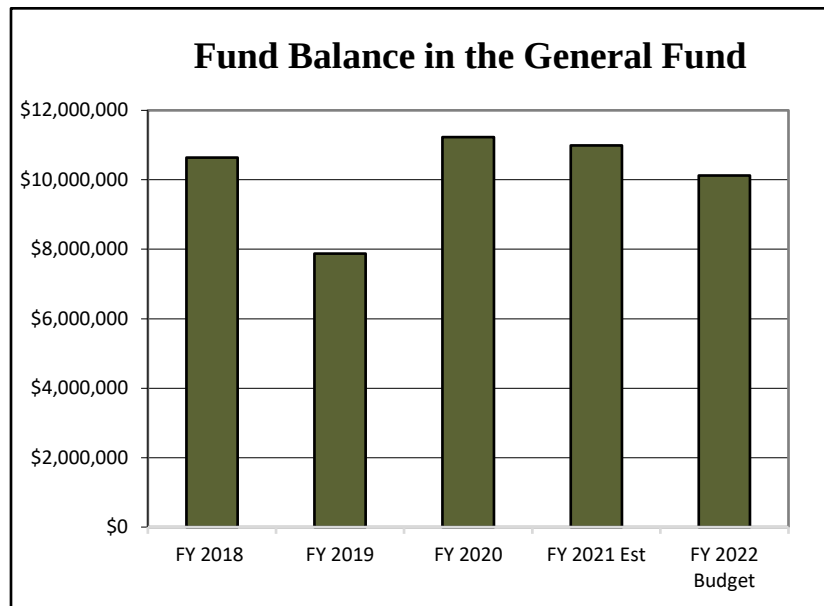
- Synthetic turf installation at Cannon Park,
- Pedestrian facilities,
- Streetscape improvements,
- Potential land acquisition for Public Service Complex relocation,
- Given Memorial Library initial building improvements,
- Six Police vehicles,
- Garbage truck,
- Vacuum sweeper, and
- Stormwater drainage projects

Debt Service

In FY 2023, the Village has no debt service expenditures, as all existing debt agreements were paid off in FY 2021.

FUND BALANCE

At June 30, 2022, the Village's fund balance in the General Fund is projected to be approximately \$13.1 million, or 51% of the FY 2022 Budget. The budget as proposed for FY 2023 will increase the level of fund balance to approximately \$14.9 million, or 55% of expenditures. In recent years, the Village saw a reduction in fund balance from FY 2018 to FY 2019 due to funding the \$4.6 million construction of the Cannon Park Community Center without debt financing. It realized an increase from FY 2019 to FY 2020 with the return of \$1 million from the library capital campaign.



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 \$0.31 per \$100 valuation for the General Fund. The recommended budget projects a fund balance of 54.9% of FY 2023 General Fund budgeted expenditures, which is above the Council's adopted policy minimum of 30%. Council amended its policy in FY 2021 to include a provision to commit fund balance in excess of 40% for future capital needs. The projected level of fund balance positions the Village well to address significant future projects that are incorporated in the five-year planning period.

Departmental requests were reduced by approximately \$298,000 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 2023:



Revenues by Type	Budgeted FY 2023
Ad Valorem Taxes	\$ 12,176,000
Other Taxes & Licenses	3,800
Unrestricted Intergovernmental Rev.	7,736,100
Restricted Intergovernmental Rev.	635,100
Permits & Fees	924,500
Sales & Services	767,900
Other Revenues	435,980
Investment Income	133,000
Revenues	22,812,380
Other Financing Sources	4,286,720
Fund Balance Appropriations	-
Total Revenues	\$ 27,099,100

Expenditures by Function	Budgeted FY 2023
General Government	\$ 3,342,388
Public Safety	8,921,681
Transportation	5,126,792
Environmental Protection	2,339,160
Economic & Physical Development	1,205,850
Cultural & Recreation	6,163,229
Debt Service	-
Expenditures	27,099,100
Other Financing Uses	-
Total Expenditures	\$ 27,099,100

A Public Hearing to receive citizen input on the recommended budget will be held on Tuesday, May 24, 2022 at 4:30 pm in the Assembly Hall of the Pinehurst Village Hall. A copy of the proposed budget is available for inspection at Village Hall and on the Village's website at www.vopnc.org/sop.

I wish to express my thanks to the Village Council and senior leadership for their support in developing this FY 2023 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,

Jeff Sanborn
Village Manager



Visit the Village of Pinehurst's web site: www.vopnc.org

The Village of Pinehurst is known for its award-winning golf resorts and quaint, idyllic charm, but many people don't realize that our local government is comprised of 18 different departments and divisions working to maintain the high expectations of the Village's citizens and visitors. As such, it is often difficult to know who to contact for more information about the Village of Pinehurst's available services.

This section was created to aid the reader in learning the duties and responsibilities of each department and division. You may also get additional information about the budget under the "Our Government" link on our web site. Look for "Strategic Operating Plan" in the far right column under the "Our Government" link. We have also provided an email address for each department contact and a phone list at the end of this section for common requests and services.

GENERAL GOVERNMENT

Governing Body (kchance@vopnc.org)

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides overall policy guidance for all municipal operations. To affect this, the Council considers and adopts local ordinances and resolutions to provide for the health, safety, and overall quality of life for the citizens of Pinehurst. The Council determines the level of service the Village will provide to its citizens. The governing body of the Village makes appointments to various volunteer boards and commissions that act in an advisory and quasi-judicial role for the Village. The Council also selects and contracts with the Village Manager and Village Attorney for services. All Council actions are made to advance the Village's vision to be a "charming, vibrant community which reflects our rich history and traditions."



Village Council

Administration (jsanborn@vopnc.org)

The Administration Department provides top-level support to the Village Council and Village Manager. The Village Manager, Assistant Village Manager of Administration, and Assistant Village Manager of Operations lead the Village's senior leadership team. The Organizational Performance Director reports directly to the Village Manager and serves as a member of the senior leadership team. The department also serves as a support and liaison to the 17 other departments and divisions of the Village to ensure that services are provided to Village residents in an efficient, responsive, and cost efficient manner. The office of the Village Manager is responsible for the overall operations of the Village.



Financial Services (bhunter@vopnc.org)

The Financial Services Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The Financial Services Department oversees the fiscal operation of the Village, which includes cash and investment management, debt management, financial reporting, and preparation of the annual budget and five-year financial forecast. The Financial Services Department's mission is to provide financial expertise and promote fiscal responsibility in a challenging and rewarding environment.

Human Resources (akantor@vopnc.org)

The Human Resources Director reports directly to the Village Manager and is a member of the senior leadership team. The Human Resources Department provides the traditional human resources services for both management and staff, but also extends that role to include the design and implementation of services and programs to enhance employee job satisfaction, retention, and a balanced family/work life. Employee training and reward and recognition of both employees and volunteers are also critical to the success of our organization.

PUBLIC SAFETY

Fire (jccole@vopnc.org)

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department is responsible for providing protection of life, property, and environment of the Village and the surrounding area through public education, fire prevention, fire inspection, fire suppression, medical first response, and related services. In addition, the department also has an obligation to train all personnel in modern fire safety practices and technologies.

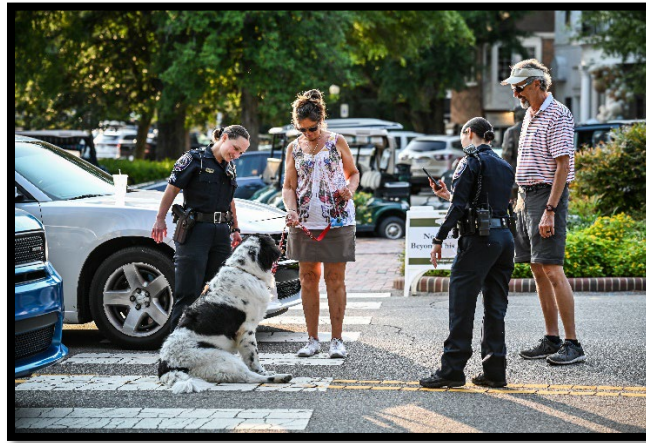


Fire Department with North Carolina Insurance Commissioner Mike Causey



Police (gwebb@vopnc.org)

The Police Chief reports directly to the Village Manager and is a member of the senior leadership team. The Police Department is responsible for the protection of life and property of the citizens and visitors of the Village. Patrol officers respond to police related calls for service at the request of citizens or other persons, initiate service calls when necessary, direct traffic when needed, and conduct follow up investigations on reported and non-reported crimes. Dispatcher personnel monitor, receive, and dispatch emergency and routine police calls for service through an interface with the Moore County E911 system. Investigative personnel are responsible for the investigation of criminal activity in the Village by means of interviews and gathering physical evidence. The Police Department provides dedicated and compassionate assistance by promoting leadership, cooperation, and creativity and aspires to improve the quality of life in partnership with the community.



Police Officers Interacting with Downtown Visitors

Inspections (dburich@vopnc.org)

The Inspections Division reports directly to the Planning and Inspections Director. It is the mission of the Inspection Department to assure that State standards of building are met within the jurisdiction of the Village of Pinehurst. The Inspections Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. Inspectors assure that all new homes and businesses are built to current building code standards.

TRANSPORTATION

Public Services (mapke@vopnc.org)

The Public Services and Engineering Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Department provides administrative and technical support for the Public Services divisions of Streets & Grounds and Solid Waste. Its responsibilities include establishing priorities for the departments, training and supervising staff, developing plans and specifications for infrastructure, and interacting with citizens and governmental regulatory agencies.



Streets & Grounds (mapke@vopnc.org)

The Streets & Grounds Division of the Public Services Department reports to the Assistant Public Services Director. The Streets & Grounds Division is responsible for keeping all public transportation routes open and in a safe traveling condition. This department maintains 107 miles of streets in the Village, the largest amount of any local government in Moore County. Routine tasks include asphalt patching, installing and maintaining storm drains, installing and maintaining traffic and street name signs, repairing sidewalks, street sweeping, and tree trimming. This division also provides the manpower, supplies and management for the maintenance of the Village owned right of ways and common areas.



Streets & Grounds Employee at Work

ENVIRONMENTAL PROTECTION

Solid Waste (mapke@vopnc.org)

The Solid Waste Division of the Public Services Department reports to the Assistant Public Services Director. The Solid Waste Division provides residents with automated weekly pickup of household garbage, recyclables, and yard debris. In addition, the department provides supplemental fall leaf collection and periodic storm debris collection.

ECONOMIC & PHYSICAL DEVELOPMENT

Planning (dburich@vopnc.org)

The Planning and Inspections Director reports directly to the Village Manager and is a member of the senior leadership team. It is the mission of the Planning Department to preserve and enhance the unique character of the Village of Pinehurst and to manage and guide growth in ways that complement the quality of life. The Planning Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. The Planning Department assures that all activities are in compliance with the Pinehurst Development Ordinance and other applicable Village codes.

Community Development (jbatton@vopnc.org or dwillardson@vopnc.org)

The Community Development Department is managed by the two Assistant Village Managers who report directly to the Village Manager and are members of the senior leadership team. This department is responsible for managing the functions of economic development and marketing and promotion. The purpose of investing in economic development is to build and maintain a vibrant downtown for businesses, residents and visitors alike and to improve upon the high quality of life already enjoyed in the Village.



CULTURAL AND RECREATION

Recreation (mwagner@vopnc.org)

The Parks & Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. This department is charged with providing the citizens of Pinehurst with a variety of recreational pursuits that permit the participants to truly enrich the quality of their lives. Leisure services provided give the participants the opportunity to learn and respect their abilities, strengths, and weaknesses as they move toward self-fulfillment and self-actualization of their expected potentials in life. Year-round programming includes classes, workshops, special events, facility rentals, athletic leagues, and camps. The department also coordinates activities at Cannon Park, Rassie Wicker Park (including the Arboretum), West Pinehurst Park, Tufts Park, and the Cannon Park Community Center.



Splash Pad at Rassie Wicker Park

Fair Barn (mwagner@vopnc.org)

The Fair Barn Division of the Parks and Recreation Department provides the management for the operations and maintenance of the Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been renovated to serve as a multi-purpose community gathering place. The division also manages varying capital improvements to the facility and surrounding grounds and provides marketing and promotion for the Fair Barn.



A Wedding Reception at the Fair Barn



Harness Track (mwagner@vopnc.org)

The Harness Track Division of the Parks and Recreation Department provides the labor, supplies, expertise, equipment, and management for the operations and maintenance of the Harness Track facility. This division manages major and minor capital improvements while providing services to the standardbred trainers and other equine and non-equine related clients of the property. The facility consists of multiple harness tracks, a show ring, and 244 horse stalls in 17 barns. In 2015, the Village celebrated the Harness Track's 100th anniversary.



Matinee Race at Harness Track Facility

Library and Archives (amoriarty@vopnc.org)

Library services in the Village have historically been provided by the Given Memorial Library, a non-profit 501(c)3. The Village recently conducted a formal library needs assessment to determine the community's desires and needs for enhanced library services. In March 2021, the Village of Pinehurst Council and Given Memorial Library and Tufts Archives Board signed a letter of intent indicating an agreement to transfer assets and operations of the library and archives to the Village. In April 2022, the final transfer agreement was executed, which brought the library and archives into the Village's suite of services. The library functions as a free public library and has a collection of over 23,000 items including fiction, non-fiction, audio books, e-books, and reference materials. The library also serves as the curator of the Tufts Archives and the Pinehurst History Museum.



Given Memorial Library



INTERNAL SERVICE DEPARTMENTS

Fleet Maintenance (jbatton@vopnc.org)

The Fleet Maintenance Department reports directly to the Assistant Village Manager of Operations. The Fleet Maintenance Department is responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. This department performs lube, oil, and filter changes, tire replacements and repairs, and engine and pump repairs. Fleet Maintenance personnel also maintain, repair, and replace pumps, motors, and generators at the ponds in the Municipal Service District and at the police and fire stations.

Buildings & Grounds Maintenance (kbrewer@vopnc.org)

The Buildings & Grounds Division reports directly to the Parks & Recreation Director. It is responsible for providing regular and preventative maintenance for all buildings owned by the Village and also for the grounds maintenance in the various parks and other facilities. This division coordinates repairs for all heating systems, electrical systems, and any other building systems as needed. The Buildings & Grounds Division is also responsible for miscellaneous building maintenance, such as replacing light bulbs, routine cleaning of system filters, mowing turf areas, upkeep of parks and greenway trails, and maintaining trees and shrubs.



Greenway Trail at Rassie Wicker Park

Information Technology (jwhitaker@vopnc.org)

The Chief Information Officer reports directly to the Assistant Village Manager of Administration. The Information Technology Department provides hardware and software support to Village employees and is responsible for the maintenance and security of the Village's network infrastructure. The Information Technology Department is also responsible for the Village's internet and intranet web sites.



COUNCIL APPOINTED PLANNING BOARDS AND COMMISSIONS

Historic Preservation Commission (dburich@vopnc.org)

The Historic Preservation Commission (HPC) recommends design standards and guidelines for the Local Historic District to the Village Council. The HPC reviews and acts upon requests for any work requiring a Certificate of Appropriateness for new construction, additions, building alterations and demolitions within the Local Historic District. The HPC also recommends to the Village Council areas to be designated as “Historic Districts” and individual structures, buildings, sites, areas, or objects to be designated as “Landmarks.”



Historic Downtown

Planning and Zoning Board (dburich@vopnc.org)

The Planning and Zoning Board is an advisory board to the Village Council that reviews proposed amendments to the Pinehurst Development Ordinance (PDO); hears requests to change the zoning of property regulated under the PDO; makes recommendations to the Village Council for final action; performs studies and surveys of the present conditions and probable future development of the Village; formulates and recommends to the Village Council the adoption or amendment of comprehensive and other plans; reviews the regulations of the PDO from time to time as it deems appropriate or directed to do so by the Village Council; reviews and makes recommendations for site plans, developments, and subdivisions; and performs such additional powers and duties as may be set forth in the PDO and other Village laws and regulations.

Board of Adjustment (dburich@vopnc.org)

The Board of Adjustment has jurisdiction to hear cases regarding variance requests from the provisions of the Pinehurst Development Ordinance (PDO) and other land use related ordinances. The BOA also has jurisdiction to hear appeals regarding interpretations of the PDO; Historic District Standards and Guidelines and other land use related ordinances. Additionally, the BOA hears appeals of staff and other decision making bodies' decisions to include the Historic Preservations Commission and the Village Council as it relates to administering the Historic District Standards and Guidelines and the PDO.



Need More Information?

The best source for additional information is our web site www.vopnc.org.

You can also call the numbers in the telephone listing below to get answers to specific questions.

ATHLETICS.....	910.295.2817
BILL INQUIRIES.....	910.295.1900
BROKEN WATER AND SEWER LINES (MOORE COUNTY UTILITIES).....	910.947.6315
BUDGET.....	910.295.1900
BUILDING CODE REQUIREMENTS.....	910.295.1900
BUILDING INSPECTIONS (Hotline).....	910.295.3192
BUILDING PERMITS.....	910.295.1900
CURB CUTS.....	910.295.5021
CUSTOMER SERVICE.....	910.295.1900
DRIVEWAY PERMITS.....	910.295.1900
ECONOMIC DEVELOPMENT.....	910.295.1900
FACILITY RENTALS.....	910.295.1900
FAIR BARN RENTALS.....	910.295.0166
FENCING REQUIREMENTS.....	910.295.1900
FINANCIAL SERVICES.....	910.295.1900
FIRE EMERGENCIES.....	911
FIRE DEPARTMENT – NON-EMERGENCY.....	910.295.5575
FIRE DEPARTMENT PUBLIC EDUCATION SERVICES.....	910.295.5575
FIRE PREVENTION.....	910.295.5575
GARBAGE AND TRASH COLLECTION.....	910.295.5021
GENERAL VILLAGE INFORMATION.....	910.295.1900
GEOGRAPHIC INFORMATION SYSTEM (GIS).....	910.295.1900
GIVEN MEMORIAL LIBRARY & TUFTS ARCHIVES.....	910.295.6022
HARNESS TRACK.....	910.295.5255
HISTORIC PROPERTIES.....	910.295.8664



About Village Services

HUMAN RESOURCES.....	910.295.1900
JUNK CARS.....	910.295.8665
MAPS.....	910.295.1900
NEIGHBORHOOD WATCH PROGRAM.....	910.295.3141
NOISE.....	910.295.3141
PARKS AND RECREATION.....	910.295.2817
POLICE EMERGENCIES.....	911
POLICE – NON EMERGENCY.....	910.295.3141
PUBLIC INFORMATION.....	910.295.1900
RECYCLING.....	910.295.5021
REZONING MATTERS.....	910.295.8659
SETBACK REQUIREMENTS.....	910.295.8661
SEWER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
SIGN REQUIREMENTS.....	910.295.8659
SOLICITATION/DOOR-TO-DOOR PEDDLING PERMITS.....	910.295.1900
STREET RESURFACING.....	910.295.5021
TAXES (MOORE COUNTY TAX OFFICE).....	910.947.2255
TENT PERMITS.....	910.295.1900
TRAFFIC.....	910.295.1900
UNKEMPT LOTS/YARDS.....	910.295.8665
VILLAGE CLERK.....	910.295.1900
VILLAGE MANAGER.....	910.295.1900
VOTING (MOORE COUNTY BOARD OF ELECTIONS).....	910.947.3868
WATER AND SEWER LINE MAINTENANCE (MOORE COUNTY UTILITIES).....	910.947.6315
WATER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
WATERSHED REQUIREMENTS.....	910.295.8659
ZONING.....	910.295.8659



Strategic Planning Process Overview

The *Strategic Operating Plan Guide* is designed to aid the reader in understanding the information contained in this document, how the document is formatted, and the processes for creating the Strategic Operating Plan. It is inclusive of the required annual balanced budget, the five-year financial forecast, and the five-year Capital Improvement Plan. The subsequent sections of the document dive into the detailed plans for Village operations and this guide will provide explanations for the vast amount of data and information that follows.

Because this section is intended to provide mostly background information, the reader is invited to exercise judgment when reading it and refer to other sections of the document for more detailed information.

This document has been prepared in accordance with the requirements of the Government Finance Officer's Distinguished Budget Award program. The Village has received this award for fourteen consecutive years and has been awarded the Special Performance Measures Recognition in four of those years.

What's New in the Document This Year?

In the spirit of continuous improvement, several enhancements have been made to the 2023 Strategic Operating Plan. The most significant changes made in this year's document to make it more useful to the reader include:

- The *Strategic Priorities* section has been updated with charts that use standardized baseline y-axes. This change provides readers a visual standard to compare performance data across key performance indicators.
- The *Special Revenue Fund* section has been incorporated into the document this year to account for the use of federal grant funds received through the American Rescue Plan Act. This section includes a summary of the grant and the budgetary impacts of the fund.

We hope that you find these enhancements useful. If there is additional information you would like to see presented in future editions, please forward your request to Brooke Hunter, Financial Services Director at bhunter@vopnc.org.

Strategic Planning Process Overview

The Senior Leadership Team kicks off the strategic planning process with Senior Leaders Pre-Retreat Meeting in November. The purpose of this meeting is to analyze and correlate key data and Key Performance Indicators (KPIs), conduct a Strengths, Opportunities, Aspirations, and Results (SOAR) analysis, and identify key strategic advantages and challenges.

In late November or early December, the Village Council Pre-Retreat meeting is held with the Pinehurst Village Council, volunteer board chairpersons, and the Senior Leadership Team. The purpose of this meeting is to review the data and key findings, conduct an environmental scan, and to review and agree on the SOAR analysis and strategic advantages and challenges identified at the Senior Leaders Pre-Retreat Meeting.



Strategic Planning Process Overview

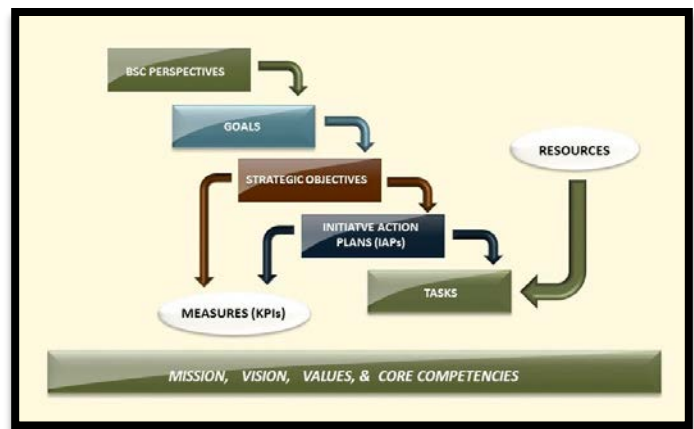
Next, the Village Council holds its annual two-day retreat in December. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), identifies Balanced Scorecard (BSC) Areas of Focus, affirms or amends actions to address Strategic Opportunities, reviews a preliminary five-year financial forecast, discusses major capital and workforce needs, and affirms the Village's goals and objectives on the BSC.

In January, using the key inputs into the strategic planning process, the Council then sets target performance levels, based on comparisons to benchmark communities, for each of the KPIs on the BSC. Council and the Senior Leadership Team identify Initiative Action Plans (IAPs) to address strategic objectives that ultimately achieve the Village's mission and vision. Senior leaders then develop and refine departmental goals, KPIs, IAPs and OFIs for the next five years, and funding requests to address Council goals and objectives, address strategic challenges and opportunities, and achieve BSC target performance levels.

All IAPs, OFIs, and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director, Financial Services Director, and Organizational Performance Director. In addition to evaluating the financial and workforce capacity needed to implement and maintain the IAP, the Strategic Planning Team also evaluates the associated risks of actions.

To determine the Village's financial capacity to fund the Strategic Operating Plan (SOP), staff prepares a five-year financial forecast. This forecast projects anticipated revenues and expenditures for the planning period, inclusive of expected operating revenues and costs for planned IAPs, OFIs, and projected capital expenditures included in the five-year Capital Improvement Plan.

The SOP is prepared in accordance with the Village's Fund Balance Policy, with projected revenues and expenditures resulting in a General Fund fund balance of at least 30% of budgeted expenditures during the planning period. Please see the *Strategic Priorities* section of this document for a more detailed discussion of the strategic planning process.



Village of Pinehurst Strategic Planning Overview

Staff presents the proposed Strategic Operating Plan to the Village Council for review and approval in May. The Council holds one or more budget work sessions and then conducts the required public hearing on the proposed budget to allow for public comment. Before June 30 of each year, the Village Council adopts the annual budget ordinance that becomes effective July 1 and includes appropriations for IAPs outlined in the Strategic Operating Plan.



Strategic Operating Plan Calendar

Strategic Operating Plan Calendar

The Village has utilized the following schedule in preparing and adopting the 2023 Strategic Operating Plan and FY 2023 Budget:

Dates	Activity
November 17, 2021	Senior leadership team holds Pre-Retreat Meeting
December 1, 2021	Village Council holds Pre-Retreat Meeting
December 8-9, 2021	Village Council holds Strategic Planning Retreat
January 25, 2022	Village Council approves Balanced Scorecard with Key Performance Indicators target performance levels
January 26, 2022	FY 2023 Strategic Operating Plan (SOP) Kickoff Meeting and training session for senior leadership
February 24, 2022	Senior leaders submit completed departmental SOP forms to the Financial Services Department
March and April 2022	Financial Services Department estimates revenues in conjunction with senior leader input and consolidates departmental requests
March 21-25, 2022	Strategic Planning Team holds Strategic Operating Plan Workshops with senior leaders to discuss their submitted plans
March 31, 2022	Strategic Planning Team develops Strategic Operating Plan with long-term staffing and capital plan included
May 5, 2022	Village Manager submits the draft Strategic Operating Plan to the Village Council
May 10, 2022	Village Manager presents the Strategic Operating Plan to the Village Council at a Council meeting
May 16 & 18, 2022	Village Council holds work sessions to review Strategic Operating Plan and FY 2023 Budget
May 24, 2022	Village Council holds a public hearing on the FY 2023 Budget
June 14, 2022	Village Council adopts the Strategic Operating Plan and the FY 2023 Budget Ordinance
July 1, 2022	2023 SOP is implemented
July 11, 2022	Financial Services Department publishes the final 2023 SOP and distributes documents



Financial Policies

Summary

The Village of Pinehurst's budgetary and financial policies set forth basic guidance for the fiscal management of the Village. Most of the policies represent long standing principles and traditions with its legal framework outlined in both the North Carolina General Statutes (NCGS) and the Village's Ordinances. These policies, though general in statement, contribute to the Village's financial stability. The major financial policies of the Village are summarized below.

Council Adopted Policies

Investment Policy

The Village Council adopted Investment Policy states the Village will consolidate cash balances to insure maximum investment of idle cash. The criteria for selecting an investment will include safety, liquidity, and yield. The Village will invest only in quality issues that comply with the North Carolina Budget and Fiscal Control Act and the Village's Investment Policy. Management reports on its investment portfolio to the Village Council on a quarterly basis. This policy is reviewed annually and updated as needed.

Fees and Charges Policy

The Village Council adopted Fees and Charges Policy is used to set fees and charges at an appropriate level that is consistently applied to all users. Charging fees for elective services efficiently transfers the cost of providing those services to the service recipient. Fees charged by the Village are intended to cover the full cost of providing a service that can be directly identified. The exception to this is Recreation programs where only direct costs are intended to be recovered. The Village's Fees and Charges Policy requires the Financial Services staff to evaluate and update the fee schedule each year.

Fund Balance Policy

The Village Council adopted Fund Balance Policy states the Village will maintain operating reserves by maintaining a healthy fund balance. The Village's adopted Fund Balance Policy requires management to maintain unassigned General Fund fund balance, as reported in the Village's Annual Comprehensive Financial Report, of greater than 15% of actual General Fund expenditures as reported in the Annual Comprehensive Financial Report for the year audited. Unassigned fund balance is the portion of fund balance that is not restricted and is available for appropriation. In addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance at a minimum of 30% of budgeted expenditures. In FY 2021, Council amended the Fund Balance Policy to include a provision to commit fund balance in excess of 40% of actual General Fund expenditures for future capital needs.

Other Financial Guidelines

Operating Budget Guidelines

Pursuant to the North Carolina General Statutes Article 159-11 the Village will adopt a balanced budget, which provides a work program and an operational plan for the ensuing year. **A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.**



The Village will maintain a program of budgetary controls to ensure adherence to the budget. Each month, electronic financial information is prepared for department heads and management along with quarterly reports prepared for the Village Council to assist in the monitoring of actual revenues, expenditures, and budgeted amounts. In addition, the Village will retain an independent accounting firm to perform an annual financial and compliance audit in accordance with general accepted accounting practices and by the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) standards.

Operating Margin Guideline

When developing the Five-Year Financial Forecast, one strategy to ensure that there are adequate funds for both operating and capital needs is to monitor the operating margin. Village Managers have set a target range of no more than 89%-91% of operating revenues to be spent on operating expenditures. This ensures that 9%-11% of operating revenues are available for capital replacement or capital reserve.

Revenue Guideline

The Village will maintain a diversified and stable revenue program to protect it from short-term fluctuations of any one revenue source. As a part of the normal budget process, the Village will review and estimate revenues in an objective and realistic manner. Attempts will be made to secure additional revenue sources to offset any reductions of federal, state, or local funding.

Debt Guideline

The Village takes a planned approach to the management of its long-term debt issuances. The Village will consider the use of long-term debt financing only when it meets the following criteria:

- The financing period is no longer than the estimated life of the improvement, and
- The improvement will benefit both current and future citizens of the Village.

The Village strives to limit total debt service to no more than 15% of General Fund expenditures, with a general goal of 10% of General Fund expenditures. By state law the Village must limit the total of all debt issued to no more than eight percent of the total assessed valuation. The Village follows a policy of full disclosure on every financial report. The Village may utilize the authority granted within the General Statutes for lease or installment purchases when deemed appropriate.

Capital Improvement Plan Guideline

The Village will maintain a five-year Capital Improvement Plan (CIP), which will be reviewed and updated as part of the annual strategic planning process. Since capital improvements involve large sums of capital and long-term commitments, each capital project will be carefully analyzed before it becomes a component of the program. The Village takes a systematic approach to capital improvement programming to ensure that any personnel services, operating expenditures, or revenues affected by capital spending decisions are included in the appropriate operating budget. The Village will protect and maintain its capital investments in order to reduce replacement cost. As part of the CIP, the Village will project its revenues and expenses from operations for a five-year planning horizon.



Budget Requirements

Basis of Accounting and North Carolina Local Government and Fiscal Control Act

The budget is prepared using the modified accrual basis of accounting for all funds. This approach to accounting recognizes revenues when they become measurable and expenditures at the time liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered shall lapse. The Village of Pinehurst uses the modified accrual method as the basis for budgeting, accounting, and for financial reporting.

The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) controls how municipalities budget and spend money. The major effects of the LGBFCA on the budgetary process are described below.

Budget Calendar

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (G.S. 159-10 through 13). These dates are as follows:

- Departmental requests must be submitted to the Budget Officer by April 30.
- Revenue requests must be submitted to the Budget Officer by April 30.
- The recommended annual budget must be submitted to the Governing Board by June 1.
- The Governing Board must adopt the annual budget ordinance by June 30.

Budget Forms and Procedures

The Budget Officer (Village Manager) must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests “shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe.” G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

Departmental Requests

G.S. 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

Recommended Budget

G.S. 159-11 requires that the Budget Officer’s recommended budget be balanced unless the Governing Board insists that an unbalanced budget be submitted. **A balanced budget as defined by the North Carolina Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.** It is also required that the budget be submitted to the Governing Board with a budget message. G.S. 159-11(b) states that the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels.
- Any major changes in fiscal policy.



Budget Requirements

Governing Board Review

Once the recommended budget is presented to the Governing Board, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least 10 days must pass between the submission of the recommended budget and adoption of the budget ordinance.
- On the same day the budget is submitted to the Governing Board, the Budget Officer must file a copy of it in the Village Clerk's Office where it is made available to the public and press.
- The Village Clerk must publish a notice that the budget has been delivered to the Governing Board and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the time between submission and adoption, the Governing Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meeting Law (G.S. 143-318.9 through 318.18) applies to the budget preparation and adoption process.

Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, and the property tax levy as well as rate.

Budget Adoption and Amendment

The operations conducted by the Village are guided by the annual budget ordinance adopted in accordance with the provisions of the North Carolina Local Government Budget and Fiscal Control Act. The budget ordinance must be balanced and adopted prior to the beginning of the Fiscal Year. Adoption of the budget by the Village Council establishes the legal authority to incur expenditures in the ensuing fiscal year.

After the adoption of the budget ordinance, the Budget Officer (Village Manager) is authorized to transfer appropriations between line-item expenditures within a department without making an official report to the Village Council. He may also transfer amounts between functional areas, including contingency appropriations, within the same fund to increase an appropriation up to \$25,000 in a single budget amendment. These transfers, however, require an official report at the next regular meeting of the Village Council. In the event a State of Emergency is declared by the Mayor or designee, the Budget Officer is granted unlimited budget amendment authority within the same fund for expenditures directly related to the emergency. These transfers also require an official report at the next regular meeting of the Village Council. All other revisions or budget amendments must be approved by the Village Council through legislative action.



Budget Format

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Currently, the Village maintains three funds: the General Fund, the Library Expansion Capital Project Fund, and the American Rescue Plan Act Special Revenue Fund. The Downtown Parking Facility Capital Project Fund is expected to be created in FY 2025. As this is subject to change in any year, information on other fund types is also provided.

A fund is one of two types: an operational fund or a project fund. Council appropriates operational funds on an annual basis and an activity's funding lapses at the close of the fiscal year. Project funds continue for the life of each specific capital or grant project with appropriations continuing until the project is finished.

It has been established that budgets, while managed by funds, are also managed by functions. The functions designate the actual use of the funds. For example, the function of the Police Department is Public Safety and the function of the Financial Services Department is General Government.

How do the individual departments fit into the functional and fund accounting process? Each department is a subsection of both a function and a fund. Each department or division belongs to one fund and one function. A fund can include any number of departments, including departments of different functions. A function can include departments from many funds.

About the Document Presentation

This document contains a wealth of diversified information. This information can be found on a departmental, functional, or fund level. This document places a distinct emphasis on the Village's departments and divisions because these pages represent the plans of the people who are charged with the duty of providing services to citizens.

All of the individual department revenues and expenditure totals are consolidated for each fund, which present the "bottom line" of the budget. The following information details the types of funds the Village has and a list of the various funds within each fund type:

The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception for a government and exists throughout the government's life. The General Fund is currently the only annually appropriated fund included in the budget document.

Capital project funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds. The Village has two capital project funds planned at this time: the **Library Expansion Capital Project Fund** and the



Budget Format

Carriage House Parking Facility Capital Project Fund. The Village Council is expected to establish the parking facility fund in FY 2025.

Special revenue funds are used to account for special revenues that are legally restricted to expenditure for a particular purpose. The **American Rescue Plan Act Special Revenue Fund** is a grant project fund and accounts for the receipt and expenditure of a federal grant.

The departmental budget presentations are summaries of all expenditures and revenues associated with each department's activities. Because the Village's accounting structure contains hundreds of individual budget line items, the Village has consolidated these items into major classifications for a summarized presentation. For example, expenditures are grouped into three categories: Salaries & Benefits, Operating, and Capital. This consolidation facilitates comparisons between different groups of data and aids the reader in making comparisons between the different functions. Please contact the Financial Services Department at 910.295.1900 if further detail is needed.

In the *General Fund* section the reader will find information on the individual department's budget that outlines the departments profile, budget summary, initiative action plans (IAPs), and key performance indicators (KPIs). Please note that all financial tables in the budget document present the same three-year format. The following illustration is an example of the Budget Summary expenditure tables that can be found throughout the document:

Adopted budget for the the current fiscal year, as amended through December 31. The fiscal year begins July 1 of each calendar year					
Audited data from the last completed fiscal year		Amounts the Village expects to expend for the entire fiscal year		The budget for the new fiscal year which begins on July 1	
Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 224,837	\$ 245,800	\$ 242,172	\$ 266,200	8.3%
Operating	231,946	343,110	322,471	337,060	-1.8%
Capital	994	190,132	169,132	51,256	-73.0%
Expenditures Total	\$ 457,777	\$ 779,042	\$ 733,775	\$ 654,516	▼16.0%
Includes salaries, wages, and fringe benefits (FICA, insurance, et al.)					
The percentage of change between the prior year budget and next year's budgeted amounts					
All expenditures not directly related to Salaries & Benefits or Capital					
Includes expenditures for land, buildings, equipment, vehicles, and other expenditures exceeding \$5,000, with a life expectancy of more than 1 year					

Some departments do not have activity in all categories and the reader will note that they are not included in the summary. For example, the Powell Bill Department does not have any employees and therefore, does not show any Salaries & Benefits. The same is noted for revenues as each department is funded by different revenue sources.



Budget Format

The table of Department Goals, Objectives, and Key Performance Indicators (KPIs) provides department goals that cascade directly from organization-wide strategic goals and information on KPIs that are used to monitor the achievement of department goals. The strategic goal the department supports is listed to illustrate the linkage between the departmental goal and the Council’s Balanced Scorecard. Each KPI is identified as an input, output, efficiency, or effectiveness measure. In addition, the vast majority of department KPIs are considered “lead” measures that are routinely monitored throughout the year.

Department objectives are stated in terms of KPIs. Using the example below, one of the Inspection Department’s objectives related to the goal listed for FY 2023 is to “Complete 100% of building inspections within one business day.”

The FY 2023 and FY 2027 KPI data represent projections of performance given the amount of resource allocation provided in the five-year plan, including staffing and operating budgeted/forecasted funds. These are the levels of performance that departments expect to achieve in these time periods. While they are titled as projections, they also represent the target performance levels, or goals for the department.

Below is an example explaining the Department Goals, Objectives, and Key Performance Indicator table column headings in the *General Fund* section:

The strategic goal from the Balanced Scorecard

Historical performance data is provided whenever available

The level of performance the Village expects to achieve for the fiscal year

Strategic Goal: Promote high quality development and appearance

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Inspect residential and non-residential development to ensure compliance with building codes						
% of building inspections completed within one business day	Effectiveness	100%	100%	100%	100%	100%
# of building inspections completed per inspector FTE per day	Efficiency	12.6	11.4	11.5	11.7	11.1

Department goal

Specific performance outcome that is being measured (KPI)

Type of KPI

Projected performance level for next year

Long-term performance projection



Strategic Priorities Overview

The Village of Pinehurst Strategic Operating Plan (SOP) is a tool used to develop and communicate the Village's strategic priorities for the upcoming fiscal year and the five-year planning period. This section of the SOP identifies the Village's strategic priorities to advance its vision to be a "charming, vibrant community which reflects our rich history and traditions."

Strategic priorities consist of nine strategic goals that are established by the Village Council. Each year, the Council and senior staff update the SOP based on a review of the current environment at their annual strategic planning retreat in December. For each strategic goal, the Council has identified strategic objectives with Key Performance Indicators (KPIs) to demonstrate the Village's performance in achieving desired outcomes.

The Village uses a Balanced Scorecard (BSC) to integrate strategic planning and resource allocation. The BSC uses four perspectives to ensure a balanced approach to evaluating achievement of organizational strategy:

1. Customer – Delivering the services customers want at the level desired
2. Internal – Enhancing services through continuous improvement
3. Workforce – Developing an engaged workforce to provide quality services
4. Financial – Managing resources to ensure financial sustainability





Strategic Planning Process

The maturation to a strategy-focused organization began with the implementation of the Baldrige Excellence Framework in FY 2012, when the Village embarked on its continuous process improvement effort and began participating in the North Carolina Awards for Excellence program.

The Senior Leadership Team kicks off the Strategic Planning Process (SPP) with the Senior Leaders Pre-Retreat Meeting in November. The purpose of this meeting is to analyze and correlate key data and Key Performance Indicators (KPIs), conduct a Strengths, Opportunities, Aspirations, and Results (SOAR) analysis, and identify key strategic advantages and challenges.

In late November or early December, the Village Council Pre-Retreat meeting is held with the Pinehurst Village Council, volunteer board chairpersons, and the Senior Leadership Team. The purpose of this meeting is to review the data and key findings, conduct an environmental scan, and to review and agree on the SOAR analysis and strategic advantages and challenges identified at the Senior Leaders Pre-Retreat Meeting.

