



## **AGENDA**

**Town Council Work Session  
Thursday, April 2, 2026: 8:30 AM  
Southern Pines Fire Station #82  
7381 NC-22, Carthage, NC**

- 1. CALL TO ORDER**
- 2. OPENING REMARKS**
  - a. Town Manager's Comments**
- 3. MUNICIPAL SERVICE DISTRICT**
- 4. ENTERPRISE BUDGET - WATER AND SEWER**
  - a. Line-item Document**
- 5. GENERAL FUND REVENUES**
  - a. Revenue Analysis**
- 6. GENERAL FUND EXPENDITURES**
  - a. Line-Item Document**
  - b. Big Picture Expenditures**
  - c. General Fund Capital Requests & Other Funding Priorities**
  - d. Staffing and Compensation**
- 7. BOTTOM LINE, ADDITIONAL CONSIDERATIONS, AND OPTIONS**
  - a. 2026-2031 CIP**
  - b. Budget Forecasting**
- 8. ADJOURNMENT**

*Meetings/work sessions of the Southern Pines Town Council are now available on the Town's Website at [sopinesnc.info/agendas](http://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.*

## Draft Budget Notes

Just a few notes relative to line-item expenditures that differ significantly from current year as larger and capital expenditures will be outlined in separate documents and presentation materials:

### Revenues:

- Ad Valorem based on 30 penny (\$0.30) tax rate, 2.2% growth per Moore County
- Ad Valorem based on 99% collection rate
- Sales Tax based on 3 year rolling averages
- Solid Waste revenues based on alternative Fees structure presented at Work Session (\$29.50/mo. residential). Reversion to current approach will reduce fee to \$26.50/mo. And decrease estimated revenues by **(\$296,322)**
- Fire SAFER Grant funds have expired
- Increased surplus revenues projection represents planned Fire and Ladder truck sales

### General Notes effecting all Departments:

- 2% COLA for all positions except Town Manager and Town Attorney
- Market rate adjustments per Compensation study
- State mandated increase in Employer Pension contribution (0.75% civilian/1.0% LEO)
- 12% adjustment for major medical plan
- ¼ of 3% salary for Performance Pay Plan 4<sup>th</sup> quarter
- Duke Energy (res./comm./ind.)
- Inflationary costs, office supplies to materials for buildings/infrastructure, etc.

### Legislative 10-410:

- Salary and Wages: Council increase of Town Attorney PT salary
- Contractual: Decreased due to no local election expense
- Special App: Partners (MCED) \$32,000, MCHA \$1000, Vets Parade \$1,000, MLK \$500, MPO \$15,000

### Administration 10-420:

- Contractual: Consolidated Drug Testing expenses from individual departments to Admin
- Training and Travel: Increased for Clerk
- Professional Services: Decreased with Comprehensive Pay and Benefits Study FY26
- Committee Expenditures: Continues "SoPines Sustainovates" Innovation Program
- Utilities: Consolidated to Facilities

### IT 10-430:

Supplies: A number of network switches are due for replacement this year  
A replacement of our backup appliance and associated Subscription Services contract is due. In addition two SBITA contracts, Essential personnel and Rubicon, are up for renewal.

### Finance 10-440:

Beyond salary changes in all departments, two finance staff previously split 50/50 between Finance and Billing and Collections are now 100% Finance. This was done for simplicity at Audit time relative to vacation accrual and compensated absences.

The amount for County Collections increased and the Utilities for Town Hall are housed in the Finance budget.

### Police Patrol 10-450:

Salaries: Separation Allowance increase due to retirements  
Supplies: K9 to be replaced (some grant funds), SRT vests due for replacement  
Capital: increase from one patrol car replacement last year to seven this year

### Communications 10-514:

Contractual: We have experienced increased costs in pre-employment testing.

### Investigations 10-515:

Capital: Three car replacements after none FY26

### Fire 10-530:

Capital: A vehicle replacement  
Supplies: Increase the result of Protective Gear, a Fit Test Machine, VIPER portable and Mobile Replacements, two thermal imager replacements, and two tablet updates for the incoming Ladder and Engine.

### Planning 10-540:

URC Grant completed and Consulting Services decreased.  
Planning Utilities moved to Finance with Town Hall move.

### Inspections 10-545:

Contractual: Increase in SmartGov annual fees.

### Streets 10-560:

Capital: Service Truck and Backhoe replacements.  
Supplies: Zero-Turn Mower replacement  
Contractual: CSX increase in crossarm maintenance fees

### PW/Sanitation 10-565:

Capital: Pickup truck replacement  
Contractual: Accounts for annual Meridian contract increase.

### Fleet Maintenance 10-580:

Department Supplies: Decreased following a 2025 replacement of a vehicle lift.  
Contractual: Our fuel tanks are scheduled for significant cleaning and testing in FY27.

### Recreation and Grounds 10-620:

Capital: Grounds truck, fencing, chipper/mulcher replacement, athletic field lighting at Hines and Campbell tee box updates.  
Supplies: Apparent decrease due to mowers replaced in FY26.

### Library 10-630:

Budget is practically the same, with the exception that staff has broken out Audio-Visual-Digital expenses out from Materials and Library books into its own category.

## Facilities 10-640:

Capital: Truck and Van replacements, FD81 Bay Floor, and the Library Air Handler  
Utilities covered for buildings we are vacating.

## **UTILITY FUND**

### Revenues:

Sales based on 2% increase in base and per/1000g rates for both water and sewer  
Tap Fees will auto adjust July 1 based on April CPI but given the current environment we  
are unlikely to adjust the proposed revenue amount.

### Water Treatment Plant:

Equipment Maintenance: Increased expense 2027 represents projects include a number  
of pump rebuilds and replacements.

Current Duke energy rate impacting the Plant is estimated to increase 13%

Contractual: Chemical costs have increased drastically over the past year.

### Water Extension:

No significant changes FY27

### Sewer Extension:

Capital: Our lift station monitoring software is under review to be replaced as our  
current company sold. A number of vendors are under review and we expect final costs to be  
in the 100-150k range.

### Billing and Collections:

No significant additions or subtractions to this Budget year over year. Salaries will  
appear lower than they would have based on previous discussion of Finance staff salaries.

**MUNICIPAL SERVICE DISTRICT  
Fund 26**

The Municipal Service District Fund #1 was created to raise funds for improvements within the Morganton Park South Planned Development District, as described in Ordinance #1993. It is comprised of 99.97 +/- acres lying between 15-501 to the South and

Expenditures by Type	FY 2025-2026 Project Authorization	Transactions Through March 2026	Balance FY 2025-2026
Future Parkway Expenses	\$ 484,580	\$ -	\$ 484,580
Parkway Acquisition	6,960,000	6,940,035	19,965
Principal & Interest Payments	898,000	897,473	527
Collection Fees	30,000	22,329	7,671
<b>Total Expenditures</b>	<b>\$ 8,372,580</b>	<b>\$ 7,859,837</b>	<b>\$ 512,743</b>

Revenues by Type	FY 2025-2026 Project Authorization	Transactions Through March 2026	Balance FY 2025-2026
Interest	\$ -	\$ 33,210	\$ (33,210)
Installment Financing Proceeds	6,960,000	6,960,000	-
2022 MSD Taxes Revenue	68,849	68,848	1
2023 MSD Taxes Revenue	195,849	195,849	-
2024 MSD Taxes Revenue	442,040	442,052	(12)
2025 MSD Taxes Revenue	705,842	781,851	(76,009)
2026 MSD Taxes Revenue	-	-	-
<b>Total Revenues</b>	<b>\$ 8,372,580</b>	<b>\$ 8,481,810</b>	<b>\$ (109,230)</b>

MUNICIPAL SERVICE DISTRICT  
PARKWAY

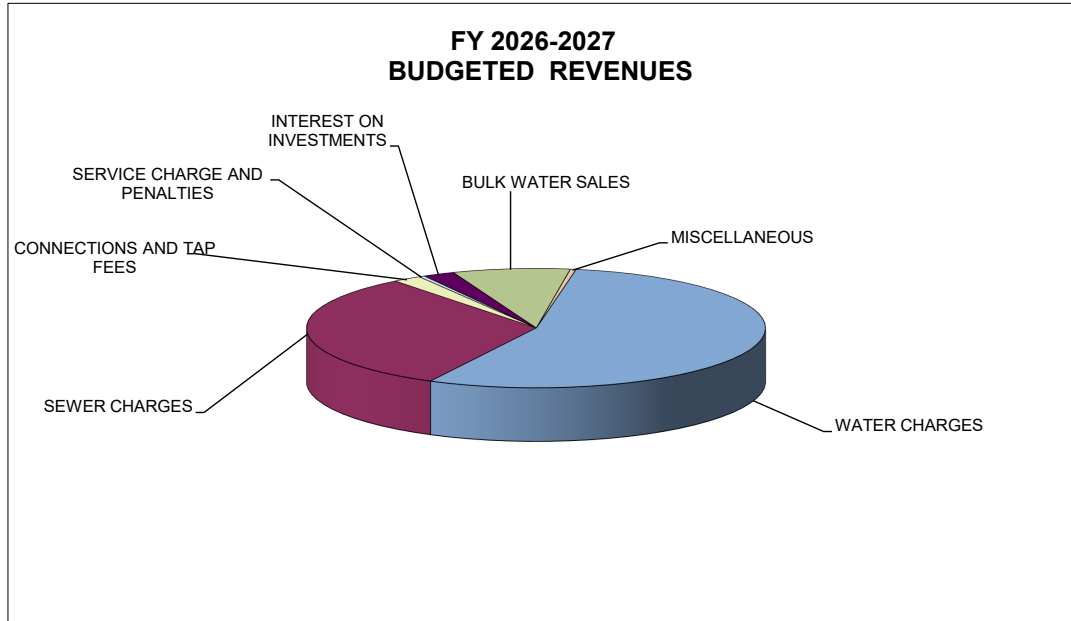
Fiscal Year	Pymt Date	Interest	Principal	Total	6,960,000.00 Outstanding
2024-2025	02.01.2025	220,351.67	0.00	220,351.67	6,960,000.00
		<u>220,351.67</u>	<u>0.00</u>	<u>220,351.67</u>	6,960,000.00
2025-2026	08.01.2025	168,780.00	348,000.00	516,780.00	6,612,000.00
	02.01.2026	160,341.00	0.00	160,341.00	6,612,000.00
		<u>329,121.00</u>	<u>348,000.00</u>	<u>677,121.00</u>	
2026-2027	08.01.2026	160,341.00	348,000.00	508,341.00	6,264,000.00
	02.01.2027	151,902.00	0.00	151,902.00	6,264,000.00
		<u>312,243.00</u>	<u>348,000.00</u>	<u>660,243.00</u>	
2027-2028	08.01.2027	151,902.00	348,000.00	499,902.00	5,916,000.00
	02.01.2028	143,463.00	0.00	143,463.00	5,916,000.00
		<u>295,365.00</u>	<u>348,000.00</u>	<u>643,365.00</u>	
2028-2029	08.01.2028	143,463.00	348,000.00	491,463.00	5,568,000.00
	02.01.2029	135,024.00	0.00	135,024.00	5,568,000.00
		<u>278,487.00</u>	<u>348,000.00</u>	<u>626,487.00</u>	
2029-2030	08.01.2029	135,024.00	348,000.00	483,024.00	5,220,000.00
	02.01.2030	126,585.00	0.00	126,585.00	5,220,000.00
		<u>261,609.00</u>	<u>348,000.00</u>	<u>609,609.00</u>	
2030-2031	08.01.2030	126,585.00	348,000.00	474,585.00	4,872,000.00
	02.01.2031	118,146.00	0.00	118,146.00	4,872,000.00
		<u>244,731.00</u>	<u>348,000.00</u>	<u>592,731.00</u>	
2031-2032	08.01.2031	118,146.00	348,000.00	466,146.00	4,524,000.00
	02.01.2032	109,707.00	0.00	109,707.00	4,524,000.00
		<u>227,853.00</u>	<u>348,000.00</u>	<u>575,853.00</u>	
2032-2033	08.01.2032	109,707.00	348,000.00	457,707.00	4,176,000.00
	02.01.2033	101,268.00	0.00	101,268.00	4,176,000.00
		<u>210,975.00</u>	<u>348,000.00</u>	<u>558,975.00</u>	
2033-2034	08.01.2033	101,268.00	348,000.00	449,268.00	3,828,000.00
	02.01.2034	92,829.00	0.00	92,829.00	3,828,000.00
		<u>194,097.00</u>	<u>348,000.00</u>	<u>542,097.00</u>	
2034-2035	08.01.2034	92,829.00	348,000.00	440,829.00	3,480,000.00
	02.01.2035	84,390.00	0.00	84,390.00	3,480,000.00
		<u>177,219.00</u>	<u>348,000.00</u>	<u>525,219.00</u>	
2035-2036	08.01.2035	84,390.00	348,000.00	432,390.00	3,132,000.00
	02.01.2036	75,951.00	0.00	75,951.00	3,132,000.00
		<u>160,341.00</u>	<u>348,000.00</u>	<u>508,341.00</u>	
2036-2037	08.01.2036	75,951.00	348,000.00	423,951.00	2,784,000.00
	02.01.2037	67,512.00	0.00	67,512.00	2,784,000.00
		<u>143,463.00</u>	<u>348,000.00</u>	<u>491,463.00</u>	

TOWN OF SOUTHERN PINES  
UTILITY FUND  
RETAINED EARNINGS SUMMARY  
2026-2027

	ACTUAL 2024-2025	BUDGET 2025-2026 as of 03/01/2026	EXPECTED REVENUES EXPENDITURES 2025-2026	BUDGET 2026-2027
Available Retained Earnings - Beginning	\$ 10,062,560	\$ 10,113,132	\$ 10,113,132	\$ 10,648,320
Total Revenues	<u>12,761,524</u>	<u>12,248,721</u>	<u>12,668,469</u>	<u>12,347,285</u>
Total Funds Available	22,824,084	22,361,853	22,781,601	22,995,605
Total Expenditures	9,755,952	10,957,597	10,858,081	11,112,460
Transfers Out	<u>2,955,000</u>	<u>1,275,200</u>	<u>1,275,200</u>	<u>2,500,000</u>
Available Retained Earnings - Ending	<u><u>\$ 10,113,132</u></u>	<u><u>\$ 10,129,056</u></u>	<u><u>\$ 10,648,320</u></u>	<u><u>\$ 9,383,145</u></u>

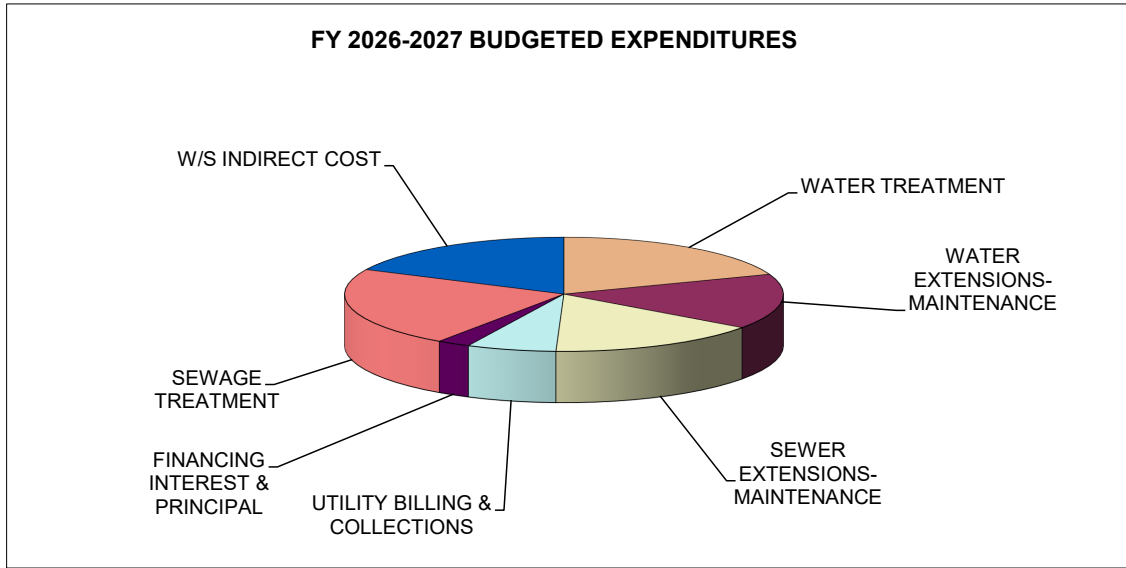
TOWN OF SOUTHERN PINES  
UTILITY FUND  
SCHEDULE OF REVENUES  
2026-2027

	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET 2025-2026 as of 07/01/25	BUDGET 2025-2026 as of 03/01/2026	EXPECTED REVENUES 2025-2026	BUDGET 2026-2027
WATER CHARGES	\$ 5,873,685	\$ 6,366,572	\$ 6,615,116	\$ 6,630,000	\$ 6,630,000	\$ 6,714,298	\$ 6,762,600
SEWER CHARGES	3,610,080	3,905,115	4,037,875	3,850,671	3,850,671	4,072,249	3,929,685
CONNECTIONS AND TAP FEES	233,405	335,887	280,890	250,000	250,000	309,212	250,000
SERVICE CHARGE AND PENALTIES	143,778	128,546	137,594	110,000	110,000	55,039	50,000
INTEREST ON INVESTMENTS	247,606	387,920	336,531	200,000	200,000	316,715	275,000
FEMA/DISASTER RELIEF	-	-	-	-	168,050	-	-
BULK WATER SALES	793,967	1,198,994	1,206,748	1,000,000	1,000,000	1,105,056	1,020,000
MISCELLANEOUS	30,672	41,413	96,274	30,000	30,000	95,900	50,000
GAIN ON SALE OF ASSETS	85,296	-	50,496	10,000	10,000	-	10,000
TRANSFER IN - ARPA FUNDS	748,938	-	-	-	-	-	-
TRANSFER IN-RETAINED EARNINGS	-	-	-	-	-	-	-
TRANSFER OUT-RETAINED EARNINGS	(2,291,973)	(672,647)	(50,572)	(165,924)	(15,924)	(535,188)	1,265,175
<b>TOTAL</b>	<b>\$ 9,475,454</b>	<b>\$ 11,691,800</b>	<b>\$ 12,710,952</b>	<b>\$ 11,914,747</b>	<b>\$ 12,232,797</b>	<b>\$ 12,133,281</b>	<b>\$ 13,612,460</b>



TOWN OF SOUTHERN PINES  
UTILITY FUND  
CONSOLIDATED EXPENDITURE SUMMARY  
2026-2027

	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET 2025-2026	EXPECTED EXPENDITURES 2025-2026	BUDGET 2026-2027
WATER TREATMENT	\$ 1,595,733	\$ 1,631,574	\$ 1,747,050	\$ 1,875,151	\$ 2,071,097	\$ 2,149,076
WATER EXTENSIONS-MAINTENANCE	1,146,760	1,476,446	1,571,346	1,656,311	1,618,266	1,737,304
SEWER EXTENSIONS-MAINTENANCE	1,732,989	1,311,900	1,894,549	2,094,136	1,837,251	1,733,950
UTILITY BILLING & COLLECTIONS	533,200	592,253	726,210	738,778	738,246	731,100
FINANCING INTEREST & PRINCIPAL	210,715	34,017	33,492	261,332	261,332	270,009
SEWAGE TREATMENT	1,965,671	2,014,842	2,250,000	2,500,000	2,500,000	2,500,000
W/S INDIRECT COST	1,200,526	1,369,487	1,520,805	1,831,889	1,831,889	1,991,021
OTHER	-	-	12,500	-	-	-
<b>SUB-TOTAL</b>	<b>8,385,594</b>	<b>8,430,519</b>	<b>9,755,952</b>	<b>10,957,597</b>	<b>10,858,081</b>	<b>11,112,460</b>
TRANSFERS	1,089,860	3,261,281	2,955,000	1,275,200	1,275,200	2,500,000
<b>TOTAL</b>	<b>\$ 9,475,454</b>	<b>\$ 11,691,800</b>	<b>\$ 12,710,952</b>	<b>\$ 12,232,797</b>	<b>\$ 12,133,281</b>	<b>\$ 13,612,460</b>



TOWN OF SOUTHERN PINES  
UTILITY FUND  
EXPENDITURE BY FUNCTION AND TRANSFERS  
2026-2027

	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET 2025-2026 as of 07/01/25	BUDGET 2025-2026 as of 03/01/2026	EXPECTED EXPENDITURES 2025-2026	BUDGET 2026-2027
Water Treatment	\$ 1,595,733	\$ 1,631,574	\$ 1,747,050	\$ 1,875,151	\$ 1,875,151	\$ 2,071,097	<b>\$ 2,149,076</b>
Water Extensions - Maintenance	1,146,760	1,476,446	1,571,346	1,656,311	1,656,311	1,618,266	<b>1,737,304</b>
Sewer Extensions - Maintenance	1,732,989	1,311,900	1,894,549	1,926,086	2,094,136	1,837,251	<b>1,733,950</b>
Utility Billing & Collections	533,200	592,253	726,210	738,778	738,778	738,246	<b>731,100</b>
Loss on Disposal of Fixed Assets	-	-	12,500	-	-	-	-
Interest Expense, Financing Principal	210,715	34,017	33,492	261,332	261,332	261,332	<b>270,009</b>
Sewage Treatment	1,965,671	2,014,842	2,250,000	2,350,000	2,500,000	2,500,000	<b>2,500,000</b>
W/S Indirect Cost	<u>1,200,526</u>	<u>1,369,487</u>	<u>1,520,805</u>	<u>1,831,889</u>	<u>1,831,889</u>	<u>1,831,889</u>	<b><u>1,991,021</u></b>
Total Expenditures	8,385,594	8,430,519	9,755,952	10,639,547	10,957,597	10,858,081	<b>11,112,460</b>
Transfers:							
Transfer to Water Treatment Proc Mod	-	1,041,281	-	675,200	675,200	675,200	-
Transfer to Lift Station Upgrades/Upfit	-	220,000	-	-	-	-	-
Transfer to Sanitary Sewer Modernization	874,360	-	380,000	600,000	600,000	600,000	-
Transfer to NC DOT Line Relocation	-	2,000,000	-	-	-	-	-
Transfer to North Pressure Zone	-	-	2,250,000	-	-	-	<b>2,500,000</b>
Transfer to Facility Modernization	10,500	-	-	-	-	-	-
Transfer to W&S Improvements	<u>205,000</u>	<u>-</u>	<u>325,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers	1,089,860	3,261,281	2,955,000	1,275,200	1,275,200	1,275,200	<b>2,500,000</b>
Total Expenditures/Transfers	<u><b>\$ 9,475,454</b></u>	<u><b>\$ 11,691,800</b></u>	<u><b>\$ 12,710,952</b></u>	<u><b>\$ 11,914,747</b></u>	<u><b>\$ 12,232,797</b></u>	<u><b>\$ 12,133,281</b></u>	<u><b>\$ 13,612,460</b></u>

WATER TREATMENT PLANT

Fund: Utility

Function:

Utility

Water Treatment Plant Division Goal: To provide potable water that meets or exceeds all state and EPA standards.

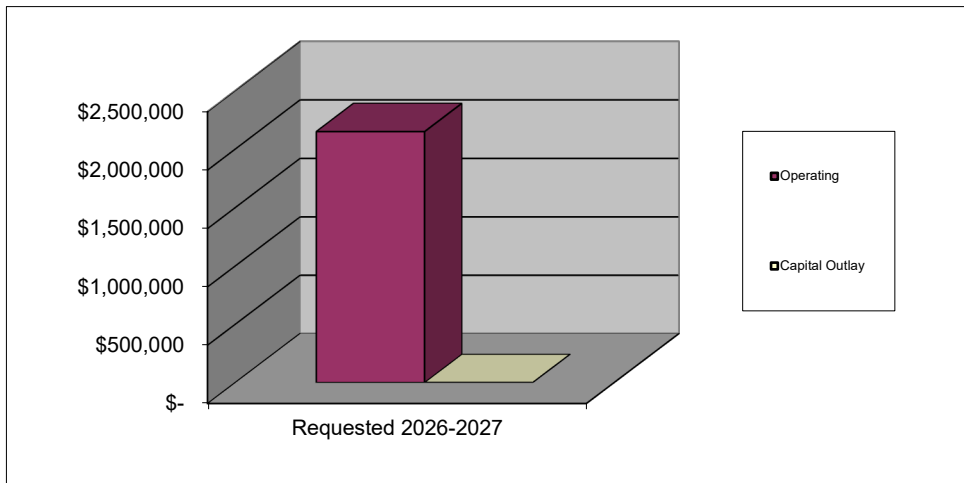
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Operating	\$ 1,726,177	\$ 1,875,151	\$ 2,071,097	\$ 2,149,076
Capital Outlay	20,873	-	-	-
<b>Total</b>	<b>\$ 1,747,050</b>	<b>\$ 1,875,151</b>	<b>\$ 2,071,097</b>	<b>\$ 2,149,076</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Utility Revenues	\$ 1,747,050	\$ 1,875,151	\$ 2,071,097	\$ 2,149,076

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	-	-	-	-

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUEST

There are no new or capital items requested in this budget.



2026-2027 ANNUAL BUDGET  
 DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Water Treatment Plant	Function: Utility Fund		Fund: 60	Department: 710		
Object Code	Object Title	2025-2026 Budget as of 03/01/2026	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
607101200	PRINTING	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
607101500	BUILDING & GROUNDS	7,500	-	7,500	-	7,500	0.0%
607101600	EQUIPMENT MAINTENANCE	159,000	160,200	212,000	-	212,000	33.3%
607101800	UTILITIES	565,000	565,000	639,000	-	639,000	13.1%
607104500	CONTRACTUAL SERVICES	1,136,151	1,338,397	1,282,326	-	1,282,326	12.9%
607104510	INS-PROPERTY & GENERAL	7,500	7,500	8,250	-	8,250	10.0%
	OPERATING EXPENDITURES	1,875,151	2,071,097	2,149,076	-	2,149,076	
607107402	CAPITAL-MOTOR VEHICLES	-	-	-	-	-	0.0%
607107403	CAPITAL-OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 1,875,151</u>	<u>\$ 2,071,097</u>	<u>\$ 2,149,076</u>	<u>\$ -</u>	<u>\$ 2,149,076</u>	

**WATER EXTENSION/MAINTENANCE**

Fund: Utility

Function:

Utility

Water Extension/Maintenance Division Goal: Responsible for the daily maintenance of the water distribution system.

