Town of Southern Pines North Carolina Chartered 1887

AGENDA

Wednesday, April 6, 2022: 8:30 AM
Town Council Budget Retreat
C. Michael Haney Community Room: Southern Pines Police Department
450 W. Pennsylvania Ave

1. CONDUCT AGENDA MEETING

a. ***Upon conclusion of the Agenda Meeting, Council will take a 15+/- minute break and live stream will end***

2. ENTERPRISE FUND

a. General Rates Discussion

b. Revenues & Expenditures

c. System Development Fees

d. Capital Projects

...

3. ARPA DISCUSSION

a. Update Regarding Recommended Approach

4. GENERAL FUND

a. Tax Rate - Estimated County Valuation

b. Draft Revenue Projections

c. User Fees - Solid Waste

d. Organizational Chart

e. Staff Compensation - Retirement, Major Medical, COLA/Market Adjustment

f. Staffing - Review of New Position Requests

g. Draft Expenditure Projections

h. FY 22-23 Bottom Line and Next Steps

i. Capital Projects - Recommended

j. Capital Project Funds

...

k. Potential Projects Post July 1

...

5. COUNCIL DISCUSSION OF ADDITIONS/DELETIONS TO BUDGET

6. OTHER

7. ADJOURN

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

MEMO

TO: Town Council
FROM: Town Manager
Date: 04-01-22
RE: Draft Enterprise Budget

You will find in the initial release of the Retreat packet the draft operational budget for Water and Sewer. Revenue estimates are currently based on the scheduled 5% increase in both water and sewer fees resulting from our Rate Study and model of a couple of years ago.

For budgeting purposes relative to System Development Fees, the Town utilizes actual receipts of the *previous* twelve-month period between *April 1 and March 31st*. With yesterday representing the end of that period, there has not been time for a full accounting of these fees and subsequent project allocation and rate analysis impacts. The intent is to work with the Town Engineer early next week and bring current information to the Council on Wednesday relative to the SDF and Capital Project items contained on the Agenda.

MEMO

TO: Town Council
FROM: Town Manager
Date: 04-05-22
RE: Draft Enterprise Budget

The figures contained in your draft Utilities Budget include the following assumptions:

1. **A 5% increase in both the water and sewer base and per/1000 rates effective July 1 with the new Budget. This is to remain on pace with our CIP and operational expenses. *The recommended increases for the water and sewer base rates result in a change from $19.76/month to $20.75/month to have water and sewer available to your home. For the consumption rates, per/1000g, a typical user of 5,000g/mo. would see their per/1000g portion of the bill increase $0.90 on the water side and $1.60 on the sewer side. The total bottom-line impact to the consumer of 5,000g/mo, factoring in the proposed increases to base and usage, is $3.49/mo. ($41.88 annually.)***

2. **A continuation of the current SDF fee as calculated by our 2020 Study. A draft Capital Reserve Resolution has been prepared and will be updated appropriately once bids open for the Penn/Pee Dee water line later this month.**

3. **We continue to work toward eventual acceptance of an ASADRA loan in the amount of $2,998,000 toward further improvements at Warrior Woods Lift Station. The Town was not awarded any amount of loan forgiveness in either the first or second round of grant application review, however a 1.10% rate over 20 years is a difficult rate to beat, even considering a 2% "pre-pay loan fee" that doesn't come due until bids are actually in hand (sometime in 2023 based on the program schedule.) This action has no immediate impact on the operational budget as we would not receive funds until said bids are in hand in 2023, and initial engineering fees have been covered by the existing Warrior Woods CPF. The potential impact is longer term relative to our rates in that the decision to pursue the loan saved us higher interest payments on a conventional loan necessary to carry out the project.**

4. **Scheduled replacement of a sewer vac truck. As will be discussed, the ruck is being "accounted for" twice relative to Budget appropriations, but only one time relative to expenditures. This will allow the Town to order the truck in the current fiscal year at current pricing, saving both real dollars on the eventual purchase and better assuring delivery of a vehicle in the 22-23 Fiscal Year.**

5. **Continuation of our CIP including Water and Sewer line improvements, the Penn/Pee Dee waterline project, water plant modernization, and sanitary sewer modernization.**

	Southern Pines Current	Southern Pines Proposed	Aberdeen	Moore County	East Moore
Average Residential Bill @ 5,000 gal/month	**$ 69.16**	**$ 72.62**	**$ 67.70**	**$ 69.98**	**$ 99.40**
Water Rates	**Southern Pines Current**	**Southern Pines Proposed**	**Aberdeen**	**Moore County**	**East Moore**
Average Water Bill	**$ 30.60**	**$ 32.13**	**$ 32.75**	**$ 31.18**	**$ 47.52**
Water 3/4"	$ 13.00	$ 13.65	$ 15.00	$ 10.28	$ 26.62
Water 1"	$ 21.33	$ 22.40	$ 18.00	$ 12.67	$ 29.55
Water 1-1/2"	$ 45.09	$ 47.34	$ 18.00	$ 13.80	
Water 2"	$ 78.37	$ 82.29	$ 18.00	$ 21.64	$ 43.45
Water 3"	$ 173.54	$ 182.22	$ 18.00	$ 78.67	
Water 4"	$ 306.68	$ 322.01	$ 53.00	$ 99.72	$ 209.37
Water 6"	$ 687.27	$ 721.63	$ 53.00	$ 148.95	
Water 8"	$ 1,220.07	$ 1,281.07	$ 53.00		
$/1000	$ 3.52	$ 3.70	$ 3.55	$ 3.31	$ 3.31
			$ 3.79	$ 4.53	$ 4.53
				$ 5.22	$ 5.22
Sewer Rates	**Southern Pines Current**	**Southern Pines Proposed**	**Aberdeen**	**Moore County**	**East Moore**
Average Sewer Bill	**$ 38.56**	**$ 40.49**	**$ 34.95**	**$ 38.80**	**$ 51.88**
Sewer 3/4"	$ 6.76	$ 7.10	$ 15.00	$ 12.02	$ 25.10
Sewer 1"	$ 8.80	$ 9.24	$ 18.00	$ 14.39	$ 27.85
Sewer 1-1/2"	$ 14.51	$ 15.24	$ 18.00	$ 15.63	
Sewer 2"	$ 22.59	$ 23.72	$ 18.00	$ 23.43	$ 40.96
Sewer 3"	$ 45.56	$ 47.84	$ 18.00	$ 80.45	
Sewer 4"	$ 77.71	$ 81.60	$ 18.00	$ 101.49	
Sewer 6"	$ 169.68	$ 178.16	$ 53.00	$ 150.73	
Sewer 8"	$ 298.42	$ 313.34	$ 53.00		
$/1000	$ 6.36	$ 6.68	$ 3.99	$ 4.61	$ 4.61
			$ 4.64	$ 5.64	$ 5.64
				$ 6.28	$ 6.28
Water Increase		5.00%			
Sewer Increase		5.00%			

Notes

Moore County's recent rate study recommended a 3% rate increase to residential customers and 6% on non-residential. New Moore County typical bill for residential customer would be $72.08 if 3% is approved

TOWN OF SOUTHERN PINES
UTILITY FUND
RETAINED EARNINGS SUMMARY
2022-2023

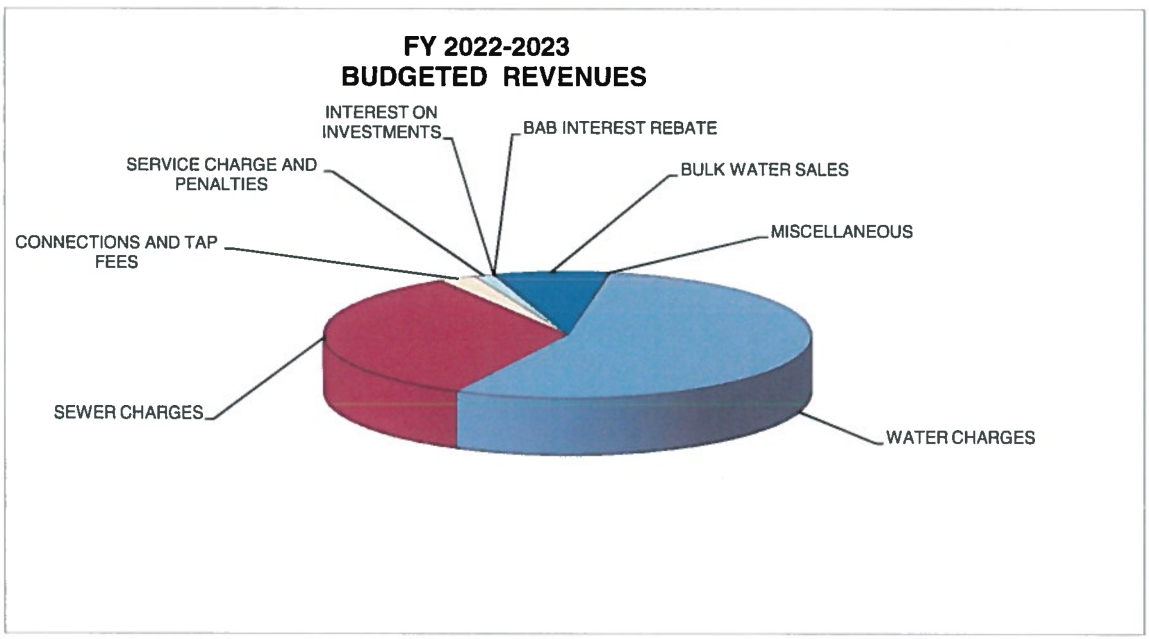
03.24.22

	ACTUAL 2020-2021	BUDGET 2021-2022 as of 03/01/22	EXPECTED REVENUES EXPENDITURES 2021-2022	BUDGET 2022-2023
Available Retained Earnings - Beginning	$ 6,527,127	$ 6,211,614	$ 6,211,614	$ 6,636,744
Total Revenues	9,265,940	8,752,310	9,502,675	9,220,701
Total Funds Available	15,793,067	14,963,924	15,714,289	15,857,445
Total Expenditures	7,745,553	8,593,677	7,942,609	8,704,427
Transfers Out	1,835,900	1,134,936	1,134,936	1,089,860
Available Retained Earnings - Ending	$ 6,211,614	$ 5,235,311	$ 6,636,744	$ 6,063,158