Next, the Village Council holds its annual two-day retreat in December. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), identifies the BSC Areas of Focus, affirms or amends actions to address Strategic Opportunities, reviews a preliminary five-year financial forecast, discusses major capital and workforce needs, and affirms the Village's goals and objectives on the BSC.

In January, using the key inputs into the SPP, the Council then sets target performance levels, based on comparison to benchmark communities, for each of the KPIs on the BSC. Council also confirms Areas of Focus (AOF) based on performance levels relative to benchmarks and comparisons, strategic challenges, strategic opportunities, and community survey areas for improvement. Areas of Focus include those strategic objectives where increased resources are needed to enhance performance levels articulated with Key Performance Indicators (KPIs) on the Village BSC.

With goals, objectives, and performance levels set, Council and the Senior Leadership Team identify Initiative Action Plans (IAPs) to address strategic objectives that ultimately achieve the Village's mission and vision. Senior Leaders then develop and refine departmental goals, KPIs, IAPs, and OFIs for the next five years, and funding requests to address Council goals and objectives, address strategic challenges and opportunities, and achieve BSC target performance levels. Department BSCs can be found in the *General Fund* section of the SOP.



All IAPs, OFIs, and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director, Financial Services Director, and Organizational Performance Director. In addition to evaluating the financial and workforce capacity needed to implement and maintain the IAP, the Strategic Planning Team also evaluates the associated risks of actions. Mitigating actions intended to minimize risks are then incorporated into action plan steps. Finally, any workforce training needs associated with an IAP are incorporated into annual training plans and any additional workforce capacity needed is included in the five-year staffing plan.

To determine the Village's financial capacity to fund the Strategic Operating Plan, staff prepares a financial forecast that is included in the *Five-Year Financial Forecast* section of the SOP. Several assumptions are made relative to revenues and expenditures based on historical trends and future projections. The five-year projections include the five-year Capital Improvements Plan (CIP) and address all projected costs associated with Council approved IAPs. The five-year financial forecast is developed to ensure fund balance remains at a minimum of 30% of budgeted expenditures in accordance with the Village Council's adopted Fund Balance Policy. In addition, the five-year financial forecast is developed to ensure projected operating margins fall within acceptable levels to allow for adequate levels of future capital reinvestment.



Strategic Planning Process

In developing the five-year CIP, the Strategic Planning Team reviews and determines the Fleet and IT replacement schedules and plans for other major capital improvements with the respective department heads. Based on the overall financial projections, the Strategic Planning Team determines which capital investments are best suited for installment financing to ensure there is adequate financial capacity for any required annual debt service.

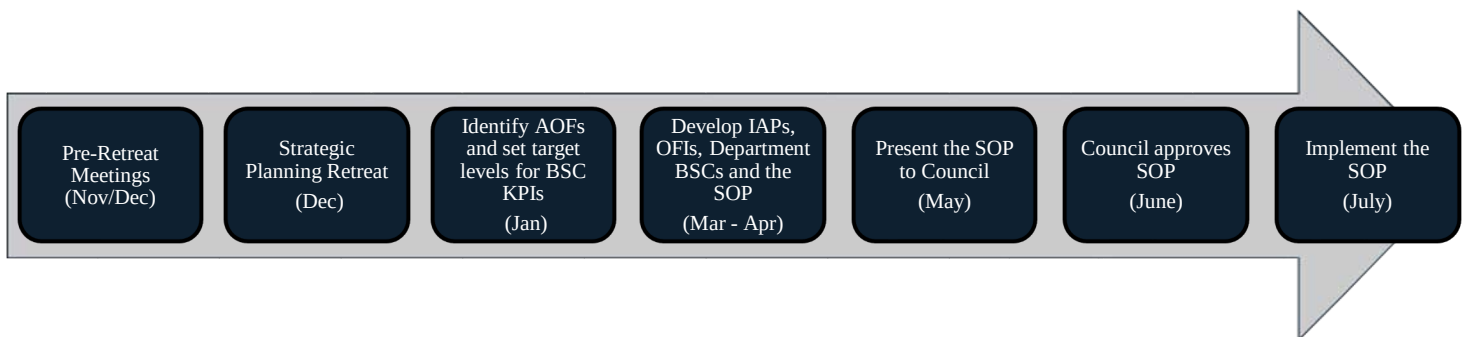
The five-year financial forecast for the General Fund FY 2023-2027, which is described more fully in the *Five-Year Financial Forecast* section of the SOP, is summarized below.

Five Year Financial Forecast					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Tax Rate per \$100 valuation	\$0.31	\$0.315	\$0.315	\$0.325	\$0.325
General Fund Operating Revenues	\$ 22,812,380	\$ 24,810,000	\$ 23,836,000	\$ 24,456,000	\$ 24,847,000
General Fund Operating Expenditures	21,838,200	22,728,387	22,900,093	23,765,478	24,440,582
Operating Income (Loss)	\$ 974,180	\$ 2,081,613	\$ 935,907	\$ 690,522	\$ 406,418
Transfer to Library Expansion Fund	-	-	3,600,000	-	-
Transfer to Carriage House Parking Facility Fund	-	-	350,000	3,150,000	-
Capital Expenditures	5,260,900	2,165,500	2,799,500	2,109,000	2,904,000
Total Expenditures	\$ 27,099,100	\$ 24,893,887	\$ 29,649,593	\$ 29,024,478	\$ 27,344,582
Transfer from American Rescue Plan Act Fund	4,286,720	1,011,000	-	-	-
Budget to Actual Variance ¹	1,756,798	1,839,087	1,841,367	1,908,143	1,959,311
Projected Actual Gain/(Loss)	\$ 1,756,798	\$ 2,766,200	\$ (3,972,227)	\$ (2,660,334)	\$ (538,271)
Fund Balance as a % of Total Exp.	54.9%	70.9%	46.1%	37.9%	38.3%

¹Assumes actual operating revenues of 101% of budget and actual operating expenditures of 93% of budget

Once financial capacity for IAPs, projects, and the baseline budget is determined, staff prepares and presents the Village's Strategic Operating Plan to the Village Council for review and approval. As required by NC General Statutes, the Council holds a budget public hearing each year prior to adoption to allow residents the opportunity to comment on the recommended budget. The Village also provides residents an opportunity each year to provide input on the SOP electronically using the Village's online public engagement platform.

The following diagram indicates the key steps and timing of the Strategic Planning Process:





Key Inputs into the 2023 Strategic Operating Plan

Mission, Vision, and Values

At the December 2021 Council Retreat, the Council affirmed the Village's mission, vision, and core values. The vision is what we aspire for our Village to be, while the mission provides purpose to our Village Council, staff, and volunteers. The Village core values are the guiding principles and behaviors that embody how Village employees are expected to operate as they provide services to Pinehurst residents, businesses, and visitors.



Core Competencies

Core competencies represent those areas of the Village's greatest expertise and are those strategically important capabilities that are central to fulfilling the Village's mission. At the December 2021 retreat, the Council reviewed and affirmed the core competencies of the Village to include:

1. Systematic approach to continuous improvement
2. Engagement of volunteers
3. Leverage technology

Strategic Challenges & Opportunities

Strategic challenges are pressures that exert an influence on the likelihood of our Village's future success. Strategic opportunities are those prospects for new or changed services or processes. The strategic challenges and strategic opportunities identified by the Village Council for FY 2023 are indicated below. The FY 2023 SOP was developed to address each of these challenges and opportunities.

Strategic Challenges	Opportunities
1. Managing the quality of development 2. Increasing traffic volume and congestion 3. Managing growth in a way that protects the Village's character 4. Limitations on development regulatory authority 5. Cost escalation 6. Tightening labor market	1. Support the Village Center through diverse cultural activities. 2. Use small area planning to provide business opportunities across the Village. 3. Improve the effectiveness of our vehicular transportation systems. 4. Promote high-quality development and design. 5. Become a pedestrian-friendly community. 6. Pursue regulatory authority around our borders 7. Consider new open spaces and amenities within neighborhoods. 8. Expand and enhance stormwater management efforts. 9. Evaluate possible expansion and construction of new Village facilities. 10. Address the topic of short-term rentals. 11. Address planning needs for Focus Areas 1 and 5. 12. Expand utilization of the harness track.



Strategic Advantages

Strategic advantages are those benefits that exert a significant positive influence on the Village's likelihood of future success and are our source of competitive success.

The strategic advantages identified by the Village Council for FY 2023 are:

1. Integrated and extensive use of technology
2. Culture of continuous improvement
3. Customer focused workforce
4. Strong financial condition
5. Integrated strategy planning processes
6. Robust Performance Measurement System

SOAR (Strengths, Opportunities, Aspirations, and Results) Analysis

The Council also conducted a SOAR analysis at their December 2021 Pre-Retreat Meeting and identified organizational and community strengths, opportunities, aspirations, and results. Village Council and senior staff used this analysis to determine key strategic advantages, opportunities, and results to monitor.

Environmental Scan

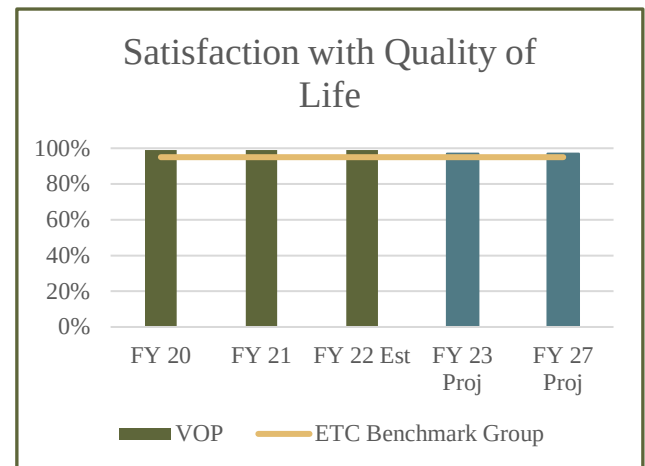
The environmental scan consists of a review of critical data and information that can impact service delivery. During the Pre-Retreat Meetings, the team conducted an external scan and reviewed key community and societal trends, economic trends, and uncertainties or potential blind spots. The team also conducted a comprehensive data review by BSC goal to review customer, internal, workforce, and financial results. The data used in the analysis included customer satisfaction results (annual Community and Business Surveys), workforce survey results, results from the Village's BSC and results from departmental BSCs. Historical performance results were analyzed relative to benchmarks and comparisons and key results were correlated when appropriate. Community survey results were segmented by neighborhood, resident age, and length of residence to facilitate further analysis. Workforce results were also segmented by department group, role, age, and tenure.

FY 2023 Strategic Goals, Objectives, and Key Performance Indicators

The Council's strategic goals, objectives, and Key Performance Indicators (KPIs) for each of the four perspectives of the 2023 BSC are detailed on the following pages.

At the core of the BSC is the Village's mission to "promote, enhance, and sustain the quality of life for residents, businesses, and visitors." The Village measures its mission by asking residents to rate the overall quality of life in the Village during the annual community survey conducted by ETC Institute. In the 2021 resident survey, **99% of residents rated the overall quality of life as good or excellent** which exceeds all benchmark comparisons.

All Key Performance Indicators (KPIs) on the BSC are considered "lag" performance measures that indicate performance levels at the end of the fiscal year. The vast majority of customer perspective KPIs are annual resident satisfaction survey results from the community survey administered by ETC Institute. The statistically valid survey produces results with a 95% level of confidence and a margin of error of +/-3.4%. Department BSCs contain "lead" performance measures that measure key Village processes and are monitored either daily, weekly, monthly, or quarterly by senior leaders to ensure the Village achieves the desired "lag" performance targets set on the BSC. The BSC community survey results group neutrals within satisfaction levels.





Balanced Scorecard

FY 2023 Balanced Scorecard

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

	Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 21	Est FY 22	ST Goal FY 23	LT Goal FY 27
Customer	1 – Safeguard the community	Deliver effective fire and rescue services	1.1	% of residents satisfied with fire services	100%	99%	95%	95%
			1.2	% of residents satisfied with how quickly fire personnel respond to emergencies	98%	99%	95%	95%
			1.3	Property value saved, as a percentage of property value at risk in fires	95%	88%	>85%	>85%
		Deliver effective police services	1.4	% of residents whose overall feeling of safety in the Village is good or excellent	99%	99%	95%	95%
			1.5	% of residents satisfied with police services	98%	95%	95%	95%
			1.6	Crime rate per 1,000 residents	36	39	<40	<40
	2 – Promote high quality development and appearance	Manage development to protect Village character AOF	2.1	% of residents satisfied with the quality of new residential development	79%	80%	82%	85%
			2.2	% of residents satisfied with the quality of new commercial development	79%	80%	82%	85%
			2.3	% of residents satisfied with Village efforts to maintain the quality of neighborhoods	88%	90%	90%	90%
		Enforce codes and ordinances	2.4	% of residents satisfied with the enforcement of Village codes and ordinances	86%	85%	85%	85%
		Maintain and enhance the appearance of public spaces	2.5	% of residents who rate the overall appearance of the Village as good or excellent	99%	99%	95%	95%
	3 – Promote a thriving business community	Support the business community AOF	3.1	% of businesses satisfied with the overall quality of Village services	93%	95%	95%	95%
			3.2	% of businesses likely to recommend the Village as a business location	92%	91%	90%	90%
	4 – Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system AOF	4.1	% of residents satisfied with the availability of walkways in your neighborhood*	67%*	71%	70%	75%
			4.2	% of residents satisfied with the availability of greenway/walking trails across the Village*	92%*	94%	90%	90%
			4.3	# of collisions per 1,000 residents	34	35.6	40	40
		Maintain high quality streets	4.4	% of residents satisfied with the adequacy of street lighting	71%	72%	70%	70%
			4.5	% of residents satisfied with street and right of way maintenance	88%	87%	85%	85%
	5 – Preserve the environment	Manage stormwater systems	5.1	% of residents satisfied with the quality of stormwater management	83%	81%	80%	85%
		Provide effective and efficient solid waste collection services	5.2	% of residents satisfied with solid waste services	96%	95%	95%	95%
		Conserve natural resources	5.3	% of residents satisfied with promotion of natural resource conservation	89%	90%	90%	90%
			5.4	% of refuse diverted from the landfill	15%	20%	20%	20%
	6 – Promote active living and cultural opportunities	Provide recreation programs and facilities	6.1	% of residents satisfied with P&R programs	98%	98%	95%	95%
			6.2	% of residents satisfied with P&R facilities	98%	97%	95%	95%
		Provide cultural services and events	6.3	% of residents satisfied with Village sponsored cultural arts events	94%	93%	90%	90%
		Provide Library and Archive services	6.4	% of residents satisfied with Given Memorial Library services	96%	95%	95%	95%
			6.5	% of residents satisfied with the Tufts Archives		95%	95%	95%



Balanced Scorecard

	Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 21	Est FY 22	ST Goal FY 23	LT Goal FY 27
Internal	7 – Professionally manage a high performing organization	Communicate with and engage the community	7.1	% of residents satisfied with Village communications	97%	95%	95%	95%
			7.2	% of residents satisfied with the level of public involvement in local decisions	87%	88%	85%	85%
		Provide a high level of customer service	7.3	% of residents satisfied with customer service provided by VOP staff	98%	98%	95%	95%
		Continuously improve and innovate	7.4	% of residents satisfied with the value received for taxes paid	93%	92%	90%	90%
		Maintain Village assets	7.5	% of depreciable life remaining on capital assets	45%	44%	40-60%	40-60%

	Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 21	Est FY 22	ST Goal FY 23	LT Goal FY 27
Workforce	8 – Attract & retain an engaged workforce	Provide a supportive and rewarding work environment	8.1	% of employees who agree that overall they like their job	98%	98%	95%	95%
			8.2	% of volunteers who agree that overall they like their role	98%	99%	95%	95%

	Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 21	Est FY 22	ST Goal FY 23	LT Goal FY 27
Financial	9 – Maintain a healthy financial condition	Meet or exceed established financial targets	9.1	Total General Fund fund balance as a % of actual expenditures**	69%	42%	>30%	>30%
			9.2	General Fund operating margin**	82%	86%	81%-91%	81%-91%
			9.3	General Fund debt service ratio**	0.8%	0.0%	<10%	<10%

*Denotes questions and percentile satisfaction responses that were updated for FY22.

**ST and LT goals are based on established financial policies.

Items in red are **Areas of Focus (AOF)** based on VOP performance levels relative to benchmarks and comparisons, strategic challenges, opportunities, and community survey areas for improvement.



Initiative Action Plans (IAPs)

The total costs below for the six FY 2023-2027 IAPs include implementation and ongoing operating and maintenance costs associated with the IAP. Financial resources have been prioritized to address Council's strategic objectives and Areas of Focus, thereby helping to ultimately achieve the goals on the BSC.

Proposed FY 2023-2027 Initiative Action Plans (IAPs)						
MISSION: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.						
	Goal We intend to...	Strategic Objective How we will...	Initiative Action Plans	Fiscal Year(s)	FY 2023 Funding	FY 2023-2027 Funding
Customer	1 - Safeguard the community	Deliver effective fire and rescue services				
		Deliver effective police services				
	2 – Promote high quality development and appearance	Manage development to protect Village character AOF	Update the Pinehurst Development Ordinance	2023-2024	\$0	\$0
			Small Area Plans for Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area	2023	\$0	\$0
			Relocation of the Public Services Complex to allow for redevelopment of Village Place. (6.5)	2023-2025	\$350,000	\$425,000
		Enforce codes and ordinances				
		Maintain and enhance the appearance of public spaces				
	3 – Promote a thriving business community	Support the business community AOF	Expand Downtown Parking Facilities	2024-2027	\$0	\$3,540,500
	4 – Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system AOF	Develop a Consolidated Multi-Modal Transportation Plan	2024-2025	\$0	\$100,000
		Maintain high quality streets				
	5 - Preserve the environment	Manage stormwater systems				
		Provide effective and efficient solid waste collection services				
		Conserve natural resources				
	6 – Promote active living and cultural opportunities	Provide recreation programs and facilities	Retrofit Current Athletic Fields with Synthetic Turf	2023-2027	\$1,237,000	\$1,770,800
		Provide cultural services and events				
		Provide Library and Archives Services	Expand and Renovate Given Library/Tufts Archives	2023-2027	\$0	\$3,193,325
Internal	7 - Professionally manage a high performing organization	Communicate with and engage the community				
		Provide a high level of customer service				
		Continuously improve and innovate				
		Maintain Village assets				
Workforc	8 - Attract & retain an engaged workforce	Provide a supportive and rewarding work environment				
Financial	9 - Maintain a healthy financial condition	Meet or exceed established financial targets				



The Initiative Action Plans in the Five-Year Financial Forecast strive to leverage the Village's core competencies and strategic advantages, while addressing strategic challenges and opportunities. In many cases, IAPs are based on research of best practices in benchmark communities.



The Village uses its Performance Improvement System as a key management tool to improve and innovate VOP services and processes. Each year, Opportunities for Improvement and Innovation (OFIs) for the five-year planning period are identified as either: 1) Evaluations; 2) Projects; or 3) IAPs.

To evaluate ways to improve a process or approach, the Village uses BIRDIEs, ACEs, and other quality tools including SIPOCs and Plus/Deltas. BIRDIE is a six-step Plan, Do, Check, Act (PDCA) improvement process used for in-depth analysis of key processes or approaches. In the five-year planning period, the Village has one BIRDIE evaluation scheduled: Document Imaging (FY 2023).

BIRDIE Process	
B	Bring the opportunity forward
I	Investigate the opportunity
R	Review potential solutions
D	Determine the solution
I	Implement the solution
E	Evaluate the solution

FY 2023 – 2027 ACEs	
FY 2023	Fire inspection process evaluation
FY 2023	Evaluate ways to automate employee timekeeping
FY 2023	Return pickup evaluation
FY 2023	Re-evaluate road patching services
FY 2024	Recruitment/hiring process

ACE (Analyze, Change, and Evaluate) is a three-step PDCA improvement process used for more rapid improvement cycles. The corresponding table indicates the planned ACEs for FY 2023-2027.

The pages that follow include information on each BSC goal and their associated strategic objectives, short term and long term Initiative Action Plans, and Key Performance Indicators. While many strategic objectives have projects or IAPs aimed at achieving them, additional resources have also been allocated in the 2023 Strategic Operating Plan to higher priority strategic objectives, or Areas of Focus. For those objectives not addressed, current performance levels indicate the Village is already demonstrating excellent performance levels (e.g. above 90% satisfaction ratings). See the individual department goals and

department BSCs included in the *General Fund* section of this document for additional information.

The pages that follow also include graphs of the Village's observed results for those KPIs on the BSC. The Village's historical results are indicated by the green bars in the graphs. The projected FY 2023 and FY 2027 performance levels are indicated by the blue bars in the graphs, were prepared using trend analysis and are reflective of resource allocations over the planning period. Council has set goals for most survey related KPIs at 95% or 90%, based on historical results. Where results have been consistently above 95%, goals are set at 95% and when results have consistently hovered closer to 90%, goals are set at 90% unless additional resources are being applied as a part of this plan. The Village's surveys typically have a margin of error close to 5%. When applicable and available, the graphs also include comparable information indicating the Village's performance relative to others, as described below:

- Comp – A comparable benchmark community
- ETC Avg – Average of cities using the Direction Finder Survey by ETC Institute in the United States
- SHRM Avg – Society of Human Resources Management survey average



Goal: Safeguard the Community



Safeguarding the community means to protect the lives and property of residents, businesses, and visitors. Departments and divisions primarily responsible include Police and Fire. Applicable volunteers include Citizens on Patrol. See the *General Fund* section of this document for additional financial and performance information on the departments.

There are two objectives under the goal to Safeguard the Community:

1. Deliver effective fire and rescue services
2. Deliver effective police services



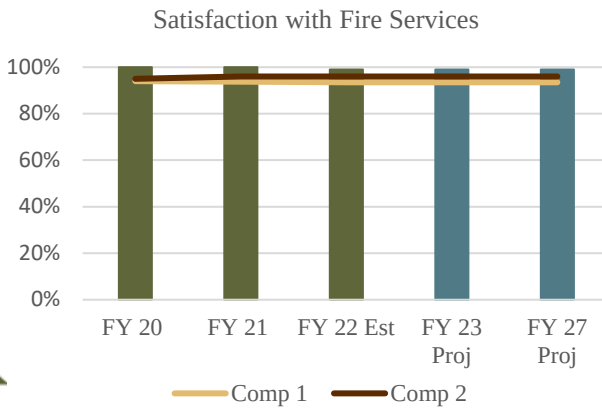
Pinehurst Fire Engine

There are no five-year Initiative Action Plans (IAPs) for this objective. The Key Performance Indicators (KPIs) for this objective are identified below.



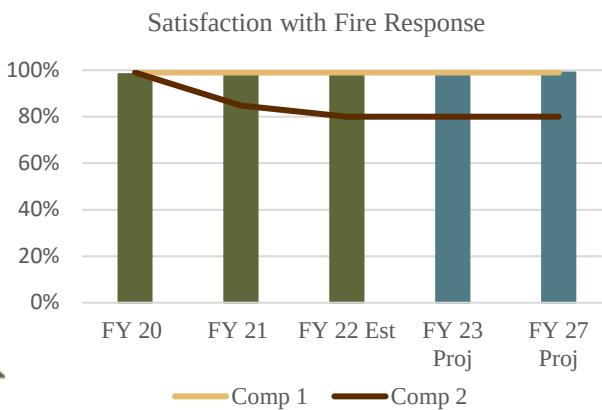
Key Performance Indicators (KPIs) - Deliver effective fire and rescue services

Maintain a 95% resident satisfaction rating with fire services



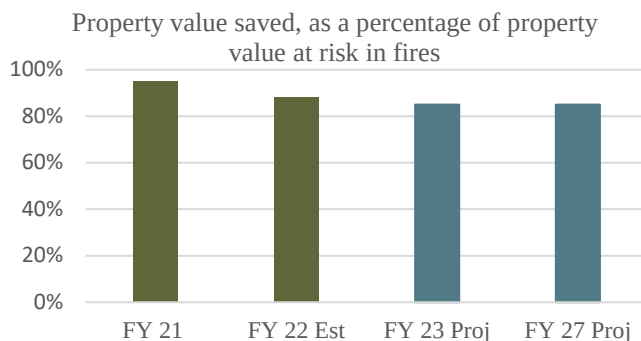
The Village has consistently exceeded comparable communities concerning resident satisfaction with fire services. Projected satisfaction levels of 99% indicate the Village will meet its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a 95% resident satisfaction rating with how quickly fire personnel respond to emergencies



Resident satisfaction with fire response is comparable to benchmark communities at approximately 99%. The Village projects that satisfaction ratings will continue to exceed the goal of 95% over the five-year period. In FY 2017, the department received Accredited Agency status with the Commission on Fire Accreditation International, one of only 19 NC agencies and 220 worldwide. In FY 2022, the Village improved its NC Response Rating System to a 2.

Maintain >85% property value saved of total property value at risk in fires

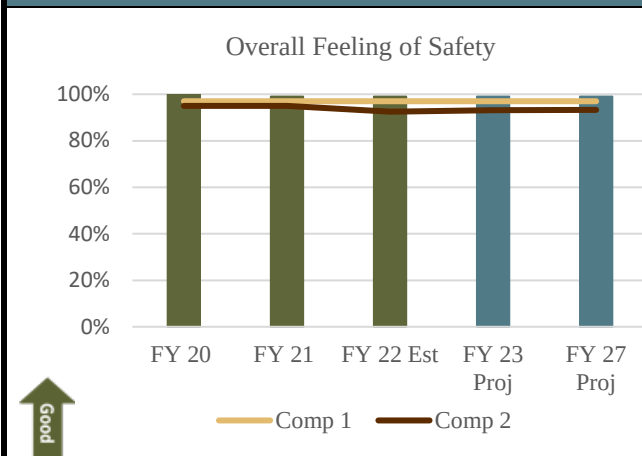


New for FY23, the department has added property value saved, as a percentage of property value at risk in fires. The Village believes this KPI addition provides an opportunity to measure the department's ability to react, respond, and mitigate fire risks. The Fire Department will continue efforts with fire safety education for the over 19,000 people served in the district.



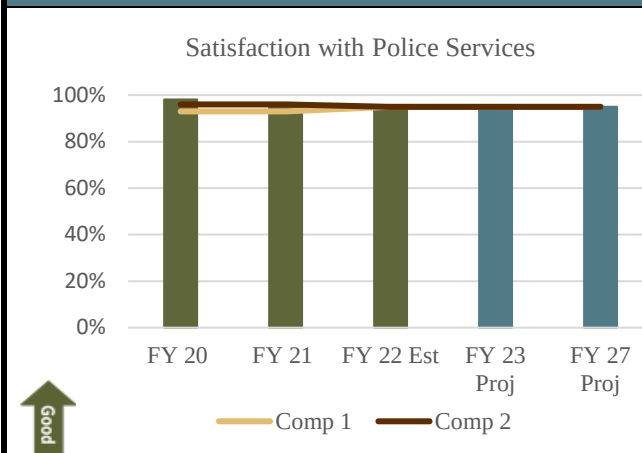
Key Performance Indicators (KPIs) - Deliver effective police services

Maintain a 95% resident rating of the overall feeling of safety in the Village as good or excellent



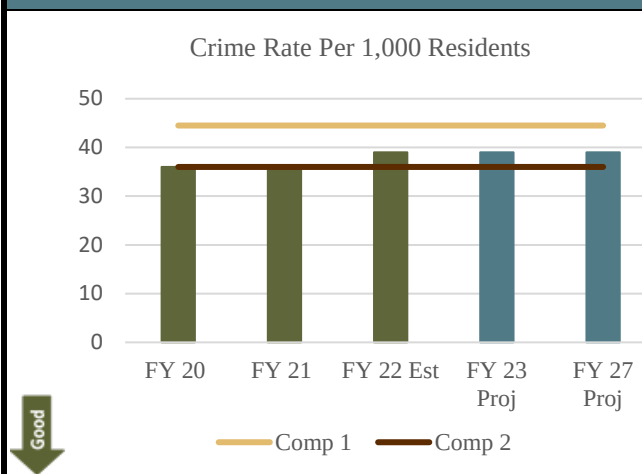
The Village has consistently exceeded comparable communities with resident satisfaction of the overall feeling of safety at 99%. Projected satisfaction levels indicate the Village will exceed its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a 95% resident satisfaction with police services



The Village has consistently exceeded comparable communities with resident satisfaction with police services. Projected satisfaction levels indicate the Village will meet its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a <40 crime rate per 1,000 residents



The Village consistently monitors the number of crimes against persons, society, and property per 1,000 residents in order to understand how crime in Pinehurst ranks with comparable communities. This measure uses the National Incident-Based Reporting System (NIBRS) for tracking and reporting crimes.



Goal: Promote High-Quality Development and Appearance



Pinehurst promotes high quality development and appearance by providing planning, inspections, infrastructure, code enforcement, and grounds maintenance services. Departments and divisions primarily responsible include Planning, Inspections, Streets & Grounds, and Buildings & Grounds. Applicable volunteer committees include the Beautification Committee, Planning & Zoning Board, Board of Adjustment, Historic Preservation Commission and Neighborhood Advisory Committee. See the *General Fund* section of this document for additional information on the departments.

There are three objectives under the goal to Promote High Quality Development and Appearance:

1. Manage development to protect Village Character
2. Enforce codes and ordinances
3. Maintain and enhance the appearance of public spaces

The objective to manage development to protect Village character is an Area of Focus (AOF) for FY 2023.

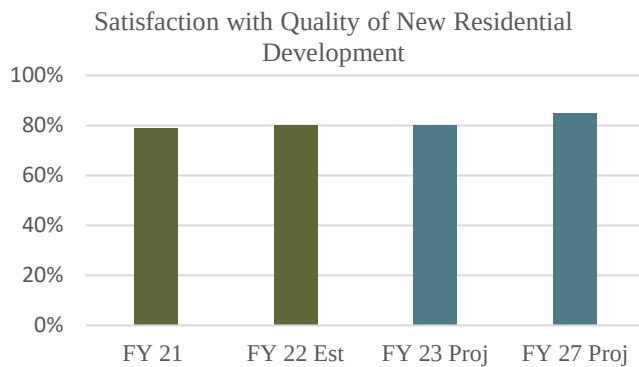
The five-year Initiative Action Plans (IAPs) and Key Performance Indicators (KPIs) for these objectives are identified below.

Strategic Objective: Manage Development to Protect Village Character AOF			
Initiative Action Plans	Timeline	FY 2023-2027 Funding	Department/ Division
Update the Pinehurst Development Ordinance – Update the Pinehurst Development Ordinance to reflect priorities of the 2019 Comprehensive Plan and changes required by 160D legislation	FY 2023-2024	\$0	Planning
Small Area Plan for Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area – Engage a consultant and develop small area plans for two focus areas from the 2019 Comprehensive Plan	FY 2023	\$0	Planning
Relocation of the Public Services Complex – To allow for redevelopment of Village Place	FY 2023-2025	\$425,000	Public Services



Key Performance Indicators (KPIs) – Manage development to protect Village character AOF

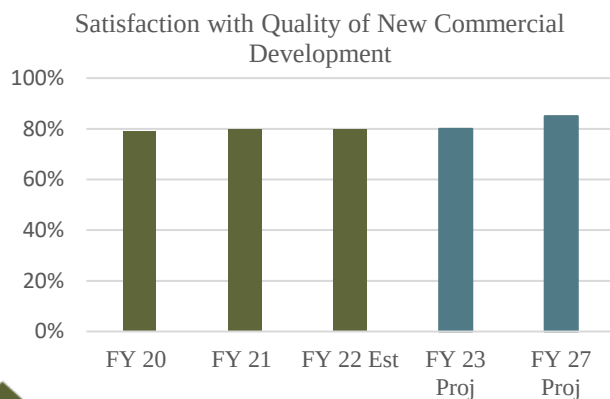
Achieve a 80% resident satisfaction rating with the quality of new residential development



The Village monitors resident satisfaction with the quality of new residential development. In FY 2021, the Village began implementing the 2019 Comprehensive Plan strategies and updating portions of the Pinehurst Development Ordinance that could positively impact this measure over the five-year planning period.

Prior to FY 2022, the community survey asked residents to rate their satisfaction with the quality of new development. Comps and future projections will be adjusted in FY 2023 to match the new language.

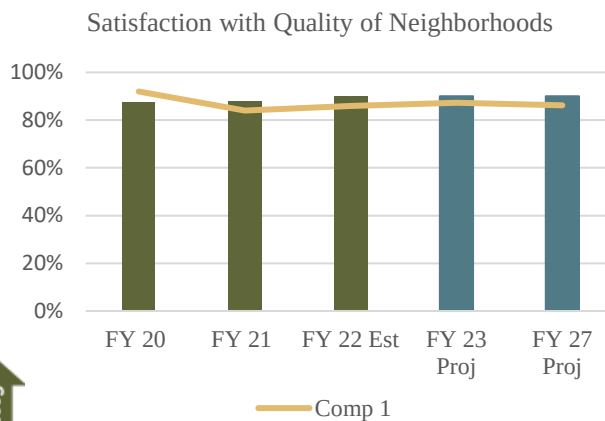
Achieve a 80% resident satisfaction rating with the quality of new commercial development



The Village monitors resident satisfaction with the quality of new commercial development. In FY 2021, the Village began implementing the 2019 Comprehensive Plan strategies and updating portions of the Pinehurst Development Ordinance that could positively impact this measure over the five-year planning period.

Prior to FY 2022, the community survey asked residents to rate their satisfaction with the quality of new development. Comps and future projections will be adjusted in FY 2023 to match the new language.

Achieve a 90% resident satisfaction rating with efforts to maintain the quality of neighborhoods

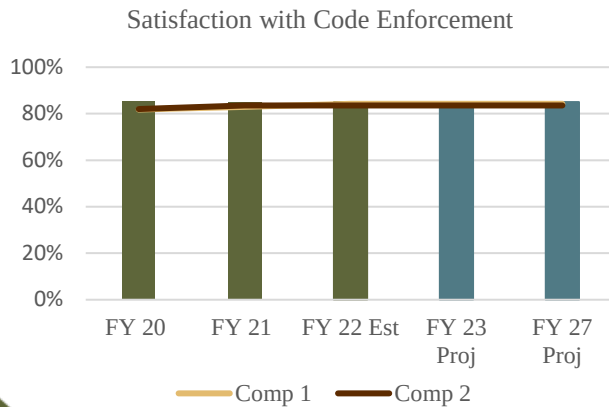


The Village closely monitors resident satisfaction with efforts to maintain the quality of neighborhoods. Historically, satisfaction levels with the efforts to maintain quality neighborhoods has fallen just short of the 90% satisfaction goal. The continued implementation of the 2019 Comprehensive Plan strategies should help maintain or improve this measure.



Key Performance Indicators (KPIs) – Enforce codes and ordinances

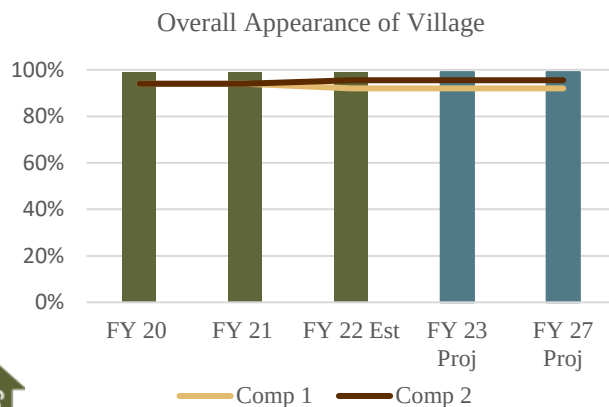
Achieve an 85% resident satisfaction rating with the enforcement of codes and ordinances



Resident satisfaction with the enforcement of codes and ordinances has been historically lower relative to other satisfaction ratings in the annual community survey. To address this, in FY 2017, the Village's code enforcement officer began routine patrols of neighborhoods to identify code enforcement issues proactively. Also, the Village has strived to improve these satisfaction ratings with additional public education on Village codes and ordinances published in the quarterly Village Newsletter that is mailed to all residents.

Key Performance Indicators (KPIs) – Maintain and enhance the appearance of public spaces

Maintain a 95% resident rating of the overall appearance in the Village as good or excellent



Historically, Pinehurst residents have been extremely satisfied with the overall appearance of the Village, with satisfaction levels exceeding comparable communities by a healthy margin. The Village's Beautification Committee has worked in conjunction with staff over the past several years to beautify the right of ways at key intersections with additional landscaping to improve the overall appearance of the Village.



Gateway signage landscaping



Goal: Promote a Thriving Business Community



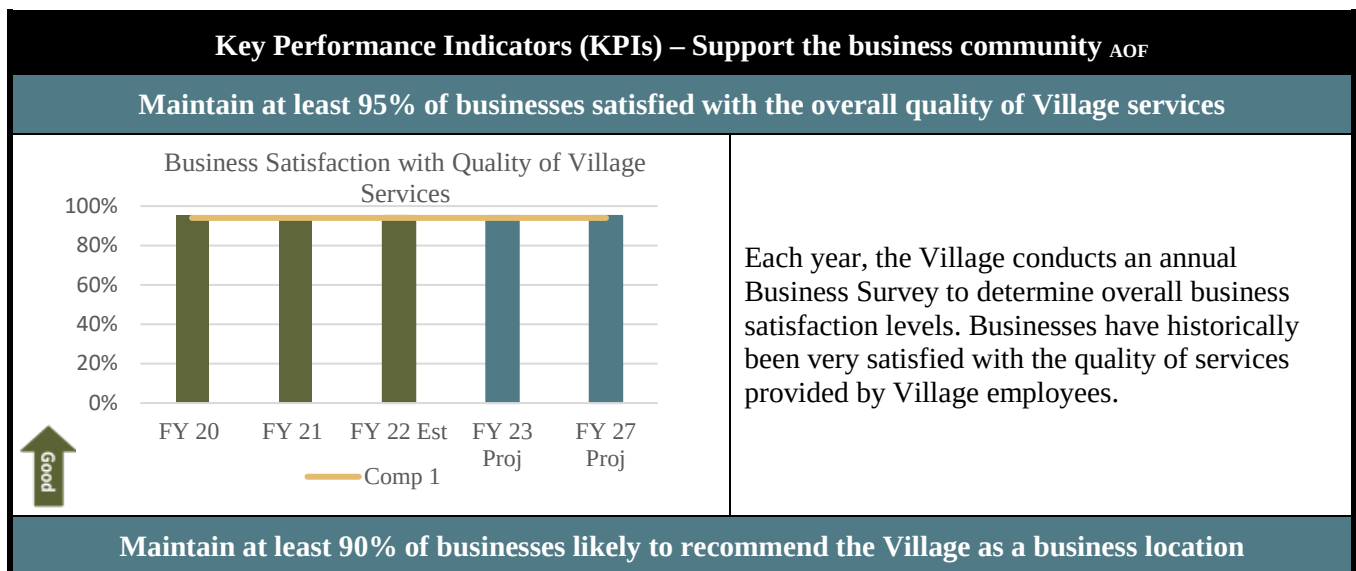
Promoting a thriving business community means to support economic and business development. Departments and divisions primarily responsible include Administration, Planning, and Community Development. Applicable volunteers include the Welcome Center volunteers. See the *General Fund* section of this document for additional information on the departments.

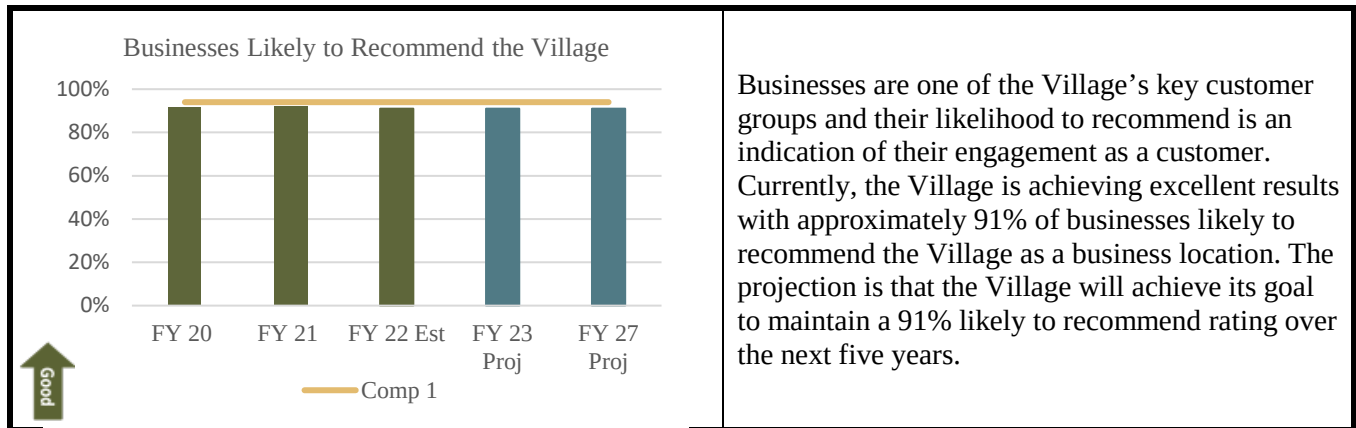
There is one objective under Promote a Thriving Business Community, which is also an Area of Focus (AOF) for FY 2023:

1. Support the business community.

The five-year Initiative Action Plan (IAP) for this goal and the Key Performance Indicators (KPI) for this objective are identified below.

