



MINUTES

Town Council Work Session

Tuesday, February 24, 2026: 3:00 PM

C. Michael Haney Community Room: Southern Pines Police Department
450 W. Pennsylvania Ave

1. CALL TO ORDER

Mayor Clement called the meeting to order. The following members of Town Council were present: Mayor Taylor Clement; Bill Pate; Ann Petersen; Debra Gray; and Bob Curtin.

2. PLEDGE OF ALLEGIANCE

3. TOWN MANAGER'S COMMENTS

Town Manager Reagan Parsons provided an overview of the meeting agenda.

4. ACTION ITEMS

a. Sandhills Bogeys User Agreement

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

Recreation Director Greg Thompson and Town Attorney Mac McCarley presented the final draft user agreement for the Sandhills Bogeys to operate at Southern Pines Sport Park. Recreation Director Thompson explained that the town maintains priority for all open times, with the Bogeys managing rental agreements for other groups during available periods.

Mayor Clement asked about rental operations and revenue sharing on naming rights. Town Attorney McCarley explained that for the first five years, the Bogeys retain naming rights revenue with town approval over names, and after year five, revenue goes back into field improvements rather than general fund or to the Bogeys.

Councilmember Curtin inquired about field maintenance responsibilities. Recreation Director Thompson clarified that the town continues current maintenance except for the infield, which the Bogeys will convert to grass and maintain. He confirmed that youth baseball engagement opportunities exist and that alcohol sales, critical to the Bogeys' financial model, will be addressed through upcoming policy changes.

Councilmember Petersen raised detailed questions about the agreement terms, including force majeure provisions, parking lot requirements, game day operations, and porta john arrangements. She noted concerns about seasonal porta johns and their impact on neighboring residents. Recreation Director Thompson explained that the Bogeys will use trailer-style facilities and handle their own arrangements.

Councilmember Petersen also questioned sewage infrastructure, septic tank maintenance, and the potential for future sewer line installation. Town Engineer James Michel explained the challenging topography and costs involved in bringing sewer service to the site, noting ongoing FEMA discussions for the Longleaf dam sewer relocation project.

Mayor Pro Tem Pate asked about field configuration compatibility with different league requirements. Recreation Director Thompson confirmed the field will accommodate various base distances with portable mounds when needed.

Town Attorney McCarley agreed to amend the agreement to clarify that town access exceptions apply in section 9b and to define "superintendent" in the tree removal section.

Mayor Pro Tem Pate moved to approve the Sandhills Bogeys user agreement as amended by Town Attorney McCarley's comments. Councilmember Petersen seconded. Motion carried unanimously.

Motion passed.

b. Seaboard Station - Train Depot Lease

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

Assistant Town Manager Cameron presented the train depot lease on behalf of Kevin Drum, who was unable to attend. He reported that Mr. Drum has reviewed and approved the contract as stated and is currently in the design phase with a tentative April 1st contractor start date and June 1st opening target.

Mayor Clement asked about inflation indexing for renewals. Town Attorney McCarley suggested adding a 3% annual increase starting with the five-year renewal period after the initial two-year term.

Councilmember Curtin inquired about alcohol service impacts and safety considerations. Assistant Town Manager Cameron explained that the previous operator (305 Trackside) had similar operations, and Police Chief Cameron is well-versed in the licensing and oversight processes required.

Councilmember Petersen asked about rent proration if opening occurs mid-month. Town Attorney McCarley confirmed the agreement includes daily proration based on actual opening date.

Councilmember Curtin moved to approve the lease as amended by Town Attorney McCarley. Councilmember Petersen seconded. Motion carried unanimously.

Motion passed.

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

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

Town Manager Reagan Parsons explained this budget amendment closes an existing fund containing completed water treatment plant projects and opens a new fund for future projects, allowing for clean accounting moving forward. The amendment involves no additional fund transfers, simply closing one account and moving remaining funds to track new projects.

Mayor Pro Tem Pate moved to approve the budget amendments regarding the closed Water Treatment Process Modernization Fund and open Water Treatment Process Modernization Phase 2 Fund. Councilmember Petersen seconded. Motion carried unanimously.

Motion passed.

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

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

Town Manager Parsons reported that Mr. Carter Spencer and Mrs. Annette Spencer are petitioning for annexation of approximately 1.25 acres. The Clerk has certified the sufficiency of the application following Resolution #1142, and the application is ready for a public hearing date.

The public hearing was scheduled for the March 24th work session due to required notice timing.

Mayor Pro Tem Pate moved to approve resolution #1145 regarding the setting of a public hearing date for annexation petition AX-01-26. Councilmember Gray seconded. Motion carried unanimously.

Motion passed.

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

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

Town Engineer James Michel introduced Eddie Staley from WithersRavenel, the engineering firm that assisted with obtaining AIA grants and performed the asset management work. Mr. Staley presented comprehensive findings on both sewer and water systems.

