VILLAGE COUNCIL
AGENDA FOR REGULAR MEETING OF MAY 12, 2015
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM

1. Call to Order.

2. Reports:
   - Manager
   - Council

3. Motion to Approve Consent Agenda.

   All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

   A. Consider a resolution honoring the service of Richard Lemke on Pinehurst Community Watch.

   B. Consider a resolution reappointing Betty Sapp to the BOA and P&Z.

   End of Consent Agenda.

4. Discuss the proposed concept for a United States flag display.

5. Presentation of Financial Statements for the Quarter Ended March 31, 2015.

6. Presentation of the FY 2016 Strategic Operating Plan.

7. Other Business.

8. Comments from Attendees.

9. Motion to Adjourn.

VILLAGE OF PINEHURST 1895

History, Charm, & Southern Hospitality.

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

Competent
Courteous
Professional
Responsive

CONSIDER A RESOLUTION HONORING THE SERVICE OF RICHARD LEMKE ON PINEHURST COMMUNITY WATCH.

ADDITIONAL AGENDA DETAILS:

FROM:
Lauren Craig

CC:
Jeff Batton

DATE OF MEMO:
5/7/2015

MEMO DETAILS:
Mr. Richard Lemke has decided to step down from the position of Chairman of the Pinehurst Community Watch program. Attached is a resolution honoring him for his service. This will be presented to Mr. Lemke at the Council meeting on May 26, 2015.

ATTACHMENTS:

	Description
🗋	Resolution 15-20

RESOLUTION #15-20:

A RESOLUTION HONORING THE SERVICE OF MR. RICHARD LEMKE TO THE PINEHURST COMMUNITY WATCH PROGRAM

THAT WHEREAS, the Village Council of Pinehurst, North Carolina wishes to acknowledge and express its appreciation to Mr. Richard Lemke for his more than eighteen years of dedicated service to the citizens of Pinehurst as a member of the Pinehurst Community Watch program; and

WHEREAS, Mr. Lemke started his service as a block captain in 1997 and on April 25, 2006, was appointed as the Vice Chairman of the Community Watch program; and

WHEREAS, in 2008 Mr. Lemke generously stepped into the role of Chairman following Bill Hiser's leadership and Mr. Lemke served continuously and faithfully from that time; and

WHEREAS, Mr. Lemke has devoted his time, energy and talents to this community and the safety of the public by providing experience and sound judgment on its behalf with integrity, dignity and thoughtful reflection; and

WHEREAS, Mr. Lemke provided outstanding leadership in the Community Watch program by heightening the programs awareness throughout the Village of Pinehurst.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 12th day of May, 2015, as follows:

SECTION 1. That the Village Council hereby expresses on behalf of the citizens of Pinehurst, deep appreciation and gratitude for the gifts of time, ability and determination given as a member of the Pinehurst Community Watch program.

SECTION 2. That the Interim Village Manager is hereby directed to have a copy of this Resolution presented to Mr. Lemke as a token of our gratitude.

THIS RESOLUTION passed and adopted this 12th day of May, 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

CONSIDER A RESOLUTION REAPPOINTING BETTY SAPP TO THE BOA AND P&Z.

ADDITIONAL AGENDA DETAILS:

FROM:
Lauren Craig

CC:
Jeff Batton, Bruce Gould

DATE OF MEMO:
5/7/2015

MEMO DETAILS:
Betty Sapp's term is up for the Board of Adjustment and the Planning and Zoning Board on 5/31/2015. She is eligible for <u>one</u> additional year of service according to the 6 year term limit policy and she is interested in being reappointed. Attached is a resolution reappointing Ms. Sapp for one additional year on the BOA and P&Z boards.

ATTACHMENTS:

	Description
🗋	Resolution 15-19

RESOLUTION #15-19:

A RESOLUTION REGARDING A RE-APPOINTMENT TO THE PINEHURST PLANNING AND ZONING BOARD AND BOARD OF ADJUSTMENT.

THAT WHEREAS, the Village of Pinehurst has established a Planning and Zoning Board and a Board of Adjustment as required by its Development Ordinance and authorized by North Carolina General Statutes 160A-361 and 160A-388; and

WHEREAS, on the 13th day of March, 2012, the Pinehurst Village Council adopted Ordinance #12-10 to amend Chapter 31 of the Pinehurst Municipal Code to combine the Planning and Zoning Board and the Board of Adjustment; and

WHEREAS, the term of Ms. Betty Sapp will expire on May 31, 2015; and

WHEREAS, Ms. Sapp and the Village Council of Pinehurst are desirous of her continuing to serve as a member of the Board of Adjustment and the Planning and Zoning Board for one additional year to fulfill the term limit;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a regular meeting assembled this 12th day of May, 2015 as follows:

SECTION 1. That the following appointment is hereby made to the Board of Adjustment and the Planning and Zoning Board for the term indicated:

Ms. Sapp is re-appointed as a member of the Board of Adjustment and the Planning and Zoning Board, effective May 31, 2015, said term expiring on May 31, 2016.

SECTION 2. That this appointee shall continue serving until a replacement is appointed and qualified.

THIS RESOLUTION passed and adopted this 12th day of May, 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

DISCUSS THE PROPOSED CONCEPT FOR A UNITED STATES FLAG DISPLAY.

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton

CC:
Walt Morgan

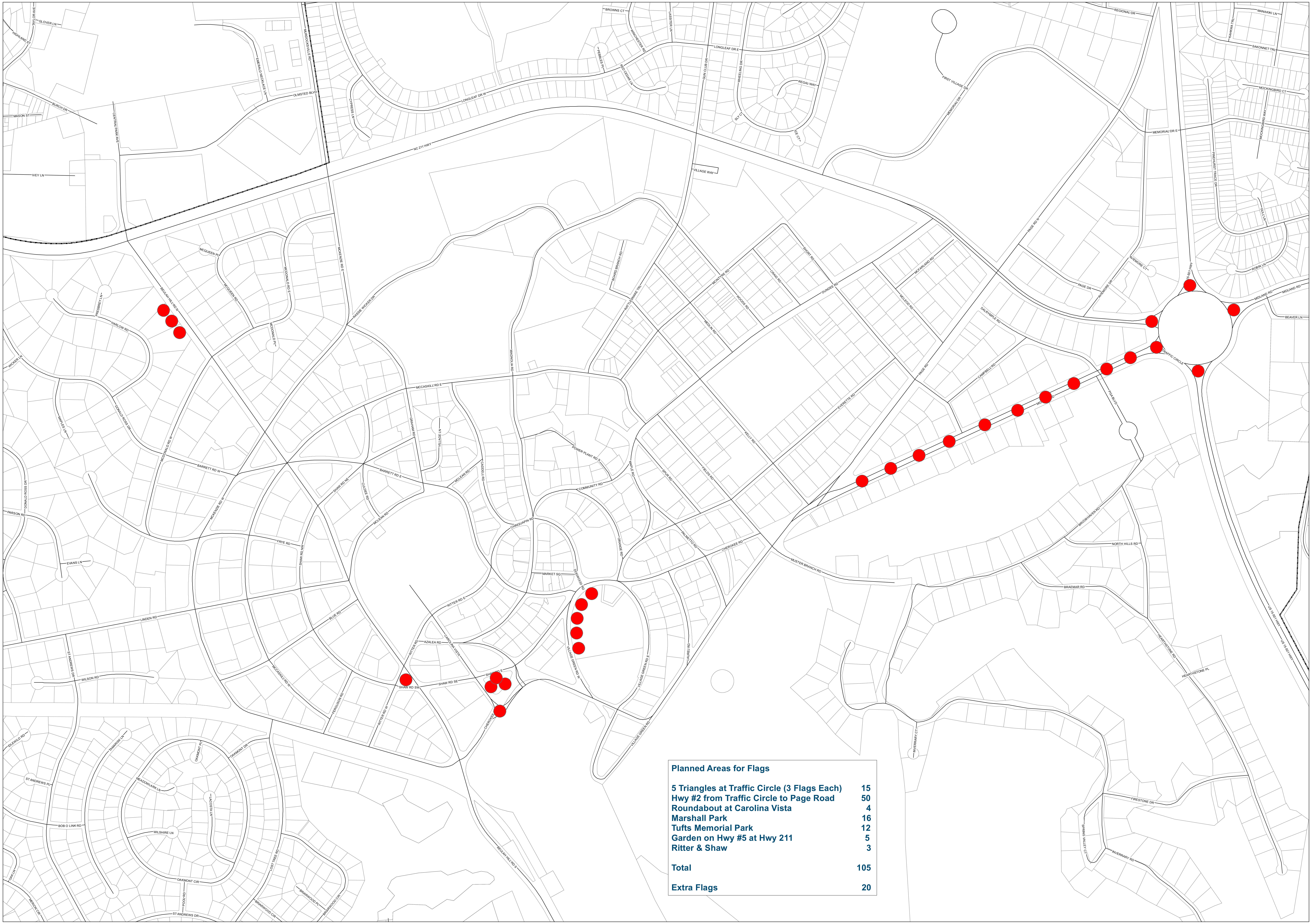
DATE OF MEMO:
5/6/2015

MEMO DETAILS:
Walt Morgan, Public Services Director will be present to discuss a concept of displaying American flags on Memorial Day, Independence Day, and Veteran's Day in specific locations throughout the Village. More specifically, the flags would be displayed around the traffic circle, along Midland Road (from the circle to Page Rd), around Tufts Park, around the small roundabout on NC 2, and at Marshall Park. See enclosed map for more information on these locations.

If Council is in favor of the concept, $1,000 would be requested for allocation from the Village of Pinehurst FY 2015 budget. This would not require a budget amendment and would come from existing funds within Public Services. $1,500 in private pledges have been received to support this particular initiative should Council approved this concept. The total funds of $2,500 would be used to purchase approximately 125 United States flags (size 3' x 5') on an 8 foot pole for display in the noted locations.