TOWN OF SOUTHERN PINES
UTILITY FUND
SCHEDULE OF REVENUES
2022-2023

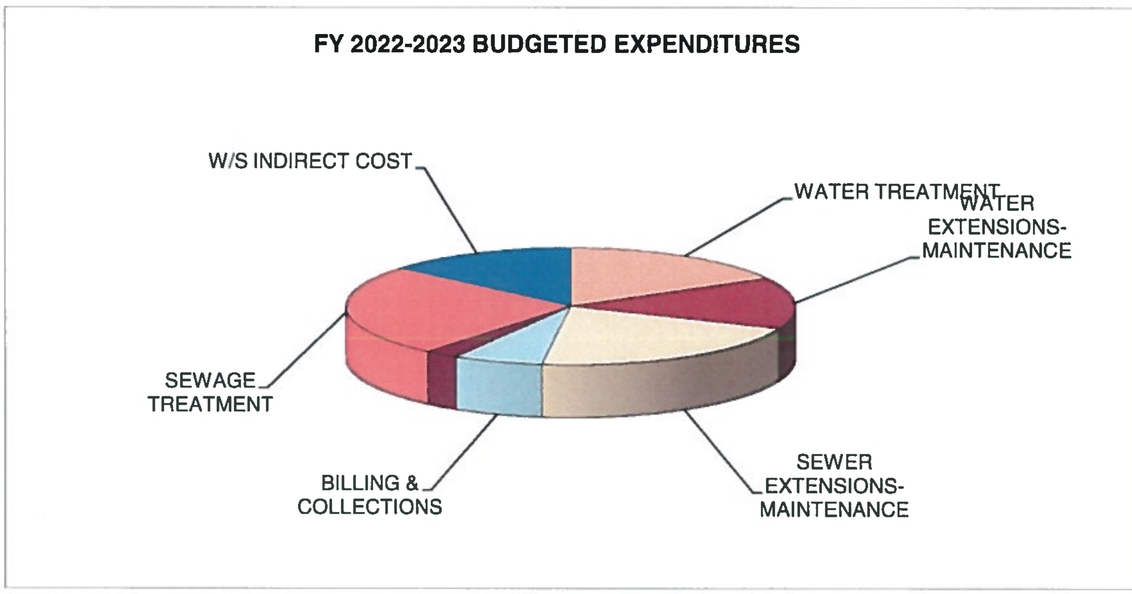
03.24.22

	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	BUDGET 2021-2022 as of 07/01/21	BUDGET 2021-2022 as of 03/01/22	EXPECTED REVENUES 2021-2022	**BUDGET 2022-2023**
WATER CHARGES	$ 4,446,032	$ 4,694,050	$ 4,904,300	$ 4,792,499	$ 4,792,499	$ 5,044,250	**$ 5,032,124**
SEWER CHARGES	2,774,161	2,855,435	3,048,271	2,965,311	2,965,311	3,208,615	**3,113,577**
CONNECTIONS AND TAP FEES	240,710	316,369	344,782	200,000	200,000	274,262	**225,000**
SERVICE CHARGE AND PENALTIES	127,324	94,807	148,897	120,000	120,000	127,920	**120,000**
INTEREST ON INVESTMENTS	111,801	83,594	10,318	9,500	9,500	2,500	**5,000**
BAB INTEREST REBATE	9,968	3,377	3,424	-	-	-	**-**
BULK WATER SALES	593,977	593,974	699,966	640,000	640,000	795,128	**700,000**
MISCELLANEOUS	39,449	11,184	27,792	5,000	5,000	50,000	**5,000**
GAIN ON SALE OF ASSETS	419,674	21,920	78,190	20,000	20,000	-	**20,000**
TRANSFER IN-RETAINED EARNINGS	386,713	1,157,167	315,513	325,567	976,303	-	**573,586**
TRANSFER OUT-RETAINED EARNINGS	-	-	-	-	-	(425,130)	**-**
TOTAL	$ 9,149,809	$ 9,831,877	$ 9,581,453	$ 9,077,877	$ 9,728,613	$ 9,077,545	**$ 9,794,287**



TOWN OF SOUTHERN PINES
UTILITY FUND
CONSOLIDATED EXPENDITURE SUMMARY
2022-2023

	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	BUDGET 2021-2022	EXPECTED EXPENDITURES 2021-2022	BUDGET 2022-2023
WATER TREATMENT	$ 1,366,744	$ 1,375,734	$ 1,327,329	$ 1,558,711	$ 1,549,186	$ 1,478,666
WATER EXTENSIONS-MAINTENANCE	918,398	958,735	1,170,972	1,240,329	1,216,207	1,237,365
SEWER EXTENSIONS-MAINTENANCE	763,214	1,267,162	1,117,299	1,661,458	1,048,343	1,814,530
BILLING & COLLECTIONS	425,939	439,613	458,890	537,346	533,040	562,625
FINANCING INTEREST & PRINCIPAL	590,926	590,905	385,912	211,348	211,348	210,715
SEWAGE TREATMENT	1,993,421	1,914,060	2,143,791	2,200,000	2,200,000	2,200,000
W/S INDIRECT COST	1,021,577	1,050,334	1,141,360	1,184,485	1,184,485	1,200,526
OTHER	-	-	-	-	-	-
SUB-TOTAL	7,080,219	7,596,543	7,745,553	8,593,677	7,942,609	8,704,427
TRANSFERS	2,069,590	2,235,334	1,835,900	1,134,936	1,134,936	1,089,860
TOTAL	$ 9,149,809	$ 9,831,877	$ 9,581,453	$ 9,728,613	$ 9,077,545	$ 9,794,287



TOWN OF SOUTHERN PINES
UTILITY FUND
EXPENDITURE BY FUNCTION AND TRANSFERS
2022-2023

	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	BUDGET 2021-2022 as of 07/01/21	BUDGET 2021-2022 as of 03/01/22	EXPECTED EXPENDITURES 2021-2022	03.24.22 **BUDGET 2022-2023**
Water Treatment	$ 1,366,744	$ 1,375,734	$ 1,327,329	$ 1,558,711	$ 1,558,711	$ 1,549,186	**$ 1,478,666**
Water Extensions - Maintenance	918,398	958,735	1,170,972	1,240,329	1,240,329	1,216,207	**1,237,365**
Sewer Extensions - Maintenance	763,214	1,267,162	1,117,299	1,109,458	1,661,458	1,048,343	**1,814,530**
Billing & Collections	425,939	439,613	458,890	537,346	537,346	533,040	**562,625**
Loss on Disposal of Fixed Assets	-	-	-	-	-	-	**-**
Interest Expense, Financing Principal	590,926	590,905	385,912	211,348	211,348	211,348	**210,715**
Sewage Treatment	1,993,421	1,914,060	2,143,791	2,200,000	2,200,000	2,200,000	**2,200,000**
W/S Indirect Cost	1,021,577	1,050,334	1,141,360	1,184,485	1,184,485	1,184,485	**1,200,526**
Total Expenditures	7,080,219	7,596,543	7,745,553	8,041,677	8,593,677	7,942,609	**8,704,427**
Transfers:							
Transfer to PW Annex Remodel	-	-	-	-	98,736	98,736	**-**
Transfer to Water Treatment Proc Mod	-	-	305,900	250,000	250,000	250,000	**-**
Transfer to PeeDee/Pennsylvania Line	-	-	-	139,200	139,200	139,200	**-**
Transfer to Lift Station Upgrades/Upfit	-	-	530,000	-	-	-	**-**
Transfer to Sanitary Sewer Modernization	-	-	750,000	462,000	462,000	462,000	**874,360**
Transfer to Facility Modernization	-	302,334	-	-	-	-	**10,500**
Transfer to W&S Improvements	2,069,590	1,933,000	250,000	185,000	185,000	185,000	**205,000**
Total Transfers	2,069,590	2,235,334	1,835,900	1,036,200	1,134,936	1,134,936	**1,089,860**
Total Expenditures/Transfers	$ 9,149,809	$ 9,831,877	$ 9,581,453	$ 9,077,877	$ 9,728,613	$ 9,077,545	**$ 9,794,287**

TOWN OF SOUTHERN PINES
2022-2023 UTILITY FUND BUDGET
DEPARTMENTAL NEW AND CAPITAL REQUESTS

DEPARTMENT	REQUEST	CONTINUATION CAPITAL OR NEW REQUEST	AMOUNT	Line Item
Sewer Extensions	Replacement Vehicle Jet Truck (# 72)	C	$ 552,000	60-730-7402
	Sewer Extensions Department Total		552,000	
	GRAND TOTAL		$ 552,000	

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Sewer Extensions

Function: Utility
Fund: Enterprise

Project Title: Vehicle Replacement #52-Jet/Vac Truck

Project Description:

Replace vehicle #52 due to age and increased maintenance costs.

Costs		2022-2023
Vehicle #52 replacement		$552,000
Total		$552,000

CAPITAL RESERVE FUND RESOLUTION

WHEREAS, there is a need in the Town of Southern Pines to provide funds for future capital projects related to its combined water and wastewater system, and WHEREAS, NCGS 159-18 authorizes the creation of a capital reserve fund, and WHEREAS, NCGS 162A, Art. 8 requires that all system development fee proceeds be accounted for in a capital reserve fund, the revenue assumptions below reflect an estimate of system development fees to be collected over a period of twelve months beginning April 1, 2022 in addition to any adjustments made necessary as a result of actual collections over/under estimates during the previous twelve month period:

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

Section 1: The Town Council hereby amends the Capital Reserve Fund -Water for the purpose of funding the following capital projects related to the Town's water system:

East Morganton Road Water Line Replacement. An existing 6-inch water line was replaced with a 12-inch water line along East Morganton Road from Ridge Street to Valley Road. This project was initiated in FY19-20 and completed in FY 20-21. Changes resulting from in-field findings during construction and NCDOT requirements, in addition to a volatile construction market at the time, resulted in the project coming in above original estimate. The Town adjusted the SDF appropriations based on final costs at the time of closing the East Morganton Water Line Project Fund. **The final SDF appropriation was $158,678.88** or thirty-eight percent (38%) of the adjusted final project cost. Final actual cost was $556,768, while the adjusted cost becomes $417,576 after accounting for the 25% statutorily mandated developer's discount. The project will address future infill development while reducing areas of low fire flow along Morganton Road, south of Weymouth Woods.

