



AGENDA

Town Council Work Session

Tuesday, February 24, 2026: 3:00 PM

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. Sandhills Bogeys User Agreement

This is a final draft agreement for the Sandhills Bogeys to operate at Southern Pines Sport Park.

b. Seaboard Station - Train Depot Lease

A presentation will be offered by Kevin Drum regarding his speakeasy concept and a lease allowing for the unfit and eventual operation will be considered.

c. Budget Amendments: Close Water Treatment Process Modernization Fund and Open Water Treatment Process Modernization-Phase II Fund

Closing Water Treatment Process Modernization Fund since phase I projects have been completed and capitalized. Transfer the remaining balance to a new Water Treatment Process Modernization - Phase II Fund to track phase II of these improvements.

d. Approve Resolution #1145 - Setting a Public Hearing Date for Annexation Petition AX-01-26: 609 Clark Street

Mr. Carter Spencer and Mrs. Annette Spencer are petitioning the Town of Southern Pines for annexation of +/- 1.25 acres of land. Per Resolution #1142 — Directing the Clerk to Investigate a Petition Received Under G.S. 106A-31, the Clerk has certified the sufficiency of the application and the application is ready for a hearing date to be set.

e. Adoption of Water and Sewer Asset Management Plan (AMP) and Capital Improvement Plan (CIP)

The Engineering Consultant WithersRavenel has been working to complete two Asset Inventory and Assessment (AIA) grants. WithersRavenel will present a summary of their work and findings which include an Asset Management Plan (AMP) and Capital Improvement Plan (CIP). To close out the project with the funding agency, the AMP and CIP must be adopted by Council.

5. COUNCIL UPDATES AND DISCUSSION

a. American 250 Patriots Marker

The [Alfred Moore Chapter](#) of the National Society Daughters of the American Revolution (DAR) would like to donate a commemorative plaque at Town Hall. This is an initiative of the national chapter to honor the 250th anniversary of the United States and to recognize local Patriots of the Revolutionary War. They seek formal authorization by the Town to submit to the national organization. A chapter representative will attend the work session.

b. Town Hall Status Report

Staff will update the Council regarding progress on the new Town Hall facility.

c. Admin & Finance Buildings

With the opening of Town Hall in 2026, staff will relocate from the current administration and finance buildings and they will become vacant. Staff seeks direction from Council on the disposition of each building and whether to advance any capital projects that were funded for FY 26, but are currently on hold due to this status.

d. FY 2026 Mid-Year Financial Update

Staff will provide a review of major revenues and expenditures through December 2025.

e. SoPines Sustainovates! Update

SoPines Sustainovates! is a new initiative launched with the FY 25-26 budget. Staff will provide a brief status update, as we plan to request continued funding for FY 26-27.

f. Planning Department Update

Planning staff will briefly update the Town Council on agenda items coming in March.

6. COUNCIL ROUNDTABLE

7. ADJOURNMENT

Meetings/work sessions of the Southern Pines Town Council are now available on the Town's Website at sopinesnc.info/agendas. Video of the Town Council meetings will be live-streamed on the website 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.

MEMO

To: Town Council
From: Attorney McCarley
Date:
Re: **Management Agreement for the Bogeys**

The Management Agreement proposed between the Town and the Bogeys has been negotiated over an extended period and is now ready for Council consideration. Town staff representing the Manager's Office, the Parks & Recreation Department, Maintenance, Public Works, and Town Attorney have worked in collaboration in an effort to ensure that no details were overlooked. Alec Allred, President of the Bogeys, has been actively involved as the negotiator for the Bogeys. All negotiations were cordial, agreeable, and the result is a deal that both Town staff and the Bogeys recommend.

The Basics

The deal is a ten (10) year management agreement between the Town and the Bogeys. The Town retains ownership and possession of the property and the Bogeys are contracted to use, manage, and improve the ballfield and associated facilities at Armory Park. The Town retains full rights to continue all of our recreation programming at the site at no cost.

Why a Management Agreement?

The proposed agreement is a management agreement and not a lease. A lease is appropriate when an owner is turning over complete control and possession of a property to a tenant. In this case, though, the Town will retain full rights to conduct recreation programming at the facility, including our baseball and softball league play. In addition, a lease of ten (10) years or more has to go through statutory sale procedures that are unworkable for the investment, upgrades, and uses being proposed in this relationship. The management agreement format allows both the Town and the Bogeys to access and use the improved facilities for public and private programming.

What do the Bogeys Get?

The right to use the field for their Old North State summer league games

The right to charge admission

The right to rent the facility to other users at times not reserved for the Town or the Bogeys

The right to sell advertising and naming rights (Town has approval rights and a revenue share on any naming rights deal)

The right to sell food & beverage concessions, including alcohol (ordinance amendment needed for alcohol sales)

Some maintenance assistance from the Town (see Schedule B)

What are the Bogeys Agreeing To Do?

Play home games of the Bogeys at Armory Field beginning with the 2027 season

Remove and reinstall at Armory Field the field lighting owned by them and currently installed at Sandhills Community College

Provide lighting at J Pleasant Hines Park

Purchase and install bleachers

Renovate the infield at Armory Park

Purchase and install both playing field and perimeter fencing at Armory Park

Pay for all utility costs and trash collection

Perform all infield prep for Town ballgames or events on the ballfield

Insure and indemnify the Town against liability

Hire at least two (2) off-duty SPPD officers for their events at the facility

Questions?

Town staff will be prepared to answer any questions you may have on this agenda item.



~~MANAGEMENT PARTNERSHIP & PROPERTY USE
AGREEMENT WITH SANDHILLS BOGEYS
BASEBALL, LLC OF THE OLD NORTH STATE LEAGUE~~



MANAGEMENT AGREEMENT
WITH BOGEYS BASEBALL, LLC

THIS AGREEMENT is entered ~~into~~ this day of , 2026, ~~between~~ THE TOWN OF SOUTHERN PINES, an incorporated municipality, a body corporate and politic in Moore County, North Carolina (hereinafter referred to as the "Town"), and ~~THE SANDHILLS BOGEYS BASEBALL, LLC OF THE OLD NORTH STATE LEAGUE~~ (hereinafter referred to as the "Bogeys"). The agreement is for the Bogeys ~~to manage use of~~ the Town's athletic diamond, associated concession stand and restroom facilities at Armory Field, as part of the Southern Pines Sports Park at 604 West Morganton Road, Southern Pines, NC 28387. This facility, which consists of one baseball field, a concession stand, parking lot, and restrooms shall collectively be known as the "Armory Field," and may be referred to as the "managed property". The Parks & Recreation Director is hereinafter referred to as the "Director."

This is a management agreement ~~public-private partnership~~ between the Town and Bogeys to provide public and private recreational opportunities. The Town recognizes the Bogeys as a locally valued organization that can provide recreational programming and special events supplementing the Town's programming. To that end the Town is engaging the Bogeys to manage the Armory Field as provided in this Agreement and as depicted on the attached Exhibit D showing the property to be covered by this Agreement. ~~In exchange, the Town will make available the field and associated amenities.~~

The Town agrees that shall make the facilities covered by this Agreement shall be available to the Bogeys for the purpose of a home field, as a member of the Old North State League. The Bogeys operation will include, but is not limited to, practices, games, tournaments, and other events associated with the program. This schedule is outlined in Exhibit A. The Town will continue to have the right to schedule the facilities for Town programming at the agreed upon times and shall go through the Bogeys scheduling process to do so. Scheduling for Town programs and oversight is led by the Director or designated staff. The Town and the Bogeys wish ~~to partner~~ to provide recreational opportunities in accordance with the following terms:

1. **Ownership:** The Town owns all areas at the Southern Pines Sports Park and Armory Field, including but not limited to all fields, bathrooms, concession stands, and parking lots.
 - A. Due to Land Water Conservation Fund Grant #37-00354 that was awarded to the Town. Armory Field has restrictions on how it can be used and changed. The function of the site must remain as an outdoor athletic space that is available to the public. The site cannot be changed in any way that would affect that function or violate the terms of LWCF Grant.
2. **Length of Agreement:** This Agreement shall extend through the last day of the month in which the Bogeys' summer league playing season in 2037 ends. ~~This Agreement shall extend through~~
 - A. Insert language here about amount investment limits i.e. additional 5 years after X dollars to be a total of X years and X years for every subsequent amount spent.

- A. The parties may extend these terms by mutual ~~written agreement~~-~~consent~~. When the current ~~A~~agreement expires, both parties will review all documents and terms to ensure they are still adequate to address the responsibilities of each party.
- B. ~~The Bogeys shall have a right of first refusal to an extension of this Agreement if the Town proposes to engage a competing summer league team operator or summer league team to manage, use, license, or lease the managed property.~~
- C. This agreement may be reviewed and modified at any point during the agreement term upon ~~written agreement~~~~consensus~~ by both parties. Revisions will be provided within thirty (30) days.

~~D. Sandhills Bogeys Baseball, LLC Organization Performance Requirements Expectations~~

~~3.~~

into this ____ day of _____, 2025.

€The 10th _____ day of _____

~~E.~~ For the purposes of this agreement, the Bogeys ~~shall~~ ~~will~~ offer home games as part of the Old North State League ~~at the managed property~~ with public admission ~~beginning with the 2027 Old North State League season.~~ ~~Failure to do so, except as excused under force majeure, shall constitute a breach of this Agreement and be grounds for termination of this Agreement by the Town.~~

~~A.~~

~~F.~~ The purpose ~~of this Agreement~~ ~~includes the ability~~ ~~is~~ to offer the citizens of the Town and surrounding areas the opportunity to attend a regional sporting event, at a reasonable cost. This offering will compliment offerings provided by the Town and support the local economy. ~~The bogeys shall have exclusive rights for sale of all food, beverage, alcoholic beverages and merchandise at the managed property.~~ The Bogeys shall be responsible for securing all necessary ABC permits to all of legal sale of alcoholic beverages at the managed property. ~~The town consents to allow the possession, sale, service and consumption of alcoholic beverages at the managed property and shall take all reasonable steps to provide necessary documentation and support for Bogeys Baseball, LLC applications for ABC permits.~~ ~~The Bogeys shall have exclusive rights for sale of all food, beverage, alcoholic beverages, and merchandise at the managed property.~~ ~~The Bogeys shall be responsible for securing all necessary ABC permits to allow for legal sales of alcoholic beverages on the managed property.~~ ~~The Town consents to allow the possession, sale, service and consumption of alcoholic beverages at the managed property and shall take all reasonable steps to provide necessary documentation and support for Bogeys Baseball, LLC applications for ABC permits.~~ ~~It should include language that specifically Bogeys Baseball LLC has exclusive rights to all food, beverage, and alcoholic beverage sales at the park with proper permitting year round. We need this language to get permits as if ABC thinks there is a possibility of joint access to food and beverage facilities they can deny the permit.~~

~~B.~~

~~G.C.~~ The Bogeys agree to purchase and install field lighting for the green space at J. Pleasant Hines Park within ~~a reasonable amount of time as agreed between the Director and the Bogeys~~ ~~amount of time.~~ The ~~specific requirements for~~ lighting must be agreed up by both the Town and the Bogeys. In the event this lighting isn't completed for the Spring or Fall programming seasons ~~of 2026~~ then programs that have historically occurred in the outfield of Armory Field shall continue to take place there; in addition to the schedule in Exhibit A. ~~I think by January of 2027 to give us a little time but the goal would be sooner knowing that when we get it done we have more access.~~

~~H.D.~~ The Bogeys are responsible for the renovation of the infield, purchase and installation of both the playing fence and the perimeter fence and installation of the new field lights at Armory Field.

~~I.~~ ~~The Bogeys agree to move and reinstall at Armory Field the field lights owned by them and currently (at the time of execution of this Agreement) installed at the Sandhills Community College ballfield, all at the Bogeys' expense.~~ ~~The Town consents to and will take all reasonable steps to assist the Bogeys with obtaining all necessary permits in regards to the consumption of alcohol on this property.~~ ~~It needs to read almost verbatim to this so we can get permits easily: Consumption of Alcohol on Leased Property. It is the responsibility of Bogeys Baseball LLC to obtain proper permits to allow for legal sales, service, and/or consumption of alcoholic beverages on the leased property by the invitees and licensees of Sandhills Bogeys and it's subleases and their invitees and licensees. The Town of Southern Pines consents to allow for sale, service, and/or consumption of alcoholic beverages on the Leased Property and shall take all reasonable steps to provide necessary documentation and~~

~~support for Bogeys Baseball LLC application to the Alcohol Beverage Control Commission in its efforts to obtain such permits.~~

~~F.~~ The Town gives permission to the Bogeys to utilize the open space past right center field as an additional parking area. The Bogeys must submit a proposal for the number and type of spots and ~~follow all UDO requirements to~~ receive approval from the Town before any work can be started. The town will move any existing materials that are currently in the space as a "temporary materials yard" in order to facilitate

this.

G. The Town will install a security camera system from Flock Camera Systems. This is the same company and system that is currently in use by the Southern Pines Police Department (SPPD). The Bogeys and SPPD will identify a location for the installation and both parties will have access to the footage should a need arise. If the Town at any time adopts a different vendor or camera system the Town may remove the Flock cameras and install any new equipment of the Town's choosing.

J. ~~We would plead that this lot be used as a grass lot and not require us to pave, or gravel the lot. Similar to Oak Island operation if you need a reference~~

K. ~~The Town Bogeys will install a security camera system from Flock Camera Systems. This is the same company and system that is currently in use by the Southern Pines Police Department (SPPD). The Bogeys and SPPD will identify a location for the installation and both parties will have access to the footage should a need arise. If the Town at any time adopts a different vendor or camera system the Town may remove the Flock cameras and install any new equipment of the Town's choosing.~~

H. The Bogeys will have exclusive rights to sell and display advertising on fencing, the grandstands and on the grounds. All naming rights shall be subject to the approval of the Town. The Town will be able to market it's programs on the property in agreed upon areas at no cost. Bogeys Baseball LLC shall have the exclusive right to sell and display advertising on the managed Property ("Advertisements") including, but not limited to, all fencing, buildings, concession stand, the grandstand, stadium, and field naming rights. All naming rights concerning the managed Property and its buildings shall be subject to the reasonable approval of Southern Pines. The parties agree that naming rights may not be sold to advertise medicines, hygiene products, tobacco, sexually oriented businesses, or any product or sponsor name containing profanity Any monies received for naming rights shall be distributed as follows: in the first five years of play by the Bogeys at the managed property under this Agreement the Bogeys shall have full rights to all naming rights revenue. In all years after the first five years of play by the Bogeys at the managed property all net revenues from naming rights shall be reinvested in the facilities at the managed property as determined by mutual agreement of the Bogeys and the Town.

The Town grants permission to the Bogeys to hang live streaming cameras, install player development sensors, and install internet hardware and facilities at the managed property.

~~— Could we have it say this: Advertising. Bogeys Baseball LLC shall have the exclusive right to sell and display advertising on the managed Leased Property ("Advertisements") including, but not limited to, all fencing, buildings, concession stand, the grandstand, stadium, and field naming rights. All naming rights concerning the managed Leased Property and its buildings shall be subject to the reasonable approval of Southern Pines. The parties agree that naming rights may not be sold to advertise medicines, hygiene products, tobacco, sexually oriented businesses, or any product or sponsor name containing profanity Any monies received for naming rights shall be distributed as follows: in the first five years of play by the Bogeys at the managed property under this Agreement the Bogeys shall have full rights to all naming rights revenue. In all years after the first five years of play by the Bogeys at the managed property all net revenues from naming rights shall be reinvested in the facilities at the managed property as determined by mutual agreement of the Bogeys and the Town.~~

L. ~~Southern Pines shall be permitted to market its programs on the Leased Property in a mutually agreed upon public posting area.~~

~~The Town grants We need permission to the Bogeys to hang Our live streaming cameras, install player development sensors, and install internet hardware and facilities at the managed property to the ballpark.~~

3. **Scheduling:** For the purposes of this agreement, there shall be two (2) seasons to provide recreational

4. baseball: "Spring season" and "Fall season." The remainder of the year will be known as the "off-season."

~~A.~~ During the Spring and Fall baseball seasons, the Town will have use of Armory Field during the scheduled days and times approved in Exhibit A.

~~A.~~

~~B.~~ The Bogeys must submit a proposed schedule to the Director/designated staff at least thirty

~~B.~~ (30) days prior to the intended start date of each season. The Bogeys may use the field according to that schedule unless the Director has reasonably disapproved any part of the schedule request within fifteen (15) days of its receipt. The schedule shall fall within the range of dates and times as stated above and listed in Exhibit A.

C. Provided Armory Field is available, the Town and The Bogeys may schedule it for additional days, weeks, or months outside the spring and fall seasons specified in Exhibit A. The Town and Bogeys will work together to accommodate these additional requests where possible.

~~D.~~ The Bogeys shall accommodate Town personnel to perform scheduled maintenance during normal business hours, generally considered Monday through Friday from 6am until 3pm.

~~D.~~

E. In the event that the Town must temporarily close Armory Field due to inclement weather, poor field conditions, maintenance reasons, or other emergency situation, the Director/designated staff shall notify the Bogeys with as much advanced notice as possible. The Bogeys shall have cancellation rights and control over events that they have scheduled on days that they have rights to the field. Bogeys gameday decisions will be made by the Bogeys organization. ~~Can we have the final say in cancellations of events not just on our game days but on days that we have rights to the field. For example, if our staff wants to do the work on the field to get a off season tournament in can we do that?~~

F. For the purpose of cancellation of Town programming; due to inclement weather, ~~or~~ field conditions, or any other reason satisfactory to the Town, the Town will make that determination as soon as possible and communicate the decision to the Bogeys as quickly as possible given changes in weather.

~~G. The Town may userent or schedule the Soccer Facilities for either Town programming and/or private rentals outside the dates and times the Bogeys have rights to the field Organization is scheduled.~~

~~H.G.~~ The Town grants permission to the Bogeys; to rent open field times to interested parties given that those times don't interfere with the established schedule in Exhibit A or in any additional agreed upon Town uses. The parties agree that the Bogeys may charge a commercially reasonable rate for such use. It is further agreed that any rate which is roughly equivalent to full cost recovery, plus overhead, plus a reasonable incentive amount to compensate the Bogeys for the administrative duties of managing rentals is deemed to be commercially reasonable. The Bogeys agree that the Town gets priority use of the space over external rentals and will not be charged for the time the Town uses it.