ATTACHMENTS:

	Description
🗋	Map of Flag locations



Planned Areas for Flags

5 Triangles at Traffic Circle (3 Flags Each)	15
Hwy #2 from Traffic Circle to Page Road	50
Roundabout at Carolina Vista	4
Marshall Park	16
Tufts Memorial Park	12
Garden on Hwy #5 at Hwy 211	5
Ritter & Shaw	3
Total	105
Extra Flags	20

1895 Village of PINEHURST

Flag Locations

0 125 250 500 750 1,000 Feet

PRESENTATION OF FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2015.

ADDITIONAL AGENDA DETAILS:

FROM:
John Frye

CC:
Jeff Batton & Natalie Dean

DATE OF MEMO:
5/4/2015

MEMO DETAILS:
The financial statements for the quarter ended March 31, 2015 are presented for your information and review.

Highlights and commentary are provided in the accompanying memo.

ATTACHMENTS:

	Description
🗋	Financial Statements Comment Memo 03-31-15
🗋	Quarterly Financial Statements 03-31-15

John G. Frye, CPA
395 Magnolia Road
Pinehurst, NC 28374
Phone: 910-295-8646
Fax: 910-295-4434
e-mail: jfrye@vopnc.org

Village of Pinehurst

Memo

To: Village Council

From: John G. Frye

CC: Jeff Batton & Senior Leadership

Date: April 29, 2015

Re: Financial Statements for the Quarter Ended March 31, 2015

As we enter the final quarter of the fiscal year, the Village's financial condition is good. Revenues exceeded expenditures by a larger margin than anticipated in our forecast for the first three quarters. In addition, our operating expenditures are under control and our revenue outlook is stable. These results should position us well to carry out the objectives outlined in the FY 2015 Strategic Operating Plan.

Financial Position:

The Village's General Fund is showing $2.2 million in income for the first nine months of the year compared to $2.7 million the prior year. The Village budgeted for revenues to exceed expenditures by roughly $1.0 million for the three quarters.

In terms of fund balance, the Village's fund balance is currently 55% of expenditures, which is slightly lower than the 57% level seen the previous year at March 31.

The Village's total cash & investment balances decreased by $731,000, or 7.6% compared with the previous year. This decrease is due primarily to the timing of the Village's resurfacing program. This year, most of the $735,000 of the resurfacing work was completed in the fall. Last year, all of the resurfacing was completed in the spring.

Of the $8.9 million in cash and investments at March 31, 2015, $3.0 million was held in high-quality certificates of deposit purchased under the Village's investment program. Our long-term debt balances continue to decline with the Village currently owing $1,880,000 in notes payable and capital leases.

Revenues & Expenditures:

General fund revenues were $170,000, or 1.2% above the year-to-date budget projections. Property tax revenues were $48,000, or 0.5% below the quarterly revenue estimate. This small variance is most likely due to a budgeting variance as the collection rate of 99% is the same as the previous year.

Local option sales tax revenues were $83,000 higher than the revenue forecast. Revenues for the month of June 2014 and the impact of the U.S. Open Championships were estimated at the close of the previous fiscal year. The actual revenues, when received in September, were approximately $60,000 higher than anticipated and account for the majority of this variance.

Unrestricted intergovernmental revenues were $146,000, or 15% above the quarterly revenue forecast. Of this amount, $86,000 can be attributed to an increase in the collection of electricity franchise taxes. In FY 2015, the distribution formula for these taxes changed and resulted in this unexpected increase.

General fund operating expenditures were $302,000 or 2.6% below the quarterly budget overall. This variance is below the expected expenditure variance of 5%. Compared to the previous year, operating expenditures were up $1,040,000 year-to-date. This is primarily due to the early completion of our annual resurfacing work and the purchase of yard debris carts for the "One & Done" project implementation.

For capital outlay, only 62% of the capital outlay budgeted in the first three quarters was expended. Most of the variance is due to several Community Development projects that have been delayed. The Cotswold drainage project and the Community Road streetscape improvements were not completed in the third quarter as planned. Also, the Highway 211 improvements came in $73,000 under budget. In addition to these items, there were three Police vehicles on order at the end of the quarter.

Financial Outlook:

The Village issued 81 residential building permits valued at $18,378,000 during the first three quarters. Both the number of homes permitted and the total value of the homes are higher than the previous year. The average value of these homes, however, decreased from $238,000 to $226,000 or 4.7% when compared to the previous fiscal year.

The amount of fund balance appropriated this fiscal year is $1,888,000. This is significantly higher than the $882,000 appropriated at this time last year. At mid-year, we projected the Village's fund balance would decrease by approximately $700,000 by the end of FY 2015. We have updated this forecast and estimate the reduction to only be $400,000 based on current revenue and expenditure patterns. This will leave the ending fund balance for the General Fund at $7.3 million or 40% of expenditures, the top of our policy target range. This is also 3% higher than the 37% originally projected when the budget was adopted in May 2014.

Other Items:

During the first three quarters, the Fair Barn covered 89% of operating expenditures with operating revenues. This is lower than the 108% achieved at this point the previous year but above the balanced scorecard target of 78%. Before discounts were applied, the Fair Barn actually made an operating profit for the quarter with the ratio standing at 102%.

The Harness Track covered 70% of its operating expenditures compared to 68% the previous year. This can be misleading as most stall rental income for the season is recognized at the beginning of the season, while expenditures are incurred across the entire season. Their performance target for expenditure coverage for the year is 53%. As the season moves along, the ratio will decline and become more comparable to the annual target.

Conclusion:

At this point in the fiscal year, I am very pleased with the Village's financial condition and position. We project that fund balance will come in at the top of our target range and operating expenditures are coming in under budget. This positions the Village nicely for the upcoming adoption of our 5-year Strategic Operating Plan.

Should you have any questions, please feel free to contact me.

VILLAGE OF PINEHURST

FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
MARCH 31, 2015

Village of Pinehurst
Financial Statements
Table of Contents

Village of Pinehurst
Combined Balance Sheet - All Fund Types
March 31, 2015

	Governmental Fund Types		Account Groups			
	General Fund	Capital Project Funds	General Capital Assets	General Long - Term Debt	Totals March 31, 2015	Totals March 31, 2014
ASSETS						
Cash & investments	$ 8,998,139	$ (98,774)	$ -	$ -	$ 8,899,365	$ 9,630,674
Taxes receivable	70,177	-	-	-	70,177	89,848
Assessments receivable	67,391	-	-	-	67,391	88,708
Due from other governmental agencies	1,030,913	-	-	-	1,030,913	960,607
Interest receivable	-	-	-	-	-	-
Other receivables	231,429	-	-	-	231,429	193,073
Prepaid items	5,035	-	-	-	5,035	5,935
Inventory	42,187	-	-	-	42,187	46,126
Capital assets	-	-	37,300,469	-	37,300,469	35,299,318
Amounts to be provided for retirement of general long-term debt	-	-	-	2,675,328	2,675,328	3,104,887
TOTAL ASSETS	$ 10,445,271	$ (98,774)	$ 37,300,469	$ 2,675,328	$ 50,322,294	$ 49,419,176
LIABILITIES AND FUND EQUITY						
Accounts payable	$ 14,509	$ -	$ -	$ -	$ 14,509	$ 5,562
Withholdings & accrued expenses	42,598	-	-	-	42,598	153,398
Accrued vacation	-	-	-	598,130	598,130	631,850
Net pension obligation	-	-	-	196,824	196,824	173,403
Deposits	74,578	-	-	-	74,578	89,848
Prepaid taxes	-	-	-	-	-	57,331
Unavailable revenues	363,530	-	-	-	363,530	285,650
Residential assurance deposits	-	-	-	-	-	-
Long-term debt	-	-	-	1,880,374	1,880,374	2,299,634
Total Liabilities	495,215	-	-	2,675,328	3,170,543	3,696,676
EQUITY						
Investment in general capital assets	-	-	37,300,469	-	37,300,469	35,299,318
Fund Balance:						
Nonspendable:						
Inventory	42,187	-	-	-	42,187	46,126
Prepaid items	5,035	-	-	-	5,035	5,935
Restricted:						
Stabilization by state statute	1,647,488	-	-	-	1,647,488	2,627,644
Transportation	-	-	-	-	-	464,341
Committed:						
Capital Project fund expenditures	-	(98,774)	-	-	(98,774)	(1,125)
Special Revenue fund expenditures	-	-	-	-	-	2,891
Assigned:						
Designated for expenditures	1,987,155	-	-	-	1,987,155	882,272
Unassigned	6,268,191	-	-	-	6,268,191	6,395,098
Total equity	9,950,056	(98,774)	37,300,469	-	47,151,751	45,722,500
TOTAL LIABILITIES & EQUITY	$ 10,445,271	$ (98,774)	$ 37,300,469	$ 2,675,328	$ 50,322,294	$ 49,419,176

Village of Pinehurst
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Nine Months Ended March 31, 2015