No further appropriation from the budget ordinance to the CRF-Water of SDF proceeds is necessary.

Pennsylvania Avenue/Pee Dee Road Water Line Replacement. An existing 10-inch water line will be replaced with a 16-inch water line originally planned along Pennsylvania/Pee Dee Road from Connecticut Avenue to Central Drive. This project was implemented in 2019 and estimated costs were updated to $1,957,800 as part of the 2020 SDF Report. Initial engineering uncovered issues related to tree removal and easement acquisition that would have significantly increased project costs. A new alignment was designed, (a new project estimate created based on current bid realities, and bids are due to be opened prior to May). The Town added $17,249.12 in unspent SDF Fees upon closing the East Morganton project, in addition to another $92,202.88 in other revenues. This brings the total to date of SDF revenue appropriated for this project to $422,006.12 in addition to other funding totaling $2,125,334.50 for a total of $2,547,340.60 to the CPF. The balance of upfront costs will be covered by water capital funds and remaining Impact Fees collected prior to October 1, 2018. Ultimately, the project is eligible for an estimated $748,858.50 in SDF, based on 51% of the **original estimates**, after accounting for the 25% discount (adjust these figures once bid is received.) The project will address future growth, pressure, and flow rates to the northern portion of Town and in particular the proposed North Elevated Storage Tank.

The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is $190,288.38 (adjust upward based on 51% max of 75% of bid/project price– to a maximum of $176,455.62 additional)

Midland Road Water Line Replacement. An existing 6-inch and 8-inch water line will be replaced with a 12-inch water line along Midland Road from Knoll Road to Pee Dee Road. This project is scheduled for implementation in 2023 and is estimated to cost $1,237,600. The Town intends to appropriate approximately $176,358, based on 19% of project cost after 25% discount, of System Development Fee revenues to the CRF for this purpose, having already appropriated $71,861. The balance of upfront costs will be covered by water capital funds and remaining Impact Fees collected prior to October 1, 2018. The project will address future growth and pressures to anticipated further development in the Mid-South and Talamore areas.

> *The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is (Any amount left, if any, of the $176,455 to a maximum of $104,497)*

North Pressure Zone. The Town plans to install a 184 ft. high 1.0 MG North Elevated Storage Tank and associated valves. This project is scheduled for implementation in 2023 and is estimated to cost $4,749,400. The Town intends to appropriate approximately $1,674,163.50, or 47% of final costs after 25% discount, of System Development Fee revenues to the CRF for this purpose with the balance of upfront costs covered by water capital funds and installment loans. The project will successfully add a pressure zone in the northern portion of our service area to address potential low flow conditions which could impact future growth in this area.

> *The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is (Any amount left, if any, after Penn and Midland appropriations.)*

US 1 Booster Pump Addition. The Town plans to install infrastructure to provide for an additional 4,500 gpm Pumping Capacity to the US 1 Booster Pump Station. This project is scheduled for implementation in 2025 and is estimated to cost $627,600. The Town intends to appropriate approximately $197,694 based on 42% of project costs after 25% discount, of System Development Fee revenues to the CRF for this purpose with the balance of upfront costs covered by water capital funds and potentially loans. The additional flow will support ongoing development throughout our Water service area.

> *The 2022-2023 appropriation from the budget ordinance to the CRF – Water of SDF proceeds for this purpose is $0*

Water Treatment Plant Expansion. The Town Water Plant operates off of a license to produce 8.0 MGD but has the ability to produce up to 11.0 MGD. It is anticipated based on current growth models that an application for expansion of Plant capacity will need to be developed and filed around the year 2027. Fees and adjustments associated with application are estimated to be $137,600 and 21% of the final costs after 25% discount are eligible for SDF. To this end, the Town intends to appropriate $21,672 of System Development Fee revenues to the CRF for this purpose with the balance of upfront costs covered by water capital funds and Retained Earnings. The additional licensed capacity will support ongoing development throughout our Water service area.

> *The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is $0*

US1 Parallel Transmission Main. This project was envisioned to install a 20" water line parallel to the existing 18" transmission main from the US1 Booster Pump Station to the intersection of US1 and Saunders in addition to replacing a 6" line along the west side of Old US1 from Murray

Hill to Morganton. Some of the original intended alignment, and original implementation date of 2024, may need to be adjusted as a result of the planned relocation of the existing Transmission Main as part of the NCDOT US1 Synchronization project. A projected $1,658,700 project, it is 79% SDF eligible resulting in a planned SDF appropriation of $982,779.75 after the 25% discount. The project supports the ability to distribute additional amounts of water and is scheduled in anticipation of the licensing increase to 11MGD at the Water Plant.

The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is $0

US 15-501 Water Line Replacement. An existing 8-inch waterline will be replaced with a 12-inch waterline along US-15-501/Commerce Avenue from Murray Hill Road to Turner Street. This project will improve transmission capacity and eliminate an existing bottleneck in the system. The **p**roject has an estimated cost of $682,200, and is eligible for $46,048.50 in SDF Revenues based on 9% of estimated final costs after the 25% discount.

The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is $0

System Development Fee Analysis. The $20,000 update to the SDF report is eligible for 75% SDF funding, 50% ($ 7,500) of which will be appropriated from water SDF.

The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is $0 (Carve out an amount next year for Report update)

Water Treatment Plant (Buy-In project). The 2020 depreciated value of the Water Plant was $17,953,190 and an additional $9,513,000 in rehabilitation projects are scheduled per the adopted CIP. Previous CRF appropriations for this purpose have been made in the amount of $414,154 and transfers to the Capital Project Fund have been made in the amount of $165,966.

The 2022-2023 appropriation from the budget ordinance to the CRF-Water of SDF proceeds for this purpose is $665,632

Section 2: The Town Council hereby amends the Capital Reserve Fund- Sewer for the purpose of funding the following capital projects related to the Town's wastewater system:

Warrior Woods Pump Station Improvements: Significant upgrades to both the Warrior Woods Pump Station and associated Force Main will occur through a series of projects that are ultimately scheduled for completion in 2027. The estimated cost of all projects is $8,025,900. The Town intends to appropriate approximately $4,880,812.50 of System Development Fee revenues to the CRF for this purpose with the balance derived from Retained Earnings, Sewer Capital Funds, loans, and remaining Impact Fees collected prior to October 1, 2018. The first phase of this project was initiated in FY 2018-2019 with completion in 2020 with $791,250 appropriated in the 2018-2019 Budget from the previous Impact Fee account and $263,750 appropriated from Sewer Capital Funds. Previously, $525,912 has been appropriated to the CRF-Wastewater SDF toward this multi-phased project with $402,900 having been transferred to the CPF. The upgrades will address additional capacity needed to support further development within all wastewater infrastructure in addition to replacing the maintenance heavy current facilities.

The 2022-2023 appropriation from the budget ordinance to the CRF-Sewer of SDF proceeds for this purpose is $203,838

System Development Fee Analysis. The $20,000 update to the SDF report is eligible for 75% SDF funding, 50% ($ 7,500) of which will be appropriated from sewer SDF.

The 2022-2023 appropriation from the budget ordinance to the CRF-Sewer of SDF proceeds for this purpose is $0 (Carve out an amount next year for Report update)

Waste Water Collection Rehabilitation (Buy-In project). The 2020 Depreciated value of the Waste Water Collection system was $4,143,044 and an additional $6,500,600 in rehabilitation projects are scheduled per the adopted CIP. Previously $118,914 has been appropriated to the CRF for this purpose and $46,590 transferred to the Capital Project Fund.

The 2022-2023 appropriation from the budget ordinance to the CRF-Sewer of SDF proceeds for this purpose is $107,582

Section 3: These Capital Reserve Funds shall remain effective until all the above listed projects, and any projects added in the future, are completed. Capital Reserve Funds may be amended by the Town Council as needed to add additional appropriations, modify or eliminate existing capital projects, and/or add new capital projects.

Section 4: This resolution becomes effective July 1, 2022.

I certify that this resolution was adopted by the Town Council of the Town of Southern Pines at its meeting of June ___, 2022 as shown in the minutes of the Town Council for that date.

____

Beth Robertson, Town Clerk

American Rescue Plan Act of 2021: Coronavirus State & Local Fiscal Recovery Funds and Uniform Guidance

March 2022

NCGFOA Spring Conference

Kara Millonzi, Bradshaw Distinguished Professor of Public Law and Government

UNC Chapel Hill School of Government

millonzi@sog.unc.edu

Address COVID Public Health & Negative Economic Impact

- Must tie to COVID
- Choose from safe harbors or do general analysis
- All projects must be reasonable and proportional
- Special justifications for capital
- Extensive reporting documentation, including tracking evidenced-based
- State law authority not as broad
- Award terms apply
- Uniform Guidance applies

Replace Lost Revenue

- Any expenditure authorized by state law AS LONG AS an allowable cost under Uniform Guidance
- Award terms apply
- Uniform Guidance applies

Premium Pay

- Focus on low- or moderate-income employees or employees with unique COVID-related risks
- $13 per hour and $25K per person maximums
- Award terms apply
- Uniform Guidance applies

Infrastructure Investments

- Certain water, wastewater, stormwater, and broadband projects only
- Extensive reporting documentation
- Award terms apply
- Uniform Guidance applies

Address COVID Public Health & Negative Economic Impact

Replace Lost Revenue

- If you are receiving $0 - $10million, you may spend your entire allocation in this category, even on programs and projects that are eligible in other categories.
- Gives you broader expenditure authority with fewer constraints, documentation, and reporting requirements
- Allows you to further maximize benefit and minimize burden by making strategic expenditure decisions

Premium Pay

- But if awarding premium pay, must follow requirements in this category and report as premium pay

Infrastructure Investments

ARP/CSLFRF Award Terms

These are the major award terms. They apply to all the expenditure categories.

