Southern Pines NORTH CAROLINA

AGENDA
Tuesday, April 22, 2025: 3:00 PM
Town Council Work Session
C. Michael Haney Community Room: Southern Pines Police Department
450 W. Pennsylvania Ave

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. TOWN MANAGER'S COMMENTS

4. ACTION ITEMS

a. Authorize Town Manager to Execute Agreement with Weymouth Center for the Arts & Humanities for an Outgoing Loan of Artwork

The Weymouth Center will be hosting various events as part of America 250 NC, commemorating 250 years of our nation's history. They have requested that the Town loan three paintings by N.C. Wyeth that were created for the 1928 edition of *Drums* by James Boyd.

5. COUNCIL UPDATES AND DISCUSSION

a. Arts Council Lease

Continuation of discussion surrounding a long-term lease of the Campbell House to the Moore County Arts Council

b. Updates Regarding FY26 Budget

c. Library Discussion

Discussion item requested by Mayor Clement

6. COUNCIL ROUNDTABLE

7. ADJOURNMENT

Meetings/work sessions of the Southern Pines Town Council are now available on the Town's YouTube channel. Video of the Town Council meetings will be live streamed on the channel for viewing either during the meetings or after they have concluded. Please note, the video is provided only for the purposes of viewing the meetings; public comments or questions are not accepted via the live stream. To receive notifications when new content is published, please "subscribe" to the Town's channel at https://bit.ly/3hXx2Qk

NORTH CAROLINA

LEASE AGREEMENT

MOORE COUNTY

THIS LEASE is made this **12th** day of April, **2016**, by and between the ARTS COUNCIL OF MOORE COUNTY, INC., referred to as "Lessee," and the TOWN OF SOUTHERN PINES, referred to as "Lessor."

1. Lessor leases to Lessee for Lessee's sole and exclusive use those portions of the premises known as the Campbell House on Connecticut Avenue, Southern Pines, North Carolina, consisting of the entire ground floor, and a designated closet on the second floor. Lessee is further entitled to use for storage, jointly with Lessor, the garage building located on the premises. In addition, Lessee and Lessor and other occupants and invitees may use in common with others, those portions of the building reasonably necessary for access to or use of those portions of the building the use of which each is otherwise entitled to.

2. Lessee leases and accepts the premises on as "as is" basis on the **13th** day of **April**, **2016**, at which time the premises are deemed ready for occupancy as contemplated by this agreement.

3. The term of this lease commences on the **13th** day of **April**, **2016**, and runs for a period of five (5) years.

4. Lessee shall be responsible for all expenses for telephone, utilities, or supplies for the leased premises.

5. Lessee, upon request, shall sublease a portion of the leased premises to the Occoneechee Council of the Boy Scouts of America.

6. Lessee shall provide and pay for any expenses for repair or maintenance of the interior of the leased premises if the expense is less than One Hundred and 00/100 Dollars ($100.00), and Lessor shall provide and pay for such repairs and maintenance if the expense is One Hundred and 00/100 Dollars ($100.00) or greater.

7. Lessor will provide maintenance and upkeep of the grounds adjacent to the leased premises in a manner consistent with that practiced during the two-year period of this lease and shall, upon reasonable notice, provide such maintenance and upkeep prior to any event scheduled for the leased premises, if reasonably needed.

8. Signs may be used or installed only with the express permission of the Lessor, but permission shall be deemed to have been given for signs already installed.

9. Lessee shall not modify or make improvements to the premises, other than minor repairs, without the consent of the Lessor, which consent shall not be unreasonably withheld. It is agreed that all repairs, modifications, additions, or improvements shall be and become a permanent part of the real estate, and as such the property of the Lessor.

10. Lessee, throughout the period of its occupancy shall cause the premises to be cleaned with sufficient frequency and in a manner sufficient to maintain the premises in a state of cleanliness consistent with reasonable standards for offices and public areas, including the lobby and restroom adjacent to the lobby.

11. During the term of this lease, Lessee is entitled to exclusive use of the yards to the rear of the Campbell House and between the side of the house and playing fields, when Lessee has given advance notice to Lessor of the intended use prior to Lessor's scheduling of any activity for the yard.

12. The leased premises during the term of this lease shall be used exclusively for office, gallery, reception, and meeting purposes.

13. Should the buildings upon the leased premises be destroyed or rendered unfit for use and occupancy by fire or other casualty, this lease shall thereupon terminate.

14. Lessee may not assign this lease or sublet any part of the premises without the written consent of Lessor, except for the sublease referred to in item 5, above, but Lessee may rent the leased premises for temporary use without the consent of Lessor.

15. Lessee on termination of this lease may remove all fixtures installed at Lessee's expense so long as they may be and are removed without damage to the premises. All expenses of such removal shall be paid by Lessee and same shall be completed by the time this Lease terminates.

16. If any obligation of the Lessee under this lease remains unsatisfied for ten (10) days after notice by Lessor to Lessee, Lessor may, at its option, declare this lease terminated and canceled, and take possession of said premises.

17. Effective **April 13th , 2016,** this lease supersedes all previous leases between the parties.

18. This Lease Agreement constitutes the entire understanding between the parties and shall not be modified except in writing signed by the parties. This lease is binding on the parties hereto, their heirs, and permitted assigns.

19. The designation Lessor and Lessee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

IN WITNESS WHEREOF, Lessor and Lessee have excuted this lease agreement in duplicate.

LESSOR: TOWN OF SOUTHERN PINES

By: ______________________________

LESSEE: ARTS COUNCIL OF MOORE COUNTY, INC.