	Annual Budget as of 03/31/15	Quarterly Budget as of 03/31/15	YTD as of 03/31/15	YTD as of 3/31/2014	Current Year Over (Under) Prior Year	% of 2015 Budget Spent / Received YTD
Revenues						
Ad valorem taxes & penalties	$ 9,767,000	$ 9,653,472	$ 9,605,711	$ 9,582,489	$ 23,222	98.35%
Assessments	31,110	31,110	20,116	10,591	10,591	64.66%
Other taxes and licenses	2,800,700	2,085,370	2,167,973	1,954,208	213,765	77.41%
Intergovernmental revenues:			-			
Unrestricted	1,728,900	996,585	1,143,158	917,948	225,210	66.12%
Restricted	549,985	546,611	534,343	492,678	41,665	97.16%
Permits & fees	557,750	451,244	455,408	516,146	(60,738)	81.65%
Sales & service	552,500	464,375	494,582	465,240	29,342	89.52%
Other revenues	198,586	156,165	137,677	403,205	(265,528)	69.33%
Interest earned on investments	14,100	6,345	1,887	4,221	(2,334)	13.38%
TOTAL REVENUES	16,200,631	14,391,277	14,560,855	14,346,726	214,129	89.88%
Operating Expenditures						
Governing Body	233,000	181,200	136,778	125,259	11,519	58.70%
Administration	1,074,975	816,392	752,975	763,440	(10,465)	70.05%
Financial Services	606,310	502,009	448,127	450,089	(1,962)	73.91%
Human Resources	377,520	265,821	238,369	211,590	26,779	63.14%
Police	2,781,533	2,120,293	1,943,922	1,945,601	(1,679)	69.89%
Fire	2,620,299	2,018,870	1,793,146	1,714,412	78,734	68.43%
Inspections	226,090	170,819	155,155	154,114	1,041	68.63%
Public Services Administration	405,025	305,821	260,068	253,584	6,484	64.21%
Streets & Grounds	1,250,227	941,702	877,089	935,972	(58,883)	70.15%
Powell Bill Funds	763,300	(23,825)	734,954	21,014	713,940	96.29%
Solid Waste	1,487,275	1,154,185	1,036,484	892,851	143,633	69.69%
Recreation	1,311,503	1,002,795	855,227	726,251	128,976	65.21%
Library	405,000	85,000	360,000	360,000	-	88.89%
Harness Track	543,040	423,411	347,286	333,535	13,751	63.95%
Fair Barn	290,939	218,650	177,694	145,810	31,884	61.08%
Planning	666,790	506,788	406,152	448,057	(41,905)	60.91%
Community Development	372,275	324,675	167,698	202,318	(34,620)	45.05%
Debt Service	494,525	391,417	452,496	419,891	32,605	91.50%
Contingency	70,000	40,000	-	-	-	0.00%
Total Operating Expenditures	15,979,626	11,446,023	11,143,620	10,103,788	1,039,832	69.74%
Capital Outlay Expenditures						
Administration	130,205	130,205	68,192	18,615	49,577	52.37%
Financial Services	4,880	4,880	2,051	-	2,051	42.03%
Human Resources	2,440	2,440	1,025	7,500	(6,475)	42.01%
Police	158,695	158,695	28,756	25,494	3,262	18.12%
Fire	149,575	59,575	93,682	549,980	(456,298)	62.63%
Inspections	2,245	2,245	809	-	809	36.04%
Public Services Administration	62,690	62,690	636	-	636	1.01%
Streets & Grounds	485,843	465,843	278,678	343,228	(64,550)	57.36%
Powell Bill Funds	25,000	25,000	21,115	-	21,115	0.00%
Solid Waste	199,400	199,400	175,746	-	175,746	88.14%
Recreation	157,463	107,463	100,524	197,118	(96,594)	63.84%
Harness Track	143,157	142,157	137,587	51,570	86,017	96.11%
Fair Barn	85,925	85,925	37,082	-	37,082	43.16%
Planning	6,315	6,315	2,615	-	2,615	41.41%
Community Development	498,500	498,500	270,422	347,697	(77,275)	54.25%
Total Capital Outlay Expenditures	2,112,333	1,951,333	1,218,920	1,541,202	(322,282)	57.70%
TOTAL EXPENDITURES	18,091,959	13,397,356	12,362,540	11,644,990	717,550	68.33%
REVENUES OVER (UNDER) EXPENDITURES	(1,891,328)	993,921	2,198,315	2,701,736	(503,421)	

Village of Pinehurst
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Nine Months Ended March 31, 2015

	Annual Budget as of 03/31/15	Quarterly Budget as of 03/31/15	YTD as of 03/31/15	YTD as of 3/31/2014	Current Year Over (Under) Prior Year	% of 2015 Budget Spent / Received YTD
Other Financing Sources (Uses)						
Operating transfers in	$ 2,898	$ 2,898	$ 2,897	$ 7,933	$ (5,036)	99.97%
Loan proceeds	-	-	-	550,000	(550,000)	0.00%
Total Other Fin. Sources (Uses)	2,898	2,898	2,897	557,933	(555,036)	0.00%
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXP AND OTHER FINANCING USES	(1,888,430)	996,819	2,201,212	3,259,669	(1,058,457)	
Appropriated Fund Balance	1,888,430	200,720	-	-	-	
EXCESS OF REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE APP. OVER (UNDER) EXP AND OTHER FIN. USES	$ -	$ 1,197,539	2,201,212	$ 3,259,669	$ (1,058,457)	
FUND BALANCE, JULY 1			7,748,844			
FUND BALANCE, MARCH 31			$ 9,950,056			

Village of Pinehurst
Schedule of Capital Outlay by Function and Activity
Nine Months Ended March 31, 2015

	Annual Budget	YTD Budget	YTD Expenditures	Remaining Balance
Land				
Streets & Grounds	$ 153,800	$ 133,800	$ 114,715	$ 39,085
Recreation	107,898	57,898	83,591	24,307
Harness Track	137,912	137,912	136,737	1,175
Community Development	441,000	441,000	263,659	177,341
	840,610	770,610	598,702	241,908
Buildings and Grounds				
Administration	38,200	38,200	13,460	24,740
Police	7,500	7,500	-	7,500
Fire	14,100	14,100	6,680	7,420
Recreation	22,000	8,000	-	22,000
Harness Track	7,000	-	-	7,000
Fair Barn	22,000	42,000	14,663	7,337
	110,800	109,800	34,803	75,997
Equipment and Furniture				
Administration	92,005	92,005	54,732	37,273
Financial Services	4,880	4,880	2,051	2,829
Human Resources	2,440	2,440	1,025	1,415
Police	37,945	37,945	25,262	12,683
Fire	42,795	42,795	28,405	14,390
Inspections	1,935	1,935	809	1,126
Public Services Administration	6,380	6,380	636	5,744
Streets & Grounds	185,583	185,583	156,951	28,632
Solid Waste	4,200	4,200	1,742	2,458
Recreation	40,975	40,975	16,933	24,042
Harness Track	2,145	2,145	849	1,296
Fair Barn	43,925	43,925	22,420	21,505
Planning	6,215	6,215	2,615	3,600
Community Development	57,500	57,500	6,763	50,737
	528,923	528,923	321,193	207,730
Vehicles				
Police	113,250	113,250	3,494	109,756
Fire	92,680	2,680	58,598	34,082
Inspections	310	310	-	310
Public Services Administration	56,310	56,310	-	56,310
Streets & Grounds	6,460	6,460	-	6,460
Solid Waste	195,200	195,200	174,004	21,196
Recreation	590	590	-	590
Harness Track	2,100	2,100	-	2,100
Planning	100	100	-	100
	467,000	377,000	236,096	230,904
Infrastructure				
Streets & Grounds	140,000	140,000	7,012	132,988
Powell Bill	25,000	25,000	21,115	3,885
	165,000	165,000	28,127	136,873
Total	$ 2,112,333	$ 1,951,333	$ 1,218,921	$ 893,412

% of Capital Outlay Budget Expended 57.70%

Note: This Schedule includes Fleet Maintenance, Buildings & Grounds and Information Technology Capital Outlay.

Village of Pinehurst
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Land Dedication Special Revenue Fund

	Total March 31, 2015	Total March 31, 2014
REVENUES		
Interest earned on investments	$ 3	$ 69
Other Financing Sources (Uses)		
Operating transfers out	(2,897)	(7,933)
	(2,897)	(7,933)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,894)	(7,864)
Fund Balance, July 1	2,894	10,755
FUND BALANCE, MARCH 31	$ -	$ 2,891

Village of Pinehurst
Combining Balance Sheet - Capital Project Funds
Jackson Hamlet CDBG-III
March 31, 2015

	Total March 31, 2015	Total March 31, 2014
ASSETS		
Cash & investments	$ (98,774)	$ (1,125)
Due from other governments	-	-
TOTAL ASSETS	$ (98,774)	$ (1,125)
Fund Balance:		
Reserved:		
Designated for capital improvements	$ (98,774)	$ (1,125)
Total equity	(98,774)	(1,125)
TOTAL LIABILITIES & FUND EQUITY	$ (98,774)	$ (1,125)

Village of Pinehurst
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund - Jackson Hamlet CDBG-III
From Inception and for the Nine Months Ended March 31, 2015

	Project budget	Actual Prior years	Actual Current year	Actual Total to date
REVENUES				
Community Development Grant	$ 683,200	$ 74,438	$ 384,091	$ 458,529
	683,200	74,438	384,091	458,529
EXPENDITURES				
Professional Services	73,200	8,018	50,734	58,752
Grants for community projects	610,000	66,420	432,131	498,551
	683,200	74,438	482,865	557,303
REVENUES OVER (UNDER) EXPENDITURES	-	-	(98,774)	(98,774)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	(98,774)	$ (98,774)
FUND BALANCE, JULY 1			-	
FUND BALANCE, MARCH 31			$ (98,774)	

Village of Pinehurst
Schedule of General Long Term Debt
Fiscal Year Ended June 30, 2015