~~I.H.~~ During the times of the Town's athletic leagues the es...who is marking fields and placing bases, at one point I think Bogeys shall had mentioned they would do all infield prep (even for our schedule); we would need to provide said schedule and any weather updates but didn't want to write that in until I confirmed. We will do this for Town sponsored games or events.

~~J.I.~~ No games, practices or special events shall conflict with the Moore County Farmers Market that takes place on Thursdays, year-round at Armory Park.

4.5. Responsibility for Essential Functions: During the Spring and Fall seasons, the Town and The Bogeys will jointly perform the work necessary to maintain the facility in a clean, safe, and sanitary condition.

- A. The Town will perform its essential functions during normal business hours on weekdays.
- B. Exhibit B outlines the required [maintenance](#) responsibilities for each party during the identified seasons.

5.6. Insurance, Liability, and Loss of Use:

- ~~A.~~—If Armory Field or any of its associated amenities are damaged by fire, natural disaster, other casualty, act of God, or deterioration and the cost of remediation is so great that Town decides not to repair ~~r~~.

or rebuild, the Town may terminate this agreement. Upon written notice of termination, the Bogeys must cease use of the facility. ~~Can we ask that the town of Southern Pines insures the ballpark so that for example if a tornado came through it could be rebuilt. Since we don't own the property we can't insure it.~~

The Town shall maintain commercially reasonable limits of insurance on the managed property.

A. The Town is not financially responsible for the Bogeys loss of income and/or increased expenses for operating elsewhere in the event of fire, natural disaster, other casualty, act of God, deterioration to the athletic field, need for repairs, and/or federal, state, or local restrictions that impact the operation of the facility.

- 1) The Bogeys Organization ~~agree to~~ must indemnify the Town against any third party claims by reason of the Bogeys Organization's use, management, operation, or occupancy of the managed property facility. The Bogeys Organization must secure and maintain, at its own expense, public liability insurance in an amount of not less than one million dollars (\$1,000,000) in respect to bodily injury, disease, illness, death, or property damage suffered by any one person or entity and/or arising out of any one accident.
- 2) The Bogeys Organization must list the Town as an additional insured on said policy or policies and provide a certificate(s) of insurance to the Town confirming these minimum coverages at the beginning of each season. Should the Bogeys make changes associated with any its insurance policy (ies), it must provide the Town written notice and updated certificates of insurance within thirty (30) days of said change.

6.7. Gameday Operations: The Bogeys shall abide by all federal and state regulations during the use and management of the managed property facility and will strive to provide the safest possible environment for patrons. Gameday operations expectations include but aren't limited to:

A. ~~The use of trailer style, porta-johns, or similar structures as bathroom services. The existing restroom structure on site is on a septic tank and cannot handle the use of a full game day experience. As such the previously mentioned restroom structures must be used to prevent damage to the system. The Director shall have sole discretion to approve or disapprove the bathroom facilities proposed for use at the managed property.~~

A.

B. All parties must remain off of the septic field to prevent damage to the septic system.

C. ~~All on site trash collection shall be handled by the Bogeys. The Bogeys may contract with the town vendor or find a private entity to remove gameday trash. Placement of additional dumpsters, trashcans, or bins requires approval of the Town as to number, location, appearance, and screening.~~

C.

D. ~~Off duty police are required for event ~~track~~ management and gameday safety. There will be a minimum of two (2) officers per event, and additional officers as required in the sole discretion of the Southern Pines Chief of Police taking into consideration the number of expected patrons, the sale of alcohol, previous or potential problems, and any other criteria deemed relevant by the Chief of Police. Officers shall be engaged to be on site thirty (30) minutes before and after any event requiring the presence of officers. ~~_____ officers per _____ expected guests. We would request one officer every 500 expected fans determined by ownership/management of Bogeys Baseballs L any other criteria deemed relevant by the Chief of Police. Officers shall be engaged to be on site thirty (30) minutes before and after any event requiring the presence of officers.~~ LC~~

E. Parking will be onsite and include the Armory Field parking lot, parking across the street at the soccer complex and in the potential additional spaces in center and right field. ~~Could we ask that the parking lot behind the outfield be used as is for parking, for example we won't have to get it gravel or paved.~~ Should additional parking be needed the Bogeys will offer a shuttle service from an identified pickup and drop off

point.

7.8. Expenses:

- A. Operating Expenses: The Bogeys must pay one hundred percent (100%) of the expenses to operate their baseball program. This includes, but is not limited to: uniforms, supplies, personnel, officials, marketing, and similar. In exchange, the Bogeys may charge admission to the facility for gamedays.
- B. Utilities: need help with the language about utilities and what specifically is being covered, didn't have a reference for how we have written this previously -- Would ask that Town of Southern Pines

~~B. covers it's usage percentage. The Bogeys shall be responsible for all utility costs whatsoever, including for any Town sponsored or approved event or use.~~

C. Field Wear and Tear: The ~~Bogeys shall be~~ Organization is responsible for replacing damaged/worn sod in the infield, at the end of each season or as directed by the Town's Parks & Grounds Superintendent (hereinafter referred to as the "Superintendent"). This may be accomplished by either 1) paying the Town for the cost of the materials and labor or 2) directly purchasing the material and providing the labor, as approved by the Superintendent.

~~D. Bases and Base Plugs: It is agreed that at the time of this agreement, the Bogeys will purchase and install their own base plugs, and bases (including home plate) at the required distance for their league. The town shall provide distances needed for base plugs for their league and those locations will be set by the Bogeys during renovation. Need thoughts here...who replaces the base plugs/bases if they are damaged? Ties into section 4, item 1, about scheduling and marking? We will replace bases and plugs if they are damaged.~~

D. The Bogeys shall be responsible for replacing any bases or base plugs that are damaged or worn out.

8.9. Policies:

- A. The Bogeys may establish policies for the use of the athletic field, or portions of the facility, during its use periods so long as those policies are consistent with federal, state, and local laws, ordinances, and regulations.
- B. The policies adopted by the Bogeys, as referred to above, may include controlling or denying access to the facility during its sole use.

9.10. Improvements to the Athletic Field. Soccer Fields:

A. If the Bogeys wish to construct capital improvements to Armory Field or surrounding facilities, install equipment, erect signage, or the like, the Bogeys must submit a written request to the Director. If the Director does not reply within thirty (30) days, then the request is deemed denied.

~~B. The Bogeys must pay one hundred percent (100%) of the costs for any improvements, which includes purchase, installation, maintenance, and removal or rehabilitation in the event of deterioration or safety concerns.~~

~~B.~~

~~C. The Bogeys must provide in Exhibit C of this agreement an inventory of everything which it has purchased and/or installed at the Armory Field. Said Exhibit must include a description of each item, an estimated date of purchase/installation, the cost of purchase or construction, and the estimated useful lifespan. The Bogeys must review and update the Exhibit at least annually or at the point when an improvement is added or removed to the Armory Field by the organization. The Town may accept as a donation any permanent improvements at the managed property and shall have sole discretion to approve or disapprove any permanent improvements proposed to any portion of the managed property.~~

~~C.~~

~~D. Currently known potential future projects:~~

~~D.~~

- 1) In order for the current restrooms to accommodate the crowds of a Bogeys game, connection to a sewer line would be required. The Town and the Bogeys reserve the right to negotiate a possible connection in the future under mutually agreeable terms. ~~I would ask that this be something that is not required if we decided to use mobile restrooms. We have no idea how much that would cost to do. The Town and the Bogeys reserve the right to negotiate a possible connection in the future under mutually agreeable terms.~~
- 2) The irrigation system does function but is dated and for continued improvement of the grounds irrigation replacement will be necessary. The Bogeys have the right to purchase and install a

new irrigation system at their expense, subject to approval by the Town of location, design, and system capacity. ~~We'd ask that this is not mandatory but something we have permission to do if we want to.~~

- 3) Tree removal is at the sole discretion of the Superintendent. Requests for tree removal should be sent to the Director for review. See section ~~+13~~ item A regarding about appeals to decisions.

11. Force Majeure. Any obligation imposed under this Agreement shall be paused by the occurrence of any force majeure event that makes performance practically impossible, and such pause shall extend for the length of time the obligations cannot be reasonably performed plus an additional period reasonably necessary to recover operations following the force majeure event.

3)12. **Intellectual Property.** Each party agrees that it will respect the intellectual property rights of the other party and will not use any trademarked or copyrighted material of the other party without prior written consent.

13. Appeals to Decisions and Termination of Agreement:

- A. The Director shall have the authority to review issues of discretion and make decisions as described in this agreement. Should the Bogeys wish to appeal any of the Director's decisions surrounding this agreement, the Bogeys must submit a written appeal to the Town Manager within ten (10) days.
- B. Either party may terminate this agreement for cause, such as default, upon providing written notice of sixty (60) days and an opportunity to cure. No such cancellation may be effected by the Town during the playing season of the Old North State League.
- C. Pre-suit mediation. The parties agree that pre-suit mediation is a required condition precedent to the filing of any lawsuit regarding this Agreement. The costs of mediation shall be borne equally by the parties and the mediator must be a Certified Superior Court Mediator in the state of North Carolina.
- D. This Agreement is to be interpreted under the laws of North Carolina and any legal action under this Agreement must be filed in the courts of Moore County or the U.S. District Court for the Middle District of North Carolina.
- E. Upon termination of this agreement; all improvements, equipment, etc. become Town property. The Bogeys may request to remove any identified improvements, equipment, etc. that it owns as described in Exhibit C or as approved by the Town, so long as they may be removed without damage to the facility. All expenses of such removal must be paid by the Bogeys and must be completed by the time this agreement terminates.
- F. This agreement supersedes all previous agreements between the two parties.
- G. This agreement constitutes the entire understanding between the parties and may not be modified except in writing signed by both parties. The agreement is binding on the parties hereto, their heirs, and permitted assigns.

~~10.~~

- ~~A. The Director shall have the authority to review issues of discretion and make decisions as described in this agreement. Should the Bogeys Organization wish to appeal any of the Director's decisions surrounding this agreement, the Bogeys Organization must submit a written appeal to the Town~~

Manager within ten (10) days.

~~Either party may terminate this agreement for cause, such as default, upon providing written notice of sixty (60) days and an opportunity to cure. No such cancellation may be effected by the Town during the playing season of the Old North State League. This section makes us incredibly nervous especially considering what has just happened to us at SCC. We would like this to be much longer so that it doesn't happen and interrupt our season.~~

~~Pre-suit mediation. The parties agree that pre-suit mediation is a required condition precedent to the filing of any lawsuit regarding this Agreement. The costs of mediation shall be borne equally by the parties and the mediator must be a Certified Superior Court Mediator in the state of North Carolina.~~

~~B. This Agreement is to be interpreted under the laws of North Carolina and any legal action under this Agreement must be filed in the courts of Moore County or the U.S. District Court for the Middle District of North Carolina.~~

~~C. Upon termination of this agreement, all improvements, equipment, etc. become Town property. The Bogeys may request to remove any identified improvements, equipment, etc. that it owns as described in Exhibit C or as approved by the Town, so long as they may be removed without damage to the facility. All expenses of such removal must be paid by the Bogeys and must be completed by the time this agreement terminates. We'd ask that the grandstand bleachers that we initially install are allowed to come with us if we leave. Any additional bleachers we add we will ask for approval first to go toward extended time if it passes our initial investment threshold. But we also would like to ask that if the agreement is terminated early by the Town of Southern Pines then they will pay us back for our investments in which they are keeping that we can't utilize. For example, if we spend \$300k that is approved that gets us 15 years but TOSP cancels the lease at year 10, then TOSP will reimburse Bogeys Baseball LLC for \$100k. This is very standard in other ballpark leases that I have seen.~~

~~D. This agreement supersedes all previous agreements between the two parties.~~

~~E. This agreement constitutes the entire understanding between the parties and may must not be modified except in writing signed by both parties. The agreement is binding on the parties hereto, their heirs, and permitted assigns.~~

IN WITNESS WHEREOF, the Town and the [Bogeys Organization](#) have executed this agreement in duplicate.

By: _____ Date: _____

Kristen Hudson, A.C. Sandhills President Bogey Representative

By: _____ Date: _____

Taylor Clement, Mayor, Town of Southern Pines

ATTEST: _____ Date: _____

Elizabeth Robertson, Town Clerk

Exhibit A:

Fall Season Schedule | mid-AUGUST through end of October
To be updated annually pending Director’s approval

	SANDHILLS BOGEYS (Armory Field)	TOSP Baseball/Softball (Armory Field)	TOSP Soccer (Armory Field)
MONDAYS	7am to 5pm	5pm to 8:30pm	
TUESDAYS	7am to 5pm		5pm to 8:30pm
WEDNESDAYS	7am to 5pm	5pm to 8:30pm	
THURSDAYS	7am to 5pm		5pm to 8:30pm
FRIDAYS	7am to 11pm		
SATURDAYS	7am to 11pm		
SUNDAYS	7am to 11pm		

*TOSP Soccer goes from late August to mid-October

**All TOSP Soccer would move to J. Pleasant Hines Park once lights are installed

***TOSP Baseball/Softball goes from early September to end of October

****TOSP Baseball/Softball is only Monday and Wednesday for roughly 3 weeks of practice in late September to early October

Spring Season Schedule | mid-FEBRUARY through end of MAY
To be updated annually pending Director’s approval

	SANDHILLS BOGEYS (Armory Field)	TOSP Baseball/Softball (Armory Field)	TOSP Soccer (Armory Field)
MONDAYS	7am to 5pm	5pm to 8:30pm	
TUESDAYS	7am to 5pm	5pm to 8:30pm	5pm to 8:30pm
WEDNESDAYS	7am to 5pm	5pm to 8:30pm	
THURSDAYS	7am to 5pm	5pm to 8:30pm	5pm to 8:30pm
FRIDAYS	7am to 11pm		
SATURDAYS	7am to 11pm		
SUNDAYS	7am to 11pm		

*TOSP Soccer goes from mid-February to early April

**All TOSP Soccer would move to J. Pleasant Hines Park once lights are installed

***TOSP Baseball/Softball goes from early April to the end of May

****TOSP Baseball/Softball is only Monday through Thursday for roughly 3 weeks of practice in April, when games start in late April it switches to just Monday and Wednesday.

- While routine maintenance and repairs can typically occur with minimal or no impact to the public's access to the facility, both parties acknowledge that it may be necessary to close the Athletic Field for an extended time to complete more significant repairs. In this situation, every attempt will be made to schedule non-emergency work in a manner to minimize cancelling scheduled activities.

Exhibit B:

Assignments for Essential Functions

TOSP = Town of Southern Pines | AC = AC Sandhills Bogeys

MAINTENANCE RESPONSIBILITIES DURING BUSINESS HOURS	Spring & Fall Season During a TOSP Activity	Off Season During Bogeys use (all non-TOSP activities)
Mowing Grass, <u>Weed Treatment/Spraying, Routine Maintenance</u>	TOSP	TOSP
<u>Lining Fields with Field Paint*Infield prep (including lining)</u>	<u>Bogeys?</u>	<u>Bogeys?</u>
Cleaning Restrooms	?TOSP	?Bogeys
Emptying Trash/ Replacing Trash Bags	?TOSP	?Bogeys
END OF DAY RESPONSIBILITIES	During a TOSP Activity Spring & Fall Season	During Bogeys use (all non-TOSP activities) Off Season
Removing trash/ Replacing Trash Bags (weekend days)	___?TOSP	?Bogeys
Tidying Restrooms	___?TOSP	?Bogeys
**Cleaning Concession Stand (No storage in this area)	?Bogeys	?Bogeys

*Expand clarification here about who is lining/placing bases (once determined).

*The Bogeys will obtain any required permit or inspection (if needed) to operate concession stand in conjunction with Moore County regulations.

*Routine restroom cleaning at Armory Field is 5 days a week by town Facilities staff (Monday – Friday) because it is a heated space. *Expand clarification about trash removal and cleaning here (once determine):

***Routine trash pickup is done by Parks and Grounds staff. 5 days a week, March through November (Monday through Friday) and 3 days a week, December through February (Monday, Wednesday, Friday).

THIS LEASE AGREEMENT made this the ____ day of _____, 2026 by and between the TOWN OF SOUTHERN PINES, an incorporated municipality in Moore County, North Carolina, (hereinafter sometimes referred to as Town or Lessor); and Seaboard Speakeasy, LLC a duly chartered limited liability corporation with a current address of: in Moore County, North Carolina, (hereinafter sometimes referred to as Lessee);

WITNESSETH;

That the Lessor hereby demises and leases unto the Lessee the premises identified as 305 NW Broad Street in Southern Pines, and described as follows:

(SEE PARCEL A of EXHIBIT A, attached hereto, exclusive of those areas currently occupied by CSX for office and storage purposes per the terms outlined in EXHIBIT B, BILL OF SALE from CSX to TOSP, also attached hereto)

The terms, provisions, conditions, covenants, agreements and obligations, hereby agreed to by the parties are as follows:

1. The initial term of this lease shall be for two (2) years beginning with the first month the Lessee's business is open and in operation in the leased premises, and the Lessee shall have an option to extend for an additional five (5) years upon giving the Town at least sixty (60) days' notice of intent to exercise the option. The commencement date shall be no later than June 1, 2026 but may be earlier, at the discretion of Lessee. Between the date of execution of this lease and the commencement of the term the Lessee shall have a right of entry and license to commence upfit and renovation of the leased premises. Upon commencement of the term Lessee agrees to pay rent at the rate of \$3,000.00 (**three thousand dollars and 00/100**) per month, payable by the 10th of each month. During the period between execution of this lease and the commencement of the lease term Lessee shall pay the sum of \$1,000 (**one thousand dollars and 00/100**) per month or a prorated amount of \$34.00 (**thirty-four dollars and 00/100**) per day in any partial month until the commencement of the lease term as described above. At the end of the initial term or any option period, lacking a new Lease, Lessee will vacate the facility and remove all personal property by the final date of the final month of the Lease terms.
2. The Lessor shall keep the property insured against fire or other casualty loss and shall pay all premiums for all said insurance, and for any other insurance that might be necessary to protect the property of Lessor, but not the contents placed thereon by the Lessee. Lessee covenants and agrees that it will carry, during the term of this lease, liability insurance naming the Town as insured, to protect Lessor for liability that may arise during the period of this lease, up to \$1,000,000, and shall pay the premium therefor.