By: ______________________________

Leases & Other Property Use Agreements

Besides the 19 buildings or structures used by the Town for municipal services, we also have leases or other agreements with different entities for some of our other properties. These are detailed on the following pages. Depending on the terms of the agreement, some of them are maintained wholly by the organization housed in them. For others, we have a more hands-on approach, both in terms of services provided by our staff and expenses paid for by the Town.

The Town leases space to Moore County at both fire stations for EMS operations. The lease provides bay space for one ambulance, an EMS Day Room, and the use of shared common space. The shared location of fire and medical personnel and equipment benefits citizens and visitors in the Town and greater fire district. This means that 2 of the County's 11 paramedic units are based directly in Southern Pines, with others stationed nearby at the Aberdeen, Pinehurst, and Cypress Pointe Youngs Rd. stations. Monthly rent at station #81 is $750, while the space at station #82 is nearly $2,700, which includes a contribution toward the construction costs of that new station and the EMS space included.

Downtown Southern Pines has an active railroad and the Town is party to a few different agreements related to supporting train services. Amtrak's Silver Star route stops twice each day at the downtown passenger train station. As the SOP station is unstaffed, the Town has executed an agreement with Amtrak to provide customer service and building maintenance duties for the passenger waiting room and two restrooms. The Town receives $1,050 per month to carry out this work. In exchange it pays Welcome to Southern Pines $350 a month to assist with the customer service functions, such as opening and closing the waiting room, assisting with local information and travel questions, serving as the point of contact for the ticket kiosk operation, and similar. Welcome to Southern Pines also leases part of the train station for the welcome center. Lastly, CSX uses a small office space in the Freight Depot.

The Town leases building space to three local non-profit organizations to carry out their work:

- Arts Council of Moore County (part of Campbell House)
- Boys & Girls Club (part of Rec Center)
- Sandhills Moore Coalition for Human Care (campus next to E.S. Douglass Community Center)

The Town also has a ground lease for its property on W. Indiana Avenue with the entity that operates the Head Start child care center. These organizations pay no rent to the Town (or a nominal $1/year). The Town provides no services to the Coalition and Head Start properties. Per the lease with the Arts Council (currently up for renewal), the Town provides all exterior maintenance and pays for interior repairs that are $100 or more. The terms with the Boys & Girls Club are similar, although the threshold for repairs is $1,000 or more (specific to plumbing). The Boys & Girls Club maintain all of the Baxter Teen Club and provide custodial and general upkeep for the remainder of the Recreation Center; the Town assumes all of the exterior and grounds maintenance.

Lastly, the Town has a variety of ground leases and other property use agreements concerning cell antennae on water towers, broadband infrastructure, parking spaces for electric vehicle chargers, and similar.

Building Leases & Other Agreements

Facility	Party	Expires	2024 Rent	Exterior Responsibility	Interior Repairs	Utilities
Campbell House	Arts Council of Moore Co.	2021	$0	TOSP	Over $100: TOSP	Split
Freight Depot	305 Trackside	2025	$2,000 per month	Lessee	Lessee	Lessee
Train Station	Welcome to So. Pines	2025	$0	TOSP	Lessee	TOSP
Train Station Waiting Area	Amtrak (caretaker agreement)	2025	$1,050 per month	TOSP	TOSP	TOSP
Station 81 EMS space	Moore County	2028	$750 per month	TOSP	Lessee	TOSP
Station 82 EMS space	Moore County	2044	$2,692 per month*	TOSP	Lessee	TOSP
W. Penn Ave. campus	Coalition for Human Care	2045	$1 per year + property insurance premium	Lessee	Lessee	Lessee
Recreation Center	Boys & Girls Club	2046	$0	TOSP	plumbing over $1,000: TOSP	Lessee pays most
Total anticipated FY 24-25 revenues based on terms of building leases: $66k+						

**Payments through June 2039 include a contribution toward the construction costs of Station 82. The payments decrease to $1,200/month beginning July 2039 through the end of the lease term on June 30, 2044.*

Facility	Lessee	Purpose	Expires	2024 Annual Rent
Parking spaces: Bennett St. lot (4) Reservoir Park (2)	Go Pines LLC	EV chargers for public parking	2027	$300 per spot
Reservoir Park	Talamore Golf Partners	Pump irrigation water from reservoir	2026	$7k per year**
Ridge St. water tank	Verizon Wireless	Cell antenna	2028	$63k per year**
Ridge St. water tank	T-Mobile	Cell antenna	2029	$61k per year**
Eastman Rd. water tank	Sprint	Cell antenna	2029	$61k per year**
Eastman Rd. water tank	T-Mobile	Cell antenna	2029	$72,550**
150' walkway next to Sunrise Theatre	Sunrise Preservation Group, Inc.	Access to space between theatre & stage	2030	$1 per year
700 W. Morganton Rd. (0.92 acres)	Charter Communications	Broadband hub site	2031	$22k per year*
Ridge St. water tank	AT&T Wireless	Cell antenna	2033	$63k per year**
1400 W. Indiana Ave.	STC Head Start Programs	Head Start Child Care Center	2049	$1 per year
Total anticipated FY 24-25 revenues based on terms of ground leases: $351k+				

DID YOU KNOW?

The Town leases space on the Eastman Rd. and Ridge St. water tanks to various wireless providers for cell antennas. This provides multiple benefits to the community, including better cell coverage without the need to install additional cell towers. It also provides the Town with a revenue source on its existing infrastructure. The Town will receive approximately $320k in 2024 from these water tower leases.