	Balance at 03/31/15	Balance at 03/31/14	Increase (Decrease)
Fire Station			
$2,500,000; due in 30 semi-annual payments of fixed principal of $83,334 plus interest @ 3.44%; collateralized by Fire Station bldg; final payment due on 3/15/2020.	$ 833,333	$ 1,000,000	$ (166,667)
Fair Barn			
$1,000,000; due in 40 semi-annual payments consisting of fixed principal of $25,000 plus interest @ 4.60%; collateralized by Fair Barn bldg; final payment due on 3/11/22.	350,000	400,000	(50,000)
67.04 Acres (Chicken Plant Road)			
$500,000; due in 30 semi-annual payments consisting of fixed principal of $16,667 plus interest @ 3.98%; collateralized by 67.04 acres of land; final payment due 4/17/18.	100,000	133,333	(33,333)
2009 Firetruck			
$500,000; due in 14 semi-annual payments of $42,037 beginning on 6/1/10; final payment due on 12/1/16; interest @ 4.43% with a 35% interest rebate on each payment; collateralized by firetruck.	158,987	233,580	(74,593)
Capital Lease			
SAN Storage; due in 3 annual payments of $20,932 beginning on 01/14/13; final payment due on 01/14/15; interest at 5.5%; title passes to the Village at the end of the lease term.	-	19,760	(19,760)
2013 Firetruck			
$550,000; due in 14 semi-annual payments of $41,917 beginning on 2/1/14; final payment due on 8/1/20; interest @ 1.75%; collateralized by firetruck.	438,054	512,961	(74,907)
	1,880,374	2,299,634	(419,260)
Unfunded Pension Benefit Obligation	196,824	173,403	23,421
Accumulated Vacation	598,130	631,850	(33,720)
	794,954	805,253	(10,299)
	$ 2,675,328	$ 3,104,887	$ (429,559)

Village of Pinehurst
Schedule of Ad Valorem Property Tax Collections
Nine Months Ended March 31, 2015

Real and Personal

Tax Year	Nine Months Ended March 31, 2015			Nine Months Ended March 31, 2014		
	Budgeted Collections	Gross Collections	% Collected Through 03/31/15	Budgeted Collections	Gross Collections	% Collected Through 03/31/14
Third Prior Year	$ -	$ 1,913	100.00%	$ -	$ 151	100.00%
Second Prior Year	-	160	100.00%	-	18	100.00%
First Prior Year	5,000	1,891	37.82%	5,000	2,680	53.60%
Current Year	9,224,000	9,209,793	99.85%	9,110,000	9,055,374	99.40%
	$ 9,229,000	$ 9,213,757	99.83%	$ 9,115,000	$ 9,058,223	99.38%

Motor Vehicles

Tax Year	Nine Months Ended March 31, 2015			Nine Months Ended March 31, 2014		
	Budgeted Collections	Gross Collections	% Collected Through 03/31/15	Budgeted Collections	Gross Collections	% Collected Through 03/31/14
Third Prior Year	$ -	$ 566	100.00%	$ -	$ 449	100.00%
Second Prior Year	-	186	100.00%	-	733	100.00%
First Prior Year *	2,000	3,998	199.90%	2,000	43,788	2189.40%
Current Year**	536,000	378,599	70.63%	565,000	472,714	83.67%
	$ 538,000	$ 383,349	71.25%	$ 567,000	$ 517,684	91.30%

* Includes amounts collected in July and August through the DMV that were previously recorded as Current Year using the staggerd method of vehicle levy and collection.

Village of Pinehurst
Schedule of Ad Valorem Property Tax Levy
Nine Months Ended March 31, 2015

Property Valuation

	Nine Months Ended March 31, 2015	Nine Months Ended March 31, 2014	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Real & Personal	$ 3,308,884,985	$ 3,253,572,804	$ 55,312,181	1.70%
Motor Vehicles *	135,110,072	190,474,807	(55,364,735)	-29.07%
	$ 3,443,995,057	$ 3,444,047,611	$ (52,554)	0.00%

Levy

	Nine Months Ended March 31, 2015	Nine Months Ended March 31, 2014	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Real & Personal	$ 9,261,768	$ 9,111,619	$ 150,149	1.65%
Motor Vehicles *	377,952	534,694	(156,742)	-29.31%
	$ 9,639,720	$ 9,646,313	$ (6,593)	-0.07%

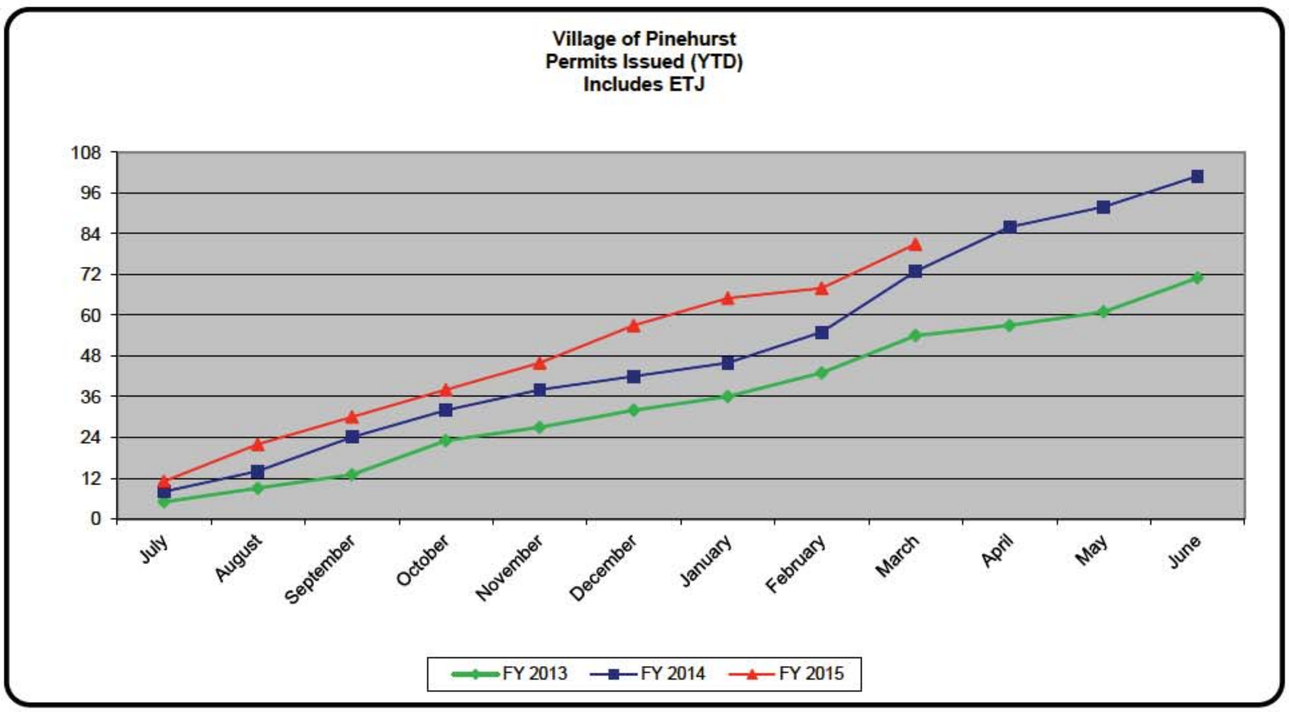
* Prior year Includes amounts collected in July and August using an "Invitation to Renew method by the DMV versus using the staggerd method of vehicle levy and collection by the County. The new method resulted in the valuation and collection of 14 months of Motor Vehicle taxes in fiscal year 2013-2014.

Village of Pinehurst
Schedule of Interfund Transfers
Nine Months Ended March 31, 2015

	Budgeted		Actual	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Fund Transfers:				
Land Dedication Fund	$ 2,898	$ -	$ 2,897	$ -
Land Dedication Fund	-	2,898	-	2,897
	$ 2,898	$ 2,898	$ 2,897	$ 2,897

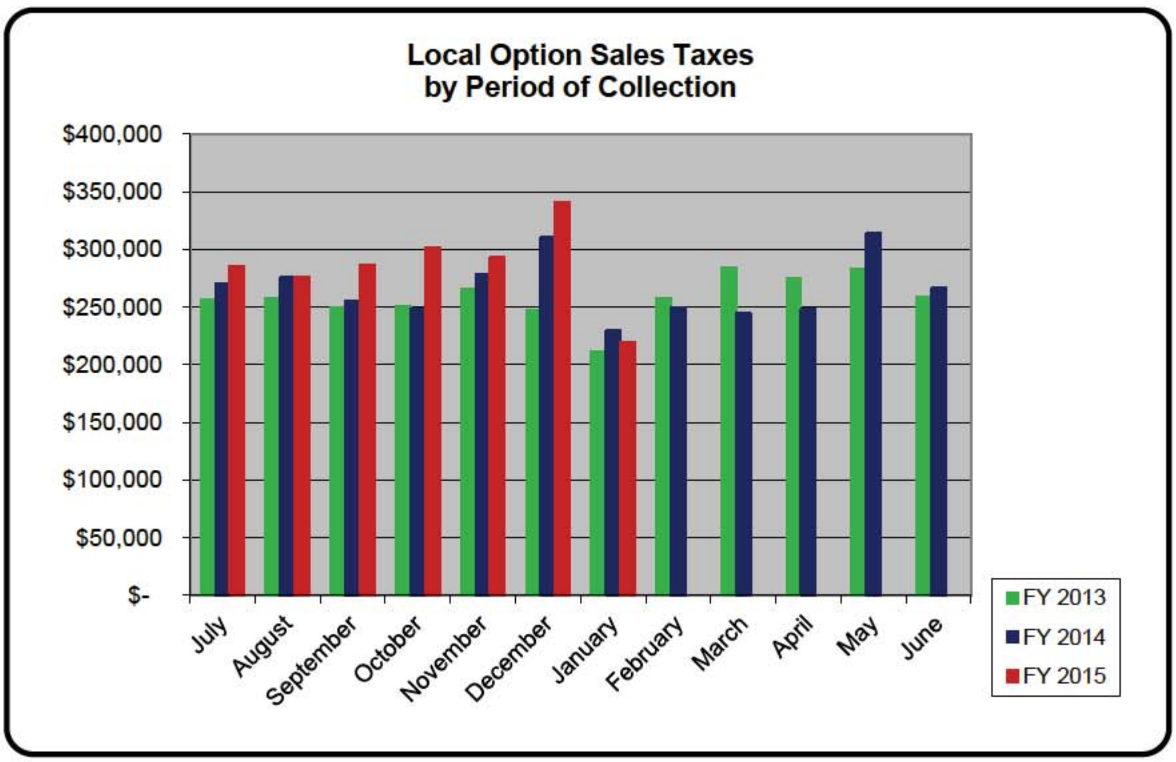
Village of Pinehurst
Residential Building Permits - Includes ETJ