There are a few other award terms detailed here.

1. All funds obligated by December 31, 2024 & fully expended by December 31, 2026
2. Reporting requirements
   - Project & Expenditure reports (quarterly or yearly, depending on size)
   - Recovery Plan Performance Report (yearly for states)
3. Civil rights compliance / nondiscrimination policy
4. Compliance with almost all Uniform Guidance provisions
5. Records retention policy with retention for at least 5 years after award term ends
6. Special audit requirements if expend more than $750K in federal funds within fiscal year

Revenue Replacement: Standard Allowance

May expend up to $10 million as revenue replacement

Examples

- If LG allocation is $20,000: Expend up to $20,000 as revenue replacement
- If LG allocation is $1.2 million: Expend up to $1.2 million as revenue replacement
- If LG allocation is $10 million: Expend up to $10 million as revenue replacement

Will elect standard allowance on April 30, 2022 Project & Expenditure Report

Electing the standard allowance and spending 100% of your ARP/CSLFRF funds as revenue replacement, will significantly reduce reporting requirements. BUT IT **DOES NOT** CONVERT THESE FUNDS INTO GENERAL FUNDS. THEY ARE STILL GRANT FUNDS, SUBJECT TO GRANT AWARD TERMS AND UNIFORM GUIDANCE COMPLIANCE REQUIREMENTS.

Revenue Replacement

Allowable Expenditures = Government Services

US Treasury Final Rule Supplement

"maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services."

US Treasury Overview:

"[g]overnment services generally include any service traditionally provided by a government, unless Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive: Construction of schools and hospitals; Road building and maintenance, and other infrastructure; Health services; General government administration, staff, and administrative facilities; Environmental remediation; [and] Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)."

Translation: General government services are anything that a local government has state law authority to engage in, including public enterprise activities. But individual cost items must be allowable.

May fund any project that is eligible under the other ARP/CSLFRF categories with revenue replacement funds except Premium Pay. Fund/report Premium Pay under the Premium Pay category.

Project & Expenditure Report

NEUs: Register for reporting portal NOW

All: Track obligations, expenditures, and other data elements

Be able to capture snapshot of this data for each reporting period

Tier	Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
1	States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021 or 60 days after receiving funding if funding was received by October 15, with expenditures by category. *Note: NEUs were not required to submit an Interim Report*	By January 31, 2022, and then 30 days after the end of each quarter thereafter *Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs will be April 30, 2022.*	By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31
2	Metropolitan cities and counties with a population below 250,000 residents that are allocated more than $10 million in SLFRF funding, and NEUs that are allocated more than $10 million in SLFRF funding.			
3	Tribal Governments that are allocated more than $30 million in SLFRF funding			
4	Tribal Governments that are allocated less than $30 million in SLFRF funding		By April 30, 2022, and then annually thereafter	
5	Metropolitan cities and counties with a population below 250,000 residents that are allocated less than $10 million in SLFRF funding, and NEUs that are allocated less than $10 million in SLFRF funding.			

Specific Cost Item Example: Compensation

Charges for salaries/ benefits must be based on records that accurately reflect the work performed

↓

Be supported by a system of internal controls which provides reasonable assurances the amounts charged are accurate, allowable and properly allocated

↓

Be incorporated into the LG's official records

↓

Reasonably reflect total activity for which employee is compensated

(i) Standards for Documentation of Personnel Expenses

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);

(iv) Encompass federally-assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;

(v) Comply with the established accounting policies and practices of the non-Federal entity; and

(vi) [Reserved]

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

(viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:

(A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;

(B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and

(C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

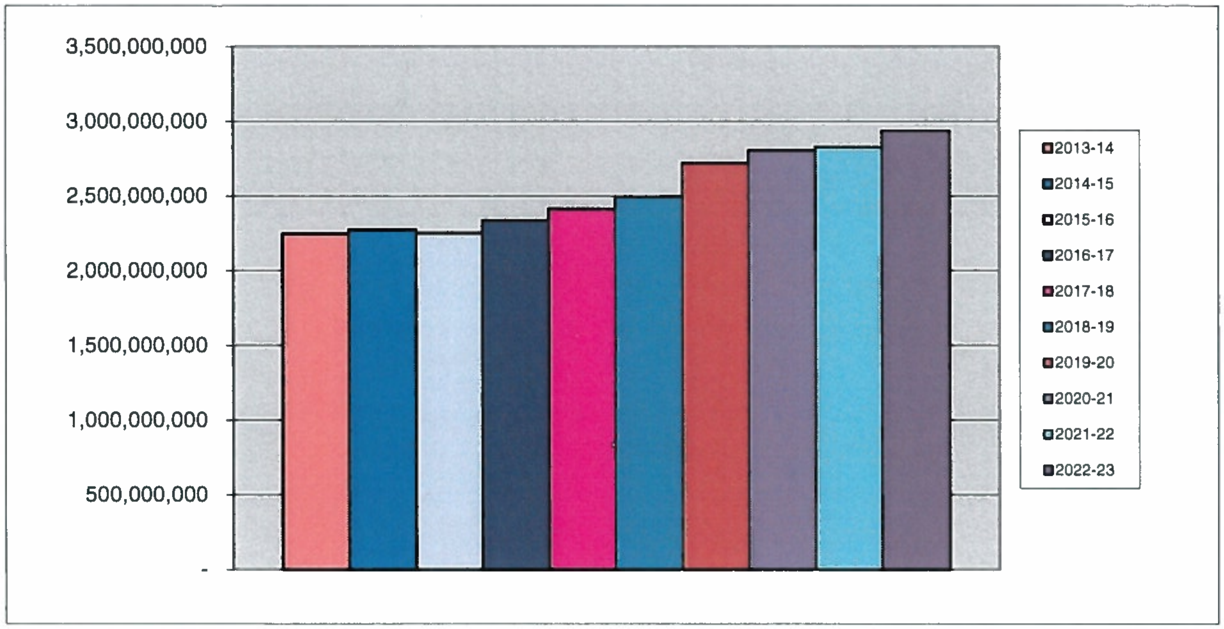
...

(2) For records which meet the standards required in paragraph (i)(1) of this section, the non-Federal entity will not be required to provide additional support or documentation for the work performed, other than that referenced in paragraph (i)(3) of this section.

(3) In accordance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR part 516), charges for the salaries and wages of nonexempt employees, in addition to the supporting documentation described in this section, must also be supported by records indicating the total number of hours worked each day.

(4) Salaries and wages of employees used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards.

PROPERTY TAX VALUATION TRENDS
LAST TEN YEARS



Tax Year	Fiscal Year	100% Valuation	Net Levy	Value of $0.01
2013	2013-14	2,245,009,632	7,859,930	224,501
2014	2014-15	2,271,275,981	8,399,348	227,128
2015	2015-16	2,252,976,782	8,545,250	225,298
2016	2016-17	2,334,287,307	8,872,587	233,429
2017	2017-18	2,411,587,808	9,642,138	241,159
2018	2018-19	2,491,817,005	9,965,189	249,182
2019	2019-20	2,718,552,546	10,856,347	271,855
2020	2020-21	2,803,968,555	11,214,970	280,397
2021	2021-22	2,826,484,300	11,305,937	282,648
2022	2022-23	2,936,215,638	11,744,863	293,622