**Increases to $23,798 for 2026-2031.*
***Includes an annual inflationary factor.*

Lease Highlights

Campbell House

Lessee: Arts Council of Moore County (AC)
Rent: $0 **Expiration Date:** April 13, 2021
Grounds Upkeep: TOSP
Responsibility for Exterior Repairs & Maintenance: TOSP
Responsibility for Interior Repairs & Maintenance: TOSP pays for any expense over $100.
Building Value: $2.67M
Interior Upkeep: The AC is responsible for the interior cleaning & general upkeep of the ground floor. TOSP manages the 2nd floor, used for the parks & recreation department.
Access: The Arts Council has sole/exclusive use of the ground floor and a designated closet on the 2nd floor. TOSP and AC share the on-premise garage building and the Town has exclusive access to the 2nd floor.
Utilities: The 1st floor has a separate power meter, billed directly to the AC. TOSP pays for 2/3 of the water/sewer bill and the AC pays for 1/3. The Town provides the trash and recycling collection for the entire site.

1400 W. Indiana Ave. (1.54-acre ground lease)

Lessee: Save the Children (STC) Head Start Programs, Inc.
Rent: $1 per year
Expiration Date: July 31, 2029 + option for 4 additional terms of 5 years ea.
Grounds Upkeep: Lessee
Responsibility for Exterior Repairs & Maintenance: Lessee
Responsibility for Interior Repairs & Maintenance: Lessee
Notes: The Town has leased this 1.54-acre parcel since 1994. During the initial lease term, the Sandhills Kiwanis Charitable Foundation constructed a building and improvements on the property for a Head Start Child Development Center. Head Start is a federally funded initiative that provides early learning programs for children whose families meet income eligibility requirements.

Over the past 30 years, the lessee has changed several times as the operation of the Head Start program has transitioned to different parties. The lease was last modified in 2019 after the federal government awarded a grant to STC to operate Head Start in Moore County.

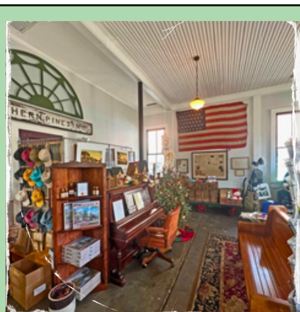
This lease automatically extends every 5 years, unless the lessee opts out. The first of five extensions just started on August 1, 2024 and will end July 31, 2029. Assuming the lessee exercises all extensions, the lease will end on July 31, 2049.

Freight Depot

Lessee: 305 Trackside Events, Inc.
Rent: $2,000/month **Expiration Date:** January 6, 2025
Grounds Upkeep: Lessee
Liability for Repairs & Upkeep: Lessee is required to keep building weather tight, painted, and in a good state of repair, allowing no deterioration.
Building Value: $786k.

W. Pennsylvania Ave. Campus

Lessee: Sandhills/Moore Coalition for Human Care
Rent: $1/year **Expiration Date:** April 30, 2045
Grounds Upkeep: Lessee
Responsibility for Repairs & Upkeep: Lessee is required to keep buildings weather tight, painted, and in a good state of repair, allowing no deterioration.
Insurance: This property is insured under the Town's policy, with the lessee reimbursing the Town for the cost of the annual premium ($923 for FY 23-24).
Building Value: $575k.
Interior Upkeep: The Coalition is responsible for the interior cleaning & general upkeep.
Access: The Coalition has exclusive access to the buildings and land.
Utilities: The Coalition pays for all utilities, including trash and recycling collection.



Train Station

Lessee: Welcome to Southern Pines, Inc.
Rent: $0
Expiration Date: November 1, 2025 + option for 2 additional 3-year terms
Grounds Upkeep: TOSP
TOSP Responsibility for Repairs & Upkeep: The Town maintains and repairs the building's exterior, including the HVAC system.
Building Value: The building is valued at $735k; the platform canopy is an additional value of $510k.
Lessee Responsibility for Repairs & Upkeep: The lessee is responsible for improvements, repairs, and maintenance of the interior of their premises.
Access: Lessee has exclusive access to the Welcome Center area and the passenger waiting area. TOSP has exclusive access to the central meeting/events room.
Lessee Requirements:

- Rent is waived in exchange for the lessee operating a Welcome Center and Cultural History Museum.
- The lessee carries out a portion of the Town's responsibilities required in the Amtrak "caretaker" agreement. In exchange, the Town pays the lessee $350/month.

Recreation Center

Lessee: Boys & Girls Club of the Sandhills
Rent: $0 **Expiration Date:** January 12, 2046
Grounds Upkeep: TOSP
TOSP Responsibility for Repairs & Maintenance: Building exterior; HVAC system; and plumbing repairs/maintenance over $1,000.
Club Responsibility for Repairs & Maintenance: Teen Club HVAC system & kitchen; plumbing repairs/maintenance up to $1,000.
Building Value: $6.48M
Interior: The Club handles interior cleaning & general upkeep, including maintenance of the gym floors.
Access: Exclusive access to the Teen Center; may use the gyms when not scheduled by TOSP.
Utilities: The Club pays for utilities. The Town pays for solid waste collection.
Property Sale: If the Town wishes to sell the building, the Club must be provided a 120-day window to exercise a purchase option. The depreciated value of the Club's capital contributions to the building are credited toward the purchase price; see lease for specific terms.

Southern Pines NORTH CAROLINA

We promote responsible and sustainable practices. We take care of the community's assets and resources, especially our finances. It's the Southern Pines Way.

Leadership Team

Town Manager: Reagan Parsons
Assistant Town Manager: Jessica Roth
Assistant Town Manager & Fire Chief: Mike Cameron

Administrative Services & HR: Bruce Rosenberger
Finance & Utility Billing: Tess Brubaker-Speis
IT & GIS: Nedra Norton
Legal: Mac McCarley
Library: Amanda Brown
Parks & Recreation: Greg Thompson
Planning: B.J. Grieve
Police: Chief Nick Polidori
Public Works: Cory Albers
Utilities & Engineering, James Michel, P.E.