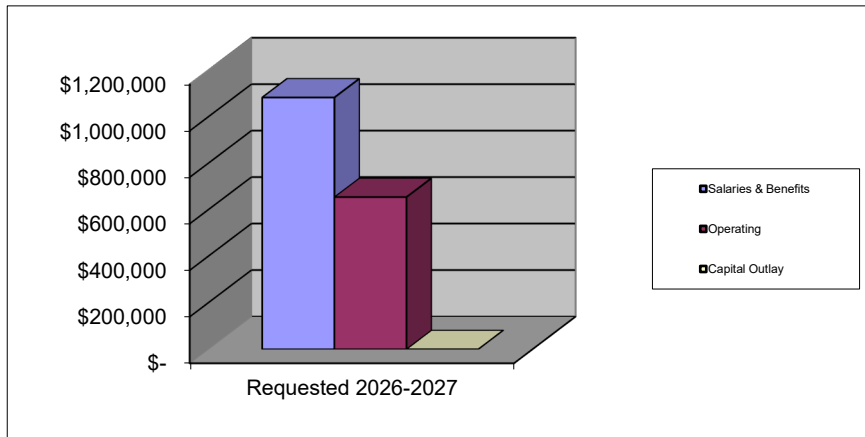
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 842,654	\$ 984,246	\$ 905,316	\$ 1,083,154
Operating	690,098	672,065	712,950	654,150
Capital Outlay	38,594	-	-	-
<b>Total</b>	<b>\$ 1,571,346</b>	<b>\$ 1,656,311</b>	<b>\$ 1,618,266</b>	<b>\$ 1,737,304</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Utility Revenues	\$ 1,571,346	\$ 1,656,311	\$ 1,618,266	\$ 1,737,304

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	12	12	12	12

**2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUEST**

There are no new or capital items requested in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Water Extension/Maintenance	Function: Utility Fund		Fund: 60	Department: 730		
Object Code	Object Title	2025-2026 Budget as of 03/01/2026	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
607300200	SALARIES & WAGES	\$ 671,480	\$ 633,910	\$ 731,987	\$ -	\$ 731,987	9.0%
607300300	OVERTIME	15,000	13,000	15,000	-	15,000	0.0%
607300400	UNEMPLOYMENT INSURANCE	-	-	-	-	-	0.0%
607300500	FICA EXPENSE	52,517	49,565	57,144	-	57,144	8.8%
607300600	GROUP INSURANCE EXPENSE	112,140	83,210	128,580	-	128,580	14.7%
607300700	RETIREMENT EXPENSE	98,784	93,235	113,094	-	113,094	14.5%
607300800	DEFERRED COMPENSATION	34,325	32,396	37,349	-	37,349	8.8%
	EMPLOYEE BENEFITS	984,246	905,316	1,083,154	-	1,083,154	
607301100	POSTAGE	3,500	5,000	5,000	-	5,000	42.9%
607301300	TELEPHONE	2,200	2,200	2,200	-	2,200	0.0%
607301400	TRAINING & TRAVEL	6,300	6,300	7,800	-	7,800	23.8%
607301600	EQUIPMENT MAINTENANCE	10,000	18,000	15,000	-	15,000	50.0%
607301700	AUTO REPAIR	10,000	15,000	10,000	-	10,000	0.0%
607301800	UTILITIES	21,250	12,000	15,000	-	15,000	(29.4%)
607303100	AUTO OPERATING	25,000	15,000	20,000	-	20,000	(20.0%)
607303300	DEPARTMENTAL SUPPLIES	422,400	435,500	406,500	-	406,500	(3.8%)
607304500	CONTRACTUAL SERVICES	41,500	35,000	39,500	-	39,500	(4.8%)
607304510	INS-PROPERTY & GENERAL	60,165	55,000	60,500	-	60,500	0.6%
607304600	PROFESSIONAL SERVICES	39,700	88,800	40,300	2,000	42,300	6.5%
607304700	UTILITY CUT REPAIR	25,000	20,000	25,000	-	25,000	0.0%
607305300	DUES & SUBSCRIPTIONS	5,050	5,150	5,350	-	5,350	5.9%
	OPERATING EXPENDITURES	672,065	712,950	652,150	2,000	654,150	
607307402	CAPITAL-MOTOR VEHICLE	-	-	-	-	-	0.0%
607307403	CAPITAL-OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 1,656,311</u>	<u>\$ 1,618,266</u>	<u>\$ 1,735,304</u>	<u>\$ 2,000</u>	<u>\$ 1,737,304</u>	

**SEWER EXTENSION/MAINTENANCE**

Fund: Utility

Function:

Utility

Sewer Extension/Maintenance Division Goal: To maintain and improve the sanitary sewer system infrastructure.

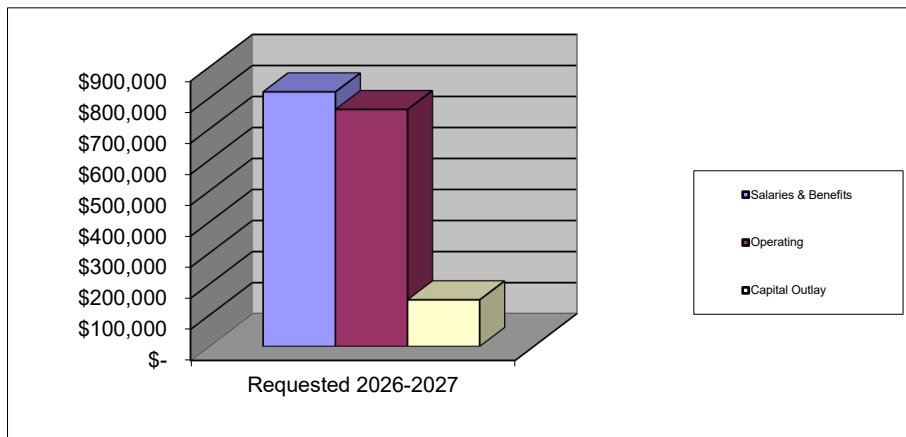
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 480,758	\$ 730,136	\$ 615,969	\$ 820,240
Operating	997,904	1,164,000	954,282	763,710
Capital Outlay	415,887	200,000	267,000	150,000
<b>Total</b>	<b>\$ 1,894,549</b>	<b>\$ 2,094,136</b>	<b>\$ 1,837,251</b>	<b>\$ 1,733,950</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Utility Revenues	\$ 1,894,549	\$ 2,094,136	\$ 1,837,251	\$ 1,733,950

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	9	9	9	9

**2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUEST**

Lift Station Monitoring Software \$ 150,000



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Sewer Extension/Maintenance	Function: Utility Fund		Fund: 60	Department: 740		
Object Code	Object Title	2025-2026 Budget as of 03/01/2026	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
607400200	SALARIES & WAGES	\$ 493,527	\$ 421,310	\$ 551,402	\$ -	\$ 551,402	11.7%
607400300	OVERTIME	15,000	12,000	15,000	-	15,000	0.0%
607400400	UNEMPLOYMENT INSURANCE	-	-	-	-	-	0.0%
607400500	FICA EXPENSE	38,903	33,263	43,330	-	43,330	11.4%
607400600	GROUP INSURANCE EXPENSE	84,105	65,085	96,435	-	96,435	14.7%
607400700	RETIREMENT EXPENSE	73,175	62,570	85,753	-	85,753	17.2%
607400800	DEFERRED COMPENSATION	25,426	21,741	28,320	-	28,320	11.4%
	EMPLOYEE BENEFITS	730,136	615,969	820,240	-	820,240	
607401000	DISASTER RELIEF EXPENSES	168,050	163,512	-	-	-	(100.0%)
607401100	POSTAGE	500	1,000	1,000	-	1,000	100.0%
607401300	TELEPHONE	6,500	6,500	6,500	-	6,500	0.0%
607401400	TRAINING & TRAVEL	6,400	8,000	8,000	-	8,000	25.0%
607401600	EQUIPMENT MAINTENANCE	50,000	20,000	40,000	-	40,000	(20.0%)
607401700	AUTO REPAIR	25,000	25,000	25,000	-	25,000	0.0%
607401800	UTILITIES	80,200	67,500	75,000	-	75,000	(6.5%)
607403100	AUTO OPERATING	30,000	30,000	32,000	-	32,000	6.7%
607403300	DEPARTMENTAL SUPPLIES	150,000	122,500	150,000	-	150,000	0.0%
607404500	CONTRACTUAL SERVICES	404,500	303,500	284,500	-	284,500	(29.7%)
607404510	INS-PROPERTY & GENERAL	55,000	53,500	58,850	-	58,850	7.0%
607404600	PROFESSIONAL SERVICES	151,700	130,200	48,700	-	48,700	(67.9%)
607404700	UTILITY CUT REPAIR	32,500	20,000	30,000	-	30,000	(7.7%)
607405300	DUES & SUBSCRIPTIONS	3,650	3,070	4,160	-	4,160	14.0%
	OPERATING EXPENDITURES	1,164,000	954,282	763,710	-	763,710	
607407402	CAPITAL-MOTOR VEHICLE	200,000	200,000	-	-	-	(100.0%)
607407403	CAPITAL-OTHER EQUIPMENT	-	67,000	150,000	-	150,000	0.0%
	CAPITAL OUTLAY	200,000	267,000	150,000	-	150,000	
	TOTAL EXPENDITURES	<u>\$ 2,094,136</u>	<u>\$ 1,837,251</u>	<u>\$ 1,733,950</u>	<u>\$ -</u>	<u>\$ 1,733,950</u>	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Utilities: Sewer	Function: Utility
Project Title: Sewer Lift Station SCADA	Fund: Enterprise Fund

**Project Description:**

Funding is requested to either upgrade current hosted SCADA software or to convert the existing system to Town Server. Staff was notified in December 2025 that the current hosted SCADA software will be retired December 31, 2026. The current vendor offered two options to address this, 1: Upgrade the software to their proprietary WaterMinds software, or 2: Convert the existing system to utilize a Town server to host the system in house.

The current Vendor was bought out recently and customer service and responsiveness have declined since the change so different vendors are being assessed to see if a complete change makes more sense.

This information is still new, so this is a place holder while options are investigated.

Costs				2026-2027
Upgraded SCADA software or new system placeholder				\$ 150,000
<b>Total</b>				<b>\$ 150,000</b>

UTILITY BILLING & COLLECTIONS

Fund: Utility

Function:

Finance

Utility Billing & Collections Division Goal: To provide utility customers with efficient service regarding billings and other situations the customer may need assistance.

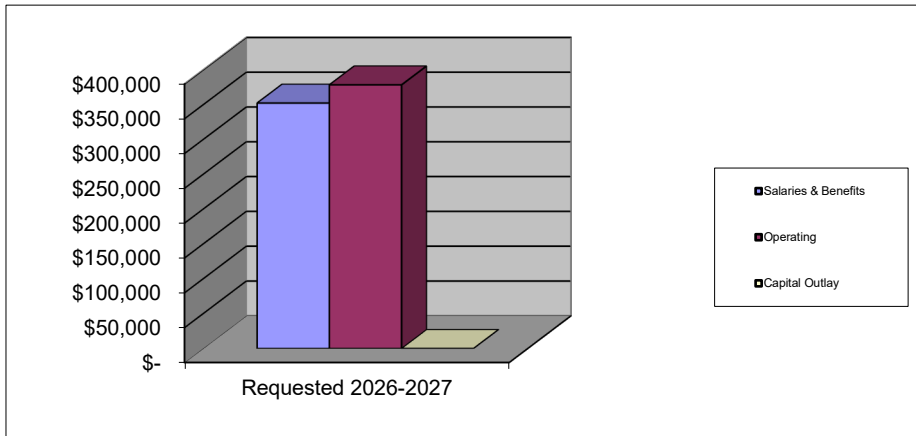
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 393,558	\$ 404,978	\$ 398,228	\$ 352,462
Operating	332,652	333,800	340,018	378,638
Capital Outlay	-	-	-	-
<b>Total</b>	<b>\$ 726,210</b>	<b>\$ 738,778</b>	<b>\$ 738,246</b>	<b>\$ 731,100</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Utility Revenues	\$ 726,210	\$ 738,778	\$ 738,246	\$ 731,100

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	4.0	4.0	4.0	4.0

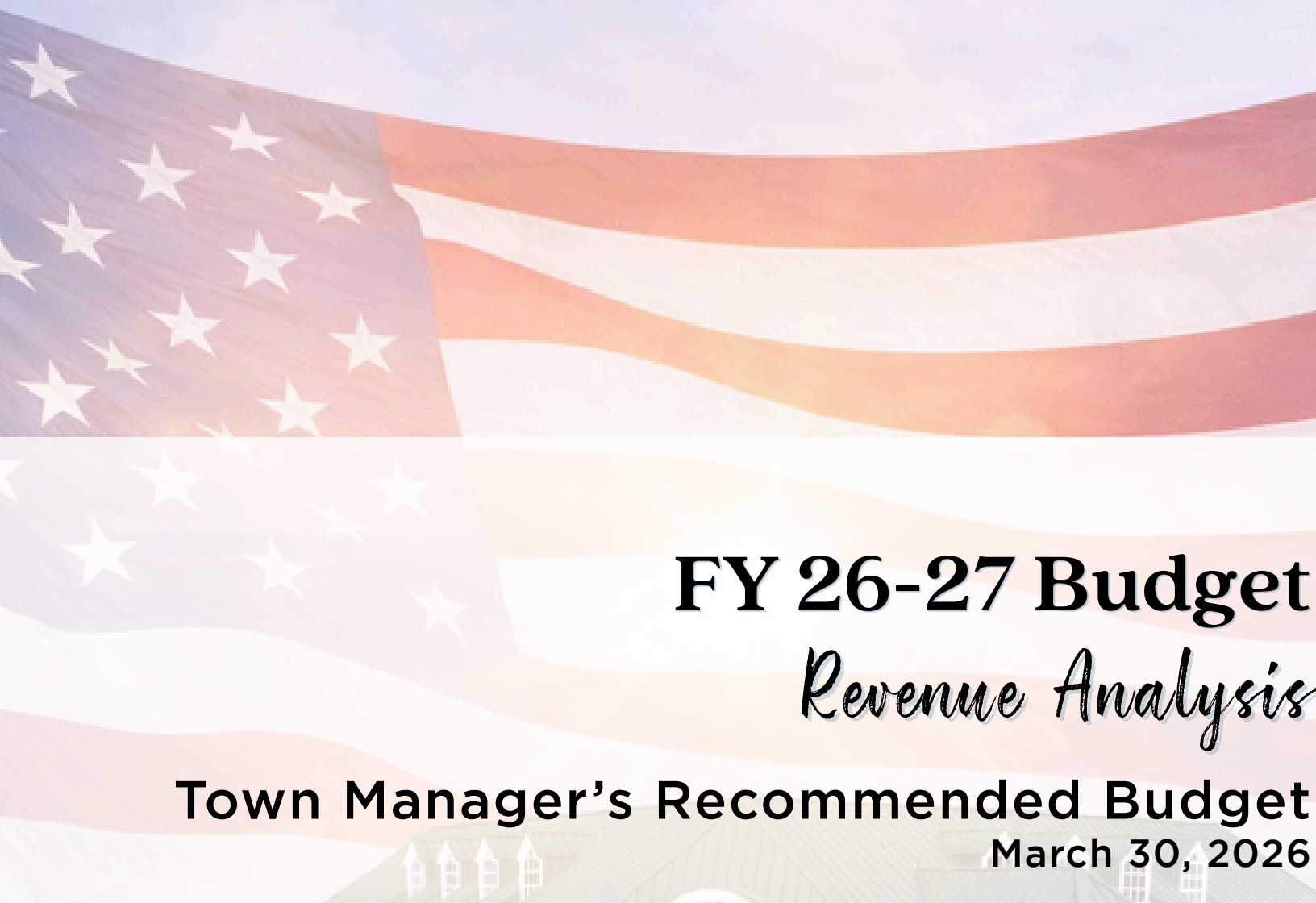
2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUEST

There are no new or capital items requested in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Utility Billing & Collections	Function: Finance	Fund: 60	Department: 750			
Object Code	Object Title	2025-2026 Budget as of 03/01/2026	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
607500200	SALARIES & WAGES	\$ 281,996	\$ 278,200	\$ 242,274	\$ -	\$ 242,274	(14.1%)
607500400	UNEMPLOYMENT INSURANCE	-	-	-	-	-	0.0%
607500500	FICA EXPENSE	21,573	21,283	18,534	-	18,534	(14.1%)
607500600	GROUP INSURANCE EXPENSE	46,725	44,800	42,860	-	42,860	(8.3%)
607500700	RETIREMENT EXPENSE	40,583	40,035	36,680	-	36,680	(9.6%)
607500800	DEFERRED COMPENSATION	14,101	13,910	12,114	-	12,114	(14.1%)
	EMPLOYEE BENEFITS	404,978	398,228	352,462	-	352,462	
607501100	POSTAGE	57,500	62,518	65,000	-	65,000	13.0%
607501200	PRINTING	1,000	750	1,000	-	1,000	0.0%
607501300	TELEPHONE	1,500	1,000	1,500	-	1,500	0.0%
607501400	TRAINING & TRAVEL	5,000	2,000	5,000	-	5,000	0.0%
607501600	EQUIPMENT MAINTENANCE	1,500	500	500	-	500	(66.7%)
607501800	UTILITIES	9,250	9,250	10,638	-	10,638	15.0%
607503300	DEPARTMENTAL SUPPLIES	33,800	27,500	28,500	-	28,500	(15.7%)
607504500	CONTRACTUAL SERVICES	65,500	65,500	77,500	-	77,500	18.3%
607504510	INS-PROPERTY & GENERAL	3,250	3,000	3,250	-	3,250	0.0%
607504600	PROFESSIONAL SERVICES	37,500	37,500	40,000	-	40,000	6.7%
607504700	CARD PROCESSING FEE	70,000	85,000	95,000	-	95,000	35.7%
607504920	BAD DEBT EXPENSE	47,500	45,000	50,000	-	50,000	5.3%
607505300	DUES & SUBSCRIPTIONS	500	500	750	-	750	50.0%
	OPERATING EXPENDITURES	333,800	340,018	378,638	-	378,638	
607507401	CAPITAL-SOFTWARE/COMP	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 738,778</u>	<u>\$ 738,246</u>	<u>\$ 731,100</u>	<u>\$ -</u>	<u>\$ 731,100</u>	




# FY 26-27 Budget *Revenue Analysis*

**Town Manager's Recommended Budget**  
March 30, 2026



# PROPERTY TAXES

 Southern Pines	22-23 \$0.40 tax rate	23-24 \$0.29 revenue neutral tax rate	24-25 \$0.29 tax rate	25-26 expected \$0.29 tax rate	26-27 recommended \$0.30 tax rate
Budgeted	\$12,224,926	\$ 12,847,195	\$ 13,530,135	\$13,431,783	\$14,057,994
Change from PY	6%	2%	5%	-1%	5%

The Town maintained a \$0.40 tax rate through FY 23, despite rising costs, largely due to strong sales tax revenues and increases in property values. The Town also benefits from high collection rates of property taxes (approximately 99%), another positively contributing factor. Following the 2023 revaluation, the tax rate was reduced by 11 cents to the “revenue neutral” rate of \$0.29 in FY 24 and has remained at that level through FY 26.

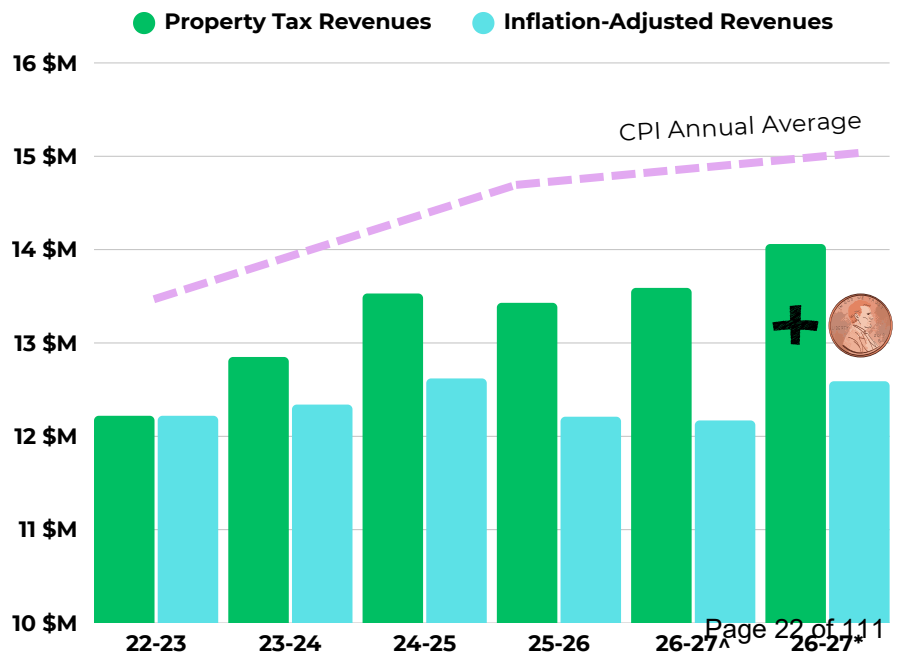
**Over the past five years, property tax revenues have increased by approximately \$1.8M.**

However, when adjusted for inflation, the Town’s purchasing power has remained relatively flat, even decreasing slightly this year. In practical terms, this means the Town is collecting more revenue, but those dollars do not go as far. For example, a household may earn slightly more income today, but if groceries that once cost \$150 now cost \$200, that additional money doesn’t stretch as far. The Town is experiencing the same, where rising costs for services, contracts, and materials are outpacing revenue growth.


**The FY 26–27 recommended budget is modeled on (1) a one-penny tax rate increase to \$0.30 and (2) a 2.2% increase in property values.** These assumptions generate a **modest \$528,000 increase in property tax revenue compared to the current year.** However, this additional revenue does not fully offset the new financial obligations associated with Town Hall, including \$643,082 in annual debt service payments plus operating costs. Even if all other expenditures were to remain flat—which is not realistic in an inflationary environment—the current \$0.29 tax rate will not generate enough revenue to absorb the costs of Town Hall on its own.

The recommended budget reflects these realities through a combination of approaches, including the one-penny tax rate increase and targeted reductions and deferrals to minimize impacts to service levels. This approach is also consistent with analysis from the NC League of Municipalities, around moderate but uncertain revenue growth alongside continued inflationary pressures.

In addition, the General Assembly is actively evaluating potential changes to property tax policy that could impact local revenue flexibility in future years. All of these factors highlight the importance of proactive, local decision-making to maintain long-term financial sustainability.



# OTHER TAXES & LICENSES

 Southern Pines	ABC Revenues	Vehicle Rental Tax	Municipal Vehicle Tax	Solid Waste Disposal Tax	Beer & Wine Privilege License
<b>Budgeted</b>	<b>\$280,000</b>	<b>\$85,000</b>	<b>\$69,000</b>	<b>\$12,500</b>	<b>\$3,000</b>
<b>Change from PY</b>	<b>--</b>	<b>(\$3,478)</b>	<b>\$375</b>	<b>(\$1,029)</b>	<b>(\$270)</b>

Local spending at our ABC stores provides about **\$280k in ABC taxes**. This is a fairly stable revenue due to the consistent demand for alcohol, regardless of economic conditions.

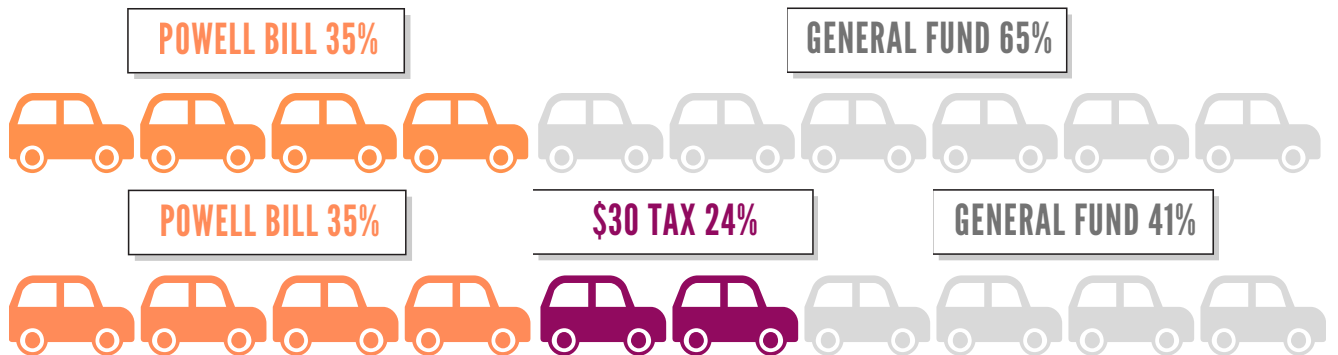
The Town receives **short-term vehicle rental tax revenue** from rentals of 90 days or less. While largely tied to tourism, it also reflects local demand for temporary rentals, like vehicle repairs. With the exception of outlier years like the 2024 U.S. Open, this revenue source is stable but shows little year-to-year growth.



Southern Pines levies a **\$5 annual municipal vehicle tax** on each vehicle registered in NC. State law allows municipalities to levy up to \$30 in \$5 increments. The first \$5 may be used for any lawful purpose; amounts above \$5 must be dedicated to public street projects. An increased tax could generate up to \$345k in additional revenue in FY 27. For context, the budget shows **an estimated \$1.1M gap between the \$607k Powell Bill allocation and \$1.7M in planned street and sidewalk investments, as the Powell Bill amount covers only about 35% of these transportation projects.**

Annual Tax	\$5	\$10	\$15	\$20	\$25	\$30
Revenue Increase	--	\$69k	\$138k	\$207k	\$276k	\$345k

**Increasing the Municipal Vehicle Tax from \$5 to \$30** could help shift a greater share of these transportation costs away from property taxes and other unrestricted revenues. While not included in the recommended budget, the tax change is an option for Council consideration.

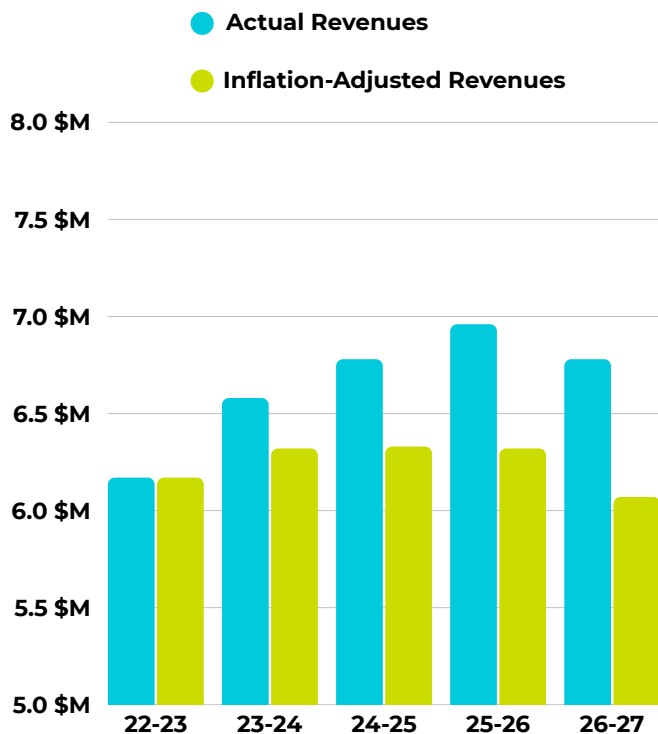


North Carolina levies a **\$2 per ton solid waste disposal tax** on landfill waste or waste at a transfer station for disposal outside NC. The state distributes a portion of this to municipalities on a per capita basis. Since it's based on population, any growth is relatively small.

The final revenue included in this category is the **beer & wine privilege license** for restaurants and other retailers who sell beer & wine for on-premise consumption. State law mandates a maximum of \$15 (\$30 if both are sold) for this annual license, which is what the Town charges.

# SALES TAXES

Southern Pines	22-23 actual	23-24 actual	24-25 actual	25-26 expected	26-27 budgeted
Budgeted	\$ 6,173,640	\$ 6,581,469	\$ 6,781,581	\$6,955,784	\$6,781,320
Change from PY	\$ 527,692 9.3%	\$407,829 6.6%	\$200,112 3.0%	\$174,203 2.6%	(\$174,464) -2.5%



Sales tax has been a strong and important revenue source, especially during the pandemic and in recent years. Using a 3-year moving average, **staff is currently modeling approximately \$6.78M in sales tax revenues for FY 26–27, a modest decrease of approximately \$174k from current year expectations.** However, this estimate remains preliminary and will continue to be refined for budget adoption as additional data becomes available.

When adjusted for inflation, recent gains in sales tax revenues are less pronounced. In practical terms, while revenues have grown, the Town’s purchasing power from those revenues has remained relatively flat. For example, **a forecast of \$6.78M in FY 26–27 is more comparable to about \$6.1M in 22-23 dollars.**

At the time of this analysis, the most recent data reflects collections from December 2025. Sales tax forecasting is particularly challenging due to a three-month lag between when taxes are collected and when they are distributed. In addition, the timing of sales tax refunds—processed by the State as claims are received—can create volatility in monthly distributions and data.

While December 2025 taxes showed a new high in collections, local indicators suggested more mixed economic conditions. Some businesses reported lower holiday sales in fall 2025 and feeling the impacts of the federal government shutdown at the same time, which affected many residents and businesses in our military community.

Statewide projections from the NC League of Municipalities indicate that sales tax revenues are expected to continue growing, but at a slower and less consistent pace, with ongoing economic uncertainty and inflation influencing consumer behavior. These same factors are expected to limit significant increases in taxable sales.

Sales tax remains an important but variable revenue source. Because it is tied to consumer spending, tourism activity, and broader economic conditions, it can fluctuate from year to year and is more difficult to forecast than other major revenues. As a result, the Town continues to take a balanced approach—monitoring trends closely and prioritizing the use of stronger-than-expected revenues for one-time needs or reserves when possible.

# UNRESTRICTED INTERGOVERNMENTAL REVENUES

Southern Pines	Sales Taxes on Utilities	Video Programming	Alcohol Excise Taxes
Budgeted	\$1,267,752	\$130,000	\$60,000
Change from PY	--	--	(\$2,500)

North Carolina levies a general sales tax on utility consumption and related services. A specific portion of each tax is allocated to the cities and then distributed based on a formula set by the state legislature. The DOR distributes these tax revenues on a quarterly basis: September 15, December 15, March 15, and June 15. Southern Pines currently receives revenues from the following utilities taxes:

- **Electricity Sales:** This is a 7% sales tax, with 44% of the revenues allocated to the cities. These revenues are based on both an ad valorem share and an excise share, but are also impacted by changes in utility rates; weather variations; annexations; and losses/gains of facilities that are heavy users of electric service. Nearly all of our utility sales taxes comes from electricity.
- **Piped Natural Gas Sales:** The cities are allocated 20% of the revenues for this 7% tax, distributed on both an ad valorem share and an excise share.
- **Telecommunication Services:** North Carolina levies a 7% tax on these services.
- **Local Video Programming:** The Secretary of State is the exclusive franchising authority for cable services. The distribution formula is complex, but we have forecasted \$130k in FY 27.