	FY 2013		FY 2014		FY 2015		Construction Costs Percentage Change YTD
	# of Permits Issued	Est. Construction Costs	# of Permits Issued	Est. Construction Costs	# of Permits Issued	Est. Construction Costs	
July	5	$ 1,418,713	8	$ 1,579,000	11	$ 2,106,000	33.38%
August	4	2,380,000	6	1,624,120	11	2,470,488	42.88%
September	4	1,108,000	10	1,698,171	8	1,998,500	34.15%
October	10	2,531,000	8	3,444,648	8	1,543,000	-2.73%
November	4	815,000	6	1,195,000	8	1,472,000	0.51%
December	5	1,417,000	4	1,141,400	11	2,667,725	14.75%
January	4	764,000	4	1,216,800	8	2,628,440	25.10%
February	7	1,706,000	9	1,608,000	3	579,000	14.50%
March	11	2,812,700	18	3,864,200	13	2,913,250	5.80%
April	3	790,237	13	3,209,000	-	-	
May	4	1,085,000	6	1,201,000	-	-	
June	10	1,619,900	9	2,264,000	-	-	
YTD	71	$ 18,447,550	101	$ 24,045,339	81	$ 18,378,403	



Village of Pinehurst
Local Option Sales Taxes

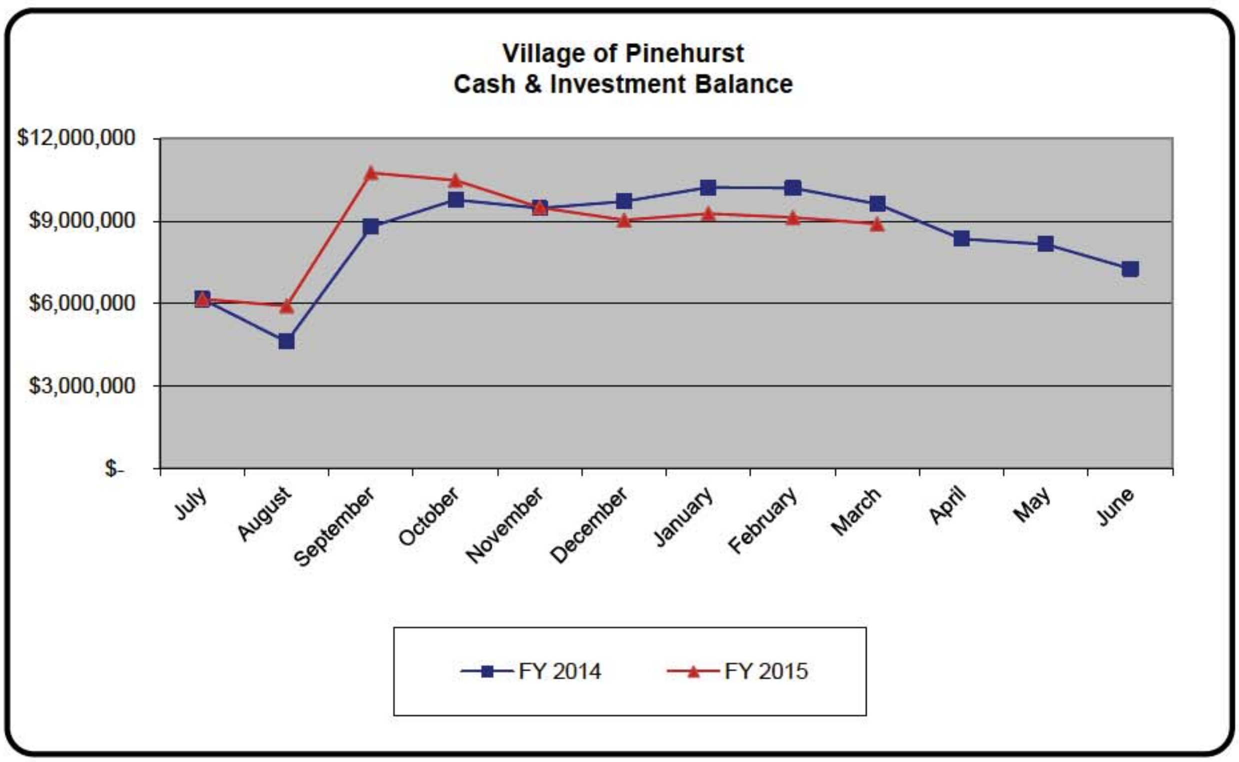
		FY 2013		FY 2014		FY 2015	Same Month Change From Prior Year
July	$	256,870	$	269,967	$	285,352	5.70%
August		257,725		275,713		276,790	0.39%
September		249,925		255,685		287,107	12.29%
October		250,726		248,959		301,580	21.14%
November		265,785		278,014		293,421	5.54%
December		246,614		310,229		340,776	9.85%
January		211,509		229,653		219,819	-4.28%
February		257,455		249,354		-	
March		284,085		244,765		-	
April		275,036		247,995		-	
May		283,616		314,055		-	
June		258,733		266,495		-	
YTD	$	3,098,079	$	3,190,884	$	2,004,845	



Village of Pinehurst
Investment Yield Summary

	FY 2014			FY 2015		
	Cash Balance	Investment Earnings	Investment Yield*	Cash Balance	Investment Earnings	Investment Yield*
July	$ 6,163,553	$ 5,345	1.08%	$ 6,167,938	$ (6,270)	-1.14%
August	4,609,828	19	0.00%	5,916,617	5,372	1.08%
September	8,799,599	(6,791)	-1.23%	10,757,924	33	0.00%
October	9,777,850	1,940	0.25%	10,481,371	1,152	0.13%
November	9,471,301	53	0.01%	9,496,173	55	0.01%
December	9,722,307	52	0.01%	9,036,543	55	0.01%
January	10,223,815	56	0.01%	9,279,151	1,305	0.17%
February	10,200,186	3,560	0.42%	9,132,727	47	0.01%
March	9,629,106	57	0.01%	8,899,365	121	0.02%
April	8,355,669	48	0.01%			
May	8,160,318	40	0.01%			
June	7,270,246	6,263	0.99%			
Average	$ 8,531,982	$ 10,642	0.12%	$ 8,796,423	$ 1,870	0.02%

* Investment yield is presented on an accrual basis.

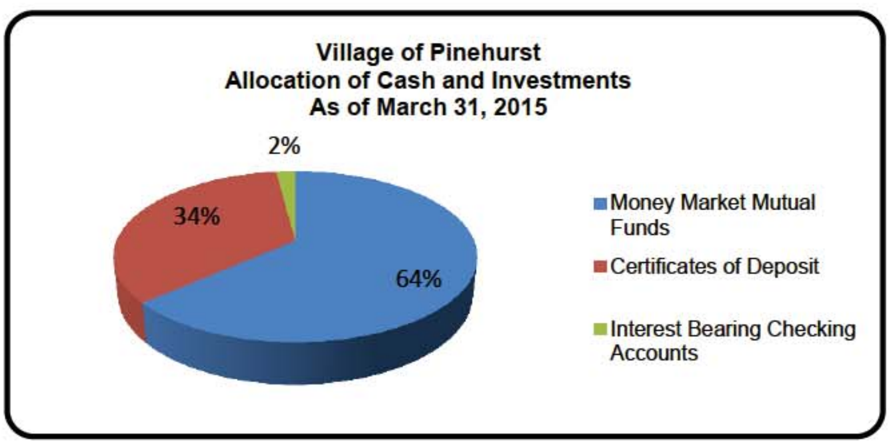


Village of Pinehurst
Cash and Investment Schedule
As of March 31, 2015

Investment	Bond Ratings (Moodys/S&P)	Purchase Date	Maturity Date	Cost
Money Market Mutual Funds				
North Carolina Capital Management Trust	AAAm			$ 5,718,566
Certificates of Deposit				
First Bank	3.5 star	01/17/14	01/17/15	501,250
First Bank	3.5 star	07/29/14	07/29/15	1,524,654
First Tennessee Bank	4 star	08/04/14	08/04/15	1,000,000
Interest Bearing Checking Accounts				
PNC Bank Operating				153,327
Petty Cash				1,568
Total Cash and Investments				$ 8,899,365
Total Cash and Investments (same quarter previous year)				$ 9,630,674

Summary of Cash and Investments

Money Market Mutual Funds	$ 5,718,566
Certificates of Deposit	3,025,904
Interest Bearing Checking Accounts	153,327
Petty Cash	1,568
	$ 8,899,365



Village of Pinehurst
Schedule of Fund Balance - General Fund
March 31, 2015

	Fund Balance at 03/31/15	Fund Balance at 03/31/14
General Fund		
Nonspendable:		
Inventory	$ 42,187	$ 46,126
Prepaid Items	5,035	5,935
Restricted:		
Stabilization by State Statute	1,647,488	2,627,644
Transportation	-	467,849
Assigned		
Subsequent year's expenditures	1,987,155	1,114,572
Unassigned	6,268,191	6,159,290
	$ 9,950,056	$ 10,421,416

Village of Pinehurst
Schedule of Budget Amendments - General Fund
For the Fiscal Year Ended June 30, 2015