Strategic Objective: Support the business community AOF			
Initiative Action Plans	Timeline	FY 2023-2027 Funding	Department/ Division
Expand downtown parking facilities – develop a plan and strategy to expand downtown parking facilities	FY 2024-2027	\$3,540,500	Community Development







Goal: Promote Transportation Mobility and Connectivity



Promoting transportation mobility and connectivity means to provide efficient and well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity. Divisions primarily responsible include Planning, Streets & Grounds, Buildings & Grounds, and Parks and Recreation. Applicable volunteers include the Bicycle and Pedestrian Advisory Committee and the Greenway Wildlife Habitat Committee. See the *General Fund* section of this document for additional information on the departments.

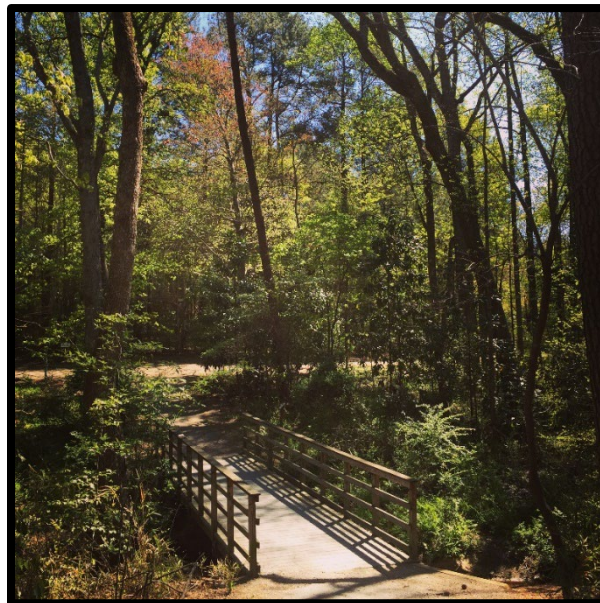
There are two objectives under Promote Transportation Mobility and Connectivity:

1. Provide a safe and effective multi-modal transportation system
2. Maintain high quality streets

To provide a safe and effective multi-modal transportation system is an Area of Focus (AOF) for FY 2023.

The five-year Initiative Action Plan (IAP) for this goal and the Key Performance Indicators (KPI) for this objective is identified below.

Strategic Objective: Provide a safe and effective multi-modal transportation system AOF			
Initiative Action Plans	Timeline	FY 2023-2027 Funding	Department/ Division
<i>Develop a consolidated multi-modal transportation plan</i> – Consolidate the Village’s multi-modal transportation plans into one document that incorporates bicycle, pedestrian, and golf cart accessibility.	FY 2024-2025	\$100,000	Planning



Walking trail in Rassie Wicker Park



The Key Performance Indicators (KPIs) for these objectives are identified below.

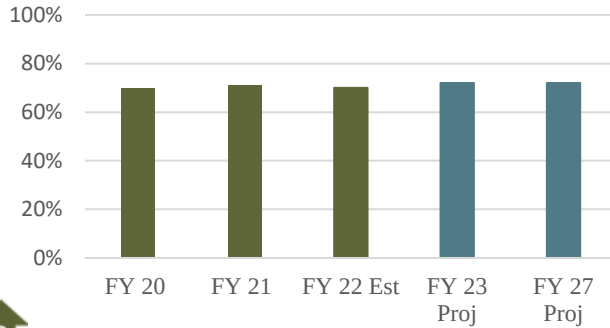
Key Performance Indicators (KPIs) – Provide safe and effective multi-modal transportation system AOF																			
Maintain resident satisfaction with the availability of walkways at 70%																			
Satisfaction with Availability of Walkways Good ↑ <table><tr><th>Fiscal Year</th><th>Comp 1 (%)</th><th>Comp 2 (%)</th></tr><tr><td>FY 20</td><td>75</td><td>78</td></tr><tr><td>FY 21</td><td>70</td><td>78</td></tr><tr><td>FY 22 Est</td><td>72</td><td>78</td></tr><tr><td>FY 23 Proj</td><td>72</td><td>78</td></tr><tr><td>FY 27 Proj</td><td>72</td><td>78</td></tr></table>	Fiscal Year	Comp 1 (%)	Comp 2 (%)	FY 20	75	78	FY 21	70	78	FY 22 Est	72	78	FY 23 Proj	72	78	FY 27 Proj	72	78	No additional walkways were constructed for neighborhoods in 2020. The Village has funding for additional pedestrian facilities in FY 2023–2027 to help improve resident satisfaction with the availability of walkways.
Fiscal Year	Comp 1 (%)	Comp 2 (%)																	
FY 20	75	78																	
FY 21	70	78																	
FY 22 Est	72	78																	
FY 23 Proj	72	78																	
FY 27 Proj	72	78																	
Maintain resident satisfaction with the availability of greenway/walking trails at 90%																			
Satisfaction with Availability of Greenways Good ↑ <table><tr><th>Fiscal Year</th><th>Comp 1 (%)</th><th>Comp 2 (%)</th></tr><tr><td>FY 20</td><td>88</td><td>85</td></tr><tr><td>FY 21</td><td>88</td><td>85</td></tr><tr><td>FY 22 Est</td><td>88</td><td>85</td></tr><tr><td>FY 23 Proj</td><td>88</td><td>85</td></tr><tr><td>FY 27 Proj</td><td>88</td><td>85</td></tr></table>	Fiscal Year	Comp 1 (%)	Comp 2 (%)	FY 20	88	85	FY 21	88	85	FY 22 Est	88	85	FY 23 Proj	88	85	FY 27 Proj	88	85	The Village began constructing greenways as a result of resident input in the Village’s first Comprehensive Long Range Plan in 2003. Over time, the Village has constructed over 7 miles of greenways and has achieved high resident satisfaction levels with the availability of greenways that exceed comparable communities. There is no major expansion of the existing greenway system planned in the five-year planning period. The Village projects it will achieve a satisfaction rating of 94%, exceeding the goal.
Fiscal Year	Comp 1 (%)	Comp 2 (%)																	
FY 20	88	85																	
FY 21	88	85																	
FY 22 Est	88	85																	
FY 23 Proj	88	85																	
FY 27 Proj	88	85																	
Maintain <40 collisions per 1,000 residents																			
Collisions per 1,000 Residents Good ↓ <table><tr><th>Fiscal Year</th><th>Comp 1 (per 1,000)</th><th>Comp 2 (per 1,000)</th></tr><tr><td>FY 20</td><td>62</td><td>12</td></tr><tr><td>FY 21</td><td>68</td><td>20</td></tr><tr><td>FY 22 Est</td><td>65</td><td>18</td></tr><tr><td>FY 23 Proj</td><td>63</td><td>18</td></tr><tr><td>FY 27 Proj</td><td>65</td><td>18</td></tr></table>	Fiscal Year	Comp 1 (per 1,000)	Comp 2 (per 1,000)	FY 20	62	12	FY 21	68	20	FY 22 Est	65	18	FY 23 Proj	63	18	FY 27 Proj	65	18	Traffic in and around the Village continues to be an important concern for residents. Along with increased traffic comes the potential for an increase in collisions on roadways. Historically, the Village has experienced relatively low collision numbers per 1,000 residents compared to neighboring communities.
Fiscal Year	Comp 1 (per 1,000)	Comp 2 (per 1,000)																	
FY 20	62	12																	
FY 21	68	20																	
FY 22 Est	65	18																	
FY 23 Proj	63	18																	
FY 27 Proj	65	18																	



Key Performance Indicators (KPIs) – Maintain high quality streets

Maintain resident satisfaction with adequacy of street lighting at 70%

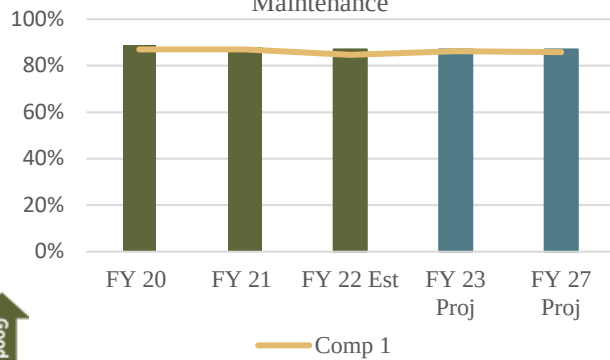
Satisfaction with Street Lighting



Resident satisfaction with street lighting is among the lowest ratings on the community survey. To address this, the Village installed street lights in the Village Acres neighborhood in FY 2017, which increased their satisfaction levels. In FY 2018, Lake Pinehurst residents opposed street lights so none were installed. There are no current plans in the 5-year period to significantly increase street lighting.

Maintain resident satisfaction with street and right of way maintenance at 85%

Satisfaction with Street/right-of-way Maintenance



Overall, the Village has achieved high levels of satisfaction with street and right of way maintenance that are above comparable benchmark communities. To achieve the goal of 85% satisfaction with street/right of way maintenance, the Village has dedicated significant annual funding for resurfacing and patching roads in each of the five years in the planning period.



Streetlight in Village Center



Goal: Preserve the Environment



Preserving the environment means to provide efficient and effective collection of solid waste collection and conserve natural resources. The division primarily responsible is Solid Waste. Applicable volunteers include the Greenway Wildlife Habitat Committee. See the *General Fund* section of this document for additional information on the departments.

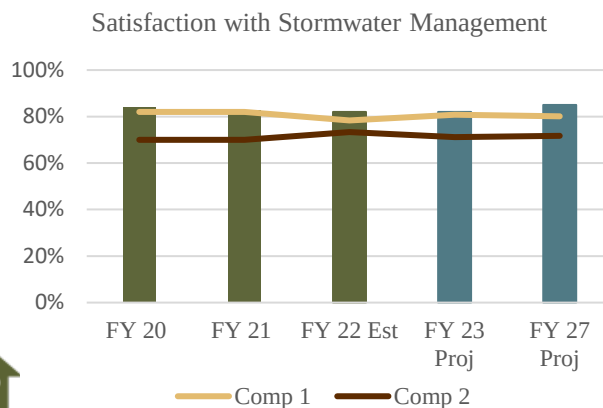
There are three objectives under Preserve the Environment:

1. Manage stormwater systems
2. Provide effective and efficient solid waste collection services
3. Conserve natural resources

There are no five-year Initiative Action Plans (IAPs) for this objective. The Key Performance Indicators (KPIs) for this objective are identified below.

Key Performance Indicators (KPIs) – Manage stormwater systems

Maintain resident satisfaction with the quality of stormwater management at 80%

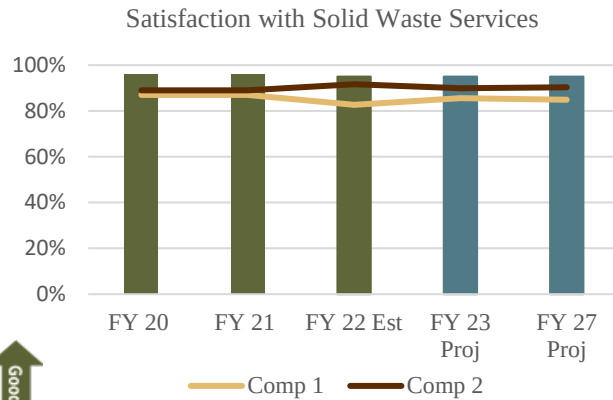


The Village monitors resident satisfaction with the quality of stormwater management which has historically been in the 80% range, typically performing better than our benchmark comparisons. MyVOP tracks the number of complaints from residents due to stormwater issues, and staff remains focused on addressing these in a timely manner.



Key Performance Indicators (KPIs) – Provide effective and efficient solid waste collection services

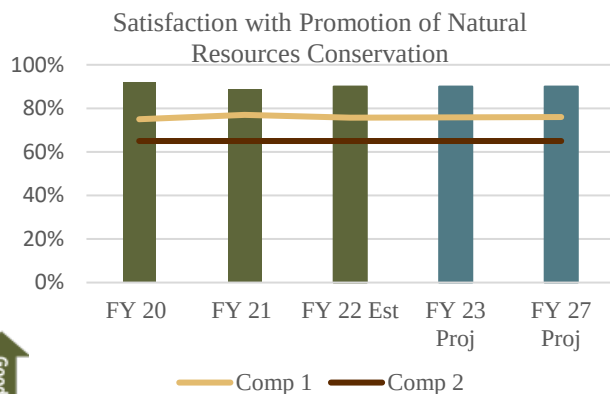
Maintain resident satisfaction with solid waste services at 95%



The Village has historically achieved excellent satisfaction ratings for solid waste services. In FY 2015, the Village modified its collection services to automated, once a week, same day pickup for trash, recycling, and yard debris to improve operating efficiencies. In FY19, glass was no longer accepted into the recycling stream by the materials recycling facility thus decreasing overall satisfaction with Solid Waste collection. The Village projects satisfaction ratings of 95% for the five-year planning period.

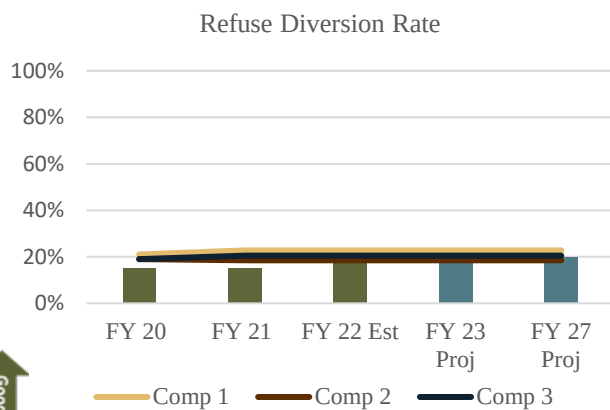
Key Performance Indicators (KPIs) – Conserve natural resources

Maintain resident satisfaction with promotion of natural resource conservation at 90%



Historically, Pinehurst residents have been very satisfied with the promotion of natural resource conservation, exceeding comparable communities. In FY 2019, the Village was required to remove glass from the recycling stream as a result of reduced worldwide demand for these materials. The Village led an education campaign to inform residents of the new restrictions imposed on the recycling services. Due to the changes with the recycling stream, the Village projects the satisfaction ratings to remain at 90%.

Divert at least 20% of waste from the landfill



Historically, the Village's refuse diversion rate (e.g. the % of refuse that is recycled and diverted from the landfill) has been approximately 35%. Due to the FY 2019 elimination of glass in the recycling stream and contamination issues, the Village has experienced significant decreases in the diversion rate. The Village plans to improve the contamination issues and increase the amount of clean recycling over the five-year planning period.



Goal: Promote Active Living and Cultural Opportunities



Promoting active living and cultural opportunities means to offer recreation programs, facilities, and community events to enhance the overall quality of life. The department primarily responsible is Parks & Recreation. Applicable volunteers include numerous recreation volunteer coaches and event volunteers. See the *General Fund* section of this document for additional information on the departments.

There are three objectives under promote active living and cultural opportunities:

1. Provide recreation programs and facilities
2. Provide cultural services and events
3. Provide library and archive services

The five-year Initiative Action Plan (IAP) for this goal and the Key Performance Indicators (KPIs) for this objective is identified below.

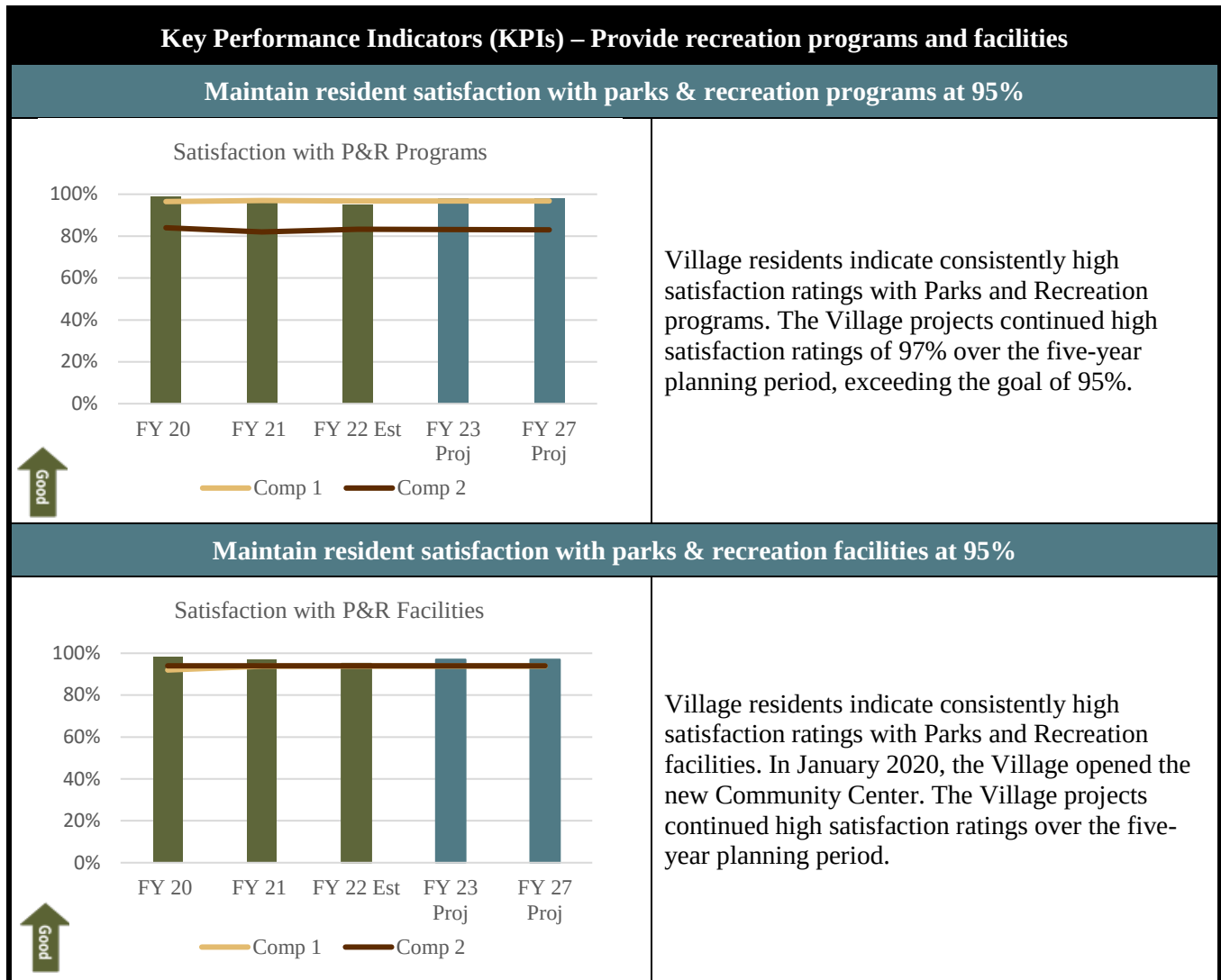
Strategic Objective: Provide library and archives services			
Initiative Action Plans	Timeline	FY 2023-2027 Funding	Department/ Division
Expand and Renovate Givens Library/Tufts Archives – Create and implement a plan to expand/enhance library services	FY 2023-2027	\$3,193,325	Library and Archives
Retrofit Current Athletic Fields with Synthetic Turf – Install synthetic turf to enhance field programming while reducing maintenance costs, over time	FY 2023-2027	\$1,770,800	Parks and Recreation



Given Memorial Library



The Key Performance Indicators (KPIs) for this objective are identified below.

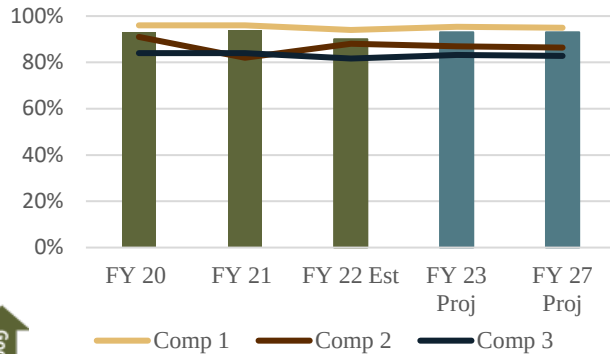




Key Performance Indicators (KPIs) – Provide cultural services and events

Maintain resident satisfaction with Village-sponsored cultural arts events at 90%

Satisfaction with Cultural Arts Events

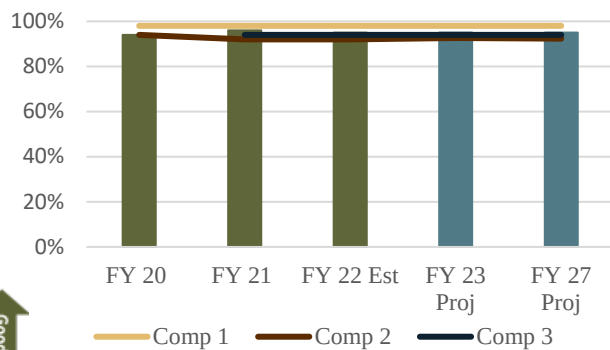


In FY 2015, the Village assumed responsibility for the Live After Five music series and other new events have been added to enhance resident satisfaction with Village sponsored cultural arts events. A dedicated focus on event programming with dedicated staff has allowed the Village to achieve high satisfaction ratings that exceed comparable communities. Staff projects satisfaction rates will exceed the goal of 90% over the five-year planning period.

Key Performance Indicators (KPIs) – Provide library and archive services

Maintain resident satisfaction with Given Memorial Library services at 95%

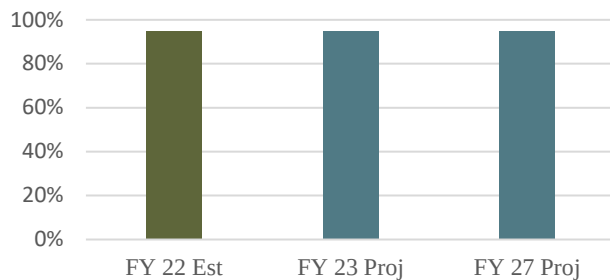
Satisfaction with Library Services



In FY 2022, the Village welcomed the Given Memorial Library into the Village's suite of services. The Village is dedicated to the continued high resident satisfaction rates over the next five years. Staff projects satisfaction rates will meet or exceed the goal of 95% over the five-year planning period.

Maintain resident satisfaction with the Tufts Archives at 95%

Satisfaction with the Tufts Archives



In FY 2022, the Village welcomed the Tufts Archives into the Village's suite of services. The Village is dedicated to the continued high resident satisfaction rates over the next five years. As this is a new measure for FY 2023, staff projections are based on satisfaction rates of library services. This KPI will update after the 2022 Community Survey.



Goal: Professionally Manage a High Performing Organization

Professionally managing a high performing organization means to continually improve service delivery to both internal and external customers. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Administration. Applicable volunteers include the Risk Management Committee. See the *General Fund* section of this document for additional information on the departments.

There are four objectives under Professionally Manage a High Performing Organization:

1. Communicate with and engage the community
2. Provide a high level of customer service
3. Continuously improve and innovate
4. Maintain Village assets

There are no five-year Initiative Action Plans (IAPs) for these objectives. The Key Performance Indicators (KPIs) for these objectives are identified below.

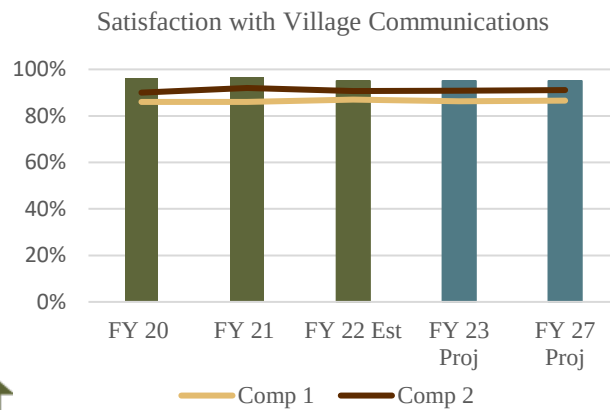


Village Hall



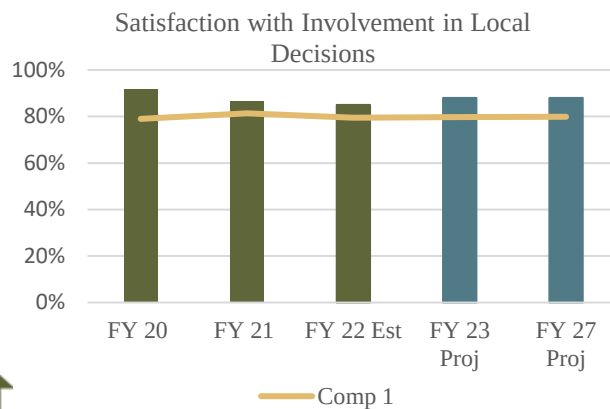
Key Performance Indicators (KPIs) – Communicate with and engage the community

Maintain resident satisfaction with Village communications at 95%



The Village has had several initiatives to improve communications with residents in recent years including enhancements to the quarterly newsletter, posting Council and Planning Board meeting videos online, MyVOP mobile app, monthly e-News, online engagement portals, and social media enhancements. In addition, the Village reorganized to create a Communications Specialist position in FY 2017. As a result, the Village achieves high satisfaction ratings that exceed comparable communities. The Village projects continued high ratings of 95%, meeting the goal.

Maintain resident satisfaction with the level of public involvement in local decisions at 85%

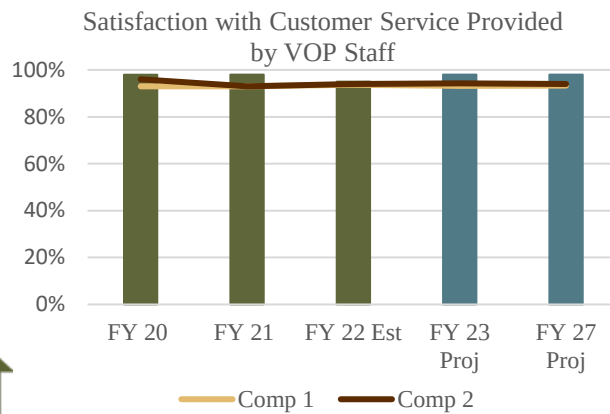


To increase transparency, the Village began posting Planning Board, Board of Adjustment, and Historic Preservation Commission agendas online in advance of meetings and a Council eNews is sent prior to each Council meeting. The Village also published Learning Guides to help communicate opportunities for the public to get involved in local decisions. FY 2018 satisfaction increased significantly, likely due to the kickoff of the Long Range Comprehensive Plan update process, and achieved a record high of 92% satisfaction in FY 2020.



Key Performance Indicators (KPIs) – Provide a high level of customer service

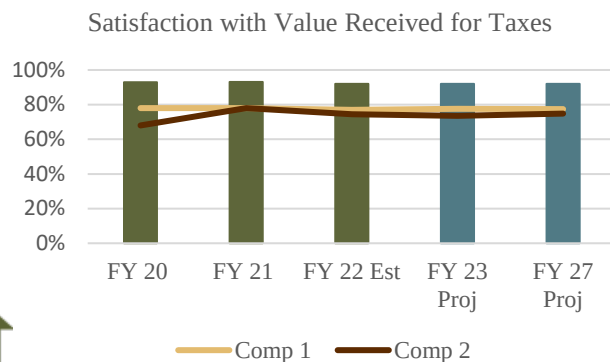
Maintain resident satisfaction with customer service provided by VOP staff at 95%



Historically, the Village has seen very high levels of satisfaction with customer service provided by VOP staff, consistently exceeding benchmarks. The workforce strives to provide outstanding customer service always. Every employee's performance evaluation includes a rating on their performance relative to the core value of service.

Key Performance Indicators (KPIs) – Continuously improve and innovate

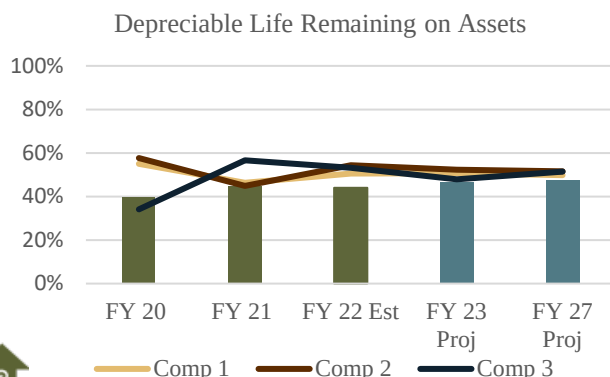
Maintain resident satisfaction with the value received for taxes paid at 90%



Resident satisfaction with the value received for taxes paid is an indicator of resident perceptions of Village operational effectiveness. With satisfaction levels around 90% and exceeding comparable communities, the Village demonstrates its ability to provide an excellent value for taxes. The Village projects satisfaction ratings will exceed the goal of 90% over the planning period.

Key Performance Indicators (KPIs) – Maintain Village assets

Maintain depreciable life remaining on assets between 40-60%



This is an indicator of the Village's level of investment in new capital and not allowing it to become fully depreciated. The ratio naturally declines by 1-2% each year when there is not a significant investment in new infrastructure. The ratio is increasing due to capital investments such as the new Community Center and plans in the five-year period to construct a parking facility and library expansion.



Goal: Attract & Retain an Engaged Workforce



Attracting and retaining an engaged workforce means to select, retain, and develop a qualified and diverse workforce of employees and volunteers. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Human Resources. See the *General Fund* section of this document for additional information on the departments.

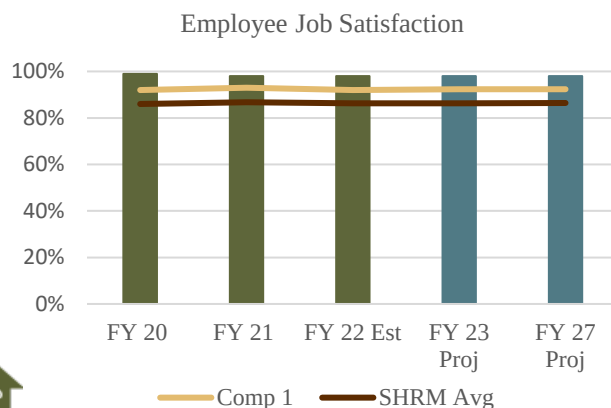
There is one objective under Attract & Retain an Engaged Workforce:

- Provide a supportive and rewarding work environment

There are no five-year Initiative Action Plans (IAPs) for this objective. The Key Performance Indicators (KPIs) for this objective are identified below.

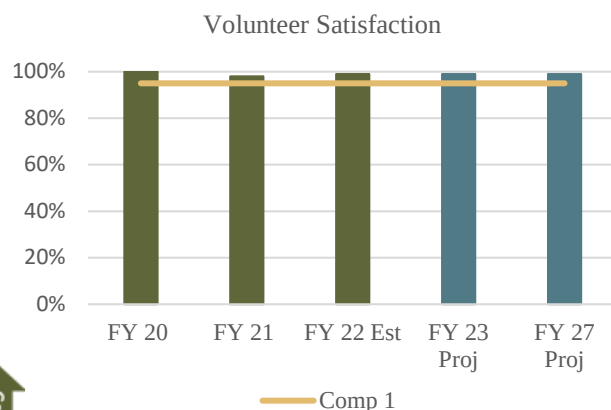
Key Performance Indicators (KPIs) – Provide a supportive & rewarding work environment

Maintain an agreement rating of 95% for employees who agree that overall they like their job



The Village surveys its employees each year in the Annual Workforce Survey to determine employee satisfaction levels in a variety of areas. Employee job satisfaction is a key indicator of employee engagement. Village employee satisfaction ratings are historically above the national SHRM averages and have been consistently above 95%. The Village projects job satisfaction levels will continue to remain around 97% over the five-year planning period, exceeding the goal.

Maintain an agreement rating of 95% for volunteers who agree that overall they like their role



Volunteers are a critical extension of the Village workforce. The Village surveys its volunteers each year in its Annual Volunteer Survey to determine volunteer satisfaction levels in a variety of areas. Volunteer satisfaction is a key indicator of volunteer engagement. The Village demonstrates excellent results and projects 99% volunteer satisfaction ratings over the planning period, which exceeds the goal of 95%.



Goal: Maintain a Healthy Financial Condition



Maintaining a healthy financial condition means to ensure financial sustainability and strength by achieving financial targets. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Financial Services and Administration. See the *General Fund* section of this document for additional information on the departments.

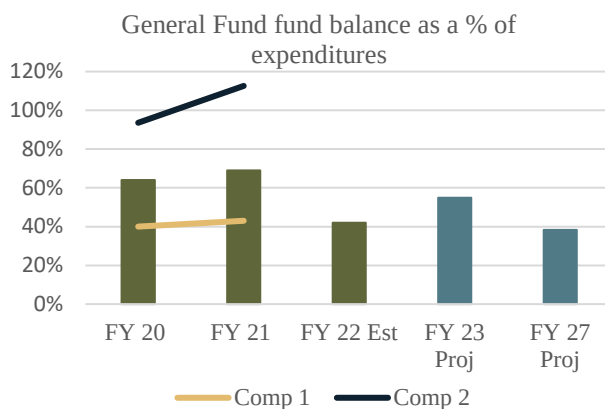
There is one objective under Maintain a Healthy Financial Condition:

- Meet or exceed Village financial targets

There are no five-year Initiative Action Plans (IAPs) for this objective. Key Performance Indicators (KPIs) for these objectives are identified below.

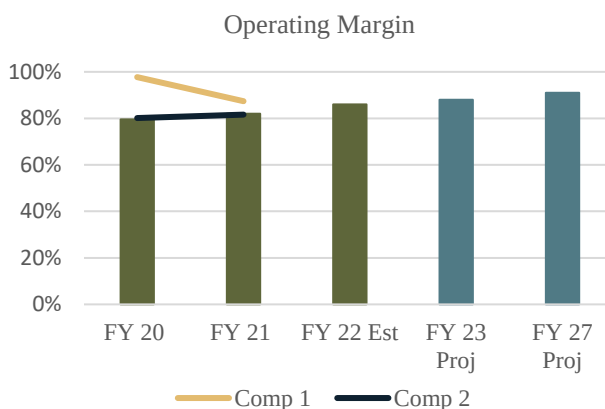
Key Performance Indicators (KPIs) – Meet or exceed Village established financial targets

Maintain a Total General Fund fund balance as a % of actual expenditures above 30%



This KPI measures the amount of available financial resources in proportion to the size of the overall budget. The Village's Fund Balance Policy requires the Village to maintain a total fund balance as a % of expenditures greater than 30%, which the Village has consistently exceeded. The five-year period includes several significant capital investments. The Village has historically maintained a smaller fund balance than benchmark communities.

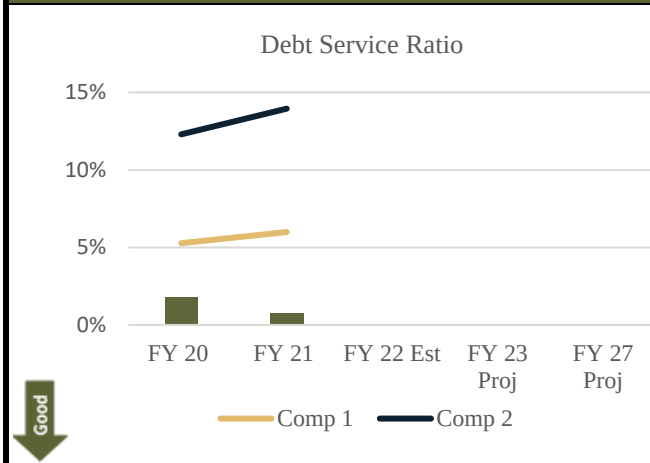
Maintain a General Fund operating margin between 81-91%



This KPI is an indicator of the Village's financial strength. It measures the amount of operating revenues spent on operating expenditures. Management's target operating margin range is between 81-91%. The FY 2020 operating margin dropped below this range due to the COVID-19 pandemic.



Maintain a General Fund debt service ratio of less than 10%



There is no debt in FY 2022 and no debt issuances planned in the five-year forecast.

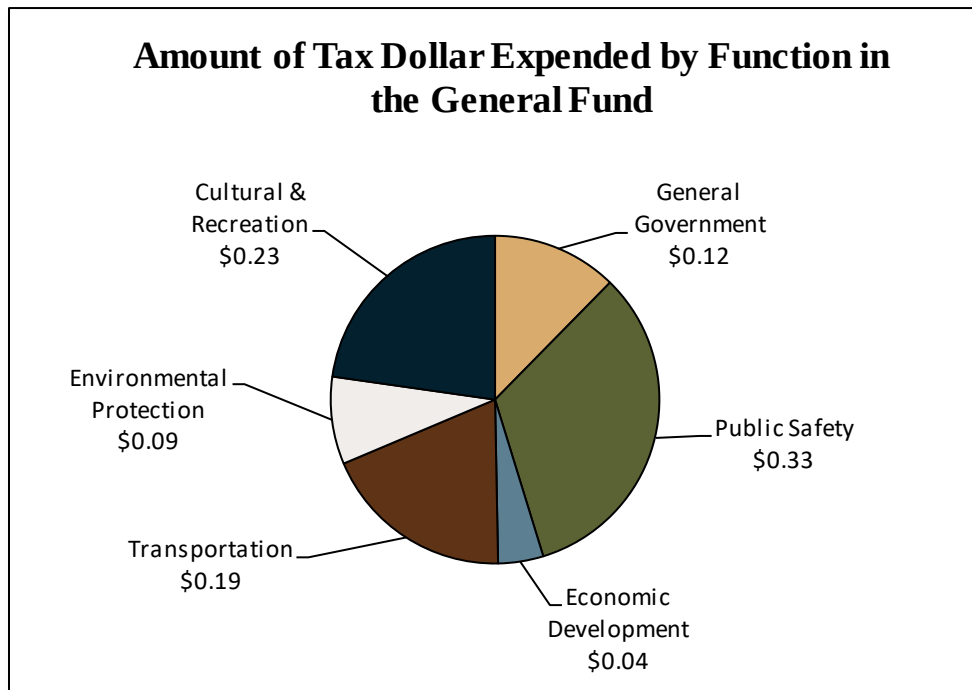
This KPI is an indicator of the Village's financial strength. Particularly the Village's ability to keep debt service as a percentage of total expenditures at an affordable level. Higher levels of debt service indicate that a unit of government is relying too heavily on debt to acquire needed capital.