We continue to see **declines in video programming and telecommunications revenues** as consumers “cut the cord” and shift to streaming services.

We are also closely monitoring electricity tax revenues. As more customers adopt solar power and complete energy-efficient upgrades, overall electricity consumption declines—reducing associated sales tax collections. While the impact is small today, **continued growth in solar and energy efficiency will reduce what has long been a stable revenue source.** We’ve seen this in our own facilities—LED upgrades and solar lighting have lowered our reliance on traditional electric service and our utility bills.



The NC League of Municipalities indicates that electricity sales tax revenues have become more variable in recent years and are expected to grow only modestly (less than 1%) in FY 26–27. In alignment with this guidance, we have budgeted the same revenue amount that we expect to collect this year.

**Excise taxes beer, wine, and distilled spirits.** The state levies varying excise taxes on alcohol; specific distribution formulas determine our actual allocation. The DOR distributes these revenues annually, no later than the end of May, so we have not received our actual collection yet.

# RESTRICTED INTERGOVERNMENTAL REVENUES

Southern Pines	Powell Bill	State Aid to Public Libraries	Fire Safer Grant	Planning URC Grant
<b>Budgeted</b>	<b>\$607,867</b>	<b>\$10,000</b>	--	--
<b>Change from PY expected</b>	--	<b>(\$252)</b>	<b>(\$379,207)</b>	<b>(\$24,250)</b>

The Town forecasts receiving almost \$679k in “restricted” revenues from other government entities. They are restricted because they must be used to pay for certain activities.

The **Powell Bill allocation is the Town’s share of the statewide motor fuel tax** and is based on a formula of 75% population and 25% locally maintained road mileage. Annual funding varies depending on how Southern Pines compares to other municipalities and is distributed twice each year, typically in October and January.

The Town’s estimated **Powell Bill allocation of approximately \$608k** covers less than half of the annual resurfacing program, which totals about \$1.45 million. In addition, the Town invests approximately \$250,000 each year in new sidewalk construction. As a result, more than \$1.1 million in transportation costs must be funded from other sources, primarily property taxes.

The **NC State Library provides annual aid** to promote, support, and equalize services across the state. The NC Library Commission establishes the allocation formula, but it is fairly consistent from year to year, so we are forecasting \$10k. It covers less than 1% of annual library expenditures.


In addition, the Friends of the Southern Pines Public Library, a 501(c)(3) nonprofit, provides important supplemental support. While not included in the Town’s budget (and therefore not shown here), the Friends are a valuable partner, using investment earnings from their endowment to fund programs, materials, and other enhancements beyond what the Town’s General Fund supports.



FY 26 is the final year of receipts for two current grants:

- 3-year **SAFER (Staffing for Adequate Fire and Emergency Response) grant** to hire 6 additional firefighters. This grant paid the salaries and benefits for these 6 firefighters through the end of FY 26.
- The National Park Service awarded a \$75,000 **Underrepresented Communities Grant (URC)** to Southern Pines in 2023 in order to survey and document important historic assets in the West Southern Pines community. We plan to complete this project by the end of FY 26.

# PERMITS & FEES

	Inspection Fees	Public Works & Street Fees	Planning & Zoning Fees	Police
<b>Budgeted</b>	<b>\$500,000</b>	<b>\$120,000</b>	<b>\$110,000</b>	<b>\$10,000</b>
<b>Change from PY expected</b>	<b>\$54,820</b>	<b>--</b>	<b>--</b>	<b>\$6,500</b>

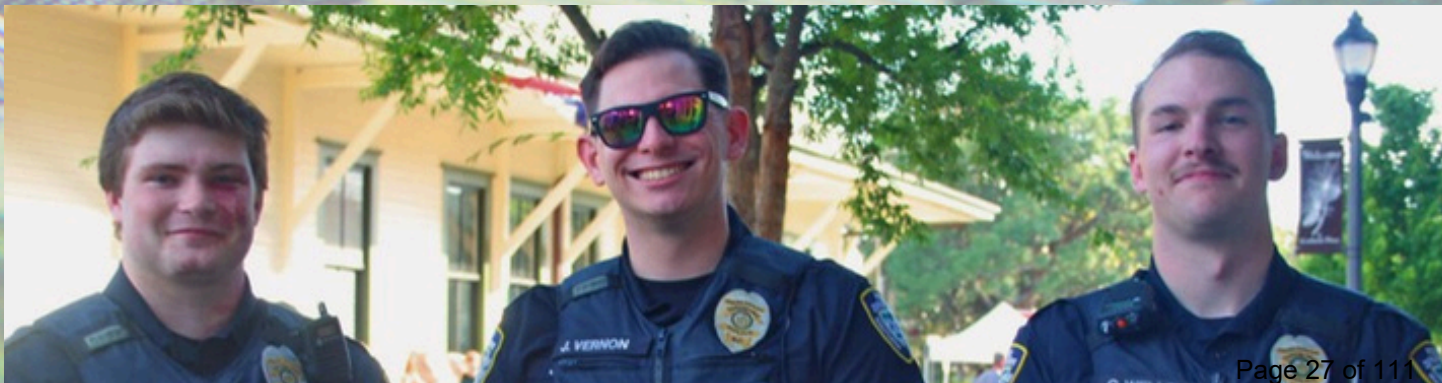
We expect our inspections department will collect **\$500k in building permit fees** issued for new construction or structural changes. This is essentially flat growth compared to the expected \$445k this year. These fees cover the costs of providing reviews and inspections for code compliance and safety. These revenues can vary widely from year to year depending on construction activity and its timing. As an example, FY 25 fees generated just under \$1.1M (a notable project that year was the new Amazon facility) so FY 27 revenues are less than half of what we collected two years ago.

The state mandates a supplemental fee on single-family residential building permits, which we transmit to the NC Licensing Board for General Contractors for the **Homeowners Recovery Fund**. This compensates eligible homeowners who suffered a financial loss caused by a dishonest or incompetent contractor. We anticipated collecting about \$3,000 for the Homeowners Recovery Fund, but this is essentially a pass-through to the State.

We expect our **Public Works department will collect around \$120k**. Their fees cover street repairs following utility cuts as well as construction inspections and erosion control review and compliance.

We have forecasted **\$110,000 in planning department fees** for applications and permits. These are collected for plan reviews as well as the applications for the Town Council or appointed boards. We also collect fees for sign permits, food truck permits, and similar.

The **police department** collects fees for fingerprinting services and excess alarm activations. We also receive excise taxes collected by the state from dealers charged with the possession of controlled substances; these are earmarked for specific police expenditures. We are budgeting \$10k, which is \$6500 more than we expect this year.



# ENVIRONMENTAL SERVICES FEES

Southern Pines	22-23 actual	23-24 actual	24-25 actual	25-26 expected	26-27 recommended
<b>Revenues</b>	<b>\$ 1,593,317</b>	<b>\$1,662,454</b>	<b>\$ 2,233,837</b>	<b>\$2,720,000</b>	<b>\$ 3,117,246</b>
<b>Change from PY</b>	<b>\$518,193</b> 60% residential recovery	<b>\$69,137</b> 50% residential recovery	<b>\$571,383</b> 75% residential recovery	<b>\$486,163</b> 75% residential recovery	<b>\$397,246</b> alternative rate model

FY 26-27 Budgeted	Residential Garbage & Debris Collection	Commercial Garbage Collection	Recycling Subscription
<b>Customers</b>	<b>7,498</b>	<b>412</b>	<b>2,131</b>
<b>26-27 Monthly Fee</b>	<b>\$29.50</b>	<b>\$28.50</b>	<b>\$10.50</b>
<b>Current Fee</b>	<b>\$25.25</b>	<b>\$27.50</b>	<b>\$10.00</b>

Over the past five years, annual solid waste expenditures have steadily increased; **FY 27 expenditures are \$1.3 million higher than the Town spent in FY 22, a total increase of 60%**. This is driven by higher contractor costs, fewer private debris vendors, growth in households and businesses, and inflation.

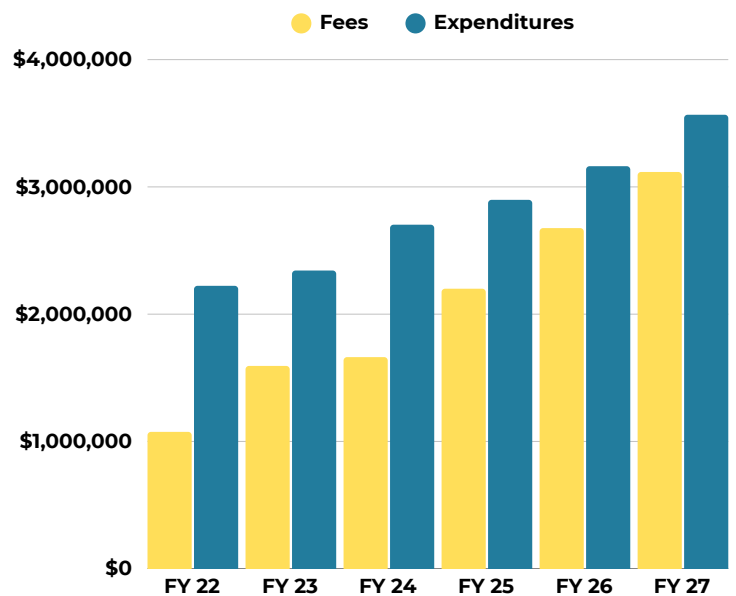
In response, Council has taken steps to manage costs and maintain service quality by shifting to opt-in recycling, standardizing curbside collection, and creating an in-house environmental services team for debris and bulk item collection.

Council also adopted a new fee structure in FY 23 to gradually reduce the General Fund subsidy:

- FY 22 fee revenues covered less than half of total costs. Commercial services were subsidized at the same rate as residential.
- FY 27 fees are modeled to recover approximately 85% of total expenditures.

The FY 27 fee model is designed to fully recover the costs of Meridian’s services:

- Weekly garbage collection & disposal
- Opt-in recycling subscription, collected every other week
- Supplemental services selected by customers, i.e. extra carts



**This updated approach allows Council to recover around 60% of the Town’s environmental services operations for residents**—routine yard debris collection, storm response, and removal of bulk items and appliances—supporting public safety and community appearance. The cost of this 40% subsidy is estimated at \$495,532, the equivalent of about 1 penny of the tax rate. Without the subsidy, the residential fee would be \$35/month or an additional \$66/year.

Compared to the current fee model (25% subsidy of all residential services), **this alternative can generate about \$296k in additional revenue, while continuing Council’s policy preference to subsidize certain residential services.** This fee model is used in the revenue projections here.

# SALES & SERVICES

 Southern Pines	Recreation Fees	Recreation Facility Rentals	Library	Police Extra Duty	Fire Extra Duty
<b>Budgeted</b>	<b>\$280,000</b>	<b>\$68,000</b>	<b>\$60,000</b>	<b>\$48,000</b>	<b>\$1,500</b>
<b>Change from PY expected</b>	<b>(\$30,000)</b>	<b>\$8,000</b>	<b>\$3,500</b>	<b>\$500</b>	<b>--</b>

About **\$328k is expected from parks & recreation programs and facility rentals**. This includes \$280k from recreation programs, covering classes, activities, and camps, along with registration fees for athletics. We project \$68k from facility rentals, which includes various town facilities and outdoor spaces. This \$8k increase from rentals is largely attributed to opening the Whitehall Carriage House to private renters, as well as continued demand for our rental facilities.



Council-approved fees apply to recreation activities and rentals, with non-residents typically charged double the resident rate. When staff prepares the revised fee schedule to add the Carriage House rental rates, **staff will evaluate all facility rental fees to ensure they are adequately offsetting rising expenses for utilities, custodial services, and general wear-and-tear on the buildings.**

We expect around **\$60k in library revenues**, largely from non-resident library cards and fees for lost books and materials. We continue to be “fine free” while seeing materials returned in a timely manner and more library cards issued. This highlights a positive service enhancement at no additional cost.

Businesses and other organizations **hire our off-duty police officers and firefighters** to provide public safety resources for large gatherings, temporary road closures, and similar activities. The Town invoices these organizations and then pays employees directly for this service. The fee includes the use of Town-issued vehicles and uniforms as well as workers compensation insurance for the employee(s). We are forecasting just under **\$50k for both police and fire.**

# OTHER REVENUES

Southern Pines	Fire District Taxes	Leases	Surplus Property Sales	Misc. Revenues	Donations
Budgeted	\$697,200	\$363,552	\$250,000	\$53,700	\$50,770
Change from prior year	\$74,376	\$9,741	\$157,000	(\$11,015)	\$41,180

The Fire Department serves an area that is larger than our corporate limits, extending into unincorporated Moore County. Fire district taxes levied by Moore County fund part of these costs from a fire tax collected from County residents and distributed to the municipal fire departments based on a determined formula. We are budgeting **\$697k in fire taxes, which would cover about 13% of total estimated expenditures for service in all of Southern Pines AND the district.** This represents an increase of just under \$75k, based on indications from the Moore County Board of Commissioners that they plan to increase the fire tax rate in FY 27.



The Town maintains **leases and property use agreements that provide access to Town facilities and infrastructure under specific terms.** Examples include cellular antennas on water towers, the Arts Council’s use of Campbell House, public parking spaces with electric vehicle charging stations, Welcome to Southern Pines at the train depot, and Talamore Golf Course’s use of Reservoir Park for irrigation.

**A 2024 facility analysis noted that some of these agreements are not fully recovering rising costs. As leases are renewed or renegotiated, there may be opportunities to improve cost recovery. In addition, as staff transition to Town Hall, Council may consider new leases or use agreements for vacated buildings. Revenue projections included here only existing agreements and their current terms for FY 27.**



We are forecasting a total of **\$51,170 in donations.** This notable increase is associated with the agreement Council executed with the Sandhills Bogeys. In order to access Armory Field, the agreement requires that they pay the Town the cost of **installing lights at J. Pleasant Hines Park.** This is a 100% reimbursement to the Town, estimated at just under \$49k. The associated expenditure is also included in the Parks & Recreation budget.

As various equipment and other items are taken out of service, we declare them **“surplus”** and then offer them for sale. For specialized equipment or vehicles, we try to locate another local government (usually a smaller city). We use online platforms like govdeals.com to sell more common items, like passenger vehicles, office equipment, and furniture. Annual revenues vary considerably based on the items sold and their value. We have forecast \$250k based on items we anticipate taking out of service next year; the notable increase is associated with the **planned sale of a fire engine and ladder truck.**

We forecast **\$53,700 in miscellaneous revenues,** which includes Mt. Hope Cemetery plots and court costs distributed from the Moore County Clerk of Superior Court.

# OTHER REVENUES & FINANCING PROCEEDS

	Investment Earnings	Leases & SBITAs	Financing Proceeds
Budgeted	\$650,000	\$380,760	\$0
Change from PY expected	(\$112,500)	\$273,210	--

The Town invests cash depending on adopted investment policies. Interest is allocated monthly to each fund based upon the balances in the funds. The actual amount of **investment earnings** can vary considerably year to year depending on the amount of cash invested and interest rates.

Revenues reported as **leases/SBITAs** are an accounting function for compliance with GASB (Governmental Accounting Standards Board). These standards were implemented a few years ago and only reflected in recent budgets and annual financial reports. SBITAs are Subscription-Based Information Technology Agreements and involve a contract between the Town and another party, granting us the right to use IT software for a period of time in exchange for a fee. In accordance with GASB 87, the Town must recognize revenues with certain leases.

If the Town planned to take on new debt to help fund the FY 27 budget, this would appear as financing proceeds. While the principal & interest payments for Town Hall are a new expenditure, there is not an associated revenue/financing source, so this amount is \$0.



# FY 26-27 Budget *Environmental Services*



March 24, 2026

UPDATED March 30, 2026

In January 2025, the Town of began a new contract with Meridian Waste to provide garbage and recycling collection services to approximately 8,000 customers, including roughly 7,600 residential households and just over 400 small businesses.



At the same time, the Town established its Environmental Services Division, a seven-person team responsible for collecting yard debris twice per month from residential neighborhoods and providing on-demand pickup of bulk items and white goods

By being creative, innovative, and adaptable, we can find the best path forward. It's the

# Residential Solid Waste Fee Structure: Status Quo Model

The following reflects the current residential service level and fee structure:

- Weekly curbside garbage collection (one cart per household)
- Yard debris collection twice per month in single-family neighborhoods
- Bulk item and white goods collection at the curb (weekly or as needed)

Based on estimated expenditures, the total cost to provide these services is approximately \$35.25 per household per month. Residential customers currently pay \$25.25 per month, which represents approximately 75% cost recovery, with the remaining 25% subsidized by the General Fund.

If this 75% cost recovery model is maintained, the projected General Fund subsidy will be approximately \$792K in the upcoming fiscal year. Due to rising costs, it will cost the Town an additional \$27k next year to continue the 25% cost subsidy (about \$0.06).

## Supplemental Fee for Additional Garbage Cart (Optional)

- One-time fee: \$75 (first cart provided at no cost - no change from current)
- Monthly fee: \$7.00 (+\$0.75 increase)
- Current participation: 78 customers

NOTE: all customer fees have been modeled WITHOUT the purchase of an additional knuckle boom truck in FY 27 (requested by staff, but not in the Town Manager’s draft budget). If Council chooses to fund that, the 75% cost recovery fee would increase to \$28.50.

Recovery of Total Residential Costs	100%	90%	80%	75%
Monthly Residential Customer Fee	\$35.25	\$31.75	\$28.25	\$26.50
Increase from Current \$25.25	\$10.00	\$3.50	\$3.00	\$1.25
Estimated General Fund Cost for Subsidy	--	\$313k	\$632k	\$792k
FY 26-27 Tax Rate Equivalent of Subsidy	--	0.67	1.34	1.68
Annual Customer Savings from 100% Cost Recovery	--	\$42	\$84	\$105
Monthly Customer Savings from 100% Cost Recovery	--	\$3.50	\$7.00	\$8.75



# Residential Fees: An Alternative Structure



Staff has modeled an alternative approach that would reduce the General Fund subsidy by increasing cost recovery for the fixed Meridian contract but still maintaining tax support for services that benefit the broader community.

Under this model, both residential and commercial customers would pay 100% of the cost of the Meridian Waste contract, while residential customers would also pay a portion of the Town's environmental services costs for yard debris and bulk item collection.

Meridian Waste Contract: Garbage and recycling services are provided through a multi-year contract with fixed terms and limited flexibility. As such, these costs function largely as a pass-through and are appropriately recovered through user fees. Even at full cost recovery, customer rates would remain competitive with the private market.

Environmental Services Operations: In addition to routine yard debris collection, this service provides broader community benefits, including storm debris removal, emergency response support, and the removal of large items and appliances that would otherwise create nuisance conditions or visual impacts. These services are more comparable to other core Town services that are partially supported through property taxes, such as public safety, parks, the library, and public works.

As an example, the Town could recover 60% at a monthly fee of \$29.50 and generate \$296k more than the 75% "status quo" fee).

- Residential fee: \$29.50 per month (+\$4.25)
- Commercial fee: \$28.50 per month (+\$1.00)
- Estimated General Fund subsidy: approximately \$496K (about 1.05 pennies)



% Recovery of TOSP Environmental Services + 100% of Meridian Contract	75%	70%	65%	60%
Monthly Residential Customer Fee	\$31.50	\$31.00	\$30.25	\$29.50
Increase from Current \$25.25	\$6.25	\$5.75	\$5.00	\$4.25
Estimated General Fund Cost for Subsidy	\$313k	\$359k	\$427k	\$496k
Additional Revenue Compared to Continuing the 75% Cost Recovery Status Quo	\$479k	\$433k	\$365k	\$296k
FY 26-27 Tax Rate Equivalent of Subsidy	0.67	0.76	0.91	1.05
Annual Customer Savings from 100% Cost Recovery	\$42	\$48	\$66	\$66
Monthly Customer Savings from 100% Cost Recovery	\$3.50	\$4.00	\$5.50	\$5.50

# Residential Fees: Revenue Comparison



Staff has modeled an alternative approach that would reduce the General Fund subsidy by increasing cost recovery for the fixed Meridian contract. This would still continue Council's stated policy desire to maintain tax support for services that benefit the broader community.

Under this model, both residential and commercial customers would pay 100% of the cost of the Meridian Waste contract, while residential customers would also pay a portion of the Town's environmental services costs for yard debris and bulk item collection. The difference between these two approaches is shown below:

**ALTERNATIVE APPROACH: Recover 100% of Meridian costs & 60% of TOSP costs**

The Town could recover 60% of it's costs at a residential monthly fee of \$29.50, which would positively impact the General Fund by \$296k (compared to continuing the 75% "status quo" fee). The amount the General Fund must subsidize would decrease to \$496k.

**STATUS QUO APPROACH: Recover 75% of ALL costs from residents & 100% of Meridian costs from commercial customers.** If this 75% cost recovery model is maintained, the residential fee would be \$26.50, requiring a General Fund subsidy of approximately \$792K.

ALTERNATIVE APPROACH 100%/60% Cost Recovery Meridian/TOSP		STATUS QUO APPROACH 75% Cost Recovery
\$29.50	Monthly Residential Fee	\$26.50
\$3.00	Difference Between Monthly Fee	(\$3.00)
\$3,117,246	Total Estimated Revenues	\$2,820,924
\$296,322	Revenue Difference Between Models	(\$296,322)
\$496k	Estimated General Fund Cost for Subsidy = Total Expenditures - Expected Revenues	\$792k
--	Revenue Difference from Recommended Budget	(\$296,322)
1.05	FY 26-27 Tax Rate Equivalent of Subsidy	1.68
\$66	Annual Value of Subsidy to Customer = (Full Cost Recovery \$35.00 - Fee) X 12 Months	\$105

## Fees for Commercial Services

The Town provides services for around 412 small businesses. The cost to provide these services will be \$28.50 per month, which is an increase of \$1 and is based on our contract terms with Meridian. Based on Council policy of recovering 100% of the costs, FY 26-27 fees will be:

- \$28.50 per commercial business per month for one garbage cart
- \$9.00 per month supplemental fee to have a second cart collected (28 customers currently)

We currently charge a one-time fee of \$75 to acquire the second cart, which is based on the Town's actual costs to purchase these carts. We don't recommend any changes to this fee.

## Fees for Recycling Subscription

Subscribers are provided a 95-gallon cart, which is collected *every other week*. Meridian bills the Town a fixed cost per month based on a tiered number of customers and this includes collection & disposal. We are currently billed at the highest tier outlined in the contract (1,951+customers). Recommended fees for the upcoming year (\$0.50 increase from current):

Residential subscribers: \$10.50 per month (1 or 2 carts)

Commercial subscribers: \$10.50 per cart per month (maximum of 2 carts)

One time charge to acquire 2nd cart (residential & commercial): \$75



By The Numbers: Southern Pines Recycling Subscription as of March 16, 2026

Subscribers: 2,131

How does the subscription service work?

- Subscribers are provided 1 recycling cart, which is collected at the curb every other week.
- Subscribers may add a 2nd cart for a one-time \$75 fee to acquire the cart. Commercial customers then pay \$10.50/cart/month; residential customers pay a flat \$10.50/month, whether they have one or two carts collected.
- Subscribers may discontinue the service at any time by contacting the Utility Billing department.
- The Town is divided into an "A route" and a "B route" to distinguish the weeks that the bi-weekly service is provided. Currently, both routes are collected on Fridays for all customers.



# FY 25-26 Projections

The Town budgets for environmental services in the General Fund. When the FY 2025–26 budget was adopted in June, Council established a combined residential fee of \$25.25 per month for garbage and debris collection. This rate was intended to recover approximately 75% of the Town’s costs for serving residential customers.

With a 75% cost recovery, other General Fund revenues help to pay for environmental services since the user fees do not fully cover expenditures. When the budget was adopted, it was estimated that this subsidy would total \$765,000 for FY25-26.

To look at it from a different perspective, the Town’s property tax rate for FY 25-26 is \$0.29. The \$765k subsidy is the equivalent of about 1.66 pennies or 6% of the property tax rate.

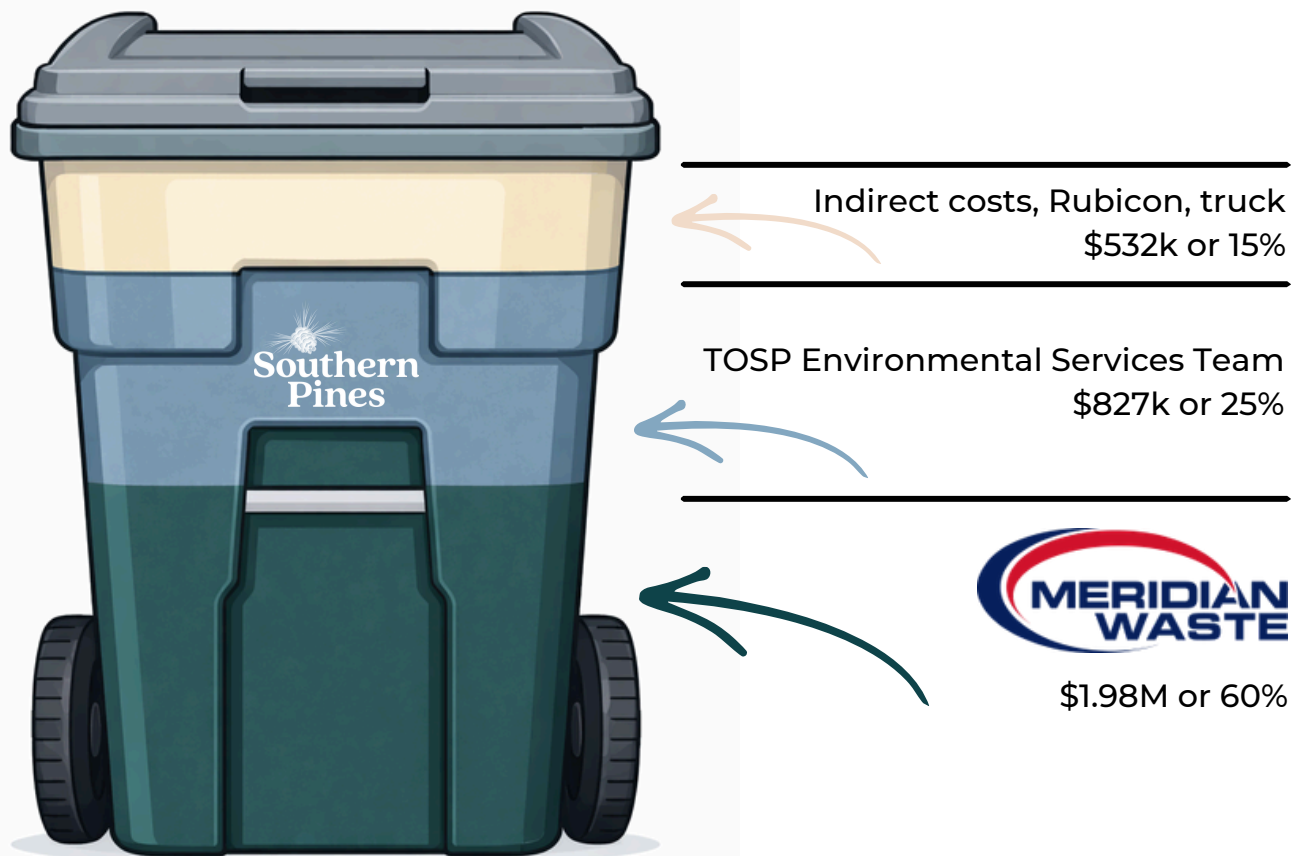
Commercial customers are charged \$27.50 per month for garbage collection and disposal, which is intended to recover 100% of the Town’s costs for providing that service.

Recycling collection is offered on a subscription basis for an additional \$10 per month. Customers may also elect other services, such as collection of extra trash or recycling.

Based on this fee structure and expenditures through January 31, 2026, we anticipate total annual costs for these services will be approximately \$3.3 million, in addition to around \$80,000 in asset depreciation for vehicles assigned to the Environmental Services Division.

Through June 30, we project receiving approximately \$2.7M in customer fee revenue, so user fees will fall about \$700k short of total costs this year.