Southern Pines
NORTH CAROLINA

MEMO

To: Town Council
From: Manager Parsons

Date: 04/16/25
Re: Post Retreat FY26 Draft Budget
Attached: Updated Balance Sheet

Based on both conversations at the Budget Retreat and additional information that has become available in the interim, the following changes have been made to the draft document:

1. **FY25 figures have been adjusted to account for April Sales tax receipts and the removal of an anticipated Professional Search Firm expense.**

2. **Salary line-items across all departments were adjusted from the previous 3% COLA/3%Merit (final quarter) approach to a 2.5%COLA/4%Merit (final quarter) approach. This was a $129k (+25%) reduction in GF expenses across the board.**

3. **Insurance line-items across all departments were decreased by 3% based upon successful negotiation of a High Deductible Health Plan/HSA offering with opportunity for employees to still opt for the traditional PPO Plan. This was a $48k (+25%) reduction in GF expenses across the board.**

4. **A small SBITA Financing adjustment added $14,369 (+25%) to FY26 expenses.**

5. **A bottom-line negligible reassignment of dollars was made between the Separation Allowance and Salary line-items within Police Patrol.**

6. **The official County Valuation arrived last Friday. There was <u>no change</u> to either the overall or MSD figures upon which the property tax revenues were based during our discussion at Retreat.**

7. **Staff found a hand-washing station for Martin Park and purchased it in this year's budget as it was only $3,285.**

8. **Staff is working on concept options for the DT Park "parking lot." These will not be ready for Tuesday but we will have options for Council's review ahead of Budget adoption. We can discuss Tuesday whether you might want to appropriate some funds ahead of the first Hearing in May out of recognition that "something" needs to occur, or we can simply move forward to May and I can establish as part of the presentation that funds are likely to be allocated ahead of the June Hearing and Budget adoption once a final approach is determined.**

Bottom line, the FY26 GF Available Fund Balance (above 25%) based on the above changes now stands at $804,428.

On the Utility side, the following changes have been made:

1. **Additional revenues based upon the discussed increases of $100k in bulk sales, $130k in water sales, and $75.5k in sewer.**

2. **Estimated expenses were decreased $8,745 as a result of the above-mentioned COLA/Merit adjustment and Insurance savings.**

Bottom line Retained Earnings now stand at $9,863,068.

The final follow-up from retreat discussions would be an update that System Development Fees will be transferred to the following Capital projects as part of the Budget adoption in June:

Water (Capacity): Transfer to North Pressure Zone CPF $449,298

Water (Buy-In): Transfer to Water Plant CPF $399,103

Sewer (Capacity): Transfer to Warrior Woods CPF $82,874

Sewer (Buy-in): Transfer to Sewer Rehab CPF $331,497

Thank you.

Town of Southern Pines
General Fund
Schedule of Revenues
2025-2026

	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	BUDGET 2024-2025 as of 07/01/24	BUDGET 2024-2025 as of 03/28/25	EXPECTED REVENUES 2024-2025	**BUDGET 2025-2026**
AD VALOREM TAXES:							
Current	$ 11,531,201	$ 12,195,939	$ 12,826,110	$ 13,063,496	$ 13,063,496	$ 13,063,496	**$ 13,373,612**
Delinquent	23,234	12,115	5,994	8,000	8,000	8,000	**7,000**
Penalties & Interest	17,039	16,872	15,091	4,000	4,000	4,000	**4,000**
TOTAL AD VALOREM TAXES	11,571,474	12,224,926	12,847,195	13,075,496	13,075,496	13,075,496	**13,384,612**
OTHER TAXES & LICENSES:							
Short-Term Rental Property Tax	66,444	67,830	81,587	68,000	68,000	85,688	**75,000**
Solid Waste Disposal Tax	11,716	12,389	12,952	10,500	10,500	12,500	**12,000**
Privilege/Beer - Wine License	2,715	3,050	3,010	2,400	2,400	2,400	**2,400**
Alcoholic Beverage Ctrl	284,148	286,565	282,779	225,000	225,000	280,000	**280,000**
Municipal Vehicle Tax	62,785	66,060	66,565	61,150	61,150	65,000	**65,000**
TOTAL OTHER TAXES	427,808	435,894	446,893	367,050	367,050	445,588	**434,400**
UNRESTRICTED INTERGOVT REVENUE:							
Article 39 Sales Tax - 1%	2,268,220	2,471,668	2,688,357	2,349,973	2,349,973	2,481,728	**2,476,082**
Article 40 Local Sales Tax - 1/2%	1,164,585	1,278,266	1,337,057	1,205,008	1,205,008	1,331,979	**1,259,969**
Article 42 Local Sales Tax - 1/2%	1,121,405	1,223,297	1,332,902	1,162,996	1,162,996	1,304,603	**1,225,868**
Article 44 1/2%-Hold Harmless	1,091,738	1,200,409	1,223,153	1,126,046	1,126,046	1,229,130	**1,171,767**
Beer and Wine Tax	61,941	72,341	80,171	60,000	60,000	62,500	**60,000**
Video Programming	117,054	146,857	136,851	145,000	145,000	135,000	**135,000**
Utilities Franchise/Sales	1,121,630	1,137,338	1,253,352	1,000,000	1,000,000	1,000,000	**1,000,000**
TOTAL UNRESTRICTED INTERGOVERNMENTAL	6,946,573	7,530,176	8,051,843	7,049,023	7,049,023	7,544,940	**7,328,686**
RESTRICTED INTERGOVT REVENUE:							
Powell Bill Allocation	481,723	484,069	546,561	546,500	546,500	606,431	**606,431**
State Aid Library	7,241	8,314	9,729	9,000	9,000	10,022	**9,000**
Library Grants	0	47,604	0	0	0	11,282	**0**
Recreation Grants	0	6,750	3,750	750	750	2,000	**0**
FEMA Revenue	0	0	8,892	0	0	0	**0**
On-Behalf of Pymts. - Fire	13,401	13,456	13,660	0	0	0	**0**
Fire Grants	44,655	0	326,317	379,207	379,207	354,772	**379,207**
Planning Grants	0	0	16,250	55,000	55,000	34,500	**24,250**
Police Grants	10,060	2,500	7,469	0	30,000	43,800	**46,250**
TOTAL RESTRICTED INTERGOVERNMENTAL	557,080	562,693	932,628	990,457	1,020,457	1,062,807	**1,065,138**
PERMITS AND FEES:							
Inspections	468,957	740,151	848,694	325,000	325,000	756,223	**500,000**
Planning	90,658	82,385	76,990	80,000	80,000	90,000	**100,000**
Homeowner Recovery Fee	2,800	2,860	2,780	2,500	2,500	3,600	**3,500**
Zoning Fees	17,750	17,900	17,300	20,000	20,000	18,000	**20,000**
Street Department	50,321	46,776	68,630	60,000	60,000	60,000	**60,000**
Fire	1,955	650	28	0	0	0	**0**
Public Works	71,417	48,816	89,381	55,000	55,000	75,000	**60,000**
Police Department	7,450	11,366	7,777	10,000	10,000	5,000	**10,000**
TOTAL PERMITS AND FEES	711,308	950,904	1,111,580	552,500	552,500	1,007,823	**753,500**