Description

The General Fund is used to account for resources traditionally associated with government which are not required legally, or by sound financial management, to be accounted for in another fund. The following functional areas are included in the General Fund:

- General Government
- Public Safety
- Transportation
- Environmental Protection
- Economic and Physical Development
- Cultural and Recreation
- Debt Service

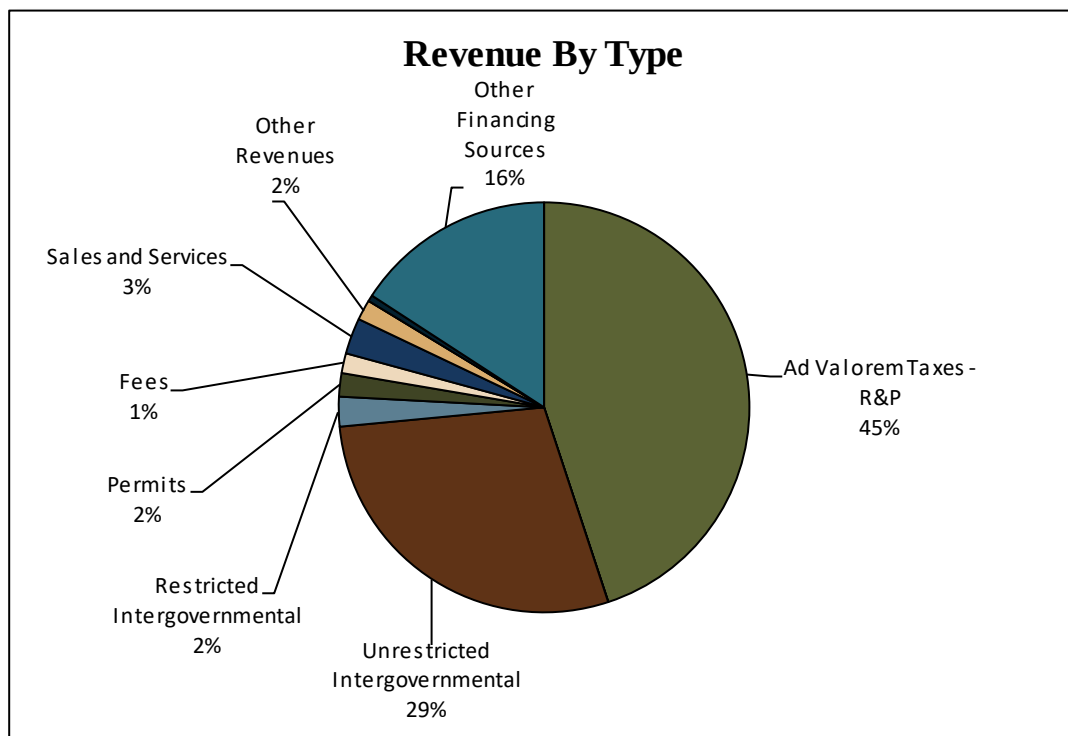




General Fund Summary

The major revenues as well as other financing sources budgeted by the Village of Pinehurst are summarized in the table and chart below. Ad valorem taxes account for approximately 53% of the Village of Pinehurst's total operating revenues. When other financing sources are included, ad valorem taxes equal 45% of total revenues.

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Ad Valorem Taxes	\$ 11,490,262	\$ 12,210,000	\$ 12,241,000	\$ 12,176,000	-0.3%
Other Taxes & Licenses	4,455	3,000	3,500	3,800	26.7%
Unrestricted Intergovernmental Rev.	6,933,901	6,778,700	7,560,700	7,736,100	14.1%
Restricted Intergovernmental Rev.	790,495	484,250	583,200	635,100	31.2%
Permits & Fees	1,029,833	894,000	899,500	924,500	3.4%
Sales & Services	459,900	689,950	683,220	767,900	11.3%
Assessments	5,179	-	-	-	0.0%
Other Revenues	374,243	394,980	395,680	435,980	10.4%
Investment Income	2,827	1,400	8,400	133,000	9400.0%
Operating Revenues	21,091,095	21,456,280	22,375,200	22,812,380	6.3%
Other Financing Sources	244,999	-	-	4,286,720	100.0%
Fund Balance Appropriations	-	4,016,627	-	-	-100.0%
Total Revenues	\$ 21,336,094	\$ 25,472,907	\$ 22,375,200	\$ 27,099,100	6.4%
Per Capita	\$ 1,220	\$ 1,443	\$ 1,268	\$ 1,507	

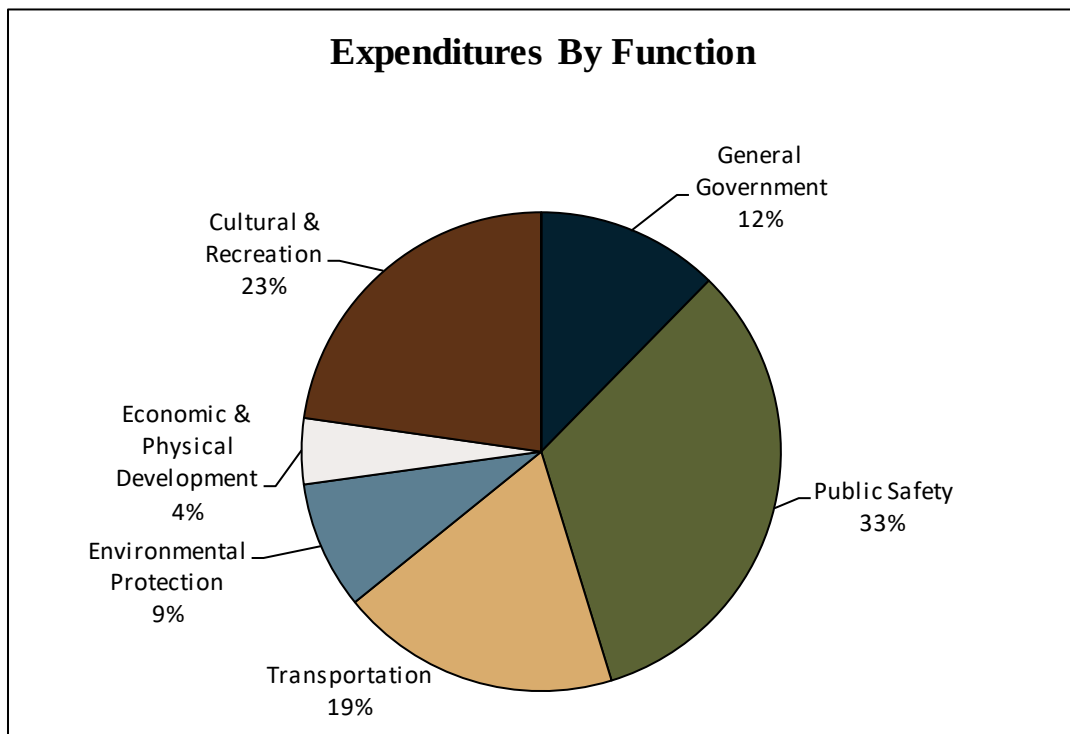




General Fund Summary

While the Village of Pinehurst's budget contains multiple departments and divisions, each conducts Village government activities as part of a functional area. For example, the Fire Department and the Police Department are part of the functional area known as Public Safety, as both share the common theme of protecting citizens. Grouping activities by these themes (functions), allows the decision-making process to be managed at a broader, more comprehensive level. The following table and chart present the trends for all of the Village of Pinehurst's different functions.

Expenditures by Function	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
General Government	\$ 2,652,064	\$ 3,419,467	\$ 3,081,520	\$ 3,342,388	-2.3%
Public Safety	7,076,720	8,538,757	7,963,193	8,921,681	4.5%
Transportation	3,724,913	4,900,436	4,574,073	5,126,792	4.6%
Environmental Protection	1,860,146	2,169,400	2,077,884	2,339,160	7.8%
Economic & Physical Dev	1,040,019	1,422,723	1,147,841	1,205,850	-15.2%
Cultural & Recreation	2,777,886	4,472,124	3,993,808	6,163,229	37.8%
Debt Service	144,748	-	-	-	0.0%
Expenditures	19,276,496	24,922,907	22,838,319	27,099,100	8.7%
Other Financing Uses	-	550,000	550,000	-	-100.0%
Total Expenditures	\$ 19,276,496	\$ 25,472,907	\$ 23,388,319	\$ 27,099,100	6.4%
Per Capita	\$ 1,103	\$ 1,443	\$ 1,325	\$ 1,507	





General Fund Summary

The Village also summarizes expenditures by type and department to facilitate further analysis of expenditure trends. The following tables provide a summary of expenditures by expenditure type and department for Fiscal Year 2023.

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 10,942,578	\$ 12,854,300	\$ 11,611,234	\$ 13,742,900	6.9%
Operating	6,276,396	8,006,951	7,379,449	8,095,300	1.1%
Capital	1,912,774	4,061,656	3,847,636	5,260,900	29.5%
Debt Service	144,748	-	-	-	0.0%
Other Financing Uses	-	550,000	550,000	-	-100.0%
Total Expenditures	\$ 19,276,496	\$ 25,472,907	\$ 23,388,319	\$ 27,099,100	6.4%

Expenditures by Department Totalled by Function	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change	FY 2023 % Total
General Government						
Governing Body	\$ 112,471	\$ 150,900	\$ 125,278	\$ 150,300	-0.4%	0.6%
Administration	1,379,584	1,849,182	1,690,533	1,716,918	-7.2%	6.3%
Finance	674,295	840,465	804,420	857,120	2.0%	3.2%
HR	485,714	578,920	461,289	618,050	6.8%	2.3%
Total General Government	2,652,064	3,419,467	3,081,520	3,342,388	-2.3%	12.3%
Public Safety						
Police	3,242,432	3,784,676	3,540,876	4,858,351	28.4%	17.9%
Fire	3,506,915	4,369,901	4,045,060	3,657,600	-16.3%	13.5%
Inspections	327,373	384,180	377,257	405,730	5.6%	1.5%
Total Public Safety	7,076,720	8,538,757	7,963,193	8,921,681	4.5%	32.9%
Transportation						
Public Services Admin.	569,703	842,251	804,838	988,232	17.3%	3.6%
Streets & Grounds	1,898,589	2,858,085	2,569,135	2,838,460	-0.7%	10.5%
Powell Bill	1,256,621	1,200,100	1,200,100	1,300,100	8.3%	4.8%
Total Transportation	3,724,913	4,900,436	4,574,073	5,126,792	4.6%	18.9%
Environmental Protection						
Solid Waste	1,860,146	2,169,400	2,077,884	2,339,160	7.8%	8.6%
Total Environmental Protection	1,860,146	2,169,400	2,077,884	2,339,160	7.8%	8.6%
Economic & Physical Dev.						
Planning	909,731	1,282,223	1,023,666	1,054,330	-17.8%	3.9%
Community Development	130,288	140,500	124,175	151,520	7.8%	0.6%
Total Economic & Physical Dev.	1,040,019	1,422,723	1,147,841	1,205,850	-15.2%	4.4%
Cultural & Recreation						
Recreation	1,834,544	2,482,894	2,287,658	3,470,748	39.8%	12.8%
Library	163,763	841,583	627,191	1,608,545	91.1%	5.9%
Harness Track	457,777	779,042	733,775	654,516	-16.0%	2.4%
Fair Barn	321,802	368,605	345,184	429,420	16.5%	1.6%
Total Cultural & Recreation	2,777,886	4,472,124	3,993,808	6,163,229	37.8%	22.7%
Debt Service	144,748	-	-	-	0.0%	0.0%
Total Expenditures	19,276,496	24,922,907	22,838,319	27,099,100	8.7%	
Other Financing Uses (OFU)	-	550,000	550,000	-	-100.0%	0.0%
Total Expenditures & OFU	\$ 19,276,496	\$ 25,472,907	\$ 23,388,319	\$ 27,099,100	6.4%	100.0%



General Fund Summary

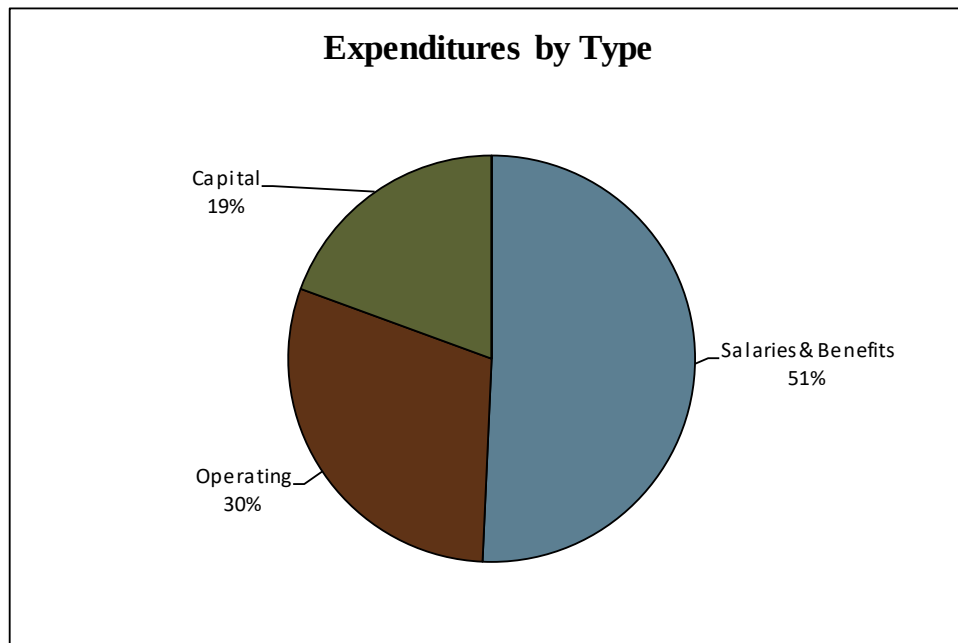
The General Fund reflects the overall economy as we continue to recover from the COVID-19 pandemic. Fortunately, our largest statewide intergovernmental revenue, local option sales tax, has experienced growth and is expected to continue growing. The Village, along with other local governments, received financial assistance in response to the pandemic from the American Rescue Plan Act. This will free up \$5.3 million of General Fund dollars to use in strategic ways in the coming years.

The proposed General Fund budget for FY 2023 is \$27,099,100, an increase of approximately 6% from the previous year's amended budget.

The following table indicates the Village's results from operations before any other financing sources or uses for the past five years:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u> <u>Over (Under)</u> <u>Expenditures</u>
6/30/2018 Actual	\$18,215,425	\$17,862,691	\$ 352,734
6/30/2019 Actual	19,326,193	17,526,893	1,799,300
6/30/2020 Actual	20,947,524	17,590,227	3,357,297
6/30/2021 Actual	21,091,095	19,276,496	1,814,599
6/30/2022 Estimated	22,375,200	22,838,319	(463,119)
6/30/2023 Budgeted	22,812,380	27,099,100	(4,286,720)

After adding Other Financing Sources of \$4,286,720 to revenues, the Village's FY 2023 recommended budget is balanced in accordance with North Carolina General Statutes.





Revenue Highlights

The approved budget for FY 2023 represents a 6.4% increase from the FY 2022 amended budget. Operating revenues are estimated to increase by approximately 6.3% over FY 2022. The recommended budget as presented results in a per capita expenditure of \$1,507 based on a projected population of 17,980.

The projected ad valorem tax revenues, which represent roughly 53% of total operating revenues, are expected to decrease by 0.3% over the prior year. The proposed budget calls for the current property tax rate to decrease from 31.5 cents to 31.0 cents per \$100 of property valuation. This rate is expected to generate \$12,176,000 in ad valorem revenues. This year's one-half cent property tax rate reduction is offset in part by growth from the increase in single-family home construction and commercial construction.

Unrestricted intergovernmental revenues, which are distributed by the North Carolina Department of Revenue, are overall expected to increase by 14.1% over FY 2022. Local option sales taxes, which provide approximately 22% of the Village's operating revenues, are expected to increase by 18% over the previous year's original budget. FY 2022 has experienced significant increases in local option sales tax revenue. As North Carolina's economy continues to recover from the COVID-19 pandemic, projected growth remains strong for local option sales tax into FY 2023. Utility sales taxes are expected to change over the prior year at varying rates. While electricity sales taxes are expected to moderately grow, telecommunications and video programming taxes are likely to decline as consumers are selecting alternative telephone and television services.

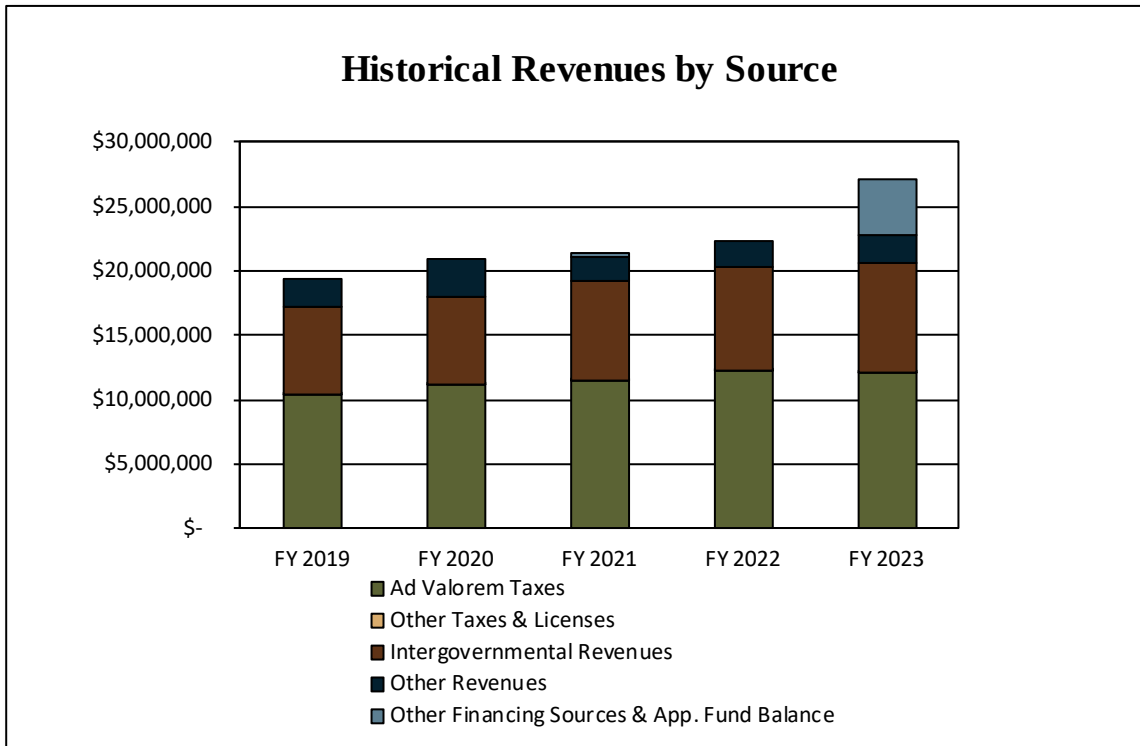
Permits and fees are expected to increase by 3.4% in FY 2023 over the prior year budgeted levels. This increase is primarily due to expected increases in fire district revenues. Fire district revenues are expected to increase by 5.9% over the previous year's budget.

Sales and services revenues, which are primarily derived from various Parks and Recreation fees, are expected to increase overall by 11.3% over prior year levels. The largest increases include Recreation fees, Harness Track stall rentals, and rental of Fair Barn amenities, which are 31.4%, 20% and 20.6%, respectively higher than the prior year budget. These increases are primarily due to increased programming and increased rentals of the facilities resulting from lifted state-mandated COVID-19 facility restrictions. With the acquisition of the library and archives, library fees and archives revenue account for approximately 2.5% of sales and services revenue in the FY 2023 budget.

Other revenues are planned to increase by 10.4% compared to the prior year. ABC revenues are expected to increase by 43.2% over the previous year's budget. ABC revenues provide approximately 53% of the Village's other revenues.

Investment income is estimated to increase by \$131,600 over the prior's year budget. The Federal Reserve is committed to raising interest rates in the foreseeable future and began this process at their meeting in March 2022. The average rate of return expected in FY 2023 is 0.76%. This is an increase from the expected average rate of return in FY 2022 of 0.07%.

Other financing sources, which include transfers from the American Rescue Plan Act Special Revenue Fund, are estimated to be \$4,286,720.



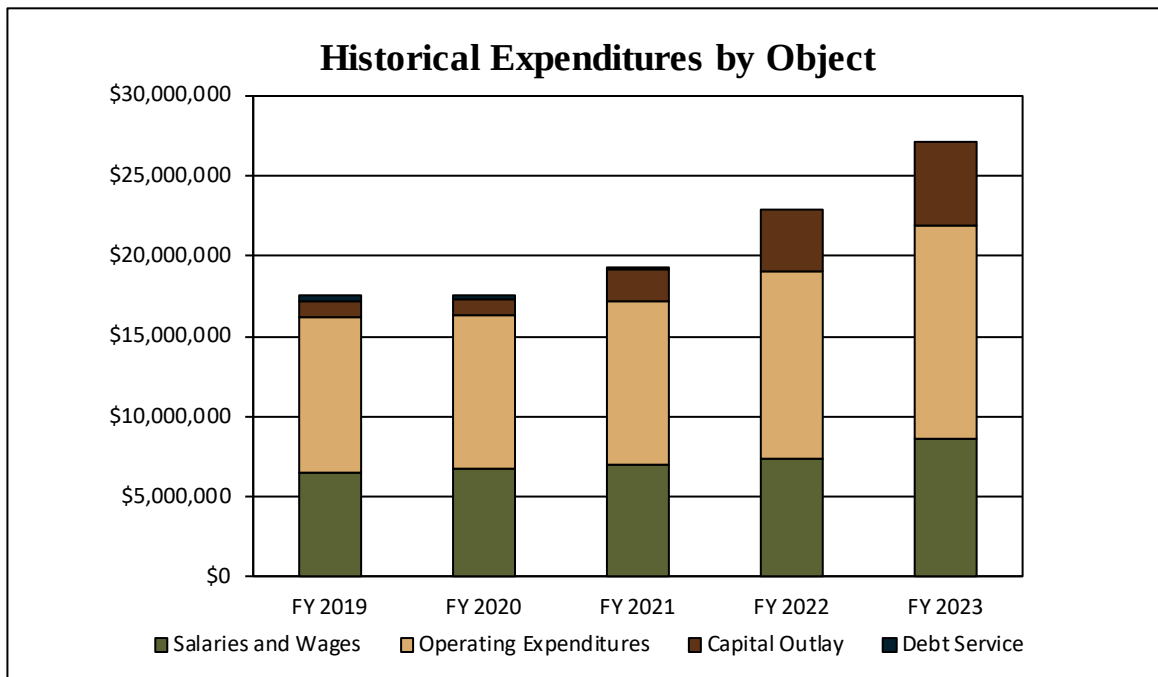


Expenditure Highlights

Salaries and benefits are expected to increase by 6.9% in FY 2023. This is affected by a cost of living adjustment of 4.7%, an average merit increase of 2%, and a projected 10% increase in group insurance. In FY 2023, there are 2 new employee full-time equivalents (FTE) added to the budget for the following positions: two Police Officers.

Village department heads are focused on achieving the strategic objectives and performance targets established by the Council that are reflected on the Balanced Scorecard (BSC). Current year operating expenditures include funding for strategic initiatives supporting the Council's goals and objectives as listed in the *Strategic Priorities* section of this document.

Capital spending in the General Fund increased by 29.5% compared to the previous year. Capital spending for FY 2023 includes \$1,237,000 to install synthetic turf at Cannon Park, \$1,000,000 for unspecified initial building improvements at the newly acquired library, \$400,000 to construct pedestrian facilities, \$355,000 for storm drainage projects, \$350,000 for potential land acquisition for relocation of public services complex, and \$200,000 for streetscape projects. Other significant items in the current plan include a solid waste vehicle replacement, four police vehicle replacements, two new police vehicles, a vacuum sweeper replacement, and police radios and dash cameras.



**Fund Balance**

Fund balance refers to the difference between current financial assets and liabilities reported in a fund. It is also referred to as surplus funds. The North Carolina Local Government Commission recommends that units of government retain an amount of unreserved fund balance in the General Fund of at least equal to 8% of appropriations of the fund. The Village Council has a financial policy recommending that the amount of appropriated fund balance in the General Fund should result in an anticipated ending total fund balance at a minimum of 30% of budgeted expenditures to avoid cash flow interruptions, generate investment income, eliminate the need for short-term borrowing, and have a reserve available for emergencies or opportunities.

Council's policy includes a provision to commit fund balance for future capital needs. Each year, Council may commit fund balance in excess of 40% of actual General Fund expenditures as reported in the Village's Annual Comprehensive Financial Report by approving a separate resolution.

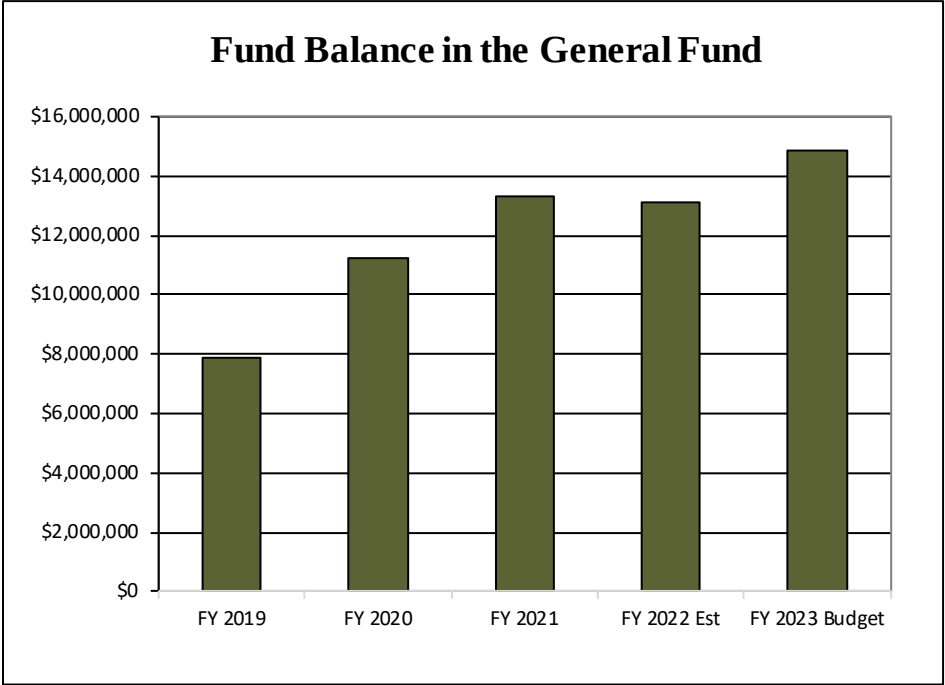
The following schedules outline the percentage increase or decrease for the Village's General Fund fund balance for the FY 2023 budget and three prior fiscal years. The large increase in FY 2020 includes \$1 million returned to the Village from the Given Memorial Library capital campaign trust account. The large increase in FY 2021 includes increased collections during the year from local option sales tax revenues and permits and fees from large commercial projects.

Fund Balance	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated*	FY 2023 Budgeted*
Beginning	\$ 7,871,973	\$ 11,229,270	\$ 13,288,868	\$ 13,116,149
Ending	11,229,270	13,288,868	13,116,149	14,872,947
Increase/(Decrease)	3,357,297	2,059,598	(172,719)	1,756,798
% Change	42.6%	18.3%	-1.3%	13.4%
% of Expenditures	58.3%	68.9%	51.5%	54.9%

* Assumes an estimated budget-to-actual variance for revenues and expenditures

N. C. General Statutes require that municipal budgets be balanced. They also require that expenditure budgets not be overspent, even by a small amount. A common way that municipalities deal with these requirements is to over-budget expenditures slightly and appropriate some of their savings (fund balance) as an off-setting revenue source. Revenues are conservatively estimated as well. For FY 2023, no fund balance has been appropriated as a revenue source. Due to funds received from the American Rescue Plan Act in response to the pandemic, other financing sources of \$4,286,720 have been used as a revenue source in place of appropriated fund balance in FY 2023. These funds will be transferred to the General Fund from the American Rescue Plan Act Special Revenue Fund.

Fund balance is estimated to be \$13,116,149 at June 30, 2022. This is 51.5% of the budgeted FY 2022 expenditures of \$25,472,907. The Village's fund balance policy is to maintain a minimum of 30% of expenditures in fund balance. Fund balance at June 30, 2023 is estimated to be \$14,872,947 or 54.9% of budgeted expenditures, which complies with Council's adopted policy. This positions the Village well to address significant future projects that are expected to arise in the five-year planning period.





Description of Revenue Source

Ad valorem taxes are paid on real and personal property located within the Village's corporate limits. Taxes for real and personal property, excluding motor vehicles, are levied based upon the preceding January 1 valuations of the property and the tax rate established by the Village Council in the Budget Ordinance. These taxes are levied each year and are due on January 6 of the year following the levy. Real and personal property is revalued by the Moore County Tax Department at least every eight years, with the last revaluation completed in the 2019 tax year, or FY 2020.

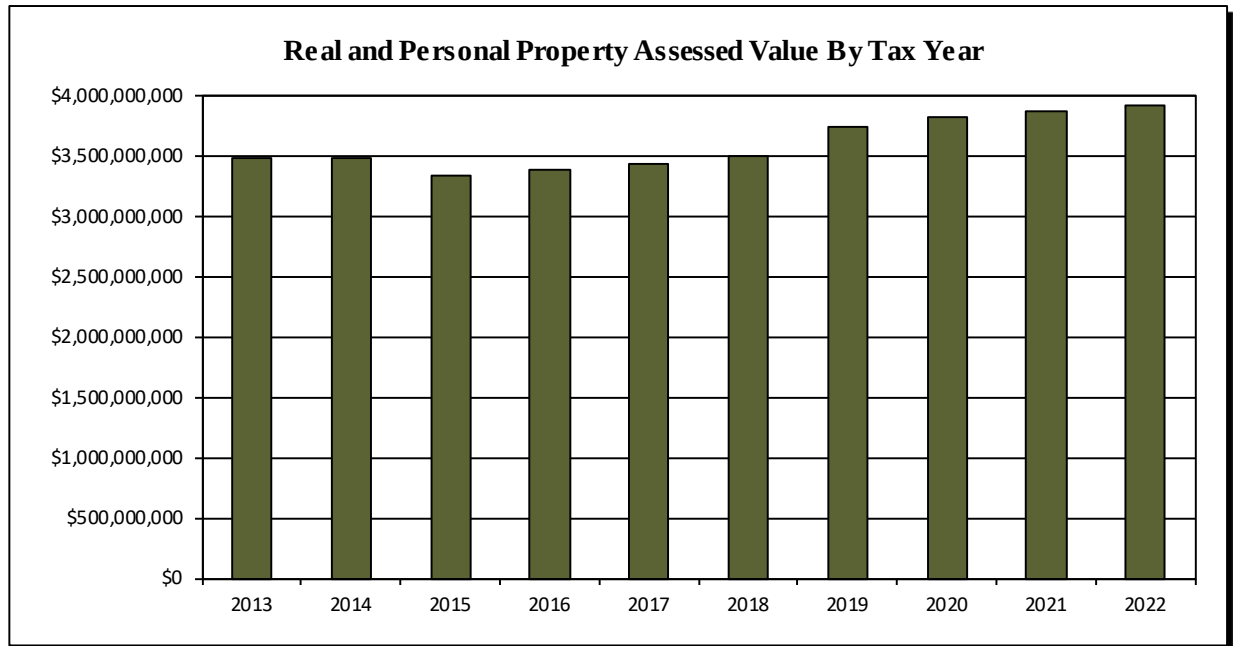
The Village contracts with the Moore County Tax Department to levy and collect ad valorem taxes on behalf of the Village. Amounts collected by Moore County on behalf of the Village are remitted to the Village on a monthly basis.

Historically, ad valorem taxes have comprised approximately 55% of all Village General Fund operating revenues. This includes current year's collections, prior year's collections, penalties and interest, and refunds.

Ad Valorem Taxes	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Real & Personal - Current Year	\$ 10,677,168	\$ 11,386,000	\$ 11,386,000	\$ 11,347,000	-0.3%
Real & Personal - Prior Years	5,713	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	803,311	819,000	850,000	824,000	0.6%
Discounts/Reliefs/Refunds	(3,688)	(5,000)	(5,000)	(5,000)	0.0%
Tax Interest	7,758	5,000	5,000	5,000	0.0%
Total Ad Valorem Tax Revenue	\$ 11,490,262	\$ 12,210,000	\$ 12,241,000	\$ 12,176,000	-0.3%

Revenue Assumptions

- The ad valorem tax rate for the Village of Pinehurst will decrease from \$0.315 to \$0.31 per \$100 valuation for the fiscal year ending June 30, 2023. This one-half cent reduction is related to higher local option sales tax revenue projections. The ad valorem tax rate is expected to generate \$12,176,000 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$3,931,000,000 of which \$3,665,000,000 is real property valuation and \$266,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.
- The combined growth factor used to estimate the real property valuation for FY 2022 is 1.24%. The number of new homes constructed in the Village in FY 2021 was 136, and the Village experienced a slight increase in growth in FY 2022 with an estimated 150 new homes constructed. Based on remaining lot availability, we are expecting to permit 150 homes in FY 2023.
- Although it varies from year to year, we are expecting the motor vehicle valuation to increase by 1.0% next fiscal year.
- The collection rates used to estimate actual ad valorem tax revenue are 99.9% for real and personal property and 100.0% for motor vehicles. These have historically been some of the highest tax collection rates in the State.





Description of Revenue Source

Other taxes and licenses currently consists only of golf cart sticker fees.

Golf cart stickers are issued to license the use of personal golf carts on Village streets. In 2016, the Village converted the golf cart registration process from an annual registration to a one-time registration. This system continues to work well to accomplish the goals of the program while reducing the time and cost to issue the stickers.

Other Taxes & Licenses	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Golf Cart Stickers	\$ 4,455	\$ 3,000	\$ 3,500	\$ 3,800	26.7%
Total Other Taxes & Licenses	\$ 4,455	\$ 3,000	\$ 3,500	\$ 3,800	26.7%

Revenue Assumptions

- In 2016, the Village adopted a one-time registration fee of \$20 for golf carts.
- This system has proven to be more convenient for residents and less costly for the Village. The resulting revenues continue to increase.



Description of Revenue Source

Unrestricted intergovernmental revenue consists of local option sales taxes, telecommunications tax, electricity sales tax, video programming sales tax, hold harmless sales tax, and wine and beer tax. These six state-collected local revenues make up approximately 34% of General Fund operating revenues.

The local option sales tax is levied by the Moore County Board of Commissioners and is collected by the State of North Carolina on behalf of the County. The local option sales tax rate of 2.25% consists of four separate taxes that are authorized by the North Carolina General Statutes: Article 39 at 1%, Article 40 at 0.5%, Article 42 at 0.5%, and Article 46 at 0.25%. These local government sales and use taxes are applied to sales made in the state, including most online transactions, and are allocated to each county based on various legislated formulas. The total amount allocated to Moore County is then distributed among the county and the local government jurisdictions within the county on a per capita basis, with the exception of Article 46, which remains with Moore County to support education. The State of North Carolina distributes the Village's share of these taxes to the Village on a monthly basis.

The telecommunications tax represents a 7.0% sales tax on telecommunications sales within the Village's corporate limits. The State of North Carolina distributes a percentage of this tax collected to the Village based upon the Village's past share of the old telephone franchise tax that was repealed.

In North Carolina, electricity sales are taxed at the combined general statewide sales tax rate of 7.0%. The State allocates 44% of the proceeds to cities within the state. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is based on the electricity franchise revenues received in FY 2014. The ad valorem share is based on the city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied. The State of North Carolina distributes this tax to municipalities on a quarterly basis.

Video programming sales tax is applied to the gross receipts of cable service and direct-to-home satellite service retailers on the video programming provided to subscribers in the State. Programming provided by, or generally considered comparable to programming provided by, a television broadcast station, regardless of the method of delivery is subject to the tax. Gross receipts are taxed at the combined general sales tax rate of 7.0%.

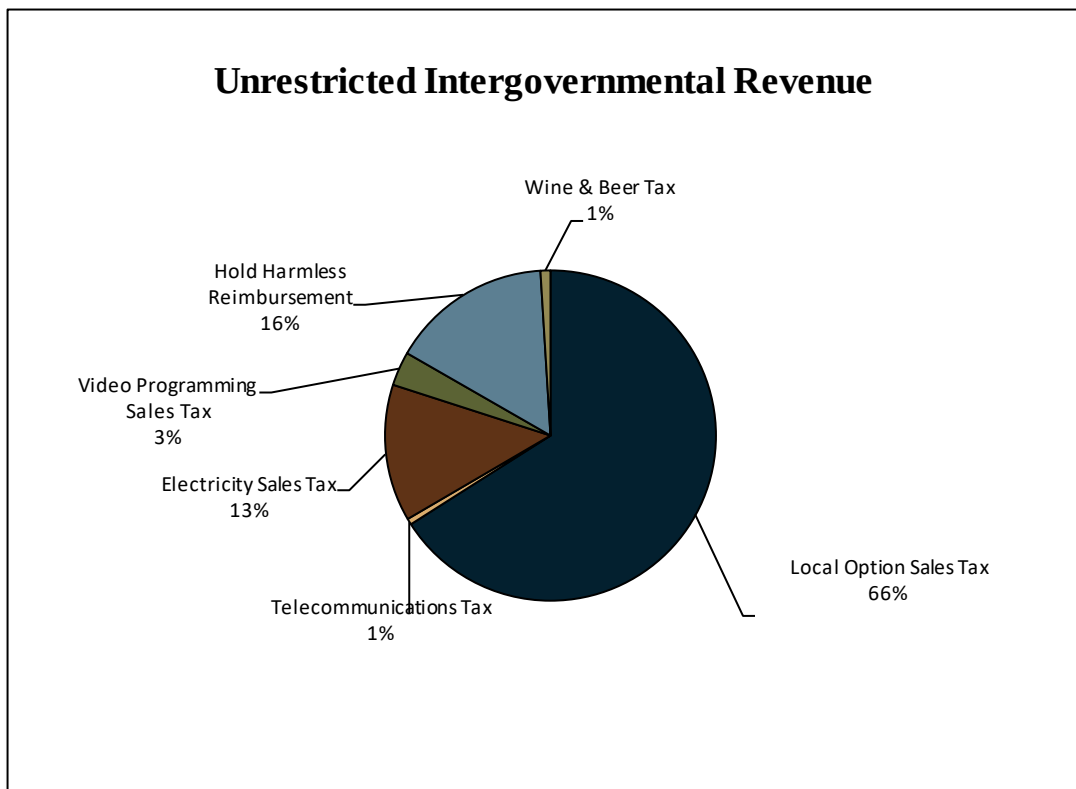
The hold harmless reimbursement is based on taxable sales made in the county and is allocated among the county and the local government jurisdictions within the county based upon a per capita basis. These hold harmless reimbursements were granted to municipalities to replace the Article 44 sales tax that was repealed as part of the Medicaid relief program for counties. The State of North Carolina distributes these funds to the Village on a monthly basis.

The wine and beer tax is levied by the State of North Carolina on the sale of malt beverages, fortified wine and unfortified wine. A percentage of the tax on the sales of these beverages that are generated from within the Village's corporate limits is distributed to the Village by the state on an annual basis.



Unrestricted Intergovernmental Revenues

Unrestricted Intergovernmental Revenue	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Local Option Sales Tax	\$ 4,480,466	\$ 4,323,000	\$ 4,953,000	\$ 5,104,000	18.1%
Telecommunications Tax	56,583	61,000	58,000	46,000	-24.6%
Electricity Sales Tax	993,777	1,002,000	1,020,000	1,037,000	3.5%
Video Programming Sales Tax	267,537	268,000	265,000	258,000	-3.7%
Hold Harmless Reimbursement	1,062,515	1,049,000	1,189,000	1,216,000	15.9%
Wine & Beer Tax	73,023	75,700	75,700	75,100	-0.8%
Total Unrest. Intergovernmental Rev.	\$ 6,933,901	\$ 6,778,700	\$ 7,560,700	\$ 7,736,100	14.1%





Revenue Assumptions

- Local option sales tax estimates are based on a combination of the expected statewide growth or loss factor for Articles 39, 40, and 42, adjusted for local economic conditions. The statewide rates are estimated by the North Carolina League of Municipalities (NCLM) in conjunction with economists from the North Carolina General Assembly. These estimates are communicated to all municipalities to aid them in budgeting these state-collected revenues. This year, the NCLM is projecting sales tax growth in FY 2022 of 10.25% and 3.75% in FY 2023. Thus far in FY 2022, most local government sales tax distributions have grown by about 16% above FY 2021. Based on this strong forecast, the FY 2023 local option sales tax revenue budget will increase by approximately 18.1% over the FY 2022 budget.
- Telecommunications taxes are projected based upon growth assumptions provided by the NCLM. The telecommunication industry continues to experience a decline in the total number of landlines. The NCLM is projecting this revenue to decrease 13% in FY 2022 and decrease 7.5% in FY 2023. Based on this forecast and actual revenues collected so far in FY 2022, the Village's telecommunications tax revenue will decrease by approximately 24.6% in FY 2023 below the FY 2022 budgeted amount.
- Electricity sales taxes are also projected based upon growth assumptions provided by the NCLM. This revenue is directly related to electricity usage and is impacted by the number of heating and cooling days each year. The NCLM is projecting this revenue to increase 1.25% in FY 2022 and 1% in FY 2023. We are increasing the electricity sales tax revenue budget for FY 2023 by approximately 3.5% over the prior year budget.
- Thus far, distributions of video programming sales taxes for FY 2022 are lower than the amounts collected in FY 2021 as the industry continues to face competition from other video content providers. The NCLM is projecting this revenue to decrease 3% change in FY 2022 and decrease 1.75% in FY 2023. Based on this forecast, the Village's video programming sales tax revenue will decrease by approximately 3.7% in FY 2023 as compared to the FY 2022 budgeted amount.
- Wine and beer tax revenues are expected to remain stable and decrease by only 0.8% to \$75,100 in FY 2023, due to slightly decreased sales.