3. The Lessee agrees to pay all water, electricity, gas, telephone and fuel bills incurred in connection with the use of the leased premises throughout the full term of this agreement.
4. This lease shall not be assigned, or leased premises sublet, without the written consent of the Lessor, by the Town Manager or designee, first being had and received.
5. The Lessee shall make and keep buildings on the property weather tight, shall allow no deterioration of buildings, and shall keep them painted and in a good state of repair.
6. Lessee agrees to keep the grounds surrounding the buildings maintained in a suitable manner.
7. The Lessee shall keep such personal property as it may have on the premises adequately insured, and agrees to hold harmless the Lessor for any damages that might occur to Lessees property while on the premises during the term of this lease.
8. It shall be the duty and obligation of Lessee to obtain any necessary approvals or permits for any work on the premises requiring such approvals or permits, and Lessor shall be held harmless by Lessee during the term of the lease. All upfit and renovation costs, including but not limited to, plumbing and electrical work, construction or installation of a bar, and modifications to entrances and exits shall be the responsibility of Lessee. It is the responsibility of Lessee to apply for and obtain any required approvals of renovations including construction permits and Historic District Commission approvals.
9. Lessee hereby agrees that all personal property it may have in its possession at any time shall be stored within the enclosure of the buildings covered by this lease, and at no time will any such property be allowed to remain outside said buildings longer than is reasonably necessary to move it in or out of the buildings.
10. Lessee shall make no changes or additions to the exterior of the building or on the exterior grounds of the building, outside of those outlined in Exhibit C, without the express written consent of Lessor, given by the Town Manager or designee. Any exterior changes are subject to approval through the Historic District Commission process and any applicable Architectural Review by the Town.
11. The Lessee shall have the right and privilege at any time during the term of this lease to make, at its own expense, such minor changes, improvements, and alterations to the premises as the Lessee may desire; provided, however, the Lessee shall not make any material or structural changes to the Premises without the written consent of the Lessor, and such alterations so made shall be sole cost and expense of the Lessee. Upon the termination or expiration of this Lease, all the said improvements shall remain in the Premises and become the sole property of the Lessor, and the Lessee will take any and all action and sign any and all documents reasonably required by the Lessor to effect or confirm the Lessor's ownership of said improvements.

12. The Lessee may, during the term of this lease and any extensions, remove from the premises all trade fixtures which the Lessee may have installed at its own expense in the said Premises, or otherwise acquired, provided that Lessee is not in default under any of the terms and conditions of this Lease and provided further that the same can be removed without damage to the Premises. Lessee shall repair any damages to the Premises caused by the removal of such trade fixtures. No trade fixture shall be removed unless the Lessor has previously given its written consent prior to its installation confirming that such item is a trade fixture. In the event no such written confirmation is obtained from the Lessor by the Lessee prior to installation, then such improvement shall be conclusively deemed an alteration or improvement subject to the terms of paragraph 11 above.
13. The Lessee covenants and agrees that it will take good care of the premises, and upon the termination of this lease will surrender said premises back to Lessor in as good order and condition as it is in at the time of the entering into of this lease agreement, ordinary wear and tear excepted; and that Lessee, its employees, agents or helpers will make no unlawful or offensive use of the premises during the term of this lease.
14. If during the term of this lease the leased premises are so damaged by fire, tornado, or other catastrophe or casualty as to render the same uninhabitable or not usable for the purposes of Lessee, this Lease shall terminate and thereafter be of no further force and effect, and both parties hereto, by the happening of such catastrophe, shall be discharged from this lease agreement and their mutual obligations hereunder. However, Lessor shall have the right to decide whether it is willing to make any repairs as a result of such disaster-damage, or to terminate this lease and require Lessee to vacate the premises within thirty (30) days after notice of said termination is delivered to it in writing by Lessor.
15. If the Lessee should fail or neglect to properly fulfill any of the requirements made upon it under this lease, or shall violate any of the provision of the lease, otherwise, then the Lessor, without any other notice or demand, may terminate this lease and require the Lessee to vacate the premises hereby demised, or may enter the premises and expel the Lessee therefrom, or the Lessor in lieu of the above or in conjunction therewith may pursue any other lawful right or remedy incident to the relationship created by this lease.

IN WITNESS WHEREOF, the Lessor has caused this lease to be executed in its Municipal Corporate name, by its Mayor, attested by its Town Clerk, all by authority of its Town Council duly given; and said Lessee has executed this agreement all on this day and year first above written.

ATTEST:

TOWN OF SOUTHERN PINES

By: _____

Beth Robertson, Town Clerk

Taylor Clement, Mayor

Seaboard Speakeasy, LLC

By: _____

Kevin Drum, Owner

STATE OF NORTH CAROLINA

COUNTY OF MOORE

I, _____, notary public of the State of North Carolina, certify that

Beth Robertson personally came before me this day and acknowledged that she is Town Clerk of the Town of Southern Pines, a North Carolina municipality, and that by authority duly given, the foregoing instrument was signed in its name by Mayor Taylor Clement, and attested by herself as Town Clerk.

Witness my hand and official seal, this the _____ day of _____, 2019.

My commission expires: _____

Notary Public

STATE OF NORTH CAROLINA

COUNTY OF MOORE

I, _____ a Notary Public of the County and State aforesaid, certify that _____, personally came before me this day and acknowledged that he is Owner of Seaboard Speakeasy, LLC., a North Carolina limited liability corporation, and that by authority duly given, the annexed document was signed in its name by him as Owner.

Witness my hand and official stamp or seal, this _____ day of _____, 2026.



ORDINANCE #3168
ESTABLISH A CAPITAL PROJECT FUND FOR WATER TREATMENT PROCESS
MODERNIZATION - PHASE II

BE IT ORDAINED by the Town of Southern Pines Town Council, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project budget is hereby adopted:

Section 1: The project authorized is to establish a fund for the purpose of modernizing equipment and processes at the Water Treatment Plant.

Section 2: The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

Section 3: The following amount is appropriated for the project:

Construction	<u>\$ 5,291,985</u>
	<u>\$ 5,291,985</u>

Section 4: The following revenue is anticipated to be available to complete this project:

Transfer In – Capital Project Fund – Water Treatment Process Modernization	<u>\$ 5,291,985</u>
	<u>\$ 5,291,985</u>

Section 6: Copies of this capital project ordinance shall be furnished to the Clerk of the Governing Board, and to the Finance Officer for direction in carrying out this project.

Section 7: This ordinance becomes effective February 24, 2026.

I certify that this ordinance was adopted by the Town Council of the Town of Southern Pines at its meeting of February 24, 2026 as shown in the minutes of the Town Council for that date.

Elizabeth Robertson, Town Clerk



**ORDINANCE #3169
AMENDING & CLOSING THE WATER TREATMENT PROCESS MODERNIZATION
PROJECT FUND BUDGET**

BE IT ORDAINED by the Town of Southern Pines Town Council, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project budget is hereby amended:

Section 1: The project authorized is to establish a fund for the purpose of modernizing equipment and processes at the Water Treatment Plant.

Section 2: The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

Section 3: The following amount is reduced for the project:

Construction	\$ <u>4,789,281</u>
	\$ <u>4,789,281</u>

Section 4: The following additional amount is appropriated for the project:

Transfer to Water Treatment Process Modernization – Phase II Capital Project Fund	\$ <u>5,291,985</u>
	\$ <u>5,291,985</u>

Section 5: The following additional revenue is anticipated to be available to complete this project:

Interest on Investments	\$ <u>502,704</u>
	\$ <u>502,704</u>

Section 6: Copies of this capital project ordinance shall be furnished to the Clerk of the Governing Board, and to the Finance Officer for direction in carrying out this project.

Section 7: This ordinance becomes effective February 24, 2026.

I certify that this ordinance was adopted by the Town Council of the Town of Southern Pines at its meeting of February 24, 2026 as shown in the minutes of the Town Council for that date.

Elizabeth Robertson, Town Clerk

SUBMITTAL REQUIREMENTS:

- Completed Petition for Voluntary Annexation (attached).** Petition signed with original wet ink by the owners of all real property located within the subject area to be considered for annexation.
- Legal Description.** Written metes and bounds legal description of the subject property.
- Accurate Map.** Provide a survey or accurate map of subject property.
- Electronic copy (.pdf) of all application materials.** E-mail to admin@southernpines.net.
- NCGS § 160A-31** governs the Town's authority to annex property by a voluntary petition.

REVIEW & APPROVAL PROCESS:

- **Submittal (2nd Monday – month #1 of process):** Submit a packet as detailed above to the Town Clerk no later than close of business on the 2nd Monday of the month. Hard copies shall be submitted in person or by mail to: Town Clerk, Town of Southern Pines Administration Dept., 125 SE Broad St., Southern Pines, NC 28387.
- **Review by Staff:** Town staff will review the petition to ensure all required materials are submitted and properly executed. If the petition is complete, staff will forward it, along with a report, to the Town Council for review at their work session (4th Monday of the same month a complete application is submitted).
- **Town Council Work Session (4th Monday of month #1):** Staff and the petitioner will present the details of the petition to the Town Council. The Council will vote on a Resolution Directing the Town Clerk to Investigate the Sufficiency of a Petition for Annexation.
- **Investigation by Town Staff:** The Town Clerk will investigate the sufficiency of the petition per North Carolina General Statute §160A-31 and prepare a Certificate of Sufficiency.
- **1st Town Council Regular Meeting (2nd Tuesday of month #2):** The Town Council will receive the Certificate of Sufficiency and vote on a resolution scheduling a public hearing for the petition.
- **Legal Notice:** Town staff will publish a notice of the public hearing in the newspaper, at least 10 days prior to the date of the public hearing.
- **2nd Town Council Regular Meeting (2nd Tuesday of month #3):** The Town Council will hold a public hearing to receive public comment on petition and then vote to either approve or deny the petition. If approved, the annexation generally becomes effective the same day.

Application for VOLUNTARY ANNEXATION

To the Town Council of the Town of Southern Pines, North Carolina:

- 1, I/We the undersigned owner(s) of real property respectfully request that the area described in the attached Exhibit A be annexed to the Town of Southern Pines.
- 0, The area to be annexed is **contiguous** to the Town of Southern Pines and the boundaries of such territory are described in the attached metes and bounds description, Exhibit A.
- 1, The area is identified as PIN: 858 200716 458; PARID: 09 0000 96.

Property Owner(s):

Print Name: Clark Spencer

Name: Clark Spencer

Signature: Clark Spencer

Address: 615 Clark St So. Pines NC

Print Name: Annette Spencer

Name: Annette Spencer

Signature: Annette Spencer

Address: 615 Clark St
Southern Pines NC 28387

Print Name: _____

Name: _____

Signature: _____

Address: _____

Print Name: _____

Name: _____

Signature: _____

Address: _____

(Duplicate this form to add names, addresses and signatures of property owners, as necessary.)

(<https://www.moorecountync.gov/gis/>)



Search Results Layers

Results List

Details

Soil Report
 (<https://gis.moorecountync.gov/MooreSoilReport/soilreport.aspx?PARID=99000096>)
 Tax Bill Information
 (<https://bt taxpayerportal.com/ITSPublicMO/TaxBillSearch>)

Parcel ID: 99000096
 PIN: 858200716458
 Owner's Name: SPENCER, CARTER T
 Owner's Name 2: SPENCER, ANNETTE J & OTHERS
 Mailing Address: 615 CLARK ST
 Mailing Address 2:
 City: SOUTHERN PINES
 State: NC
 Zip: 28387
 Tax Jurisdiction: A
 Description: SPENCER LAND LOT 2
 Township: 07
 Neighborhood: 748
 Transaction Date: 06/13/2023
 Deed Book: 6029

Buffer





RESOLUTION #1142
DIRECTING THE CLERK TO INVESTIGATE A PETITION RECEIVED UNDER
G.S. 160A-31
AX-01-26: 609 Clark Street

WHEREAS, a petition requesting annexation of an area described in said petition was received on January 7, 2026, by the Town Council of the Town of Southern Pines; and

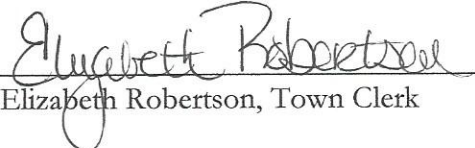
WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

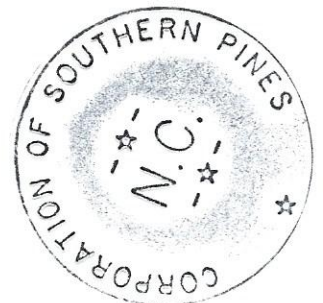
WHEREAS, the Town Council of the Town of Southern Pines deems it advisable to proceed in response to this request for annexation;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Southern Pines that the Town Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the Town Council the result of her investigation.

Adopted this 20th day of January, 2026.

I certify that this Resolution was adopted by the Town Council of the Town of Southern Pines at its meeting on January 20, 2026, as shown in the Minutes of the Town Council meeting for that date.


Elizabeth Robertson, Town Clerk





RESOLUTION #1145

SETTING DATE OF PUBLIC HEARING FOR ANNEXATION APPLICATION AX-01-26: 609 Clark Street

WHEREAS, a petition requesting annexation of an area described herein has been received; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Town Clerk as to the sufficiency of said petition has been made;

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Southern Pines, North Carolina:

Section 1. That a public hearing on the question of annexation of the area described herein will be held at the Southern Pines Police Department in Southern Pines, NC at 3:00 pm on March 24, 2026.

Section 2. The area proposed for annexation is described as follows:

Property Identification Number (PIN) and Parcel Identification:

PIN: 858200716458; PARID: 99000096

Property Owners/Applicants:

Carter T. Spencer
Annette J. Spencer
615 Clark Street
Southern Pines, NC 28388

Total Size of Property:

Total Acreage: +/- 1.25 acres

Property Description:

Lot Number 2, as described on map entitled "Survey for Jasper D. Spencer and wife, Delores T. Spencer" recorded in Plat Cabinet 7, Slide 5.

This being that identical property conveyed by Deed dated April 26, 1999, from Carter T. Spencer and wife, Annette J. Spencer to Jasper D. Spencer and wife, Delores T. Spencer, recorded in Deed Book 1512, Page 112, Moore County Registry. See also Affidavit of Carter Thomas Spencer, Administrator of the estate of Jasper Donald Spencer, recorded in Deed Book 4951, Page 128, Moore County Registry.

Section 3. Notice of said public hearing shall be published in The Pilot, a newspaper having general circulation in the Town of Southern Pines, at least ten (10) days prior to the date of said public hearing.

Adopted this 24th day of February, 2026.

I certify that this resolution was adopted by the Town Council of the Town of Southern Pines at its meeting of February 24, 2026, as shown in the minutes of the Town Council for that date.

Elizabeth Robertson, Town Clerk



MEMO

To: Reagan Parsons, Town Manager
Cc: Michael Cameron, Assistant Town Manager
From: James Michel, Town Engineer/Assistant Public Works Director
Date: 2/19/2026
Re: Water and Sewer AIA Discussion and Adoption of AMP and CIP

In 2023, the Town accepted \$400,000 in grant funding from the NC Division of Water Infrastructure (DWI) to perform Asset Inventories and Assessments (AIA). The funding was evenly split between the water system (\$200,000) and the sewer system (\$200,000). The Town engaged engineering consultant WithersRavenel to complete the scope of work identified in the original grant applications.

The project was generally scoped to evaluate and improve the Town’s water distribution and sewer collection systems through data review, field data collection, and hydraulic model updates. The work included conducting a data gap analysis, updating and calibrating the hydraulic models, and developing a comprehensive Asset Management Plan (AMP) that includes a 10-year Capital Improvement Plan (CIP).

The purpose of the AMP is to provide both a near-term and long-term roadmap for proactive management of the Town’s water and sewer assets. It delivers data-driven insights to support informed capital planning decisions and to maximize the value of existing infrastructure in the most cost-effective manner, while maintaining and enhancing service levels for residents.

The AMP consists of four (4) key components:

1. Asset Inventory
2. Asset Condition Assessment
3. Capital Improvement Plan (CIP) with projected cost estimates
4. Operations and Maintenance (O&M) Plan

One component of the sewer system O&M Plan addresses the assessment and maintenance of utility easements. A separate memorandum included in the agenda packet outlines a proposed updated approach that differentiates between traditional easements (cross country) and road rights-of-way.

To close out the project and receive the final grant reimbursement, the AMP and CIP must be formally adopted by the Town Council. WithersRavenel will attend the meeting to provide a summary of their work and present the final deliverables.

The AMP, including the embedded CIP for both the water and sewer systems, is available on the Town’s website under “Related Documents” at [Water & Sewer | Southern Pines, NC - Official Website](#).

It should be noted that this is the second Sewer System Asset Inventory and Assessment (AIA) the Town has completed within the past six years. This proactive planning effort aligns with priorities of the NC Division of Water Infrastructure and has contributed to the Town’s ability to secure

approximately \$7 million in grant funding for sewer rehabilitation projects.

Staff has also recently been notified that the application submitted in Fall 2025 scored well, and DWI has indicated its intent to offer the Town an additional \$5 million in funding. Unlike previous awards, this funding is proposed as a combination of \$2.5 million in grant funds and \$2.5 million in low-interest loan financing. Staff will provide additional information regarding this funding opportunity at a future Council meeting.

Town of Southern Pines, NC Water and Sewer Asset Inventory and Assessment (AIA)

February 24th, 2026

Presented by:

L. Eddie Staley, PLS, GISP

WithersRavenel

PRESENTATION TOPICS - SEWER

1

What is AMP/AIA ?

2

System Overview

3

Level of Service

4

Capital Improvement Plan
Recommendations



What is an AMP / AIA?

What is an AIA ?

The **Asset Inventory and Assessment Grants** are state-level grants administered by the **North Carolina Department of Environmental Quality (NC DEQ), Division of Water Infrastructure**.

Designed to help **local government units and nonprofit water corporations** inventory, assess, and better manage their water and/or wastewater system assets.