## What “Fills” the \$3.3M Environmental Services Cart?



**DRAFT**

# FY 26-27 Budget

July 1, 2026 to June 30, 2027  
Working Document for Council Budget Retreat

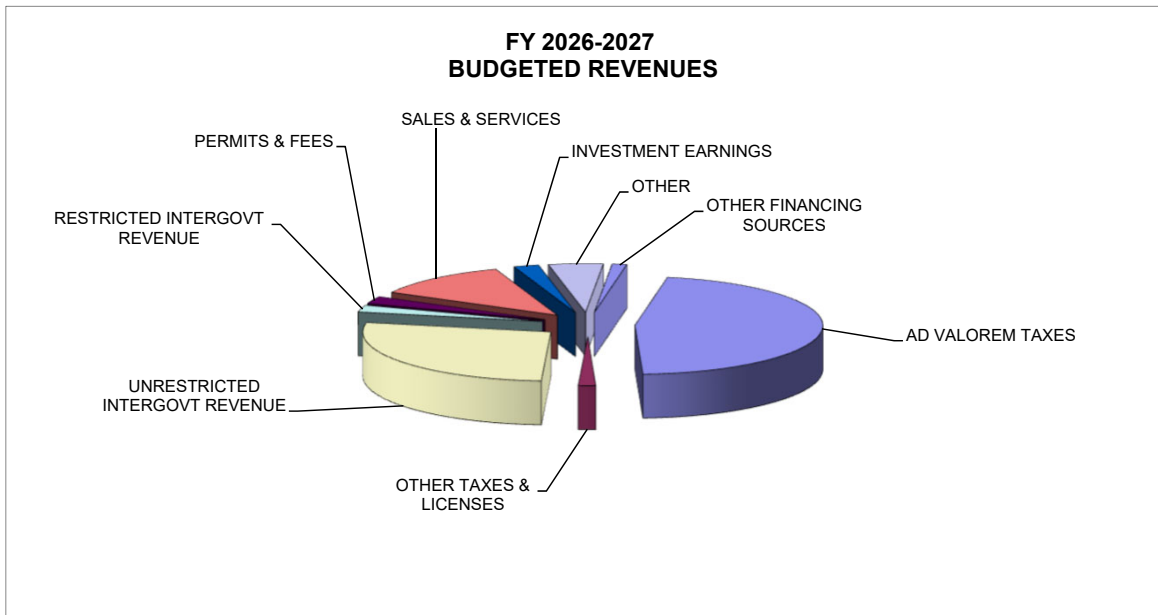


TOWN OF SOUTHERN PINES  
GENERAL FUND  
BUDGET SUMMARY  
2026-2027

	ACTUAL 2024-2025	BUDGET 2025-2026 as of 03/01/26	EXPECTED REVENUES EXPENDITURES 2025-2026	BUDGET 2026-2027
Available Fund Balance - Beginning	\$ 11,239,902	\$ 11,166,406	\$ 11,166,406	\$ 13,150,123
Total Revenues & Reserve Increases	28,911,430	36,553,601	36,744,196	30,203,061
Total Funds Available	40,151,332	47,720,007	47,910,602	43,353,184
Total Expenditures	26,230,224	33,869,756	31,085,959	34,250,573
Transfers Out to Capital Projects	2,754,702	3,674,520	3,674,520	250,000
Available Fund Balance - Ending	\$ 11,166,406	\$ 10,175,731	\$ 13,150,123	8,852,611
Less 3 Months Expenditures				8,562,643
Available Fund Balance - FYE 06/30/27				\$ 289,968

TOWN OF SOUTHERN PINES  
GENERAL FUND  
CONSOLIDATED REVENUE SUMMARY  
2026-2027

	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET 2025-2026	EXPECTED as of 03/01/26	BUDGET 2026-2027	% of Revenue
AD VALOREM TAXES	\$ 12,224,926	\$ 12,847,195	\$ 13,530,135	\$ 13,384,612	\$ 13,431,783	\$ 14,057,994	46.54%
OTHER TAXES & LICENSES	435,894	446,893	454,991	434,400	453,902	449,500	1.49%
UNRESTRICTED INTERGOVT REVENUE	7,530,176	8,051,843	8,393,141	7,609,151	8,416,036	8,239,072	27.28%
RESTRICTED INTERGOVT REVENUE	562,693	932,628	1,084,532	1,152,737	1,231,861	679,167	2.25%
PERMITS & FEES	950,904	1,111,580	1,337,502	753,500	679,330	743,000	2.46%
SALES & SERVICES	1,971,555	2,169,012	2,742,920	3,114,273	3,210,800	3,588,346	11.88%
INVESTMENT EARNINGS	696,618	982,683	854,622	750,000	762,500	650,000	2.15%
OTHER	1,093,668	1,037,587	1,230,238	995,301	1,145,215	1,415,222	4.69%
OTHER FINANCING SOURCES	4,090,309	290,454	371,530	3,352,720	3,310,720	380,760	1.26%
	<u>\$ 29,556,743</u>	<u>\$ 27,869,875</u>	<u>\$ 29,999,611</u>	<u>\$ 31,546,694</u>	<u>\$ 32,642,147</u>	<u>\$ 30,203,061</u>	



Town of Southern Pines  
General Fund  
Schedule of Revenues  
2026-2027

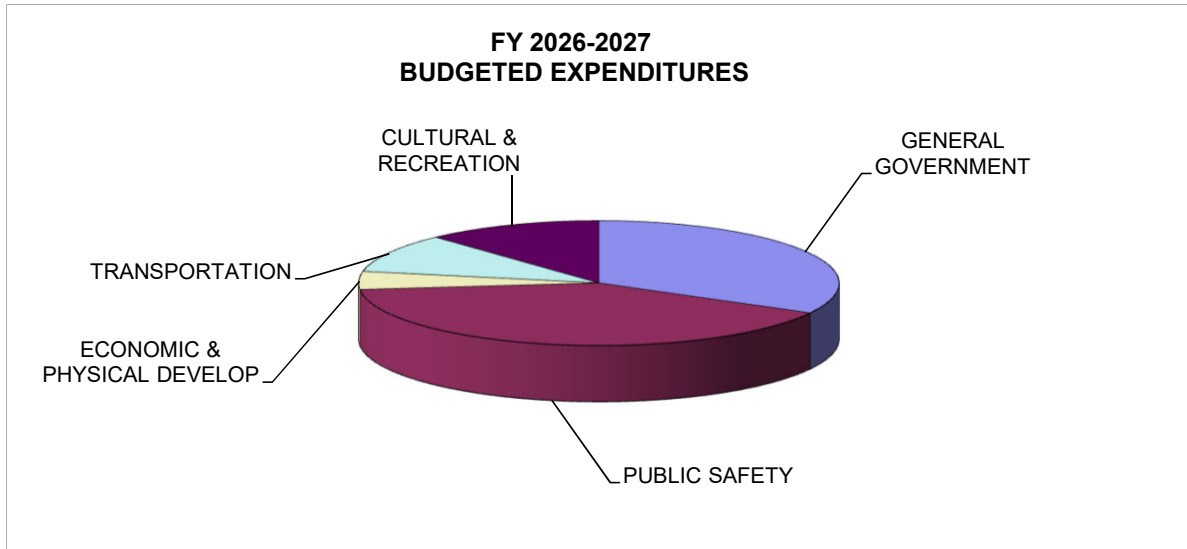
	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET 2025-2026 as of 07/01/25	BUDGET 2025-2026 as of 03/01/26	EXPECTED REVENUES 2025-2026	BUDGET 2026-2027
<b>AD VALOREM TAXES:</b>							
Current	\$ 12,195,939	\$ 12,826,110	\$ 13,499,445	\$ 13,373,612	\$ 13,373,612	\$ 13,417,639	\$ 14,046,994
Delinquent	12,115	5,994	12,890	7,000	7,000	8,011	7,000
Penalties & Interest	16,872	15,091	17,800	4,000	4,000	6,133	4,000
<b>TOTAL AD VALOREM TAXES</b>	<b>12,224,926</b>	<b>12,847,195</b>	<b>13,530,135</b>	<b>13,384,612</b>	<b>13,384,612</b>	<b>13,431,783</b>	<b>14,057,994</b>
<b>OTHER TAXES &amp; LICENSES:</b>							
Short-Term Rental Property Tax	67,830	81,587	85,689	75,000	75,000	88,478	85,000
Solid Waste Disposal Tax	12,389	12,952	12,997	12,000	12,000	13,529	12,500
Privilege/Beer - Wine License	3,050	3,010	3,735	2,400	2,400	3,270	3,000
Alcoholic Beverage Ctrl	286,565	282,779	283,945	280,000	280,000	280,000	280,000
Municipal Vehicle Tax	66,060	66,565	68,625	65,000	65,000	68,625	69,000
<b>TOTAL OTHER TAXES</b>	<b>435,894</b>	<b>446,893</b>	<b>454,991</b>	<b>434,400</b>	<b>434,400</b>	<b>453,902</b>	<b>449,500</b>
<b>UNRESTRICTED INTERGOVT REVENUE:</b>							
Article 39 Sales Tax - 1%	2,471,668	2,688,357	2,754,867	2,476,082	2,588,268	2,867,141	2,770,634
Article 40 Local Sales Tax - 1/2%	1,278,266	1,337,057	1,390,309	1,259,969	1,317,465	1,401,099	1,378,090
Article 42 Local Sales Tax - 1/2%	1,223,297	1,332,902	1,362,746	1,225,868	1,283,363	1,421,785	1,374,144
Article 44 1/2%-Hold Harmless	1,200,409	1,223,153	1,273,659	1,171,767	1,225,055	1,265,759	1,258,452
Beer and Wine Tax	72,341	80,171	67,387	60,000	60,000	62,500	60,000
Video Programming	146,857	136,851	131,608	135,000	135,000	130,000	130,000
Utilities Franchise/Sales	1,137,338	1,253,352	1,412,565	1,000,000	1,000,000	1,267,752	1,267,752
<b>TOTAL UNRESTRICTED INTERGOVERNMENTAL</b>	<b>7,530,176</b>	<b>8,051,843</b>	<b>8,393,141</b>	<b>7,328,686</b>	<b>7,609,151</b>	<b>8,416,036</b>	<b>8,239,072</b>
<b>RESTRICTED INTERGOVT REVENUE:</b>							
Powell Bill Allocation	484,069	546,561	606,431	606,431	606,431	607,867	607,867
State Aid Library	8,314	9,729	10,022	9,000	9,000	10,252	10,000
Library Grants	47,604	0	0	0	0	4,219	0
Recreation Grants	6,750	3,750	2,000	0	0	1,000	0
FEMA Revenue	0	8,892	71,293	0	87,599	87,599	0
On-Behalf of Pymts. - Fire	13,456	13,660	15,156	0	0	0	0
Fire Grants	0	326,317	322,019	379,207	379,207	453,224	0
Planning Grants	0	16,250	32,250	24,250	24,250	24,250	0
Police Grants	2,500	7,469	25,361	46,250	46,250	43,450	61,300
<b>TOTAL RESTRICTED INTERGOVERNMENTAL</b>	<b>562,693</b>	<b>932,628</b>	<b>1,084,532</b>	<b>1,065,138</b>	<b>1,152,737</b>	<b>1,231,861</b>	<b>679,167</b>
<b>PERMITS AND FEES:</b>							
Inspections	740,151	848,694	1,073,135	500,000	500,000	445,180	500,000
Planning	82,385	76,990	97,344	100,000	100,000	90,000	90,000
Homeowner Recovery Fee	2,860	2,780	3,280	3,500	3,500	2,500	3,000
Zoning Fees	17,900	17,300	17,600	20,000	20,000	20,000	20,000
Street Department	46,776	68,630	62,922	60,000	60,000	60,000	60,000
Fire	650	28	2,650	0	0	4,150	0
Public Works	48,816	89,381	77,490	60,000	60,000	53,000	60,000
Police Department	11,366	7,777	3,081	10,000	10,000	4,500	10,000
<b>TOTAL PERMITS AND FEES</b>	<b>950,904</b>	<b>1,111,580</b>	<b>1,337,502</b>	<b>753,500</b>	<b>753,500</b>	<b>679,330</b>	<b>743,000</b>

Town of Southern Pines  
General Fund  
Schedule of Revenues  
2026-2027

	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET 2025-2026 as of 07/01/25	BUDGET 2025-2026 as of 03/01/26	EXPECTED REVENUES 2025-2026	BUDGET 2026-2027
<b>SALES AND SERVICES:</b>							
Library	\$ 48,760	\$ 54,170	\$ 88,811	\$ 60,000	\$ 60,000	\$ 56,500	\$ 60,000
Recreation Fees	241,308	311,935	266,209	280,000	280,000	310,000	280,000
Police Extra Duty	29,115	78,525	61,381	45,000	45,000	47,500	48,000
Fire Extra Duty	1,755	3,570	1,985	3,000	3,000	1,500	1,500
Rents	1,425	2,520	6,278	0	0	5,300	3,600
Facility Rental - Recreation	55,875	55,838	83,856	50,000	50,000	60,000	68,000
Court Facilities Fee	0	0	0	0	0	0	0
Reservoir Park	0	0	563	0	0	10,000	10,000
Disposal Fee/Recycling Fee	1,593,317	1,662,454	2,233,837	2,676,273	2,676,273	2,720,000	3,117,246
<b>TOTAL SALES AND SERVICES</b>	<b>1,971,555</b>	<b>2,169,012</b>	<b>2,742,920</b>	<b>3,114,273</b>	<b>3,114,273</b>	<b>3,210,800</b>	<b>3,588,346</b>
<b>INVESTMENT EARNINGS:</b>	<b>696,618</b>	<b>982,683</b>	<b>854,622</b>	<b>500,000</b>	<b>750,000</b>	<b>762,500</b>	<b>650,000</b>
<b>OTHER:</b>							
Surplus Property Sales	87,792	49,480	31,367	50,000	50,000	93,000	250,000
Lease Revenue	393,712	337,676	331,773	327,153	327,153	353,811	363,552
Miscellaneous Revenue	112,681	161,645	187,238	50,000	50,000	59,515	50,000
Demolition Liens	1,800	1,650	1,800	0	0	1,275	0
Fire Donations	245	275	20	2,500	2,500	0	0
Court Costs	2,239	1,737	2,286	2,500	2,500	2,200	2,200
Cemetery	3,625	4,675	4,140	1,000	1,000	3,000	1,500
Fire District Revenue - Capital	0	0	86,383	60,148	60,148	69,136	129,200
Fire District Revenue	468,150	463,145	545,761	500,000	500,000	553,688	568,000
Donations	23,424	17,304	39,470	2,000	2,000	9,590	50,770
<b>TOTAL OTHER REVENUE</b>	<b>1,093,668</b>	<b>1,037,587</b>	<b>1,230,238</b>	<b>995,301</b>	<b>995,301</b>	<b>1,145,215</b>	<b>1,415,222</b>
<b>OTHER FINANCING SOURCES</b>							
Transfer - ARPA Revenue Rplcmnt	3,922,210	0	0	0	0	0	0
Transfer - CPF Paving	0	0	0	0	3,203,170	3,203,170	0
Financing Proceeds Leases/SBITA's	168,099	290,454	371,530	94,550	149,550	107,550	380,760
Financing Proceeds	0	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>4,090,309</b>	<b>290,454</b>	<b>371,530</b>	<b>94,550</b>	<b>3,352,720</b>	<b>3,310,720</b>	<b>380,760</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>29,556,743</b>	<b>27,869,875</b>	<b>29,999,611</b>	<b>27,670,460</b>	<b>31,546,694</b>	<b>32,642,147</b>	<b>30,203,061</b>
<b>FUND BALANCE [(ADD TO)/USE OF]:</b>	<b>(5,609,829)</b>	<b>1,855,893</b>	<b>(1,014,685)</b>	<b>5,006,907</b>	<b>5,997,582</b>	<b>2,118,332</b>	<b>4,297,512</b>
<b>REVENUES AFTER ADDITIONS/ REDUCTIONS FROM FUND BALANCE</b>	<b>\$ 23,946,914</b>	<b>\$ 29,725,768</b>	<b>\$ 28,984,926</b>	<b>\$ 32,677,367</b>	<b>\$ 37,544,276</b>	<b>\$ 34,760,479</b>	<b>\$ 34,500,573</b>

TOWN OF SOUTHERN PINES  
GENERAL FUND  
CONSOLIDATED EXPENDITURE SUMMARY  
2026-2027

	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET as of 03/01/26	EXPECTED EXPENDITURES 2025-2026	BUDGET 2026-2027
GENERAL GOVERNMENT	\$ 7,464,190	\$ 9,522,771	\$ 9,396,412	\$ 11,541,479	\$ 10,511,153	\$ 11,467,708
PUBLIC SAFETY	9,043,368	10,221,389	11,415,171	12,362,247	11,757,188	14,033,451
ECONOMIC & PHYSICAL DEVELOP	1,330,932	1,198,899	1,636,312	1,538,117	1,449,980	1,617,633
TRANSPORTATION	1,322,343	1,346,874	1,772,444	5,185,518	4,749,091	3,530,517
CULTURAL & RECREATION	2,410,553	2,464,747	2,634,083	3,961,044	3,337,196	4,135,571
<b>SUB-TOTAL</b>	<b>21,571,386</b>	<b>24,754,680</b>	<b>26,854,422</b>	<b>34,588,405</b>	<b>31,804,608</b>	<b>34,784,880</b>
NON-DEPARTMENTAL & TRANSFERS	2,375,528	4,971,088	2,130,504	2,955,871	2,955,871	(284,307)
<b>TOTAL</b>	<b>\$ 23,946,914</b>	<b>\$ 29,725,768</b>	<b>\$ 28,984,926</b>	<b>\$ 37,544,276</b>	<b>\$ 34,760,479</b>	<b>\$ 34,500,573</b>



Function	Departments
General Government	Legislation, Administration, Information Technology, Financial Services, Public Works/Environmental Services, Fleet Maintenance, Facility Maintenance
Public Safety	Police-Patrol, Police-Communications, Police-Investigations, Fire
Economic & Physical Development	Planning, Inspections
Transportation	Streets
Cultural & Recreation	Library, Recreation & Grounds

TOWN OF SOUTHERN PINES  
GENERAL FUND  
EXPENDITURE BY FUNCTION AND TRANSFERS  
2026-2027

	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	BUDGET 2025-2026 as of 07/01/25	BUDGET 2025-2026 as of 03/01/26	EXPECTED EXPENDITURES 2025-2026	BUDGET 2026-2027
Legislative	\$ 257,010	\$ 288,613	\$ 264,398	\$ 340,802	\$ 340,802	\$ 316,299	\$ 323,830
Administration	850,923	1,011,665	1,138,963	1,520,082	1,600,681	1,460,734	1,631,784
Information Technology	1,142,374	1,412,770	1,563,381	1,745,025	1,800,025	1,677,941	2,159,145
Financial Services	821,491	826,444	954,715	1,085,120	1,085,120	1,055,999	1,376,146
Police Administration & Patrol	4,341,010	4,841,784	5,529,574	5,922,713	5,922,713	5,483,168	6,632,992
Police Communications	562,987	621,085	670,161	765,379	765,379	634,020	803,161
Investigations	799,726	771,026	842,169	1,094,533	1,094,533	1,014,404	1,305,520
Fire	3,339,645	3,987,494	4,373,267	4,579,622	4,579,622	4,625,596	5,291,778
Planning	854,044	679,220	758,162	867,329	867,329	787,257	877,542
Inspections	476,888	519,679	878,150	670,788	670,788	662,723	740,091
Streets	1,322,343	1,346,874	1,772,444	1,982,348	5,185,518	4,749,091	3,530,517
Public Works/Environmental Services	2,710,713	3,750,724	3,169,797	3,640,195	3,640,195	3,411,578	3,692,981
Fleet Maintenance	326,360	351,058	494,269	638,913	638,913	633,760	606,863
Recreation & Grounds	1,374,429	1,441,092	1,606,224	2,796,602	2,796,602	2,226,905	2,884,600
Library	1,036,124	1,023,655	1,027,859	1,164,442	1,164,442	1,110,291	1,250,971
Facility Maintenance	1,326,569	1,851,397	1,776,702	2,390,743	2,390,743	1,919,467	1,627,459
Special Appropriations:							
Sponsorships	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Economic Development-Dues	26,250	27,600	30,500	30,500	30,500	30,500	32,000
MPO Dues	0	0	1,187	12,000	12,000	2,375	15,000
Shaw House	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Special Appropriations	28,750	30,100	34,187	45,000	45,000	35,375	49,500
Non-Departmental:							
W/S Indirect Costs	(1,200,526)	(1,369,487)	(1,520,805)	(1,831,889)	(1,831,889)	(1,831,889)	(1,991,021)
Installment Purchase-Fire Sub-Station	425,729	418,548	411,368	404,188	404,188	404,188	397,009
Installment Purchase Police Station	453,538	220,708	0	0	0	0	0
Installment Purchase Whitehall Tract	310,171	304,361	0	0	0	0	0
Installment Purchase Annex Upfit	70,497	69,430	68,364	67,298	67,298	67,298	66,231
Installment Lease/SBITA Payments	144,258	206,015	279,949	307,504	314,504	314,504	350,392
Installment Purchase Town Hall	0	0	0	0	327,250	327,250	643,082
Installment Purchase Fire Vehicle	136,926	136,926	136,926	0	0	0	0
Total Non-Departmental	340,593	(13,499)	(624,198)	(1,052,899)	(718,649)	(718,649)	(534,307)
Total Expenditures	21,911,979	24,741,181	26,230,224	30,196,737	33,869,756	31,085,959	34,250,573
Transfers:							
Transfer to Cap Proj-Paving	900,000	1,214,208	1,267,602	1,305,630	1,305,630	1,305,630	0
Transfer to Cap Proj-Storm Water	0	0	29,100	0	0	0	0
Transfer to Cap Proj-Fire Vehicles	0	2,577,365	0	0	0	0	0
Transfer to Cap Proj-General Capital Res	0	0	0	500,000	500,000	500,000	0
Transfer to Cap Proj-Recreation Improv	364,460	377,839	718,000	0	187,900	187,900	0
Transfer to Cap-Proj-Parking Lots	100,000	0	0	0	0	0	0
Transfer to Cap-Proj-Facility Modernizatio	260,475	203,500	0	95,000	95,000	95,000	0
Transfer to Cap-Proj-GF Facility Moderniz	0	0	0	0	0	0	0
Transfer to Cap-Proj-New Garage	0	0	0	300,000	300,000	300,000	0
Transfer to Cap-Steambank Stabilization	0	60,000	0	0	0	0	0
Transfer to Cap Proj-Reservoir Dam Impr	100,000	100,000	200,000	0	474,400	474,400	0
Transfer to Cap Proj-Bike Transport Path	0	181,675	290,000	0	531,590	531,590	0
Transfer to Cap Proj-Sidewalks	310,000	270,000	250,000	280,000	280,000	280,000	250,000
Total Transfers	2,034,935	4,984,587	2,754,702	2,480,630	3,674,520	3,674,520	250,000
Total Expenditures/Transfers	\$ 23,946,914	\$ 29,725,768	\$ 28,984,926	\$ 32,677,367	\$ 37,544,276	\$ 34,760,479	\$ 34,500,573

LEGISLATIVE

Fund: General

Function: General Government

Goal: To provide overall guidance for municipal operations.

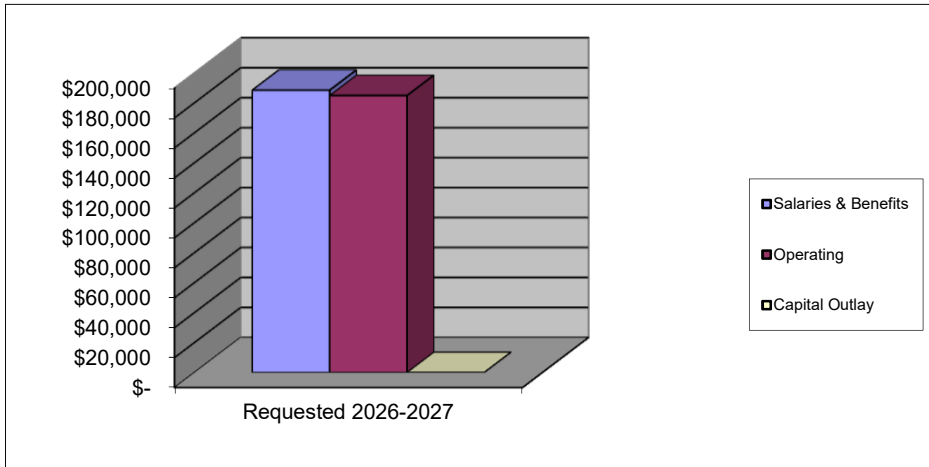
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 166,438	\$ 174,527	\$ 171,955	\$ 188,454
Operating	132,147	211,275	179,719	184,876
Capital Outlay	-	-	-	-
<b>Total</b>	<b>\$ 298,585</b>	<b>\$ 385,802</b>	<b>\$ 351,674</b>	<b>\$ 373,330</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 298,585	\$ 385,802	\$ 351,674	\$ 373,330

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees-Part Time	1	1	1	1
Councilmembers	5	5	5	5

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
 DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Legislative	Function: General Government			Fund: 10	Department: 410	
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
104100200	SALARIES & WAGES	\$ 162,125	\$ 159,735	\$ 175,062	\$ -	\$ 175,062	8.0%
104100500	FICA EXPENSE	12,402	12,220	13,392	-	13,392	8.0%
	EMPLOYEE BENEFITS	174,527	171,955	188,454	-	188,454	
104101400	TRAINING & TRAVEL	20,000	13,500	16,500	-	16,500	(17.5%)
104103300	DEPARTMENTAL SUPPLIES	49,780	41,780	43,650	1,188	44,838	(9.9%)
104104500	CONTRACTUAL SERVICES	39,400	29,333	12,500	-	12,500	(68.3%)
104104510	INS-PROPERTY & GENERAL	10,865	12,944	14,238	-	14,238	31.0%
104104600	PROFESSIONAL SERVICES	15,000	15,580	15,500	-	15,500	3.3%
104105300	DUES & SUBSCRIPTIONS	31,230	29,707	31,300	-	31,300	0.2%
104106300	SPECIAL APPROPRIATIONS	45,000	36,875	50,000	-	50,000	11.1%
	OPERATING EXPENDITURES	211,275	179,719	183,688	1,188	184,876	
104107400	CAPITAL OUTLAY	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 385,802</u>	<u>\$ 351,674</u>	<u>\$ 372,142</u>	<u>\$ 1,188</u>	<u>\$ 373,330</u>	

ADMINISTRATION

Fund: General

Function: General Government

To provide top level support to the Town Council and Town Manager, and serve as a support and liaison to the eight departments of the Town.