Restricted Intergovernmental Revenues

Description of Revenue Source

Restricted intergovernmental revenues include Powell Bill funds, solid waste disposal tax, Library State Aid, and may include other miscellaneous federal or state grants that are restricted for a specific purpose.

Powell Bill revenue is the annual appropriation from the North Carolina State Highway Fund. The Village's annual distribution of Powell Bill revenue is calculated based upon two factors: a per capita rate and the number of street miles maintained within the Village's corporate limits.

The State levies a \$2 per-ton "tipping tax" on municipal solid waste and construction and demolition debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside the state. Cities in North Carolina receive 18.75 percent of this State collected revenue which is distributed based on a per capita basis for solid waste management programs and services. The Village uses these funds primarily to fund its recycling program.

Restricted Intergovernmental Revenue	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Powell Bill	\$ 480,555	\$ 465,000	\$ 568,000	\$ 569,000	22.4%
Controlled Substance Tax Distribution	222	1,000	1,000	500	-50.0%
Solid Waste Disposal	13,086	13,000	13,000	13,700	5.4%
Other Grants	296,632	-	-	44,400	100.0%
Library State Aid	-	5,250	1,200	7,500	42.9%
Total Rest. Intergovernmental Rev.	\$ 790,495	\$ 484,250	\$ 583,200	\$ 635,100	31.2%

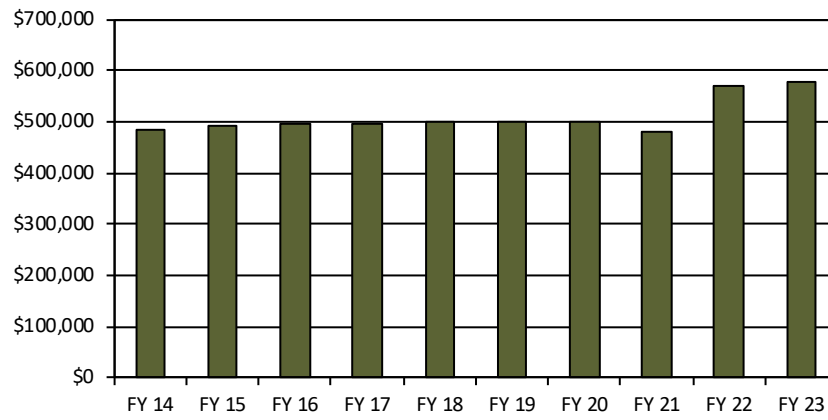
Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$21.66, which is a 1.4% decrease from the previous year's actual distribution rate. The street mile rate utilized to project the allocation is \$1,675 per street mile maintained, which decreased by \$12 from the FY 2022 distribution. Both of these estimated distribution rates were provided by the North Carolina League of Municipalities. For FY 2022, once the North Carolina state budget was adopted in November, Powell Bill funding was significantly increased, and the Village received more than originally anticipated. Based on this forecast, the FY 2023 Powell Bill revenue will increase by approximately 22.4% over the FY 2022 budgeted amounts.
- The North Carolina League of Municipalities projects that solid waste disposal revenue will increase by 2% for FY 2022 and will increase by 2.5% in FY 2023. We are increasing the budget for this revenue by 5.4% over the FY 2022 levels.
- The Village does not normally budget for other grant revenues until a grant award notification has been received. For FY 2023, the Village received award notifications for two separate grants related to Public Safety and Transportation. The Village received Coronavirus Relief Fund grant revenue in FY 2021 to reimburse the Village for expenditures incurred in response to the public health emergency.
- Library State Aid is financial assistance to local library systems from the Aid to Public Libraries Fund. The library's service area population and per capita income have an impact in determining the amount of State Aid allocated to the Village's newly acquired library.



Restricted Intergovernmental Revenues

Powell Bill Distribution





Description of Revenue Source

Permits and fees consist primarily of permit and inspection fees, planning and zoning fees, and fire district revenue. There are also several other minor fees that are included in Permits and Fees revenue.

Permit and inspection fees and planning and zoning fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village's growth is generated primarily by new residential construction; therefore it is new home construction that really drives this revenue source. In recent years, Village staff performed a comprehensive cost analysis of permitting, inspections, planning, and engineering fees to determine the rates necessary to cover the Village's costs of providing these services.

Fire district revenue represents funding paid to the Village by Moore County for the Village's Fire Department to provide fire protection, rescue services, and medical first response in a geographic district outside of the Village limits. The Village also contracts with Taylortown, a neighboring town, to provide fire protection services under an annual contract. Both of these funding sources are included in fire district revenue. Moore County provides funding through a formula that is calculated based on the level of fire service provided. The amount of funds paid to the Village by Taylortown is based upon the taxable value in Taylortown and the tax rate established by Moore County that is applied to the real and personal property in the unincorporated areas of the county. Moore County remits payment to the Village monthly while Taylortown pays quarterly.

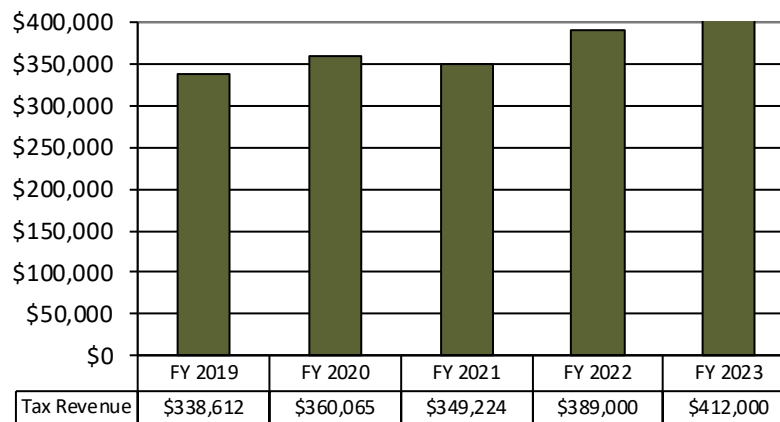
Permits & Fees	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Permit & Inspection Fees	\$ 376,296	\$ 250,000	\$ 250,000	\$ 250,000	0.0%
Planning & Zoning Fees	300,238	250,000	250,000	250,000	0.0%
Fire District Revenue	349,224	389,000	387,000	412,000	5.9%
Other Fees	4,075	5,000	12,500	12,500	150.0%
Total Permit & Fees	\$ 1,029,833	\$ 894,000	\$ 899,500	\$ 924,500	3.4%

Revenue Assumptions

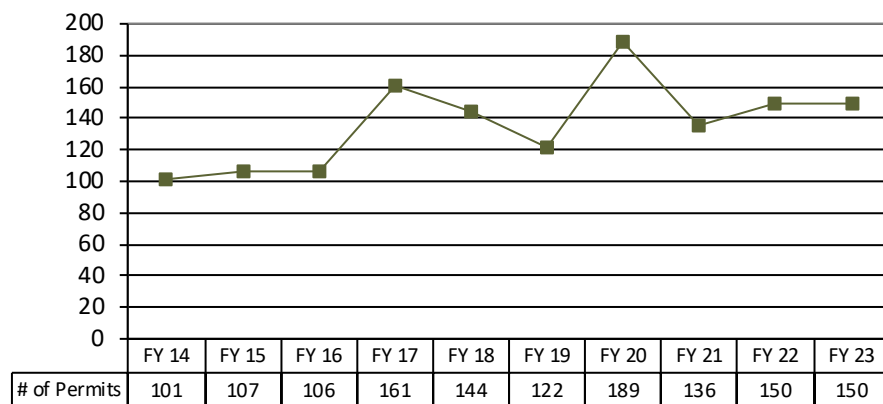
- Permit and inspection fees and planning and zoning fees for residential construction expect no change in FY 2023 over prior year budget. The number of new homes being constructed is expected to remain flat at approximately 150 homes in FY 2022 and FY 2023. Factors contributing to the zero percent change in FY 2023 include lot availability for residential construction and consistent projected rates of new construction.
- Fire district revenues are expected to increase by \$23,000, or 5.9%, over the FY 2022 budget. We based our projections on the current County-wide fire district tax rate of \$0.105. The County-wide fire district tax rate affects our County distribution and our fire services contract with the Town of Taylortown.



Fire District Revenue



New Home Construction Permits





Description of Revenue Source

As allowed by state statute, the Village of Pinehurst may assess property owners for expenditures that directly benefit specific property owners. Currently, the Village does not have any active assessments. The final installments of the Municipal Service District (MSD) for improvements made to dams were collected in FY 2021.

Assessments	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Assessments	\$ 5,179	\$ -	\$ -	\$ -	0.0%
Total Assessments	\$ 5,179	\$ -	\$ -	\$ -	0.0%



Stormwater improvement project



Description of Revenue Source

Sales and services revenue consists primarily of three separate revenue sources for Parks & Recreation fees and charges. The first source is Harness Track revenue for horse stall and other facility rentals, as well as revenues generated from shows and special events held on the property. The Harness Track is owned and operated by the Village and is the oldest continuously operating equine sports facility in North Carolina.

The second primary revenue source in this category is revenue generated from the Village's Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering place. Revenue consists of rental fees and admission fees for Village-sponsored special events.

The third major category of sales and services revenue is recreation fees. These are the fees charged to participants in programs, athletic leagues, and events sponsored by the Recreation Department, rental fees charged for park facilities, and event sponsorships.

Sales & Services	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Stall Rental Revenue	\$ 128,452	\$ 145,000	\$ 142,000	\$ 174,000	20.0%
Harness Track Shows/Events Revenue	40,170	28,000	34,000	25,000	-10.7%
Other Harness Track Revenue	12,868	12,400	12,700	12,700	2.4%
Fair Barn Rental Revenue	81,538	186,500	225,000	225,000	20.6%
Fair Barn Shows/Events Revenue	1,440	3,500	5,500	5,000	42.9%
Recreation Fees	166,420	205,500	230,000	270,000	31.4%
Logo Merchandise Sales	28,124	28,000	30,000	35,000	25.0%
Other Sales & Services	888	2,000	2,000	2,000	0.0%
Library Revenue	-	79,050	2,020	19,200	-75.7%
Total Sales & Services	\$ 459,900	\$ 689,950	\$ 683,220	\$ 767,900	11.3%

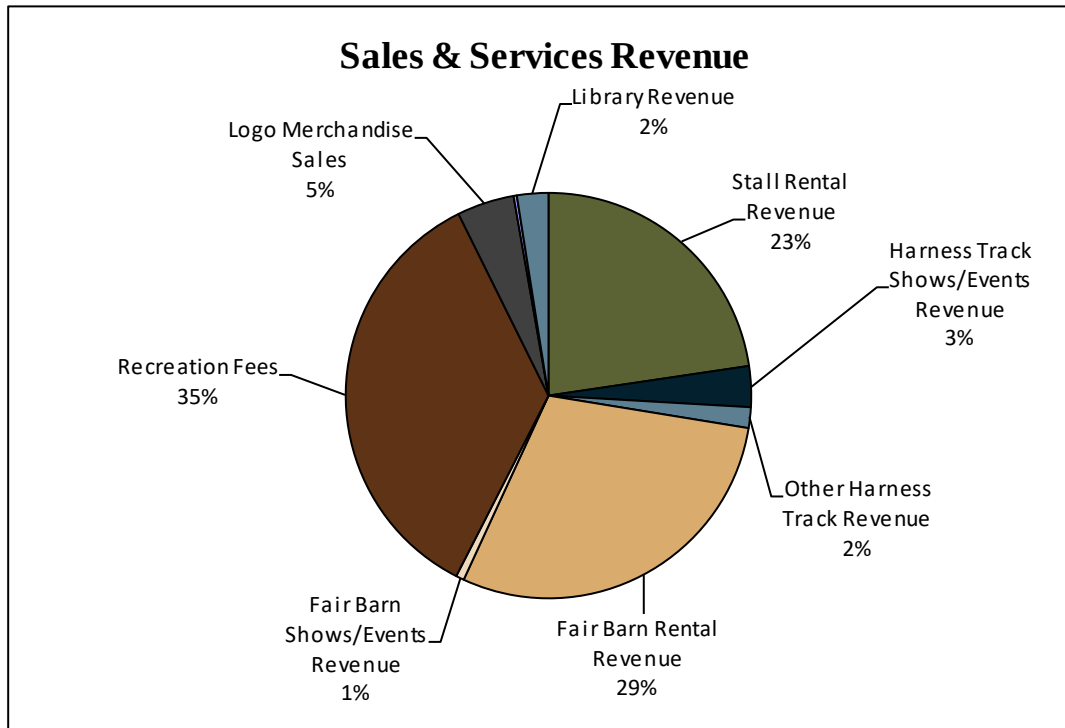
Revenue Assumptions

- Harness Track stall rental revenues are projected to increase by 20% for FY 2023 due to expected higher occupancy rates and increases in full season rates beginning in FY 2023.
- Fair Barn rental revenues are expected to increase 20.6% from FY 2022 budgeted levels due to increased rentals of the facility resulting from gathering restrictions caused by COVID-19 in previous years being lifted and increased facility rental rates beginning in FY 2023.
- Recreation fees are expected to increase by 31.4% from the prior year budget. The Village has returned to pre-COVID programming levels and plans to offer additional recreation and athletic programs in FY 2023.
- The Village began selling logo merchandise in FY 2017 to expand overall awareness of the Village's brand. Logo merchandise sales have grown in FY 2022 and the same is expected for FY 2023.
- The Village assumed operations of the Given Memorial Library and Tufts Archives the last quarter of FY 2022. Library revenue primarily includes estimates for archives book and photo sales. Income estimates are based on prior year revenues generated by the library.



Sales and Services

The distribution of sales and services revenue by source is depicted in the following graph.





Description of Revenue Source

Other revenues include Alcoholic Beverage Control (ABC) revenues, library donations, and other miscellaneous revenues. ABC revenue is based on a percentage of the sale of mixed beverages from local merchants and the net profits from counter sales of alcoholic beverages in Pinehurst at ABC Stores. Library endowment income from the Foundation's account is expected in FY 2023. Other miscellaneous revenues include sales of surplus assets, donations made to the Village, fees generated by the Police Department, and various other minor fees.

Other Revenues	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
ABC Revenues	\$ 241,057	\$ 162,000	\$ 232,000	\$ 232,000	43.2%
Library Endowment Income	-	37,500	-	112,000	100.0%
Other Miscellaneous Revenues	133,186	195,480	163,680	91,980	-52.9%
Total Other Revenues	\$ 374,243	\$ 394,980	\$ 395,680	\$ 435,980	10.4%

Revenue Assumptions

- ABC revenue is projected to increase by 43.2% for FY 2023. In FY 2022, actual revenues have surpassed our original budget by a significant margin.
- Library endowment income is calculated as 4% of an anticipated three-year average balance of \$2.8 million in the Foundation's endowment fund. This calculation is established in the Transfer Agreement between the Given Memorial Library Board and the Village of Pinehurst.
- Other miscellaneous revenues reflect a decrease in the FY 2023 budget. The majority of this decrease is related to adjusting the projected library donations budget downward, since the Foundation will primarily perform the fundraising efforts for the library.



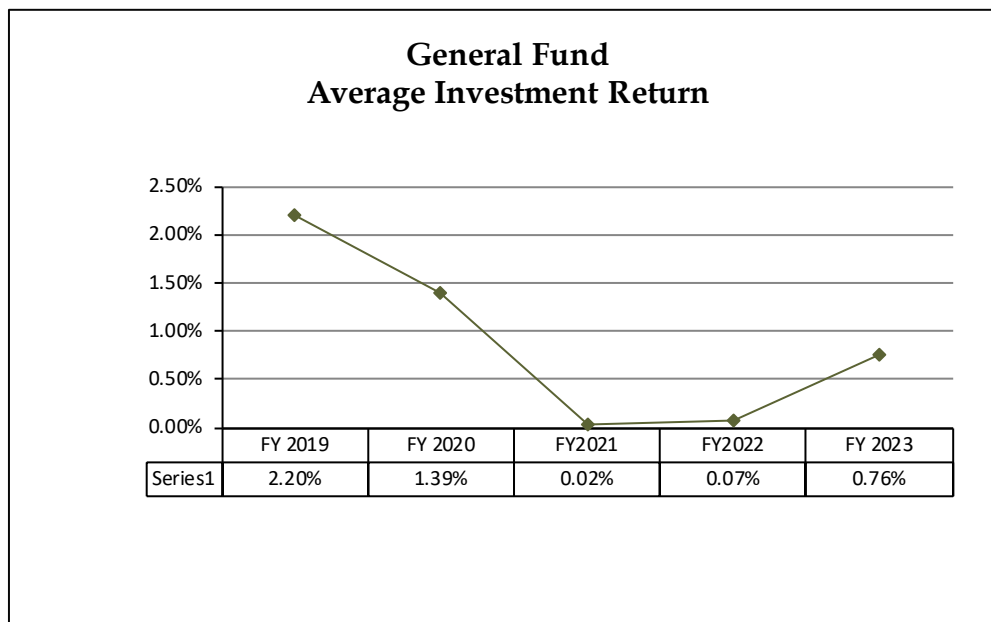
Description of Revenue Source

Investment income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund, bank certificates of deposit, U. S. Treasury and Agency securities, and high grade commercial paper.

Investment Income	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Investment Income	\$ 2,827	\$ 1,400	\$ 8,400	\$ 133,000	9400.0%
Total Investment Income	\$ 2,827	\$ 1,400	\$ 8,400	\$ 133,000	9400.0%

Revenue Assumptions

- Investment income of \$133,000 is expected in FY 2023 as investment rates increase in FY 2022 and continue to increase in FY 2023. The average rate of return expected in FY 2023 is 0.76%.





Description of Revenue Source

Other Financing Sources is comprised of Operating Transfers from other funds.

Other Financing Sources	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Transfer from Capital Project Fund	\$ 244,999	\$ -	\$ -	\$ -	0.0%
Transfer from Special Revenue Fund	-	-	-	4,286,720	100.0%
Total Other Financing Sources	\$ 244,999	\$ -	\$ -	\$ 4,286,720	100.0%

Revenue Assumptions

- The American Rescue Plan Act Special Revenue Fund will account for the \$5.3 million of federal grant funding received from the American Rescue Plan Act in response to the COVID-19 pandemic. In FY 2023, almost \$4.3 million will be transferred to the General Fund as a financing source.



Fund Balance Appropriations

Description of Revenue Source

Revenue from fund balance appropriations is the use of equity (net position), which has been accumulated from previous fiscal years, to pay for current fiscal year expenditures.

Fund Balance Appropriations	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 4,016,627	\$ -	\$ -	-100.0%
Total Fund Balance Appropriations	\$ -	\$ 4,016,627	\$ -	\$ -	-100.0%

Revenue Assumptions

- For FY 2023, there has been a 100% decrease in appropriating the Village's fund balance as a revenue source. This is due to the Village's receipt of American Rescue Plan Act funding, which is a one-time revenue source. Historically, operating revenues come in at 101% of budget while operating expenditures typically fall 7% below budget. If historical trends continue for FY 2023, we will increase fund balance by approximately \$1,757,000, which will result in a projected ending fund balance of 54.9% of General Fund expenditures. This is above Council's adopted policy minimum of 30% and positions the Village to address significant future projects and maintain service levels during a time of economic uncertainty.



Department Profile

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides leadership and strategic vision for the Village. The Council considers and adopts local ordinances and resolutions to provide for the health, safety, and overall quality of life for the residents, businesses, and visitors of Pinehurst.

Other responsibilities include the following:

- Provide governance for a population of approximately 17,600
- Sets strategic direction for approximately 158 full-time equivalents (FTEs)
- Adopts the Strategic Operating Plan, which includes the annual budget and five-year financial forecast
- Approves policies that provide guidance for all municipal operations

There are no KPIs for the Governing Body Department, as Council's goals, objectives, and KPIs are identified on the VOP Balanced Scorecard. Additional information about the Governing Body Department may be obtained by contacting Kelly Chance, Village Clerk, at 910.295.1900 or kchance@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 29,978	\$ 31,600	\$ 30,024	\$ 31,000	-1.9%
Operating	82,493	119,300	95,254	119,300	0.0%
Expenditures Total	\$ 112,471	\$ 150,900	\$ 125,278	\$ 150,300	-0.4%



Village Council Members



Department Profile

The Administration Department, which includes the Village Manager, Assistant Village Managers, Organizational Performance Director, Village Clerk, Communications Specialist, and Administrative support staff, executes the mission of the Council to promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Areas of focus for FY 2023 include the following:

- Provide vision and leadership to 17 other departments and divisions of the Village
- Effectively communicate with and engage residents and businesses through online engagement portals, social media, and public input meetings
- Oversee the development and implementation of the annual Strategic Operating Plan
- Manage and monitor department and organizational performance
- Work collaboratively with Moore County and other agencies on long-term planning issues (i.e. transportation, water & sewer, development, etc.)
- Work to expand downtown parking facilities
- Recruit, train, engage, and reward over 200 volunteers
- Provide customer service and administrative support to both internal and external customers

Additional information about the Administration Department may be obtained by contacting Jeff Sanborn, Village Manager, at 910.295.1900 or jsanborn@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 914,357	\$ 1,051,100	\$ 926,648	\$ 1,086,700	3.4%
Operating	437,441	480,110	445,913	485,020	1.0%
Capital	27,786	317,972	317,972	145,198	-54.3%
Expenditures Total	\$ 1,379,584	\$ 1,849,182	\$ 1,690,533	\$ 1,716,918	-7.2%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High-Performing Organization

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Oversee the implementation of the Village's Strategic Operating Plan and manage the overall operations of the Village						
% of residents likely to recommend the Village as a place to live	Effectiveness	95%	93%	95%	95%	95%
% of businesses satisfied with customer service provided by VOP staff	Effectiveness	96%	97%	98%	97%	97%
% of Initiative Action Plans (IAPs) that achieve targeted results	Effectiveness	88%	57%	80%	80%	80%
Department Goal: Identify, analyze, and mitigate risks to the Village						
Cost of risk (premiums, legal fees, & losses) as a % of General Fund expenditures ¹	Effectiveness	1.93%	1.68%	1.75%	1.95%	1.95%
Notes: ¹ As VOP has focused on improving employee safety, workers' compensation premiums have declined in recent years. Cost of risk overall is projected to increase slightly due to industry standard insurance premium increases.						

**Strategic Goal: Professionally Manage a High-Performing Organization**

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Use electronic tools and other methods to communicate with and obtain actionable feedback from customers						
Total # of followers on all social media sites	Output	21,830	24,592	26,473	27,300	30,700
Total # of Facebook users reached with VOP posts ¹	Output	1,800,546	1,565,471	3,250,000	1,600,000	1,600,000
# of Facebook engaged users who click, comment, and/or share	Output	152,885	96,227	650,000	300,000	300,000
# of online engagement portals topics posted	Output	8	8	5	6	6
Total # of site visits for online engagement portals	Output	6,591	4,445	2,000	4,000	4,000
# of mobile app downloads (cumulative)	Output	4,902	5,186	5,294	5,400	5,800
% of residents satisfied with Village efforts to keep residents informed on local issues	Effectiveness	93%	92%	92%	90%	90%
% of Council agendas with supporting materials posted to the Village website 5 days in advance of meetings	Effectiveness	100%	100%	100%	99%	99%
% of P&Z/BOA and HPC agendas with supporting materials posted to the Village website 5 days in advance of meetings	Effectiveness	100%	100%	100%	99%	99%
% of MyVOP requests and complaints responded to on-time ²	Effectiveness	97%	98%	98%	95%	95%
Notes: ¹ Fluctuations year to year for users reached occur due to Facebook changing algorithms for VOP consolidated social media accounts. ² VOP monitors overall organizational responsiveness to MyVOP requests and complaints according to the pre-determined Service Level Agreements (SLAs) for each request type.						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Recruit, train, engage, and reward volunteers						
% of volunteers who would recommend volunteering for the Village to a friend	Effectiveness	100%	96%	96%	95%	95%
Department Goal: Ensure effective two-way communication with the workforce						
% of workforce who attend the annual State of the Village meetings ¹	Output	71%	60%	65%	65%	65%
% of workforce who are satisfied with annual State of the Village meetings ¹	Effectiveness	100%	100%	100%	98%	98%
Notes: ¹ VOP conducts an annual State of the Village meeting for all employees and volunteers to effectively communicate VOP's goals, objectives, performance, and other employee information. The lower participation rates in FY21 and FY22 are directly related to COVID-19 restrictions.						



Department Profile

The Financial Services Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The Financial Services Department consists of the Director, Assistant Director, Supervisor, and two Financial Services Technicians.

Areas of focus for FY 2023 include the following:

- Manage an average cash and investments balance of \$16.0 million dollars to ensure appropriate liquidity and maximize investment earnings
- Monitor compliance with Council-approved financial policies and guidelines
- Manage debt to achieve acceptable debt service objectives
- Prepare the \$27.1 million annual budget and five-year financial forecast in accordance with the Government Finance Officers Association (GFOA) Distinguished Budget award requirements
- Evaluate ways to automate employee timekeeping
- Process accounts payable, accounts receivable, and payroll in a timely and accurate manner
- Prepare accurate internal and external financial reports
- Oversee purchasing and contracting functions

Additional information about the Financial Services Department may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 349,978	\$ 474,250	\$ 450,554	\$ 462,650	-2.4%
Operating	320,339	366,170	353,821	393,690	7.5%
Capital	3,978	45	45	780	1633.3%
Total Expenditures	\$ 674,295	\$ 840,465	\$ 804,420	\$ 857,120	2.0%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Produce accurate and timely financial reports						
GFOA Certificate of Achievement in Financial Reporting received ¹	Effectiveness	Yes	Yes	Yes	Yes	Yes
A "clean" audit opinion received by external auditors ²	Effectiveness	Yes	Yes	Yes	Yes	Yes
% of time month end expenditures closing entries are posted by the 10th day of the following month ³	Effectiveness	92%	92%	92%	92%	92%
% of employees satisfied with the availability of financial information	Effectiveness	97%	99%	95%	95%	95%
Notes: ¹ VOP has received the GFOA Certificate of Achievement in Financial Reporting for 29 consecutive years. ² VOP has received a "clean" audit opinion from external auditors for 22 consecutive years. ³ Month end expenditure closing entries are posted by the 10 th day of the following month to provide department heads with timely financial information. At year end, closing entries are not able to be completed in 10 days, so 11/12 months, or 92% are completed by the deadline.						



Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Develop a five-year strategic operating plan and annual budget in accordance with Council's financial policies						
Actual revenues as a % of forecasted revenues ¹	Effectiveness	98.8%	104.6%	101.0%	101.0%	101.0%
Amended budget as a % of original budget	Effectiveness	101.4%	107.4%	105.5%	104.0%	104.0%
GFOA Distinguished Budget Presentation Award received	Effectiveness	Yes	Yes	Yes	Yes	Yes
Unassigned General Fund balance as a % of actual expenditures	Effectiveness	42%	15%	15%	15%	15%
Department Goal: Process financial transactions efficiently and effectively						
# of accounts payable invoices and payments processed per accounts payable FTE	Efficiency	803	712	725	770	790
% of purchase orders processed within 1 business day of submission	Effectiveness	100%	100%	95%	95%	95%
% of employees satisfied with the timeliness of purchasing services ²	Effectiveness	99%	98%	95%	95%	95%
% of employees satisfied with the quality of purchasing services ²	Effectiveness	100%	98%	95%	95%	95%
# of payroll transactions processed per payroll technician FTE	Efficiency	652	675	700	705	725
% of employees satisfied with the accuracy of payroll services ²	Effectiveness	99%	99%	95%	95%	95%
# of other financial transactions processed per finance technician FTE	Efficiency	285	295	345	350	370
Department Goal: Maximize investment earnings while ensuring adequate cash flow						
# of basis points by which investment yield exceeds the average annual rate of return for the NCCMT Government Portfolio ³	Effectiveness	8.00	1.00	0.00	3.00	8.00
Notes: ¹ Staff continues to refine revenue projections and expectations to achieve a 101% revenue variance. ² VOP employees have consistently indicated very high levels of satisfaction with purchasing and payroll services provided by the Finance Department. ³ In FY17, VOP began investing in the NC Capital Management Trust Term Portfolio. Using the Term Portfolio has allowed the Village to increase investment yields without significantly impacting liquidity. In December 2020, the NCCMT closed their Term Portfolio due to historically low interest rates during the COVID-19 pandemic. As the market improves over the five-year planning period, VOP will pursue appropriate investment options.						



Department Profile

The Human Resources Director reports directly to the Village Manager and serves as a member of the senior leadership team. Along with the Director, one full-time Human Resources Generalist and one full-time Human Resources Specialist provide a strategic service for recruitment, retention, and recognition of competent staff.

Areas of focus for FY 2023 include the following:

- Manage the Champion's Club and Applause Award reward and recognition programs
- Review and update employee policies and benefits
- Manage the Learning and Development System and succession plan for all employees

Additional information about the Human Resources Department may be obtained by contacting Angela Kantor, Human Resources Director, at 910.295.1900 or akantor@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 306,945	\$ 318,750	\$ 280,770	\$ 328,250	3.0%
Operating	171,731	260,110	180,459	288,760	11.0%
Capital	7,038	60	60	1,040	1633.3%
Expenditures Total	\$ 485,714	\$ 578,920	\$ 461,289	\$ 618,050	6.8%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Reward and recognize employees						
% of employees who like the VOP's recognition programs	Effectiveness	93%	93%	90%	90%	90%
% of unique employees recognized in Village-wide award programs	Effectiveness	62%	74%	62%	65%	65%
Department Goal: Provide competitive salaries and benefits						
% of unique employees who participate in Wellness Committee activities	Effectiveness	62%	57%	35%	45%	65%



Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Maintain a safe work environment						
% of Safety Committee inspection violations corrected within 90 days ¹	Effectiveness	79%	64%	75%	70%	75%
% of Safety Committee inspections completed within the fiscal year	Efficiency	92%	92%	100%	100%	100%
% of work injuries that are due to negligence ²	Effectiveness	25%	0%	20%	20%	20%
% of accidents that are due to negligence ²	Effectiveness	58%	45%	55%	55%	50%
# of recordable Worker's Compensation claims per 100 FTEs	Effectiveness	4.3	3.5	6.0	3.00	3.00
Department Goal: Effectively fill vacant positions						
Average # of days to recruit (requisition to start date)	Effectiveness	81	73	75	75	70
% of positions filled within target date	Effectiveness	59%	78%	75%	75%	80%
% of turnover (all)	Effectiveness	16%	13%	13%	10%	10%
% of turnover (voluntary, excluding retirements)	Effectiveness	7%	7%	8%	5%	5%
% of turnover during the first year of employment	Effectiveness	3%	2%	4%	1%	1%
Average tenure of employees (in years)	Output	8.01	8.06	8.00	9.00	9.00
Sick leave hours used per 1,000 hours worked	Effectiveness	24	37	39	30	30
Department Goal: Provide training and development opportunities						
% of EEs who are satisfied with the learning and development opportunities available to them	Effectiveness	93%	98%	90%	90%	90%
% of employees who agree they have received adequate training to do their job	Effectiveness	98%	97%	95%	95%	95%
% of employees satisfied with TOPS training programs ³	Effectiveness	N/A	N/A	N/A	95%	95%
% of vacancies filled with internal candidates ⁴	Effectiveness	46%	47%	35%	35%	35%
Promotion rates ⁴	Effectiveness	15%	20%	15%	8%	8%
Department Goal: Provide efficient and effective Human Resources support						
% of employees satisfied with the timeliness of HR services	Effectiveness	93%	95%	90%	90%	90%
% of employees satisfied with the responsiveness of HR employee recruiting services	Effectiveness	86%	93%	90%	90%	90%
Notes: ¹ Some safety violations require additional funding to correct and are therefore not able to be corrected within 90 days. ² The VOP Safety and Risk Management Committees analyze injuries and accidents to determine trends and root causes. VOP is projecting the % that are due to negligence to decline as we implement actions to address injury and accident root causes. ³ TOPS training was not held in FY20, FY21, and FY22 due to COVID-19 restrictions. ⁴ These measures indicate the VOP's effectiveness at preparing, developing, and training employees for internal promotion and advancement opportunities.						



Department Profile

The Police Chief reports directly to the Village Manager and serves as a member of the senior leadership team. In addition to the Chief, the Police Department consists of 24 sworn police officers (with an additional two officers planned for the FY 2023 budget), four telecommunications specialists, one administrative coordinator and six reserve auxiliary officers to protect the life and property of nearly 17,600 residents.

Areas of focus for FY 2023 include the following:

- Pursue the new North Carolina accreditation program
- Patrol three response areas and enforcing traffic laws
- Increase patrol officers by two FTEs
- Improve crime clearance rates
- Promote strong community engagement through the Citizen's Police Academy and recruitment of volunteer Citizens on Patrol (COPS) that are used to augment the paid Police personnel

Additional information about the Police Department may be obtained by contacting Glen Webb, Police Chief, at 910.295.3141 or gwebb@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 2,320,001	\$ 2,663,150	\$ 2,486,944	\$ 2,929,050	10.0%
Operating	703,093	867,559	799,965	1,218,950	40.5%
Capital	219,338	253,967	253,967	710,351	179.7%
Expenditures Total	\$ 3,242,432	\$ 3,784,676	\$ 3,540,876	\$ 4,858,351	28.4%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Police Grants	\$ 39,674	\$ -	\$ -	\$ 24,400	100.0%
Controlled Substance Tax Distribution	222	1,000	1,000	500	-50.0%
Miscellaneous Police Revenues	5,577	7,000	7,000	7,000	0.0%
Revenues Total	\$ 45,473	\$ 8,000	\$ 8,000	\$ 31,900	298.8%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Safeguard the Community

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Enforce traffic laws						
% of collisions with an injury ¹	Effectiveness	11%	12%	12%	10%	10%
% of collisions with a fatality ¹	Effectiveness	0.00%	0.00%	0.00%	0.14%	0.14%
% of residents satisfied with enforcement of local traffic laws	Effectiveness	89%	87%	87%	87%	87%
Notes: ¹ Over time, Village speed limits have been reduced to 25 MPH unless otherwise posted to help minimize the % of collisions with an injury or fatality.						



Strategic Goal: Safeguard the Community

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Solve crimes						
% of incidents cleared	Effectiveness	92%	88%	90%	90%	90%
# of incidents cleared	Output	525	657	662	580	580
# of crimes against persons per 1,000 population	Efficiency	3.0	5.2	4.2	3.1	3.0
# of crimes against property per 1,000 population	Efficiency	10.8	15.0	13.6	11.9	11.5
# of crimes against society per 1,000 population	Efficiency	12.9	15.8	16.9	16.7	16.6
# of open active cases remaining	Effectiveness	23.0	117.0	99.0	99.0	80.0
Department Goal: Protect lives and property by responding promptly to calls for service and proactively preventing criminal activity						
% of officer hours available for patrol ¹	Effectiveness	56%	34%	50%	45%	45%
# of calls for service per patrol officer	Efficiency	877	899	1246	1086	1086
# of citizen initiated calls for service per patrol officer ³	Efficiency	470	899	928	796	796
# of calls for service per 1,000 population	Output	1026	977	999	1028	1028
% of total time spent on calls for service that are officer initiated ¹	Effectiveness	31%	20%	38%	30%	30%
% of residents satisfied with response times for police emergencies	Effectiveness	99%	99%	95%	97%	97%
% of businesses satisfied with police emergency response times	Effectiveness	100%	100%	95%	97%	97%
% of residents satisfied with the frequency of police patrols	Effectiveness	92%	90%	90%	90%	90%
% of businesses satisfied with police patrol	Effectiveness	100%	100%	95%	97%	97%
Average response time to high priority calls	Efficiency	4:47	3:38	4:09	3:23	3:23
Notes: ¹ In FY20, the Police Department made a change to how officers log their time in the Computer-Aided Dispatch (CAD) system to more accurately reflect officer-initiated activities and the amount of officer time spent on those activities.						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Utilize Citizen on Patrol volunteers to supplement police staff						
# of Citizen on Patrol (COP) volunteer hours ¹	Output	2,037	1,539	1,107	1,500	2,500
# of COP volunteer hours per volunteer ¹	Effectiveness	163	149	65	80	100
\$ value of COP volunteer hours ¹	Effectiveness	\$40,748	\$30,780	\$22,140	\$23,000	\$33,674
Notes: ¹ Each year, VOP holds a Citizen Police Academy and several participants join the Police Department as a Citizen on Patrol (COP). COPs actively patrol, direct traffic, and perform other duties to augment the Police Department. Their volunteer hours are valued at \$20 per hour. VOP experienced a drop in COP volunteer hours in FY20, FY21, and FY22 due to COVID-19.						



Department Profile

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. Thirty-two firefighters, one fire/life safety educator, one part-time fire inspector and seven reserve firefighters to protect the Village and rural district from two stations with four engines, two brush trucks, and a rescue truck.

Areas of focus for FY 2023 include the following:

- Continue to improve response times to calls for service for the 25.18 square miles service area that includes the Village limits, a rural county district, and the nearby Town of Taylortown
- Educate the public to promote preparedness for all hazards
- Update the VIPER radio system

Additional information about the Fire Department may be obtained by contacting J. Carlton Cole, Fire Chief, at 910.295.5575 or jccole@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 2,328,646	\$ 2,671,350	\$ 2,419,305	\$ 2,826,850	5.8%
Operating	488,849	703,869	631,073	654,620	-7.0%
Capital	689,420	994,682	994,682	176,130	-82.3%
Expenditures Total	\$ 3,506,915	\$ 4,369,901	\$ 4,045,060	\$ 3,657,600	-16.3%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Fire District Revenue	\$ 349,224	\$ 389,000	\$ 387,000	\$ 412,000	5.9%
Miscellaneous Fire Revenues	1,175	2,500	10,000	10,000	300.0%
Revenues Total	\$ 350,399	\$ 391,500	\$ 397,000	\$ 422,000	7.8%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Safeguard the Community

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Promptly respond to fire calls for service						
% of dispatched emergency calls with a reaction time of 90 seconds or less	Effectiveness	85%	91%	89%	85%	85%
% of emergency calls with a response time of 6 minutes and 30 seconds for first due apparatus	Effectiveness	71%	68%	69%	68%	70%
% of calls for fire incidents	Output	2.9%	2.2%	3.0%	3.6%	3.6%
% of calls for service for rescue and EMS	Output	27%	36%	45%	40%	40%
% of signalized intersections with preemption controls	Effectiveness	93%	93%	93%	100%	100%

**Strategic Goal: Safeguard the Community**

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Prevent fires and injuries						
# of commercial business fire inspections completed ¹	Output	169	698	300	380	380
% of commercial businesses inspected ¹	Effectiveness	38%	74%	60%	78%	90%
# of commercial business fire inspections per inspector per month ¹	Output	28	54	22	42	42
% of businesses satisfied with fire prevention inspection services	Effectiveness	100%	100%	100%	95%	95%
% of ISO credit received for fire hydrant testing	Effectiveness	102%	98%	97%	100%	100%
# of participants in Fire & Life Safety Education Programs	Output	54,826	200,963	156,500	25,000	25,000
ISO (Insurance Services Office) Rating	Effectiveness	4	4	2	2	2
Notes: ¹ Historically, VOP Fire staff have inspected commercial businesses more frequently than required by law. In FY16, VOP began providing medical first response and rescue services which resulted in fewer commercial business inspections due to department workload. In addition, the Fire Department will begin an ACE in FY23 to evaluate the fire inspection process and how the department is staffed for these services.						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Train and develop a professional, competent firefighting force						
% of full-time uniformed staff who obtain advanced training ¹	Effectiveness	83%	103%	50%	50%	50%
% of firefighters meeting or exceeding NFPA firefighter competencies	Effectiveness	100%	100%	100%	100%	100%
Notes: ¹ This KPI measures the department's progress toward providing advanced training opportunities to meet requirements or bring new skills to department operations.						