As of March 31, 2015

	ORIGINAL 2014-2015 BUDGET	Amended * Qtr Ended 09/30/14	Amended Qtr Ended 12/31/14	Amended Qtr Ended 03/31/15	Amended Qtr Ended 06/30/15	Total Amendments	Amended 2014-2015 Budget
REVENUES							
Ad valorem taxes	$ 9,767,000	$ -	$ -	$ -	$ -	$ -	$ 9,767,000
Other taxes and licenses	2,800,700	-	-	-	-	-	2,800,700
Unrestricted Intergov't Revenues	1,664,900	-	-	64,000	-	64,000	1,728,900
Restricted Intergov't Revenues	506,760	-	-	43,225	-	43,225	549,985
Permits & Fees	557,750	-	-	-	-	-	557,750
Sales & Services	532,500	-	7,000	13,000	-	20,000	552,500
Assessments	31,110	-	-	-	-	-	31,110
Other Revenues	193,530	-	-	5,056	-	5,056	198,586
Investment Income	14,100	-	-	-	-	-	14,100
Other Financing Sources	-	2,898	-	-	-	2,898	2,898
Appropriated Fund Balance	1,687,710	256,445	43,000	(98,725)	-	200,720	1,888,430
TOTAL REVENUES	**$ 17,756,060**	**$ 259,343**	**$ 50,000**	**$ 26,556**	**$ -**	**$ 335,899**	**$ 18,091,959**
OPERATING EXPENDITURES							
Governing Body	233,000	-	-	-	-	-	233,000
Administration	1,074,975	-	-	-	-	-	1,074,975
Financial Services	606,310	-	-	-	-	-	606,310
Human Resources	459,905	(82,385)	-	-	-	(82,385)	377,520
Police	2,773,875	3,658	19,000	(15,000)	-	7,658	2,781,533
Fire	2,535,925	94,374	-	(10,000)	-	84,374	2,620,299
Inspec ions	226,090	-	-	-	-	-	226,090
Public Services Administration	405,025	-	-	-	-	-	405,025
Streets & Grounds	1,213,665	24,918	(7,123)	11,644	-	29,439	1,243,104
Powell Bill	788,300	(25,000)	-	-	-	(25,000)	763,300
Solid Waste	1,435,975	26,300	-	25,000	-	51,300	1,487,275
Planning	658,435	8,355	-	-	-	8,355	666,790
Community Development	293,900	78,375	-	-	-	78,375	372,275
Recreation	1,288,335	6,756	15,000	1,412	-	23,168	1,311,503
Library	380,000	-	-	25,000	-	25,000	405,000
Harness Track	524,040	5,500	-	13,500	-	19,000	543,040
Fair Barn	289,380	1,559	-	-	-	1,559	290,939
Contingency	100,000	(5,000)	-	(25,000)	-	(30,000)	70,000
Debt Service	494,525	-	-	-	-	-	494,525
Total Opera ing Expenditures	15,781,660	137,410	26,877	26,556	-	190,843	15,972,503
CAPITAL EXPENDITURES							
Administration	102,205	28,000	-	-	-	28,000	130,205
Financial Services	4,880	-	-	-	-	-	4,880
Human Resources	2,440	-	-	-	-	-	2,440
Police	142,695	-	16,000	-	-	16,000	158,695
Fire	126,575	23,000	-	-	-	23,000	149,575
Inspec ions	1,645	600	600	-	-	1,200	2,845
Public Services Administration	67,505	(4,815)	(4,815)	-	-	(9,630)	57,875
Streets & Grounds	479,530	6,313	9,313	-	-	15,626	495,156
Powell Bill	-	25,000	-	-	-	25,000	25,000
Solid Waste	197,900	1,500	1,500	-	-	3,000	200,900
Planning	2,010	4,305	4,305	-	-	8,610	10,620
Community Development	498,500	-	-	-	-	-	498,500
Recreation	162,755	8,708	810	(14,000)	-	(4,482)	158,273
Harness Track	109,245	33,912	-	-	-	33,912	143,157
Fair Barn	76,515	(4,590)	(4,590)	14,000	-	4,820	81,335
Total Capital Expenditures	$ 1,974,400	$ 121,933	$ 23,123	$ -	$ -	$ 145,056	$ 2,119,456
TOTAL EXPENDITURES	**$ 17,756,060**	**$ 259,343**	**$ 50,000**	**$ 26,556**	**$ -**	**$ 335,899**	**$ 18,091,959**

* Includes $235,345 that was reappropriated from FY 2013-14.

Village of Pinehurst
Schedule of Fair Barn Revenues and Expenditures
Nine Months Ended March 31, 2015

	Annual Budget as of 3/31/15	Quarterly Budget as of 3/31/15	Actual 3/31/15	YTD as of 3/31/2014	Current Year Over (Under) Prior Year	% of 2015 Budget Spent / Received YTD
Fair Barn						
Revenues	$ 183,000	$ 141,500	$ 180,561	$ 157,254	$ 23,307	98.67%
Expenditures						
Operating	290,939	218,650	177,694	145,810	31,884	61.08%
Capital	85,925	85,925	37,082	-	37,082	43.16%
Debt Service	67,825	67,825	67,826	70,126	(2,300)	100.00%
	444,689	372,400	282,602	215,936	66,666	63.55%
Net Before Discounts	(261,689)	(230,900)	(102,041)	(58,682)	(43,359)	38.99%
Event Revenue Discounts			(22,058)	-	(22,058)	
Net After Discounts	$ (261,689)	$ (230,900)	$ (124,099)	$ (58,682)	$ (65,417)	47.42%
Operating Revenues as a % of Operating Expenditures - **Before Discounts**	63%	65%	102%	108%		
Operating Revenues as a % of Operating Expenditures - **After Discounts**	63%	65%	89%	108%		
Target			78%			

Village of Pinehurst
Schedule of Harness Track Revenues and Expenditures
Nine Months Ended March 31, 2015

	Annual Budget as of 3/31/15	Quarterly Budget as of 3/31/15	Actual 3/31/15	YTD as of 3/31/14	Current Year Over (Under) Prior Year	% of 2015 Budget Spent / Received YTD
Harness Track						
Revenues	$ 256,000	$ 234,500	$ 242,025	$ 226,934	$ 15,091	94.54%
Expenditures						
Operating	543,040	423,411	347,286	333,535	13,751	63.95%
Capital	143,157	136,157	137,587	51,570	86,017	96.11%
	686,197	559,568	484,873	385,105	99,768	70.66%
Net Before Discounts	(430,197)	(325,068)	(242,848)	(158,171)	(84,677)	56.45%
Event Revenue Discounts			(1,040)	-	(1,040)	
Net After Discounts	$ (430,197)	$ (325,068)	$ (243,888)	$ (158,171)	$ (85,717)	56.69%
Operating Revenues as a % of Operating Expenditures - **Before Discounts**	47%	55%	70%	68%		
Operating Revenues as a % of Operating Expenditures - **After Discounts**	47%	55%	69%	68%		
Target			53%			

PRESENTATION OF THE FY 2016 STRATEGIC OPERATING PLAN.
ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton

CC:
Natalie Dean & John Frye

DATE OF MEMO:
5/6/2015

MEMO DETAILS:
Please find attached a presentation that I will provide at your meeting on May 12th to give the Council and the public an overview of the Recommended FY 2016 Budget and Strategic Operating Plan. In addition, I have attached the Budget in Brief which provides more detail of what is included in the Recommended FY 2016 Budget.

A hard copy of the proposed 2016 Strategic Operating Plan will be delivered to you prior to your meeting. The document will also be placed on the Village's website and a printed copy will be available at the Village Hall for public inspection, as required by law.

As a reminder, Council has two budget work sessions scheduled to discuss the budget in more detail:

1. Wednesday, May 13th at 4:00 pm
2. Thursday, May 14th at 4:00 pm

On May 13th, we will launch an Open Village Hall topic to allow the public to comment electronically on the Recommended FY 2016 Budget. In addition, a public hearing is scheduled for Tuesday, May 26th at 4:30 pm for the Council to receive public comments on the budget.

As always, thank you for your leadership and direction throughout the process of developing the FY 2016 Strategic Operating Plan.

ATTACHMENTS:

Description

- FY 2016 Strategic Operating Plan Presentation
- FY 2016 Budget in Brief

FY 2016 Strategic Operating Plan

Overview

- Highlight Council's strategic direction used to develop the FY 2016 Strategic Operating Plan (SOP)
- Review key components of the SOP document and enhancements made
- Provide an overview of the FY 2016 General Fund budget
- Provide an overview of the FY 2016-2020 five year plan
- Identify the next steps in the budget process

Council's Strategic Direction

Council’s Strategic Direction

- Obtained during Strategic Planning Process (e.g. Council annual retreat)
- SOP complies with Council financial policies and directives
- Initiatives address Council goals and objectives
- Funding is recommended at levels aimed to achieve Balanced Scorecard (BSC) target performance levels

FY 2016 Strategic Operating Plan

VALUES

Competent
Courteous
Professional
Responsive

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.