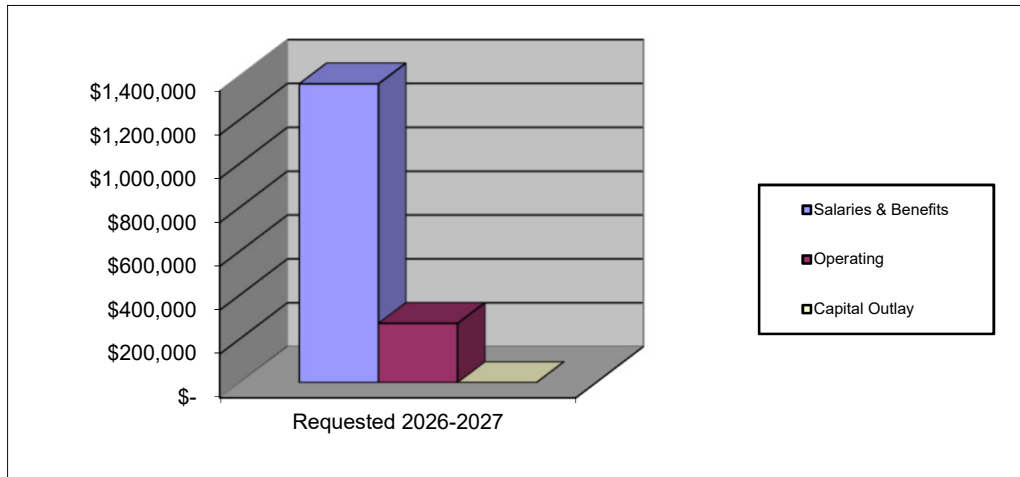
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 1,002,134	\$ 1,208,842	\$ 1,203,450	\$ 1,361,926
Operating	136,829	391,839	257,284	269,858
Capital Outlay	-	-	-	-
<b>Total</b>	<b>\$ 1,138,963</b>	<b>\$ 1,600,681</b>	<b>\$ 1,460,734</b>	<b>\$ 1,631,784</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 1,138,963	\$ 1,600,681	\$ 1,460,734	\$ 1,631,784

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	9.0	9.0	9.0	9.0
Budgeted Employees-Part Time	-	-	-	-

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Administration	Function: General Government	Fund: 10	Department: 420			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
104200200	SALARIES & WAGES	\$ 868,783	\$ 873,590	\$ 971,387	\$ -	\$ 971,387	11.8%
104200500	FICA EXPENSE	66,462	66,830	74,311	-	74,311	11.8%
104200600	GROUP INSURANCE EXPENSE	84,105	71,090	96,435	-	96,435	14.7%
104200700	RETIREMENT EXPENSE	125,018	125,710	147,068	-	147,068	17.6%
104200800	DEFERRED COMPENSATION	64,474	66,230	72,725	-	72,725	12.8%
	EMPLOYEE BENEFITS	1,208,842	1,203,450	1,361,926	-	1,361,926	
104201000	DISASTER RELIEF EXPENSE	87,599	-	-	-	-	0.0%
104201100	POSTAGE	600	530	530	-	530	(11.7%)
104201200	PRINTING	125	2,025	730	-	730	484.0%
104201300	TELEPHONE	5,335	6,865	5,975	-	5,975	12.0%
104201400	TRAINING & TRAVEL	34,300	29,600	36,500	-	36,500	6.4%
104201401	TUITION REIMBURSEMENT	8,000	7,000	8,000	-	8,000	0.0%
104201800	UTILITIES	5,100	4,500	-	-	-	(100.0%)
104202600	ADVERTISING-HR	8,500	6,500	6,500	-	6,500	(23.5%)
104202610	ADVERTISING-LEGAL	16,000	14,400	15,000	-	15,000	(6.3%)
104203100	AUTO OPERATING	13,200	13,200	13,200	-	13,200	0.0%
104203300	DEPARTMENTAL SUPPLIES	22,950	28,100	28,850	-	28,850	25.7%
104204500	CONTRACTUAL SERVICES	53,000	31,890	29,550	12,288	41,838	-21.1%
104204510	INS-PROPERTY & GENERAL	6,620	6,800	7,480	-	7,480	13.0%
104204600	PROFESSIONAL SERVICES	93,000	69,624	57,500	-	57,500	(38.2%)
104204800	COMMITTEE EXPENDITURES	26,850	27,650	36,050	2,500	38,550	43.6%
104204900	EAP EXPENDITURES	-	-	-	-	-	0.0%
104205000	EMPLOYEE RECOGNITION	-	-	-	-	-	0.0%
104205300	DUES & SUBSCRIPTIONS	10,660	8,600	9,205	-	9,205	(13.6%)
	OPERATING EXPENDITURES	391,839	257,284	255,070	14,788	269,858	
104207403	CAPITAL OTHER EQUIPMENT	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 1,600,681</u>	<u>\$ 1,460,734</u>	<u>\$ 1,616,996</u>	<u>\$ 14,788</u>	<u>\$ 1,631,784</u>	

INFORMATION TECHNOLOGY

Fund: General

Function: General Government

Information Technology Goal: To provide technology support to internal Town departments and the delivery of Geographic Information Systems for the Town.

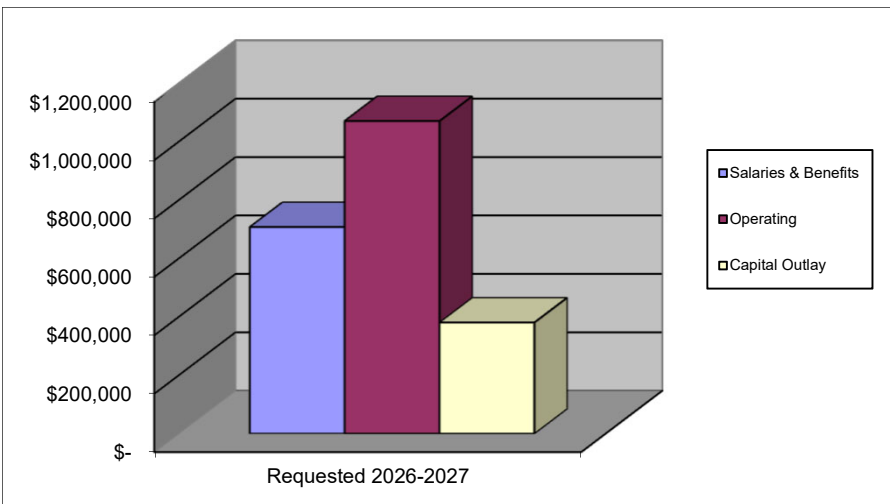
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 499,053	\$ 630,850	\$ 530,899	\$ 707,561
Operating	613,780	930,125	949,992	1,070,824
Capital Outlay	450,548	239,050	197,050	380,760
<b>Total</b>	<b>\$ 1,563,381</b>	<b>\$ 1,800,025</b>	<b>\$ 1,677,941</b>	<b>\$ 2,159,145</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 1,563,381	\$ 1,800,025	\$ 1,677,941	\$ 2,159,145
<b>Total</b>	<b>\$ 1,563,381</b>	<b>\$ 1,800,025</b>	<b>\$ 1,677,941</b>	<b>\$ 2,159,145</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees-Full Time	5.0	5.0	5.0	5.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

Backup Appliance Subscription & Services Renewal	\$ 262,230
Yard Debris Software SBITA Renewal	58,590
Performance Management Software SBITA Renewal	59,940



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Information Technology	Function: General Government	Fund: 10	Department: 430			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
104300200	SALARIES & WAGES	\$ 459,796	\$ 389,734	\$ 511,767	\$ -	\$ 511,767	11.3%
104300500	FICA EXPENSE	35,174	29,815	39,150	-	39,150	11.3%
104300600	GROUP INSURANCE EXPENSE	46,725	35,780	53,575	-	53,575	14.7%
104300700	RETIREMENT EXPENSE	66,165	56,083	77,481	-	77,481	17.1%
104300800	DEFERRED COMPENSATION	22,990	19,487	25,588	-	25,588	11.3%
	EMPLOYEE BENEFITS	630,850	530,899	707,561	-	707,561	
104301100	POSTAGE	100	50	100	-	100	0.0%
104301300	TELEPHONE	74,050	65,650	74,050	-	74,050	0.0%
104301400	TRAINING & TRAVEL	16,480	15,100	16,480	-	16,480	0.0%
104301600	EQUIPMENT MAINTENANCE	500	500	500	-	500	0.0%
104301800	UTILITIES	-	-	-	-	-	0.0%
104302200	LEASED EQUIPMENT	-	14,000	-	-	-	0.0%
104303300	DEPARTMENTAL SUPPLIES	180,150	180,150	181,926	-	181,926	0.0%
104304500	CONTRACTUAL SERVICES	656,230	672,080	795,085	-	795,085	21.2%
104304510	INS-PROPERTY & GENERAL	2,365	2,212	2,433	-	2,433	2.9%
104305300	DUES & SUBSCRIPTIONS	250	250	250	-	250	0.0%
	OPERATING EXPENDITURES	930,125	949,992	1,070,824	-	1,070,824	
104307401	CAPITAL-SOFTWARE/COMP EQ	239,050	197,050	380,760	-	380,760	0.0%
104307403	CAPITAL-OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	239,050	197,050	380,760	-	380,760	
	TOTAL EXPENDITURES	<u>\$ 1,800,025</u>	<u>\$ 1,677,941</u>	<u>\$ 2,159,145</u>	<u>\$ -</u>	<u>\$ 2,159,145</u>	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Information Technology	Function: General Government
Project Title: Backup Appliance, Subscription and Services (SBITA)	Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to replace the Town's Backup Appliance and to renew the Backup Subscription Services that provide stable and reliable backups for all Town data utilizing hybrid onsite and cloud storage solutions. This solution also provides disaster recovery of critical business systems. The current contract is an existing GASB96- SBITA that was previously extended one (1) year into fiscal year 2027. The requested funding is for a five (5) year contract based on a budgetary quote pending the receipt of firm quote.

Costs				2026-2027
Backup Appliance and Subscription Services				\$ 262,230
<b>Total</b>				<b>\$ 262,230</b>

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Information Technology	Function: General Government
Project Title: Yard Debris Software SBITA Renewal	Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to renew the Town’s Yard Debris Software as a Service (SaaS) platform for a 3-year contract. This software is utilized by our Environmental Services division to provide services to Town Staff and Citizens through route management, solid waste operations, observation, data collection and analysis. The ability to collect and analyze real time Environmental Services data provides increased operational efficiencies, improved customer service, proactive fleet management, enhanced driver safety and streamlined operations.

Costs				2026-2027
Yard Debris Software SBITA Renewal				\$ 58,590
<b>Total</b>				<b>\$ 58,590</b>

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Information Technology	Function: General Government
Project Title: Performance Management Software SBITA Renewal	Fund: Fund 10- General Fund

Project Description:

Funding is requested to renew the Town’s Performance Management Software as a Service (SaaS) platform for a 3-year contract. Performance management software is utilized to provide a modern & comprehensive solution in managing performance, certification and professional development for our most valuable asset - our employees.

Costs			2026-2027
Performance Management Software SBITA Renewal			\$ 59,940
<b>Total</b>			<b>\$ 59,940</b>

FINANCIAL SERVICES

Fund: General

Function: General Government

Finance Division Goal: To support Town Citizens, Council and departments through accurate and timely financial reports, administration of the annual budget, financial management, and cash management.

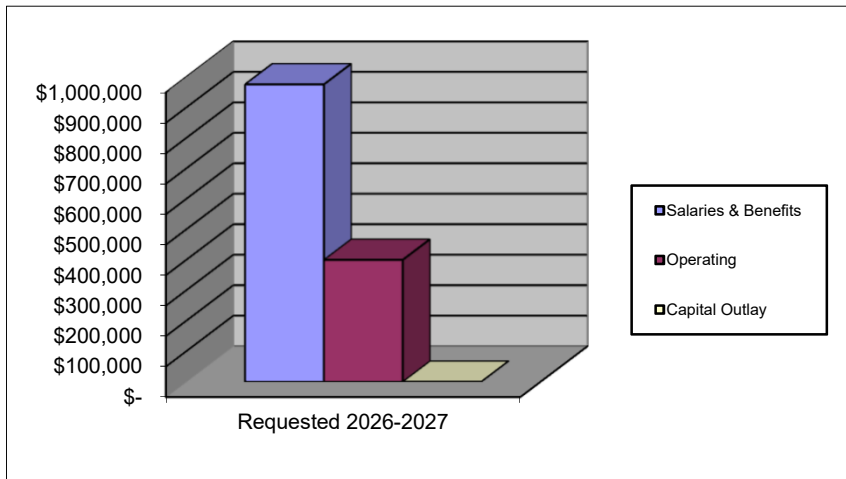
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 640,717	\$ 726,565	\$ 700,643	\$ 976,036
Operating	313,998	358,555	355,356	400,110
Capital Outlay	-	-	-	-
<b>Total</b>	<b>\$ 954,715</b>	<b>\$ 1,085,120</b>	<b>\$ 1,055,999</b>	<b>\$ 1,376,146</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 954,715	\$ 1,085,120	\$ 1,055,999	\$ 1,376,146

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	7.0	7.0	7.0	7.0
Budgeted Employees-Part Time	1.0	1.0	1.0	1.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Financial Services	Function: General Government	Fund: 10	Department: 440			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
104400200	SALARIES & WAGES	\$ 532,360	\$ 523,505	\$ 699,066	\$ -	\$ 699,066	31.3%
104400500	FICA EXPENSE	40,726	40,050	53,479	-	53,479	31.3%
104400600	GROUP INSURANCE EXPENSE	56,070	39,070	85,720	-	85,720	52.9%
104400700	RETIREMENT EXPENSE	72,290	72,743	103,568	-	103,568	43.3%
104400800	DEFERRED COMPENSATION	25,119	25,275	34,203	-	34,203	36.2%
	EMPLOYEE BENEFITS	726,565	700,643	976,036	-	976,036	
104401100	POSTAGE	8,500	7,500	8,500	-	8,500	0.0%
104401200	PRINTING	5,500	4,250	4,500	-	4,500	(18.2%)
104401300	TELEPHONE	5,000	6,000	6,500	-	6,500	30.0%
104401400	TRAINING & TRAVEL	12,000	8,000	12,000	-	12,000	0.0%
104401600	EQUIPMENT MAINTENANCE	2,100	1,500	1,800	-	1,800	(14.3%)
104401800	UTILITIES	10,500	12,000	30,000	-	30,000	185.7%
104402200	LEASED EQUIPMENT	9,580	9,151	9,580	-	9,580	0.0%
104403300	DEPARTMENTAL SUPPLIES	33,600	31,250	33,600	-	33,600	0.0%
104404400	BANK SERVICE CHARGE	2,000	1,500	2,000	-	2,000	0.0%
104404500	CONTRACTUAL SERVICES	9,850	10,500	10,500	-	10,500	6.6%
104404505	COUNTY COLLECTION FEE	210,250	212,000	218,000	-	218,000	3.7%
104404510	INS-PROPERTY & GENERAL	4,050	8,530	12,755	-	12,755	214.9%
104404600	PROFESSIONAL SERVICES	38,750	35,000	41,000	-	41,000	5.8%
104404920	BAD DEBT EXPENSE	5,000	5,500	6,500	-	6,500	30.0%
104405300	DUES & SUBSCRIPTIONS	1,875	2,675	2,875	-	2,875	53.3%
	OPERATING EXPENDITURES	358,555	355,356	400,110	-	400,110	
104407401	CAPITAL-SOFTWARE/COMP EQ	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 1,085,120</u>	<u>\$ 1,055,999</u>	<u>\$ 1,376,146</u>	<u>\$ -</u>	<u>\$ 1,376,146</u>	

POLICE-ADMINISTRATION/PATROL

Fund: General

Function: Public Safety

Patrol Division Goal: To provide protection of life and property to the citizens of Southern Pines and their guests.

Administration Division Goal: To ensure the collection and flow of documentation relating to police activities.

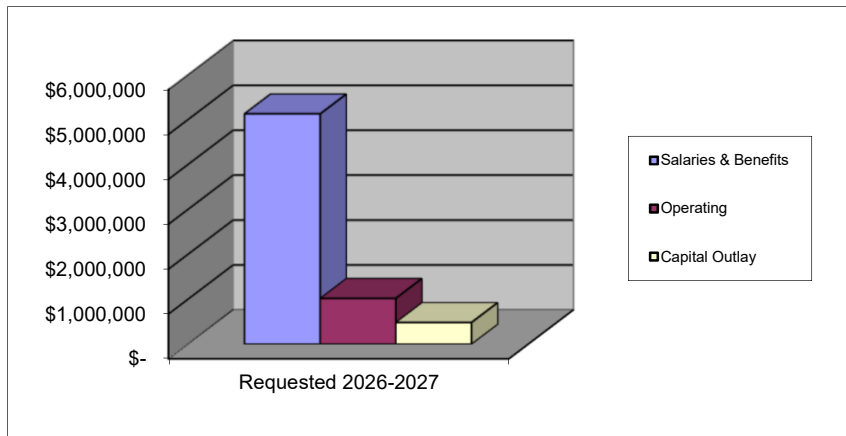
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 4,347,356	\$ 4,918,658	\$ 4,467,284	\$ 5,128,581
Operating	786,495	938,055	944,589	1,021,411
Capital Outlay	395,723	66,000	71,295	483,000
<b>Total</b>	<b>\$ 5,529,574</b>	<b>\$ 5,922,713</b>	<b>\$ 5,483,168</b>	<b>\$ 6,632,992</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Fees	\$ 64,462	\$ 55,000	\$ 52,000	\$ 58,000
Grants	25,361	46,250	43,450	61,300
General Revenues	5,439,751	5,821,463	5,387,718	6,513,692
<b>Total</b>	<b>\$ 5,529,574</b>	<b>\$ 5,922,713</b>	<b>\$ 5,483,168</b>	<b>\$ 6,632,992</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	40.0	40.0	40.0	40.0
Budgeted Employees-Part Time	4.0	4.0	4.0	4.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

Vehicle Replacements (7) \$ 483,000



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Police-Administration/Patrol	Function: Public Safety		Fund: 10	Department: 511		
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105110200	SALARIES & WAGES	\$ 3,263,430	\$ 2,982,567	\$ 3,354,354	\$ -	\$ 3,354,354	2.8%
105110300	OVERTIME	137,000	146,000	155,000	-	155,000	13.1%
105110130	SEPARATION ALLOWANCE	89,902	74,556	83,643	-	83,643	(7.0%)
105110150	PD EXTRA DUTY FEE	45,000	47,500	48,000	-	48,000	0.0%
105110250	SRT/CNT ACTIVATION STIPEND	11,000	8,000	11,000	-	11,000	0.0%
105110500	FICA EXPENSE	271,294	249,285	279,378	-	279,378	3.0%
105110600	GROUP INSURANCE EXPENSE	373,800	288,173	428,600	-	428,600	14.7%
105110700	RETIREMENT EXPENSE	554,411	511,998	594,713	-	594,713	7.3%
105110800	DEFERRED COMPENSATION	172,821	159,205	173,893	-	173,893	0.6%
	EMPLOYEE BENEFITS	4,918,658	4,467,284	5,128,581	-	5,128,581	
105111100	POSTAGE	2,000	1,200	2,000	-	2,000	0.0%
105111400	TRAINING & TRAVEL	37,500	36,000	40,000	-	40,000	6.7%
105111600	EQUIPMENT MAINTENANCE	9,000	9,000	9,000	-	9,000	0.0%
105111700	AUTO REPAIR	50,000	50,000	50,000	-	50,000	0.0%
105111800	UTILITIES	83,000	80,000	83,000	-	83,000	0.0%
105112200	LEASED EQUIPMENT	3,600	3,600	3,600	-	3,600	0.0%
105113100	AUTO OPERATING	104,000	104,000	104,000	-	104,000	0.0%
105113300	DEPARTMENTAL SUPPLIES	236,355	235,583	284,394	-	284,394	20.3%
105113500	LAUNDRY & CLEANING	10,800	8,000	10,800	-	10,800	0.0%
105113600	UNIFORMS	50,000	47,000	50,000	-	50,000	0.0%
105114500	CONTRACTUAL SERVICES	71,900	73,056	64,277	-	64,277	-10.6%
105114510	INS-PROPERTY & GENERAL	194,400	218,000	235,440	-	235,440	21.1%
105114600	PROFESSIONAL SERVICES	31,000	29,200	33,400	-	33,400	7.7%
105114800	GRANT EXPENDITURES	46,500	43,450	43,500	-	43,500	-6.5%
105115300	DUES & SUBSCRIPTIONS	8,000	6,500	8,000	-	8,000	0.0%
	OPERATING EXPENDITURES	938,055	944,589	1,021,411	-	1,021,411	
105117401	CAPITAL-SOFTWARE/COMP EQ	-	-	-	-	-	0.0%
105117402	CAPITAL MOTOR VEHICLE	66,000	71,295	483,000	-	483,000	631.8%
105117403	CAPITAL - OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	66,000	71,295	483,000	-	483,000	
	TOTAL EXPENDITURES	\$ 5,922,713	\$ 5,483,168	\$ 6,632,992	\$ -	\$ 6,632,992	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Police Administration and Patrol	Function: Public Safety
Project Title: Vehicle Replacement	Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to replace seven (7) Patrol Division vehicles in accordance with the Town of Southern Pines Vehicle Replacement Schedule. This request will also provide resources to equip these vehicles for immediate service. The result will be increased safety for the officers and the public, as well as reduced vehicle maintenance costs and down-time. In addition, the new vehicles will allow for the installation and carrying of needed equipment to effectively carry out the daily duties of a Patrol Officer.

Costs				2026-2027
(7) Seven vehicles at \$69,000 each				\$ 483,000
<b>Total</b>				<b>\$ 483,000</b>

POLICE-COMMUNICATIONS

Fund: General

Function: Public Safety

Communications Division Goal: To monitor, receive and dispatch emergency and routine police calls for service.

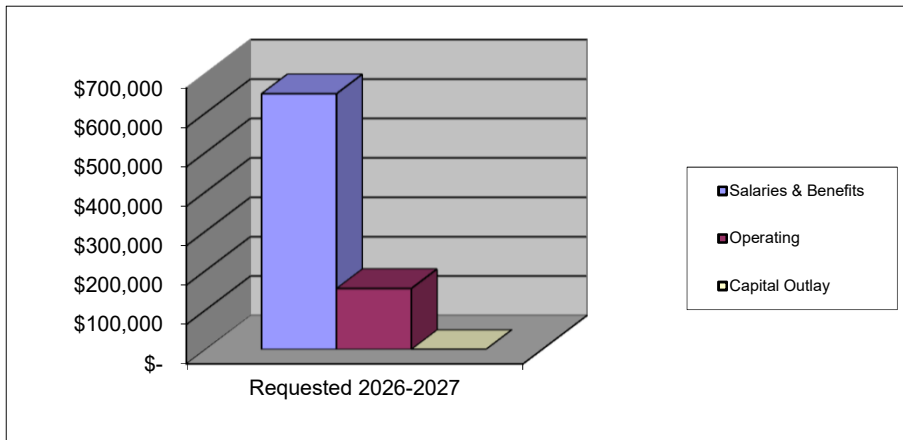
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 503,166	\$ 620,259	\$ 495,266	\$ 648,679
Operating	103,214	145,120	138,754	154,482
Capital Outlay	63,781	-	-	-
<b>Total</b>	<b>\$ 670,161</b>	<b>\$ 765,379</b>	<b>\$ 634,020</b>	<b>\$ 803,161</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 670,161	\$ 765,379	\$ 634,020	\$ 803,161

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees - Full Time	7.0	7.0	7.0	7.0
Budgeted Employees - Part Time	-	-	-	-

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Police-Communications	Function: Public Safety	Fund: 10	Department: 514			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105140200	SALARIES & WAGES	\$ 404,747	\$ 322,117	\$ 412,920	\$ -	\$ 412,920	2.0%
105140300	OVERTIME	32,000	32,000	36,000	-	36,000	12.5%
105140500	FICA EXPENSE	33,411	27,090	34,342	-	34,342	2.8%
105140600	GROUP INSURANCE EXPENSE	65,415	45,395	75,005	-	75,005	14.7%
105140700	RETIREMENT EXPENSE	62,848	50,958	67,966	-	67,966	8.1%
105140800	DEFERRED COMPENSATION	21,838	17,706	22,446	-	22,446	2.8%
	EMPLOYEE BENEFITS	620,259	495,266	648,679	-	648,679	
105141300	TELEPHONE	42,000	41,500	43,000	-	43,000	2.4%
105141400	TRAINING & TRAVEL	8,000	6,000	8,000	-	8,000	0.0%
105141600	EQUIPMENT MAINTENANCE	38,000	36,500	38,000	-	38,000	0.0%
105142100	RENT	7,600	8,640	9,000	-	9,000	18.4%
105143300	DEPARTMENTAL SUPPLIES	21,000	20,950	27,900	-	27,900	32.9%
105143600	UNIFORMS	5,250	3,900	5,000	-	5,000	(4.8%)
105144500	CONTRACTUAL SERVICES	19,725	17,762	19,720	-	19,720	0.0%
105144510	INS-PROPERTY & GENERAL	2,565	2,602	2,862	-	2,862	11.6%
105145300	DUES & SUBSCRIPTIONS	980	900	1,000	-	1,000	2.0%
	OPERATING EXPENDITURES	145,120	138,754	154,482	-	154,482	
105147403	CAPITAL-OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 765,379</u>	<u>\$ 634,020</u>	<u>\$ 803,161</u>	<u>\$ -</u>	<u>\$ 803,161</u>	

POLICE-INVESTIGATIONS

Fund: General

Function: Public Safety

Investigations Division Goal: To investigate reported and non-reported criminal activity in the community.

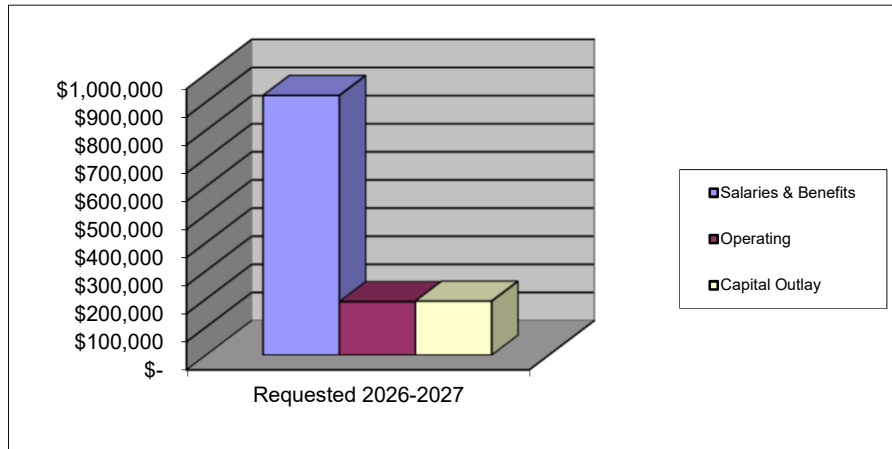
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 763,929	\$ 915,038	\$ 857,773	\$ 923,326
Operating	78,240	179,495	156,631	190,194
Capital Outlay	-	-	-	192,000
<b>Total</b>	<b>\$ 842,169</b>	<b>\$ 1,094,533</b>	<b>\$ 1,014,404</b>	<b>\$ 1,305,520</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 842,169	\$ 1,094,533	\$ 1,014,404	\$ 1,305,520

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	7.0	7.0	7.0	7.0
Budgeted Employees - Part Time	-	-	-	-

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

Vehicle Replacements (3) \$ 192,000



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Police-Investigations	Function: Public Safety	Fund: 10	Department: 515			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105150200	SALARIES & WAGES	\$ 544,907	\$ 531,805	\$ 555,474	\$ -	\$ 555,474	1.9%
105150300	OVERTIME	36,000	32,000	36,000	-	36,000	0.0%
105150130	SEPARATION ALLOWANCE	54,278	54,645	54,645	-	54,645	0.7%
105150150	PD EXTRA DUTY FEE	10,000	3,500	10,000	-	10,000	0.0%
105150250	SRT/CNT ACTIVATION STIPEND	7,000	4,000	7,000	-	7,000	0.0%
105150500	FICA EXPENSE	52,645	47,885	50,729	-	50,729	-3.6%
105150600	GROUP INSURANCE EXPENSE	65,415	63,507	75,005	-	75,005	14.7%
105150700	RETIREMENT EXPENSE	110,384	91,866	104,049	-	104,049	-5.7%
105150800	DEFERRED COMPENSATION	34,409	28,565	30,424	-	30,424	-11.6%
	EMPLOYEE BENEFITS	915,038	857,773	923,326	-	923,326	
105151100	POSTAGE	750	500	650	-	650	(13.3%)
105151400	TRAINING & TRAVEL	13,000	11,000	13,000	-	13,000	0.0%
105151700	AUTO REPAIR	14,500	12,000	14,500	-	14,500	0.0%
105152200	LEASED EQUIPMENT	-	-	-	-	-	0.0%
105153100	AUTO OPERATING	24,000	19,000	24,000	-	24,000	0.0%
105153300	DEPARTMENTAL SUPPLIES	19,500	17,700	19,200	-	19,200	-1.5%
105153600	UNIFORMS	15,000	13,000	15,000	-	15,000	0.0%
105153900	SPECIAL OPERATIONS	14,000	7,000	14,000	-	14,000	0.0%
105154500	CONTRACTUAL SERVICES	48,805	43,155	53,120	-	53,120	8.8%
105154510	INS-PROPERTY & GENERAL	28,940	32,476	35,724	-	35,724	23.4%
105155300	DUES & SUBSCRIPTIONS	1,000	800	1,000	-	1,000	0.0%
	OPERATING EXPENDITURES	179,495	156,631	190,194	-	190,194	
105157402	CAPITAL-MOTOR VEHICLE	-	-	192,000	-	192,000	0.0%
105157403	CAPITAL-OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	192,000	-	192,000	
	TOTAL EXPENDITURES	<u>\$ 1,094,533</u>	<u>\$ 1,014,404</u>	<u>\$ 1,305,520</u>	<u>\$ -</u>	<u>\$ 1,305,520</u>	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Police Investigations	Function: Public Safety
Project Title: Vehicle Replacement - Investigations	Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to replace three (3) Investigations Division vehicles in accordance with the Town of Southern Pines Vehicle Replacement Schedule. This request will also provide resources to equip these vehicles for immediate service. The result will be increased safety for the officers and the public, as well as reduced vehicle maintenance costs and down-time. In addition, the new vehicles will allow for the installation and carrying of needed equipment to effectively carry out the daily duties of an Investigator. One of the vehicles to be replaced will transfer to 511- Patrol to be used as a second Civilian Traffic Crash Investigator Vehicle.