Town of Southern Pines
General Fund
Schedule of Revenues
2025-2026

	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	BUDGET 2024-2025 as of 07/01/24	BUDGET 2024-2025 as of 03/28/25	EXPECTED REVENUES 2024-2025	**BUDGET 2025-2026**
SALES AND SERVICES:							
Library	42,230	48,760	54,170	50,000	50,000	60,000	**60,000**
Recreation Fees	170,234	241,308	311,935	195,000	195,000	300,000	**280,000**
Police Extra Duty	42,255	29,115	78,525	55,000	55,000	55,000	**45,000**
Fire Extra Duty	55,058	1,755	3,570	5,000	5,000	3,000	**3,000**
Rents	300	1,425	2,520	0	0	5,300	**0**
Facility Rental - Recreation	33,758	55,875	55,838	50,000	50,000	65,000	**50,000**
Court Facilities Fee	0	0	0	0	0	0	**0**
Disposal Fee/Recycling Fee	1,075,124	1,593,317	1,662,454	2,052,900	2,052,900	2,200,000	**2,676,273**
TOTAL SALES AND SERVICES	1,418,959	1,971,555	2,169,012	2,407,900	2,407,900	2,688,300	**3,114,273**
INVESTMENT EARNINGS:	27,348	696,618	982,683	400,000	400,000	650,000	**500,000**
OTHER:							
Surplus Property Sales	33,028	87,792	49,480	70,000	70,000	80,000	**50,000**
Lease Revenue	365,285	393,712	337,676	312,607	312,607	324,479	**327,153**
Miscellaneous Revenue	93,193	112,681	161,645	50,000	95,000	115,915	**50,000**
Demolition Liens	3,700	1,800	1,650	0	0	1,050	**0**
Fire Donations	2,500	245	275	108,000	108,000	2,500	**2,500**
Court Costs	6,011	2,239	1,737	2,500	2,500	2,500	**2,500**
Cemetery	1,250	3,625	4,675	1,000	1,000	1,750	**1,000**
Fire District Revenue - Escrow	132,081	0	0	0	0	86,384	**60,148**
Fire District Revenue	449,158	468,150	463,145	460,000	460,000	545,760	**500,000**
Donations	34,080	23,424	17,304	8,000	8,000	28,000	**12,000**
TOTAL OTHER REVENUE	1,120,286	1,093,668	1,037,587	1,012,107	1,057,107	1,188,338	**1,005,301**
OTHER FINANCING SOURCES							
Transfer - ARPA Revenue Rplcmnt	0	3,922,210	0	0	0	0	**0**
Financing Proceeds Leases/SBITA's	52,629	168,099	290,454	192,120	414,153	414,153	**94,550**
Financing Proceeds	0	0	0	400,000	0	0	**0**
TOTAL OTHER FINANCING SOURCES	52,629	4,090,309	290,454	592,120	414,153	414,153	**94,550**
TOTAL REVENUES AND OTHER FINANCING SOURCES	22,833,465	29,556,743	27,869,875	26,446,653	26,343,686	28,077,445	**27,680,460**
FUND BALANCE [(ADD TO)/USE OF]:	**(1,396,830)**	**(5,609,829)**	**1,855,893**	**4,102,049**	**5,199,665**	**2,112,681**	**4,899,907**
REVENUES AFTER ADDITIONS/ REDUCTIONS FROM FUND BALANCE	$ 21,436,635	$ 23,946,914	$ 29,725,768	$ 30,548,702	$ 31,543,351	$ 30,190,126	**$ 32,580,367**