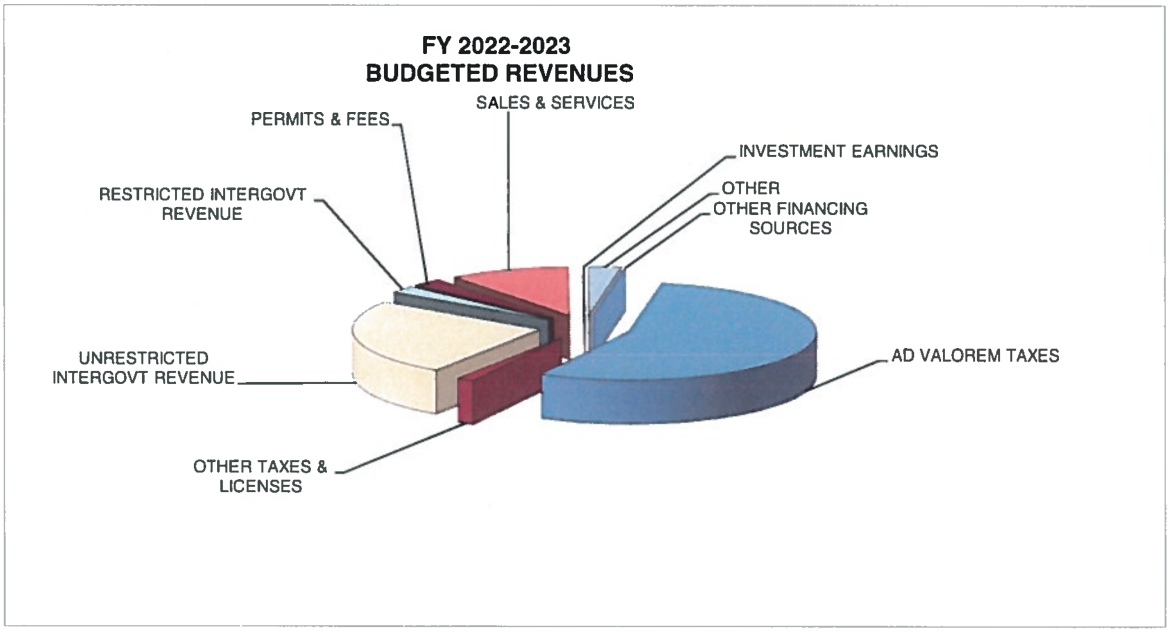
Tax Values and Levies

Fiscal Year	Tax Year		Tax Value	% Increase	Tax Rate	Net Levy	% Increase
1986-87	1986		219,827,411		0.82	1,829,477	
1987-88	1987	*	358,635,476	63.14%	0.61	2,167,722	18.49%
1988-89	1988		360,455,457	0.51%	0.60	2,193,194	1.18%
1989-90	1989		413,867,806	14.82%	0.61	2,526,935	15.22%
1990-91	1990		439,160,069	6.11%	0.62	2,731,138	8.08%
1991-92	1991		472,188,522	7.52%	0.62	2,907,604	6.46%
1992-93	1992		477,831,310	1.20%	0.62	2,957,047	1.70%
1993-94	1993		504,139,806	5.51%	0.62	3,123,609	5.63%
1994-95	1994		536,093,980	6.34%	0.62	3,315,154	6.13%
1995-96	1995	*	671,216,581	25.21%	0.51	3,451,540	4.11%
1996-97	1996		696,461,523	3.76%	0.51	3,551,953	2.91%
1997-98	1997		732,399,830	5.16%	0.50	3,665,688	3.20%
1998-99	1998		778,074,022	6.24%	0.50	3,895,412	6.27%
1999-00	1999		846,017,554	8.73%	0.50	4,233,334	8.67%
2000-01	2000		887,060,384	4.85%	0.50	4,437,344	4.82%
2001-02	2001		922,754,188	4.02%	0.50	4,616,887	4.05%
2002-03	2002		970,682,564	5.19%	0.50	4,870,556	5.49%
2003-04	2003	*	1,270,882,160	30.93%	0.39	4,997,778	2.61%
2004-05	2004		1,307,767,013	2.90%	0.39	5,103,210	2.11%
2005-06	2005		1,373,213,248	5.00%	0.39	5,356,356	4.96%
2006-07	2006		1,434,580,568	4.47%	0.40	5,745,118	7.26%
2007-08	2007	*	1,939,862,594	35.22%	0.34	6,624,019	15.30%
2008-09	2008		2,014,777,740	3.86%	0.35	7,050,041	6.43%
2009-10	2009		2,056,002,596	2.05%	0.35	7,211,587	2.29%
2010-11	2010		2,086,855,543	1.50%	0.35	7,311,009	1.38%
2011-12	2011		2,133,158,047	2.22%	0.35	7,465,959	2.12%
2012-13	2012		2,187,703,624	2.56%	0.35	7,663,758	2.65%
2013-14	2013		2,245,009,632	2.62%	0.35	7,859,930	2.56%
2014-15	2014		2,271,275,981	1.17%	0.37	8,399,348	6.86%
2015-16	2015	*	2,252,976,782	-0.81%	0.38	8,545,250	1.74%
2016-17	2016		2,334,287,307	3.61%	0.38	8,872,587	3.83%
2017-18	2017		2,411,587,808	3.31%	0.40	9,642,138	8.67%
2018-19	2018		2,491,817,005	3.33%	0.40	9,965,189	3.35%
2019-20	2019	*	2,718,552,546	9.10%	0.40	10,856,347	8.94%
2020-21	2020		2,803,968,555	3.14%	0.40	11,214,970	3.30%
2021-22	2021		2,826,484,300	0.80%	0.40	11,305,937	0.81%
2022-23	2022		2,936,215,638	3.88%	0.40	11,744,863	3.88%

* Revaluation year

TOWN OF SOUTHERN PINES
GENERAL FUND
CONSOLIDATED REVENUE SUMMARY
2022-2023

	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	BUDGET 2021-2022	EXPECTED as of 03/01/22	BUDGET 2022-2023	% of Revenue
AD VALOREM TAXES	$ 9,989,891	$ 10,780,683	$ 11,209,507	$ 11,158,348	$ 11,208,578	$ 11,580,690	55.03%
OTHER TAXES & LICENSES	258,833	309,616	381,598	298,550	335,803	308,550	1.47%
UNRESTRICTED INTERGOVT REVENUE	5,098,682	5,214,808	5,945,476	4,865,441	6,370,100	5,308,000	25.22%
RESTRICTED INTERGOVT REVENUE	706,216	780,125	760,591	472,320	564,584	490,223	2.33%
PERMITS & FEES	508,677	547,162	988,255	509,000	547,465	549,000	2.61%
SALES & SERVICES	1,358,692	1,377,183	1,468,232	1,619,660	1,682,260	2,195,541	10.43%
INVESTMENT EARNINGS	211,233	180,190	29,564	38,000	12,000	15,000	0.07%
OTHER	672,618	679,037	706,773	714,200	792,211	597,150	2.84%
OTHER FINANCING SOURCES	-	650,000	-	-	-	-	0.00%
	$ 18,804,842	$ 20,518,804	$ 21,489,996	$ 19,675,519	$ 21,513,001	$ 21,044,154	



Town of Southern Pines
General Fund
Schedule of Revenues
2022-2023

	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	BUDGET 2021-2022 as of 07/01/21	BUDGET 2021-2022 as of 03/01/22	EXPECTED REVENUES 2021-2022	*03.31.22* **BUDGET 2022-2023**
AD VALOREM TAXES:							
Current	$ 9,954,525	$ 10,836,428	$ 11,187,429	$ 11,136,348	$ 11,136,348	$ 11,192,878	**$ 11,568,690**
Delinquent	17,767	(67,691)	6,883	10,000	10,000	11,200	**8,000**
Penalties & Interest	17,599	11,946	15,195	12,000	12,000	4,500	**4,000**
TOTAL AD VALOREM TAXES	9,989,891	10,780,683	11,209,507	11,158,348	11,158,348	11,208,578	**11,580,690**
OTHER TAXES & LICENSES:							
Short-Term Rental Property Tax	49,983	54,782	52,074	50,000	50,000	66,443	**50,000**
Solid Waste Disposal Tax	9,754	10,781	10,677	10,000	10,000	10,350	**10,000**
Privilege/Beer - Wine License	2,870	2,380	3,180	2,400	2,400	2,860	**2,400**
Alcoholic Beverage Ctrl	196,226	198,273	253,772	175,000	175,000	195,000	**185,000**
Municipal Vehicle Tax	0	43,400	61,895	61,150	61,150	61,150	**61,150**
TOTAL OTHER TAXES	258,833	309,616	381,598	298,550	298,550	335,803	**308,550**
UNRESTRICTED INTERGOVT REVENUE:							
Article 39 Sales Tax - 1%	1,493,212	1,559,124	1,875,949	1,451,155	1,451,155	2,061,500	**1,625,000**
Article 40 Local Sales Tax - 1/2%	793,474	832,308	964,489	768,855	768,855	1,049,070	**860,000**
Article 42 Local Sales Tax - 1/2%	736,188	769,264	927,342	713,324	713,324	1,016,875	**810,000**
Article 44 1/2%-Hold Harmless	753,438	783,857	897,679	728,107	728,107	987,655	**810,000**
Beer and Wine Tax	60,397	61,178	60,142	58,000	58,000	60,000	**58,000**
Video Programming	151,120	147,621	146,246	146,000	146,000	145,000	**145,000**
Utilities Franchise/Sales	1,110,853	1,061,456	1,073,629	1,000,000	1,000,000	1,050,000	**1,000,000**
TOTAL UNRESTRICTED INTERGOVERNMENTAL	5,098,682	5,214,808	5,945,476	4,865,441	4,865,441	6,370,100	**5,308,000**
RESTRICTED INTERGOVT REVENUE:							
Powell Bill Allocation	403,744	404,177	386,118	390,000	390,000	481,723	**481,723**
State Aid Library	6,138	5,949	6,159	6,200	6,200	7,241	**7,500**
Library Grants	0	78,754	1,500	0	0	0	**0**
Recreation Grants	1,350	0	500	1,000	1,000	500	**1,000**
FEMA Revenue	174,887	24,772	203,037	0	0	0	**0**
On-Behalf of Pymts. - Fire	9,123	13,158	13,913	0	0	0	**0**
Fire Grants	102,839	248,208	146,410	75,120	75,120	75,120	**0**
Police Grants	8,135	5,107	2,954	0	0	0	**0**
TOTAL RESTRICTED INTERGOVERNMENTAL	706,216	780,125	760,591	472,320	472,320	564,584	**490,223**
PERMITS AND FEES:							
Inspections	329,608	338,600	729,205	325,000	325,000	325,000	**325,000**
Planning	32,157	78,740	103,625	85,000	85,000	100,000	**100,000**
Homeowner Recovery Fee	2,030	2,510	3,240	1,000	1,000	1,560	**1,000**
Zoning Fees	17,745	16,850	19,600	15,000	15,000	20,000	**20,000**
Street Department	43,690	36,920	48,486	30,000	30,000	30,000	**30,000**
Fire	850	700	1,325	0	0	905	**0**
Public Works	32,982	64,036	74,401	35,000	35,000	65,000	**55,000**
Police Department	49,615	8,806	8,373	18,000	18,000	5,000	**18,000**
TOTAL PERMITS AND FEES	508,677	547,162	988,255	509,000	509,000	547,465	**549,000**