FY 2016 Strategic Operating Plan

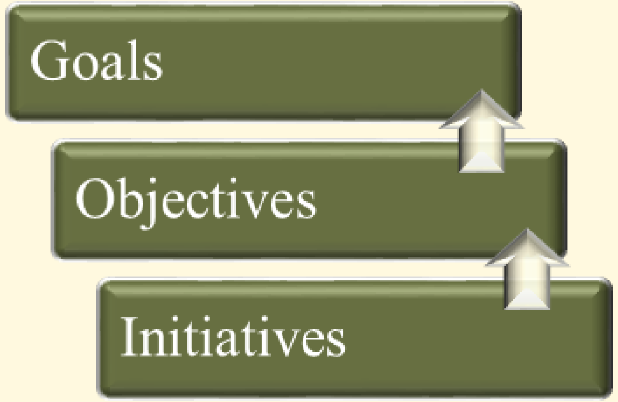
SOP Key Components and Enhancements

SOP Key Components and Enhancements

- **Budget in Brief** – Included in budget document and replaces Executive Summary; identifies all initiatives funded in FY 2016
- **Budget Message**
- **Strategic Operating Plan Guide**
- **Strategic Priorities** – Expanded to include graphs of Key Performance Indicators (KPIs) on the BSC with comparable information; Identifies linkage between initiatives and Council goals and objectives
- **General Fund (**Only annually adopted fund in FY 2016) - Added department goals to support Council goals; Removed dashboard graphs
- **Capital Expenditures**
- **Budget Ordinance** – Moved to the back

FY 2016 Budget Overview

Items Included in FY 2016 Budget



- $17.9 million, 1.1% below amended FY 15 Budget
- Revenue neutral tax rate of $0.30
- 35 initiatives to address Council goals and objectives
- Addition of a PT Park Maintenance position; Total of 132 Full time equivalents (FTEs)
- Merit pay raises can range from 0% to 3%, an increase in the range by 1% from previous five years
- Includes $1 million of appropriated fund balance
- Expect ending fund balance to remain at 40% of expenditures

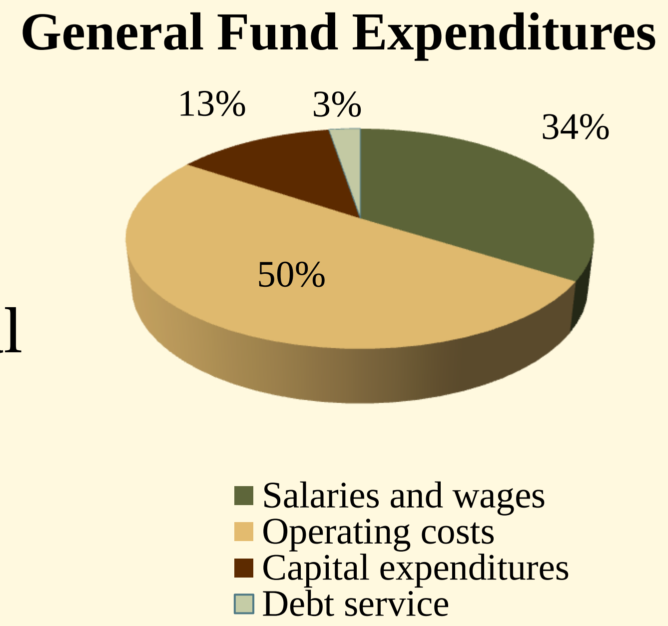
FY 2016 General Fund Budget Overview

Revenue Assumptions

- Total tax value decreased by 5.15% with the revaluation
- Assumes 100 new homes and a 1.0% growth in the real property tax base
- Assumes 1.0% growth in sales tax receipts

Expenditure Assumptions

- In Jan 2016, begin the 5-year phase out of the 25% subsidy of dependent care health insurance premiums
- Est. 10% increase in health insurance premiums



FY 2016 Strategic Operating Plan

Customer

Safeguard the Community

- Evaluate alternative methods to proactively investigate and deter crime (BIRDIE)
- Expand traffic pre-emption program (Opticom) to additional intersections in Village limits

Preserve the character of Pinehurst and the quality of neighborhoods

- Implement the recommendations of the Code Enforcement BIRDIE Team
- Evaluate the consolidation of Streets & Grounds and Buildings & Grounds (BIRDIE)

Promote economic vitality

- Collaborate with Pinehurst Business Partners to provide economic development services
- Incrementally expand Village Center into Village Place/Rattlesnake Corridor (McCaskill Rd sidewalks and streetscape improvements)
- Collaborate with the UNC School of Government to evaluate opportunities for Village place redevelopment
- Redevelop the Public Services complex

FY 2016 Strategic Operating Plan

VILLAGE OF PINEHURST 1895

Customer

Provide and promote multimodal transportation connectivity

- Make intersection improvements at McKenzie Rd and Hwy 5 & Barrett Rd. and Hwy 5
- Install sidewalks and/or greenways according to the Pedestrian Master Plan
- Install bike paths according to the Bicycle Master Plan *

Promote environmental sustainability

- Evaluate the use of solar energy for Village facilities

Promote an active, healthy community

- Develop a comprehensive recommendation for a new Community Center facility
- Develop Rassie Wicker Park facilities

  (Install a splash pad)

**Staff expects to roll forward $50,000 from the FY 2015 budget for bike paths*

FY 2016 Strategic Operating Plan

VILLAGE OF PINEHURST 1895

Internal

Professionally manage a high performing organization

- Develop an organizational wide complaint management process – VOP311 (BIRDIE)

Workforce

Recruit and develop a skilled and diverse workforce

- Review and revise the in-house TOPS training program
- Implement a reward & recognition program

Financial

Maintain a strong financial condition

- Implement BIRDIE Team recommendations to ensure the financial sustainability of the Harness Track

Significant FY 2016 Capital ($2.3 million)

- $625,600 for routine replacement of vehicles and equipment
- $49,000 for IT infrastructure
- $1,645,000 in other capital additions:
  - Drainage projects
  - Community Rd parking and McCaskill Rd streetscape enhancements
  - Intersection improvements at McKenzie Rd and Hwy 5 & Barrett Rd. and Hwy 5
  - Begin redevelopment of the Public Services complex
  - Mobile stage for community events
  - Splash pad in Rassie Wicker Park
  - Sidewalks/greenway construction

FY 2016-2020 Five-year Plan Overview

FY 2016-2020 Plan

	FY 16	FY 17	FY 18	FY 19	FY 20
General Fund Revenues	$16,848,605	$17,404,000	$17,067,000	$17,332,000	$17,607,000
General Fund Expenditures	17,470,715	18,171,665	18,203,220	17,946,271	18,570,815
Revenues Over (Under) Expenditures	$(622,110)	$(767,665)	$(1,136,220)	$(614,271)	$(963,815)
Budget to Actual Variance *	901,316	947,723	963,806	985,809	1,010,786
Projected Actual Gain/(Loss)	$279,206	$180,058	$(172,414)	$371,537	$46,971
Projected GF Balance as a % of Total Budget	41.9%	41.3%	40.3%	42.9%	41.7%

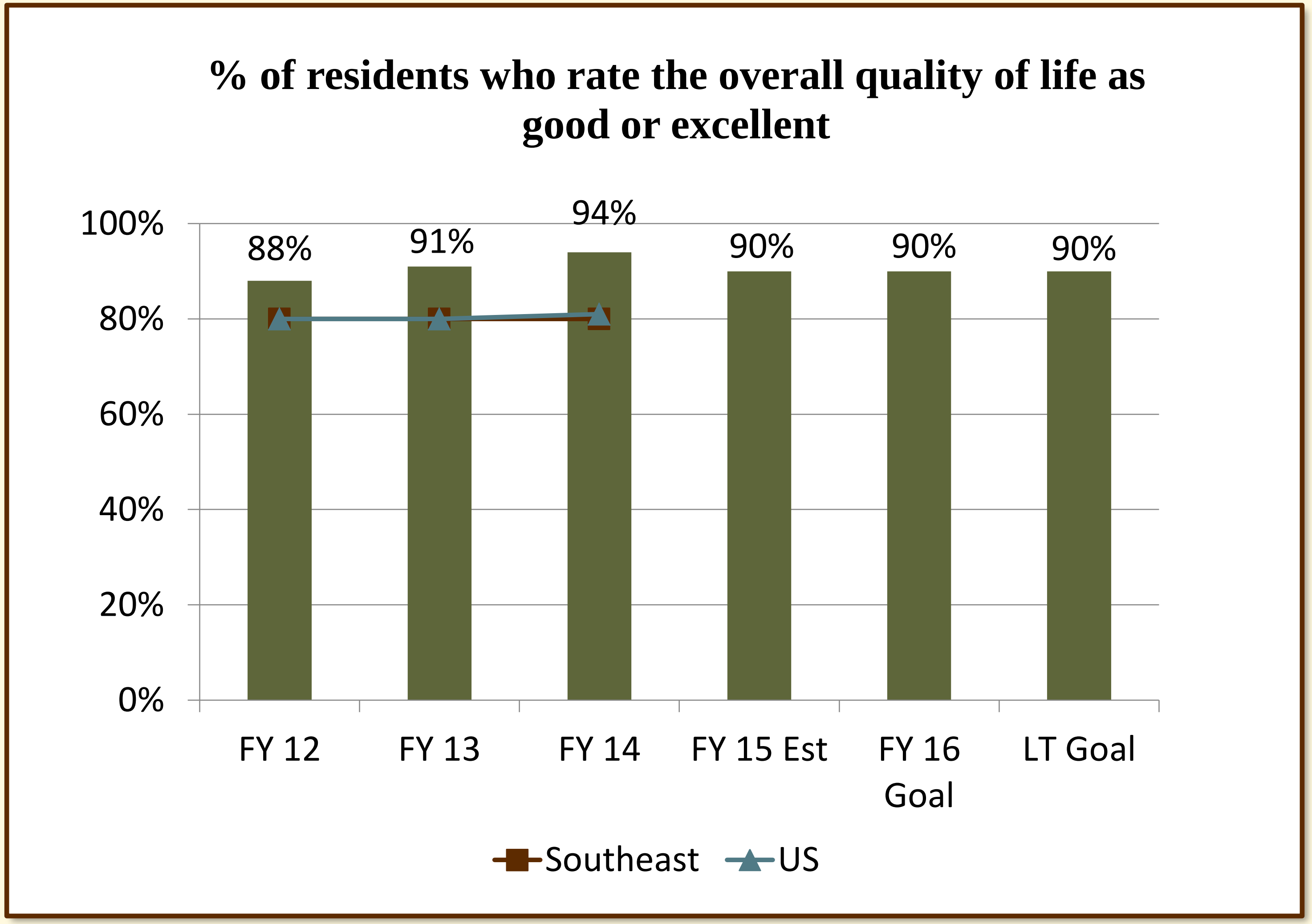
**Assumes actual revenues of 101% of budget and actual expenditures of 95% of budget*

Next Steps

Next Steps

- Two budget work sessions are scheduled in the Council Conference Room:
  - Wednesday, May 13th (4:00 pm)
  - Thursday, May 14th (4:00 pm)
- Budget Public Hearing - Tuesday, May 26th at 4:30 pm in Assembly Hall (*Public comments will be obtained via Open Village Hall and provided to the Council prior to the Public Hearing*)

FY 2016 Strategic Operating Plan



Questions

Letter from the Mayor

The Village Council is driven by the commitment to ensure Pinehurst is a charming, vibrant community which reflects our rich history and traditions. For the past three years, you have given us feedback on our services through the annual Community or Business Survey. The Council and staff have used that feedback, along with other relevant data, to prepare the FY 2016 Strategic Operating Plan that includes the FY 2016 Budget.