*Firefighters at a Training Burn*



Department Profile

The Inspections Division of the Planning Department operates under direction of the Planning and Inspections Director. The Inspections Division includes three building inspectors. Inspections personnel both review and enforce compliance with the North Carolina Building Codes for all types of residential and commercial building and development.

Areas of focus for FY 2023 include the following:

- Continue a high level of responsiveness to building inspection requests within one business day

Additional information about the Inspections Division may be obtained by contacting Darryn Burich, Planning and Inspections Director, at 910.295.8659 or dburich@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 291,661	\$ 317,800	\$ 312,626	\$ 334,000	5.1%
Operating	33,723	41,350	39,601	46,210	11.8%
Capital	1,989	25,030	25,030	25,520	2.0%
Expenditures Total	\$ 327,373	\$ 384,180	\$ 377,257	\$ 405,730	5.6%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Inspection Permit Revenue	\$ 376,296	\$ 250,000	\$ 250,000	\$ 250,000	0.0%
Revenues Total	\$ 376,296	\$ 250,000	\$ 250,000	\$ 250,000	0.0%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Recover the cost of inspection services						
Average cost per building inspection ¹	Efficiency	\$37	\$37	\$41	\$42	\$38
Notes: ¹ Based on projected inspection operating expenses of \$350,000 and an estimate of 8,500 inspections (IN.C.1). For FY22, the average cost per inspection is estimated to be \$41. Inspection operating expenses are assumed to increase approximately 2.5% annually thereafter.						



Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Inspect residential and non-residential development to ensure compliance with building codes						
# of building inspections completed	Output	8,223	8,723	8,500	8,590	8,950
% of building inspections completed within one business day ¹	Effectiveness	100%	100%	100%	100%	100%
% of building inspections compliant upon initial inspection	Effectiveness	91%	86%	85%	90%	90%
# of building inspections completed per inspector FTE per day	Efficiency	12.6	11.4	11.5	11.7	11.1
# of building inspections completed per 1,000 population served	Output	481	499	482	478	466
# of residential Certificates of Occupancy (CO) issued ²	Output	236	208	212	230	190
# of non-residential Certificates of Occupancy issued ³	Output	24	13	18	20	20
Estimated residential construction cost for Certificates of Occupancy ²	Output	\$45 million	\$48 million	\$48 million	\$44 million	\$37 million
Estimated non-residential construction cost for Certificates of Occupancy ³	Output	\$15 million	\$44 million	\$4 million	\$8 million	\$8 million
% of businesses satisfied with building inspections	Effectiveness	95%	100%	100%	100%	100%
Notes: ¹ To provide a high level of customer service, building inspectors strive to complete building inspections within one business day of the request. ² Residential COs include both new construction and additions/alterations. ³ Projections for non-residential COs are based on known projects that are in the preliminary stages of development that staff expect to receive.						



Department Profile

Public Services Administration is a division of the Public Services Department. The Public Services and Engineering Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Administration Division consists of the Director, the Assistant Director, an Engineering Technician, and an Administrative Assistant.

Areas of focus for FY 2023 include the following:

- Manage Streets & Grounds and Solid Waste staff response to resident service requests and complaints through the MyVOP service request system
- Provide engineering services
- Identify alternative locations for the Public Services Complex to allow for redevelopment of Village Place

KPIs for this department are identified in the Solid Waste and Streets & Grounds Divisions. Additional information about Public Services Administration may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 407,377	\$ 439,050	\$ 417,502	\$ 423,650	-3.5%
Operating	158,348	327,440	311,575	211,460	-35.4%
Capital	3,978	75,761	75,761	353,122	366.1%
Expenditures Total	\$ 569,703	\$ 842,251	\$ 804,838	\$ 988,232	17.3%

FY 2023-2027 Initiative Action Plans

Initiative Action Plans	FY	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Relocation of the Public Services Complex – to allow for redevelopment of Village Place	FY 2023 – FY2025	\$350,000	\$75,000	\$0	\$0	\$0



Streets and Grounds Employee



Department Profile

The Streets & Grounds Division of the Public Services Department operates under the direction of the Assistant Director of Public Services and reports up to the Assistant Village Manager of Operations. There are 15 members of the Streets & Grounds team organized into two crews: Street Maintenance and Grounds Maintenance. This division serves approximately 17,600 residents encompassing an area of 14.9 square miles, with 107 miles of Village-maintained streets and right-of-ways. Annual resurfacing costs and state funding to municipalities from the restricted state Powell Bill funds for street maintenance are included in the Powell Bill Division. Costs for street patching are included in the Streets & Grounds Division.

Areas of focus for FY 2023 include the following:

- Monitor and evaluate traffic levels at six key intersections in the Village
- Invest in stormwater drainage projects
- Construct pedestrian facilities
- Implement Village Place streetscape enhancements
- Add other beautification projects along main thoroughfares and gateways
- Maintain roadways, signage, sidewalks, and other public landscape areas at a high level

Additional information about Streets & Grounds Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 711,072	\$ 819,200	\$ 748,318	\$ 886,400	8.2%
Operating	699,582	850,960	807,892	783,950	-7.9%
Capital	487,935	1,187,925	1,012,925	1,168,110	-1.7%
Expenditures Total	\$ 1,898,589	\$ 2,858,085	\$ 2,569,135	\$ 2,838,460	-0.7%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Maintain Village right of ways						
# of ROW lane miles maintained per FTE	Efficiency	17	16	16	16	16
% of ROW mowing performed according to schedule	Effectiveness	92%	100%	95%	95%	95%

Strategic Goal: Protect the Environment

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Maintain stormwater facilities						
% of MyVOP stormwater requests addressed on time	Effectiveness	94%	97%	98%	95%	95%



Strategic Goal: Promote Transportation Mobility and Connectivity

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Install neighborhood street lights						
# of street lights per mile	Effectiveness	3.3	3.3	3.3	3.3	3.7
Department Goal: Maintain directional and regulatory street signs						
% of regulatory reflective signs inspected per NHTSA standards ¹	Output	100%	100%	100%	100%	100%
Department Goal: Maintain Village roadways						
# of miles of Village roadways resurfaced or sealed	Output	4.46	4.50	4.17	4.25	4.25
# of miles of Village roadways resurfaced only	Output	4.46	4.50	4.00	4.00	4.00
# of centerline miles of Village roadways	Input	107.1	107.77	108.36	108.36	108.36
% of centerline miles of Village roadways resurfaced and sealed	Effectiveness	4.16%	4.18%	3.85%	3.92%	3.92%
5-year rolling average of the # of miles of roadways resurfaced	Effectiveness	3.21	4.22	4.43	4.16	4.25
% of roadways with a Pavement Condition rating of 85 or better	Effectiveness	53%	53%	54%	54%	54%
Pavement Condition Rating	Effectiveness	79.60	79.60	82.00	82.00	82.00
% of residents satisfied with maintenance of streets in neighborhoods	Effectiveness	85%	83%	83%	83%	84%
% of intersections studied with a level of service (LOS) rating of "C" or higher	Effectiveness	86%	86%	86%	88%	82%
Department Goal: Provide safe pedestrian facilities with interconnectivity						
% of lane miles with walkways	Effectiveness	8.07%	8.03%	8.45%	9.02%	11.27%
Notes: ¹ VOP inspects regulatory reflective signs every three years per NHTSA standards.						



Department Profile

The Powell Bill Division is managed by the Public Services and Engineering Director and is used to separately identify the expenditure of restricted state Powell Bill funds that are used for the purpose of construction, repair, and maintenance of 107 miles of Village-owned streets and right of ways. To determine which roads will be resurfaced in a given year, Village staff review the pavement condition ratings of all Village-owned roads that are rated every three years by an independent outside agency using standardized rating methodologies.

Areas of focus for FY 2023 include the following:

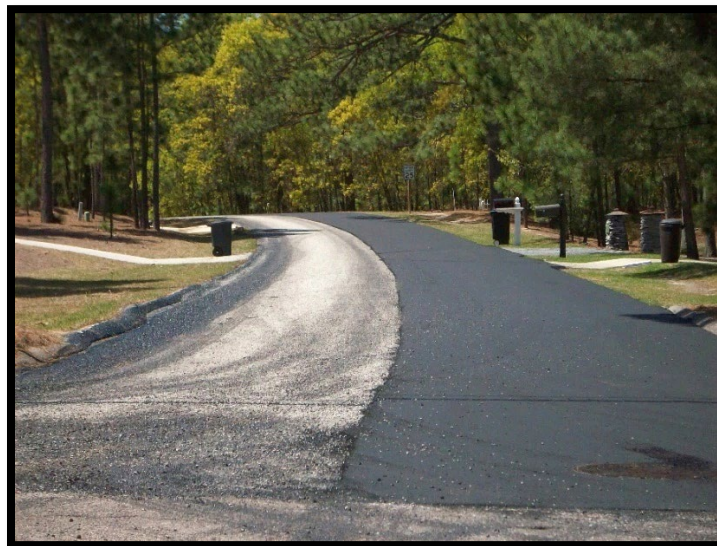
- Resurface and apply slurry seal to Village maintained streets, depending on resurfacing costs and mix of slurry seal versus resurfacing
- Fund \$1.3 million annually for resurfacing roads in the 5-year plan to improve the overall Pavement Condition Rating and the % of roadways with a Pavement Condition rating of 85 or better
- Maintain a 15-25 year life cycle for the 107 miles of Village-owned streets

KPIs for the Powell Bill Division are provided in the Streets & Grounds Division. The Powell Bill Division does not contain any staff. However, additional information about the Powell Bill Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Operating	\$ 1,256,621	\$ 1,200,100	\$ 1,200,100	\$ 1,300,100	8.3%
Expenditures Total	\$ 1,256,621	\$ 1,200,100	\$ 1,200,100	\$ 1,300,100	8.3%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Powell Bill Revenue	\$ 480,555	\$ 465,000	\$ 568,000	\$ 569,000	22.4%
Revenues Total	\$ 480,555	\$ 465,000	\$ 568,000	\$ 569,000	22.4%



Village Street Resurfacing

**Department Profile**

The Solid Waste Division of the Public Services Department operates under the direction of the Assistant Director of Public Services. There are ten members of the Solid Waste team, led by a Solid Waste Superintendent. This division provides over 8,700 households with weekly same-day automated pickup of garbage, recycling, and yard debris under the “One and Done” program.

Areas of focus for FY 2023 include the following:

- Evaluate ways to improve service delivery and minimize return pickups
- Coordinate with Moore County and other municipalities on the annual Household Hazardous Waste event

Additional information about Solid Waste Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 518,056	\$ 618,900	\$ 578,531	\$ 699,200	13.0%
Operating	1,141,339	1,330,340	1,279,193	1,370,230	3.0%
Capital	200,751	220,160	220,160	269,730	22.5%
Expenditures Total	\$ 1,860,146	\$ 2,169,400	\$ 2,077,884	\$ 2,339,160	7.8%

FY 2023 Department Goals, Objectives, and Key Performance Indicators**Strategic Goal: Preserve the Environment**

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Maintain a high level of recycling participation						
# of households participating in curbside recycling	Output	7,864	8,144	8,461	8,604	9,080
% of households participating in curbside recycling	Effectiveness	92%	93%	95%	95%	96%
# of tons of recycling collected per solid waste FTE	Efficiency	324	257	370	376	399
Total # of tons recycled per household (including collection by outside vendors)	Output	0.15	0.12	0.15	0.15	0.15
Percentile ranking for solid waste diversion of NC municipalities ¹	Effectiveness	8%	23%	44%	20%	15%
Notes: ¹ In FY23, the Village anticipates installing a glass drop-off facility at our Public Services yard, which we anticipate will increase overall recycling numbers and reduce trash numbers.						

**Strategic Goal: Preserve the Environment**

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide efficient and effective weekly solid waste collection						
# of tons of yard debris collected per solid waste FTE	Efficiency	1,078	890	976	741	797
# of tons of household trash collected per solid waste FTE	Efficiency	1,378	1,572	1,403	1,429	1,516
Total # of tons of yard debris collected per household (including collection by outside vendors)	Output	0.27	0.26	0.31	0.26	0.26
Total # of tons of household trash collected per household (including collection by outside vendors)	Output	0.59	0.65	0.58	0.58	0.58
# of solid waste collection complaints per 1,000 collection points	Effectiveness	0.76	0.97	0.88	0.80	0.80
% of MyVOP solid waste requests completed on time	Effectiveness	98%	99%	99%	98%	98%
% of solid waste routes completed on schedule	Effectiveness	100%	100%	100%	99%	99%
Refuse collection cost per household per year	Effectiveness	\$178	\$181	\$186	\$190	\$206
% of safety checks on solid waste vehicles completed daily	Effectiveness	100%	100%	100%	99%	99%
% of time cart inventory levels remain above minimum stock threshold	Effectiveness	95%	85%	98%	96%	96%



Department Profile

The Planning and Inspections Director reports directly to the Village Manager and serves as a member of the senior leadership team. The Planning Department consists of a Planning Supervisor, a Senior Planner, a Planner, two Planning and Zoning Specialists, a Code Compliance Specialist, and an Administrative Specialist. The department provides planning services for the Village as well as its extra territorial jurisdiction (ETJ).

Areas of focus for FY 2023 include the following:

- Implement strategies from the 2019 Comprehensive Plan
- Implement small area plans for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area
- Continue the comprehensive update to the Pinehurst Development Ordinance
- Conduct timely plan review of residential and non-residential development submittals
- Conduct routine patrols of neighborhoods to identify code violations and promptly investigating code violations to ensure timely resolution

Additional information about the Planning Department may be obtained by contacting Darryn Burich, Planning and Inspections Director, at 910.295.8659 or dburich@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 558,182	\$ 777,250	\$ 574,000	\$ 807,950	3.9%
Operating	347,571	478,168	440,861	244,560	-48.9%
Capital	3,978	26,805	8,805	1,820	-93.2%
Expenditures Total	\$ 909,731	\$ 1,282,223	\$ 1,023,666	\$ 1,054,330	-17.8%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Planning Permit Revenue	\$ 303,138	\$ 252,500	\$ 252,500	\$ 252,500	0.0%
Revenues Total	\$ 303,138	\$ 252,500	\$ 252,500	\$ 252,500	0.0%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Process non-residential permit applications in a timely manner						
# of non-residential permits issued	Output	35	24	21	20	20
% of time non-residential development applicant receives initial staff comments within 21 days	Effectiveness	60%	73%	65%	80%	85%
\$ value of non-residential development permitted	Output	\$37 million	\$63 million	\$31 million	\$37 million	\$12 million
Single family home average sales price	Output	\$334,542	\$365,000	\$254,000	\$256,540	\$266,960



Strategic Goal: Promote High Quality Development and Appearance

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Increase compliance with Village codes and ordinances						
# of code violations investigated	Output	1,372	1,215	1,080	1,178	1,180
% of reported code complaints resulting in an enforceable action	Output	81%	79%	86%	81%	83%
% of code violations investigated within 2 business days	Effectiveness	86%	83%	85%	90%	92%
% of code violations resolved within 45 days	Effectiveness	98%	97%	96%	96%	96%
# of code violations investigated per FTE per day	Efficiency	5.4	4.7	4.8	3.2	3.2
% of neighborhoods patrolled according to schedule for code violations	Effectiveness	100%	102%	100%	100%	100%
Department Goal: Process residential permit applications in a timely manner						
# of new single family residential permits issued	Output	188	136	110	150	100
% of single family residential new construction and addition/alteration plans reviewed within 15 days ¹	Effectiveness	90%	79%	93%	100%	100%
Average # of days to ready to issue single family permits for new construction and additions/alterations ¹	Effectiveness	11	11	12	10	10
\$ value of residential development permitted	Output	\$80 million	\$59 million	\$48 million	\$79 million	\$53 million
% of Certificates of Appropriateness issued by staff within 7 days	Effectiveness	95%	89%	88%	95%	95%
% of Certificates of Appropriateness issued by the Historic Preservation Commission within 45 days	Effectiveness	98%	100%	96%	95%	95%
Notes: ¹ New Planning and Inspections software was implemented in FY20 to streamline permit processing and reduce the turnaround time for single-family permits (i.e. avg. # of days to issue).						

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Recover the cost of development services						
% of planning operating costs recovered through planning fees	Effectiveness	39%	33%	30%	25%	21%

FY 2023-2027 Initiative Action Plans

Initiative Action Plans	FY	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Small Area Plans for the Village Place/Rattlesnake Trail Corridor and Pinehurst South/Hwy 5 Commercial Area – Engage a consultant to develop two small area plans.	FY 2023	\$0	\$0	\$0	\$0	\$0
Update the Pinehurst Development Ordinance – To reflect priorities of the 2019 Comprehensive Plan and changes required by 160D legislation	FY 2023 – FY 2024	\$0	\$0	\$0	\$0	\$0
Develop a consolidated multi-modal transportation plan – To incorporate bicycle, pedestrian, and golf cart accessibility	FY 2024 – FY 2025	\$0	\$100,000	\$0	\$0	\$0



Department Profile

The Community Development Division is co-managed by the Assistant Village Manager of Operations and the Assistant Village Manager of Administration. This division oversees marketing, economic development, and the Village's Welcome Center.

Areas of focus for FY 2023 include the following:

- Promote and market the Village as a place to visit, live, and do business with print and digital advertising
- Operate the George P. Lane Welcome Center to serve residents and visitors

Additional information about the Community Development Division may be obtained by contacting Doug Willardson, Assistant Village Manager of Administration, at 910.295.1900 or dwillardson@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 17,852	\$ -	\$ -	\$ -	0.0%
Operating	111,442	140,500	124,175	151,260	7.7%
Capital	994	-	-	260	100.0%
Expenditures Total	\$ 130,288	\$ 140,500	\$ 124,175	\$ 151,520	7.8%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Logo Merchandise Sales	\$ 28,124	\$ 28,000	\$ 30,000	\$ 35,000	25.0%
Revenues Total	\$ 28,124	\$ 28,000	\$ 30,000	\$ 35,000	25.0%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote a Thriving Business Community

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide a welcoming environment for Pinehurst visitors						
# of Welcome Center visitors served	Output	3,791	3,944	5,100	4,500	4,500
% of Welcome Center shifts filled	Effectiveness	96%	99%	98%	99%	99%
Department Goal: Support Partners in Progress economic development activities						
\$ spent to support Partners in Progress ¹	Input	\$23,100	\$23,100	\$50,000	\$23,100	\$23,100
1 st floor occupancy rate in Village Center	Effectiveness	93%	92%	95%	90%	90%
Notes: ¹ VOP contracts with Moore Co. Partners in Progress for economic development services.						



Strategic Goal: Professionally Manage a High-Performing Organization

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Market and promote the Village and its services						
# of print ads distributed Village-wide	Output	100	94	90	80	80
# of digital ads placed Village-wide	Output	106	96	100	135	135
Marketing \$ invested Village-wide ¹	Input	\$59,675	\$45,975	\$50,000	\$105,000	\$105,000
Notes: ¹ The FY23 goal projection is set based on 90% of the FY22 advertising budgets for Community Development, Fair Barn, Parks and Recreation and Harness Track, which is \$119,000. The bulk of the increase for FY23 is a result of increased amounts budgeted for Community Development and Harness Track for post-COVID advertising.						

FY 2023-2027 Initiative Action Plans

Initiative Action Plans	FY	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Expand Downtown Parking Facilities – Develop a plan and strategy to expand downtown parking facilities.	FY 2024 – FY 2027	\$0	\$0	\$350,000	\$3,170,000	\$20,500



George P. Lane Welcome Center



Department Profile

Recreation is a division within the Parks and Recreation Department. The Parks and Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Director provides management support to all of the divisions in the department, which include Recreation, Harness Track, Fair Barn, and Buildings & Grounds. In addition to the Director, the Recreation Division includes a Recreation Superintendent, Program Coordinator, Administrative Assistant, Special Event Coordinator, and part-time Event Assistant who, in conjunction with the Director, are charged with providing the citizens of Pinehurst with a variety of recreational pursuits that enrich the quality of the lives of the participants.

Areas of focus for FY 2023 include the following:

- Enhance athletic and recreation program offerings
- Begin to retrofit current athletic fields with synthetic turf
- Maximize the use of the new Community Center
- Utilize feedback from point of service surveys of participants to improve programs and facilities

Additional information about the Recreation Division may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 535,092	\$ 654,450	\$ 599,639	\$ 697,150	6.5%
Operating	1,094,907	1,395,585	1,255,180	1,449,870	3.9%
Capital	204,545	432,859	432,839	1,323,728	205.8%
Expenditures Total	\$ 1,834,544	\$ 2,482,894	\$ 2,287,658	\$ 3,470,748	39.8%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Athletic Programs	\$ 47,252	\$ 41,500	\$ 48,000	\$ 65,000	56.6%
Recreation Fees	76,450	138,000	132,000	155,000	12.3%
Facility Rentals	42,718	26,000	50,000	50,000	92.3%
Revenues Total	\$ 166,420	\$ 205,500	\$ 230,000	\$ 270,000	31.4%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote Transportation Mobility and Connectivity

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide interconnected greenway trails, bike paths, and other pedestrian facilities						
% of residents who use the greenway trails during the past year	Effectiveness	48%	47%	50%	50%	50%
# of miles of greenway trails per 1,000 population	Effectiveness	0.44	0.43	0.44	0.44	0.42

**Strategic Goal: Promote Active Living and Cultural Opportunities**

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide adequate parks and recreation facilities						
# of acres of developed parks per 1,000 population	Effectiveness	8.38	8.20	8.12	7.97	7.47
# of developed acres of parks maintained per FTE	Efficiency	28.67	28.67	28.67	28.67	28.67
% of residents satisfied with the quality of Village parks	Effectiveness	99%	99%	95%	95%	95%
# of days the Arboretum is used	Output	49	195	160	120	120
Department Goal: Provide a variety of athletic and recreation programs for all ages						
Total # of participants in athletic and recreation programs ¹	Output	3,392	4,085	6,606	6,738	7,293
Resident participation rate as a % of total participants in athletic and recreation programs ¹	Effectiveness	74%	66%	67%	65%	65%
% of athletic and recreation program participants who are adults	Output	62%	53%	55%	55%	55%
% of athletic and recreation program participants who are youth	Output	38%	47%	45%	45%	45%
% of athletic and recreation programs offered that meet or exceeded minimum registration requirements	Effectiveness	90%	91%	90%	90%	90%
# of athletic and recreation program participants per Recreation Coordinator FTE	Efficiency	1,696	2,043	3,303	3,369	3,647
Resident recreation program participants as a % of population	Effectiveness	14%	9%	9%	8%	8%
% of residents satisfied with the quality of youth recreation programs	Effectiveness	95%	95%	95%	95%	95%
% of residents satisfied with the quality of adult recreation programs	Effectiveness	93%	93%	95%	95%	95%
% of recreation participants satisfied with athletic and recreation programs	Effectiveness	95%	97%	95%	95%	95%
Department Goal: Provide cultural arts events						
# of Village sponsored cultural arts events	Output	62	56	75	75	75
Notes: ¹ For FY20, FY21, and part of FY22, participation numbers dropped due to the COVID-19 pandemic, which canceled months of recreation and athletic programs and special events. Participation projections reflect post-COVID expectations.						

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Recover program and event costs through fees						
% of direct costs recovered through recreation fees	Effectiveness	96%	126%	120%	95%	95%
\$ of revenues obtained for Village sponsored cultural arts events ¹	Output	\$19,371	\$5,923	\$16,000	\$20,000	\$24,000
Notes: ¹ In FY21, the sponsorships significantly decreased due to the COVID-19 pandemic, which canceled months of special events.						

FY 2023-2027 Initiative Action Plans

Initiative Action Plans	FY	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Retrofit Current Athletic Fields – To improved synthetic turf	FY 2023 – FY 2027	\$1,237,000	(\$27,700)	\$661,600	(\$49,400)	(\$50,700)



Department Profile

In April 2022, the Village welcomed the Given Memorial Library and the Tufts Archives, located in the Village Center, into its suite of services. The new Village department, known as the Library and Archives Department, will continue the rich history of the Given Memorial Library and Tufts Archives through programming and special events dedicated to enriching the lives of the community members. The Library and Archives Director reports directly to the Assistant Village Manager of Operations and serves as a member of the senior leadership team. The department consists of a Director, Assistant Director, full-time Associate, and four part-time Associates.

Areas of focus for FY 2023 include the following:

- Begin the expansion and renovation of the Given Library and Tufts Archives
- Manage the collection of over 23,000 items including fiction, non-fiction, audio books, e-books, reference, large print, and children's books
- Provide children's programs throughout the year
- Provide access to the Tufts Archives, the Pinehurst History Museum

Additional information about the Library and Archives Department may be obtained by contacting Audrey Moriarty, Library and Archives Director, at 910.295.6022 or amoriarty@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ 170,850	\$ 57,262	\$ 334,650	95.9%
Operating	163,763	334,610	233,806	270,520	-19.2%
Capital	-	336,123	336,123	1,003,375	198.5%
Expenditures Total	\$ 163,763	\$ 841,583	\$ 627,191	\$ 1,608,545	91.1%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Library State Aid	\$ -	\$ 5,250	\$ 1,200	\$ 7,500	42.9%
Library Donations	-	112,500	200	500	-99.6%
Library Endowment Income	-	37,500	-	112,000	198.7%
Roast Office Rental Income	-	10,800	-	-	-100.0%
Library Event Income	-	52,500	-	-	-100.0%
Miscellaneous Library Revenues	-	15,750	2,020	19,200	21.9%
Revenues Total	\$ -	\$ 234,300	\$ 3,420	\$ 139,200	-40.6%



FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Promote Active Living and Cultural Opportunities

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Provide public library services that meet public need						
# of books checked out	Output	32,490	20,466	32,000	40,000	50,000
# of e-books checked out	Output	17,200	21,139	20,600	21,000	23,000
# of days open	Output	289	211	270	289	300
Average # of books checked out per day open	Output			110	150	166
Average # of e-books checked out per day open	Output			71	70	77
# of youth library programs	Output			11	11	12
# of youth library program participants	Output			102	110	140
# of adult library programs	Output			4	4	5
# of adult library program participants	Output			20	25	35
# of youth library special events	Output			3	4	5
# of youth library special event participants	Output			25	30	40
# of adult library special events	Output			2	3	4
# of adult library special event participants	Output			20	30	40

Strategic Goal: Attract & Retain and Engaged Workforce

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Provide public library services that meet public need						
# of volunteer hours per month for archives	Efficiency	22	57	64	100	100
# of volunteer hours per month for library	Efficiency	8	11	14	25	30

FY 2023-2027 Initiative Action Plans

Initiative Action Plans	FY	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Expand and Renovate Given Library/Tufts Archives – Create and implement a plan to expand and renovate the Givens Library and Tufts Archives	FY 2023 – FY 2027	\$0	(\$1,000,000) ¹	\$3,600,000	\$293,000	\$300,325
Notes: ¹ Estimated \$1,000,000 to be raised through fundraising efforts to support the renovation of the library and archives.						



Department Profile

The Harness Track Division of the Parks and Recreation Department reports to the Parks and Recreation Director. The Harness Track Division includes one Track Supervisor, three full-time Track Specialists, and part-time seasonal personnel responsible for the operations and maintenance of the Harness Track facility. The Harness Track, established in 1915, is listed in the National Register of Historic Places. The Village rents the Harness Track horse training facility to show promoters, trainers, and other outside groups.

Areas of focus for FY 2023 include the following:

- Continue maintaining three sand-clay training tracks (a 1/2 mile track, a 5/8 mile track, and a 1 mile track) totaling 2.25 miles on 111 acres at a high level
- Increase marketing efforts of the Harness Track to maximize rentals of stalls and utilization of the facility for events
- Maintain a Track Restaurant and Tack Shop

Additional information about the Harness Track Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 224,837	\$ 245,800	\$ 242,172	\$ 266,200	8.3%
Operating	231,946	343,110	322,471	337,060	-1.8%
Capital	994	190,132	169,132	51,256	-73.0%
Expenditures Total	\$ 457,777	\$ 779,042	\$ 733,775	\$ 654,516	-16.0%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Stall Rental	\$ 128,452	\$ 145,000	\$ 142,000	\$ 174,000	20.0%
Tack Shop Rental	5,824	5,400	5,500	5,500	1.9%
Restaurant Rent	7,044	7,000	7,200	7,200	2.9%
Shows/Events Revenue	40,170	28,000	34,000	25,000	-10.7%
Revenues Total	\$ 181,490	\$ 185,400	\$ 188,700	\$ 211,700	14.2%



Harness Track Matinee Races



FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High-Performing Organization

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide a high-quality equestrian training and event venue						
% of Harness Track building renovations completed on schedule	Effectiveness	100%	100%	100%	100%	100%
# of Harness Track facility acres	Input	111	111	111	111	111
# of Harness Track facility acres maintained per FTE	Efficiency	28.96	27.75	27.75	27.75	27.75
% of customers satisfied with the Harness Track facility	Effectiveness	100%	100%	100%	95%	95%

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Maximize utilization of the Harness Track						
# of stalls available for rent	Input	260	244	244	214	214
Cumulative # of stalls rented	Output	172	126	141	161	201
% of capacity reached for stall rentals ¹	Effectiveness	66%	48%	59%	75%	94%
# of days the Harness Track is rented for equestrian events	Output	24	31	35	37	45
# of days the Harness Track is rented for non-equestrian events ²	Output	38	217	178	80	60
% of days the Harness Track is rented ²	Effectiveness	17%	68%	58%	32%	29%
Department Goal: Maximize profitability of the Harness Track						
% of Harness Track operating expenditures recovered with fees	Effectiveness	51%	40%	46%	47%	47%
Notes: ¹ Each year, VOP strives to reach maximum capacity of harness track stalls that are rented to standardbred trainers. ² The # of days the Harness Track is rented for non-equestrian events peaked in FY21 due to outside organizations using the track for sports and other non-equestrian events during the COVID-19 pandemic. These numbers level out in the five-year planning period until FY24, when the US Open Championship returns to Pinehurst.						



Department Profile

The Fair Barn is a Division of the Parks and Recreation Department and operates under the direction of the Parks and Recreation Director. The Fair Barn Division is comprised of the Fair Barn Coordinator, several part-time assistants, and part-time laborers who provide the labor, supplies, expertise, and management for the operations and maintenance of the Fair Barn. The Fair Barn is a renovated 6,400 square foot facility located at the Harness Track that was designed as an exhibition hall for the Sandhills Fair in 1917. The Village rents the Fair Barn to outside groups as a venue for weddings and other large events that can accommodate up to 600 people.

Areas of focus for FY 2023 include the following:

- Promote the use of enhanced outdoor space to provide additional entertainment space for renters
- Maintain 6,400 square feet of rental space at a high level
- Promote and manage the facility to maximize its use

Additional information about the Fair Barn Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 91,357	\$ 132,000	\$ 129,177	\$ 139,200	5.5%
Operating	170,395	236,470	215,872	259,740	9.8%
Capital	60,050	135	135	30,480	22477.8%
Expenditures Total	\$ 321,802	\$ 368,605	\$ 345,184	\$ 429,420	16.5%

Revenues by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Fair Barn Rental	\$ 81,538	\$ 186,500	\$ 225,000	\$ 225,000	20.6%
Shows/Events Revenue	1,440	3,500	5,500	5,000	42.9%
Revenues Total	\$ 82,978	\$ 190,000	\$ 230,500	\$ 230,000	21.1%



Fair Barn

**FY 2023 Department Goals, Objectives, and Key Performance Indicators****Strategic Goal: Professionally Manage a High-Performing Organization**

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide a high-quality event venue						
% of customers satisfied with the Fair Barn facility	Effectiveness	100%	100%	100%	95%	95%

Strategic Goal: Maintain a Healthy Financial Condition

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Maximize utilization of the Fair Barn						
# of weekdays the Fair Barn is used	Output	41	57	58	59	63
# of weekend days the Fair Barn is used ¹	Output	61	19	87	88	91
Fair Barn weekday utilization rate	Effectiveness	20%	27%	28%	29%	30%
Fair Barn weekend utilization rate ¹	Effectiveness	39%	12%	55%	56%	58%
# of client leads for weekend rentals	Input	863	620	552	586	586
Department Goal: Maximize profitability of the Fair Barn						
% of Fair Barn operating expenditures recovered with fees ²	Effectiveness	53%	32%	70%	90%	95%

Notes: ¹ Because the Fair Barn is such a popular event venue, weekends are typically booked well in advance and there are not a lot of opportunities to increase weekend utilization significantly. The FY24 number of days also accounts for the US Open Championship returning to Pinehurst. FY21 utilization of the Fair Barn dropped significantly due to the COVID-19 pandemic, which canceled many events for the year. ² In recent years, VOP staff have tried to recover operating expenditures associated with the Fair Barn with fees. FY21 profitability of the Fair Barn dropped significantly due to the COVID-19 pandemic, which canceled many events for the year.



Department Profile

The Buildings & Grounds Division operates under the direction of the Parks and Recreation Director. This division includes a Building & Grounds Superintendent, two Maintenance Technicians, and five Grounds Specialists that provide regular and preventative maintenance for all facilities owned by the Village as well as for selected Village-owned grounds and property. All expenditures of this department are charged back to other departments in the form of internal service charges.

Areas of focus for FY 2023 include the following:

- Continue to respond to work order requests in a timely fashion and striving to reduce the number of days to close work orders
- Conduct quarterly inspections of buildings, playgrounds, and greenway trail bridges

Additional information about the Building & Grounds Division may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.1900 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 498,029	\$ 541,800	\$ 516,696	\$ 573,900	5.9%
Operating	696,279	867,430	789,356	989,470	14.1%
Capital	133,506	1,215,476	1,194,476	1,610,780	32.5%
Expenditures Total	\$ 1,327,814	\$ 2,624,706	\$ 2,500,528	\$ 3,174,150	20.9%



Buildings and Grounds Employee



FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High-Performing Organization

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Respond promptly to Building and Grounds work order requests						
# of B&G work order requests received	Input	264	266	322	250	250
% of B&G work order requests closed within 14 days	Effectiveness	99%	100%	99%	95%	95%
% of B&G work order requests that are an emergency	Effectiveness	3%	0%	0%	4%	3%
Average # of days to close B&G work orders	Effectiveness	4.71	4.57	5.50	4.50	4.00
% of employees satisfied with the quality of B&G work performed	Effectiveness	99%	100%	96%	95%	95%
Department Goal: Effectively maintain Village buildings and grounds						
# of square feet of buildings maintained ¹	Output	130,396	130,396	138,796	140,296	150,296
# of square feet of buildings maintained per facilities maintenance FTE	Efficiency	65,198	65,198	69,398	70,148	75,148
% of Village buildings inspected quarterly	Effectiveness	100%	100%	100%	100%	100%
% of playground inspections completed according to schedule	Effectiveness	100%	100%	100%	100%	100%
% of greenway/trail bridges inspected according to schedule	Effectiveness	100%	100%	100%	100%	100%
# of B&G work orders per FTE per day	Input	0.09	0.09	0.09	0.09	0.09
Notes: ¹ Total square footage (sf) maintained increased in FY22 with the addition of the Library/Archives. Projections for FY25 and FY26 include the future expansion of the Library/Archives.						



Department Profile

The Fleet Supervisor reports directly to the Assistant Village Manager of Operations. The Fleet Maintenance Department consists of the Supervisor and two Technicians who are responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. All expenditures of this department are charged back to other departments in the form of internal service charges.

Areas of focus for FY 2023 include the following:

- Acquire new vehicles and equipment according to the Fleet Replacement Plan
- Respond promptly to fleet work order requests

Additional information about the Fleet Maintenance Department may be obtained by contacting Jeff Batton, Assistant Village Manager of Operations, at 910.295.1900 or jbatton@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 268,100	\$ 314,250	\$ 247,420	\$ 266,050	-15.3%
Operating	380,445	531,930	504,681	547,130	2.9%
Capital	764,553	1,124,760	1,106,760	846,520	-24.7%
Expenditures Total	\$ 1,413,098	\$ 1,970,940	\$ 1,858,861	\$ 1,659,700	-15.8%



Vehicle Maintained by Fleet Maintenance Department



FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High-Performing Organization

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Respond promptly to fleet work order requests						
% of fleet work orders completed within 2 days of receipt	Effectiveness	99%	99%	99%	98%	98%
% of mechanic time spent on repairs & maintenance	Effectiveness	52%	51%	45%	50%	50%
Department Goal: Effectively maintain Village vehicles and equipment to maximize availability						
# of vehicles maintained ¹	Output	102	102	100	102	103
# of equipment items maintained	Output	77	88	78	79	79
# of vehicles and equipment items maintained per FTE	Efficiency	59	63	60	60	60
# of PMs completed	Output	231	228	220	228	230
% of PMs completed on time	Effectiveness	96%	98%	96%	97%	97%
% of rolling stock available	Effectiveness	99%	99%	99%	98%	98%
% of employees satisfied that repairs are made correctly the first time	Effectiveness	91%	94%	94%	93%	93%
Scheduled maintenance work orders as a % of total maintenance work orders	Effectiveness	23%	24%	25%	24%	24%
Department Goal: Replace vehicles and equipment based on the predetermined life-cycle expectancy						
Average age of police patrol vehicles (in years)	Effectiveness	5.6	4.8	4.8	4.5	4.0
Average age of automated garbage trucks fleet (in years)	Effectiveness	5.7	6.5	6.5	6.8	3.9
Average age of fire pumpers fleet (in years)	Effectiveness	9.8	6.8	6.8	7.5	9.6
Notes: ¹ The projected # of vehicles and equipment maintained are based on the five-year Fleet Replacement schedule. Over time, VOP has reduced the size of its fleet in an effort to operate more fiscally responsible.						



Department Profile

The Chief Information Officer (CIO) reports directly to the Assistant Village Manager of Administration and is a member of the senior leadership team. In addition to the CIO, the Information Technology Department (IT) includes a Network Administrator, IT Systems Specialist, Business Analyst, GIS Analyst, and IT Technician. All of these positions are responsible for the support, maintenance, and security of hardware, software, and network infrastructure. All expenditures of this department are charged back to other departments in the form of internal service charges.

Areas of focus for FY 2023 include the following:

- Increase efforts to ensure a secure network with cybersecurity preventative measures
- Maintain more than 20 software programs and applications that support municipal services as well as the Village website, mobile app (MY VOP), database servers, email servers, Enterprise Resource Planning (ERP) system, and the Welcome Center and downtown kiosks
- Manage an extensive network infrastructure with multiple WAN connections and over 320 devices including computers, physical and virtual servers, Wi-Fi, printers, and other technology equipment
- Provide GIS services
- Respond promptly to IT work orders

Additional information about the Information Technology Department may be obtained by contacting Jason Whitaker, Chief Information Officer, at 910.295.1900 or jwhitaker@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Salaries & Benefits	\$ 571,058	\$ 612,750	\$ 593,646	\$ 650,050	6.1%
Operating	637,613	737,000	695,651	871,400	18.2%
Capital	124,595	116,000	116,000	26,000	-77.6%
Expenditures Total	\$ 1,333,266	\$ 1,465,750	\$ 1,405,297	\$ 1,547,450	5.6%

FY 2023 Department Goals, Objectives, and Key Performance Indicators

Strategic Goal: Professionally Manage a High-Performing Organization

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Support technology users						
% of IT help desk tickets closed within 2 days	Effectiveness	92%	93%	93%	91%	94%
Average # of days to close IT help desk tickets	Effectiveness	0.77	0.53	0.80	0.40	0.40
# of IT help desk tickets closed per FTE per month	Efficiency	23	20	22	30	31
% of employees satisfied with the quality of IT help desk services ¹	Effectiveness	100%	99%	99%	98%	98%
% of employees satisfied with the timeliness of IT help desk services ¹	Effectiveness	99%	99%	99%	98%	98%
Notes: ¹ Because leveraging technology is one of VOP's key strategic advantages, the IT Department strives to seek ways to utilize technology to improve the efficiency and effectiveness of Village services. Historically, IT staff have received very high satisfaction ratings from Village employees for the quality and timeliness of IT help desk services.						



Strategic Goal: Professionally Manage a High-Performing Organization

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide user access to a safe and secure network						
% of computers with current antivirus protection	Effectiveness	94%	94%	94%	92%	92%
Department Goal: Conduct efficient backups and disaster recovery						
% of time automatic backups are successful	Effectiveness	100%	99%	98%	98%	98%
Department Goal: Provide high availability of network resources						
% of network uptime	Effectiveness	100%	100%	100%	99%	99%
% of Internet Service Provider (ISP) uptime	Effectiveness	100%	100%	100%	99%	99%
Average # of lost IT staff work hours due to viruses or malware per month	Effectiveness	0.48	2.23	0.5	2	2
Department Goal: Maintain the Village's technology infrastructure						
% of computers and servers that are 5 years old or less ¹	Effectiveness	100%	99%	98%	95%	95%
Notes: ¹ VOP computers and servers are replaced on a 5-year life cycle in accordance with the Technology Replacement Plan. In some instances, however, individual computers may be utilized beyond the 5-year target replacement date depending on performance and organizational need.						