Objectives

- **Inventory existing:**
 - Water system assets
 - Sewer system assets
- **Assess the condition infrastructure**
- **Define criticality and prioritization**
- **Develop a comprehensive Asset Management Program (AMP)**
- **Improve long-term system viability and management.**

What is an AMP ?

WHAT IS MY BEST LONG-TERM FUNDING STRATEGY?

WHAT ARE MY BEST O&M AND CIP INVESTMENT STRATEGIES?

- What alternative management options exist?
- Which are the most feasible for my organization?

ASSET MANAGEMENT ENABLERS:

- LEADERSHIP
- ORGANIZATIONAL ALIGNMENT
- KNOWLEDGE MANAGEMENT
- TECHNOLOGY
- TRAINING

WHAT IS THE CURRENT STATE OF MY ASSETS?

- What assets do I own?
- Where are they?
- What condition are they in?
- What are their remaining useful lives?
- What is their remaining economic value?

WHAT IS MY REQUIRED LEVEL OF SERVICE?

- What is the demand for my services by my stakeholders?
- What do regulators require?
- What is my actual performance?

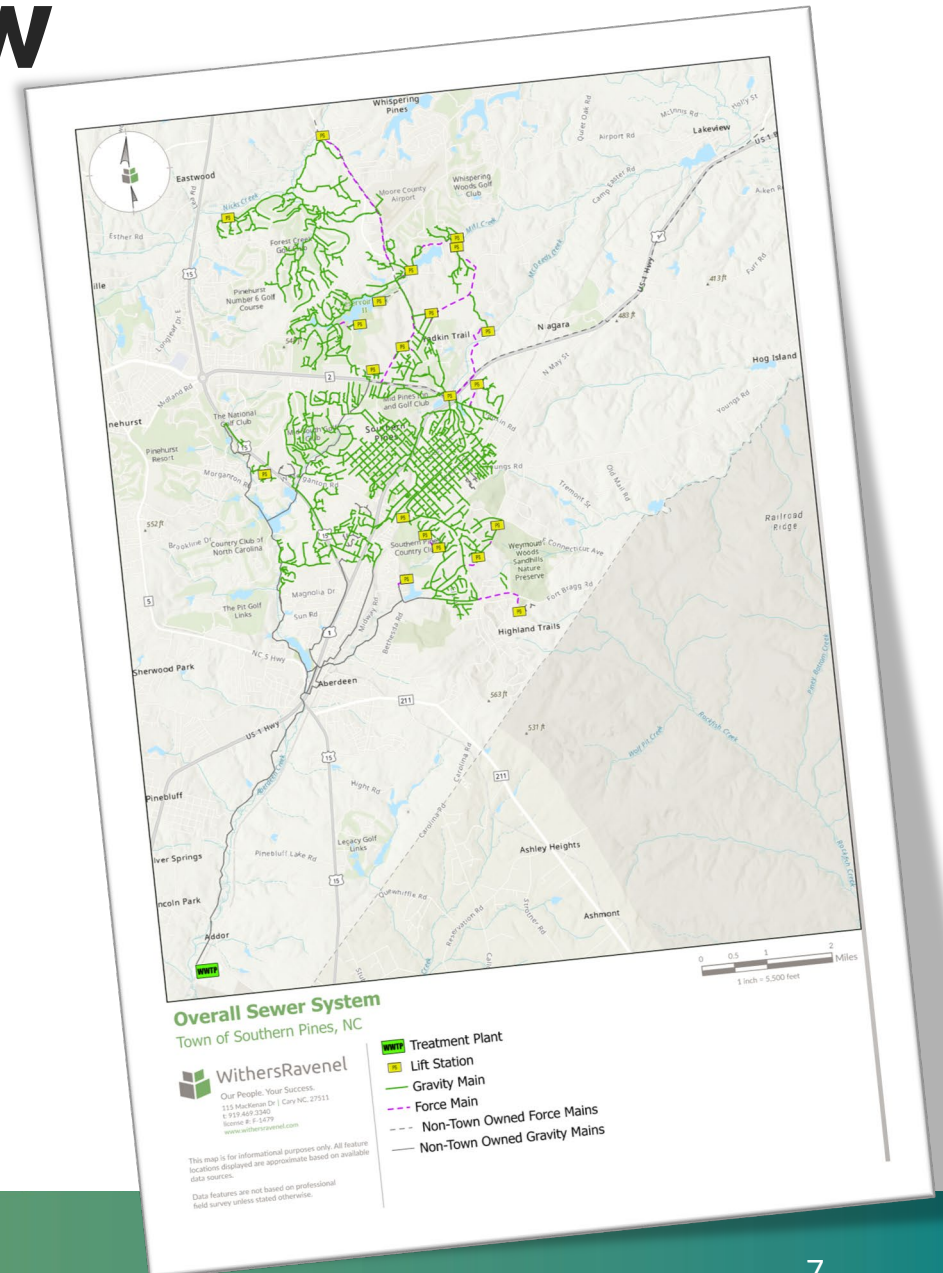
WHAT ARE MY BUSINESS RISKS?

- How do assets fail? How can they fail?
- What is their likelihood of failure?
- What are their consequences of failure?
- What assets are critical to sustained performance?

Sewer System Overview

Sewer AIA Scope Overview

- GIS Mapping Updates
 - Digitization of Record Drawings
 - Field Data Collection
- Hydraulic Model Update
- Risk Analysis
 - Likelihood of Failure
 - Consequence of Failure
- Utility Easement Assessment
- 10 Year Capital Improvement Plan (CIP)
- Operations & Maintenance Plan (O&M)



Sewer Collection Inventory Summary

151

Sewer Mains
(miles)

12.5

Sewer Force Mains
(miles)

3,743

Sewer Manholes

19

Lift Stations

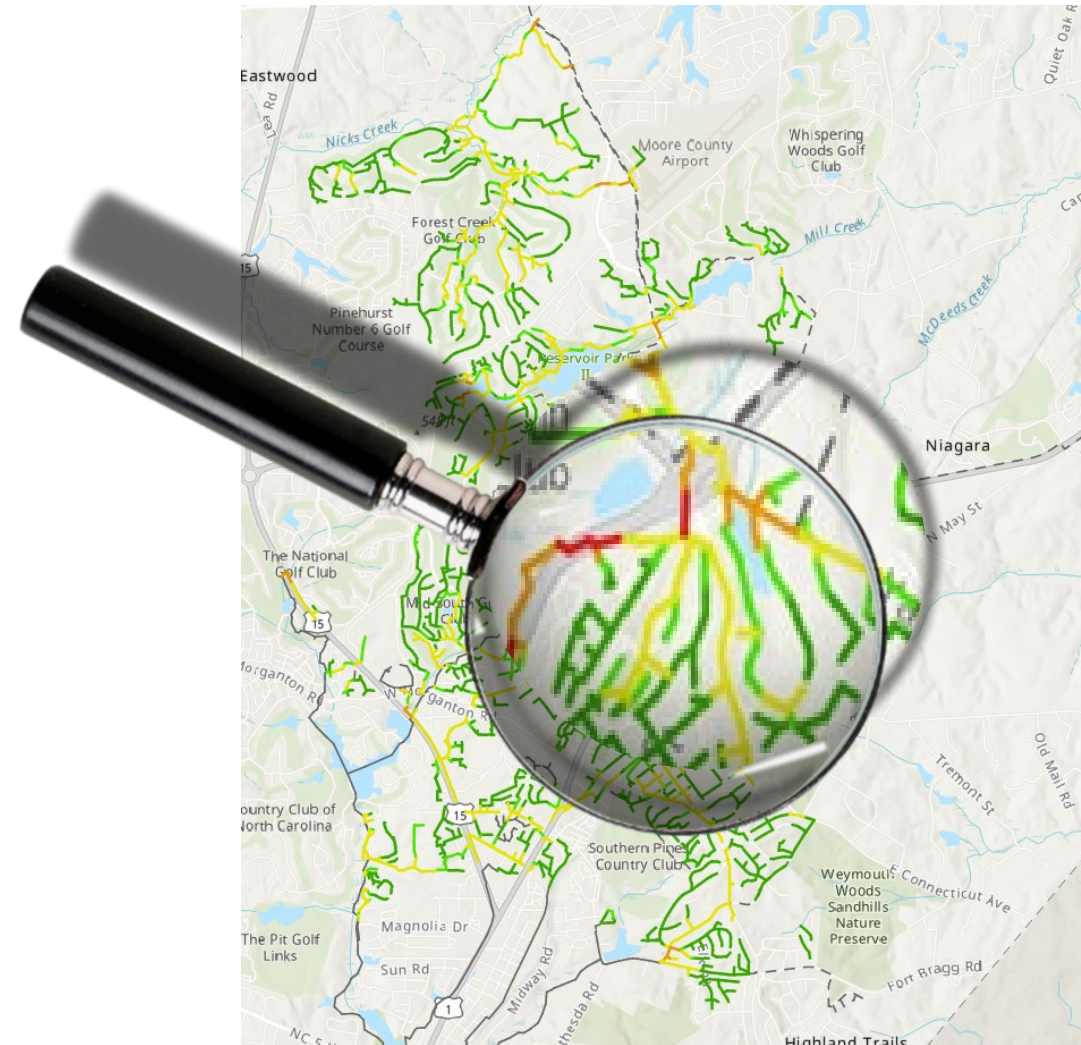
+\$250M Asset

* Utility Easement
72mi Gravity Sewer and 1.4mi Forcemain
Intersect with Tree Canopy

Sewer System - Likelihood of Failure

Asset / Condition	5 Very Poor	4 Poor	3 Fair	2 Good	1 Very Good
Gravity Mains	< 1%	10%	6%	19%	64%
Force Mains	2%	5%	40%	51%	2%
Manholes	0%	9%	17%	74%	-

- **Gravity Mains**
 - Estimated Useful Life Remaining, CCTV Data, and Work Order History
- **Manholes**
 - Estimated Useful Life Remaining, Work Order History
- **Lift Stations & Force Mains**
 - Estimated Useful Life Remaining

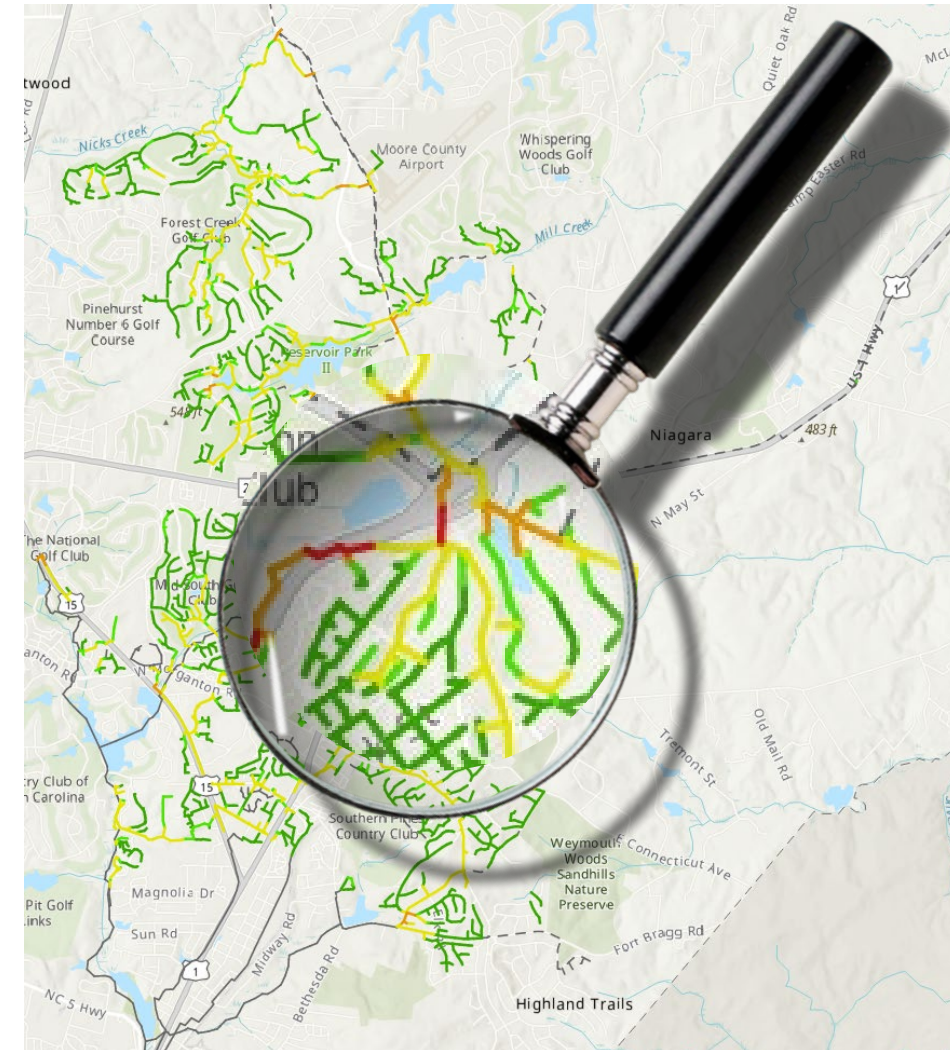


Sewer System - Consequence of Failure

Asset / Criticality	5 Very High	4 High	3 Medium	2 Low	1 Very Low
Gravity Mains	< 1%	1.5%	26%	12%	60%
Force Mains	100%	-	-	-	-
Manholes	< 1%	< 1%	24%	11%	65%

Gravity Mains, Force Mains, and Manholes

- Service Impacts
- Proximity to Critical Infrastructure
- Proximity to Critical Users



Sewer System – Risk Matrix

Asset / Risk	Extreme	High	Significant	Low	Very Low
Gravity Mains	-	< 3%	< 3%	17%	78%
Force Mains	< 7%	40%	51%	< 2%	-
Manholes	-	< 4%	7%	30%	60%

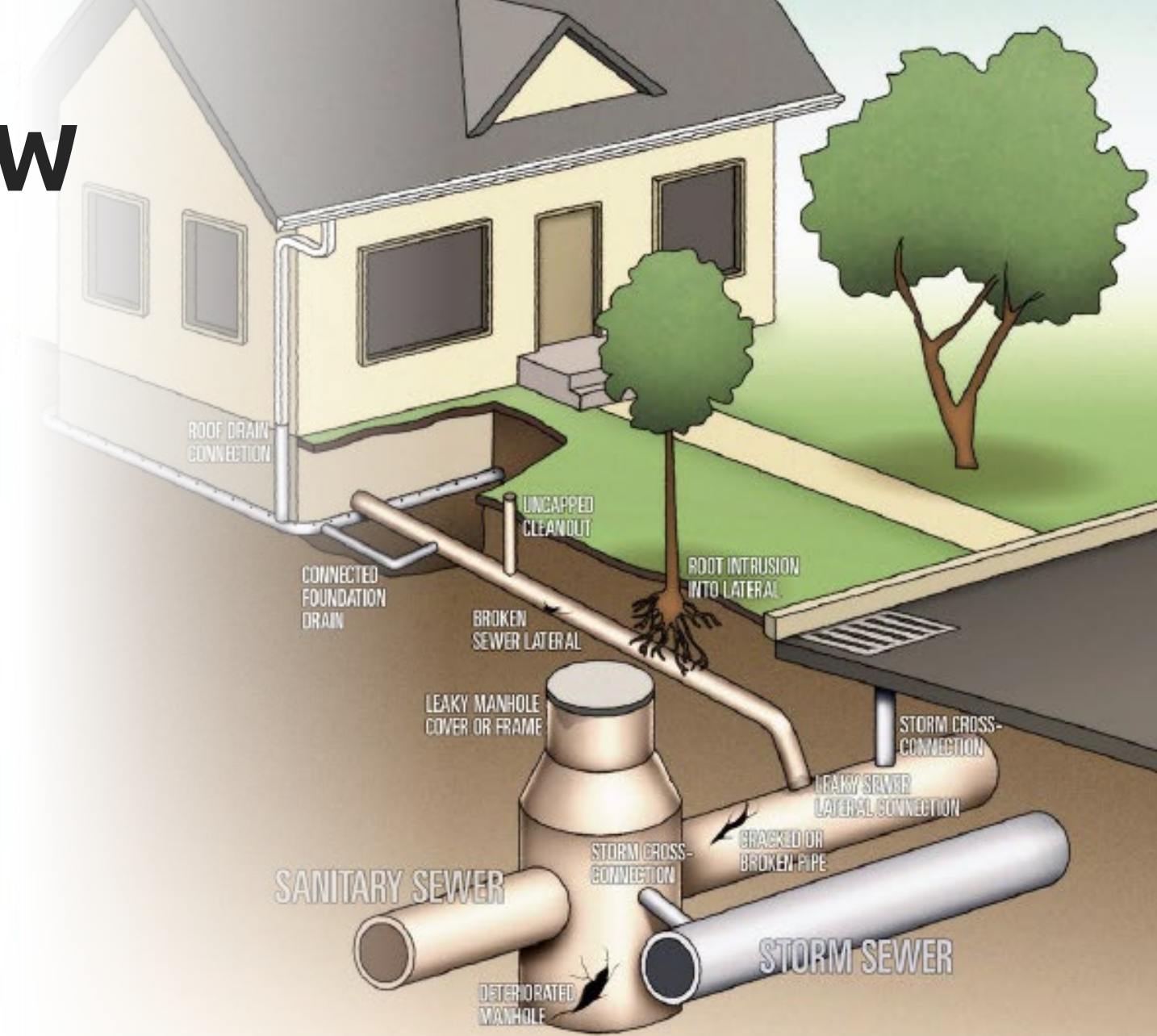


Risk = Condition (LoF) x Criticality (CoF)

Level of Service 2, 5, & 10 Year Storm Event

EXTRANEANEOUS FLOW

- Cleanouts (Private)
- Sewer Laterals (Private)
- Storm Cross-Connection
- Deteriorated Pipe
- Deteriorated Manhole



LEVEL OF SERVICE

Standard of Care

2 YEAR STORM

(quantity and intensity)



5 YEAR STORM

(quantity and intensity)