Sewer System Presentation: Mr. Staley reported excellent system conditions with 64% in very good condition and 19% in good condition for gravity mains. The assessment covered 151 miles of sanitary sewer representing approximately \$250 million in assets. He explained risk analysis based on likelihood of failure times consequence of failure, noting that 100% of force mains show high consequence due to pressurized wastewater impacts.

Mr. Staley discussed level of service standards, recommending management to a 5-year design storm standard rather than 2-year minimum or costly 10-year standards. Hydraulic modeling showed areas approaching capacity during storm events, with some pipes flowing 75-99% full (orange) or nearly full (red) during 5-year storm conditions.

The 10-year Capital Improvement Plan recommends continuing annual rehabilitation funding of \$400-500,000, consistent with previous recommendations from six years ago. Priority projects include the Longleaf dam sewer relocation (\$1.8 million) necessitated by Hurricane Chantel damage, where the existing line is currently suspended after the dam washed away.

Water System Presentation: The water distribution system includes 253 miles of line and 5,000 valves, representing approximately \$300 million in assets. Mr. Staley reported exceptional conditions with nothing in the very poor category. Less than 1% of fire hydrants are in extreme risk category, with most critical assets being aged hydrants requiring replacement.

The water system CIP recommends new annual rehabilitation funding of \$160-175,000, as this was the first comprehensive water system assessment. Town Manager Reagan Parsons noted this differs from sewer funding as the water system has been managed through project-based capital funds rather than dedicated annual rehabilitation.

Councilmember Petersen asked numerous technical questions about pipe materials, with Town Engineer Michel explaining that PVC is preferred for most applications due to flexibility and maintenance advantages, with ductile iron used for larger transmission mains.

Mr. Staley emphasized that maintaining and updating the asset management plan creates a roadmap for prioritizing projects and positions the town competitively for grant funding opportunities. Town Engineer Michel noted recent success securing a \$5 million grant/loan combination for rehabilitation work.

Mayor Pro Tem Pate moved to adopt the water and sewer asset management plan as well as the capital improvement plan as presented. Councilmember Gray seconded. Motion carried unanimously.

Motion passed.

5. COUNCIL UPDATES AND DISCUSSION

a. American 250 Patriots Marker

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

Assistant Town Manager Jessica Roth introduced Marsha Jacobs, Regent of the Alfred Moore Chapter, Daughters of the American Revolution. Ms. Jacobs presented two project proposals to commemorate the 250th anniversary of the United States.

Project One - American Flag Donation: Ms. Jacobs proposed donating a 4x6 American flag and commemorative marker (14x11 inches) for the new Town Hall dedication. The marker would be mounted on the seating wall and acknowledge the donation by the DAR chapter. The project is fully funded by the Alpha Moore Chapter, with an estimated June 1st dedication date for application timing.

Project Two - Revolutionary War Patriots Marker: Ms. Jacobs proposed a freestanding patriot marker commemorating Revolutionary War patriots, noting the area's historical significance with migration routes including the PD Road, Yadkin Trail, and Old Buffalo Trail bringing Highland Scots and other nationalities between the 1760s and 1774. The marker requires six months minimum for National DAR approval and research verification, plus two months production time.

Councilmember Gray expressed concerns about DAR's historical reputation in the Black community while acknowledging the organization's current inclusivity efforts. Ms. Jacobs responded by explaining the organization's specialty research programs for diverse ancestry including African American patriots, noting she is currently working on applications for African American members.

Councilmember Gray suggested incorporating more inclusive language to represent the entire town, given that Town Hall serves all residents. She requested private discussions to explore options for broader community representation.

The council agreed to make decisions on both projects at the March 10th meeting to allow time for continued discussions and refinement of the proposals.

b. Town Hall Status Report

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

Assistant Town Manager Cameron provided a comprehensive update on Town Hall construction progress. The project is divided into three phases: completed exterior repairs, ongoing entryway upgrades (50% complete pending parts delivery), and council chambers construction requiring significant demolition and design work around unexpected building supports and electrical challenges.

Staff is managing furniture orders, IT infrastructure including fiber installation, and developing a phased move-in plan starting with upper floors before public-facing departments. The goal remains to populate floors gradually to test systems before full occupancy, with public notification campaigns planned once firm dates are established.

Assistant Town Manager Cameron expressed confidence in June 1st occupancy while noting challenges with council chamber design due to ceiling height and space constraints. Multiple layout options are being evaluated to optimize sightlines for both in-person and remote viewing.

Councilmembers praised the acquisition and renovation approach, with Councilmember Bob Curtin calling it "a grand slam" representing the community well.

c. Admin & Finance Buildings

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

Town Manager Parsons initiated discussion about the disposition of the current administration building (125 Southeast Broad) and finance building (old library) once staff relocates to Town Hall. He presented options including lease, sale, or continued town use, noting considerations for each approach.

Parks and Recreation and Library departments expressed interest in using the administration building for teen programming and additional study spaces, which would require minimal renovation beyond current configuration.