Strategic Goal: Attract & Retain an Engaged Workforce

KPI	Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Est.	FY 2023 Proj.	FY 2027 Proj.
Department Goal: Provide information technology training						
% of workforce with IT access who participate in IT orientation ¹	Effectiveness	100%	100%	100%	100%	100%
Notes: ¹ All new employees with network access are required to attend mandatory IT orientation which includes an overview of VOP technology and the VOP Electronic Use Policy						



Department Profile

As a means to finance long-term capital purchases and projects, the Village of Pinehurst utilizes long-term debt. While simultaneously benefiting from its use, the Village has traditionally maintained a conservative position regarding the use of debt. Because of its importance to the Village's financial solvency, debt is regulated not only by North Carolina statutes, but also by Council policy. See the *SOP Guide* section for the Debt Guidelines. For information on anticipated debt, please refer to the *Capital Improvement Plan* section.

The Village paid off all outstanding debt in FY 2021. There is no debt in FY 2022 and no issuances planned for FY 2023.

As the Village has not issued any General Obligation Bonds, we have not been rated by a national rating agency such as Moody's Investment Service or Standard and Poor's.

Additional information about Debt Service expenditures may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Principal	\$ 141,600	\$ -	\$ -	\$ -	0.0%
Interest	3,148	-	-	-	0.0%
Expenditures Total	\$ 144,748	\$ -	\$ -	\$ -	0.0%



Computation of Legal Debt Limit

Net Assessed Value - June 30, 2021	\$ 3,828,874,825
	<u>8.0%</u>
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 306,309,986
Gross Debt:	
Installment Purchase Agreements	<u>-</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	<u>-</u>
Legal Debt Margin	<u>\$ 306,309,986</u>

The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village's net debt as a percentage of assessed valuation at June 30, 2021 is 0.00% compared to the legal debt limit of 8%.



Other Financing Uses

Department Profile

Other financing uses represent transfers out of the General Fund to other funds. The budget for FY 2023 does not include any transfers out of the General Fund.

Additional information about other financing uses may be obtained by contacting Brooke Hunter, CPA, Financial Services Director, at 910.295.1900 or bhunter@vopnc.org.

Budget Summary

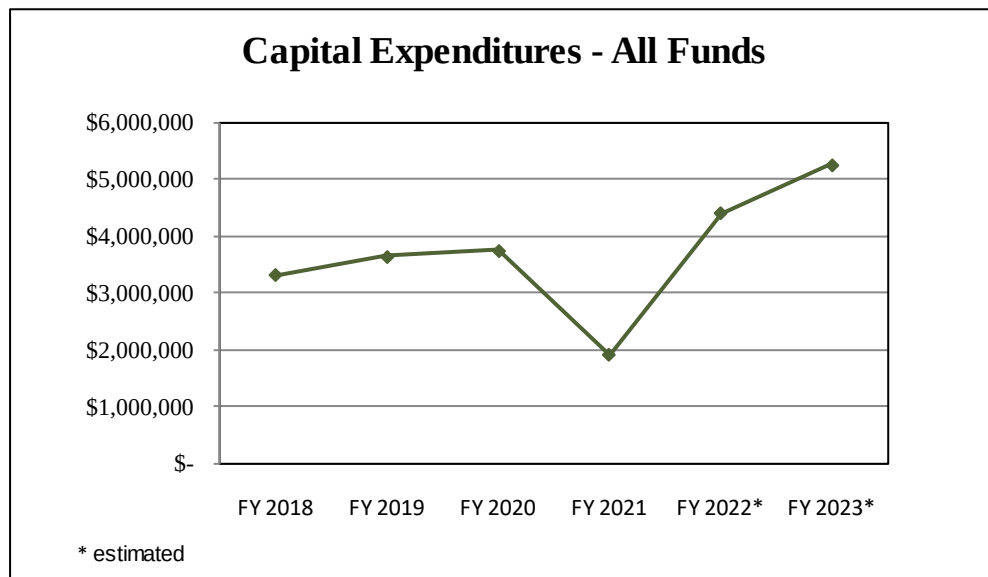
Expenditures by Type	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Budgeted	Percent Change
Operating	\$ -	\$ 550,000	\$ 550,000	\$ -	-100.0%
Expenditures Total	\$ -	\$ 550,000	\$ 550,000	\$ -	-100.0%



Description

Capital expenditures are appropriated within each fund, typically in the General Fund and capital project funds, when applicable. This section is provided to give the reader a summary of all capital expenditures and to provide trend data related to capital expenditures.

The Village is committed to protect and maintain its capital investments. The chart below illustrates the historical capital expenditure levels by the Village.



Increases FY 2019 and FY 2020 include construction costs for the Cannon Park Community Center. The decrease in FY 2021 is related to a fire engine that was ordered but not received by year-end and several other significant infrastructure projects that were underway but not complete. Included in FY 2022 are costs for a fire engine and design costs for the library expansion. The library expansion is being accounted for in a separate capital project fund. In FY 2023, costs are included for unspecified initial building improvements at the library and installation of synthetic turf on an athletic field at Cannon Park.

Summary

Capital expenditures are typically accounted in either the General Fund or capital project funds. In the General Fund, appropriations are made on an annual basis. These capital outlays are included in the *General Fund* section by department. In the capital project funds, a project ordinance is adopted for a multi-year period and remains in effect until the project is completed. For FY 2023, the Village has one capital project fund and has plans to create a second capital project fund within the five-year capital improvement plan. The following section highlights capital expenditures in the General Fund and capital projects funds.



Capital Expenditures

General Fund Capital Expenditures

The schedule on the following pages details the specific capital items funded in the FY 2023 Budget. In addition to routine vehicle and equipment replacements, the Village intends to make storm drainage improvements; potentially purchase land for the Public Services Complex relocation; make Library building improvements; make streetscape improvements; build pedestrian facilities; and add synthetic turf to an athletic field at Cannon Park. Please refer to the *General Fund* section for additional information on these items.

General Fund Capital Items	Budget Department/Division	FY 2023 Funded Amount
Public Safety		
SCBA Air Packs	Fire	\$ 162,000
Thermal Imaging Camera	Fire	7,400
Car Radio Replacements	Police	140,000
Dash Camera Replacements	Police	135,000
Total Public Safety		444,400
Transportation		
Potential Land Acquisition for Public Services Relocation	Public Services Admin	350,000
Pedestrian Facilities	Streets & Grounds	400,000
Streetscape Improvements	Streets & Grounds	200,000
Stormwater Drainage Projects	Streets & Grounds	355,000
Total Transportation		1,305,000
Cultural & Recreation		
Indoor Stage Replacement	Fair Barn	26,000
Barn Restroom Remodel	Harness Track	7,500
Total Cultural & Recreation		33,500
Environmental Protection		
Glass Drop Off Site	Solid Waste	24,000
Total Environmental Protection		24,000
Buildings & Grounds Maintenance		
Exterior Staircase Enclosure	Administration	15,000
Replace HVAC in Village Hall	Administration	120,000
Unspecified Initial Building Improvements	Library	1,000,000
Stormwater Master Plan Implementation	Harness Track	25,000
Replace Siding	Harness Track	15,000
Elevator Upgrades	Police	75,000
Replace HVAC	Police	15,000
Synthetic Turf - Cannon Park Field	Recreation	1,237,000
Tufts Park Sidewalk Extension	Recreation	28,000
Pergola to Magnolia Sidewalk Extension	Recreation	8,000
Cannon Park Playground Surfacing	Recreation	44,000
Total Buildings & Grounds Maintenance		2,582,000
Information Technology		
Server Backup Primary AACore1	Information Technology	13,000
Server Backup Secondary AACore4	Information Technology	13,000
Total Information Technology		26,000



Capital Expenditures

General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department/Division	FY 2023 Funded Amount
Fleet Maintenance		
Chevy C1500	Inspections	\$ 25,000
Chevy Tahoe	Police	56,000
Chevy Tahoe	Police	56,000
Dodge Charger	Police	56,000
Dodge Charger	Police	56,000
Dodge Durango	Police	56,000
Dodge Durango	Police	56,000
Freightliner Garbage Truck	Solid Waste	245,000
Ford F150	Buildings & Grounds	28,000
Vacuum Sweeper	Streets & Grounds	150,000
Salt Spreader	Streets & Grounds	12,000
Mower Deck	Streets & Grounds	5,000
Ford F250	Streets & Grounds	45,000
Total Fleet Maintenance		846,000
General Fund Total		\$ 5,260,900
% of Expenditures		19.4%

See the *Capital Project Funds* section for details on the current projects in the Village's Five-Year Capital Improvement Plan.



Description

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Capital projects are approved through a separate Capital Project Ordinance as they usually span over more than one fiscal year. This section provides information regarding the major on-going or upcoming capital projects for the Village of Pinehurst, the revenues to date, the expenditures to date, a brief description of the project, as well as the anticipated impact of the project on the operating budget.

The Village of Pinehurst is planning to adopt two capital project funds. These two project funds are detailed later in this section and include:

- ❖ Library Expansion Capital Project Fund
- ❖ Carriage House Parking Facility Capital Project Fund

Summary

The Village plans to build an addition to the existing Given Memorial Library building to increase the amount of space for library programming and to expand the collection. This expansion is based on the needs Pinehurst residents expressed for expanded or enhanced library services during a recent Library Needs Assessment. Design for the library expansion project began in FY 2022 and construction of the addition will commence in FY 2025 after the 2024 U.S. Open Championship.

The Village intends to construct the Carriage House parking facility to provide additional parking in the downtown Village Center area. The planned expansion of parking is to accommodate a proposed addition to the existing Given Memorial Library and to make parking more easily accessible to downtown businesses and their customers. Design for the parking facility is scheduled to begin in FY 2025, with construction commencing in FY 2026.



Library Expansion Capital Project Fund

Budget Highlights

The Library Expansion Capital Project Fund accounts for the cost of design and construction of an addition to the Given Memorial Library building. The \$4,000,500 project will be funded by \$4,000,000 in cash from the General Fund and \$500 in estimated investment income. A transfer from the General Fund in the amount of \$400,000 occurred in FY 2022 and the remaining \$3,600,000 transfer from the General Fund is planned in FY 2025.

The project began in FY 2022. Design and engineering costs of \$400,000 were funded in FY 2022 with expansion planned for FY 2025 following the 2024 U.S. Open Championship. A capital project budget ordinance outlined below has been adopted by the Village Council in FY 2022.

Library Expansion Expenditures and Revenues

Expenditures by Type	Projected Budget	Amount Spent to Date	Remaining Balance
Design/Engineering Costs	\$ 400,500	\$ -	\$ 400,500
Construction Costs	3,600,000	-	3,600,000
Total Expenditures	\$ 4,000,500	\$ -	\$ 4,000,500
Revenues by Type	Projected Budget	Amount Received to Date	Balance Remaining
Transfer from General Fund	\$ 4,000,000	\$ 400,000	\$ 3,600,000
Investment Income	500	-	500
Total Revenues	\$ 4,000,500	\$ 400,000	\$ 3,600,500

Impact on Operating Budget

There will be no impact on the General Fund operating budget for the FY 2023 fiscal year. When the expansion is complete in FY 2025, operating costs in the General Fund will increase to support salaries, utilities, supplies, and other programming costs. These expenditure changes have been incorporated into the Village's CIP and are detailed in that section. They are also reflected in the five-year financial forecast.



Carriage House Parking Facility Capital Project Fund

Budget Highlights

The Carriage House Parking Facility Capital Project Fund accounts for the costs incurred in the design and construction of the Carriage House parking facility. The parking facility will ensure residents and visitors alike have ample parking to frequent downtown businesses and attend community-wide events held in the downtown area. The \$3,500,200 project will be funded by \$350,000 in cash from the General Fund in FY 2025 and \$3,150,000 in FY 2026 and \$200 in estimated investment income.

The project will begin in FY 2025 and there have been no expenditures to date. Design and engineering costs of \$350,200 are anticipated in FY 2025 with construction of the facility planned for FY 2026. A capital project budget ordinance outlined below will be adopted by the Village Council in FY 2025.

Carriage House Parking Facility Expenditures and Revenues

Expenditures by Type	Projected Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 350,200	\$ -	\$ 350,200
Construction Costs	3,150,000	-	3,150,000
Total Expenditures	\$ 3,500,200	\$ -	\$ 3,500,200
Revenues by Type	Projected Budget	Amount Received to Date	Balance Remaining
Transfer from General Fund	\$ 3,500,000	\$ -	\$ 3,500,000
Investment Income	200	-	200
Total Revenues	\$ 3,500,200	\$ -	\$ 3,500,200

Impact on Operating Budget

There will be no impact on the General Fund operating budget for the FY 2023. Once the facility is completed in FY 2026, operating costs in the General Fund will increase to support maintenance, utilities, and other costs. These expenditures have been incorporated into the Village's CIP and are detailed in that section. They are also reflected in the five-year financial forecast.



Special Revenue Fund Summary

Description

Special revenue funds are used to account for special revenues that are legally restricted to expenditures with a particular purpose. The Village of Pinehurst currently has one special revenue fund that serves a distinctive purpose. The fund is detailed below:

❖ American Rescue Plan Act Special Revenue Fund

Summary

The American Rescue Plan Act Special Revenue Fund accounts for the direct financial aid the Village of Pinehurst received in response to the COVID-19 pandemic through the American Rescue Plan Act. This once-in-a-generation influx of dollars provides a unique opportunity for the Village of Pinehurst to strategically invest in the future without obtaining debt financing. These funds are allowed to be used for general government services, more specifically local government salaries and benefits. Using the funds for this purpose will free up \$5.3 million of General Fund dollars to utilize in the most strategic way without the complex Federal reporting restrictions.

American Rescue Plan Act Expenditures and Revenues

Expenditures by Type	Projected Budget	Amount Spent to Date	Balance Remaining
Transfer to General Fund	\$ 5,297,720	\$ -	\$ 5,297,720
Total Expenditures	\$ 5,297,720	\$ -	\$ 5,297,720

Revenues by Type	Projected Budget	Amount Received to Date	Balance Remaining
American Rescue Plan Grant	\$ 5,296,750	\$ 2,648,376	\$ 2,648,374
Investment Income	970	620	350
Total Revenues	\$ 5,297,720	\$ 2,648,996	\$ 2,648,724

Budget Highlights

Revenues in this fund include federal grant assistance received from the American Rescue Plan Act and investment income related to those funds.

With a transfer to the General Fund, planned expenditures include general government services.



Introduction

Purpose

The Village of Pinehurst is a high performing, results oriented organization. We are focused on fulfilling our mission and achieving the short-term and long-term performance goals indicated on our Balanced Scorecard (BSC). A reliable long-term financial forecast is an important part of ensuring that adequate resources are available to meet future financial obligations. It also assists us in meeting the Council's strategic goal to "Maintain a Healthy Financial Condition" and achieving the long-term financial targets on our Balanced Scorecard.

Each year, the Financial Services Department prepares a five-year financial forecast to ensure the Village can achieve the long-term performance target levels on the Village's BSC and department balanced scorecards while maintaining a healthy and sustainable financial position.

The Village has budgetary and financial policies that set forth basic guidance for the financial management of the Village. These policies, provided in the *Strategic Operating Plan Guide* section of this document, are based upon long-standing principles of public stewardship. The forecast serves to inform decision makers of the mid-term financial implications of the decisions they are making today.

Methodology

The forecast includes five-year projections of revenues, operating expenditures, anticipated debt service for financed capital, and planned capital expenditures. It is inclusive of the Initiative Action Plans in the forecasted period and the impact those initiatives are projected to have on revenue, capital expenditures and ongoing operating costs.

Sound and conservative financial principles are utilized when preparing the plan. Much effort is taken to ensure that all revenue and costs associated with an Initiative Action Plan, capital addition, or program are included in the plan. This is done to ensure the plan is as accurate as possible in predicting financial outcomes and to ensure that adequate resources are available to meet future obligations.

After the issuance of the Village's audit report each fall, Financial Services staff begin compiling the data needed to update the forecast. Files containing historical financial information are updated to include the current year's audited data. This annual update ensures that the plan is based upon the most relevant data available.

Revenue Forecasting

Significant revenue sources of the Village are forecast on a line-by-line basis. They are generally projected based on historical trends and other available information. For instance, property tax revenue is dependent on new construction trends and property revaluations. All of these factors are taken into account to forecast property tax revenue. Some revenue sources, like sales taxes, are directly linked to the overall economy. This makes them more difficult to predict on a long-term basis.



Five-Year Financial Forecast FY 2023-2027

The Village also relies heavily on information provided by the North Carolina League of Municipalities (NCLM). In conjunction with economists at the North Carolina General Assembly, the NCLM issues a revenue forecast memo each spring, which contains projected growth rates for state-collected local revenue.

Department heads and financial staff also review internal data on programs and activities to accurately forecast fees and charges revenue over the five-year planning horizon.

Operating Expenditure Forecasting

Salaries and benefits make up approximately half of the Village's budgeted expenditures each year, so forecasting them accurately is critical to producing a reliable plan. Staff begins by developing the current year personnel budget. Each department head also projects staffing needs over the five-year period and completes a staffing request for the staffing forecast. The Strategic Planning Team reviews these requests and determines which positions to include in the final plan. All positions included in the staffing forecast are incorporated into the five-year forecast. Part-time staffing requirements and overtime are also estimated and included.

Merit raise ranges are estimated for the five-year period in consultation with the Village Manager and the Human Resources Director. Cost of living adjustments are based on the annual average consumer price index percentage for the prior calendar year. Other benefit costs are estimated at their individual growth rates based upon information from the North Carolina Retirement System, our insurance providers, and our benefit consultants.

The current year forecast is then used to project the remaining four years of the plan using key assumptions set by the Financial Services Director, in consultation with the Village Managers.

Each year, departments develop Initiative Action Plans (IAPs) and Opportunities for Improvement and Innovation (OFIs) that are designed to improve performance and service levels indicated on the Village's BSC. These initiatives may include operating and capital expenditures. Each IAP or OFI has its own five-year financial plan that indicates the operating and capital expenditures as well as any revenue impact related to the initiative by year. Financial Services staff analyze the IAPs and OFIs and incorporate the financial data contained in their plans into the five-year forecast. The *Strategic Priorities* section provides a description and the estimated net cost of IAPs included in the five-year financial forecast.

The forecast for other operating expenditures is based on the current year's operating expenditures budget. The forecast takes current operating expenditures, which are not related to personnel or a specific IAP, and forecasts them based on an inflation factor. To ensure the accuracy of the plan, a listing of adjustments by year is maintained to adjust for known additions or deductions from the plan. For instance, if the Village has a significant expenditure in the first year that will not be in the second year of the plan, the item is removed from the plan in the second year. The forecast will not contain these costs in the second year and going forward. The financial plans for all IAPs and OFIs are reviewed carefully to ensure that new operating costs that begin after the first year of the plan are included. Also, operating expenditures and revenue related to major capital additions are manually added to the forecast in the same manner.



Five-Year Financial Forecast FY 2023-2027

Capital Expenditure Forecasting

The Village's Capital Improvement Plan (CIP) is a detailed plan of capital additions and replacements in the five-year period. The CIP is used to plan for the acquisition of vehicles, equipment, infrastructure, new facilities, and other capital assets valued at over \$5,000. All capital expenditures are consistent with the implementation strategies detailed in the 2019 Comprehensive Plan.

Adequate resources must be made available for timely replacement of the Village's capital assets. The forecast allows decision makers to monitor planned capital investment levels to ensure that a balance between operating needs and capital needs is maintained across the planning horizon.

More details on how the capital forecast is developed is contained in the *Capital Improvement Plan* section of this document.

FY 2023-2027 Five-Year Financial Forecast

Revenue Forecast and Significant Assumptions

The FY 2023-2027 forecast projects operating revenue from \$22,812,380 to \$24,847,000 over the next five years. The Village originally planned a one-half cent property tax rate increase for FY 2023 due to operating expenditure pressures. However, due to continued increases projected in local option sales tax revenue in FY 2023, the property tax rate will decrease from \$0.315 to \$0.31 cents per \$100 valuation. The tax rate is then projected to increase by one-half cent in FY 2024 to address operating expenditure pressures, remain flat in FY 2025, and increase by one cent in FY 2026 with additional staffing and operating expenditures associated with the planned library expansion. Real property taxes are estimated to grow at 1% over the planning period due to the construction of new homes and commercial properties.

Local option sales taxes are planned to increase at 3% per year for all years in the plan except FY 2024. Local option sales taxes are projected to increase by 5% in FY 2024 due to the favorable impacts of Pinehurst Resort hosting the U.S. Open Championship. Other unrestricted intergovernmental revenues are planned to increase or decrease at varying rates based upon the NCLM forecast and other available information. Other revenues in FY 2024 include an estimated \$1 million in donations toward the library and archives expansion during a planned capital fundraising campaign.

Other Financing Sources Forecast

Other financing sources represent non-revenue items such as proceeds from loans or operating transfers to the General Fund from other funds. The forecast includes total transfers of \$5,297,720 from the Special Revenue Fund to the General Fund in the first two years of the forecast. The Special Revenue Fund represents the Village's allocation of federal grant funding received from the American Rescue Plan Act in response to the COVID-19 pandemic.

Operating Expenditure Forecast and Significant Assumptions

Salaries and benefits are forecast to increase by approximately 3.2% per year on average across the planning period before accounting for the addition of new positions. Merit pay raises of 2% and cost of



Five-Year Financial Forecast FY 2023-2027

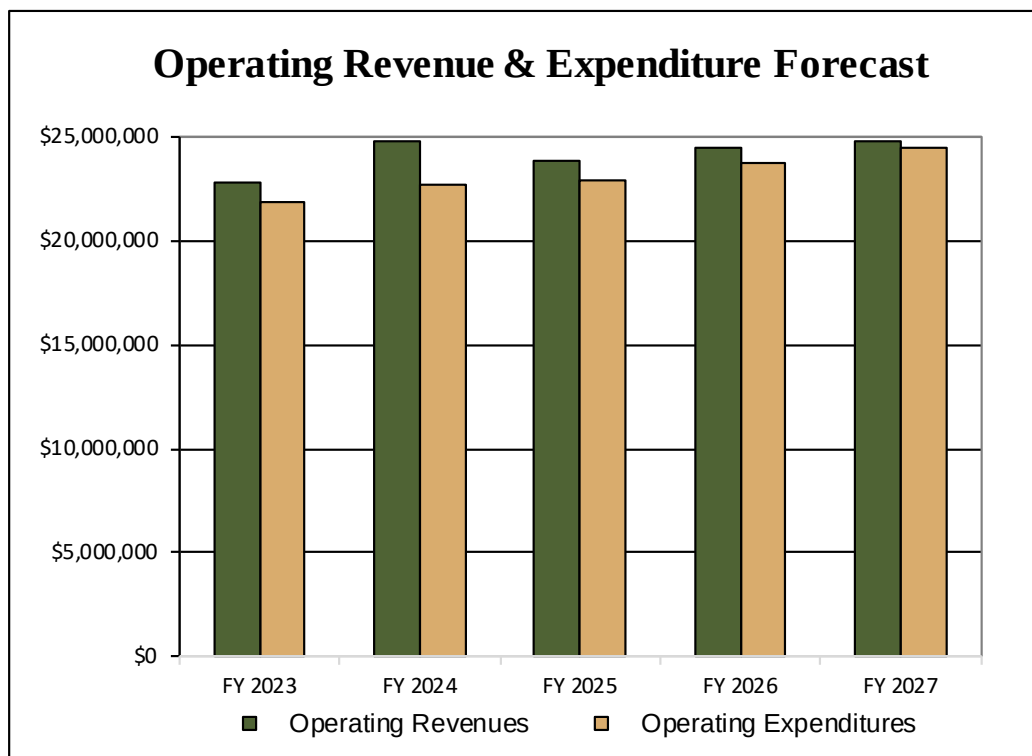
living adjustments of 4.7% in FY 2023, 3.0% in FY 2024, and 2.0% in FY 2025-2027 account for the majority of this increase. Increased required retirement contributions and projected continued increases in health insurance premiums are also contributing factors. Beyond the FY 2023 budget year, there are two planned changes to paid staff. A full-time Building Inspector position will reduce to half-time in FY 2025 upon retirement of a Building Inspector. As part of the library expansion IAP, three full-time positions are added in FY 2026 to coincide with the expansion of the library and archives facility. The net effect of these changes is an increase of 2.5 FTEs.

In January 2022, The North Carolina Local Government Employees' Retirement System Board voted to increase employer contribution rates over the next five years, with guardrails in place to potentially decrease rates if certain criteria are met. These contribution rates increase in year two of the five-year plan. The base contribution rate for non-law enforcement officers increases from 12.14% in FY 2023 to 12.91% in FY 2024 and beyond.

Other operating expenditures are expected to increase by 2.5% per year based on the long-term average rate of inflation. We believe this is a reasonable and conservative estimate.

Debt service expenditures are projected using known amortization schedule payments for existing debts and estimated interest rates if new debt is projected to be issued in the five-year period. The Village has no outstanding debt and no debt issuances are expected in the five-year financial forecast from FY 2023-2027.

After adjusting for incremental operating expenditures from new initiatives and capital additions, total operating expenditure increases in the plan range from 0.75% to 4.07% in FY 2023-2027. Operating expenditures related to the U.S. Open Championship in FY 2024 are removed in FY 2025.

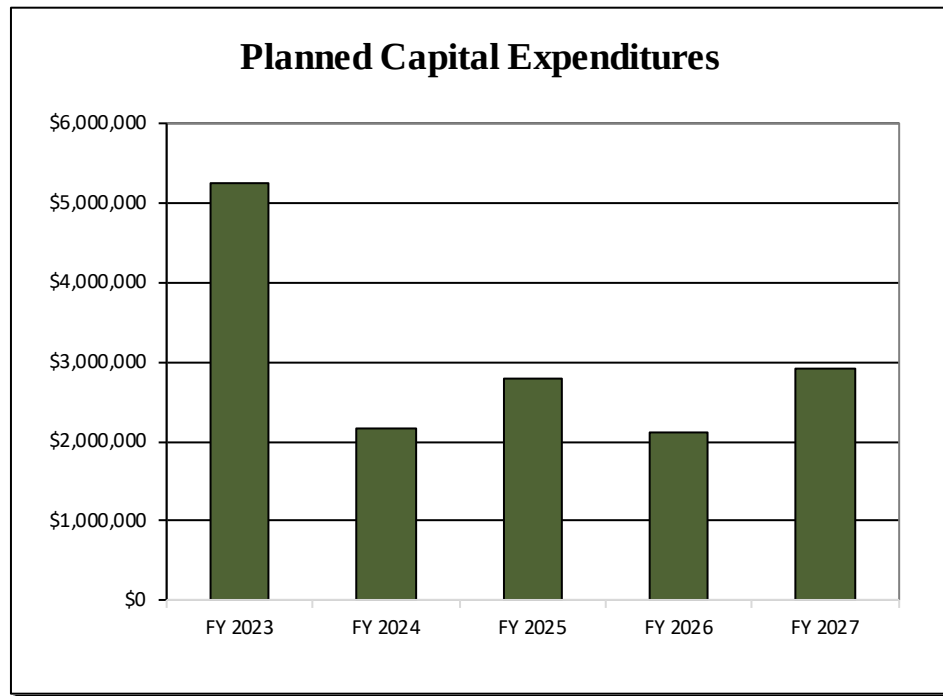




Five-Year Financial Forecast FY 2023-2027

Capital Forecast

The forecast incorporates capital investments with an estimated cost of \$15,238,900 over the next five years, excluding capital project fund expenditures. These capital investments represent 7.3% - 19.4% of total expenditures across the plan. Details on planned capital investments are provided in the *Capital Improvement Plan* section of this document.



Other Financing Uses Forecast

Other financing uses represent transfers out of the General Fund to other funds. The forecast includes total transfers of \$7,100,000 from the General Fund to the Library Expansion and Carriage House Parking Facility Capital Project Funds. With the financial assistance from the American Rescue Plan Act used for local government salaries, these capital projects will be obtained with no debt financing.

Forecast Summary

Table 1 on page 149 summarizes the key information of the five-year financial forecast. Management relies heavily on this data to make decisions on which programs, initiatives, and capital can be afforded within available revenues.

Two key financial management concepts guide management in these decisions. First, the Village strives to maintain a healthy operating margin. The operating margin ratio measures how much of available operating revenues are required to support operating expenditures. The Village strives to maintain an operating margin ratio between 0.89 and 0.91. For example, for each dollar in operating revenues received, approximately 89 cents will be used to support operating expenditures. This leaves the remaining 11 cents available for current or future capital investments. Monitoring this key ratio ensures that operating expenditures are kept in check and that funds will be available for capital improvements.

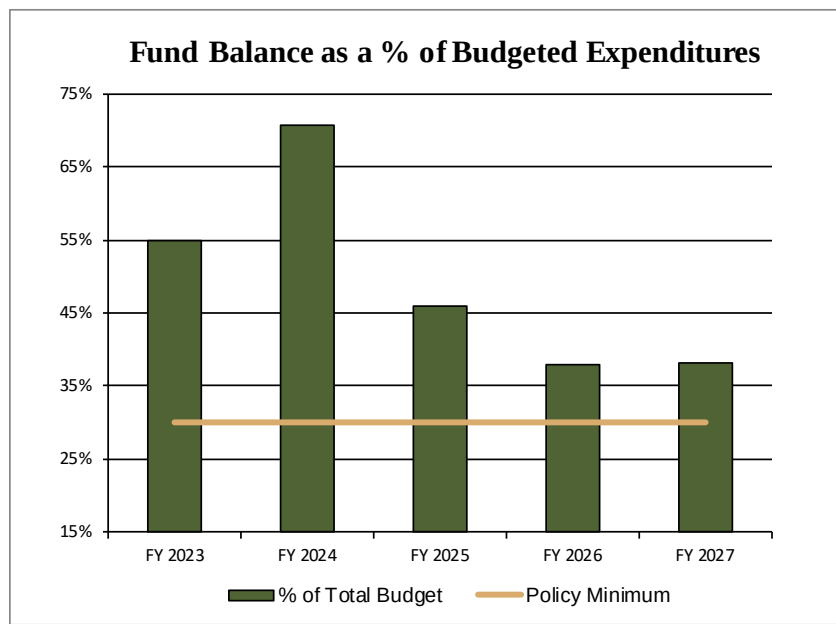


Five-Year Financial Forecast FY 2023-2027

In this year's plan, estimated operating ratios range from 0.88 in FY 2023 to 0.91 in the final year of the plan. This slight increase in the operating margin ratios in the out years is typical in the Village's forecast. The decrease in operating margin ratio to 0.84 in FY 2024 is the result of anticipated one-time fundraising campaign revenue related to the library and archives expansion.

The second measure management uses to guide the development of the forecast is the fund balance ratio. The Village Council has adopted a Fund Balance Policy that requires management to develop budgets that maintain total fund balance of at least 30% of budgeted expenditures. Details on this policy are provided in the *Strategic Operating Plan Guide* section of this document. In the current plan, fund balance levels begin at 54.9% in FY 2023 and increase to approximately 70.9% by FY 2024 after fundraising efforts for the library and archives expansion. Then, fund balance is expected to decrease to 38.3% by FY 2027 as several significant capital projects and purchases are funded within five-year planning period. These ratios in all years are above Council's adopted minimum and positions the Village well for the future.

Historically, operating revenues come in at 101% of budget, while operating expenditures typically fall 7% below budget. This concept, known as the Budget to Actual Variance, is incorporated in each year of the forecast to more accurately predict ending fund balance.



Overall, management believes that the five-year financial plan provides a clear path forward for the Village to accomplish the goals and objectives set forth in the FY 2023 Strategic Operating Plan. The forecast was developed based on sound financial management principles and will guide the Village well throughout the planning period.



Five-Year Financial Forecast FY 2023-2027

Table 1 - Five-Year Financial Forecast FY 2023-2027

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Population	17,980	18,283	18,586	18,890	19,193
Property Tax Rate	0.310	0.315	0.315	0.325	0.325
Operating Revenues					
Property Tax Revenue	\$12,176,000	\$ 12,500,000	\$ 12,630,000	\$ 13,164,000	\$ 13,301,000
Intergovernmental Revenues	8,371,200	8,648,600	8,853,400	9,064,200	9,281,000
Permits & Fees	924,500	1,279,000	933,000	770,000	774,000
Sales & Services	767,900	801,000	831,000	862,000	889,000
Other Operating Revenues	435,980	1,441,000	445,000	450,000	454,000
Interest Income	133,000	136,000	139,000	142,000	144,000
Other Taxes & Licenses	3,800	3,800	3,800	3,800	3,800
Operating Revenues	22,812,380	24,810,000	23,836,000	24,456,000	24,847,000
Other Financing Sources (OFS)	4,286,720	1,011,000	-	-	-
Total GF Revenues & OFS	\$27,099,100	\$ 25,821,000	\$ 23,836,000	\$ 24,456,000	\$ 24,847,000
Operating Expenditures					
Personnel in FTEs	158.6	158.6	158.1	161.1	161.1
Salaries and Benefits	\$13,742,900	\$ 14,231,967	\$ 14,633,730	\$ 15,251,761	\$ 15,743,270
Operating	8,095,300	8,496,420	8,266,363	8,513,717	8,697,313
Operating Expenditures	21,838,200	22,728,387	22,900,093	23,765,478	24,440,582
Operating Income	974,180	2,081,613	935,907	690,522	406,418
Other Financing Uses (OFU)	-	-	3,950,000	3,150,000	-
Capital Expenditures in GF	5,260,900	2,165,500	2,799,500	2,109,000	2,904,000
Total GF Expenditures & OFU	\$27,099,100	\$ 24,893,887	\$ 29,649,593	\$ 29,024,478	\$ 27,344,582
Revenues Over (Under) Exp	\$ -	\$ 927,113	\$ (5,813,593)	\$ (4,568,478)	\$ (2,497,582)

Capital As a Percent of Total Expenditures:

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total Expenditures	\$27,099,100	\$ 24,893,887	\$ 29,649,593	\$ 29,024,478	\$ 27,344,582
Total Capital Expenditures	5,260,900	2,165,500	2,799,500	2,109,000	2,904,000
% of Total Expenditures	19.4%	8.7%	9.4%	7.3%	10.6%

Projected Impact on Fund Balance in the General Fund:

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Fund Balance	\$13,116,149	\$ 14,872,947	\$ 17,639,147	\$ 13,666,920	\$ 11,006,586
Revenues Over (Under) Exp	-	927,113	(5,813,593)	(4,568,478)	(2,497,582)
Budget to Actual Variance ¹	1,756,798	1,839,087	1,841,367	1,908,143	1,959,311
Projected Actual Gain/(Loss)	1,756,798	2,766,200	(3,972,227)	(2,660,334)	(538,271)
Projected Ending GF Bal	\$14,872,947	\$ 17,639,147	\$ 13,666,920	\$ 11,006,586	\$ 10,468,315
% of Total Budget	54.9%	70.9%	46.1%	37.9%	38.3%

¹ Assumes actual revenues of 101% of budget and actual expenditures of 93% of budget

Estimated Operating Margin	0.88	0.84	0.88	0.89	0.91
-----------------------------------	-------------	-------------	-------------	-------------	-------------



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. Capital items included in the plan are consistent with the implementation strategies detailed in the 2019 Comprehensive Plan. The CIP is developed in conjunction with the Village’s Five-Year Financial Forecast outlined in the previous section.

The FY 2023-2027 CIP represents a \$22.3 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 \$0.31 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 2023 of the CIP, however, does represent the amount of capital spending appropriated in the FY 2023 Budget.

Capital Improvement Program

Overview

The FY 2023-2027 CIP includes capital investments with a total estimated cost of \$22,338,900 over the next five years. These costs are divided into four major areas – Capital Projects, Fleet, Information Technology (IT), and Other Capital Additions. Table 1 indicates the breakdown of capital investments by area:



Capital Improvement Plan FY 2023-2027

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Capital Projects	\$ 7,100,000	32%
Fleet	3,847,500	17%
Information Technology	471,000	2%
Other Capital Additions	10,920,400	49%
TOTAL	\$ 22,338,900	100%

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 Village has two capital projects planned in the FY 2023-2027 CIP. In FY 2022, the Village will begin design for an addition to the existing Given Memorial Library and Tufts Archives building to increase the amount of space for library programming. Construction will begin in FY 2025 after the 2024 U.S. Open Championship. In FY 2025, the Village will begin designing the Carriage House parking facility to provide additional parking in the downtown Village Center area. Construction will follow in FY 2026.

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.



Pinehurst Police Vehicle

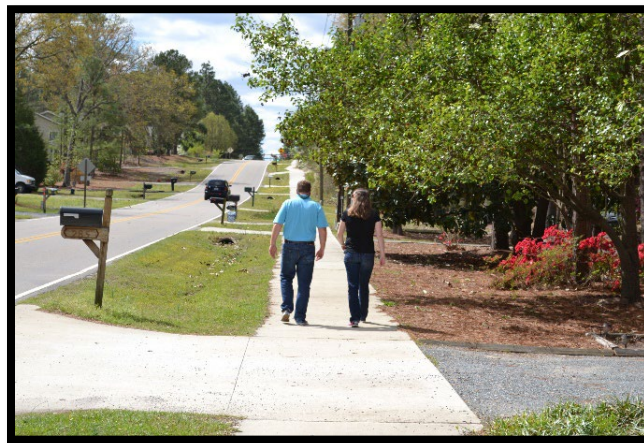


Information Technology (IT)

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.



Pedestrian Facilities Constructed within the Village of Pinehurst

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.



Capital Improvement Plan FY 2023-2027

Table 2 below shows a summary of the revenues and funding sources for the FY 2023-2027 projected capital investments:

Table 2 - CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
General Fund Cash	\$ 22,338,900
TOTAL	\$ 22,338,900

It is important to note that 100% of the capital improvements are funded with available Village funds or cash, with no reliance on debt financing.

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 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Capital Projects	\$ -	\$ -	\$ 3,950,000	\$ 3,150,000	\$ -	\$ 7,100,000
Fleet	846,000	625,000	617,500	973,000	786,000	3,847,500
Information Technology	26,000	194,000	152,000	86,000	13,000	471,000
Other Capital Additions	4,388,900	1,346,500	2,030,000	1,050,000	2,105,000	10,920,400
Capital Paid with Cash	5,260,900	2,165,500	6,749,500	5,259,000	2,904,000	22,338,900
Net Annual Operating Impact	3,500	(1,023,700)	(33,900)	268,600	275,625	(509,875)
General Fund Impact	\$ 5,264,400	\$ 1,141,800	\$ 6,715,600	\$ 5,527,600	\$ 3,179,625	\$ 21,829,025
\$0.01 of the Tax Rate	\$ 392,774	\$ 396,825	\$ 400,952	\$ 405,046	\$ 409,262	
Tax Rate Equivalent of CIP	\$ 0.13	\$ 0.03	\$ 0.17	\$ 0.14	\$ 0.08	\$ 0.11



Pinehurst Fire Department Rescue Truck



Capital Improvement Plan FY 2023-2027

Operating Impact

Table 4 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: Given Memorial Library and Tufts Archives expansion/renovation, Carriage House parking facility construction, retrofitting two current athletic fields with synthetic turf, and construction of pedestrian facilities. 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 4 - Operating Impact of Significant Non-Recurring Capital Outlays in the CIP

	Fiscal Year Ending June 30					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Revenues:						
Capital Fundraising Campaign	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Recreation Fees	-	9,000	13,700	18,500	19,000	60,200
Total Operating Revenues	\$ -	\$ 1,009,000	\$ 13,700	\$ 18,500	\$ 19,000	\$ 1,060,200
Operating Costs:						
Salaries & Benefits	\$ -	\$ -	\$ -	\$ 168,000	\$ 172,200	\$ 340,200
Operating Costs	3,500	4,000	4,500	150,000	154,125	316,125
Reduction in Operating Costs	-	(18,700)	(24,700)	(30,900)	(31,700)	(106,000)
Total Operating Costs	\$ 3,500	\$ (14,700)	\$ (20,200)	\$ 287,100	\$ 294,625	\$ 550,325
Net Operating Impact	\$ 3,500	\$ (1,023,700)	\$ (33,900)	\$ 268,600	\$ 275,625	\$ (509,875)

Revenues generated as a result of significant non-recurring capital include an estimated \$1 million in donations toward the library and archives expansion during a planned capital fundraising campaign in FY 2024. The Village assumed operations of the library and archives in FY 2022. Additional recreation fees revenue is also anticipated with the installation of synthetic turf, as this enhancement would expand the amount of time available for use of the fields.