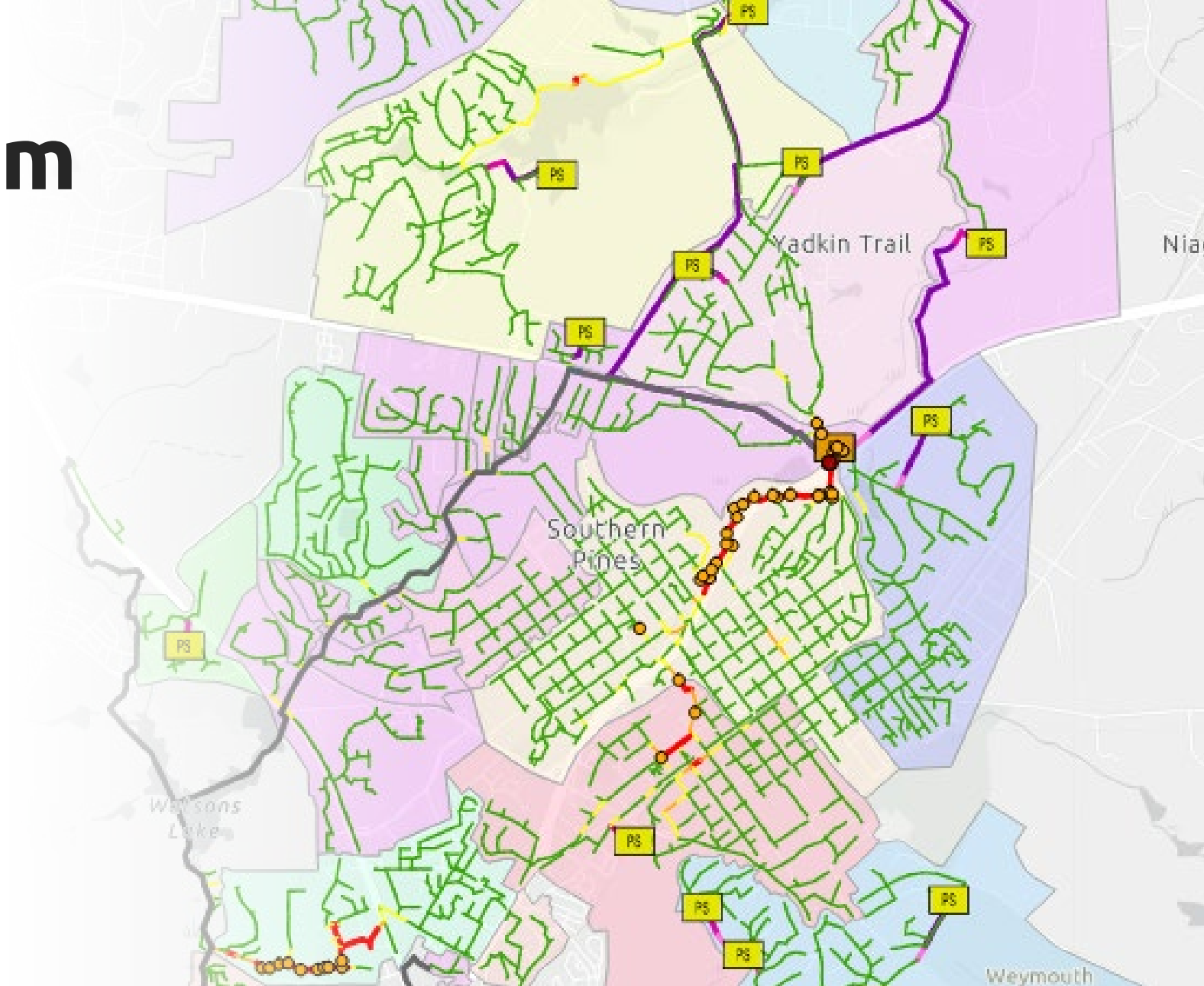
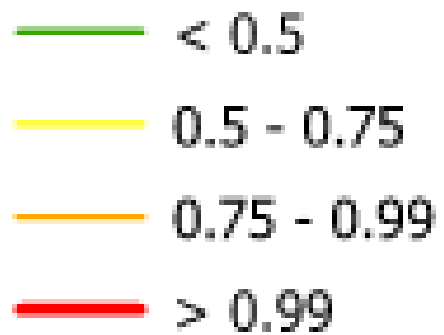
10 YEAR STORM

(quantity and intensity)



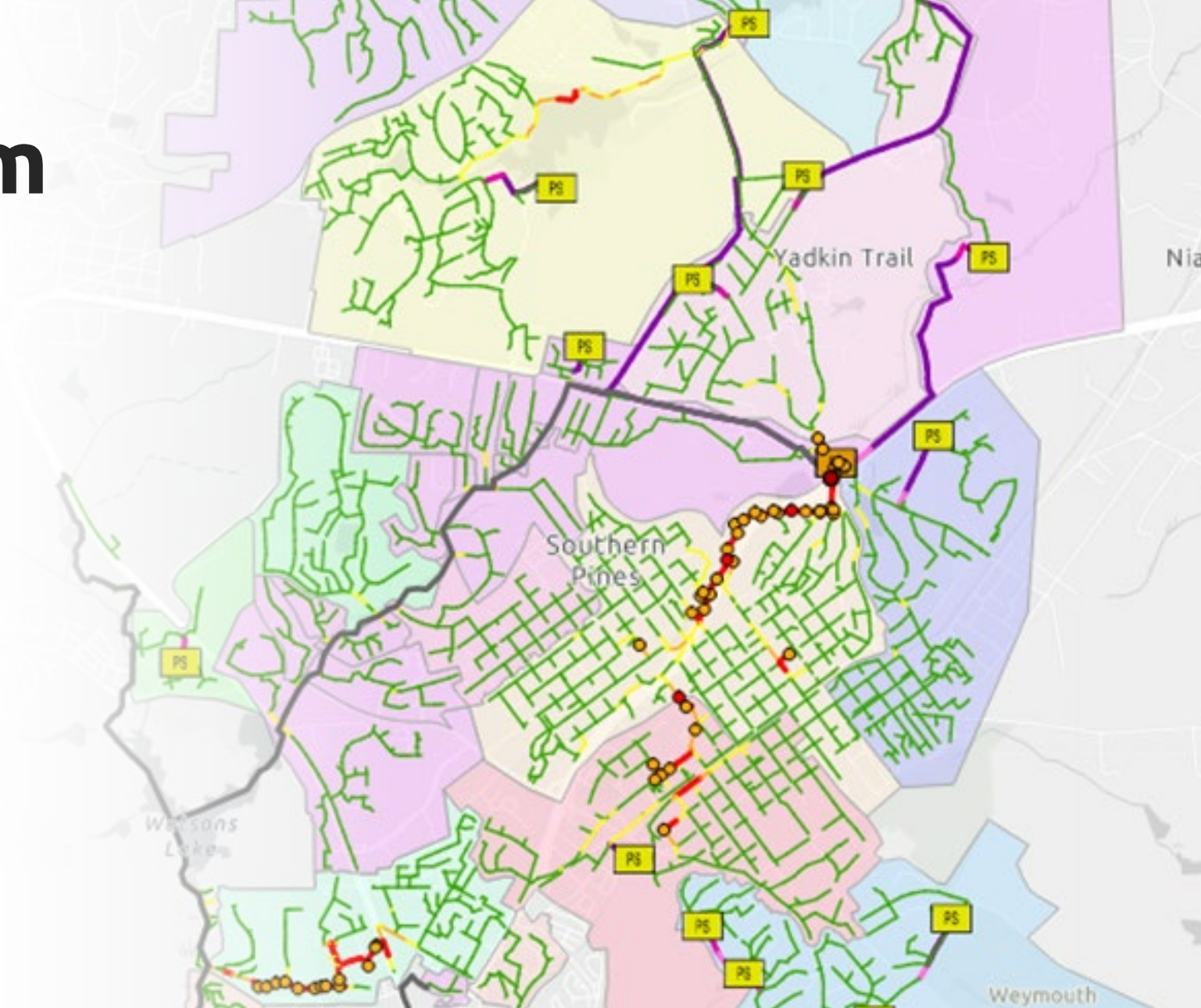
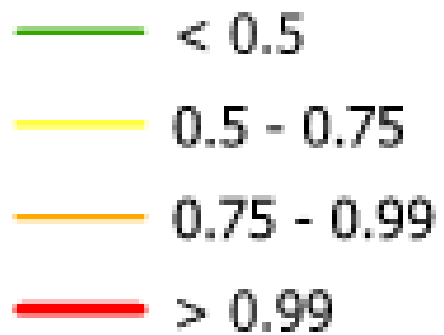
2YR Design Storm

Gravity Mains (Max/ Full Depth)




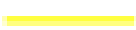


5YR Design Storm

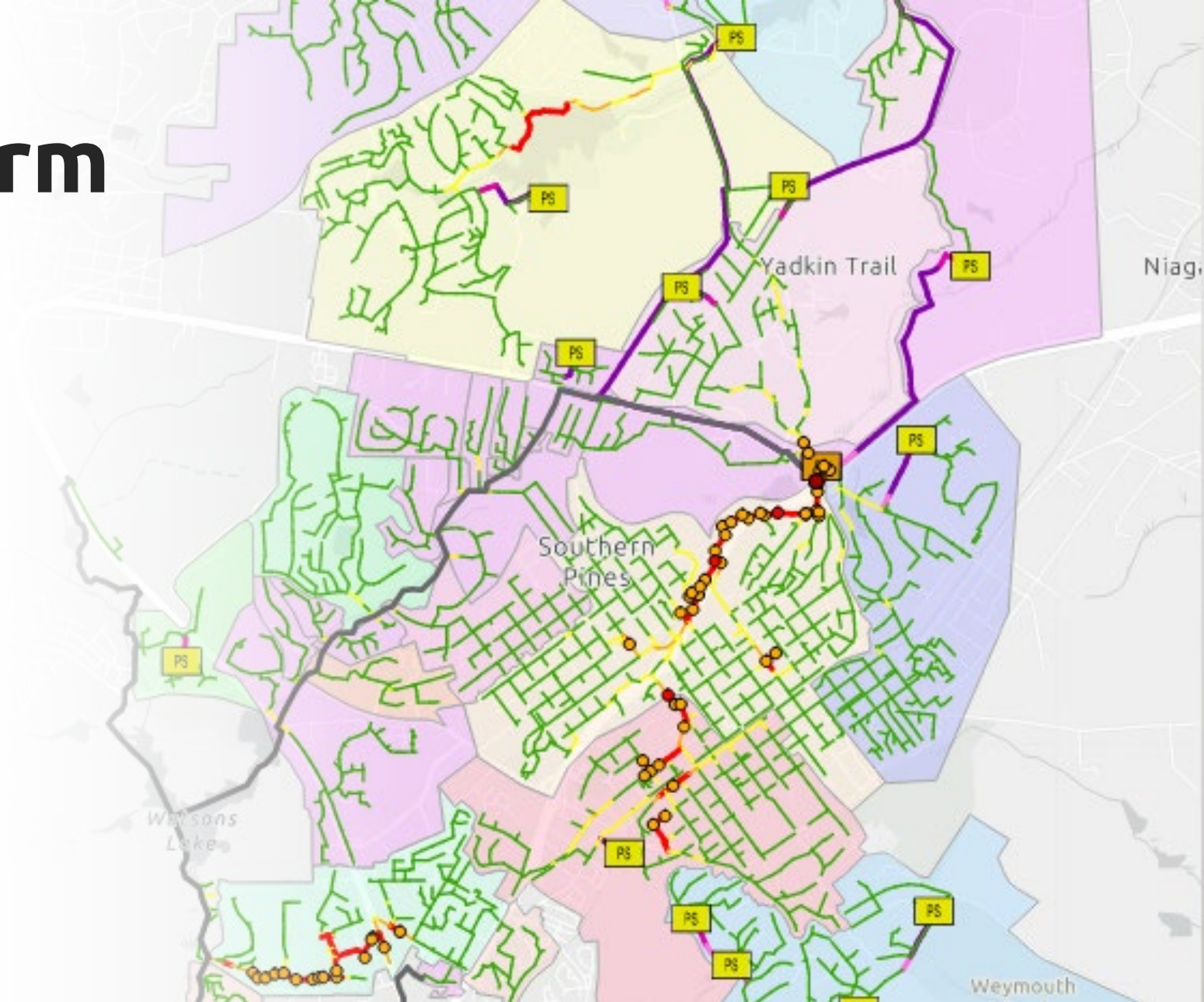
Gravity Mains (Max/ Full Depth)



10YR Design Storm

Gravity Mains (Max/ Full Depth)

-  < 0.5
-  0.5 - 0.75
-  0.75 - 0.99
-  > 0.99



Recommendations and Capital Improvement Plan

Hydraulic Model Recommendations – Sewer

- Year-round flow monitoring period
- Recalibrate model to represent current system conditions
- Benchmark effectiveness of RDII reduction
- Evaluate and, if necessary, upgrade Moore County Pump Station capacity

Hydraulic Model Recommendations – Sewer

- **Verify and correct critical manhole elevation data**
- **Update models on a regular basis**
- **Incorporate additional flow meter data**
- **Implement targeted I&I reduction**

10 Year CIP Recommendations – Sewer

Project Description	FY 26 - 27	FY 27 - 28	FY 28 - 29	FY 29 - 30	FY 30 - 31	FY 31 - 36
Gravity Sewer System - Annual Rehabilitation (Wastewater Project #8)	360,500	\$371,315	\$382,454	\$393,928	\$405,746	\$2,154,161
Longleaf Dam Sewer Relocation (Wastewater Project #7)	\$1,900,000					
Sewer Lift Station Emergency Backups (Wastewater Project #5)	205,000					
Warrior Woods Pump Station Upgrade Phases IB, II, III (Wastewater Projects #1-3)			\$135,000	\$1,070,000		\$5,036,300
TOTAL	\$2,465,500	\$371,315	\$517,454	\$1,463,928	\$405,746	\$7,190,461

Water System

PRESENTATION TOPICS - WATER

1 Project Scope Overview

2 System Overview

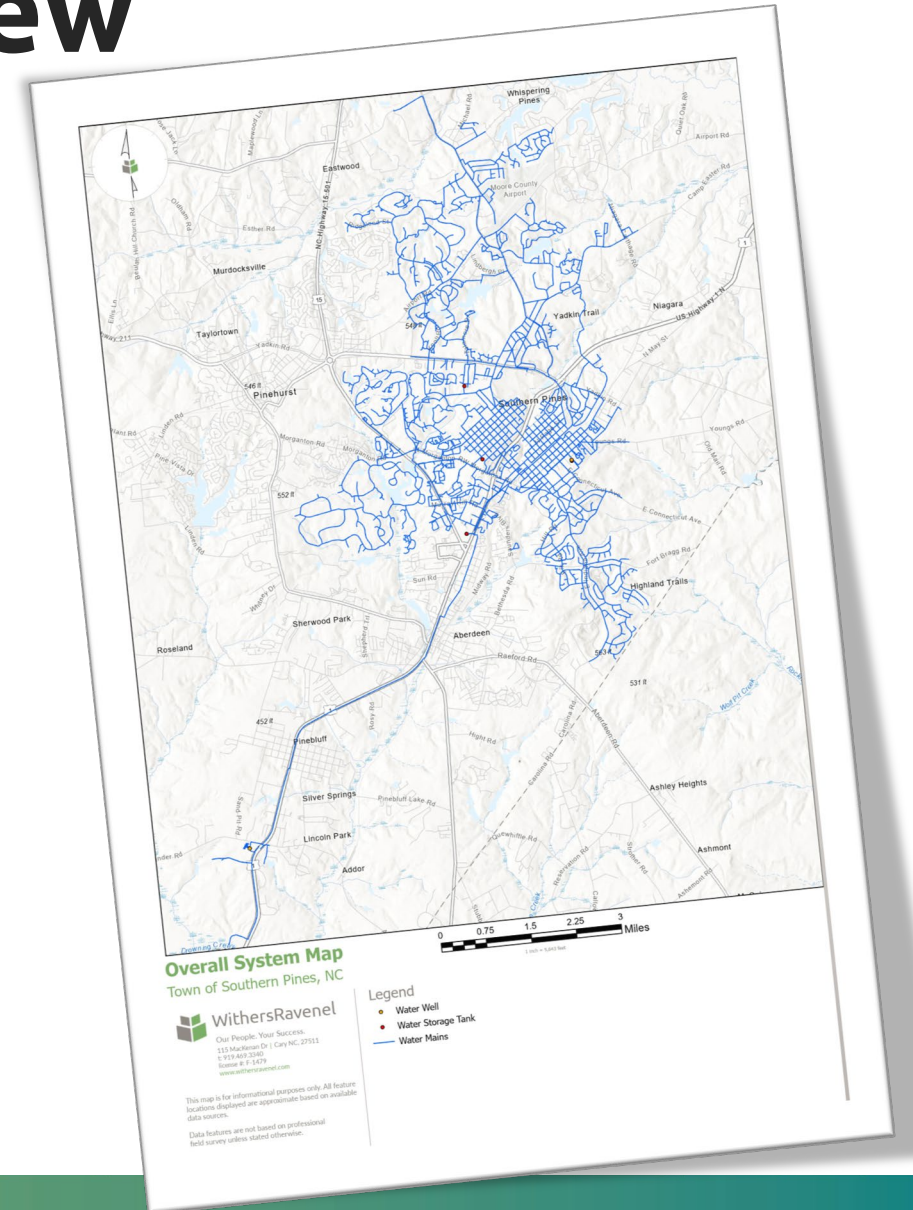
3 Capital Improvement Plan

4 Recommendations



Water AIA Scope & Overview

- GIS Mapping Updates
 - Digitization of Record Drawings
 - Field Data Collection
- Hydraulic Model Update
- Risk Analysis
 - Likelihood of Failure
 - Consequence of Failure
- 10 Year Capital Improvement Plan (CIP)
- Operations & Maintenance Plan (O&M)



Water Distribution Inventory Summary

253

Water Mains
(miles)

