



AGENDA

Thursday, April 3, 2025: 8:30 AM
Town Council Work Session
Southern Pines Fire Station # 82
7381 NC-22, Carthage, NC

1. CALL TO ORDER

a. Opening Remarks

2. MUNICIPAL SERVICE DISTRICT

a. Analysis

Options to consider in setting a tax rate for the MSD for FY26

3. ENTERPRISE BUDGET - WATER AND SEWER FUNDS

a. Line-Item Document

4. GENERAL FUND REVENUES

a. Revenue Analysis

Staff presented and distributed the first draft of the revenue analysis at the March 25th work session. Minor adjustments have been made, including FY 25 expected sales taxes.

5. GENERAL FUND EXPENDITURES

a. Line Item Document

b. Big Picture: Expenditures

The expenditures detailed in this document total \$30,898,400, which is 94% of the total expenditures in the Town Manager's recommended budget. This document is created for improved transparency and ease of reviewing the budget and includes:

- Expenditures that hit all or most departments.
- Proposed capital project transfers, debt service payments, leases, SBITAS, and other non-departmental expenditures.
- Single items that meet the Town's \$20,000 capital asset threshold.

c. General Fund Capital Requests

The Town uses a \$20,000 capitalization threshold, which is the minimum cost at which a purchase is classified as a capital asset rather than an operating expense. This helps focus decision-making on significant, long-term investments, which are then tracked and depreciated over time. The included document summarizes the General Fund capital requests that have been recommended by staff for FY

26. Recommended projects fall across a number of service delivery areas, including facilities, parks & recreation, public safety, transportation, IT, and vehicle/equipment replacements. There is a separate set of capital requests for the utility system, in the Enterprise Fund.

d. Future Staffing Outlook

At the last budget retreat, Council asked staff to provide information to identify short- and mid-term needs around staffing. Department heads and other leaders have provided key information for this report. These insights will help inform strategic planning, succession initiatives, and resource allocation to ensure continued operational excellence. This helps to proactively assess resources in order to maintain (and enhance where desired) the quality of services provided to our community.

6. BOTTOM LINE, ADDITIONAL CONSIDERATIONS, AND OPTIONS

a. 2025-2030 CIP

The 2025-2030 CIP (Capital Improvement Program) was adopted in June 2024 with the FY 24-25 budget. This is a planning tool to help inform decision making around expected capital needs for the next five years. A new CIP for 2026-2031 will be prepared and forwarded with the FY 26 budget for adoption.

b. Facilities Discussion

Discussion of numbers involving construction and future options.

7. ADJOURNMENT

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