Town of Southern Pines
General Fund
Schedule of Revenues
2022-2023

	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	BUDGET 2021-2022 as of 07/01/21	BUDGET 2021-2022 as of 03/01/22	EXPECTED REVENUES 2021-2022	**BUDGET 2022-2023**
SALES AND SERVICES:							
Library	46,157	33,842	26,000	35,000	43,060	32,200	**35,000**
Recreation Fees	209,450	152,966	138,651	195,000	195,000	152,000	**209,000**
Police Extra Duty	75,398	27,877	33,638	65,000	65,000	41,000	**40,000**
Fire Extra Duty	1,215	2,588	0	0	0	1,600	**0**
Rents	280,792	320,136	343,120	320,500	320,500	348,960	**354,013**
Facility Rental - Recreation	37,855	26,713	9,188	25,000	25,000	20,000	**28,000**
Court Facilities Fee	515	(98)	0	300	300	0	**300**
Reservoir Park	6,000	6,000	6,000	6,000	6,000	6,500	**6,662**
Disposal Fee/Recycling Fee	701,310	807,159	911,635	964,800	964,800	1,080,000	**1,522,566**
TOTAL SALES AND SERVICES	1,358,692	1,377,183	1,468,232	1,611,600	1,619,660	1,682,260	**2,195,541**
INVESTMENT EARNINGS:	211,233	180,190	29,564	38,000	38,000	12,000	**15,000**
OTHER:							
Surplus Property Sales	64,829	77,001	52,505	70,000	70,000	75,000	**70,000**
Miscellaneous Revenue	77,108	86,553	157,418	50,000	96,204	96,600	**50,000**
Demolition Liens	0	5	1,500	0	0	3,200	**0**
Fire Donations	25,958	0	2,500	0	2,500	2,500	**2,500**
Court Costs	2,768	2,681	3,095	2,500	2,500	4,050	**2,500**
Cemetery	1,750	2,250	3,375	1,000	1,000	2,175	**1,000**
Fire District Revenue - Escrow	0	0	0	89,838	89,838	132,081	**0**
Fire District Revenue	488,155	473,398	475,122	449,158	449,158	449,160	**468,150**
Donations	12,050	37,149	11,258	3,000	3,000	27,445	**3,000**
TOTAL OTHER REVENUE	672,618	679,037	706,773	665,496	714,200	792,211	**597,150**
OTHER FINANCING SOURCES							
Financing Proceeds	0	650,000	0	0	0	0	**0**
TOTAL OTHER FINANCING SOURCES	0	650,000	0	0	0	0	**0**
TOTAL REVENUES AND OTHER FINANCING SOURCES	18,804,842	20,518,804	21,489,996	19,618,755	19,675,519	21,513,001	**21,044,154**
FUND BALANCE [(ADD TO)/USE OF]:	**(793,478)**	**(464,808)**	**(1,873,045)**	**2,834,047**	**3,231,540**	**1,088,879**	**3,720,665**
REVENUES AFTER ADDITIONS/ REDUCTIONS FROM FUND BALANCE	$ 18,011,364	$ 20,053,996	$ 19,616,951	$ 22,452,802	$ 22,907,059	$ 22,601,880	**$ 24,764,819**

To: Reagan Parsons, Town Manager

From: Jessica Roth, Assistant Town Manager

Re: Executive Summary: Solid Waste Services - Revenue & Expenditure Analysis

Date: April 4, 2022

As part of developing the FY 22-23 proposed budget, staff has evaluated the Town's solid waste services, comparing cost recovery revenues to actual expenditures. As the attached analysis will document, the Town is projected to spend over $2.23 million in FY 22-23 to serve residential and commercial solid waste accounts. **Without any changes to services or fees, the Town will recover approximately $941,000 in customer fees and must identify approximately $1.29 million from other funding sources** (which does not include the additional expenditures for services at Town facilities and debris from the street sweeper). The overall goal of this analysis is to present options to reduce this imbalance, through a combination of increased revenues and decreased expenditures through changes in service.

RECOMMENDATION #1 – ELIMINATE CURBSIDE GLASS RECYCLING

Southern Pines is the only area in Moore County whose customers may recycle glass curbside, which will cost over $180,000 in FY 22-23, regardless of the number of customers who actually recycle glass curbside. Staff recommends discontinuing this service effective July 1, 2022, which would result in a net savings of approximately $68,000 (after accounting for an estimated $36,000 in added disposal MSW costs and $76,800 in tipping fees). While staff recognizes the environmental trade-off that is being made, the financial benefit cannot be ignored, since this net savings can be directly applied to projected expenditures for FY 22-23 (and each year in the future).

RECOMMENDATION #2 – INCREASED COST RECOVERY FOR COMMERCIAL CUSTOMERS

The Town provides solid waste services to 392 small commercial businesses, charging a fee of $11/month. GFL will bill the Town over $18/month/account in FY 22-23 for collection and disposal. Unless the Town increases fees, the Town will effectively be subsidizing nearly 40% of these expenses, at a total estimated cost of $33,000. Staff recommends that Council consider increasing the commercial solid waste fees to $18.25/month[1], which would cover 100% of the estimated collection and disposal expenses.

RECOMMENDATION #3 – INCREASED COST RECOVERY FOR RESIDENTIAL CUSTOMERS

The Town will provide solid waste services to 6,175 homes in FY 22-23 and currently charges customers a fee of $12/month. GFL will bill the Town an estimated $27.76/month/account for collection and disposal. Unless the Town increases fees, the Town will effectively be subsidizing 57% of the expenses, at a total estimated cost of around $1.17 million. Staff recommends that Council consider increasing the residential solid waste fees to $21.00/month[1], which would cover 75% of the estimated collection and disposal expenses.

COST BENEFIT

If Council implements these three recommendations, staff estimates a combined cost benefit of nearly $770,000 (the net savings from eliminating curbside glass + increased cost recovery through customer fees). Total expenditures for commercial and residential solid waste would be reduced to around $2.1 million, requiring the Town to identify approximately $525,000 in funding from other sources, rather than $1.29 million.

[1] The proposed fees for commercial/residential accounts to achieve 100%/75% cost recovery assume the elimination of curbside glass recycling.

OPTIONS OTHER THAN 75% COST RECOVERY ON JULY 1, 2022

At the March 28, 2022 work session, staff presented this initial analysis. Council asked staff to explore some additional options for cost recovery, including a potential increase to the property tax rate and/or a delayed implementation to January 1, 2023. These various options are detailed in the attached spreadsheets.

Based on March 15th preliminary projections from Moore County, the value of each $0.01 of the property tax rate in Southern Pines for FY 22-23 will be $289,200. Staff analyzed various cost recovery options, using a combination of increased fees and an increase in the property tax rate.

- If the residential solid waste fees generate less than 75% of expenditures, it will take a minimum tax increase of $0.03 (assuming the entire difference is made up from a property tax increase and the fees charged cover at least 60% of the expenditures).

  For the average home (valued at $321,445 per Moore County in FY 21-22), the combined monthly increase is almost identical whether the Town implements a fee of $18.00 (65% cost recovery) or $21.00 (75% cost recovery), which is detailed as follows:
  - 75% cost recovery = $9.00 fee increase + $5.36 tax increase = $14.36 total increase/month (120%)
  - 65% cost recovery = $6.00 fee increase + $8.04 tax increase = $14.04 total increase/month (117%)

- By analyzing the total annual impact of delaying the fee increase from July 1, 2022 to January 1, 2023, there is little difference throughout the year to a resident living in an "average home." This is because a larger tax increase would be needed to make up the lost revenue from delaying the fee increase by six months (assuming that entire difference is made up from a property tax increase).

  Using the same 65%/75% fees, it would actually cost the resident more at the 65% cost recovery fee of $18.00 versus $21.00 in FY 22-23, since a $0.04 tax increase would be needed to make up the revenue difference at the 65% level compared to a $0.03 increase at the 75% level, which is detailed as follows:
  - 75% cost recovery = $8.04 increase/month (July-Dec) + $17.04 increase/month (Jan-June) = $150.44 total increase for FY 22-23 (104%)
  - 65% cost recovery = $10.71 increase/month (July-Dec) + $16.71 increase/month (Jan-June) = $164.58 total increase for FY 22-23 (114%)
    - The above calculations assume one's property taxes would increase effective July 1 to cover the increase tax rate, i.e. an escrow payment to the mortgage company. It is understood that this increased tax rate would affect residents in a variety of ways depending the structure of their property tax payments.

Local governments often choose to charge fees in lieu of using property taxes for services that are business-type activities. This is partly in recognition of the fact that the cost of providing the service is not tied to the assessed value of a property. This is most obvious when you consider a property that is exempt from property taxes. North Carolina provides for property tax exemption or exclusion for a variety of reasons, such as properties used for religious purposes, educational purposes, homes for the aged, sick, or inform, charitable hospitals, historic properties, and others. Yet, if these properties are actively used, solid waste services are required. This means that unless solid waste fees are charged, other property owners are subsidizing the costs of providing solid waste services to these properties since they are not paying property taxes.

Using the property tax rate to cover solid waste services should also be analyzed for the impact it presents to properties that include commercial businesses and multi-family residences. These properties already cover 100% of their solid waste services (either through private services not provided by the Town or by the proposed 100% commercial recovery fee). If the property tax rate is increased in lieu of increasing solid waste services, these property owners will be subsidizing solid waste services for residences. The attached spreadsheets detail the projected increase in taxes that various commercial and multi-family properties would see in FY 22-23. Smaller businesses, like professional offices and similar, might see an annual increase of $100-$300 with a $0.03 increase or $125-400 with a $0.04 increase. For some of the multi-family properties that house residents in apartments, the annual increase would be more like $10,000-$15,000 or more. These ranges are highly variable as they depend on the actual assessed value, but do represent actual calculations for existing commercial/multi-family developments in Southern Pines.