5,051

Water Valves

1,628

Fire Hydrants

4

Storage Tanks

4

Wells

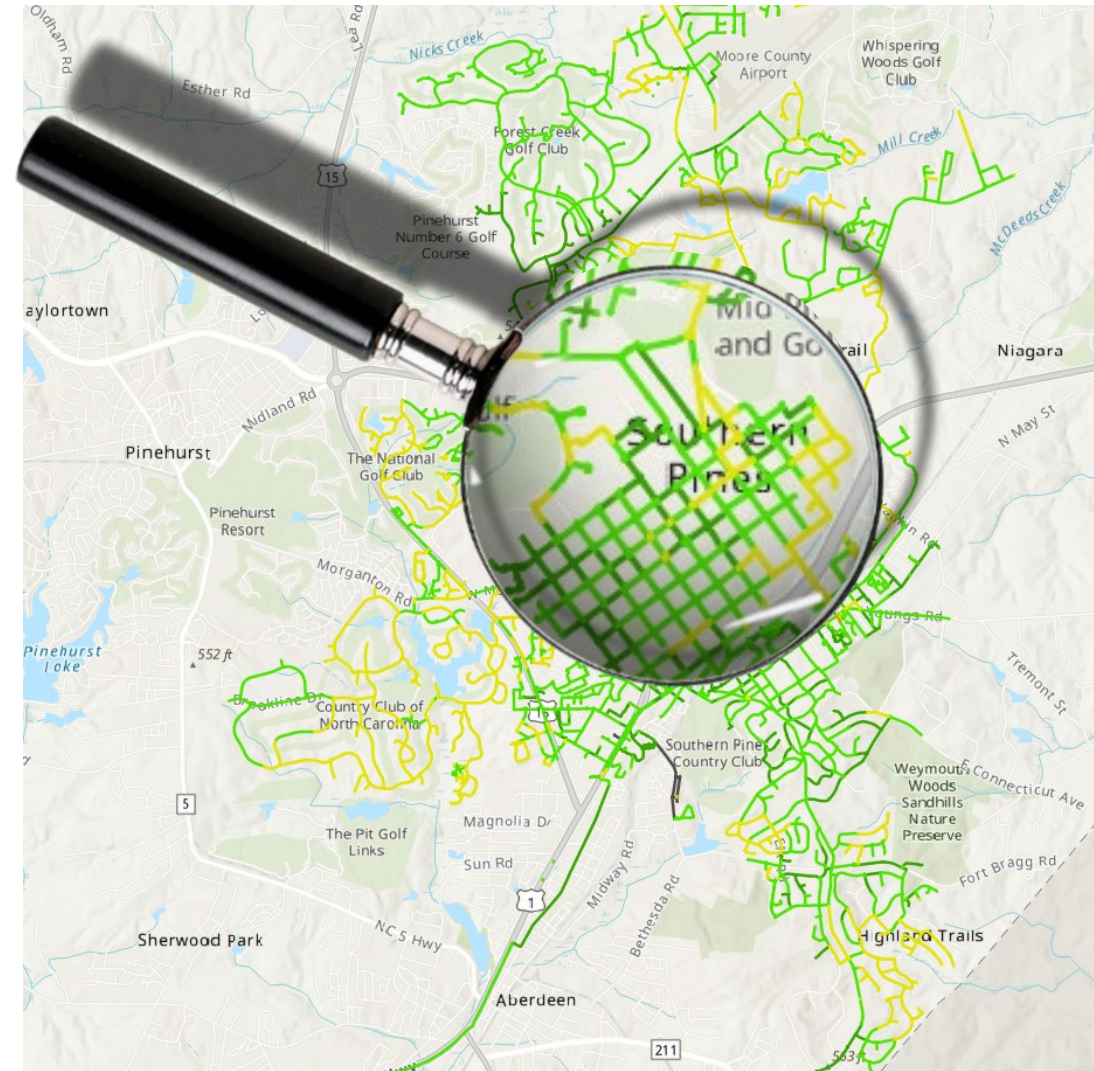
2

Pump Stations

+\$300M Asset

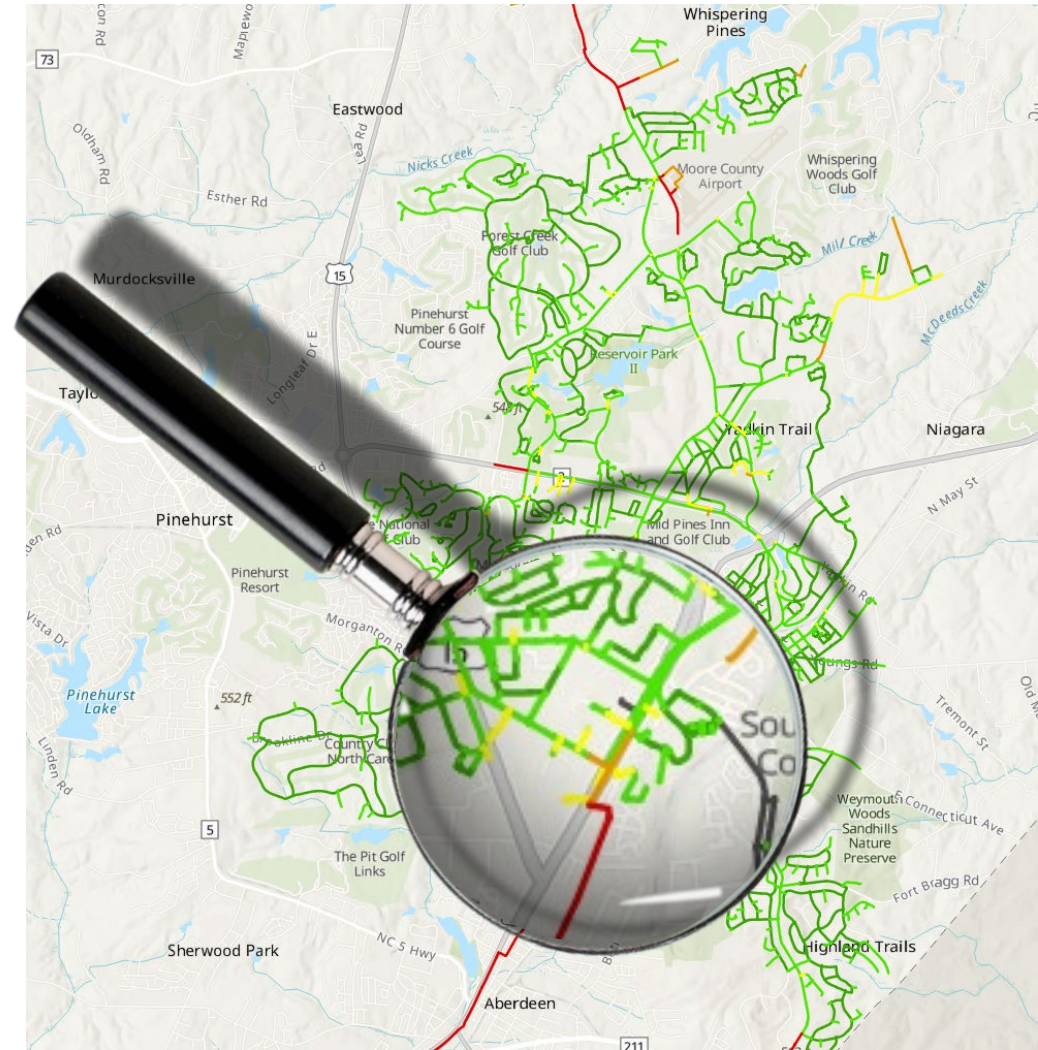
Water System - Likelihood of Failure

Asset / Condition	5 Very Poor	4 Poor	3 Fair	2 Good	1 Very Good
Water Mains	-	< 1%	24%	54%	22%
Valves	-	< 1%	29%	57%	14%
Fire Hydrant	-	< 1%	< 1%	47%	52%
Storage Tanks	-	-	-	-	100%
Booster Pump Station	-	-	100%	-	-
Water Treatment Plant	-	-	-	100%	-



Water System - Consequence of Failure

Asset / Criticality	5 Very High	4 High	3 Medium	2 Low	1 Very Low
Water Mains	5%	2%	3%	41%	50%
Valves	1%	1%	7%	58%	32%
Fire Hydrant	100%	-	-	-	-
Storage Tanks	100%	-	-	-	-
Booster Pump Station	100%	-	-	-	-
Water Treatment Plant	100%	-	-	-	-



Water System – Risk Matrix

Asset / Risk	Extreme	High	Significant	Low	Very Low
Water Mains	-	< 1%	4%	29%	67%
Valves	-	<1%	3%	55%	42%
Fire Hydrant	< 1%	< 1%	47%	52%	-
Storage Tanks	-	-	100%	-	-
Booster Pump Station	-	100%	-	-	-
Water Treatment Plant	-	-	100%	-	-



Rare -----Likelihood of Failure ----- Very Likely



Risk = Condition (LoF) x Criticality (CoF)

Recommendations and Capital Improvement Plan

Hydraulic Model Recommendations – Water

- **Water age information at the interconnect points**
 - Carolina Water
 - Moore County
 - Aberdeen
 - Pinebluff
- **Enhanced fire flow testing in areas with model identified hydraulic restrictions**
- **Pressure monitoring locations based on model recommendations**
- **Additional field verification recommended along the Weymouth Woods Standpipe and Henley EST**
- **Valve exercising program to determine the open/close status and functionality**

10 Year CIP Recommendations – Water

Project Description	FY 26 - 27	FY 27 - 28	FY 28 - 29	FY 29 - 30	FY 30 - 31	FY 31 - 36
Midland Road Water Line Replacement (Water Project #2)	\$331,000	\$2,205,000				
North Pressure Zone (Water Project #4)	\$7,019,000					
Pinebluff Parallel Transmission Main (Water Project #8)						\$30,123,000
US-1 Booster Pump Station Addition (Water Project #5)		\$731,000				
US-1 Parallel Transmission Main (Water Project #6)		\$448,000	\$3,299,000			
US-1 Waterline Relocation and Upsize (Water Project #3)	\$500,000					
US-15-501 Waterline Replacement and Upsize (Water Project #7)						\$1,511,000
Water Treatment Plant Capacity Expansion Study (WTP Project #6)		\$150,000				
Water Treatment Plant Raw Water Main Replacement (WTP Project #5)			\$500,000	\$2,625,000	\$2,625,000	
Water Treatment Plant Modifications (WTP Projects #1-4)	\$3,748,318					
Annual Waterline Replacement	\$158,267	\$163,015	\$167,905	\$172,943	\$178,131	\$890,655
TOTAL	\$11,756,585	\$3,697,015	\$3,966,905	\$2,797,943	\$2,803,131	\$32,524,655

Project Close Out

**Recommendations and
Next Steps**

Recommendations

Maintain & Update GIS/AMP

- Keep asset locations and attributes current
- Integrate field updates and newly installed infrastructure

Refine Project Cost Estimates

- Account for inflation, material volatility, and contractor availability
- Use updated market data and bid results to adjust planning budgets

Develop Formal O&M Program

- Use AMP recommendations to build preventative maintenance schedules

Recommendations

Common Corridor Strategy

- Coordinate utility replacements with street resurfacing

Enhance Annual Planning & Budgeting

- Include AMP updates in yearly budget cycles
- Use condition and criticality data to drive CIP priorities

Define Funding Strategy

- Identify grants, low-interest loans (e.g., SRF), rate revenues
- Outline how projects will be staged based on funding availability

Next Steps

✓ **DWI Review and Approval of AMP Draft - Complete**

Council Actions

- Pass Resolution to Adopt AMP and CIP
- Approve Meeting Minutes

Submit final deliverables and close out paperwork

DWI Review and Approval of Final Deliverables

Project Closeout

ANY
QUESTIONS?
THANK YOU.

MEMO

To: Reagan Parsons, Town Manager
Cc: Michael Cameron, Assistant Town Manager
From: James Michel, Town Engineer/Assistant Public Works Director
Date: 2/16/2026
Re: Sewer Tree Clearing Approach

Background and Past Approach

The Utilities Department of the Town of Southern Pines instituted a proactive approach of removing trees and woody vegetation growing within sanitary sewer easements, particularly where trees are located directly over sewer mains, after recognizing a growing number of sewer backups and failures that consistently resulted from root invasion within easements where trees had re-established themselves following sewer line installation. Recent projects in neighborhoods including Longleaf, Talamore, and Reservoir Park are examples of this proactive approach as part of the Town’s ongoing sewer system rehabilitation program.

The basis for this approach has been:

1. Documented sewer failures: The Town has experienced sewer leaks caused by tree roots damaging and, in some cases, penetrating sewer mains. The below pictures are from recent Town sewer CCTV work and show the types of damage that roots can cause to sewer lines.



2. System reliability and risk reduction: Maintaining clear easements helps protect structural integrity, reduce the risk of sanitary sewer overflows, and support long-term infrastructure reliability. The above pictures illustrate the increased risk of sewer backups.
3. Regulatory compliance: State regulations and the Town’s collection system permit require that sewer easements and rights-of-way be maintained for accessibility.
 - 15A NCAC 02T .0403 (9) – Right-of-ways and easements shall be maintained in the full easement width for personnel and equipment accessibility.
 - Town of Southern Pines System-Wide Collection System Permit (WQCS00309), Performance Standards (7) – Rights-of-way and/or easements must be properly

maintained to allow accessibility to the wastewater collection system, unless the Permittee can demonstrate the ability to gain temporary access in an emergency situation. In such cases, the Permittee must continue visual observation, utilize remote inspection methods (e.g., CCTV), and perform inspections and maintenance when conditions allow.

Under this approach, trees located directly above sewer lines were routinely removed to:

1. Prevent root intrusion and structural damage.
2. Provide direct access to the sewer main for inspection, maintenance, and rehabilitation activities.
3. Minimize the likelihood of emergency repairs that could disrupt residents and roadways.

Tree removal and rehabilitation activities have been funded through the Town's annual Utilities Operations and Utilities Rehabilitation Funds.

New Information and Field Observations

During recent rehabilitation planning and investigation activities, including remote camera inspections of existing lines, the Utilities Department identified an older sewer main that had previously been lined 15+ years ago. Notably the lined sewer main did not at this time exhibit additional structural damage attributable to tree roots.

Additionally, staff has evaluated access conditions for manholes and determined that:

- Many manholes associated with these sewer mains can be accessed directly from public road rights-of-way (ROW).
- Direct vehicular and equipment access from the right-of-way may reduce or eliminate the operational need to clear vegetation solely for access purposes *in certain locations*.

Potential Approach Modification

The Town has received public feedback regarding the current fiscal year's sewer clearing project in the Knollwood Heights area. Staff has continued reviewing this area while considering the new field observations described above.

Knollwood Heights is somewhat unique in that much of the sewer alignment falls primarily within Town road rights-of-way rather than traditional sewer easements traversing private property. This distinction presents an opportunity to consider a modified approach.

Proposed Limited ROW Approach

Under this alternative methodology, applicable only where sewer mains are located within public road ROWs:

1. Staff would evaluate sewer mains located within the ROW to confirm manhole accessibility.
2. Vegetation limiting direct access to manholes would be removed.
3. Sewer mains would be inspected via CCTV to determine suitability for trenchless rehabilitation (lining).

4. Tree removal would occur only where excavation is required for point repairs or where blockages cannot be addressed remotely.
5. Tree removal would also occur where necessary to renew sewer laterals to the property line.

This approach would allow the Town to continue proactive rehabilitation through sewer lining and lateral replacement while limiting vegetation clearing to what is operationally necessary.

Note this methodology would only apply to ROW's as traditional easements cannot be accessed in the same manner. This option allows for proactive rehabilitation efforts through sewer lining and lateral replacement. *It will potentially cause delays* during active sewer failures if they occur in an area of ROW where tree removal has not occurred.

Regulatory Considerations and Risk

This methodology would meet the intent of the Town's operational permit by ensuring access to manholes and maintaining the ability to access the system from the public ROW.

However, it may not strictly align with the NCAC language requiring maintenance of the "full easement width." While staff does not anticipate immediate concern from current regulators, there is some risk associated with potential future regulatory changes or different interpretations of the rule.

Additionally, in areas where vegetation remains within the ROW, there is a possibility that emergency response times could be modestly affected if tree removal has not previously occurred.

Conclusion

The Town's approach of proactively removing trees over sewer lines ~~was~~ remains appropriate given documented root-related failures, access limitations, and regulatory requirements.

However, recent findings, including the successful long-term performance of lined sewer mains and the availability of direct ROW access to manholes, suggest that an opportunity for a more selective, engineering-based approach may now exist and be appropriate in limited circumstances where access can be achieved via ROW.

Staff welcomes any Council feedback regarding this proposed modified ROW-based approach intended to balance:

- Infrastructure protection and risk management
- Fiscal responsibility
- Regulatory compliance
- Preservation of community character

while continuing to meet the Town's environmental and operational obligations.



RESOLUTION #1146
APPROVING SEWER ASSET MANAGEMENT PLAN AND CAPITAL
IMPROVEMENT PLAN (WASTEWATER AIA-W-ARP-0063)

WHEREAS, The North Carolina General Statutes Chapter 159G has created Asset Inventory and Assessment grants to assist eligible units of government with meeting their water and wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality provided American Rescue Plan Act (ARPA) funding in the amount of **\$200,000** for the sewer system to perform asset inventory and assessment work that has been successfully carried out and completed in accordance with the agreed scopes of work, and

WHEREAS, the completed Asset Management Plan and Capital Improvement Plan have been presented to Town Council,

NOW, THEREFORE, BE IT RESOLVED: by the Town Council of the Town of Southern Pines that the Town of Southern Pines does hereby give assurances to the North Carolina Department of Environmental Quality that the Conditions and Assurances contained in the award offers were adhered to in carrying out the projects;

That the matching funds requirement has been met, and the Town intends to requisition the remaining grant funds and closeout the project with the North Carolina Department of Environmental Quality;

That the Town Council accepts the report as presented to the Council, and commits to utilizing the information in the ongoing management of its system; and

That the Wastewater Asset Management Plan and 10-year Capital Improvement Plan developed through the study is hereby accepted and adopted by the Town Council.

Adopted this 24th day of February 2026

I certify that this Resolution was adopted by the Town Council of the Town of Southern Pines at its meeting on February 24, 2026, as shown in the Minutes of the Town Council meeting for that date.