TOWN OF SOUTHERN PINES
GENERAL FUND
BUDGET SUMMARY
2025-2026

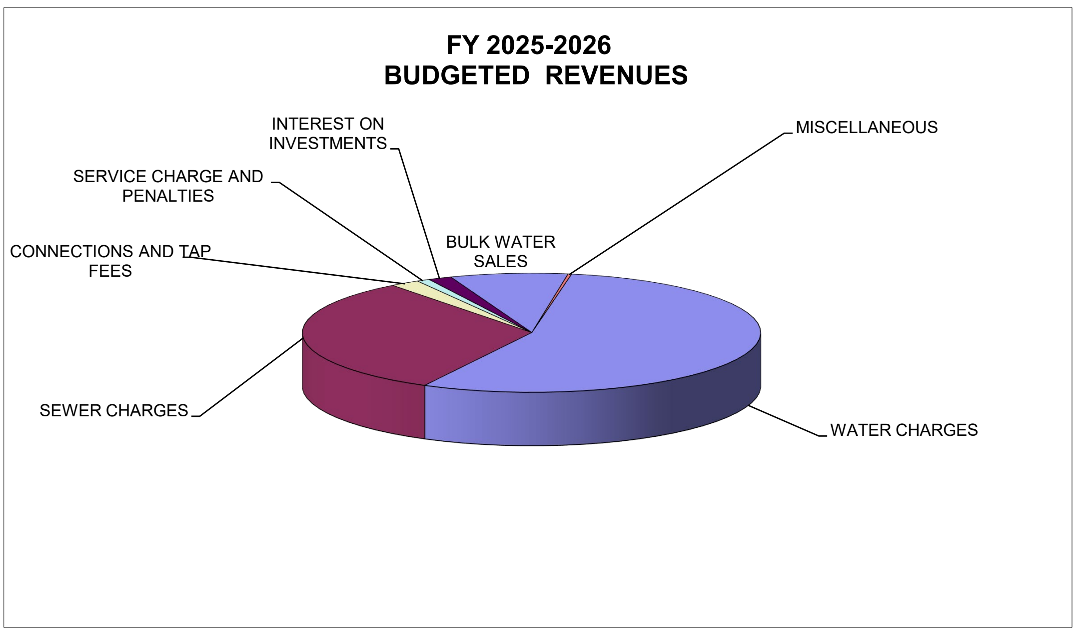
	ACTUAL 2023-2024	BUDGET 2024-2025 as of 03/28/25	EXPECTED REVENUES EXPENDITURES 2024-2025	BUDGET 2025-2026
Available Fund Balance - Beginning	$ 11,689,353	$ 11,239,902	$ 11,239,902	$ 13,229,270
Total Revenues & Reserve Increases	29,276,317	30,445,735	32,179,494	27,680,460
Total Funds Available	40,965,670	41,685,637	43,419,396	40,909,730
Total Expenditures	24,741,181	28,816,649	27,463,424	30,099,737
Transfers Out to Capital Projects	4,984,587	2,726,702	2,726,702	2,480,630
Available Fund Balance - Ending	$ 11,239,902	$ 10,142,286	$ 13,229,270	8,329,363
Less 3 Months Expenditures				7,524,935
Available Fund Balance - FYE 06/30/26				$ 804,428

TOWN OF SOUTHERN PINES
GENERAL FUND
EXPENDITURE BY FUNCTION AND TRANSFERS
2025-2026

	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	BUDGET 2024-2025 as of 07/01/24	BUDGET 2024-2025 as of 03/28/25	EXPECTED EXPENDITURES 2024-2025	**BUDGET 2025-2026**
Legislative	$ 163,862	$ 257,010	$ 288,613	$ 281,592	$ 281,592	$ 277,131	**$ 340,802**
General Administration	823,487	850,923	1,011,665	1,335,868	1,335,868	1,270,596	**1,520,082**
Information Technology	928,672	1,142,374	1,412,770	1,900,048	2,081,391	1,949,803	**1,745,025**
Financial Services	758,022	821,491	826,444	1,019,932	1,019,932	1,000,755	**1,085,120**
Police Administration & Patrol	4,009,544	4,341,010	4,841,784	5,634,751	5,830,402	5,687,873	**5,922,713**
Police Communications	681,668	562,987	621,085	815,896	815,896	730,780	**765,379**
Investigations	665,930	799,726	771,026	1,087,217	1,087,217	938,123	**1,094,533**
Fire/Rescue	3,116,625	3,339,645	3,987,494	4,385,285	4,375,619	4,359,390	**4,579,622**
Planning	519,957	854,044	679,220	920,427	920,427	799,310	**867,329**
Inspections	406,750	476,888	519,679	649,927	916,227	887,542	**670,788**
Street Maintenance	1,950,644	1,322,343	1,346,874	1,981,449	1,981,449	1,815,051	**1,857,348**
Public Works/Sanitation	2,518,542	2,710,713	3,750,724	3,212,366	3,212,366	3,135,803	**3,640,195**
Fleet Maintenance	300,706	326,360	351,058	511,032	526,032	517,669	**638,913**
Recreation	1,448,426	1,374,429	1,441,092	1,670,602	1,760,602	1,655,920	**2,824,602**
Library	930,821	1,036,124	1,023,655	1,116,729	1,116,729	1,085,224	**1,164,442**
Building and Grounds	1,104,939	1,326,569	1,851,397	2,142,235	2,127,235	1,923,622	**2,390,743**
Special Appropriations:							
Sponsorships	1,500	1,500	1,500	1,500	1,500	1,500	**1,500**
Economic Development-Dues	26,250	26,250	27,600	30,500	30,500	30,500	**30,500**
MPO Dues	0	0	0	11,271	11,271	12,458	**12,000**
Shaw House	1,000	1,000	1,000	1,000	1,000	1,000	**1,000**
Total Special Appropriations	28,750	28,750	30,100	44,271	44,271	45,458	**45,000**
Non-Departmental:							
W/S Indirect Costs	(1,184,485)	(1,200,526)	(1,369,487)	(1,520,805)	(1,520,805)	(1,520,805)	**(1,831,889)**
Installment Purchase-Fire Sub-Station	432,908	425,729	418,548	411,369	411,369	411,369	**404,188**
Installment Purchase Police Station	469,701	453,538	220,708	0	0	0	**0**
Installment Purchase Whitehall Tract	315,582	310,171	304,361	0	0	0	**0**
Installment Purchase Annex Upfit	71,563	70,497	69,430	68,364	68,364	68,364	**67,298**
Installment Lease/SBITA Payments	35,611	144,258	206,015	231,673	287,540	287,520	**307,504**
Installment Purchase Street Sweeper	0	0	0	74,846	0	0	**0**
Installment Purchase Fire Vehicle	136,926	136,926	136,926	136,926	136,926	136,926	**0**
Total Non-Departmental	277,806	340,593	(13,499)	(597,627)	(616,606)	(616,626)	**(1,052,899)**
Total Expenditures	20,635,151	21,911,979	24,741,181	28,112,000	28,816,649	27,463,424	**30,099,737**
Transfers:							
Transfer to Cap Proj-Paving	0	900,000	1,214,208	1,267,602	1,267,602	1,267,602	**1,305,630**
Transfer to Cap Proj-Storm Water	0	0	0	29,100	29,100	29,100	**0**
Transfer to Cap Proj-Fire Vehicles	0	0	2,577,365	0	0	0	**0**
Transfer to Cap Proj-General Capital Res	0	0	0	0	0	0	**500,000**
Transfer to Cap Proj-Recreation Improv	142,000	364,460	377,839	690,000	690,000	690,000	**0**
Transfer to Cap-Proj-Parking Lots	0	100,000	0	0	0	0	**0**
Transfer to Cap-Proj-Facility Modernizatic	0	260,475	203,500	0	0	0	**0**
Transfer to Cap-Proj-GF Facility Moderniz	0	0	0	0	0	0	**95,000**
Transfer to Cap-Proj-New Garage	0	0	0	0	0	0	**300,000**
Transfer to Cap-Steambank Stabilization	384,484	0	60,000	0	0	0	**0**
Transfer to Cap Proj-Reservoir Dam Impr	75,000	100,000	100,000	200,000	200,000	200,000	**0**
Transfer to Cap Proj-Bike Transport Path	0	0	181,675	0	290,000	290,000	**0**
Transfer to Cap Proj-Sidewalks	200,000	310,000	270,000	250,000	250,000	250,000	**280,000**
Total Transfers	801,484	2,034,935	4,984,587	2,436,702	2,726,702	2,726,702	2,480,630
Total Expenditures/Transfers	$21,436,635	$23,946,914	$ 29,725,768	$ 30,548,702	$ 31,543,351	$ 30,190,126	$ 32,580,367