Salaries and benefits are projected to increase with the addition of three full-time equivalents (FTEs) to staff the expansion of the Given Memorial Library and Tufts Archives beginning in FY 2026.

Operating costs primarily include utilities and maintenance costs related to the expansion of the library and archives building, but also include costs associated with maintaining the Carriage House parking facility and newly constructed pedestrian facilities. Projected operating costs increase in FY 2026 with the increased square footage from the library expansion and the completed Carriage House parking facility project.

After completion of the synthetic turf installation on two separate fields in FY 2023 and FY 2025, maintenance costs are projected to decrease over the remainder of the five year plan. Anticipated savings include reductions in irrigation, sod replacement, contracted turf maintenance, paint and chalk for lines, and infield clay replacement.

There is no additional debt service required across the planning timeline, as all capital expenditures are projected to be purchased with cash.



Capital Improvement Plan FY 2023-2027

Debt Service

Table 5 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 General Fund expenditures is projected at zero percent. The Village's policy is to keep debt service as a percentage of expenditures below 10%.

Table 5 - Impact of CIP Debt Issuances on Debt Ratios

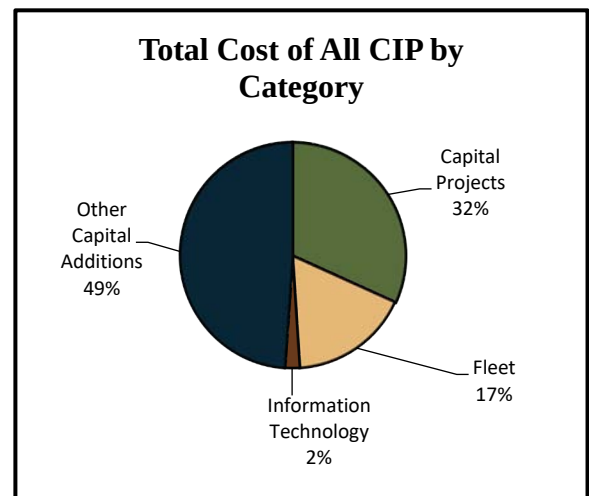
	Fiscal Year Ending June 30				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-	-
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Expenditures	\$ 27,099,100	\$ 24,893,887	\$ 29,649,593	\$ 29,024,478	\$ 27,344,582
% of Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

Summary

In summary, the FY 2023-2027 CIP represents a \$22.3 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:

- Synthetic turf installation at Cannon Park (FY 2023 & FY 2025)
- Potential land acquisition and site plan for Public Services Complex relocation (FY 2023-2024)
- Given Memorial Library initial building improvements (FY 2023)
- Pedestrian facilities (all years)
- Streetscape improvements (all years)
- Police vehicle replacements (all years)
- Garbage truck replacements (all years)
- Stormwater drainage projects (all years)
- Expand library and archives building (FY 2025)
- Design and construct Carriage House parking facility (FY 2025-2026)





Capital Projects

This section contains detail on the capital projects included in the FY 2023-2027 CIP. 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.

Library Expansion – This capital project will construct an addition to the existing Given Memorial Library building.

Carriage House Parking Facility – This capital project will construct a parking facility in the downtown area to provide approximately 60 additional parking spaces.



Capital Improvement Plan FY 2023-2027

Library Expansion

Function	Cultural and Recreation
Strategic Goal	Promote active living and cultural opportunities
Strategic Objective	Provided cultural services and events
Key Performance Indicators	Expand the Given Memorial Library

Project Description/ Justification

This project includes the design and construction of an expansion to the existing Given Memorial Library building. The expansion is based on the needs Pinehurst residents expressed for expanded or enhanced library services during the recent Library Needs Assessment. The additional space will be designed to accommodate a variety of programs and activities. Design for the expansion began in FY 2022, with construction beginning in FY 2025 after the 2024 U.S. Open Championship.

Project Budget	Total	Prior Periods	Fiscal Year Ending June 30				
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Appropriations	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -
TOTAL	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -
Funding Source:							
Cash	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -
TOTAL	\$ 4,000,000	\$ 400,000	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -

Cash Flow Impact	Total	Prior Periods	Fiscal Year Ending June 30				
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Capital Fundraising Campaign	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Project Expenditures	(4,000,000)	(400,000)	-	-	(3,600,000)	-	-
Operating Expenditures	(593,325)	-	-	-	-	(293,000)	(300,325)
TOTAL	\$ (3,593,325)	\$ (400,000)	\$ -	\$ 1,000,000	\$ (3,600,000)	\$ (293,000)	\$ (300,325)

Key Performance Indicators			Fiscal Year Ending June 30				
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Expand the Given Memorial Library			Yes	Yes	Yes	Yes	Yes



Capital Improvement Plan FY 2023-2027

Carriage House Parking Facility

Function	Transportation
Strategic Goal	Promote a thriving business community
Strategic Objective	Support the business community
Key Performance Indicators	Number of parking spaces downtown

Project Description/ Justification

This project includes the design and construction of a parking facility in the downtown Village Center area to provide approximately 60 additional parking spaces. The planned expansion of parking is to accommodate a proposed addition to the existing Given Memorial Library and to make parking more easily accessible to downtown businesses. Design is expected to occur in FY 2025, with construction beginning in FY 2026.

Project Budget	Total	Fiscal Year Ending June 30				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Appropriations	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -
TOTAL	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -
Funding Source:						
Cash	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -
TOTAL	\$ 3,500,000	\$ -	\$ -	\$ 350,000	\$ 3,150,000	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Project Expenditures	\$ (3,500,000)	\$ -	\$ -	\$ (350,000)	\$ (3,150,000)	\$ -
Operating Expenditures	(40,500)	-	-	-	(20,000)	(20,500)
TOTAL	\$ (3,540,500)	\$ -	\$ -	\$ (350,000)	\$ (3,170,000)	\$ (20,500)

Key Performance Indicators	Fiscal Year Ending June 30				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Number of parking spaces	364	364	364	425	425



Capital Improvement Plan FY 2023-2027

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 2023	FY 2024	FY 2025	FY 2026	FY 2027	
Buildings & Grounds								
Ford F150	2004	15	\$ 28,000	\$ -	\$ -	\$ -	\$ -	
Ford F150	2008	15	-	-	-	-	40,000	
Ventrac Mower	2012	15	-	35,000	-	-	-	
4X4 Mule	2005	15	-	-	-	15,000	-	
Fire								
Chevy Colorado	2008	15	-	-	-	30,000	-	
Chevy Tahoe	2011	15	-	-	-	51,000	-	
Harness Track								
Ford F250	2008	15	-	-	-	35,000	-	
Ford F250	2009	15	-	-	-	-	37,000	
John Deere Zero Turn Mower	2013	7	-	13,000	-	-	-	
Mower Deck	New		-	-	-	-	5,500	
Inspections								
Chevy C1500 4X4 Truck	2003	12	25,000	-	-	-	-	
Planning								
Chevy Malibu	2008	15	-	-	-	-	23,000	
Police								
Chevy Tahoe	2011	10	56,000	-	-	-	-	
Chevy Tahoe	2011	10	56,000	-	-	-	-	
Chevy Tahoe	2012	10	-	56,333	-	-	-	
Chevy Tahoe	2012	10	-	56,333	-	-	-	
Chevy Tahoe	2013	10	-	-	61,166	-	-	
Dodge Charger	2016	6	-	-	-	64,000	-	
Dodge Charger	2018	6	-	-	-	64,000	-	
Dodge Charger	2016	10	56,000	-	-	-	-	
Dodge Charger	2015	6	-	-	-	64,000	-	
Dodge Charger	2013	10	-	56,334	-	-	-	
Dodge Charger	2014	6	56,000	-	-	-	-	
Dodge Charger	2015	10	-	-	61,167	-	-	
Dodge Charger	2016	6	-	-	61,167	-	-	
Dodge Durango	2019	10	-	-	-	-	66,833	
Ford Utility	2019	10	-	-	-	-	66,833	
Toyota Camry	2018	10	-	-	-	-	66,834	
Vehicle	New		56,000	-	-	-	-	
Vehicle	New		56,000	-	-	-	-	



Capital Improvement Plan FY 2023-2027

Fleet Purchase Plan (continued)

Description	Year	Life	Budget	CIP				
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	
Solid Waste								
Freightliner Garbage Truck	2016	7	\$ -	\$ -	\$ -	\$ -	\$ 285,000	
Freightliner Garbage Truck	2016	7	-	-	-	275,000	-	
Chevy C1500	2007	15	-	50,000	-	-	-	
Chevy Garbage Truck	2011	6	-	-	-	55,000	-	
Ford F-150 Pickup	2009	15	-	-	-	-	57,000	
Freightliner Garbage Truck	2012	7	-	255,000	-	-	-	
Freightliner Garbage Truck	2015	7	245,000	-	-	-	-	
Freightliner Garbage Truck	2014	7	-	-	265,000	-	-	
Streets & Grounds								
John Deere Motor Grader	1992	20	-	-	-	160,000	-	
300 Land Long Tractor	2001	20	-	-	45,000	-	-	
Ford F150	2005	15	-	-	-	-	40,000	
Chevy Dump Truck-1 Ton	2005	20	-	-	80,000	-	-	
International Dump Truck	2006	20	-	-	-	100,000	-	
Chevy Dump Truck-1 Ton	2006	20	-	75,000	-	-	-	
Chevy Dump Truck-1 Ton	2007	20	-	-	-	-	82,000	
Ford F150	2008	15	-	28,000	-	-	-	
Ford F150	2008	15	-	-	30,000	-	-	
Johnston Vacuum Sweeper	2012	5	150,000	-	-	-	-	
John Deere 5085 Tractor	2012	20	-	-	-	60,000	-	
Flint Salt Spreader	2012	5	12,000	-	-	-	-	
Flint Salt Spreader	2012	5	-	-	14,000	-	-	
Flint Salt Spreader	2014	5	-	-	-	-	16,000	
Frontier Mower Deck	2015	20	5,000	-	-	-	-	
Ford F 250 4X4	2004	20	45,000	-	-	-	-	
Total			\$ 846,000	\$ 625,000	\$ 617,500	\$ 973,000	\$ 786,000	



Capital Improvement Plan FY 2023-2027

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 2023	FY 2024	FY 2025	FY 2026	FY 2027						
Administration													
Assembly Hall Sound System Upgrade	2013	5	\$	-	\$	-	\$	22,000	\$	-	\$	-	
Assembly Hall Projector	2021	5		-		-		-		16,000		-	
Village-wide Imaging System	New	10		-		110,000		-		-		-	
Fair Barn													
A/V Projector	2017	5		-		8,000		-		-		-	
Sound System	2015	5		-		-		15,000		-		-	
Information Technology													
Server - Phone System Host	2017	4		-		13,000		-		-		-	
Server -SystemCenter Host	2017	5		-		13,000		-		-		-	
Server Backup Primary AACore1	2017	4		13,000		-		-		-		-	
Server Backup Secondary AACore 4	2017	4		13,000		-		-		-		-	
Server - PD Hyper-V Host	2017	4		-		13,000		-		-		-	
Server - Vrtx (Blade Server)	2018	4		-		-		65,000		-		-	
Village Wide Phone System	2011	5		-		-		35,000		-		-	
Village Hall Firewall	2021	6		-		-		-		15,000		-	
HP Procurve Core Switch	2013	5		-		-		-		25,000		-	
Website Redesign	2016	3		-		-		15,000		-		-	
Canon Designjet Plotter	2020	8		-		-		-		-		13,000	
Planning													
Canon IPF840 Plotter/Scanner	2017	8		-		13,000		-		-		-	
Police													
CCTV Surveillance System	2021	4		-		-		-		30,000		-	
Phone Recording Solution Upgrade	2016	5		-		24,000		-		-		-	
Total				\$	26,000	\$	194,000	\$	152,000	\$	86,000	\$	13,000



Capital Improvement Plan FY 2023-2027

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 2023	FY 2024	FY 2025	FY 2026	FY 2027
Administration					
Replace HVAC	\$ 120,000	\$ -	\$ 8,000	\$ -	\$ 60,000
Exterior Staircase Enclosure	15,000	-	-	-	-
Generator Replacement	-	11,000	-	-	-
Upgrades to Elevator	-	38,000	75,000	-	-
Library					
Initial Building Improvements	1,000,000	-	-	-	-
Streets & Grounds					
Stormwater Drainage Projects	355,000	370,000	370,000	370,000	370,000
Streetscape Improvement	200,000	200,000	200,000	200,000	200,000
Pedestrian Facilities	400,000	400,000	400,000	400,000	400,000
Solid Waste					
Glass Drop Off Site	24,000	-	-	-	-
Fair Barn					
Replace Indoor Stage	26,000	-	-	-	-
Replace HVAC	-	-	-	40,000	60,000
Fire					
Thermal Imaging Camera	7,400	-	-	-	-
SCBA Air Packs	162,000	-	-	-	-
SCBA Breathing Air Compressor	-	55,000	-	-	-
Physical Training Equipment	-	-	12,000	-	-
HVAC Station 91	-	-	15,000	15,000	15,000
Harness Track					
Replace Siding	15,000	15,000	30,000	-	-
Stormwater Master Plan Implementation	25,000	25,000	25,000	25,000	-
Remodel Barn Bathrooms	7,500	7,500	-	-	-
Police					
Upgrades to Elevator	75,000	-	-	-	-
Outdoor Physical Abilities Testing Area	-	10,000	-	-	-
In-Car Radio Replacements	140,000	-	-	-	-
Dispatch Radio Replacement	-	125,000	-	-	-
Replace HVAC	15,000	15,000	-	-	-
Dash Camera Replacement	135,000	-	-	-	-



Capital Improvement Plan FY 2023-2027

Other Capital Additions Purchase Plan (continued)

Description	Budget	CIP			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
PS Administration					
Public Services Complex Alternate Location & Site Plan	\$ 350,000	\$ 75,000	\$ -	\$ -	\$ -
Recreation					
Tufts Park Sidewalk Extension	28,000	-	-	-	-
Pergola to Magnolia Sidewalk Extension	8,000	-	-	-	-
Replace Field 2 Lights	-	-	195,000	-	-
Synthetic Turf on Cannon Park Fields	1,237,000	-	700,000	-	-
Cannon Park Playground Surfacing	44,000	-	-	-	-
West Pinehurst Park Development	-	-	-	-	1,000,000
	\$ 4,388,900	\$ 1,346,500	\$ 2,030,000	\$ 1,050,000	\$ 2,105,000



Entrance Sign at West Pinehurst Park



VILLAGE OF PINEHURST Budget Ordinance Fiscal Year 2023

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in the Regular Meeting assembled this 14th day of June 2022 as follows:

SECTION 1. The following amounts are hereby appropriated in the General Fund for the operation of Village government and its activities for the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this Village:

EXPENDITURES:

Governing Body	\$ 150,300
Administration	1,716,918
Financial Services	857,120
Human Resources	618,050
Police	4,858,351
Fire	3,657,600
Inspections	405,730
Public Services Administration	988,232
Streets & Grounds	2,838,460
Powell Bill	1,300,100
Solid Waste	2,339,160
Planning	1,054,330
Community Development	151,520
Recreation	3,470,748
Library	1,608,545
Harness Track	654,516
Fair Barn	<u>429,420</u>

TOTAL EXPENDITURES	<u>\$ 27,099,100</u>
--------------------	----------------------



SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

REVENUES:

Ad Valorem Tax Revenue	\$ 12,176,000
Other Taxes and Licenses	3,800
Unrestricted Intergovernmental Revenue	7,736,100
Restricted Intergovernmental Revenue	635,100
Permits and Fees	924,500
Sales and Services	767,900
Other Revenues	435,980
Investment Income	133,000
Other Financing Sources	<u>4,286,720</u>

TOTAL REVENUES	<u>\$ 27,099,100</u>
----------------	----------------------

SECTION 3. There is hereby levied a tax at the rate of thirty-one cents (\$0.31) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2022, for the purpose of raising revenue in the General Fund in Section 2 of this ordinance. This rate is based on a total valuation of property for the purposes of taxation of \$3,931,000,000 and an estimated collection rate of 99.9% for real and personal property and 100.0% for motor vehicles.

SECTION 4. The Village Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts between departments, including contingency appropriations, within the same fund to increase an appropriation up to \$25,000 in a single budget amendment. He must make an official report on such transfers at the next regular meeting of the Village Council. In the event a State of Emergency is declared by the Mayor or designee, unlimited budget amendment authority within the same fund is granted for expenditures directly related to the emergency. He must make an official report on any such transfers authorized under a State of Emergency at the next regular meeting of the Village Council.
- c. He may not transfer any amounts between funds, except as approved by the Village Council in the Budget Ordinance as amended.



Annual Budget Ordinance

SECTION 5. The Village Manager or his designee is hereby authorized to execute the necessary agreements within funds included in the Budget Ordinance for the following purposes:

- a. Purchase of apparatus, supplies, and materials where formal bids are not required by law;
- b. Leases of normal and routine business equipment;
- c. Construction or repair work where formal bids are not required by law;
- d. Consultant services, professional services, contracted services, or maintenance service agreements up to an anticipated contract amount of \$50,000. In the event a State of Emergency is declared by the Mayor or designee, unlimited contracting authority is granted for services directly related to the emergency. The Village Manager must report to the Village Council any executed contracts exceeding \$50,000 during the State of Emergency declaration;
- e. Agreements for acceptance of State and Federal grant funds; and
- f. Grant agreements with public and non-profit agencies.

SECTION 6. Copies of this Budget Ordinance shall be furnished to the Village Clerk, Village Manager, and Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 14th day of June, 2022.

(Municipal Seal)

VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: _____
John C. Strickland, Mayor

Attest:

Approved as to Form:

Kelly Chance, Village Clerk

Michael J. Newman, Village Attorney



Budget Glossary

A	
Accrual Basis of Accounting	Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.
ACE	The acronym for one of the Village's informal process improvement methodologies. It stands for Analyze process requirements, Change the process, and Evaluate the change. For more significant process improvements, see BIRDIE.
Ad Valorem tax	A tax levied in proportion to the value of a property.
Amortization	Allocation of capital investment or cost over a period of years or time corresponding to the investment's terms or useful life, or allocation of debt over the debt's term.
Annual Comprehensive Financial Report (ACFR)	A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.
Appropriation	An authorization made by the Village Council that permits the Village to incur obligations and to make expenditures of resources.
Area of Focus (AOF)	Strategic objectives from the balanced scorecard where the organization develops initiative action plans to improve performance levels.
Assessed Valuation	The value established for real or personal property for use as a basis to levy property taxes.
Audit	An independent examination of the financial statements of an organization to ensure the records are fairly and accurately represented.
B	
Balanced Budget	A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act as when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund. In North Carolina, it is required that the recommended budget be balanced.
Balanced Scorecard (BSC)	An integrated framework for describing and translating strategy using linked performance measures, known as KPIs, in four balanced perspectives: Customer, Internal, Workforce, and Financial. The balanced scorecard acts as a measuring system, strategic management system, and a communication tool.
Baldrige Performance Excellence Framework	A national quality award program focused on achieving performance excellence built upon a set of interrelated core values and concepts.
Basis of Accounting	A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements. The Village of Pinehurst uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.
Benchmark	Performance data from select comparable communities for similar services that are indicative of best practices. This data is obtained from individual community performance surveys or performance reports, state performance measurement projects, or industry standards.



Budget Glossary

B	
BIRDIE	The acronym for one of the Village's process improvement methodologies used for significant process improvements. It stands for Bring the opportunity forward, Investigate the opportunity, Review potential solutions, Determine the solution, Implement the solution, and Evaluate the solution. For another informal methodology, see ACE.
Bond	A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.
Budget	A statement in dollar terms of the Village's program of service delivery for the ensuing fiscal year.
Budget Amendment	A legal procedure utilized by the Village staff and the Village Council to revise a budget appropriation.
Budget Document	The instrument used by the budget-making authority to present a comprehensive financial program to the Village Council.
Budget Message	The opening section of the budget that provides the Village Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Manager.
Budget Ordinance	The official enactment by the Village Council to establish legal authority for Village officials to obligate and expend resources.
Budgetary Control	The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.
C	
Capital Assets	Assets of long-term character which have an initial cost greater than \$5,000 and are intended to continue to be held or used by the Village, including land, buildings, machinery, furniture, and other equipment.
Capital Improvement Plan (CIP)	A plan for capital expenditures which provides long-lasting physical improvements to be incurred over a fixed period of five future years.
Capital Outlay	Expenditures available for the acquisition of capital assets, including the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment. By Village policy these items must have a useful life of more than one year and an original cost greater than \$5,000.
Capital Project Fund	A fund used to account for the acquisition and construction of major capital facilities.
Cash Management	The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash Management refers to the activities of forecasting cash flows, improving cash availability for investment, and establishing and maintaining banking relationships.
Category	A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt services, and transfers.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.



Budget Glossary

C	
Comprehensive Long-Range Plan	A plan adopted by the Village Council in April of 2003 (updated in 2010) that outlines the long-term goals of the Village over a 20 year period.
Core Competencies	The Village's areas of greatest expertise and are those strategically important capabilities that are central to fulfilling the Village's mission.
D	
Debt Service	The Village's obligation to pay the principal and interest of all debt instruments according to a pre-determined payment schedule.
Department	An organizational unit responsible for carrying out a major governmental function.
Department Balanced Scorecards	This is the department's version of a balanced scorecard. It is the single listing of all approved department key performance indicators and is used to monitor progress of achievement of department goals.
Depreciation	The process of estimating and recording the expired useful life, or diminution of service from a capital asset that cannot or will not be restored by repair and must be replaced. The cost of the capital asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.
E	
Encumbrance	The commitment of appropriated funds to purchase an item or services. To encumber funds is to set aside, or commit funds for future expenditures.
Estimated Revenue	The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the Village Council.
ETJ	The acronym used for extraterritorial jurisdiction.
Expenditure	The outflow of funds for assets that are incurred or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds.
F	
Financial Forecast	A five-year projection of budgeted revenues and expenditures, including operating and capital expenditures.
Fiscal Policy	The financial plan embracing the general goals and acceptable procedures of a governmental unit.
Fiscal Year (FY)	The time period designating the beginning and the ending period for recording financial transactions. The Village of Pinehurst's fiscal year begins July 1st and ends June 30th.
FTE	The acronym used for Full-Time Equivalent as it relates to employees.
Function	A group of related programs crossing organizational (departmental) boundaries and aimed to accomplishing a broad goal, or a major service.
Fund	An accounting entity that possesses a set of self-balancing accounts and records all financial transactions for specific activities or government functions.
Fund Balance	Fund balance is the amount of assets in excess of the liabilities or appropriated for expenditures, and is therefore also known as surplus funds.



Budget Glossary

F	
Fund Balance Appropriated	A budgetary amount representing the fund's equity to be used to offset expenditures. Fund balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.
G	
General Accepted Accounting Principles (GAAP)	Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions; rules and procedures necessary to define accepted accounting practices.
GS	The acronym used for the General Statutes adopted by the North Carolina General Assembly.
General Fund	The largest fund within the Village, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, and other revenues. This fund includes basic governmental services, such as fire and police protection, finance, public services, general administration, planning and inspections, community development, and recreation.
General Ledger	A file that contains a listing of the various accounts necessary to reflect the financial position of the government.
GFOA	The acronym used for Government Finance Officers Association of the United States and Canada.
Goal	Future conditions or performance the Village intends or desires to attain; what the Village intends to accomplish.
Governmental Fund	Funds generally used to account for tax-supported activities. There are five types of governmental funds: the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.
Grant	A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed by the grantee.
I	
ICMA	The acronym used for International City/County Management Association.
Inflation-adjusted revenue neutral tax rate	The tax rate calculation developed by Village staff that recognizes the cost of doing business has increased since the last revaluation period. The rate is calculated by modifying the traditional revenue neutral tax rate by inflation that has occurred since the last revaluation date.
Initiative Action Plan (IAP)	Specific activity undertaken to achieve a performance target related to a strategic objective.
Inter-fund Transfers	Amounts transferred from one fund to another.
Intergovernmental Revenue	Revenue received from another government for a specified purpose.
Investment Earnings	Revenue earned on investments with a third party. The Village uses a pooled cash system, investing the total amount of cash regardless of boundaries. The interest earned is then allocated back to individual funds by average cash balance in the fund.



Budget Glossary

K	
Key Performance Indicator (KPI)	The acronym used for Key Performance Indicators that measure a program's output, workload, efficiency, or effectiveness and is used to track operational performance.
L	
Levy	To impose taxes, special assessments, or services charged for the support of Village activities.
Local Government Budget and Fiscal Control Act (LGBFCA)	This act governs all financial activities of local governments within the State of North Carolina.
Long Term Debt	Debt with a maturity of more than one year after the date of issuance.
M	
Maturities	The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.
Modified Accrual Accounting	The accounting approach under which: 1) revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and unmatured principal and interest on general long term debt is recognized when due.
N	
NC	North Carolina
NCAfE	This is the North Carolina Awards for Excellence program that recognizes an organization's progress on their performance excellence journey, utilizing the Baldrige Performance Excellence Framework.
NCDOT	This acronym is short for North Carolina Department of Transportation.
Net Budget	The total amount of revenues and expenditures for the General Fund and all special Revenue funds with the exceptions of the Capital Reserve Fund.
O	
Objectives	A simply stated, readily measurable statement of aim or expected accomplishment. An objective should imply a specific standard of performance for a given program.
Operating Expenses	The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.
Operating Fund	A fund to account for operating activities that generally result from providing services and producing and delivering goods, and include all transactions and other events that are not identified as capital and related financing, noncapital financing, or investing activities.
Operating Transfer	Routine and/or recurring transfer of assets between funds.
Opportunities for Improvement and Innovation (OFIs)	Opportunities for Improvement and Innovation identified during the strategic planning process and classified as evaluations, projects, and Initiative Action Plans (IAPs).



P	
PDCA	This acronym is short for Plan, Do, Check, Act and refers to a quality tool used to improve performance.
Peer Group	Other municipalities in the state of North Carolina with a population between 10,000 and 50,000.
Perspectives	These are the four categories for classifying strategic objectives on the balanced scorecard
Powell Bill Allocation	Funding from state-shared gasoline tax restricted for maintenance of local streets.
Project Fund	A multi-year fund used to account for the revenues and expenditures of a specified project that only exists until the project is completed.
Program	An organized set of related work activities that are directed toward accomplishing a common goal. Each Village department is usually responsible for a number of related service programs.
Property Taxes	Property taxes are levied on both real and personal property according to the property's valuation and tax rate.
R	
Reclassification	Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.
Reserve	A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.
Restricted Intergovernmental Revenues	Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.
Resources	Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.
Revaluation	Assignment of value to all real properties, including land, homes, and commercial buildings by the Moore County Tax Assessor's Office. Under State law, all property must be revalued no less frequently than once every eight years.
Revenue	Funds which the government receives as income, including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.
Revenue Neutral	Is the revenue amount achieved after a property revaluation when the new property tax rate generates the same property tax revenue as the previous year, plus normal growth.
Right-of-Way (ROW) Acquisition	Purchase of property needed by the Village to perform road improvement projects and/or protection of right-of-way for future highway projects.
S	
SHRM	This acronym is short for the Society of Human Resource Management.
SIPOC	A quality tool used to identify all relevant elements of a process, including <u>S</u> uppliers, <u>I</u> ntputs, <u>P</u> rocess, <u>O</u> utputs, and <u>C</u> ustomers.
SOAR Analysis	A strategic planning method used to evaluate an organization's Strengths and Opportunities, and create a vision of future Aspirations and the Result they will bring.



Budget Glossary

S	
Source of Revenue	Revenues that are classified according to their source or point of origin.
Special Assessment	A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service, which are deemed to primarily benefit those properties.
Special Revenue Fund	A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.
Strategic Advantages	Benefits that exert a decisive influence on the Village's likelihood of future success and are the source of our competitive success.
Strategic Challenges	External pressures that exert a decisive influence on the Village's likelihood of future success.
Strategic Goal	Future condition the Village strives to attain.
Strategic Objective	A readily measurable statement of aim or expected accomplishment; how the Village will accomplish a goal.
T	
Target	The desired achievement level of a particular performance measure.
Tax Base	The assessed valuation of all taxable real and personal property within the Village's corporate limits.
TOPS	Training of Pinehurst Staff; an internal training program for Village employees.
U	
Unencumbered Balance	The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.
US	United States



History

Looking for a place to build a health-oriented resort, James Walker Tufts (head of the America Soda Foundation) stopped in the Sandhills area in the spring of 1895. Despite the fact that the area had been almost completely clear-cut by the timber industry, something about this area moved him, and in June 1895, he bought 598 acres of land for nearly \$1.25 per acre and makes up what is now the Village Center.

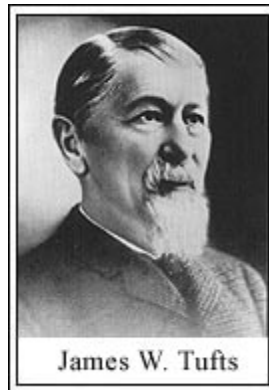


Photo courtesy of Tufts Archives

On June 20, 1895, Tufts contacted Frederick Law Olmsted, the designer of Central Park in New York and the landscape designer of the Biltmore Estate in Asheville, North Carolina, to help him create a first-rate resort. That summer, with the new plan in hand, 450 men began construction on what was originally referred to as "Tuftstown." Tufts selected the name Pinehurst for his resort out of a list of non-winning names for Martha's Vineyard.

On New Year's Eve 1895, the Holly Inn opened its doors and Pinehurst was on its way.



*Development of Village Center
Photos courtesy of Tufts Archives*

Since all of the early buildings of Pinehurst stood on barren land, Tufts hired Warren Manning to plant over 222,000 tree seedling and other plants (47,250 of these were imported from France) around Pinehurst to give the resort the natural beauty we all still enjoy today.

For many years, Pinehurst was a privately held resort under sole proprietorship of the Tufts family. The Tufts family controlled all aspects of the resort and closely monitored all types of activities, including the creation of its first 9-hole golf course in February 1898, and the continued acquisition of more land.



Tufts brought in a young Scotsman named Donald Ross to design golf courses, and his No. 2 (originally built in 1902 with only man and mule power and then redesigned by Ross) is still consistently listed among the worlds' finest golf courses. Donald Ross, the father of golf, was a huge part of our heritage and history, as he influenced many golf course designers such as Peter Tufts and Ellis Maples.



Donald Ross
Photo courtesy of Tufts Archives

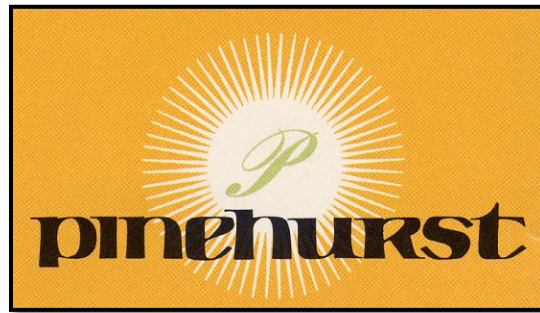
In 1920, a corporate form of ownership was established when a charter for Pinehurst, Inc. was obtained from the North Carolina Secretary of State. Tufts considered incorporating the village as a municipality in 1926, but he felt that a lack of year-round residents and state tax laws would not be able to sustain it.

During the Great Depression, as other resorts began to fail, property owners in Pinehurst agreed to pay more taxes in order to support the resort through the Depression and ensure that it would not fail like the surrounding resorts. During World War II, Pinehurst served as a support area for neighboring Fort Bragg and many servicemen were either residents or visitors.

It was not until 1960 that Pinehurst became a year-round resort with the introduction of air conditioning and swimming pools at the resort facilities. By the late 1960s, however, Pinehurst's days as a paternalistic resort under the Tufts were coming to an end.

Realizing that the resort was 75 years old and in need of significant investment to update and improve the resort facilities, the Tufts heirs sold Pinehurst, Inc., including the resort and approximately 7,500 acres of land, to the Diamondhead Corporation for \$9.2 million in January 1971. It was under Diamondhead's control that the creation and sale of lots with membership rights to the Pinehurst resort facilities began.

Advertisements were placed in newspapers around the country, and people were flown in to play golf and purchase a lot. Lake Pinehurst was created to enhance the residential neighborhood, new recreational improvements were made (including Course Number 6 in the late 1970s), and infrastructure was put into place to support the new development. However, all this activity was not considered to be progress by local residents.



Old Diamondhead Logo

Since Pinehurst was not a full municipality, there were no building inspections, no planning or zoning regulations, and no real means for the concerns of the residents to be acted upon. After several years of debate among residents over whether to seek incorporation as a full municipality or continue to allow Diamondhead to coordinate affairs, it was decided by a majority in 1980 that Pinehurst would function most effectively independently of the Diamondhead Corporation.

In 1980, with a population of 1,746 residents, Pinehurst was granted full incorporation as a municipality and was, for the first time, more than just a privately run resort.

According to the U.S. Census Bureau, Pinehurst had a population of 17,581 people in the year 2020, compared to 14,206 in the year 2010 after adjusting for an annexed area effective March 31, 2010. The 2020 population is a 24% increase from 2010, and the 2010 population is a 61% increase from 2000. Many of these new residents come from across the country, if not the world, to settle in this "village in the forest." When asked what brought them here, many cited ambiance, community character and spirit as their reasons for choosing the area.



Village of Pinehurst Logo



Demographic Characteristics

With a current population of 17,651, the Village of Pinehurst is an integral part of the economy of Moore County, which is well diversified with significant healthcare, retirement, tourism, retail, agriculture, and manufacturing sectors. The Pinehurst area is largely a service-based economy focused on tourism/hospitality, healthcare-related activities, and retail trade.

Two of the largest employers in Moore County are located in Pinehurst and are service-related: FirstHealth of the Carolinas and Pinehurst Resort. FirstHealth of the Carolinas is a private, not-for-profit health care network serving 15 counties in the mid-Carolinas. Pinehurst Resort, owned by Pinehurst, LLC operates nine championship golf courses in the Village, including the famous Pinehurst No. 2 course (site of the 1999 and 2005 U.S. Open Championships). Pinehurst Resort also hosted 14 days of championship play in June 2014, with back to back U.S. Open and U.S. Women's Open Championships – for the first time in history. The U.S. Open Championship is slated to return to Pinehurst in 2024.

The Village also provides other recreational opportunities for residents. The Village acquired the Given Memorial Library and Tufts Archives in FY 2022. The library is unique as it serves as a museum with historic archives connecting both residents and visitors with the history of Pinehurst. The Village owns and operates a 111 acre Harness Track facility, which is used for winter training of Standardbred horses and horse shows at various times throughout the year. The Village has three major parks that include an in-line hockey rink, tennis courts, ball diamonds and concession stands, splash pad, playgrounds and disc golf. The Cannon Park Community Center opened in 2020 and provides approximately 19,693 square feet of indoor recreation space, including a gymnasium, a multi-purpose room, various classrooms for programs and offices for parks and recreation staff. The Village also has an extensive Greenway System. The Greenway System will eventually connect most of the Village via a pedestrian and bicycle pathway.



Geographic Characteristics

The Village of Pinehurst is located in the Sandhills Region of North Carolina, 60 miles southwest of Raleigh and about 75 miles east of Charlotte. The city spans approximately 17 square miles and is locally recognized as an outstanding residential community and major golf resort. The central location of Pinehurst allows quick and easy access to the beautiful Blue Ridge Mountains and the white, sandy beaches of North and South Carolina.



Demographic and Economic Statistics Last Ten Calendar Years

Fiscal Year	Calendar Year	Population (1)	Personal Income	Per Capita Income (2)	Median Age (2)	Unemployment Rate (3)
2012	2011	14,783	\$ 526,777,422	\$ 35,634	58.4	8.9%
2013	2012	14,979	608,671,665	40,635	60.6	8.6%
2014	2013	15,150	650,586,450	42,943	60.9	6.3%
2015	2014	15,525	708,033,150	45,606	60.8	5.4%
2016	2015	15,763	778,093,206	49,362	61.1	5.1%
2017	2016	16,123	798,136,869	49,503	61.4	4.1%
2018	2017	16,452	729,679,104	44,352	60.1	4.2%
2019	2018	16,754	771,907,042	46,073	59.3	4.5%
2020	2019	17,100	824,117,400	48,194	61.2	7.3%
2021	2020	17,484	870,143,712	49,768	59.4	4.8%

Sources:

- (1) Office of State Budget and Management.
- (2) U.S. Census Bureau.
- (3) North Carolina Employment Security Commission.

Notes:

Per Capita Income is adjusted annually after the Decennial Census calendar year by the annual average inflation rate.
Unemployment rate information is a calendar year adjusted annual average in Southern Pines-Pinehurst area.



Principal Property Tax Payers

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2021		2012	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst LLC	\$ 187,538,909	4.90%	\$ 169,422,809	5.04%
Pinehurst Surgical Clinic	28,766,340	0.75%	26,145,544	0.78%
Pinehurst Medical	26,747,410	0.70%	20,244,470	0.60%
Country Club of North Carolina	25,257,993	0.66%	30,109,680	0.90%
Duke Energy Progress, Inc.	20,553,767	0.54%	12,380,640	0.37%
The Greens at Arboretum LLC	12,449,190	0.33%	-	-
Quail Haven Properties of Pinehurst, LLC	10,218,540	0.27%	-	-
MTMM Associates (Carolina Eye Assoc.)	9,302,210	0.24%	9,792,516	0.29%
Pinewild Project Limited PTNS	9,218,302	0.24%	14,386,473	0.43%
SCOP (Surgery Center of Pinehurst)	6,072,220	0.16%	7,104,095	0.21%
Branch Banking and Trust Co.	-	-	6,470,884	0.19%
Francis Maser	-	-	5,613,400	0.17%
Total	<u>\$ 336,124,881</u>	<u>8.78%</u>	<u>\$ 301,670,511</u>	<u>8.98%</u>

Sources: Moore County Tax Department.

Notes: 2021 and 2012 data are for tax years 2020 and 2011, respectively.

Pinehurst, LLC includes: Resorts of Pinehurst, Inc., Pinehurst, Inc., Pinehurst LLC and Resorts of Pinehurst, Inc.



Principal Employers

Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
First Health of the Carolinas (1)	3,590	53.47%	2,610	56.06%
Pinehurst, LLC (2)	1,001	14.91%	1,108	23.80%
Total		68.38%		79.85%

Sources:

- (1) Human Resources Department at First Health of the Carolinas.
- (2) Human Resources Department at Pinehurst, LLC f/n/a Resorts of Pinehurst Inc.

Notes:

2021 employment is based on calendar year 2020.

GASB 44 requires comparative data for the current calendar year and nine years prior. 2010 adjusted Census Data was used for 2012 and 2021 to estimate the percentage of total employment.



The Carolina Hotel

Village of Pinehurst
Village Council Budget Work Session
May 16, 2022



Purpose: Provide an opportunity for the Village Council to discuss the FY 2023 Strategic Operating Plan document.

1. Welcome and Overview
2. Strategic Priorities (Pages 37-68)
 - a. Balanced Scorecard – Areas of Focus
 - b. Initiative Action Plans (FY 2023-2027)
3. Overview of Proposed FY 2023 General Fund Budget (Pages 69-78)
 - a. General Fund Revenues FY 2023 (Pages 79-95)
 - i. Property Taxes
 - ii. Local Option Sales Taxes
 - iii. Other Financing Sources
 - b. General Fund Expenditures FY 2023 (Pages 96-138)
 - i. Staffing Requests
4. Capital Project Funds (Pages 139-141)
5. Special Revenue Fund (Page 142)
6. Five-Year Financial Forecast (Pages 143-149)
7. Capital Improvement Plan (Pages 150-163)
8. Other Items or Questions

Key Upcoming Dates:

- Tuesday, May 24th - Budget Public Hearing
- Tuesday, June 14th - Adopt the SOP and Budget Ordinance