Elizabeth Robertson, Town Clerk



RESOLUTION #1147
APPROVING SEWER ASSET MANAGEMENT PLAN AND CAPITAL
IMPROVEMENT PLAN (WATER AIA-D-ARP-0062)

WHEREAS, The North Carolina General Statutes Chapter 159G has created Asset Inventory and Assessment grants to assist eligible units of government with meeting their water and wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality provided American Rescue Plan Act (ARPA) funding in the amount of \$200,000 for the sewer system to perform asset inventory and assessment work that has been successfully carried out and completed in accordance with the agreed scopes of work, and

WHEREAS, the completed Asset Management Plan and Capital Improvement Plan have been presented to Town Council,

NOW, THEREFORE, BE IT RESOLVED: by the Town Council of the Town of Southern Pines that the **Town of Southern Pines** does hereby give assurances to the North Carolina Department of Environmental Quality that the Conditions and Assurances contained in the award offers were adhered to in carrying out the projects;

That the matching funds requirement has been met, and the Town intends to requisition the remaining grant funds and closeout the project with the North Carolina Department of Environmental Quality;

That the Town Council accepts the report as presented to the Council, and commits to utilizing the information in the ongoing management of its system; and

That the Water Asset Management Plan and 10-year Capital Improvement Plan developed through the study is hereby accepted and adopted by the Town Council.

Adopted this 24th day of February 2026.

I certify that this Resolution was adopted by the Town Council of the Town of Southern Pines at its meeting on September 9, 2025, as shown in the Minutes of the Town Council meeting for that date.

Elizabeth Robertson, Town Clerk

MEMO

To: Town Council
From: Manager Parsons
Date: 02/17/26
Re: Admin and Finance Buildings

With conversion of the recently purchased Firstbank Headquarters underway, staff seeks any initial direction the Town Council might provide relative to the short and long-term dispositions of the two facilities that currently house Administration, Finance, and Billing and Collections operations. While we are too early in construction to have a definitive move-in (and thus move-out) date, if a majority have a sense of eventual direction, it will allow us to plan accordingly for a wide range of undertakings that may become evident with the below information (in addition to how we might budget for these facilities for FY27.) Some data and options relative to the two structures:

Admin – 125 SE Broad Street

The facility itself received a needed new roof and some foundation and sewer repairs this FY. The cost of the roof was significantly higher than budgeted due to HDC requirements in order to obtain the CoA. There was also necessary work to the chimney discovered as part of the roof replacement. You will also find in your packet figures gathered in 2024 regarding operations – some would reduce with no or limited use, but base utility rates would be higher than they were in 2024.

1. Items potentially necessary/useful/worth considering if selling

- a. Subdivision of a parcel containing the structure and (X) land from the park
- b. Consider obtaining an appraisal for the purpose of setting a starting price.
- c. Consider zoning of parcel as it is currently FRR (CB makes sense, but might wish to CD it to control possible uses adjacent to the Park)
- d. If not rezoning CB-CD, determine if there are other restrictions you wish to place on the sale (recognizing potential impacts on sales price.)

2. Items potentially necessary/useful/worth considering if you wish to lease

- a. Subdivision of a parcel (mostly for rezoning purposes) or at minimum determination of specifically what is being leased (structure plus what land?).
- b. Determination of a minimum lease rate.
- c. Consider zoning of parcel as it is currently FRR (CB makes sense, but might wish to CD it to control possible uses adjacent to the Park)
- d. Determine a process to let (RFP, highest bidder, limits on offers entertained, etc.)
- e. The building still lacks ADA access, thus determining whether to move forward with the HDC approved ramp may be necessary. Might consider rent adjustment if undertaken by tenant.

- f. **Similar to ADA Ramp, windows remain in need of repair as HDC denied replacement. Contract project ourselves pre-lease or similar to e.**
- 3. Relative to this structure, Parks and Recreation and Library have inquired regarding its potential availability for dedicated programming space as both lack available space particularly for Teen programming. Pros and Cons:**
- a. **Location within the DT Park, general accessibility daily and during DT events**
 - b. **No need to staff when not programming**
 - c. **Existing structure (pro) but with aforementioned ramp and window shortcomings (con)**
 - d. **Would require committing ongoing utility and maintenance/cleaning resources beyond minimums required during transition to sale/lease**

Finance – 180 SW Broad Street

You will also find in your packet figures gathered in 2024 regarding operations – some would reduce with no or limited use, but base utility rates would be higher than they were in 2024.

- 1. Items potentially necessary/useful/worth considering if selling**
 - a. **Further subdivision of the parcel should the Town wish to continue control of the rear alley or insure that any portion of the front courtyard/walkway connected to the Post Office remain public (as opposed to potentially built upon.)**
 - b. **Consider obtaining an appraisal for the purpose of setting a starting price.**
 - c. **This parcel is already zoned CB, so simply a question of whether you wish to attach any CD limitations to it.**
 - d. **If not adding a CD to the existing zoning, are there restrictions you wish to add to the sale (recognizing potential impacts on sales price.)**
- 2. Items potentially necessary/useful/worth considering if you wish to lease**
 - a. **Determination of specifically what is being leased (structure plus ?).**
 - b. **Determination of a minimum lease rate.**
 - c. **Determine a process to let (RFP, highest bidder, limits on offers entertained, etc.)**
 - d. **Windows remain in need of repair. HDC denied replacement of the front windows, while approving the remainder of the building (though we do not currently plan to undertake the project. We could do ourselves pre-lease or similar offer discounted rent for tenant to undertake.**
 - e. **Building is in desperate need of carpet and paint improvements.**

Again, the ask for Tuesday isn't a final decision but instead an opportunity to initiate conversation and to provide staff feedback relative to your thoughts and what we might undertake next to advance an eventual disposition. I look forward to your thoughts.

Administration Building: Annual Use & Expenses

Typical Days in Use Per Week	Public Visitors	Number of Staff	Appraised Value (insurance)
5	Minimal	6	\$675K

ANNUAL UPKEEP: CUSTODIAL, FACILITIES, AND GROUNDS

- Custodial team hours: 90 @ \$2,996
- Custodial supplies: \$580
- Facilities team hours: 30 @ \$1,323
- Grounds team hours: 160 @ \$5,864
- Grounds supplies & materials: \$100



\$10,863 | 280 TOSP HOURS



UTILITIES & INSURANCE

- Natural Gas: \$1,345
- Power: \$2,710
- Security: \$115
- Trash & Recycling: \$170
- Water & Sewer: \$1,800
- Insurance Premium: \$560

\$6,700

OTHER OPERATING & RECURRING EXPENSES

- HVAC Service Contract: \$805
- Carpet cleaning: \$285
- Pest Control: \$220
- Window cleaning: \$220

\$1,530



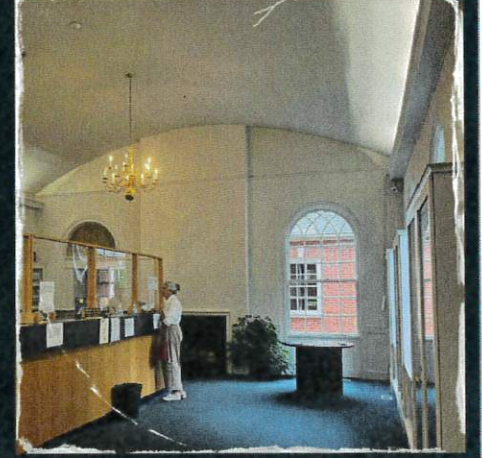
FACILITY TOTAL FOR ROUTINE EXPENSES = \$19,093 | 280 STAFF HOURS

Finance & Utility Billing: Annual Use & Expenses

Typical Days in Use Per Week	Annual Public Visitors	Staff	Appraised Value (insurance)
5	Frequent daily visitors for utility billing	12	\$1.96M

ANNUAL UPKEEP: CUSTODIAL, FACILITIES, AND GROUNDS

- Custodial team hours: 265 @ \$8,821
- Custodial supplies: \$2,200
- Facilities team hours: 40 @ \$1,765
- Grounds team hours: 335 @ \$12,278
- Grounds supplies & materials: \$380
-



\$25,443 | 640 TOSP HOURS



UTILITIES & INSURANCE

- Natural Gas: \$2,640
- Power: \$8,280
- Security: \$530
- Waste disposal: \$170
- Water & Sewer: \$1,195
- Insurance Premium: \$2,535

\$15,350

OTHER OPERATING & RECURRING EXPENSES

- HVAC Service Contract: \$1,335
- Carpet cleaning: \$1,000
- Window cleaning: \$380
- Pest Control: \$260



\$2,975

FACILITY TOTAL FOR ROUTINE EXPENSES = \$43,768 | 640 STAFF HOURS

MEMO

To: Town Council
From: Manager Parsons
Date: 02/20/26
Re: Mid-Year Financials

Director Brubaker - Speis has provided in your packet a set of mid-year financials she will be presenting at the meeting on Tuesday. I wanted to offer a handful of “Cliff’s Notes” regarding that data in an effort to minimize misunderstandings or incorrect assumptions:

- 1. Actuals are by December 31, which may lead to an assumption that revenues received and expenditures made should hover around 50% of budgeted amounts. While true in some instances, it is not the case in numerous others for varying reasons.**
- 2. One example of point are those revenues that are accrued back to the prior month for services already rendered. The largest example of this might be the waste collection fee where July payments are accrued to FY25 as the expense occurred in June. As a result, the figures shown only represent five of twelve months collections rather than the mid-year six.**
- 3. On the expense side, you might assume a salary/benefit line should be “spent” at near 50%, but even beyond the potential impact of vacancies during the first six months it is worth noting that we budget for Merit increases during the final quarter of the FY and thus the “second half” of FY expenses would be higher even if all other variables were constant.**
- 4. The only revenues that give us some pause include video programming and franchise taxes (where consumer trends of “unplugging” and using streaming services, as an example, continues to result in a decline of revenue) and then Planning and Building fees. These latter two areas can be impacted significantly by the number of applications or, in the case of building, a large apartment complex or sizable commercial/industrial permit. We have not seen significant activity in these areas, nor may we before June 30 based upon current inquiries.**
- 5. It will be discussed Tuesday, but remember that mid-year is when our fund balance is at its highest because a vast majority of property taxes have been received while most larger projects representing the expense side of the equation are just going to bid and have not been paid for as yet.**
- 6. Specifically to point 5, we are out to bid for a significant amount of paving this spring. After having worked with our Auditor and closing a CPF - moving the**

monies back to operational funds – just over \$3M of the fund balance represents paving projects yet to be contracted for, providing the potential for an overly optimistic read of our financial position.

7. The bottom line outcome of the previous six points is that staff does not have serious concerns regarding the state of the FY26 Budget based on the experience of the first six months.

8. Staff would offer the same positive assessment of the Enterprise Fund, where the area we will clearly come up short in is late and shut-off fees. This comes as no surprise given the suspension of both last fall and removal of late fees into perpetuity. I do not foresee a significant impact (reduction in staffing, cancellation of a project, etc.) on the overall budget as a result of this deviation.



Town of Southern Pines

Mid-Year Financial Update

February 24, 2026

Sales Tax Comparisons – Collected through February

Current to Prior Year	July	Aug	Sept	Oct	Nov	YTD
FY 24-25	\$562,237.01	\$496,902.00	\$545,256.01	\$581,530.46	\$583,560.81	\$2,769,486.29
FY 25-26	\$599,482.87	\$549,236.24	\$625,746.54	\$621,316.14	\$630,582.52	\$3,026,364.31
Variance	\$37,245.86	\$52,334.24	\$80,490.53	\$39,785.68	\$47,021.71	\$256,878.02

Budget to Actual	July	Aug	Sept	Oct	Nov	YTD
FY 25-26 Budget	\$599,483.00	\$550,602.39	\$624,379.61	\$529,000.00	\$522,000.00	\$2,825,465.00
FY 25-26 Actual	\$599,482.87	\$549,236.24	\$625,746.54	\$621,316.14	\$630,582.52	\$3,026,364.31
Variance	(\$0.13)	(\$1,366.15)	\$1,366.93	\$92,316.14	\$108,582.52	\$200,899.31

Sales tax distributions are received 3 months after sales occur (i.e. July distribution is received in October)

GF Current Year Property Taxes Collected through January 31

- Includes Real & Personal and Motor Vehicle

Current to Prior Year	Annual Budget	YTD Actual through Jan. 31	% of Budget Collected through Jan. 31
FY 24-25	\$13,063,496	\$12,990,957	99.44%
FY 25-26	\$13,373,612	\$13,417,639	100.33%

Mid-Year Financial Update



- Fund Balance as of December 31, 2025

TOWN OF SOUTHERN PINES		
FUND BALANCE FOR PERIOD ENDING 12/31/25		
Fund Balance at 12/31/25	\$	27,041,534
Less Reserved for Inventories - Nonspendable		49,376
Less Reserved for Prepaids - Nonspendable		8,254
Less Reserved for Leases - Nonspendable		81,724
Less Reserved by State Statute - Restricted		2,260,543
Less Designated-Appropriated for subsequent years expenditures - Assigned		5,006,907
Fund Balance Unassigned 12/31/25	\$	19,634,729
Less Budget Amendment - Use of Fund Balance February Reservoir Dam Amendment		376,185
Less 3 months expenditures - FB Policy Minimum		7,549,185
Available Fund Balance at 12/31/25	\$	11,709,359

-Includes sales tax collections for July through September (due to 3 month lag in receiving distributions)

-Includes property tax collections through Dec. 31, 2025

-Fund balance is at a high point in December because we have collected a majority of property tax revenue for the fiscal year with six months of expenditures yet to be made

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

Period Ended December 31, 2025

	Actual as of Dec. 31, 2024	Dec. 31, 2025		Variance with Budget
		Amended Budget	Actual	
Revenues				
Ad valorem taxes	\$ 11,947,131	\$ 13,384,612	\$ 12,550,511	\$ (834,101)
Other taxes and licenses	198,402	434,400	182,788	(251,612)
Unrestricted intergovernmental revenues	2,009,842	7,328,686	2,126,301	(5,202,385) ¹
Restricted intergovernmental revenues	734,859	1,065,138	758,622	(306,516)
Permits and fees	820,156	798,000	324,565	(473,435)
Sales and services	1,099,780	3,069,773	1,335,686	(1,734,087)
Investment earnings	446,696	500,000	444,828	(55,172)
Other	682,164	945,301	675,944	(269,357)
	<u>17,939,030</u>	<u>27,525,910</u>	<u>18,399,245</u>	<u>(9,126,665)</u>
Expenditures				
Current:				
General government	2,714,993	9,621,991	2,800,188	6,821,803
Public safety	5,421,700	12,362,247	5,551,750	6,810,497
Transportation	643,934	5,185,518	791,558	4,393,960
Economic and physical development	697,365	1,538,117	636,445	901,672
Cultural and recreation	1,251,359	3,961,044	1,582,278	2,378,766
Debt service	512,435	785,990	390,720	395,270
	<u>11,241,785</u>	<u>33,454,907</u>	<u>11,752,940</u>	<u>21,701,967</u>
Revenues Over (Under) Expenditures	<u>6,697,245</u>	<u>(5,928,997)</u>	<u>6,646,306</u>	<u>12,575,303</u>
Other Financing Sources (Uses)				
Lease liabilities issued	9,397	-	-	-
Subscription liabilities issued	224,156	149,550	-	(149,550)
Transfers to Capital Project Funds	(2,436,702)	(2,480,630)	(2,480,630)	-
Transfers from Capital Project Funds	-	3,203,170	3,203,170	-
Sale of capital assets	76,938	50,000	43,890	(6,110)
	<u>(2,126,212)</u>	<u>922,090</u>	<u>766,430</u>	<u>(155,660)</u>
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>4,571,033</u>	<u>(5,006,907)</u>	<u>7,412,736</u>	<u>12,419,643</u>
Appropriated fund balance	-	5,006,907	-	(5,006,907)
Net Change in Fund Balance	<u>4,571,033</u>	<u>\$ -</u>	<u>7,412,736</u>	<u>\$ 7,412,736</u>
Fund Balance Beginning of Year, July 1	<u>18,614,112</u>		<u>19,628,798</u>	
Fund Balance, as of December 31	<u>\$ 23,185,145</u>		<u>\$ 27,041,534</u>	

¹ Only includes three months of sales tax distributions (July-September)

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Detail

Period Ended December 31, 2025

	Actual as of ² Dec. 31, 2024	Dec. 31, 2025		Variance with Budget
		Amended Budget	Actual	
Revenues				
Ad valorem taxes:				
Current year	\$ 11,939,518	\$ 13,373,612	\$ 12,537,266	\$ (836,346)
Prior years	4,031	7,000	7,111	111
Penalties and interest	3,582	4,000	6,133	2,133
	<u>11,947,131</u>	<u>13,384,612</u>	<u>12,550,511</u>	<u>(834,101)</u>
Other taxes and licenses:				
ABC mixed beverage	Q 71,556	280,000	53,739	(226,261)
Solid waste disposal tax	Q 6,472	12,000	6,541	(5,459)
Privilege licenses	560	2,400	165	(2,235)
Municipal vehicle tax	M 34,125	65,000	33,865	(31,135)
Lease vehicles	A 85,689	75,000	88,478	13,478
Total	<u>198,402</u>	<u>434,400</u>	<u>182,788</u>	<u>(251,612)</u>
Unrestricted intergovernmental revenues:				
Local option sales tax	M 1,604,395	6,133,686	1,799,592	(4,334,094) ¹
Video programming tax	Q 35,299	135,000	23,541	(111,459)
Franchise tax	Q 370,148	1,000,000	303,168	(696,832)
Beer and wine	A -	60,000	-	(60,000)
Total	<u>2,009,842</u>	<u>7,328,686</u>	<u>2,126,301</u>	<u>(5,202,385)</u>
Restricted intergovernmental revenues:				
State Aid - Library grant	M 4,907	9,000	5,043	(3,957)
LTSA - Library grant	1,856	-	4,219	4,219
Powell Bill allocation	BA 606,431	606,431	607,867	1,436
Recreation grants	2,000	-	1,000	1,000
Fire SAFER grant	Q 112,915	379,207	120,637	(258,570)
Police grants	-	46,250	5,856	(40,394)
Planning grants	6,750	24,250	14,000	(10,250)
Total	<u>734,859</u>	<u>1,065,138</u>	<u>758,622</u>	<u>(306,516)</u>
Permits and fees:				
Planning and zoning fees	55,829	120,000	43,433	(76,567)
Inspection fees	696,083	500,000	203,021	(296,979)
County Fire and Rescue fees	-	-	-	-
Fire and Police Dept. fees	30,654	58,000	35,391	(22,609)
Public works fees	8,126	60,000	16,783	(43,218)
Street department fees	29,464	60,000	25,938	(34,062)
Total	<u>820,156</u>	<u>798,000</u>	<u>324,565</u>	<u>(473,435)</u>