This year, the Village Council streamlined its goals on the Balanced Scorecard (BSC) and linked Key Performance Indicators (KPIs) to specific objectives for each goal. The nine goals of the Village Council for FY 2016 are to:

Mayor Nancy R. Fiorillo

1. Safeguard the community,
2. Preserve the character of Pinehurst and the quality of neighborhoods,
3. Promote economic vitality,
4. Provide and promote multimodal transportation connectivity,
5. Promote environmental sustainability,
6. Promote an active, healthy community,
7. Professionally manage a high performing organization,
8. Recruit and develop a skilled and diverse workforce, and
9. Maintain a strong financial condition.

The FY 2016 Budget contains a revenue neutral tax rate of $0.30 per $100 valuation due to a 5.15% decline in Pinehurst's property values after this year's revaluation. A tax rate of $0.30 will generate the same amount of property tax revenue for the Village as last year, plus normal growth.

There are numerous initiatives in the FY 2016 Strategic Operating Plan to achieve the Council goals listed above. These initiatives span the five year planning period of FY 2016 – FY 2020. This *Budget in Brief* describes the initiatives and other key items included in the FY 2016 Budget. For more information on initiatives beyond FY 2016, please see the *Strategic Priorities* section of the 2016 Strategic Operating Plan, which may be found on our website at www.vopnc.org.

With diligent financial oversight, the Village's professional staff and Council have been effective stewards of our tax dollars, ensuring the delivery of quality services that our residents, businesses, and visitors require and expect. As in the past, the FY 2016 Budget is prepared utilizing sound financial policies and reflects the Council's thoughtful consideration of the services provided.

Several new initiatives are planned for FY 2016 and I encourage you to read further about those in the 2016 Strategic Operating Plan.

Nancy Roz Fiorillo

Nancy Fiorillo, Mayor
Village of Pinehurst, NC

General Fund Expenditures

The FY 2016 Budget includes 35 initiatives with incremental funding of approximately $1,386,000 to address the Council's nine goals on the BSC. Several process improvements are planned for FY 2016 and are identified as an ACE or a BIRDIE, the Village's systematic performance improvement methodologies. Strategic initiatives for each Council goal in the FY 2016 Budget and their cost follows:

Customer Perspective

1. ***Safeguard the community ($18,500)***
   - Evaluate alternative methods to proactively investigate and deter crime (BIRDIE)
   - Achieve national accreditation in the Fire Department - $6,000
   - Expand traffic pre-emption program to additional intersections in Village limits - $12,500

2. ***Preserve the character of Pinehurst and the quality of neighborhoods ($10,200)***
   - Implement the recommendations of the Code Enforcement BIRDIE Team - $6,200
   - Develop an "Adopt a Plant Bed" program with the Beautification Committee (ACE) - $4,000
   - Evaluate the consolidation of Streets & Grounds and Buildings & Grounds (BIRDIE)

3. ***Promote economic vitality ($575,800)***
   - Collaborate with the UNC-School of Government to evaluate opportunities for Village Place redevelopment - $50,000
   - Re-develop the Public Services campus - $400,000
   - Collaborate with Pinehurst Business Partners to provide economic development services - $34,800
   - Incrementally expand the Village Center into Village Place/Rattlesnake Corridor - $91,000

4. ***Provide and promote multimodal transportation connectivity ($346,000)***
   - Make intersection improvements at McKenzie Rd and Hwy 5 & Barrett Rd and Hwy 5 - $146,000
   - Install sidewalks and/or greenways according to the Pedestrian Master Plan - $200,000
   - Install bike paths according to the Bicycle Master Plan *–(* $50,000 expected to roll forward from FY 2015)*

5. ***Promote environmental sustainability ($0)***
   - Evaluate the use of solar energy for Village facilities

6. ***Promote an active, healthy community ($326,890)***
   - Develop a comprehensive recommendation for a new Community Center Facility
   - Develop Rassie Wicker Park facilities - $297,500
   - Enhance maintenance of Village buildings and facilities – $24,240
   - Establish a P&R internship program - $5,150

Balanced Scorecard

The BSC contains goals, objectives, and key performance indicators (KPIs) in four perspectives to ensure a balanced approach to the evaluation of achievement of organizational strategy. These four perspectives are:

1. Customer
2. Internal
3. Employee
4. Financial.

Internal Perspective

7. ***Professionally manage a high performing organization ($28,000)***
    - Develop an organization wide complaint management process -VOP 311 (BIRDIE) - $8,000
    - Continue to utilize the Baldrige excellence framework to improve organizational performance
    - Develop a method to evaluate the effectiveness of the Village Council (ACE) - $1,000
    - Develop a mechanism to share best practices between departments and evaluate the effectiveness (ACE)
    - Increase capability to secure and monitor the Village computer network for legal compliance – $19,000
    - Review key Village processes annually for opportunities for improvement

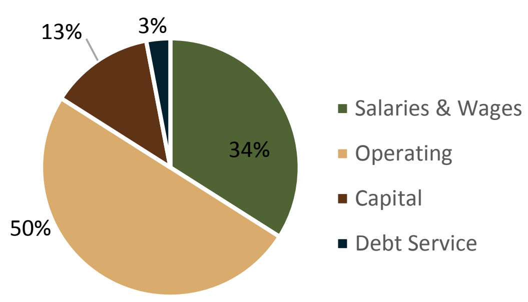
Workforce Perspective

8. ***Recruit and develop a skilled and diverse workforce ($2,000)***
    - Implement a reward and recognition program (ACE) - $2,000
    - Review and revise the in-house TOPS training program (ACE)

Financial Perspective

9. ***Maintain a strong financial condition ($78,600)***
    - Implement BIRDIE Team recommendations to ensure the financial sustainability of the Harness Track - $76,600
    - Evaluate alternative revenue sources for the Village
    - Implement the recommendations from the evaluation of the sale of Village owned land - $2,000

FY 2016 Budgeted Expenditures

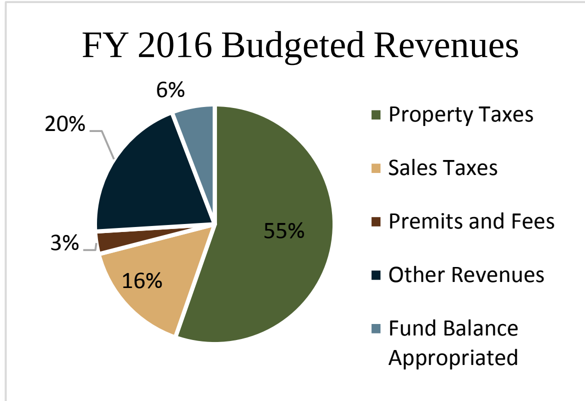


The FY 2016 Budget for salaries and wages for the Village's 132 full-time equivalents (FTEs) includes a total of $165,000 for merit raises ranging from 0-3%. This is an increase from the 2% maximum merit raise available to employees in the previous five fiscal years. Also, the FY 2016 Budget plans to begin the phase out (incrementally over the next five years) of the 25% dependent coverage health insurance premium subsidy provided by the Village. This budget also includes the addition of a part-time Park Maintenance position (0.5 FTE) to assist with setup and post-rental services held in Village parks, particularly the Arboretum.

Overall, the FY 2016 Budget totals $17,890,044, or 1.1% below the prior year's amended budget at February 28, 2015.

General Fund Revenues

The primary revenue source for the Village is property taxes, accounting for 55% of total revenues, or $9.9 million. In FY 2016, the Village will increase the tax rate to a revenue neutral rate of $0.30 per $100 valuation due to the 5.15% decline in property values as a result of this year's revaluation.



Generating $2.8 million, sales taxes are the second largest revenue source for the Village, representing 16% of the budget. 2 cents of the 6 ¾ cents paid in sales tax comes back to the Village to help fund operations.

Permits and fees are projected to generate $544,000 in revenue, representing 3% of total General Fund revenues. Other revenues include intergovernmental revenue, investment income, and other miscellaneous revenues, accounting for 20% of total General Fund revenues.

The Village is also budgeting to use $1 million of appropriated fund balance (or Village savings), which is above the expected budget-to-actual variance of $923,000. Because revenues historically come in at 101% of budget and expenditures typically fall 5% below budget, we estimate the Village will actually only use $118,000 of appropriated fund balance in FY 2016. This will result in an ending fund balance of approximately 40%, or the upper limit of the Council's adopted fund balance policy range.

Long Term Debt

The Village continues to pay down its debts and has only $1.8 million in long-term debt outstanding. Total required principal and interest payments for FY 2016 amount to $464,000, or 2.6% of the total annual budget. The Village does not plan to issue new debt in FY 2016.

Capital Expenditures

Capital expenditures total $2.3 million in FY 2016, or 13% of the annual budget. Significant capital expenditures include:

- Routine replacement of vehicles and equipment ($674,600)
- Routine buildings and grounds improvements ($219,500)
- Redevelop the Public Services complex – Phase 1 ($400,000)
- Wicker Park splash pad ($280,000)
- Sidewalk expansion ($200,000)
- Small drainage projects ($150,000)
- McCaskill Road streetscape improvements ($91,000)
- Purchase of a mobile stage for cultural events ($80,000)
- Other various miscellaneous capital improvements ($224,500)

Viewing the Budget Online

To view the FY 2016 Budget online, go to www.vopnc.org.

On the Budget "launch" page, citizens can open the entire FY 2016 Budget and Strategic Operating Plan document or an individual section, with a linked table of contents.