Costs				2026-2027
(3) Three vehicles at \$64,000 each				\$ 192,000
<b>Total</b>				<b>\$ 192,000</b>

FIRE

Fund: General

Function: Public Safety

Fire Division Goal: To provide quality protection of life, property, and the environment of our community.

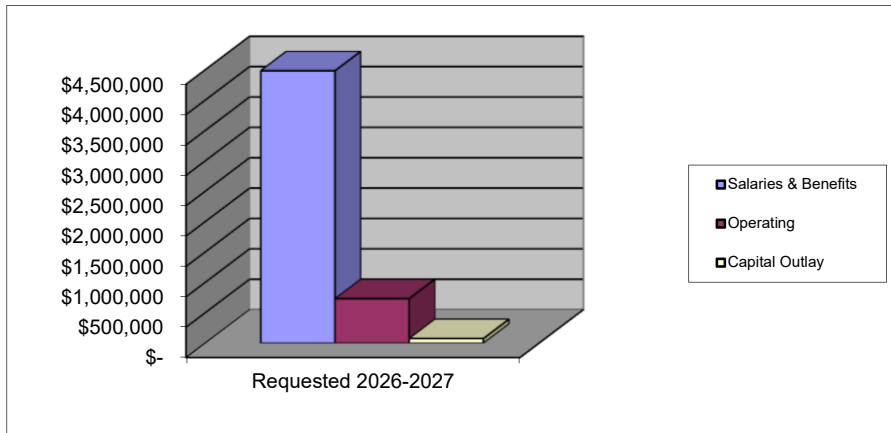
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 3,715,178	\$ 3,925,022	\$ 3,975,886	\$ 4,483,653
Operating	658,089	630,600	627,520	732,725
Capital Outlay	-	24,000	22,190	75,400
<b>Total</b>	<b>\$ 4,373,267</b>	<b>\$ 4,579,622</b>	<b>\$ 4,625,596</b>	<b>\$ 5,291,778</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Fire District	\$ 634,129	\$ 563,148	\$ 624,324	\$ 561,700
Fire Grants	322,019	379,207	453,224	-
Donations	20	2,500	-	-
General Revenues	3,417,099	3,634,767	3,548,048	4,730,078
<b>Total</b>	<b>\$ 4,373,267</b>	<b>\$ 4,579,622</b>	<b>\$ 4,625,596</b>	<b>\$ 5,291,778</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees-Full Time	39.0	39.0	39.0	39.0
Budgeted Employees-Part Time	17.0	17.0	17.0	17.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

Chevrolet 1500 Replacement \$ 75,400



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Fire	Function: Public Safety	Fund: 10	Department: 530			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105300200	SALARIES & WAGES	\$ 2,764,852	\$ 2,749,922	\$ 3,075,073	\$ -	\$ 3,075,073	11.2%
105300150	FIRE EXTRA DUTY FEE	3,000	1,500	1,500	-	1,500	(50.0%)
105300300	OVERTIME	50,000	110,000	120,000	-	120,000	140.0%
105300500	FICA EXPENSE	215,336	218,899	244,538	-	244,538	13.6%
105300600	GROUP INSURANCE EXPENSE	364,455	340,735	417,885	-	417,885	14.7%
105300700	RETIREMENT EXPENSE	391,387	411,759	469,578	-	469,578	20.0%
105300800	DEFERRED COMPENSATION	135,992	143,071	155,079	-	155,079	14.0%
	EMPLOYEE BENEFITS	3,925,022	3,975,886	4,483,653	-	4,483,653	
105301100	POSTAGE	250	200	250	-	250	0.0%
105301200	PRINTING	150	50	150	-	150	0.0%
105301300	TELEPHONE	14,000	14,000	16,415	-	16,415	17.3%
105301400	TRAINING & TRAVEL-OPERATE	30,000	27,800	30,000	-	30,000	0.0%
105301401	TRAINING & TRAVEL-INSPECT	5,000	4,500	5,000	-	5,000	0.0%
105301600	EQUIPMENT MAINTENANCE	17,000	15,500	22,000	-	22,000	29.4%
105301700	AUTO REPAIR	62,000	67,000	82,000	-	82,000	32.3%
105301800	UTILITIES	38,000	42,000	48,000	-	48,000	26.3%
105302200	LEASES/SBITAS	3,800	3,100	1,800	-	1,800	0.0%
105303100	AUTO OPERATING	62,000	52,000	55,000	-	55,000	0.0%
105303300	DEPARTMENTAL SUPPLIES	223,000	216,777	266,565	-	266,565	19.5%
105303500	LAUNDRY & CLEANING	700	500	700	-	700	0.0%
105303600	UNIFORMS	36,500	38,000	38,000	-	38,000	4.1%
105304500	CONTRACTUAL SERVICES	25,450	19,279	20,550	-	20,550	(19.3%)
105304510	INS-PROPERTY & GENERAL	101,750	115,814	127,395	-	127,395	25.2%
105305300	DUES & SUBSCRIPTIONS	7,000	7,000	14,900	-	14,900	112.9%
105305400	INSURANCE & BONDS	4,000	4,000	4,000	-	4,000	0.0%
	OPERATING EXPENDITURES	630,600	627,520	732,725	-	732,725	
105307402	CAPITAL-MOTOR VEHICLE	-	-	75,400	-	75,400	0.0%
105307403	CAPITAL-OTHER EQUIPMENT	24,000	22,190	-	-	-	(100.0%)
	CAPITAL OUTLAY	24,000	22,190	75,400	-	75,400	
	TOTAL EXPENDITURES	<u>\$ 4,579,622</u>	<u>\$ 4,625,596</u>	<u>\$ 5,291,778</u>	<u>\$ -</u>	<u>\$ 5,291,778</u>	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Fire and Rescue	Function: Public Safety
Project Title: Vehicle #831 Replacement- Trip Truck	Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to replace Utility 81 as the current Utility 81 pick-up being used is being requested to replace Truck 831.

We currently utilize Truck 831, a 2008 Chevrolet 1500 pickup, as our School Vehicle and Trip Truck. This vehicle has approximately 140,000 miles and has reached a point where replacement is appropriate.

We propose to surplus Truck 831 and rotate Utility 81, a 2013 pickup, into service as the replacement School Vehicle and Trip Truck. This truck also serves as the back-up to the Battalion Chief's Suburban when needed.

Utility 81 would then be replaced with a new 2500-series pickup to better support operational needs. A 2500-series truck is better suited for towing our Trench Trailer, Public Education Trailer, and Barricade Trailer, providing improved capability, safety, and reliability.

Costs				2026-2027
(1) One vehicle at \$62,000 each				\$ 62,000
Decals, Lights/Siren, Radio for new vehicle				\$ 13,400
<b>Total</b>				<b>\$ 75,400</b>

PLANNING

Fund: General

Function: Economic & Physical  
Development

Planning Division Goal: To provide overall coordination of the Town's physical and community development activities.

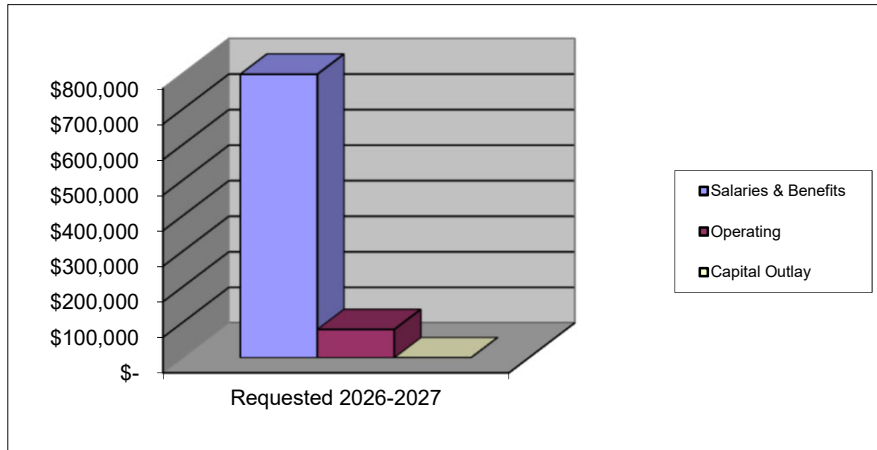
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 648,991	\$ 727,569	\$ 700,187	\$ 797,792
Operating	109,171	139,760	87,070	79,750
Capital Outlay	-	-	-	-
<b>Total</b>	<b>\$ 758,162</b>	<b>\$ 867,329</b>	<b>\$ 787,257</b>	<b>\$ 877,542</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Fees	\$ 114,944	\$ 120,000	\$ 110,000	\$ 110,000
Grants	32,250	24,250	24,250	-
General Revenues	610,968	723,079	653,007	767,542
<b>Total</b>	<b>\$ 758,162</b>	<b>\$ 867,329</b>	<b>\$ 787,257</b>	<b>\$ 877,542</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	7.0	7.0	7.0	7.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Planning	Function: Economic & Physical Development	Fund: 10	Department: 540			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105400200	SALARIES & WAGES	\$ 521,215	\$ 512,585	\$ 565,605	\$ -	\$ 565,605	8.5%
105400500	FICA EXPENSE	39,874	39,213	43,269	-	43,269	8.5%
105400600	GROUP INSURANCE EXPENSE	65,415	48,998	75,005	-	75,005	14.7%
105400700	RETIREMENT EXPENSE	75,004	73,761	85,633	-	85,633	14.2%
105400800	DEFERRED COMPENSATION	26,061	25,630	28,280	-	28,280	8.5%
	EMPLOYEE BENEFITS	727,569	700,187	797,792	-	797,792	
105401100	POSTAGE	2,000	1,200	2,000	-	2,000	0.0%
105401200	PRINTING	750	600	1,000	-	1,000	33.3%
105401300	TELEPHONE	2,560	1,500	2,000	-	2,000	(21.9%)
105401400	TRAINING & TRAVEL	22,500	22,500	26,500	-	26,500	17.8%
105401600	EQUIPMENT MAINTENANCE	-	-	-	-	-	0.0%
105401700	AUTO REPAIR	1,000	500	1,500	-	1,500	50.0%
105401800	UTILITIES	2,200	1,800	-	-	-	-100.0%
105403100	AUTO OPERATING	1,200	500	800	-	800	(33.3%)
105403300	DEPARTMENTAL SUPPLIES	7,500	7,500	7,400	-	7,400	(1.3%)
105404500	CONTRACTUAL SERVICES	10,000	6,000	6,000	-	6,000	(40.0%)
105404501	CONTRACTUAL SRVCS-GRANT	24,250	24,250	-	-	-	(100.0%)
105404510	INS-PROPERTY & GENERAL	12,500	11,120	12,500	-	12,500	0.0%
105404600	PROFESSIONAL SERVICES	50,000	5,000	15,000	-	15,000	(70.0%)
105404700	CARD PROCESSING FEE	300	600	700	-	700	133.3%
105405300	DUES & SUBSCRIPTIONS	3,000	4,000	4,350	-	4,350	45.0%
	OPERATING EXPENDITURES	139,760	87,070	79,750	-	79,750	
105407402	CAPITAL-MOTOR VEHICLE	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 867,329</u>	<u>\$ 787,257</u>	<u>\$ 877,542</u>	<u>\$ -</u>	<u>\$ 877,542</u>	

## INSPECTIONS

Fund: General

Function: Economic & Physical Development

Inspections Division Goal: To assist the residents and the builder/contractors by providing compliance of the building codes by performing necessary inspections on building & structures and enforcement of applicable codes.

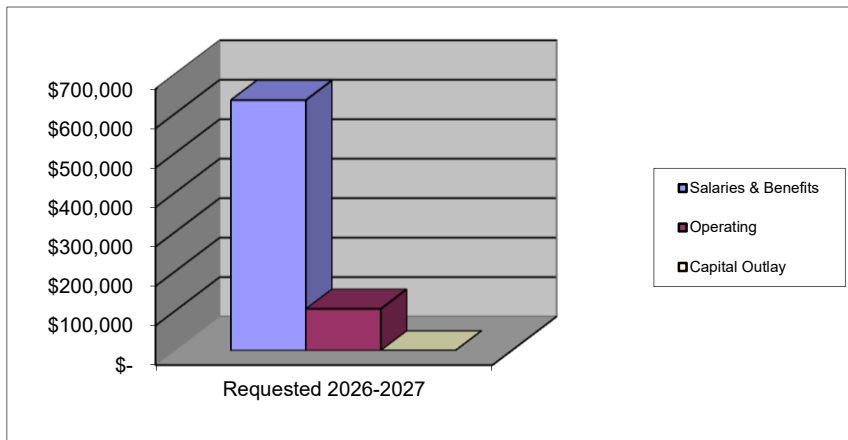
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 509,792	\$ 573,558	\$ 570,406	\$ 634,504
Operating	323,558	97,230	92,317	105,587
Capital Outlay	44,800	-	-	-
<b>Total</b>	<b>\$ 878,150</b>	<b>\$ 670,788</b>	<b>\$ 662,723</b>	<b>\$ 740,091</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Fees	\$ 1,073,135	\$ 500,000	\$ 445,180	\$ 500,000
Homeowner Recovery	3,280	3,500	2,500	3,000
General Revenues	-	167,288	215,043	237,091
<b>Total</b>	<b>\$ 1,076,415</b>	<b>\$ 670,788</b>	<b>\$ 662,723</b>	<b>\$ 740,091</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	5.0	5.0	5.0	5.0
Budgeted Employees-Part Time	1.0	1.0	1.0	1.0

### 2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Inspections	Function: Economic & Physical Development	Fund: 10	Department: 545			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105450200	SALARIES & WAGES	\$ 415,421	\$ 410,763	\$ 455,563	\$ -	\$ 455,563	9.7%
105450300	OVERTIME	5,000	3,000	5,000	-	5,000	0.0%
105450500	FICA EXPENSE	32,162	31,653	35,233	-	35,233	9.5%
105450600	GROUP INSURANCE EXPENSE	46,725	44,762	53,575	-	53,575	14.7%
105450700	RETIREMENT EXPENSE	55,104	59,540	63,998	-	63,998	16.1%
105450800	DEFERRED COMPENSATION	19,146	20,688	21,135	-	21,135	10.4%
	EMPLOYEE BENEFITS	573,558	570,406	634,504	-	634,504	
105451100	POSTAGE	50	10	50	-	50	0.0%
105451200	PRINTING	100	20	100	-	100	0.0%
105451300	TELEPHONE	6,000	4,235	6,000	-	6,000	0.0%
105451400	TRAINING & TRAVEL	10,000	9,400	10,000	-	10,000	0.0%
105451600	EQUIPMENT MAINTENANCE	300	200	300	-	300	0.0%
105451700	AUTO REPAIR	5,000	1,500	5,000	-	5,000	0.0%
105451800	UTILITIES	3,000	1,500	-	-	-	-100.0%
105453100	AUTO OPERATING	9,000	5,600	9,000	-	9,000	0.0%
105453300	DEPARTMENTAL SUPPLIES	20,100	23,800	21,100	-	21,100	5.0%
105454500	CONTRACTUAL SERVICES	22,000	25,437	30,700	-	30,700	0.0%
105454510	INS-PROPERTY & GENERAL	17,280	17,215	18,937	-	18,937	9.6%
105454600	PROFESSIONAL SERVICES	-	-	-	-	-	0.0%
105454700	CARD PROCESSING FEE	1,000	600	1,000	-	1,000	0.0%
105455300	DUES & SUBSCRIPTIONS	400	300	400	-	400	0.0%
105456000	HOMEOWNER RECOVERY FD	3,000	2,500	3,000	-	3,000	0.0%
	OPERATING EXPENDITURES	97,230	92,317	105,587	-	105,587	
105457402	CAPITAL-MOTOR VEHICLE	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 670,788</u>	<u>\$ 662,723</u>	<u>\$ 740,091</u>	<u>\$ -</u>	<u>\$ 740,091</u>	

**STREETS**

Fund: General

Function: Transportation

Streets Division Goal: To keep all public transportation routes open and in a safe traveling condition.

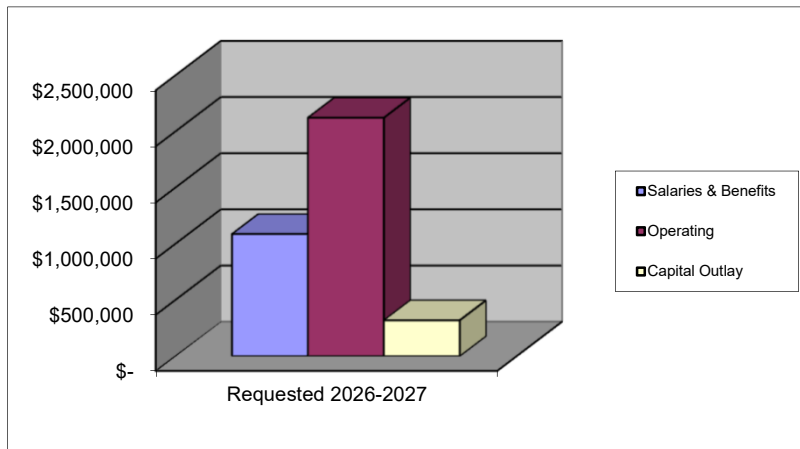
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 788,650	\$ 1,003,598	\$ 894,716	\$ 1,087,611
Operating	564,659	3,921,920	3,312,477	2,122,906
Capital Outlay	419,135	260,000	541,898	320,000
<b>Total</b>	<b>\$ 1,772,444</b>	<b>\$ 5,185,518</b>	<b>\$ 4,749,091</b>	<b>\$ 3,530,517</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Powell Bill	\$ 606,431	\$ 606,431	\$ 607,867	\$ 607,867
Street Revenue	62,922	60,000	60,000	60,000
General Revenues	1,103,091	4,519,087	4,081,224	2,862,650
<b>Total</b>	<b>\$ 1,772,444</b>	<b>\$ 5,185,518</b>	<b>\$ 4,749,091</b>	<b>\$ 3,530,517</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	15.0	15.0	15.0	15.0

**2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS**

Service Truck Replacement	\$ 110,000
Backhoe Replacement	210,000



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Streets	Function: Transportation	Fund: 10	Department: 560			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105600200	SALARIES & WAGES	\$ 664,646	\$ 610,541	\$ 710,320	\$ -	\$ 710,320	6.9%
105600300	OVERTIME	15,000	14,000	15,000	-	15,000	0.0%
105600500	FICA EXPENSE	51,993	47,777	55,487	-	55,487	6.7%
105600600	GROUP INSURANCE EXPENSE	140,175	101,300	160,725	-	160,725	14.7%
105600700	RETIREMENT EXPENSE	97,801	89,871	109,813	-	109,813	12.3%
105600800	DEFERRED COMPENSATION	33,983	31,227	36,266	-	36,266	6.7%
	EMPLOYEE BENEFITS	1,003,598	894,716	1,087,611	-	1,087,611	
105601300	TELEPHONE	6,000	3,900	6,000	-	6,000	0.0%
105601400	TRAINING & TRAVEL	15,000	5,500	16,000	-	16,000	6.7%
105601600	EQUIPMENT MAINTENANCE	50,000	52,000	53,000	-	53,000	6.0%
105601700	AUTO REPAIR	18,000	32,000	30,000	-	30,000	66.7%
105601800	UTILITIES	185,500	186,500	209,000	-	209,000	12.7%
105603100	AUTO OPERATING	43,500	32,500	43,000	-	43,000	(1.1%)
105603300	DEPARTMENTAL SUPPLIES	187,000	194,703	220,000	-	220,000	17.6%
105604500	CONTRACTUAL SERVICES	41,000	48,072	45,700	-	45,700	11.5%
105604510	INS-PROPERTY & GENERAL	45,000	43,142	47,456	-	47,456	5.5%
105604600	PROFESSIONAL SERVICES	2,000	-	2,000	-	2,000	0.0%
105605300	DUES & SUBSCRIPTIONS	750	480	750	-	750	0.0%
105607300	PAVING	3,328,170	2,713,680	1,450,000	-	1,450,000	(56.4%)
	OPERATING EXPENDITURES	3,921,920	3,312,477	2,122,906	-	2,122,906	
105607402	CAPITAL-MOTOR VEHICLE	100,000	100,000	110,000	-	110,000	10.0%
105607403	CAPITAL-OTHER EQUIPMENT	125,000	127,785	210,000	-	210,000	68.0%
105607405	CAPITAL-BLDGS & STRUCTURE	-	-	-	-	-	0.0%
105607500	CONSTRUCTION	35,000	314,113	-	-	-	0.0%
	CAPITAL OUTLAY	260,000	541,898	320,000	-	320,000	
	TOTAL EXPENDITURES	<u>\$ 5,185,518</u>	<u>\$ 4,749,091</u>	<u>\$ 3,530,517</u>	<u>\$ -</u>	<u>\$ 3,530,517</u>	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Streets

Function: Transportation

Project Title: Service Truck

Fund: Fund 10- General Fund

**Project Description:**

Funding is requested for a service truck assigned to the Streets Division as this is a mission critical asset supporting essential municipal infrastructure operations. The vehicle is required for stormwater system maintenance, after hours emergency response/s, snow and ice control operations, pavement maintenance, and traffic sign installation and maintenance. It is in continuous daily use and serves as the primary service vehicle which is necessary in maintaining acceptable levels of service and operational readiness within the Streets Division.



Costs				2026-2027
(1) One vehicle at \$110,000 each				\$ 110,000
Total				\$ 110,000

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Streets

Function: Transportation

Project Title: Backhoe

Fund: Fund 10- General Fund

**Project Description:**

Funding is requested for the purchase of a backhoe, which is an essential piece of equipment to support daily operations and improve overall efficiency in construction and maintenance activities. A backhoe provides versatility by combining excavation, trenching, backfilling, and material handling capabilities into a single piece of equipment. Currently, many tasks require either manual labor or multiple machines, which increases project time and labor costs. A backhoe allows crews to complete jobs more efficiently, and to stay with the recommended equipment list.



Costs				2026-2027
Backhoe				\$ 210,000
Total				\$ 210,000

PUBLIC WORKS/ENVIRONMENTAL SERVICES

Fund: General

Function: General Government

Public Works Division Goal: To provide administration and technical functions for the Public Services Division.

Environmental Services Division Goal: To provide yard waste and bulk item removal, as well as maintain trash and recycle cart inventory for residential citizens.

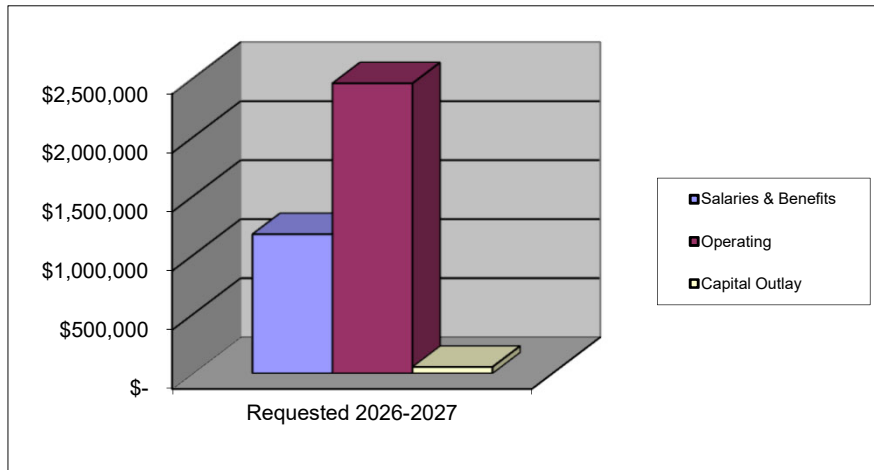
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 964,567	\$ 1,141,715	\$ 1,042,458	\$ 1,179,999
Operating	2,166,636	2,451,480	2,321,460	2,457,982
Capital Outlay	38,594	47,000	47,660	55,000
<b>Total</b>	<b>\$ 3,169,797</b>	<b>\$ 3,640,195</b>	<b>\$ 3,411,578</b>	<b>\$ 3,692,981</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Fees	\$ 77,490	\$ 60,000	\$ 53,000	\$ 60,000
Disposal Fees	2,233,837	2,676,273	2,720,000	3,117,246
General Revenues	858,470	903,922	638,578	515,735
<b>Total</b>	<b>\$ 3,169,797</b>	<b>\$ 3,640,195</b>	<b>\$ 3,411,578</b>	<b>\$ 3,692,981</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees	11.0	11.0	11.0	11.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

Truck #67 Replacement \$ 55,000



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Public Works/Environ. Services	Function: General Government	Fund: 10	Department: 565			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105650200	SALARIES & WAGES	\$ 745,433	\$ 706,833	\$ 781,156	\$ -	\$ 781,156	4.8%)
105650300	OVERTIME	65,000	42,000	50,000	-	50,000	(23.1%)
105650500	FICA EXPENSE	61,999	57,285	63,583	-	63,583	2.6%)
105650600	GROUP INSURANCE EXPENSE	112,140	91,140	117,865	-	117,865	5.1%
105650700	RETIREMENT EXPENSE	116,622	107,758	125,837	-	125,837	7.9%
105650800	DEFERRED COMPENSATION	40,521	37,442	41,558	-	41,558	2.6%)
	EMPLOYEE BENEFITS	1,141,715	1,042,458	1,179,999	-	1,179,999	
105651100	POSTAGE	300	260	300	-	300	0.0%
105651200	PRINTING	500	450	500	-	500	0.0%
105651300	TELEPHONE	9,100	7,890	9,100	-	9,100	0.0%
105651400	TRAINING & TRAVEL	18,000	13,000	18,000	-	18,000	0.0%
105651700	AUTO REPAIR	32,000	30,000	32,000	-	32,000	0.0%
105651800	UTILITIES	3,100	1,800	3,000	-	3,000	(3.2%)
105653100	AUTO OPERATING	46,000	45,000	46,000	-	46,000	0.0%
105653300	DEPARTMENTAL SUPPLIES	65,000	66,715	72,000	-	72,000	10.8%
105654500	CONTRACTUAL SERVICES	2,231,000	2,116,178	2,236,500	-	2,236,500	0.2%
105654510	INS-PROPERTY & GENERAL	24,800	23,415	25,757	-	25,757	3.9%
105654600	PROFESSIONAL SERVICES	20,000	14,500	12,500	-	12,500	(37.5%)
105655300	DUES & SUBSCRIPTIONS	1,680	2,252	2,325	-	2,325	38.4%
	OPERATING EXPENDITURES	2,451,480	2,321,460	2,457,982	-	2,457,982	
105657401	CAPITAL-SOFTWARE/COMP EQ	-	-	-	-	-	0.0%
105657402	CAPITAL-MOTOR VEHICLE	47,000	47,660	55,000	-	55,000	17.0%
105657403	CAPITAL-OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	47,000	47,660	55,000	-	55,000	
	TOTAL EXPENDITURES	<u>\$ 3,640,195</u>	<u>\$ 3,411,578</u>	<u>\$ 3,692,981</u>	<u>\$ -</u>	<u>\$ 3,692,981</u>	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Public Works and Environmental Services      Function: General Government  
 Project Title: Truck #67 Replacement      Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to replace Truck #67. This truck is a 2009 with 89,230 miles on it and is used daily. Based on age of the truck and its mileage, it should be replaced to avoid potential costly breakdowns.



Costs				2026-2027
(1) One vehicle at \$55,000 each				\$ 55,000
Total				\$ 55,000

## FLEET MAINTENANCE

Fund: General

Function: General Government

Fleet Maintenance Division Goal: To provide regular an preventive maintenance services for all Town vehicles and equipment.