Cost Benefit Analysis - Updated 4/1/2022

Collection Expenses	Residential Status Quo	Residential Proposed	Commercial Status Quo	Commercial Proposed
Number of Accounts	6,175		392	
MSW Collection	$ 9.77	$ 9.77	$ 9.77	$ 9.77
Curbside Recycling Collection	$ 3.33	$ 3.33	$ 3.33	$ 3.33
Glass Processing Fee	$ 2.29	$ -	$ 2.29	$ -
Yard Debris Collection	$ 7.68	$ 7.68	$ -	$ -
Total GFL Charge/Account/Month	$ 23.07	$ 20.78	$ 15.39	$ 13.10
Total GFL Charges/Year	$ 1,709,487	$ 1,539,798	$ 72,395	$ 61,622
Annual Collection Savings per account type (eliminating glass)	$ 169,689		$ 10,772	
Total Savings for All Accounts: FY 22-23	**$ 180,461**			

Total Expected Expenses - Residential & Commercial	Status Quo - CURBSIDE GLASS	Proposed - NO GLASS
Collection (eliminating curbside glass)	$ 1,781,882	$ 1,601,420
Disposal ($36,000 for increased glass in MSW)	$ 450,000	$ 486,000
Recyclables disposal (600 tons @ $128/ton)		$ 76,800
Collection & Disposal Totals	$ 2,231,882	$ 2,164,220
Net Savings from Service Changes: FY 22-23	**$ 67,661**	

Customer Fees	Residential Status Quo	Residential 75% cost recovery Full Year	Commercial Status Quo	Commercial 100% cost recovery Full Year
Customer Fees	$ 889,200	$ 1,556,122	$ 51,744	$ 85,850
Revenue Increase per account type	$ 666,922		$ 34,106	
Total Revenue Increase: FY 22-23	**$ 701,028**			

Financial Benefit (net savings + increased revenues)	**$ 768,689**	
Net Savings of Eliminating Glass Collection		**$ 67,661**
Expenditures - Revenues = Funding Needed from Other Sources	**$ 522,248**	

Residential Fee Options for FY 22-23 - Updated 4/1/2022

	60% cost recovery	70% cost recovery	75% cost recovery	100% cost recovery
MSW Collection	$ 5.86	$ 6.84	$ 7.33	$ 9.77
Curbside Recycling Collection	$ 2.00	$ 2.33	$ 2.50	$ 3.33
Yard Debris Collection	$ 4.61	$ 5.38	$ 5.76	$ 7.68
Yard Debris Disposal	$ 1.21	$ 1.41	$ 1.52	$ 2.02
MSW Disposal	$ 2.10	$ 2.45	$ 2.63	$ 3.50
Extra MSW Disposal from eliminating curbside glass recycling	$ 0.29	$ 0.34	$ 0.36	$ 0.49
Recyclables Disposal - $128/ton	$ 0.58	$ 0.68	$ 0.73	$ 0.97
Rounding addition (difference)	$ 0.09	$ 0.07	$ 0.18	$ -
Monthly Costs Recovered per customer	**$ 16.75**	**$ 19.50**	**$ 21.00**	**$ 27.76**
GFL monthly charges per customer (collection + disposal)	$ 27.76	$ 27.76	$ 27.76	$ 27.76
Monthly Difference per Account	**$ 11.01**	**$ 8.26**	**$ 6.76**	$ -
Annual Costs Recovered - all customers	$ 1,240,896	$ 1,445,119	$ 1,556,122	$ 2,057,046
GFL annual charges - all customers	$ 2,057,046	$ 2,057,046	$ 2,057,046	$ 2,057,046
Bulk Waste	$ 21,325	$ 21,325	$ 21,325	$ 21,325
Annual Amount Needed from Other Funding Source(s)	**$ 837,474**	**$ 633,252**	**$ 522,248**	**$ 21,325**

Increases to Customer Fees Per Above Structure	**60% cost recovery**	**70% cost recovery**	**75% cost recovery**	**100% cost recovery**
Total Monthly Bill	$ 16.75	$ 19.50	$ 21.00	$ 27.76
Monthly increase from current $12/month	$ 4.75	$ 7.50	$ 9.00	$ 15.76
Total Annual Bill	$ 200.95	$ 234.03	$ 252.00	$ 333.12
Annual increase from current $12/month	$ 56.95	$ 90.03	$ 108.00	$ 189.12
% Change	40%	63%	75%	131%

FY 22-23 Residential Options - Increases in Fees & Property Taxes

	60% cost recovery	65% cost recovery	70% cost recovery	75% cost recovery	100% cost recovery
Monthly Solid Waste Bill	**$ 16.75**	**$ 18.00**	**$ 19.50**	**$ 21.00**	**$ 27.76**
GFL monthly charges per customer (collection + disposal)	$ 27.76	$ 27.76	$ 27.76	$ 27.76	$ 27.76
Monthly Difference per Account (billed - collected)	$ 11.01	$ 9.76	$ 8.26	$ 6.76	$ -
Annual Fees Billed - all customers	$ 1,240,896	$ 1,333,800	$ 1,445,119	$ 1,556,122	$ 2,057,046
GFL annual charges - all customers	$ 2,057,046	$ 2,057,046	$ 2,057,046	$ 2,057,046	$ 2,057,046
Bulk Waste Subsidy	$ 21,325	$ 21,325	$ 21,325	$ 21,325	$ 21,325
Annual Amount Needed from Other Funding Source(s)	**$ 837,474**	**$ 744,571**	**$ 633,252**	**$ 522,248**	**$ 21,325**
Necessary Property Tax Rate Increase	$ 0.03	$ 0.03	$ 0.03	$ 0.02	$ 0.00

Increases to Customer Fees & Property Taxes Per Above Structure	60% cost recovery	65% cost recovery	70% cost recovery	75% cost recovery	100% cost recovery
New Solid Waste Bill (Monthly)	$ 16.75	$ 18.00	$ 19.50	$ 21.00	$ 27.76
Monthly increase in solid waste bill (all residential customers)	$ 4.75	$ 6.00	$ 7.50	$ 9.00	$ 15.76
Home Assessed Around $110K					
Monthly increase in property taxes	$ 2.75	$ 2.75	$ 2.75	$ 1.83	$ -
Total Monthly Increase (solid waste bill & property taxes)	$ 7.50	$ 8.75	$ 10.25	$ 10.83	$ 15.76
Total Annual Increase (solid waste bill & property taxes)	$ 89.95	$ 105.00	$ 123.03	$ 130.00	$ 189.12
% Change	62%	73%	85%	90%	131%
Average Home (assessed at $321,445)					
Monthly increase in property taxes	$ 8.04	$ 8.04	$ 8.04	$ 5.36	$ -
Total Monthly Increase (solid waste bill & property taxes)	$ 12.78	$ 14.04	$ 15.54	$ 14.36	$ 15.76
Total Annual Increase (solid waste bill & property taxes)	$ 153.39	$ 168.43	$ 186.46	$ 172.29	$ 189.12
% Change	107%	117%	129%	120%	131%
Home Assessed Around $1M					
Monthly increase in property taxes	$ 25.00	$ 25.00	$ 25.00	$ 16.67	$ -
Total Monthly Increase (solid waste bill & property taxes)	$ 29.75	$ 31.00	$ 32.50	$ 25.67	$ 15.76
Total Annual Increase (solid waste bill & property taxes)	$ 356.95	$ 372.00	$ 390.03	$ 308.00	$ 189.12
% Change	248%	258%	271%	214%	131%

FY 22-23 Residential Options - Increases in Fees (effective Jan. 1, 2023) & Property Taxes

	60% cost recovery	65% cost recovery	70% cost recovery	75% cost recovery	100% cost recovery
Monthly Solid Waste Bill (July through December)	$ 12.00	$ 12.00	$ 12.00	$ 12.00	$ 12.00
Monthly Solid Waste Bill (January through June)	**$ 16.75**	**$ 18.00**	**$ 19.50**	**$ 21.00**	**$ 27.76**
Annual Fees Collected	$ 1,065,048	$ 1,111,500	$ 1,167,159	$ 1,222,661	$ 1,473,123
Annual Fees Charged - all customers	$ 2,057,046	$ 2,057,046	$ 2,057,046	$ 2,057,046	$ 2,057,046
Bulk Waste Subsidy	$ 21,325	$ 21,325	$ 21,325	$ 21,325	$ 21,325
Annual Amount Needed from Other Funding Source(s)	**$ 1,013,322**	**$ 966,871**	**$ 911,211**	**$ 855,710**	**$ 605,248**
Revenue Difference from 6-month Fee Delay	$ (175,848.19)	$ (222,300.00)	$ (277,959.47)	$ (333,461.11)	$ (583,922.81)
Necessary Property Tax Rate Increase	$ 0.04	$ 0.04	$ 0.04	$ 0.03	$ 0.02

Increases to Customer Fees & Property Taxes Per Above Structure	60% cost recovery	65% cost recovery	70% cost recovery	75% cost recovery	100% cost recovery
New Solid Waste Bill (Monthly) - after January 1	$ 16.75	$ 18.00	$ 19.50	$ 21.00	$ 27.76
Monthly increase in solid waste bill (all residential customers)	$ 4.75	$ 6.00	$ 7.50	$ 9.00	$ 15.76
Home Assessed Around $110K					
Monthly increase in property taxes -through December 30	$ 3.67	$ 3.67	$ 3.67	$ 2.75	$ 1.83
Total Monthly Increase (solid waste bill & property taxes) - after January 1	$ 8.41	$ 9.67	$ 11.17	$ 11.75	$ 17.59
Total Annual Increase (solid waste bill & property taxes) - July 1, 2022 - June 30, 2023	$ 72.48	$ 80.00	$ 89.01	$ 87.00	$ 116.56
% Change - July 1, 2022 - June 30, 2023	50%	56%	62%	60%	81%
Average Home (assessed at $321,445)					
Monthly increase in property taxes -through December 30	$ 10.71	$ 10.71	$ 10.71	$ 8.04	$ 5.36
Total Monthly Increase (solid waste bill & property taxes) - after January 1	$ 15.46	$ 16.71	$ 18.22	$ 17.04	$ 21.12
Total Annual Increase (solid waste bill & property taxes) - July 1, 2022 - June 30, 2023	$ 157.06	$ 164.58	$ 173.59	$ 150.44	$ 158.85
% Change - July 1, 2022 - June 30, 2023	109%	114%	121%	104%	110%
Home Assessed Around $1M					
Monthly increase in property taxes -through December 30	$ 33.33	$ 33.33	$ 33.33	$ 25.00	$ 16.67
Total Monthly Increase (solid waste bill & property taxes) - after January 1	$ 38.08	$ 39.33	$ 40.84	$ 34.00	$ 32.43
Total Annual Increase (solid waste bill & property taxes) - July 1, 2022 - June 30, 2023	$ 428.48	$ 436.00	$ 445.01	$ 354.00	$ 294.56
% Change - July 1, 2022 - June 30, 2023	298%	303%	309%	246%	205%