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Detail

Period Ended December 31, 2025

	Actual as of ² Dec. 31, 2024	Dec. 31, 2025		Variance with Budget
		Amended Budget	Actual	
Sales and services:				
Rents	\$ 37,234	\$ 50,000	\$ 35,338	\$ (14,662)
Homeowners recovery fund	1,850	3,500	970	(2,530)
Waste collection fee	M 873,167	2,676,273	1,143,396	(1,532,877)
Recreation department fees	156,869	280,000	136,042	(143,958)
Library fees	30,660	60,000	19,941	(40,059)
Total	<u>1,099,780</u>	<u>3,069,773</u>	<u>1,335,686</u>	<u>(1,734,087)</u>
Investment earnings	<u>446,696</u>	<u>500,000</u>	<u>444,828</u>	<u>(55,172)</u>
Other revenues				
Cemetery	690	1,000	2,725	1,725
Fire department donations	-	2,500	25	(2,475)
Fire district revenue	Q 276,954	500,000	345,980	(154,020)
County Fire and Rescue fees	-	60,148	-	(60,148)
Court costs	668	2,500	682	(1,818)
Library donations	-	2,000	2,300	300
Lease revenue	277,977	327,153	271,504	(55,649)
Miscellaneous	125,874	50,000	52,728	2,728
Total	<u>682,164</u>	<u>945,301</u>	<u>675,944</u>	<u>(269,357)</u>
Total revenues	<u>17,939,030</u>	<u>27,525,910</u>	<u>18,399,245</u>	<u>(9,126,665)</u>
Expenditures				
General Government				
Governing body				
Salaries and employee benefits	83,117	174,527	84,321	90,206
Operating expenditures	76,473	165,045	102,466	62,579
Professional services	6,904	15,000	4,080	10,920
Membership dues	28,227	31,230	12,307	18,923
Total	<u>194,720</u>	<u>385,802</u>	<u>203,174</u>	<u>182,628</u>
Administration				
Salaries and employee benefits	467,386	1,208,842	553,115	655,727
Operating expenditures	58,484	304,240	146,514	157,726
Total	<u>525,870</u>	<u>1,513,082</u>	<u>699,628</u>	<u>813,454</u>
Finance				
Salaries and employee benefits	292,891	726,565	326,198	400,367
Operating expenditures	238,762	358,555	238,927	119,628
Total	<u>531,653</u>	<u>1,085,120</u>	<u>565,125</u>	<u>519,995</u>
Information technology				
Salaries and employee benefits	233,434	630,850	247,320	383,530
Contract services	193,360	656,230	212,625	443,605
Operating expenditures	84,389	273,895	84,416	189,479
Capital outlay	236,208	239,050	-	239,050
Total	<u>747,391</u>	<u>1,800,025</u>	<u>544,361</u>	<u>1,255,664</u>

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Detail

Period Ended December 31, 2025

	Actual as of ² Dec. 31, 2024	Dec. 31, 2025		Variance with Budget
		Amended Budget	Actual	
Administrative chargeback	\$ (1,520,805)	\$ (1,831,889)	\$ (1,831,889)	\$ -
Public works				
Salaries and employee benefits	452,434	1,141,715	477,499	664,216
Operating expenditures	97,003	220,480	121,394	99,086
Contract services	641,333	2,231,000	882,564	1,348,436
Capital outlay	14,449	47,000	-	47,000
Total	<u>1,205,219</u>	<u>3,640,195</u>	<u>1,481,456</u>	<u>2,158,739</u>
Facility Maintenance				
Salaries and employee benefits	314,942	505,644	238,201	267,443
Vehicle maintenance	12,685	15,000	2,847	12,153
Contract services	159,347	231,863	76,499	155,364
Operating expenditures	284,571	504,805	214,064	290,741
Capital outlay	22,899	1,133,431	355,169	778,262
Total	<u>794,444</u>	<u>2,390,743</u>	<u>886,780</u>	<u>1,503,963</u>
Garage				
Salaries and employee benefits	169,131	424,927	199,413	225,514
Operating expenditures	67,370	120,745	52,141	68,604
Capital outlay	-	93,241	-	93,241
Total	<u>236,501</u>	<u>638,913</u>	<u>251,553</u>	<u>387,360</u>
Total general government	<u>2,714,993</u>	<u>9,621,991</u>	<u>2,800,188</u>	<u>6,821,803</u>
Public Safety				
Police				
Salaries and employee benefits	2,548,098	6,453,955	2,653,413	3,800,542
Operating expenditures	663,935	1,262,670	704,480	558,190
Capital outlay	133,064	66,000	6,434	59,566
Total	<u>3,345,097</u>	<u>7,782,625</u>	<u>3,364,327</u>	<u>4,418,298</u>
Fire				
Salaries and employee benefits	1,733,257	3,925,022	1,819,617	2,105,405
Operating expenditures	343,345	630,600	345,615	284,985
Capital outlay	-	24,000	22,190	1,810
Total	<u>2,076,602</u>	<u>4,579,622</u>	<u>2,187,423</u>	<u>2,392,199</u>
Total public safety	<u>5,421,700</u>	<u>12,362,247</u>	<u>5,551,750</u>	<u>6,810,497</u>
Transportation				
Street maintenance				
Salaries and employee benefits	363,908	1,003,598	393,142	610,456
Operating expenditures	241,328	552,750	262,598	290,152
Paving	-	3,328,170	-	3,328,170
Contract services	17,329	41,000	8,033	32,967
Capital outlay	21,369	260,000	127,785	132,215
Total	<u>643,934</u>	<u>5,185,518</u>	<u>791,558</u>	<u>4,393,960</u>
Total transportation	<u>643,934</u>	<u>5,185,518</u>	<u>791,558</u>	<u>4,393,960</u>

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Detail

Period Ended December 31, 2025

	Actual as of ² Dec. 31, 2024	Dec. 31, 2025		Variance with Budget
		Amended Budget	Actual	
Economic and Physical Development				
Planning and development				
Salaries and employee benefits	\$ 544,481	\$ 1,301,127	\$ 542,364	\$ 758,763
Contract services	28,824	56,250	40,487	15,763
Operating expenditures	79,260	180,740	53,594	127,146
Capital outlay	44,800	-	-	-
Total	<u>697,365</u>	<u>1,538,117</u>	<u>636,445</u>	<u>901,672</u>
Total economic and physical development	<u>697,365</u>	<u>1,538,117</u>	<u>636,445</u>	<u>901,672</u>
Cultural and recreation				
Recreation				
Salaries and employee benefits	527,891	1,568,992	643,206	925,786
Contract services	60,717	308,010	122,635	185,375
Operating expenditures	133,261	538,600	217,897	320,703
Capital outlay	19,500	381,000	23,678	357,322
Total	<u>741,369</u>	<u>2,796,602</u>	<u>1,007,416</u>	<u>1,789,186</u>
Library				
Salaries and employee benefits	368,104	890,867	395,282	495,585
Contract services	52,076	51,700	49,057	2,643
Operating expenditures	26,811	91,275	71,661	19,614
Books and periodicals	63,000	130,600	58,862	71,738
Total	<u>509,991</u>	<u>1,164,442</u>	<u>574,862</u>	<u>589,580</u>
Total cultural and recreation	<u>1,251,359</u>	<u>3,961,044</u>	<u>1,582,278</u>	<u>2,378,766</u>
Debt service				
Principal retirement	506,172	785,990	381,074	404,916
Interest	6,263	-	9,645	(9,645)
Total	<u>512,435</u>	<u>785,990</u>	<u>390,720</u>	<u>395,270</u>
Total expenditures	<u>11,241,785</u>	<u>33,454,907</u>	<u>11,752,940</u>	<u>21,701,967</u>
Revenues Over (Under)				
Expenditures	<u>6,697,245</u>	<u>(5,928,997)</u>	<u>6,646,306</u>	<u>12,575,303</u>

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Detail

Period Ended December 31, 2025

	Actual as of ² Dec. 31, 2024	Dec. 31, 2025		Variance with Budget
		Amended Budget	Actual	
Other Financing Sources (Uses):				
Lease liabilities issued	\$ 9,397	\$ -	\$ -	\$ -
Subscription liabilities issued	224,156	149,550	-	(149,550)
Loss on termination of lease receivable	-	-	-	-
Transfers to capital project funds	(2,436,702)	(2,480,630)	(2,480,630)	-
Transfers from other funds:				
Capital Project Fund	-	3,203,170	3,203,170	-
Sale of capital assets	76,938	50,000	43,890	(6,110)
Total other financing sources	(2,126,212)	922,090	766,430	(155,660)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	4,571,033	(5,006,907)	7,412,736	12,419,643
Fund balance appropriated	-	5,006,907	-	(5,006,907)
Net change in fund balance	4,571,033	\$ -	7,412,736	\$ 7,412,736
Fund balance, beginning of year, July 1	18,614,112		19,628,798	
Fund balance, ending	\$ 23,185,145		\$ 27,041,534	

¹ Only includes three months of sales tax distributions (July-September)

² Revenue Receipt Frequency:

- A - Annually
- BA - Bi-annually
- Q - Quarterly
- M - Monthly

Town of Southern Pines, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual
Period Ended December 31, 2025

Schedule C

	Actual as of Dec. 31, 2024	Dec. 31, 2025		
		Amended Budget	Actual	Variance with Budget
Revenues				
Operating revenues				
Water sales	\$ 3,594,478	\$ 7,630,000	\$ 3,680,777	\$ (3,949,223)
Sewer sales	1,757,554	3,850,671	1,810,121	(2,040,550)
Service charges	68,333	110,000	39,234	(70,766)
Miscellaneous operating revenue	174,686	280,000	241,974	(38,026)
Total operating revenues	<u>5,595,051</u>	<u>11,870,671</u>	<u>5,772,106</u>	<u>(6,098,565)</u>
Nonoperating revenues				
Investment earnings	161,617	200,000	166,714	(33,286)
Sale of capital assets	-	10,000	-	(10,000)
Total nonoperating revenues	<u>161,617</u>	<u>210,000</u>	<u>166,714</u>	<u>(43,286)</u>
Total revenues	<u>5,756,668</u>	<u>12,080,671</u>	<u>5,938,820</u>	<u>(6,141,851)</u>
Expenditures				
Billings and collection	297,668	738,778	300,594	438,184
Water treatment	631,859	1,875,151	797,264	1,077,887
Sewage treatment	972,802	2,350,000	1,048,509	1,301,491
Water extensions and maintenance	785,239	1,656,311	678,043	978,268
Sewer extensions and maintenance	858,059	1,926,086	737,264	1,188,822
Chargeout for administrative expenses	1,520,805	1,831,889	1,831,889	-
Subtotal expenditures	<u>5,066,433</u>	<u>10,378,215</u>	<u>5,393,564</u>	<u>4,984,651</u>
Interest	3,152		2,889	
Debt principal	13,750		13,750	
	<u>16,902</u>	<u>261,332</u>	<u>16,639</u>	<u>244,693</u>
Total expenditures	<u>5,083,335</u>	<u>10,639,547</u>	<u>5,410,203</u>	<u>5,229,344</u>
Revenues over expenditures	<u>673,333</u>	<u>1,441,124</u>	<u>528,618</u>	<u>(912,506)</u>
Transfers to other funds	<u>(2,955,000)</u>	<u>(1,275,200)</u>	<u>(1,275,200)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(2,281,667)</u>	<u>165,924</u>	<u>(746,582)</u>	<u>(912,506)</u>
Appropriated retained earnings	<u>-</u>	<u>(165,924)</u>	<u>-</u>	<u>165,924</u>
Revenues and appropriated retained earnings over (under) expenditures and other financing sources (uses)	<u>(2,281,667)</u>	<u>\$ -</u>	<u>(746,582)</u>	<u>\$ (746,582)</u>
Retained earnings beginning of year, July 1	<u>10,062,560</u>		<u>10,113,132</u>	
Retained earnings, as of December 31	<u>\$ 7,780,893</u>		<u>\$ 9,366,550</u>	

SoPines SUSTAIN-O-VATES!



Submit your idea at
sopinesnc.info/myidea

What is SoPines Sustainovates! (and how do I say that word)?

Sustainovates | Sustain-o-vates | (suh-STAIN-oh-vates): verb — to turn creative thinking into positive action through employee-led pilot projects.

SoPines Sustainovates! is a new initiative launched with the FY 25–26 budget to support creative problem-solving and continuous improvement. It gives Town of Southern Pines employees the time, support, funding, and encouragement to explore ideas that could make our workplace, processes, or community better. Through short-term pilot projects, we can safely try new approaches, learn what works, and make improvements—without high risk or costly long-term commitments.

What kinds of ideas can I submit? Big or small, if it could make a difference—share it!

We believe every employee has valuable ideas—no matter your role, department, or time with the Town. If your idea helps us work smarter, serve better, or support each other, we want to hear it.

- Make something faster, easier, or more efficient
- Use technology in a new or better way
- Solve a problem
- Remove a frustration or roadblock
- Improve safety for employees or the public
- Make Southern Pines a better place to work

How does the program work? You pitch it. We help test it.

- Fill out a short application by yourself or with a team at sopinesnc.info/myidea
- The Assistant Town Managers will review your idea. If it's selected to move forward as a pilot project, you'll get support, resources, and possibly funding via the Sustainovation Fund.
- You'll work on your pilot project and we'll help you test it out.

What is the SoPines Sustainovation Fund? Support When Inspiration Can't Wait

Great ideas don't always follow the budget calendar! The **SoPines Sustainovation Fund** offers one-time "micro grants" so that employees can test out promising ideas that are limited in scale. Our FY 25-26 Sustainovation Fund includes \$30,550 to help fund equipment, supplies, software, or similar to advance pilot projects that are approved through the program.

SoPines Sustainovates! is about more than just funding—it's about removing barriers so good ideas can grow. You might need a small amount of money, but you might also need:

- Time to focus on your idea
- Access to equipment, tools, or technology
- Help from another department or team member
- Support or mentorship from someone who can help move your idea forward

What if an idea doesn't work? Let's Try > Fear

SoPines Sustainovates! is about being an organization where trying new things and learning is valued. Some pilots will work, some won't, and that's okay. If an idea shows promise, we can refine it or expand it by proposing it for future funding through the regular budget process. Encouraging continuous growth is all part of the Southern Pines Way.

Your ideas, our support.




Turn your "what if" into "let's try it."
Submit your idea at sopinesnc.info/myidea



FROM SPARK TO SUCCESS

SPARK IT: *Spot an opportunity*

 What if this could make our team better, faster, or safer?

What if this would make TOSP a better place to work? Or Southern Pines even better for our community?

THAT'S YOUR SPARK!

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SHARE IT: *Tell us your idea*

Answer just a few questions and submit your idea at sopinesnc.info/myidea

You don't even need to use a computer. So quick & simple, you can use your phone.

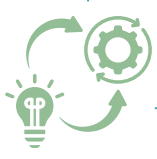


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PITCH IT: *Refine together*

Talk through your idea with the Assistant Town Managers (ATMs). We'll help you refine it, if needed, and then figure out the next steps.

We'll also get the support you need to move forward—time, funding, tools, or mentorship.



PILOT IT: *Test your idea*

Approved ideas become pilot projects. You'll try it out, learn what works, and make tweaks along the way.

Some will work, some won't—and that's okay. If things don't go as planned, the ATMs will help you revise the approach or wrap it up gracefully—no blame, no fault, just learning. Every attempt moves us forward.


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SUSTAIN IT: *Build on success*

Every pilot looks different. Some ideas are one-time things—buy it or install it, improve it, and move on. Others become new processes or ongoing practices. Some start small and grow over time.

 If a pilot is something to continue or expand more broadly, we'll review it in the budget process for possible long-term funding. Whether it's a quick win or the start of something bigger, we'll figure how to "sustainovate" it!



PILOT PROJECT IN ACTION: ROBOT VACUUMS

SPARK IT: Could technology help clean our buildings?

The custodial team works hard to keep our busy 14,000-square-foot Library clean and welcoming. Vacuuming every day takes time — especially around all the bookshelves and furniture.

Library Director Amanda Brown's idea was inspired by the robot vacuum she uses at home to tackle dog hair from her much-loved pack! What if a robot could help our custodial team too?

SHARE IT: Let's pilot robot vacuums.

Amanda's idea surfaced in July 2025, which could have meant waiting until the next budget cycle to explore it. But waiting can slow innovation & sometimes cost more in the long run. Amanda submitted her request through the Sustainovates online form — explaining how she thought robot vacuums could save time & reduce repetitive work.

PITCH IT: Can the robots make us more efficient?

The goal is simple — see if robot vacuums can save custodial hours while keeping the Library clean. Amanda teamed up with Head Custodian Moe Baker; he knows every corner of the Library and researched robot models. Mike Cameron & Jessica Roth gave Amanda the go-ahead to and approval to spend \$1,500 on the robots and submitted a PO using the unique line item dedicated to SoPines Sustainovates.

PILOT IT: Putting the robots to work!

The vacuums run each night after closing. Using an app, staff can check their progress, adjust schedules, or step in if one gets stuck.

One early question: would the motion sensors set off the alarm? Nope — they clean in true stealth mode.

And because "robot" felt too impersonal, the Library team held a vote and named their new helpers Lil Tater, Meryl Sweep, and Dewey — the Library's overnight cleaning crew.

SUSTAIN IT: What's next?

We'll look at how well the robots performed and lessons learned. If they're a hit, the next step may be purchasing more to use in other Town buildings. Additional robots would go through the regular budget or purchasing processes since Sustainovates funds pilots, not ongoing costs.



What if a robot vacuumed the library each night?

Robots could save our team about 5 hours a week at the library.

Yes! I save a lot of time with my home robot vacuum!

We're Lil Tater, Meryl Sweep, and Dewey, happy to be of service in the library!

Green light! Work smarter, not harder.