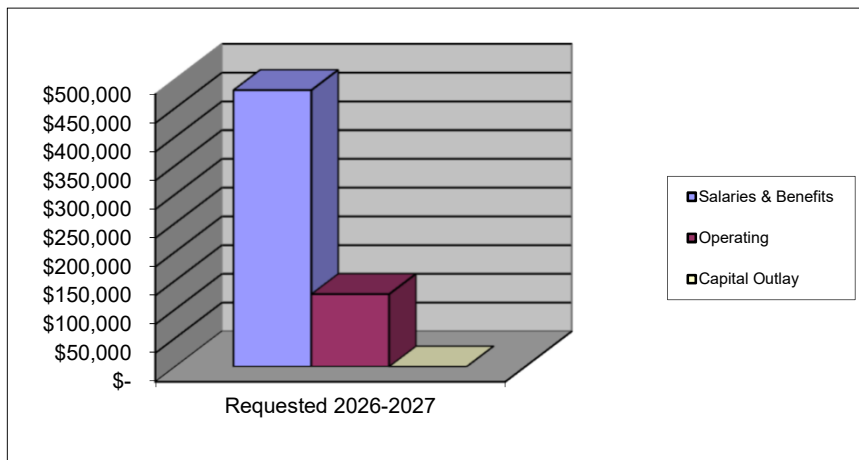
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 372,092	\$ 424,927	\$ 437,261	\$ 480,811
Operating	122,177	120,745	108,041	126,052
Capital Outlay	-	93,241	88,458	-
<b>Total</b>	<b>\$ 494,269</b>	<b>\$ 638,913</b>	<b>\$ 633,760</b>	<b>\$ 606,863</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 494,269	\$ 638,913	\$ 633,760	\$ 606,863

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees-Full Time	5.0	5.0	5.0	5.0
Budgeted Employees-Part Time	-	-	-	-

### 2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Fleet Maintenance	Function: General Government	Fund: 10	Department: 580			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
105800200	SALARIES & WAGES	\$ 296,202	\$ 304,615	\$ 327,827	\$ -	\$ 327,827	10.7%
105800300	OVERTIME	1,500	3,600	6,500	-	6,500	333.3%
105800500	FICA EXPENSE	22,775	23,578	25,576	-	25,576	12.3%
105800600	GROUP INSURANCE EXPENSE	46,725	45,705	53,575	-	53,575	14.7%
105800700	RETIREMENT EXPENSE	42,840	44,352	50,617	-	50,617	18.2%
105800800	DEFERRED COMPENSATION	14,885	15,411	16,716	-	16,716	12.3%
	EMPLOYEE BENEFITS	424,927	437,261	480,811	-	480,811	
105801300	TELEPHONE	1,200	800	1,200	-	1,200	0.0%
105801400	TRAINING & TRAVEL	15,000	14,500	15,000	-	15,000	0.0%
105801600	EQUIPMENT MAINTENANCE	5,500	850	5,500	-	5,500	0.0%
105801700	AUTO REPAIR	2,000	1,500	2,000	-	2,000	0.0%
105801800	UTILITIES	6,900	5,400	6,900	-	6,900	0.0%
105803100	AUTO OPERATING	4,000	1,800	4,000	-	4,000	0.0%
105803300	DEPARTMENTAL SUPPLIES	48,650	43,020	37,000	-	37,000	(23.9%)
105804500	CONTRACTUAL SERVICES	27,660	30,451	43,600	-	43,600	57.6%
105804510	INS-PROPERTY & GENERAL	9,235	9,320	10,252	-	10,252	11.0%
105805300	DUES & SUBSCRIPTIONS	600	400	600	-	600	0.0%
	OPERATING EXPENDITURES	120,745	108,041	126,052	-	126,052	
105807401	CAPITAL-SOFTWARE/COMP EQ	-	-	-	-	-	0.0%
105807402	CAPITAL-MOTOR VEHICLE	-	-	-	-	-	0.0%
105807403	CAPITAL-OTHER EQUIPMENT	93,241	88,458	-	-	-	0.0%
	CAPITAL OUTLAY	93,241	88,458	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 638,913</u>	<u>\$ 633,760</u>	<u>\$ 606,863</u>	<u>\$ -</u>	<u>\$ 606,863</u>	

RECREATION & GROUNDS

Fund: General

Function: Cultural & Recreation

Recreation & Grounds Division Goal: To serve, educate and enhance life for the citizens of Southern Pines.

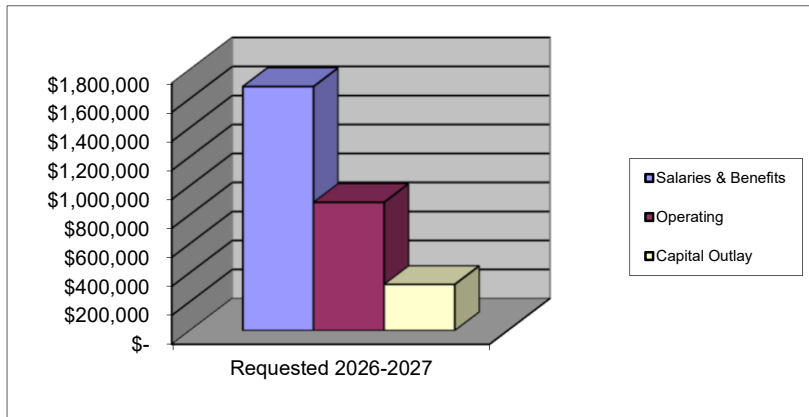
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 1,086,002	\$ 1,568,992	\$ 1,363,648	\$ 1,682,441
Operating	500,722	846,610	839,585	884,389
Capital Outlay	19,500	381,000	23,672	317,770
<b>Total</b>	<b>\$ 1,606,224</b>	<b>\$ 2,796,602</b>	<b>\$ 2,226,905</b>	<b>\$ 2,884,600</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Fees	\$ 266,772	\$ 280,000	\$ 310,000	\$ 280,000
Facility Rental Fees	83,856	50,000	60,000	68,000
Grants	2,000	-	1,000	-
General Revenues	1,253,596	2,466,602	1,855,905	2,536,600
<b>Total</b>	<b>\$ 1,606,224</b>	<b>\$ 2,796,602</b>	<b>\$ 2,226,905</b>	<b>\$ 2,884,600</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees-Full Time	16.0	18.0	18.0	18.0
Budgeted Employees-Part Time	32.5	32.5	32.5	32.5

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

Truck #9 Replacement	\$ 60,000
Tree Chipper/Mulcher Replacement	112,000
Soccer Field Fence Replacement	60,000
Green and Tee Box Improvements at Campbell House	37,000
Athletic Field Lighting - J. Pleasant Hines Park	48,770



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Recreation & Grounds	Function: Cultural & Recreation		Fund: 10	Department: 620		
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
106200200	SALARIES & WAGES	\$ 1,134,191	\$ 982,507	\$ 1,198,361	\$ -	\$ 1,198,361	5.7%
106200300	OVERTIME	4,000	5,000	4,000	-	4,000	0.0%
106200500	FICA EXPENSE	87,072	75,545	91,981	-	91,981	5.6%
106200600	GROUP INSURANCE EXPENSE	168,210	136,265	192,870	-	192,870	14.7%
106200700	RETIREMENT EXPENSE	130,259	121,956	146,761	-	146,761	12.7%
106200800	DEFERRED COMPENSATION	45,260	42,375	48,468	-	48,468	7.1%
	EMPLOYEE BENEFITS	1,568,992	1,363,648	1,682,441	-	1,682,441	
106201100	POSTAGE	150	150	150	-	150	0.0%
106201200	PRINTING	2,800	2,800	2,800	-	2,800	0.0%
106201300	TELEPHONE	11,835	11,835	11,835	-	11,835	0.0%
106201400	TRAINING & TRAVEL	9,900	7,000	9,900	-	9,900	0.0%
106201450	TRAINING & TRAVEL	3,000	3,500	3,000	-	3,000	0.0%
106201500	BUILDING & GROUNDS	1,000	1,000	1,000	-	1,000	0.0%
106201600	EQUIPMENT MAINTENANCE	400	940	400	-	400	0.0%
106201650	EQUIPMENT MAINTENANCE	10,000	6,000	8,000	-	8,000	0.0%
106201700	AUTO REPAIR	14,000	7,000	8,000	-	8,000	(42.9%)
106201800	UTILITIES	55,000	65,000	65,000	-	65,000	18.2%
106202100	RENT	-	-	5,000	-	5,000	0.0%
106203100	AUTO OPERATING	32,500	28,000	29,000	-	29,000	(10.8%)
106203300	DEPARTMENTAL SUPPLIES	140,370	140,370	140,370	-	140,370	0.0%
106203350	DEPARTMENTAL SUPPLIES	130,800	126,100	104,300	-	104,300	0.0%
106203500	LAUNDRY & CLEANING	100	100	100	-	100	0.0%
106204500	CONTRACTUAL SERVICES	112,510	112,510	112,510	-	112,510	0.0%
106204550	CONTRACTUAL SERVICES	195,500	203,100	249,000	-	249,000	0.0%
106204501	CONTRACTUAL SERV-GRANT	-	-	-	-	-	0.0%
106204510	INS-PROPERTY & GENERAL	45,000	43,435	47,779	-	47,779	6.2%
106204600	PROFESSIONAL SERVICES	-	-	-	-	-	0.0%
106204700	CARD PROCESSING FEE	6,000	15,000	15,500	-	15,500	158.3%
106205200	CHEMICALS	45,000	35,000	40,000	-	40,000	0.0%
106205300	DUES & SUBSCRIPTIONS	5,745	5,745	5,745	-	5,745	0.0%
106207300	RESERVOIR PARK EXPENSE	25,000	25,000	25,000	-	25,000	0.0%
	OPERATING EXPENDITURES	846,610	839,585	884,389	-	884,389	
106207402	CAPITAL-MOTOR VEHICLE	-	-	60,000	-	60,000	0.0%
106207403	CAPITAL-EQUIPMENT	25,000	23,672	112,000	-	112,000	348.0%
106207405	CAPITAL-BLDGS/STRUCTURES	356,000	-	-	145,770	145,770	0.0%
	CAPITAL OUTLAY	381,000	23,672	172,000	145,770	317,770	
	TOTAL EXPENDITURES	\$ 2,796,602	\$ 2,226,905	\$ 2,738,830	\$ 145,770	\$ 2,884,600	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Recreation & Grounds

Function: Cultural and Recreation

Project Title: Truck #9 Replacement

Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to replace Truck # 9 with a newer model that will improve reliability, reduce maintenance expenses, and enhance safety through updated technology and equipment standards. A replacement vehicle will ensure consistent availability for daily operations.



Costs				2026-2027
(1) One vehicle at \$60,000 each				\$ 60,000
<b>Total</b>				<b>\$ 60,000</b>

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Recreation & Grounds

Function: Cultural and Recreation

Project Title: Tree Chipper / Mulcher

Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to purchase a tree chipper/mulcher for use in supporting multiple departments with essential operations. The chipper is a townwide piece of equipment utilized in trail maintenance, utility right-of-way clearing, and storm debris cleanup. Due to its frequent use across departments, the reliability and safety of this equipment is vital to daily operations and emergency response efforts. Newer chippers on the market incorporate improved technology and enhanced safety features that reduce operator risk and downtime. The current Morbark chipper being used is 29 years old. Throughout its service life, it has required extensive repairs, making continued maintenance increasingly costly and its use unreliable.



Costs				2026-2027
Tree chipper / mulcher				\$ 112,000
<b>Total</b>				<b>\$ 112,000</b>

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Recreation & Grounds

Function: Cultural and Recreation

Project Title: Soccer Field Fence Replacement

Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to replace the existing fencing at the Soccer Fields with 10-foot, 8-gauge black vinyl-coated chain-link fencing, to add new backstop fencing on Fields 5 and 6, and to remove the existing baseball backstop that is no longer used and has become a safety hazard. The current fencing has significantly deteriorated due to age and rust and no longer complies with Town code, as galvanized fencing is no longer permitted.

Fields A and the Optimist Field were successfully upgraded with new fencing during the 25-26 fiscal year. Replacing the remaining fencing and adding backstop fencing on Fields 5 and 6 will ensure consistency across all athletic facilities, improve safety for players and spectators, enhance the overall appearance of the complex, and bring the facilities into full compliance with Town code.



Costs				2026-2027
Soccer field fence replacement				\$ 60,000
Total				\$ 60,000

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Recreation & Grounds	Function: Cultural and Recreation
Project Title: Green and Tee Box Improvements at Campbell House	Fund: Fund 10- General Fund

**Project Description:**

Funding is requested for the installation of a 500-square-foot target green and two (2) tee boxes in the upper portion of the field at Cambell House. Upgrading to synthetic turf at the target green and tee boxes will create cleaner, safer playing surfaces for users while significantly reducing ongoing maintenance demands for the Parks and Grounds crew.



Costs				2026-2027
Installation of target green and tee boxes				\$ 37,000
Total				\$ 37,000

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Recreation & Grounds	Function: Cultural and Recreation
Project Title: Athletic Field Lighting - J. Pleasant Hines Park	Fund: Fund 10- General Fund

**Project Description:**

Funding is requested to install lighting at J. Pleasant Hines Park. Athletic field lighting is one of the most highly sought after improvements to green spaces in municipal government. It allows for the expansion of use into evening hours and increases year-round programmability and availability of space. Additionally, it increases the safety and well-being of the public and reduces the possibility of criminal activity. Expansion of these lit spaces will generate more program opportunities, increase investment into the value of spaces by the community where it exists and provide opportunity for the Parks and Recreation Department to use spaces as they are designed.

Using the same company that did the new lighting at the skatepark, lighting could be provided for recreational level sports as well as security lighting for patron safety. A photometric study of the space has been completed, and the necessary work would not require any laying of infrastructure as the lights are solar. The new lights would tie into existing lights at the Skatepark and Reservoir Park, and could be remotely controlled by staff to increase brightness during events but decrease to "security" levels after hours.

Costs				2026-2027
Installation of lighting fixtures				\$ 48,770
Total				\$ 48,770

LIBRARY

Fund: General

Function: Cultural & Recreation

Library Division Goal: To provide citizens with materials of interest, educational support, reference services, access to information, and opportunities for cultural awareness.

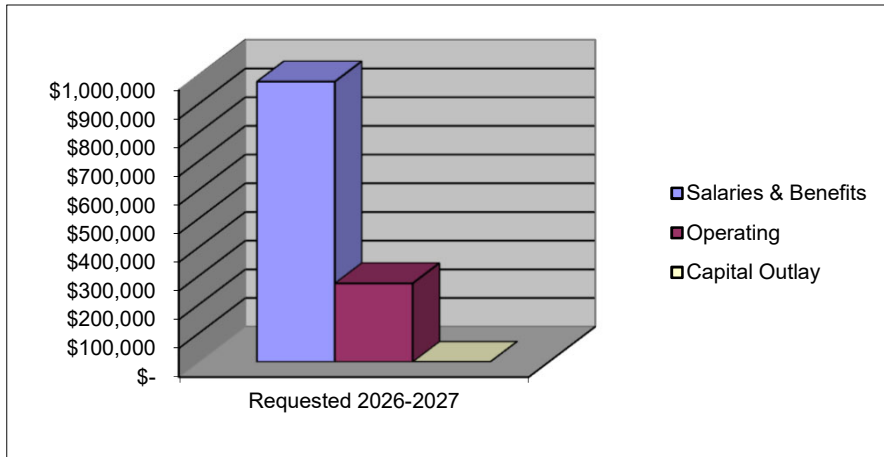
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 765,368	\$ 890,867	\$ 840,344	\$ 977,021
Operating	262,491	273,575	269,947	273,950
Capital Outlay	-	-	-	-
<b>Total</b>	<b>\$ 1,027,859</b>	<b>\$ 1,164,442</b>	<b>\$ 1,110,291</b>	<b>\$ 1,250,971</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
State Aid	\$ 10,022	\$ 9,000	\$ 10,252	\$ 10,000
Grants	1,856	-	-	-
Fees	88,811	60,000	56,500	60,000
General Revenues	927,170	1,095,442	1,043,539	1,180,971
<b>Total</b>	<b>\$ 1,027,859</b>	<b>\$ 1,164,442</b>	<b>\$ 1,110,291</b>	<b>\$ 1,250,971</b>

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees-Full Time	9.0	9.0	9.0	9.0
Budgeted Employees-Part Time	4.0	4.0	4.0	4.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

There are no capital outlay requests in this budget.



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Library	Function: Cultural & Recreation	Fund: 10	Department: 630			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
106300200	SALARIES & WAGES	\$ 648,077	\$ 630,985	\$ 701,176	\$ -	\$ 701,176	8.2%
106300500	FICA EXPENSE	49,577	48,270	53,640	-	53,640	8.2%
106300600	GROUP INSURANCE EXPENSE	84,105	55,296	96,435	-	96,435	14.7%
106300700	RETIREMENT EXPENSE	80,972	78,513	94,546	-	94,546	16.8%
106300800	DEFERRED COMPENSATION	28,136	27,280	31,224	-	31,224	11.0%
	EMPLOYEE BENEFITS	890,867	840,344	977,021	-	977,021	
106301100	POSTAGE	3,000	3,000	3,000	-	3,000	0.0%
106301200	PRINTING	-	-	-	-	-	0.0%
106301300	TELEPHONE	100	10	50	-	50	(50.0%)
106301400	TRAINING & TRAVEL	8,000	8,000	8,500	-	8,500	6.3%
106301600	EQUIPMENT MAINTENANCE	500	500	500	-	500	0.0%
106301800	UTILITIES	45,000	40,000	40,000	-	40,000	(11.1%)
106302200	LEASED EQUIPMENT	600	613	650	-	650	8.3%
106303300	DEPARTMENTAL SUPPLIES	26,800	26,800	26,800	-	26,800	0.0%
106303400	MATERIALS & LIBRARY BOOKS	110,000	60,000	60,000	-	60,000	(45.5%)
106303401	STATE AID MATERIALS	9,000	10,252	10,000	-	10,000	11.1%
106303403	DONATION EXPENSES	2,000	4,000	2,000	-	2,000	0.0%
106303500	PERIODICALS	7,800	7,800	7,800	-	7,800	0.0%
106303600	AUDIO-VISUAL-DIGITAL	1,800	50,000	55,000	-	55,000	2955.6%
106304500	CONTRACTUAL SERVICES	51,700	51,700	52,000	-	52,000	0.6%
106304501	CONTRACTUAL SRVCS - GRANT	-	-	-	-	-	0.0%
106304510	INS-PROPERTY & GENERAL	3,775	3,772	4,150	-	4,150	0.0%
106305300	DUES & SUBSCRIPTIONS	3,500	3,500	3,500	-	3,500	0.0%
	OPERATING EXPENDITURES	273,575	269,947	273,950	-	273,950	
106307401	CAPITAL-SOFTWARE/COMP EQ	-	-	-	-	-	0.0%
106307403	CAPITAL-OTHER EQUIPMENT	-	-	-	-	-	0.0%
	CAPITAL OUTLAY	-	-	-	-	-	
	TOTAL EXPENDITURES	<u>\$ 1,164,442</u>	<u>\$ 1,110,291</u>	<u>\$ 1,250,971</u>	<u>\$ -</u>	<u>\$ 1,250,971</u>	

FACILITY MAINTENANCE

Fund: General

Function: General Government

Facility Maintenance Division Goal: To provide manpower, supplies, expertise, equipment, and management for the maintenance of Town owned buildings and properties.

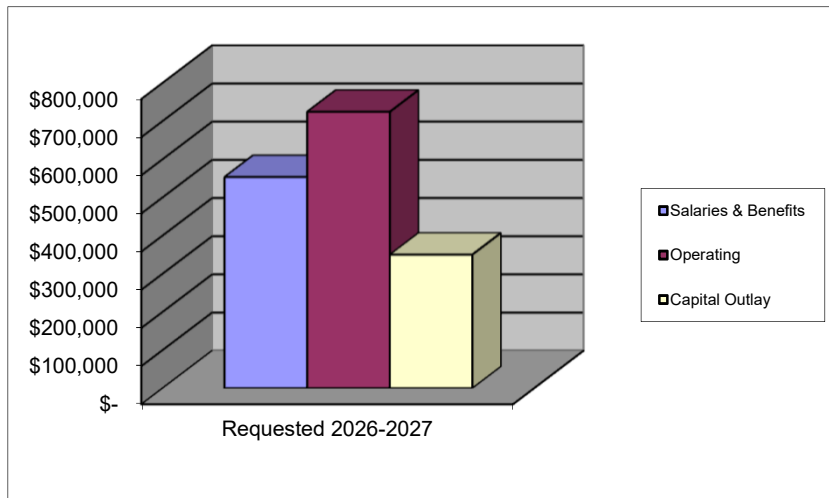
Object of Expenditures	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Salaries & Benefits	\$ 643,441	\$ 505,644	\$ 504,097	\$ 553,261
Operating	914,627	751,668	582,421	724,198
Capital Outlay	218,634	1,133,431	832,949	350,000
<b>Total</b>	<b>\$ 1,776,702</b>	<b>\$ 2,390,743</b>	<b>\$ 1,919,467</b>	<b>\$ 1,627,459</b>

Revenues by Type	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
General Revenues	\$ 1,776,702	\$ 2,390,743	\$ 1,919,467	\$ 1,627,459

	Actual FY 2024-25	Budget FY 2025-26	Expected FY 2025-26	Requested FY 2026-27
Budgeted Employees-Full Time	9.0	7.0	7.0	7.0

2026-2027 CAPITAL OUTLAY DETAIL AND NEW REQUESTS

Truck Replacement (#985)	\$ 50,000
Van Replacement (#43)	60,000
Fire Station 81 Bay Floor	65,000
Library Air Handler	175,000



2026-2027 ANNUAL BUDGET  
DETAILED ACTIVITY SPENDING REQUEST

Fiscal Year 2026-2027	Department: Facility Maintenance	Function: General Government	Fund: 10	Department: 640			
Object Code	Object Title	2025-2026 Budget as of 03/01/26	2025-2026 Expected	2026-2027 Continuation	2026-2027 New Budget Requests	2026-2027 Total Request	% Increase (Decrease)
106400200	SALARIES & WAGES	\$ 338,527	\$ 336,615	\$ 366,251	\$ -	\$ 366,251	8.2%
106400300	OVERTIME	8,000	4,500	8,000	-	8,000	0.0%
106400500	FICA EXPENSE	26,509	26,095	28,630	-	28,630	8.0%
106400600	GROUP INSURANCE EXPENSE	65,415	70,745	75,005	-	75,005	14.7%
106400700	RETIREMENT EXPENSE	49,866	49,086	56,662	-	56,662	13.6%
106400800	DEFERRED COMPENSATION	17,327	17,056	18,713	-	18,713	8.0%
	EMPLOYEE BENEFITS	505,644	504,097	553,261	-	553,261	
106401300	TELEPHONE	7,500	5,200	7,000	-	7,000	(6.7%)
106401400	TRAINING & TRAVEL	3,000	2,700	3,000	-	3,000	0.0%
106401500	BUILDING & GROUNDS	149,000	95,000	149,000	-	149,000	0.0%
106401600	EQUIPMENT MAINTENANCE	2,000	500	2,000	-	2,000	0.0%
106401700	AUTO REPAIR	15,000	6,000	10,000	-	10,000	(33.3%)
106401800	UTILITIES	119,000	87,000	125,000	-	125,000	5.0%
106402100	RENT	3,000	2,385	3,000	-	3,000	0.0%
106403100	AUTO OPERATING	7,500	11,000	10,000	-	10,000	0.0%
106403300	DEPARTMENTAL SUPPLIES	74,000	55,500	74,000	-	74,000	0.0%
106404500	CONTRACTUAL SERVICES	231,863	178,787	182,800	-	182,800	(21.2%)
106404510	INS-PROPERTY & GENERAL	54,055	56,543	62,198	-	62,198	15.1%
106404600	PROFESSIONAL SERVICES	37,000	32,200	42,000	-	42,000	0.0%
106405300	DUES & SUBSCRIPTIONS	750	240	400	-	400	(46.7%)
106405700	APPEARANCE COMMISSION	48,000	49,366	53,800	-	53,800	12.1%
	OPERATING EXPENDITURES	751,668	582,421	724,198	-	724,198	
106407402	CAPITAL-MOTOR VEHICLE	110,000	93,805	-	110,000	110,000	0.0%
106407403	CAPITAL-OTHER EQUIPMENT	193,000	218,406	-	-	-	(100.0%)
106407405	CAPITAL-BLDGS/STRUCTURES	830,431	520,738	-	240,000	240,000	(71.1%)
	CAPITAL OUTLAY	1,133,431	832,949	-	350,000	350,000	
	TOTAL EXPENDITURES	<u>\$ 2,390,743</u>	<u>\$ 1,919,467</u>	<u>\$ 1,277,459</u>	<u>\$ 350,000</u>	<u>\$ 1,627,459</u>	

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Facilities Maintenance	Function: General Government
Project Title: Truck #985 Replacement	Fund: General Fund

**Project Description:**

Funding is requested to replace a 2014 truck that has the mileage 138,090 and is used (six) 6 days a week cleaning the different park restrooms. Based on the age of the vehicle and the mileage, it should be replaced to avoid potential costly breakdowns and repair.



Costs				2026-2027
(1) One vehicle at \$50,000 each				\$ 50,000
Total				\$ 50,000

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Facilities Maintenance

Function: General Government

Project Title: 2009 Van Replacement

Fund: General Fund

**Project Description:**

Funding is requested to replace a 2009 van that has the mileage 91,168. Based on the age of the vehicle and the mileage, it should be replaced to avoid potential costly breakdowns and repair.



Costs				2026-2027
(1) One vehicle at \$60,000 each				\$ 60,000
<b>Total</b>				<b>\$ 60,000</b>

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Facilities Maintenance	Function: General Government
Project Title: Fire Station 81 Bay Floor	Fund: General Fund

**Project Description:**

Funding is requested to replace the epoxy floor coating on the FS 81 bay floor. The current epoxy floor coating is peeling up, creating cleaning issues and the possibly of a trip hazard for employees.



Costs				2026-2027
Epoxy floor coating				\$ 65,000
<b>Total</b>				<b>\$ 65,000</b>

**DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL**



Department: Facilities Maintenance	Function: General Government
Project Title: Library Air Handler	Fund: General Fund

**Project Description:**

Funding is requested to refurbish the 1994 model air handler per Creech Assessment. The original Creech Report identified this air handler as a 1994 model and gave it an assessment score of 4 which equals poor. At that time, the report stated the handler had exceeded its useful life. The unit was refurbished in 2015 and was rescheduled for replacement in 2025. As it has not been replaced, the Building and Grounds department is requesting a partial refurbishment of all drive components while the current coils will remain. Fields & Fowler performed the last refurbishment and were consulted with a site visit on the current request.

Costs				2026-2027
Air handler refurbishment placeholder				\$ 175,000
<b>Total</b>				<b>\$ 175,000</b>



# FY 26-27 Budget

## *General Fund Expenditures: Big Picture*

**Town Manager's Recommended Budget**

**March 30, 2026**



# EXPENDITURES: THE BIG PICTURE

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The expenditures detailed over the next three pages represent the “big picture” view of the \$34,500,573 in expenditures in the Town Manager’s recommended budget. What is represented here?

- Expenditures that hit all or most departments, i.e. salaries, utilities, property & vehicle insurance, auto operating and repair expenses, and similar.
- Proposed capital project transfers, debt service payments, leases, SBITAS, and other non-departmental expenditures, like the water-sewer indirect costs.
- Single items that meet the Town’s \$20,000 capital asset threshold.
- Items in multiple departments or line items that collectively add up to \$20,000 or more for improved transparency and ease of reviewing the budget.
- What types of items aren’t listed? Some examples include: Sandhills MPO dues, seniors activities, community & special events, downtown holiday decorations & set-up, routine office supplies, and similar.

\*There are a few items marked with an asterisk that are also incorporated into broader categories like employee wages, FICA, and retirement. This means that if each line in the below table were manually totaled, the sum of all lines would be greater than \$34,500,573. These expenditures are noted individually for enhanced transparency and to aid Council in decision-making and prioritization.

DESCRIPTION	BUDGET IMPACT	26-27 EXPENDITURE
Employee Wages, FICA, Retirement	Operating	\$19,754,376
Employee Group Insurance**	Operating	\$2,057,280
Meridian Contract (garbage & recycling)	Operating	\$2,049,219
Street Resurfacing	Operating	\$1,450,000
*Environmental Services (debris & bulk items)	Operating	\$1,276,697
Contracted & Professional Services	Operating	\$1,155,490
Replacement Vehicles	Capital Purchase	\$1,085,400
Supplies (specific to a service or department)	Operating	\$898,449
Insurance - Property, Vehicles, etc.	Operating	\$667,356
Installment Payment: Town Hall	Debt Service	\$643,082
Utilities	Operating	\$609,900
Environmental Services Residential Fee Subsidy	Revenues	\$495,532
*Overtime	Operating	\$435,500
Installment Payment: Fire Station #82	Debt Service	\$397,009
IT: Software & Computer Capital Expenditures	Capital Purchase	\$380,760

\*\*The Town Council & Attorney along with part-time employees don’t receive employee benefits like retirement and group insurance.