TOWN OF SOUTHERN PINES
UTILITY FUND
SCHEDULE OF REVENUES
2025-2026

	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	BUDGET 2024-2025 as of 07/01/24	BUDGET 2024-2025 as of 03/28/2025	EXPECTED REVENUES 2024-2025	**BUDGET 2025-2026**
WATER CHARGES	$ 5,489,460	$ 5,873,685	$ 6,366,572	$ 5,521,407	$ 5,521,407	$ 6,621,012	**$ 6,630,000**
SEWER CHARGES	3,464,366	3,610,080	3,905,115	3,675,168	3,675,168	3,873,038	**3,850,671**
CONNECTIONS AND TAP FEES	280,853	233,405	335,887	275,000	275,000	276,373	**250,000**
SERVICE CHARGE AND PENALTIES	154,104	143,778	128,546	120,000	120,000	120,503	**110,000**
INTEREST ON INVESTMENTS	11,769	247,606	387,920	150,000	150,000	286,345	**200,000**
BULK WATER SALES	887,750	793,967	1,198,994	800,000	800,000	953,885	**1,000,000**
MISCELLANEOUS	61,113	30,672	41,413	25,000	25,000	73,370	**30,000**
GAIN ON SALE OF ASSETS	5,650	85,296	-	15,000	15,000	7,543	**10,000**
TRANSFER IN - ARPA FUNDS	-	748,938	-	-	-	-	**-**
TRANSFER IN-RETAINED EARNINGS	-	-	-	2,478,932	2,478,932	365,416	**-**
TRANSFER OUT-RETAINED EARNINGS	(883,339)	(2,291,973)	(672,647)	-	-	-	**(165,924)**
TOTAL	$ 9,471,726	$ 9,475,454	$ 11,691,800	$ 13,060,507	$ 13,060,507	$ 12,577,485	**$ 11,914,747**