Councilmembers discussed various factors including historic preservation, tax revenue implications, maintenance costs (\$20,000+ annually per building), and the town's role as property owner versus private ownership with historic tax credit benefits.

Mayor Clement emphasized that historic buildings generate no tax revenue or historic tax credits for the town, suggesting private ownership might better serve preservation goals while adding to the tax base.

Town Manager Parsons explained that zoning changes would be required regardless of disposition choice, particularly for the administration building in the park requiring CB (Central Business) designation. He recommended conditional zoning to restrict incompatible uses.

Planning Director Grieve noted that conditional zoning could lock in specific site plans and development standards but might affect property values. He recommended establishing zoning standards in advance rather than responding to specific buyer requests.

The discussion will continue with council members providing additional input to staff for future decision-making processes.

d. FY 2026 Mid-Year Financial Update

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

e. SoPines Sustainovates! Update

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

Assistant Town Manager Roth presented the first-year results of the employee innovation program with accompanying video presentations. The program received \$35,550 funding (0.1% of the FY 24-25 budget) and has authorized all available funds due to strong participation.

The presentation highlighted successful projects including robot vacuums for library cleaning efficiency and staff culture-building initiatives like the coffee crawl supporting local businesses. Assistant Town Manager Roth requested approximately \$32,000 for next year's program.

Planning Director Grieve presented his Sustainovates project creating challenge coins featuring the Town's TOSP values (Teamwork, Opportunity, Superior Service, Pride). The initiative provides every employee with two coins - one received from supervisors for demonstrating values and one to give recognizing others. Early feedback shows meaningful impact with employees carrying coins and supervisors using them for recognition moments.

Planning Director Grieve presented challenge coins to council members, acknowledging their support of planning department work and challenging them to recognize community members demonstrating TOSP values.

f. Planning Department Update

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

Planning Director Grieve distributed an agenda summary for March meetings including Town Council, Historic District Commission, and Planning Board items. He introduced QR code stickers now placed on development signs allowing public access to pending applications information.

Mayor Clement praised the quick implementation of QR codes, noting they address community concerns about accessing information on local development projects. The system allows residents to scan signs and immediately access detailed project information rather than calling the Planning department.

6. COUNCIL ROUNDTABLE

Councilmember Curtin requested follow-up meetings with staff on historic preservation grants and CLG opportunities with specific deadlines. He asked for information on the Bicycle and Pedestrian Advisory Committee schedule (confirmed as second Tuesday monthly) and Technical Review Committee meetings (Tuesdays at 1:30 PM, open to public). He expressed interest in attending TRC meetings to better understand development processes and praised staff responsiveness to his questions as a new council member.

Mayor Pro Tem Pate noted the completion of A Street sidewalk project after years of incremental progress. He attended the Tri Cities meeting with Mayor Clement discussing legislative updates and emphasized caution regarding building disposition decisions, wanting to explore all options including historical impact before making purely financial decisions.

Mayor Clement reported on productive meetings with North Carolina mayors, Small Business Center discussions about downtown business opportunities, and Southern Pines Business Association feedback. She suggested creating a community input board at the administration building for business ideas, working with the Small Business Center to connect entrepreneurs with community needs.

Councilmember Gray praised the Martin Luther King service featuring diverse community participation including Southern Pines United Methodist Church Choir, highlighting the town's unique inclusivity compared to other communities.


Councilmember Petersen reported on Douglas Center evening availability clarification (buildings remain available after 6 PM with staff approval), noted street light outages on Broad Street, and advocated for proactive MS4 compliance preparation. She requested DOT meetings on traffic light improvements, particularly left-turn signals at May Street and Indiana Avenue where traffic backs up two blocks. She emphasized support for the Knollwood sewer project's tree preservation efforts and advocated for the \$25 reconnection fee increase and pressure monitoring implementation for fire hydrants.

7. ADJOURNMENT

Upon motion by Councilmember Petersen, seconded by Mayor Pro Tem Pate and carried unanimously, Council adjourned at 6:45 pm.

Motion passed.

Respectfully submitted:


Elizabeth Robertson, Town Clerk



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

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

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

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

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

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


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

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

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

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

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


Elizabeth Robertson, Town Clerk





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

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

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

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

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

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

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

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


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

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

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

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

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


Elizabeth Robertson, Town Clerk





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

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

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

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

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

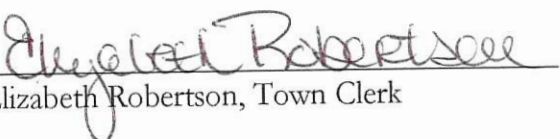
That the matching funds requirement has been met, and the Town intends to requisition the remaining grant funds and closeout the project with the North Carolina Department of Environmental Quality;

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

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

Adopted this 24th day of February 2026

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


Elizabeth Robertson, Town Clerk





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

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

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

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

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


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

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

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

Adopted this 24th day of February 2026.

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


Elizabeth Robertson, Town Clerk