Leases & SBITA Payments	Non-Departmental	\$350,392
Equipment Replacements	Capital Purchase	\$322,000
Auto Operating	Operating	\$338,000
Employee Uniforms, Safety & Protective Gear	Operating	\$309,400
Employee Training & Travel	Operating	\$287,380
Hazardous Materials & Debris Disposal	Operating	\$258,300
Sidewalk Projects (new installations)	Capital Transfer	\$250,000
Auto Repairs	Operating	\$235,000
Moore Co. Service Fee - Property Tax Collections	Operating	\$218,000
Phone Service	Operating	\$189,125
Library Air Handler Replacement	Capital Purchase	\$175,000
Service Contracts, Inspections, etc.	Operating	\$163,470
Equipment Maintenance	Operating	\$141,000
*Police Separation Allowances	Operating	\$138,288
IT Hardware - for all departments	Operating	\$128,786
Janitorial supplies, contracted cleaning	Operating	\$102,600
Professional Dues, Certifications, Licenses	Operating	\$101,600
*Youth Camps & After School Programs	Operating	\$84,999
*Tree Removals & Pruning (ROWs & Public Places)	Operating	\$71,500
Facilities: building & safety repairs	Operating	\$68,500
Installment Payment: Community Development	Debt Service	\$66,231
Fire Station 81: bay floor resurfacing	Capital Purchase	\$65,000
Athletics - Youth & Adults	Operating	\$63,310
*Recreation Instructors & Programs	Operating	\$60,600
Library Circulation: books & physical materials	Operating	\$60,000
Southern Pines Sports Park: fence replacements	Capital Purchase	\$60,000
*Pool & Splash Pad Operations & Staffing	Operating	\$57,246

<b>*Public Safety Extra Duty</b>	<b>Operating</b>	<b>\$59,500</b>
<b>Library Circulation: audio, visual, and digital</b>	<b>Operating</b>	<b>\$55,000</b>
<b>Appearance Commission Projects &amp; Programs</b>	<b>Operating</b>	<b>\$53,800</b>
<b>Park benches, signs, trash cans, etc.</b>	<b>Operating</b>	<b>\$50,570</b>
<b>J. Pleasant Hines Park: multi-purpose field lighting</b>	<b>Capital Purchase</b>	<b>\$48,770</b>
<b>Employee Service &amp; Retirement Awards</b>	<b>Operating</b>	<b>\$42,000</b>
<b>Campbell House Park: replace green &amp; tee box</b>	<b>Capital Purchase</b>	<b>\$37,000</b>
<b>Postage &amp; Printing</b>	<b>Operating</b>	<b>\$32,760</b>
<b>SoPines Sustainovates!</b>	<b>Operating</b>	<b>\$32,700</b>
<b>Moore Co. Economic Dev. Partnership</b>	<b>Operating</b>	<b>\$32,500</b>
<b>Records Digitization</b>	<b>Operating</b>	<b>\$27,500</b>

# ADDITIONS, TRADEOFFS, & REVENUE OPTIONS

The following were evaluated as part of the FY 26–27 budget process but are not included or modeled in the Town Manager’s recommended budget. Council may wish to consider this list as a “menu” of potential additions to or tradeoffs within the budget. Each item includes both the estimated cost and the equivalent property tax rate needed to fund it. As Council reviews these options, it is important to consider the full financial impact:

- Each addition increases total expenditures, which must be balanced through either a property tax rate adjustment, increase in other revenues, or expenditure reductions.
- The Town’s longstanding policy is to maintain fund balance equal to 25% of operating expenditures to ensure financial stability. The 25% reserve amount is indicated below.

Environmental Services revenues reflect the “alternative” rate model, which recovers 100% of Meridian contract costs and approximately 60% of Town operations. Maintaining the current model (approximately 75% recovery of *all* residential costs) would result in a \$296k reduction in budgeted revenues, requiring either equivalent expenditure reductions, a property tax increase of approximately \$0.63, or some other approach.

Southern Pines levies a \$5 annual municipal vehicle tax. State law allows increases in \$5 increments up to \$30, representing up to approximately \$345,000 in additional annual revenue. This additional revenue could help offset the \$1.7M road resurfacing and sidewalk construction projects.

	OPTION	26-27 IMPACT	25% RESERVE	TAX RATE EQUIVALENT
<input type="checkbox"/>	Municipal Vehicle Tax (increased revenue)	\$345,000	N/A	(0.73)
<input type="checkbox"/>	Environmental Services “status quo” fees	\$296,322	N/A	0.63
<input type="checkbox"/>	Environmental Services 3 <sup>rd</sup> Knuckle Boom	\$240,000	\$60,000	0.51
<input type="checkbox"/>	Martin Dog Park Restroom	\$180,000	\$45,000	0.38
<input type="checkbox"/>	Wheeled Excavator (increase from backhoe)	\$150,000	\$37,500	0.32
<input type="checkbox"/>	Meridian Hardened Barricades Phase 2	\$126,245	\$31,561	0.27
<input type="checkbox"/>	Parks & Rec Bus for expanded camps	\$114,000	\$28,500	0.24
<input type="checkbox"/>	Fleet Truck/Mobile Service Unit	\$80,000	\$20,000	0.17
<input type="checkbox"/>	Memorial Park Fencing (B&C fields)	\$70,000	\$17,500	0.15
<input type="checkbox"/>	Streets Dingo TX	\$48,000	\$12,000	0.10
<input type="checkbox"/>	Broad St. Hardscape (Downtown Park block)	\$37,500	\$9,375	0.08
<input type="checkbox"/>	Reservoir Park Fitness Equipment	\$31,500	\$7,875	0.07
<input type="checkbox"/>	Appearance Commission: artistic benches	\$20,000	\$5,000	0.04
<input type="checkbox"/>	Admin. Building exterior painting	\$6,500	\$1,625	0.01
<input type="checkbox"/>	Appearance Comm: public art concept design	\$5,000	\$1,250	0.01

# STAFF ADDITIONS & UPGRADES

The following staffing requests were submitted as part of the FY 26–27 budget process, but are not included in the Town Manager’s recommended budget. To support Council’s consideration, timing scenarios have been outlined for each position. Each position can be considered independently in terms of both whether to add the position and when to onboard it, allowing Council to align decisions with priorities and available funding.

All requests include one-time, first-year costs such as vehicle purchases, specialized equipment, and protective gear. These costs are necessary to fully equip new employees but do not recur in future years. As a result, delayed onboarding does not produce a direct, proportional savings in the first year, as certain upfront costs are still required.

The Fire Department’s request is to convert an existing part-time Public Education Specialist/Fire Marshal position to full-time. The costs shown reflect the total compensation and benefits for a full-time position, *not* the incremental difference from part-time status. This request also includes the purchase of a vehicle, as the current employee does not have a dedicated Town vehicle.

There are also operational considerations specific to certain requests. For example, due to patrol shift scheduling, the Police Department has indicated that patrol officer positions are most effective when added in even numbers (two or four). When asked about priority, Chief Polidori ranks the addition of two patrol officers and one investigations lieutenant higher than patrol officers 3 & 4 or the detective.

	REQUEST	FULL YEAR	10/1/2026	1/1/2027	4/1/2027
<input type="checkbox"/>	<b>Police Patrol Officers 1 &amp; 2</b>	<b>\$375,781</b>	<b>\$336,843</b>	<b>\$297,904</b>	<b>\$258,966</b>
	Associated Tax Rate	0.80	0.71	0.63	0.55
<input type="checkbox"/>	<b>Police Investigations Lieutenant</b>	<b>\$213,867</b>	<b>\$185,050</b>	<b>\$156,234</b>	<b>\$127,418</b>
	Associated Tax Rate	0.45	0.39	0.33	0.27
<input type="checkbox"/>	<b>Police Patrol Officers 3 &amp; 4</b>	<b>\$375,781</b>	<b>\$336,843</b>	<b>\$297,904</b>	<b>\$258,966</b>
	Associated Tax Rate	0.8	0.71	0.63	0.55
<input type="checkbox"/>	<b>Police Detective</b>	<b>\$180,657</b>	<b>\$160,143</b>	<b>\$139,629</b>	<b>\$119,115</b>
	Associated Tax Rate	0.38	0.34	0.30	0.25
<input type="checkbox"/>	<b>Fire Marshal/Public Education Specialist</b>	<b>\$128,587</b>	<b>\$111,290</b>	<b>\$93,994</b>	<b>\$76,697</b>
	Associated Tax Rate	0.27	0.24	0.20	0.16
<input type="checkbox"/>	<b>Parks &amp; Recreation Coordinator</b>	<b>\$89,214</b>	<b>\$68,344</b>	<b>\$47,476</b>	<b>\$26,606</b>
	Associated Tax Rate	0.19	0.15	0.10	0.06



# FY 26-27 Budget *Funding Priorities*

**Town Manager's Recommended Budget**  
March 24, 2026



# Memo

**To:** Town Council  
**From:** Town Manager Reagan Parsons, ICMA-CM  
**Date:** March 24, 2026  
**Re:** FY 26-27 Recommended Funding Priorities

The attached document outlines the key funding priorities included in the Town Manager’s Recommended Budget for FY 26–27, which we will review in detail at the upcoming April 2nd budget retreat. **The budget reflects a continued focus on maintaining core services, addressing critical infrastructure needs, and making targeted investments in our workforce.**

At a high level, the recommended budget prioritizes the preservation of existing service levels and assets. Investments are focused on maintaining facilities, infrastructure, and the vehicles and equipment that support daily operations, public safety, and service delivery. This includes our annual road resurfacing program, stormwater improvements, facility maintenance, and replacement of aging vehicles and equipment to ensure reliability and safety.

A significant component of this year’s budget is the strategic implementation of the recently completed compensation and benefits study. The recommended approach prioritizes market alignment for critical and hard-to-recruit positions, while also addressing internal equity and salary compression.

The budget accounts for known increases in personnel-related costs, including an anticipated 12% increase in major medical premiums and rising contributions to the State retirement system. The budget also incorporates several non-discretionary financial commitments. FY 2026–27 represents the first full year of debt service and operational costs associated with the new Town Hall facility. These costs, along with other contractual and operational obligations, must be accommodated within the General Fund.

At the same time, the recommended budget reflects mindful recommendations from our leadership team about *what is not included*, even though requested initially. Requests for all new positions, new programs, and certain equipment or vehicle additions have not been recommended at this time. Similarly, while the need for a new fleet garage remains a high priority, no funding has been identified at this time. These collective decisions reflect a focus on sustaining current operations to ensure the level of service the community has come to expect.

Staff has developed an alternative rate methodology for Environmental Services which could result in additional revenue. As requested by Council, we have also analyzed what the transition to an enterprise fund model would look like. That team did request the purchase of an additional knuckle boom truck to support debris collection; this is not included in the recommended budget at this time (or modeled in recommended customer rates).

It is important to note that several external factors remain uncertain and may impact the final budget. Property taxes remain our largest revenue source and we are still awaiting final County property valuation figures. There is also pending State-level legislative actions related to property tax policy, which could impact the FY 26-27 or future budgets, if approved.

In addition to property tax projections, upcoming sales tax data for January and February—received in April and May—will help finalize revenue forecasts prior to budget adoption in June.

We are aware of potential increases in Moore County services, such as landfill fees, which directly impact our costs for environmental services. Assumptions for vehicle operations—including fuel and diesel costs—were developed in early February for both FY 25-26 and FY 26-27; ongoing global events create volatility in these costs. Given the Town's significant fuel and diesel usage across almost every department, this will require continued monitoring and may impact operating expenses for both fiscal years.

Decisions regarding the future use or disposition of the existing Finance and Administration buildings (as well as the Campbell House lease) could impact the FY 26-27 budget and influence longer-term financial planning.

The recommended budget reflects a balanced approach—prioritizing fiscal responsibility while continuing to invest in the people, infrastructure, and systems that support the Town's service delivery. As we move through the budget process, we will continue to refine assumptions and provide updates as additional information becomes available. I look forward to discussing these priorities with you in greater detail.

## Comprehensive Plan Consistency

The Comprehensive Plan notes, "A statement of Comprehensive Plan consistency for capital projects considered for the town's Capital Improvements Plan (CIP) would reinforce a direct connection between land use and development (i.e., demand for services) and the infrastructure needed to support it (i.e., services supplied). Preparing this information during updates to the CIP document should inform the prioritization process for Town Council." Look for this green "checkmark" graphic, indicating the request is consistent with or advances the 2040 Comprehensive Plan.



# Workforce Strategy

## Align compensation with the market to retain talent and sustain service delivery.

At the last budget retreat, Council supported a comprehensive compensation and benefits study and included funding in the FY 25–26 budget to complete this work, with the expectation that the findings would inform future budget decisions. At that time, there was a shared understanding that conducting the study without a willingness to act on the results could negatively impact employee trust and organizational stability.

The study is now complete. It confirms that while the Town has made meaningful progress in entry-level compensation, multiple mid-level and senior leadership positions remain below market.

### What the Data Shows

The Town's findings are consistent with national trends across local government:

- A majority of jurisdictions have recently conducted compensation studies and implemented broad pay adjustments.
- Competitive compensation is identified as a top workforce priority.
- The leading reason employees leave public sector organizations is non-competitive pay.

The Town's results align with this broader data:

- Benefits are generally competitive
- Wages for certain positions are not

This creates a gap in the Town's overall compensation competitiveness.

### Workforce Environment & Timing

The Town is entering a period of significant workforce transition:

- Multiple leadership retirements are anticipated within the next four to five years.
- These include both department directors and key second-in-command roles.
- Many of these same positions are identified as below market.

At the same time, the broader labor market is shifting:

- Fewer experienced professionals are entering or remaining in local government.
- Organizations can no longer rely on recruiting talent from peer agencies.
- High-performing employees are increasingly mobile and have greater access to opportunities.

This creates a critical risk as the positions that the Town will most need to fill are the same positions where it is least competitive.

### Succession Planning & Retention

The Town is actively working to strengthen its workforce through employee development, leadership training, and succession planning efforts.

Best practices in local government emphasize building a broad internal pipeline of leadership capacity rather than relying on individual "replacement" candidates for key roles. This approach requires time, investment, and—most importantly—retention.

However, the workforce reality is that:

- Employees with the skills and potential to advance into leadership roles are also the most marketable.
- These individuals have a strong ability to pursue external opportunities.

Without competitive compensation:

- The Town risks losing high-potential employees.
- Investments in training and development may benefit other organizations.
- The Town's ability to sustain a broad leadership pipeline is reduced.

Succession planning and retention are inseparable and retention requires competitive compensation.

# Workforce Strategy

## Impact on Service Delivery

Local governments are service- and knowledge-driven organizations. The Town's ability to deliver services, improve efficiency, and respond to community needs depends directly on its workforce. Employees are essential to:

- Maintaining service levels and customer service quality
- Implementing new technologies and innovations
- Improving operational efficiency and processes
- Responding to evolving and increasingly complex regulatory requirements, including standards such as GASB
- Performing highly specialized work requiring professional certifications and licenses (e.g., AICP, ICMA-CM, PE, CPA, fire marshal credentials, building inspections, CDL licensure, and similar qualifications)

Local government is no longer a generalist workforce environment—it is increasingly complex and professionalized. The Town must compete to attract and retain employees with the qualifications required to sustain and enhance the services we offer.

## Organizational Investment & Alignment

The Town has made significant investments in building a strong organizational culture and employee experience, which align with best practices for employee engagement and retention. Some notable initiatives in recent years include:

- Employee recognition and storytelling initiatives
- Innovation and development programs such as Sustainovates
- Revamped service awards and engagement efforts
- Opportunities for cross-departmental connection
- A re-designed performance development program and merit pay

Research consistently shows that while culture and development are critical, competitive compensation is a foundational requirement. Employees expect to be compensated fairly relative to the market.

Without alignment between compensation and these broader investments:

- Retention of high-performing employees becomes more difficult
- The impact of these initiatives is diminished
- The Town risks losing employees it has invested in developing

The Town has built the kind of organization people want to work for. Competitive compensation ensures employees can afford to stay—and know they are paid fairly.

## Risk of Inaction

Choosing not to act on the study's findings carries clear risks:

- Increased turnover among experienced and high-performing staff
- Difficulty recruiting for critical roles
- Leadership gaps during anticipated retirements
- Loss of institutional knowledge
- Reduced capacity to sustain and improve service delivery

## FY 26-27 Priorities

The recommended budget includes a structured and strategic approach to implementing the market adjustments identified in the compensation study:

1. Prioritize critical roles, including leadership and hard-to-recruit positions
2. Address salary compression and internal equity considerations
3. Align adjustments with succession planning and workforce strategy efforts

This approach balances fiscal responsibility with the need to maintain a competitive, stable, and high-performing workforce. The Town initiated this study to remain competitive and sustain the level of service our community expects and this positions us to do both.

# Facilities

## Ensure existing buildings are appropriately maintained & upgraded as needed.

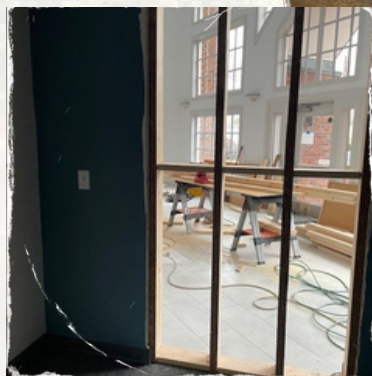
The Town completed a facilities condition assessment in 2019 to identify **repairs & upgrades to our various buildings**. The study also evaluated long-term space needs. We have been consistently implementing those recommendations and the recommended budget includes projects to meet these goals.

**Town Hall:** The Town purchased a 21,000 square-foot building at 300 SW Broad St. in December 2025. This facility will open in spring 2026 as Town Hall, to include a Council Chambers.

FY27 represents the first full year of budgeting for debt service associated with the installment financing. The **annual debt service totals \$643,082** and is a new ongoing obligation for the Town. In addition to this financing cost, the Town will also assume operating expenses associated with the building and surrounding grounds.

This investment establishes a centralized Town Hall facility that improves access to services, enhances the customer experience, and supports more efficient coordination across departments. It also provides dedicated space for Council meetings and community engagement, aligning the Town's facilities with current and future service expectations.

**Fire Station #81: \$65,000 is recommended to replace the epoxy floor coating in the bay**, which is at end of life. The current coating, shown below, is peeling, which creates ongoing cleaning challenges and potential trip and fall hazards. It also holds water, creating slip hazards. Replacing the flooring will improve safety, durability, and ease of maintenance, ensuring a safe and functional working environment.



**Library:** The recommended budget includes **\$175,000 to replace the aging air handler at the Library**. This replacement was identified in the 2019 study and has become increasingly unreliable, impacting comfort, air quality, and consistent operation of the facility. Replacement will improve efficiency and reduce the risk of service disruptions in this heavily used public space.

**Garage:** The Town's garage no longer adequately supports the current fleet, which has grown in both size and complexity, limiting operational efficiency and maintenance capacity. In FY26, \$300k was allocated to a Capital Project Fund (CPF) to begin preliminary design and engineering for a new facility on the Community Development campus. This \$300k originally budgeted was ultimately transferred out of the Garage Fund for the purpose of making the first P&I payment on the new Town Hall.

While this project remains a high capital priority, no additional funding has been proposed for FY27. In the interim, staff are exploring temporary solutions to maintain fleet operations and service levels until a long-term facility can be advanced.

**Other Facilities:** There will be work performed at the other buildings and facilities to ensure necessary maintenance and preservation. These needs aren't currently anticipated to meet the threshold for a capital project (\$20k+), so they aren't individually identified here.



# Transportation

Transportation is one of 12 Guiding Principles in the 2040 Comprehensive Plan: *“Provide a safe, reliable transportation system that balances all modes of travel; including walking, biking, public transit, rail, and cars. Consider land use and infrastructure investments together, promoting a network of complete, connected, and walkable streets that emphasize the quality and character of both the street design and surrounding development pattern. Safeguard the town’s transportation connections to important destinations outside of Southern Pines and work with partners in the greater region to build an efficient and multimodal regional transportation system.”*

## Prioritize “pavement preservation” through annual resurfacing program

The Town maintains approximately 85 miles of roadway and follows a long-term resurfacing strategy based on street type and usage. High-volume collector and arterial streets are targeted for resurfacing every 15 years, while lower-volume residential streets are addressed every 22.5 years, with conditions assessed every four years to prioritize needs.

The Town’s goal is to resurface roads while they are still in “fair” condition to maximize pavement preservation and avoid significantly higher reconstruction costs—potentially up to 14 times more. The recommended budget includes \$1.45 million to continue this proactive approach and maintain the quality and safety of the Town’s roadway network.

## Expand Sidewalk Network

\$250,000 is requested to continue implementing the Town’s Sidewalk Master Plan. The previously funded S. Bennett St. project has been completed. Staff will identify and advance the next priority segment to further expand the Town’s sidewalk network.

The sidewalk projects advance **Comprehensive Plan Policy 8.1** which encourages increased pedestrian & bicycle access and a network of connected sidewalks.



## Stormwater Infrastructure

Following the recent opening of bids for the annual paving program, funds have become available to address two currently failing stormwater systems for a cost of approximately \$280k. One project replaces a failed 24-inch corrugated metal pipe beneath Country Club Drive, where corrosion, soil loss, and pavement voids threaten roadway stability and emergency access.

The second rehabilitates the stormwater system along S. Bennett Street, where aging pipes and compromised manholes are contributing to flooding, roadway undermining, and safety risks. While temporary measures are in place, they are not sustainable; these improvements provide a long-term solution that mitigates risk, protects infrastructure, and avoids more costly emergency repairs.

Staff is working on a detailed memo discussing the future of storm water and potential for creation of a new utility. This will not be part of the recommended FY 26-27 budget.



# Transportation

## Streets Service Truck

Staff requests **\$110k to replace an existing 2016 service truck**. Staff describes this vehicle as “mission critical” for service delivery in the streets division. It’s driven every day and used for every task, from pavement management and sign maintenance to stormwater work, after-hours emergencies, and snow & ice management. Over the past 12 months, it has required more than \$6,100 in repairs and over 20 labor hours, indicating declining reliability. Continued repairs are not cost-effective given the age and value of the truck.



## Streets Backhoe

The budget includes \$150,000 to replace one of three aging backhoes with a new backhoe, refined from the initial request for a \$360,000 wheeled excavator.

While a wheeled excavator would have provided greater mobility and reduced surface impacts, the backhoe replacement meets operational needs at a significantly lower cost. Replacing this equipment will improve reliability, support daily field operations, and help avoid increased maintenance expenses associated with aging equipment. This approach balances operational efficiency with fiscal responsibility.



# Parks & Recreation Facilities

## Ensure existing facilities are appropriately maintained & preserved.

In early 2024, the Town completed a **needs assessment of parks and recreation facilities**. Like the 2019 building study, this helps to identify needed repairs and maintenance schedules. The recommended projects also advance the **Comprehensive Plan Guiding Principle on Parks, Recreation, and Open Space**, *"Promote and expand opportunities where people can be more involved in an active community lifestyle represented in part by the presence of high-quality parks and recreation facilities..."*



Recommended projects from this assessment include **\$48,769 to provide a lighted multi-purpose field at J. Pleasant Hines Park**, expanding the use of the space into evening hours and improving safety. It utilizes the same solar-powered lighting system successfully installed at the Skatepark and Reservoir Park, where the Town has been pleased with installation, light levels, and minimal ongoing costs compared to traditional electric lighting. The project cost will be fully reimbursed by the Sandhills Bogeys in accordance with the approved agreement for their use of Armory Field.

**\$112,000 is requested to replace the Town's existing chipper/mulcher**, a critical piece of equipment that has been retired due to safety concerns. The existing unit is 29 years old and has deteriorated to the point that it is no longer safe to operate, particularly given the inherently hazardous nature of this equipment. It is used across multiple departments for essential functions such as trail maintenance, right-of-way clearing, and storm debris response. Replacement will restore safe operations, improve reliability, and avoid higher costs associated with alternative debris disposal methods.

The requested budget includes **\$60k to replace the rusted, deteriorating fencing at the Southern Pines Sports Park soccer fields**. The current fencing is significantly deteriorated due to age and rust. It doesn't meet current Town codes and presents safety and liability concerns. With recent replacements completed at Optimist Field and pending on Armory Field (by the Sandhills Bogeys), this project will bring the entire sports complex to a consistent, safe, and code-compliant condition.

The Parks & Grounds team recommends a **\$37,000 project to replace the existing target green and tee boxes at Campbell House Park**, which are at the end of their service life. The project includes a 500-square-foot synthetic turf green and two tee boxes. The upgrade will provide a cleaner, safer playing surface while significantly reducing ongoing maintenance demands.



## Vehicle Replacements

Each year, our mechanics evaluate the various vehicles and equipment to recommend replacements based on age, condition, anticipated repair costs, and the likelihood of being out-of-service. Based on these factors, staff recommends replacing the following vehicles in the upcoming budget. Some were highlighted in other sections to discuss the way in which they are used for service delivery. Each purchase is coded to the primary department or division, so inclusion here is not a duplication of the previously mentioned items.

- 7 police patrol vehicles: \$483k (\$69k ea.)
- 3 police investigations vehicles: \$192k (\$64k ea.)
- 1 streets service truck: \$110k
- 1 fire passenger truck: \$75,400
- 1 parks & grounds pickup truck: \$60k
- 1 facilities van: \$60k
- 1 environmental services truck: \$55k
- 1 facilities pickup truck: \$50k

The two facilities vehicles have been both been in service for well over a decade (17 years for the van). The truck is used 6 days a week, traveling to all parks for daily restroom cleaning. The van is used 5 days a week by custodial staff who travel to all facilities for daily upkeep.

Recommended replacements include Parks & Grounds Truck #9, a 2003 Ford F-150. The truck has required \$1,800 in repair costs over the past 12 months. Another is a 2009 truck assigned to environmental services. The garage has invested over 19 labor hours over the past 12 months repairing this truck. These trucks have become unreliable for daily operations. Their age and condition do not warrant continued repairs and labor hours.

\$75,400 is requested for the Fire Department's fleet rotation strategy, using the oldest vehicles in low-demand roles such as transporting personnel to training classes. The current "trip truck" is at the end of its service life and will be surplus, rotating an existing vehicle into that role. A new 2500-series pickup will then be purchased for routine operational needs.

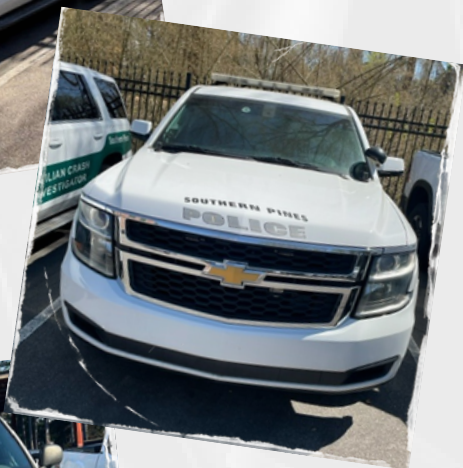
This truck and trailer allows fire personnel to deploy barricades during minor storms or accidents, reducing the need to recall Public Works staff. It also serves as a backup vehicle for the Battalion Chiefs. This rotation strategy helps to maximize vehicle life without compromising daily operations.

Ten police vehicles will be replaced in accordance with the Town's vehicle replacement schedule. The total replacement costs include all equipment needed for immediate deployment. The existing vehicles, some up to 10 years old with higher mileage, are experiencing increased repairs despite routine preventive maintenance. Similar to the Fire Department's "trip truck" approach, the "best" of these ten vehicles will be assigned to the new Civilian Traffic Crash Investigation unit.

Unless designated otherwise as described above, the garage declares all vehicles taken out of service as surplus and lists them for auction to help offset replacement costs. We commonly use govdeals.com for these sales.



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### IT Infrastructure & Software Contracts

The Administration department has implemented a **records digitization project** and are currently converting paper documents into electronic files. Going forward, the records will be available in secure, cloud-based environment with advanced search capabilities, allowing staff to quickly access documents while reducing reliance on physical files. This will be supported via an **annual \$16,000 contract with Laserfiche**, a platform widely used by government agencies. This initiative improves operational efficiency, protects historical documents from damage or loss, and strengthens long-term records management and security in compliance with state archival requirements.



The IT department requests **\$262,230 for the Backup Appliance and renewal of Subscription Services contract**. This includes the equipment and software to provide routine, reliable backup for all Town data, using a combination of hybrid onsite and cloud storage solutions. The Town currently has an existing Subscription Based IT Agreement (SBITA) for this, which expires in FY 27. This funding amount reflects the first of a new five-year subscription.