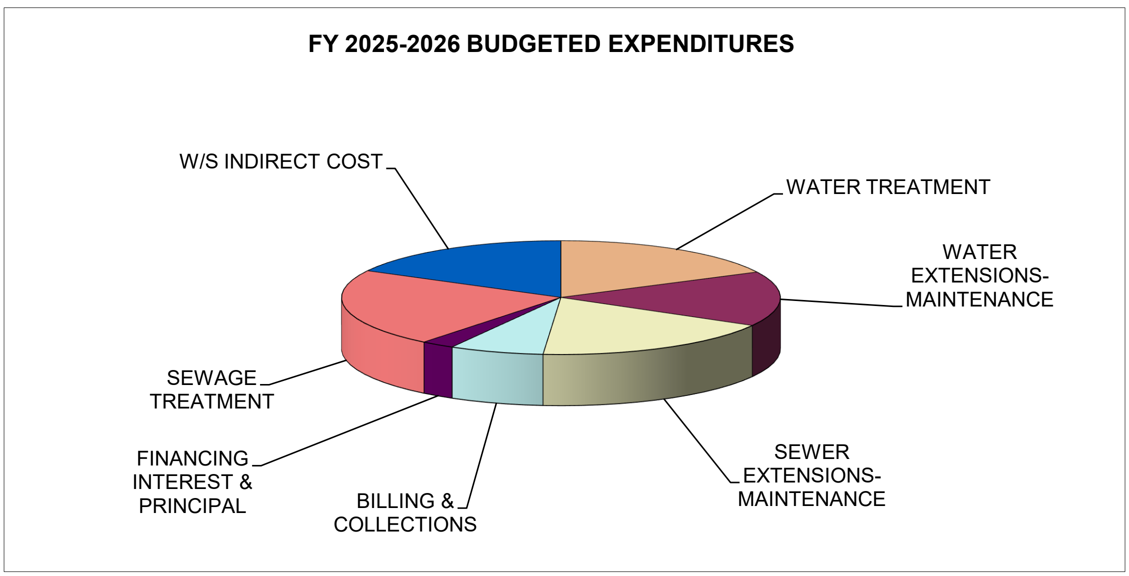


TOWN OF SOUTHERN PINES
UTILITY FUND
RETAINED EARNINGS SUMMARY
2025-2026

	ACTUAL 2023-2024	BUDGET 2024-2025 as of 03/28/2025	EXPECTED REVENUES EXPENDITURES 2024-2025	BUDGET 2025-2026
Available Retained Earnings - Beginning	$ 9,388,399	$ 10,062,560	$ 10,062,560	$ 9,697,144
Total Revenues	12,364,447	10,581,575	12,212,069	12,080,671
Total Funds Available	21,752,846	20,644,135	22,274,629	21,777,815
Total Expenditures	8,429,005	10,105,507	9,622,485	10,639,547
Transfers Out	3,261,281	2,955,000	2,955,000	1,275,200
Available Retained Earnings - Ending	$ 10,062,560	$ 7,583,628	$ 9,697,144	$ 9,863,068

TOWN OF SOUTHERN PINES
UTILITY FUND
CONSOLIDATED EXPENDITURE SUMMARY
2025-2026

	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	BUDGET 2024-2025	EXPECTED EXPENDITURES 2024-2025	BUDGET 2025-2026
WATER TREATMENT	$ 1,422,718	$ 1,595,733	$ 1,631,574	$ 1,853,474	$ 1,787,586	$ 1,875,151
WATER EXTENSIONS-MAINTENANCE	1,118,347	1,146,760	1,476,446	1,652,157	1,505,644	1,656,311
SEWER EXTENSIONS-MAINTENANCE	952,379	1,732,989	1,311,900	2,094,985	1,828,651	1,926,086
BILLING & COLLECTIONS	483,120	533,200	592,253	700,414	696,127	738,778
FINANCING INTEREST & PRINCIPAL	211,241	210,715	34,017	33,672	33,672	261,332
SEWAGE TREATMENT	1,964,500	1,965,671	2,014,842	2,250,000	2,250,000	2,350,000
W/S INDIRECT COST	1,184,485	1,200,526	1,369,487	1,520,805	1,520,805	1,831,889
OTHER	-	-	-	-	-	-
SUB-TOTAL	7,336,790	8,385,594	8,430,519	10,105,507	9,622,485	10,639,547
TRANSFERS	2,134,936	1,089,860	3,261,281	2,955,000	2,955,000	1,275,200
TOTAL	$ 9,471,726	$ 9,475,454	$ 11,691,800	$ 13,060,507	$ 12,577,485	$ 11,914,747



TOWN OF SOUTHERN PINES
UTILITY FUND
EXPENDITURE BY FUNCTION AND TRANSFERS
2025-2026

	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	BUDGET 2024-2025 as of 07/01/24	BUDGET 2024-2025 as of 03/28/2025	EXPECTED EXPENDITURES 2024-2025	**BUDGET 2025-2026**
Water Treatment	$ 1,422,718	$ 1,595,733	$ 1,631,574	$ 1,853,474	$ 1,853,474	$ 1,787,586	**$ 1,875,151**
Water Extensions - Maintenance	1,118,347	1,146,760	1,476,446	1,652,157	1,652,157	1,505,644	**1,656,311**
Sewer Extensions - Maintenance	952,379	1,732,989	1,311,900	2,094,985	2,094,985	1,828,651	**1,926,086**
Billing & Collections	483,120	533,200	592,253	700,414	700,414	696,127	**738,778**
Loss on Disposal of Fixed Assets	-	-	-	-	-	-	**-**
Interest Expense, Financing Principal	211,241	210,715	34,017	33,672	33,672	33,672	**261,332**
Sewage Treatment	1,964,500	1,965,671	2,014,842	2,250,000	2,250,000	2,250,000	**2,350,000**
W/S Indirect Cost	1,184,485	1,200,526	1,369,487	1,520,805	1,520,805	1,520,805	**1,831,889**
Total Expenditures	7,336,790	8,385,594	8,430,519	10,105,507	10,105,507	9,622,485	**10,639,547**
Transfers:							
Transfer to PW Annex Remodel	98,736	-	-	-	-	-	**-**
Transfer to Water Treatment Proc Mod	250,000	-	1,041,281	-	-	-	**675,200**
Transfer to PeeDee/Pennsylvania Line	1,139,200	-	-	-	-	-	**-**
Transfer to Lift Station Upgrades/Upfit	-	-	220,000	-	-	-	**-**
Transfer to Sanitary Sewer Modernization	462,000	874,360	-	380,000	380,000	380,000	**600,000**
Transfer to NC DOT Line Relocation	-	-	2,000,000	-	-	-	**-**
Transfer to North Pressure Zone	-	-	-	2,250,000	2,250,000	2,250,000	**-**
Transfer to Facility Modernization	-	10,500	-	-	-	-	**-**
Transfer to W&S Improvements	185,000	205,000	-	325,000	325,000	325,000	**-**
Total Transfers	2,134,936	1,089,860	3,261,281	2,955,000	2,955,000	2,955,000	**1,275,200**
Total Expenditures/Transfers	$ 9,471,726	$ 9,475,454	$ 11,691,800	$ 13,060,507	$ 13,060,507	$ 12,577,485	**$ 11,914,747**