Commercial Fee Options for FY 22-23 - Updated 4/1/2022

	Current Fee & Service Structure	100% cost recovery
MSW Collection	$ 11.00	$ 9.77
Curbside Recycling Collection		$ 3.33
Glass Processing Fee		$ -
MSW Disposal (estimated)	$ -	$ 3.65
Extra MSW Disposal from eliminating curbside glass recycling	$ -	$ 0.49
Recyclables Disposal - $128/ton	$ -	$ 0.97
Rounding addition (difference)	$ -	$ 0.04
Monthly Costs Recovered per customer	**$ 11.00**	**$ 18.25**
GFL monthly charges per customer (collection + disposal)	$ 18.06	$ 18.06
Monthly Difference per Account	**$ (7.06)**	$ 0.19
Annual Costs Recovered - all customers	$ 51,744.00	$ 85,849.88
GFL annual charges - all customers	$ 84,956.12	$ 84,956.12
Annual Amount Needed from Other Funding Source(s)	**$ 33,212.12**	**$ (893.76)**
Revenue difference from current fee/service structure	$ -	$ 34,105.88

Increases to Customer Fees Per Above Structure	**Current Fee & Service Structure**	**100% cost recovery**
Total Monthly Bill	$ 11.00	$ 18.25
Monthly increase from current $11/month	$ -	$ 7.25
Total Annual Bill	$ 132.00	$ 219.00
Annual increase from current $11/month	$ -	$ 87.00
% Change	0.00%	60.42%

FY 22-23 Estimated Value of $0.01 Property Tax Rate				
	$0.01	$0.02	$0.03	$0.04
Additional Revenue	$ 289,200	$ 578,400	$ 867,600	$ 1,156,800

Projected Increases for Residential Homes								
	$0.01		$0.02		$0.03		$0.04	
Assessed Value	Annual Increase	Monthly Increase	Annual Increase	Monthly Increase	Annual Increase	Monthly Increase	Annual Increase	Monthly Increase
$ 110,000	$ 11.00	$ 0.92	$ 22.00	$ 1.83	$ 33.00	$ 2.75	$ 44.00	$ 3.67
$ 1,000,000	$ 100.00	$ 8.33	$ 200.00	$ 16.67	$ 300.00	$ 25.00	$ 400.00	$ 33.33
$ 321,445	$ 32.14	$ 2.68	$ 64.29	$ 5.36	$ 96.43	$ 8.04	$ 128.58	$ 10.71

Projected Increases for Selected Commercial/Multi-Family Properties								
	$0.01		$0.02		$0.03		$0.04	
Assessed Value	Annual Increase	Monthly Increase	Annual Increase	Monthly Increase	Annual Increase	Monthly Increase	Annual Increase	Monthly Increase
$ 84,760	$8.48	$0.71	$16.95	$1.41	$25.43	$2.12	$33.90	$2.83
$ 333,970	$33.40	$2.78	$66.79	$5.57	$100.19	$8.35	$133.59	$11.13
$ 462,590	$46.26	$3.85	$92.52	$7.71	$138.78	$11.56	$185.04	$15.42
$ 499,260	$49.93	$4.16	$99.85	$8.32	$149.78	$12.48	$199.70	$16.64
$ 832,660	$83.27	$6.94	$166.53	$13.88	$249.80	$20.82	$333.06	$27.76
$ 1,000,510	$100.05	$8.34	$200.10	$16.68	$300.15	$25.01	$400.20	$33.35
$ 1,007,920	$100.79	$8.40	$201.58	$16.80	$302.38	$25.20	$403.17	$33.60
$ 1,425,180	$142.52	$11.88	$285.04	$23.75	$427.55	$35.63	$570.07	$47.51
$ 7,188,460	$718.85	$59.90	$1,437.69	$119.81	$2,156.54	$179.71	$2,875.38	$239.62
$ 9,408,300	$940.83	$78.40	$1,881.66	$156.81	$2,822.49	$235.21	$3,763.32	$313.61
$ 9,904,310	$990.43	$82.54	$1,980.86	$165.07	$2,971.29	$247.61	$3,961.72	$330.14
$ 13,176,460	$1,317.65	$109.80	$2,635.29	$219.61	$3,952.94	$329.41	$5,270.58	$439.22
$ 25,454,180	$2,545.42	$212.12	$5,090.84	$424.24	$7,636.25	$636.35	$10,181.67	$848.47
$ 36,665,150	$3,666.52	$305.54	$7,333.03	$611.09	$10,999.55	$916.63	$14,666.06	$1,222.17

FY 22-23 Solid Waste Services: Revenue & Expenditure Analysis
Updated April 1, 2022

As part of developing the FY 22-23 proposed budget, staff has evaluated the Town's solid waste services in detail, analyzing cost recovery revenues from customer fees against expenditures for collection and disposal. As this analysis will document, the Town is projected to spend approximately $2.23 million in FY 22-23 to serve residential and commercial solid waste accounts, around 10% of the General Fund budget. Staff estimates that with the current solid waste fee structure, the Town will collect approximately $941,000 in customer fees, leaving the Town to cover the remaining $1.29 million from other funding sources.

This memo will outline the current services provided, including a detailed breakdown of how much each component of the overall service delivery costs the Town and taxpayers and how the Town's services compare to neighboring municipalities. The analysis will also identify some options for FY 22-23 to reduce the $1.29 million imbalance by increasing fees and making changes to the services provided, providing the Town an opportunity to re-direct General Fund revenues toward other services.

STATUS QUO: CURRENT SERVICES

The Town of Southern Pines, through a contract with GFL Environmental, collects and disposes municipal solid waste (MSW), recycling, and yard debris from 6,023 single family homes (increases to 6,175 homes in FY 22-23). The Town also collects and disposes MSW and recycling for 392 small-scale commercial businesses. For a business to qualify for service by the Town, they may only dispose a maximum of two 95-gallon carts per week. Businesses who generate a greater volume of solid waste manage their own service through a vendor of their choice (typically with a dumpster).

Town of Southern Pines Solid Waste Service	Single Family Homes	Commercial
Curbside MSW (weekly)	*Yes*	*Yes*
"Back door" MSW (weekly)	*Yes*	*Yes*
Curbside Recycling (weekly)	*Yes*	*Yes*
Yard Debris (every 2 weeks)	*Yes*	*No*

The Town's services far exceed what residents in other areas of Moore County receive. In fact, Moore County provides no solid waste service – residents and businesses self-select and pay the vendor directly.

Residential Collection Service	**Southern Pines**	**Aberdeen**	**Carthage**	**Pinehurst**	**Whispering Pines**	**Unincorporated Moore County**
Curbside MSW - weekly	2 carts (95 gal)	1 cart	1 cart	1 cart	1 cart	Per private vendor
"Back door" MSW - weekly	Yes	No	No	No	No	No
Curbside Recycling - weekly	Yes	Yes	No	Yes	Yes	No
Curbside Glass Recycling - weekly	Yes	No	No	No	No	No
Yard Debris – every two weeks	Yes	Yes	Yes	Yes - weekly	Yes	No
Bulk Waste	Yes	Yes	No	Yes	Yes	Varies
Solid Waste Fees Charged (adjusted for monthly)	$12	$15.50	$11.99	*[1]	*[1]	est. $25-30/cart (customer selects vendor)

[1] *Pinehurst and Whispering Pines provide solid waste services, but do not bill customers directly. Direct billing is commonly used only by municipalities, like Southern Pines, who operate a utility system and then adding solid waste service on to the customers' bills.

STATUS QUO: CURRENT EXPENDITURES

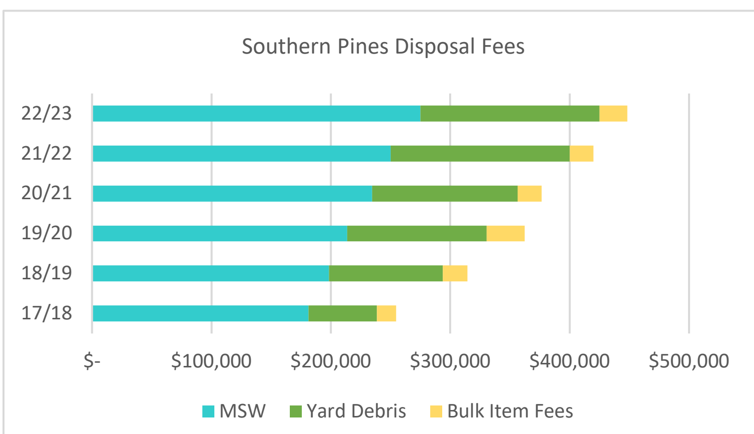
In addition to the residential and commercial services, the Town also pays GFL to dispose debris from the street sweeper, as well as 63 public receptacles, which costs around $45,000 each year. Customers who use dumpsters are billed based on the volume of their dumpster and the frequency of collection. For all of these services combined, staff recommends that $2.4 million be budgeted for FY 22-23 (assuming no changes in services).

STATUS QUO: COLLECTION FEES

The Town collects $12/month from each residence and $11/month for commercial businesses, billed through the utility bill. These revenues can be compared to the actual charges, which are billed monthly by GFL to the Town. GFL has confirmed that its charges will increase 7%, effective July 1, 2022; these increases are also analyzed with the current customer fees, for comparison.

Monthly Collection Fees Per Unit	Residential Single Family		Small Commercial	
	FY 21-22	FY 22-23	FY 21-22	FY 22-23
Number of Units	6,023	6,175	392	392
MSW Collection	$ 9.14	$ 9.77	$ 9.14	$ 9.77
Curbside Recycling Collection	$ 3.12	$ 3.33	$ 3.12	$ 3.33
Glass Processing Fee	$ 2.29	$ 2.29	$ 2.29	$ 2.29
Yard Debris Collection	$ 7.18	$ 7.68	$ -	$ -
GFL charges/account (monthly)	**$ 21.73**	**$ 23.07**	**$ 14.55**	**$ 15.39**
Total Charged by Town to Customer (monthly)	**$ 12.00**	**$ 12.00**	**$ 11.00**	**$ 11.00**
Monthly Difference per Account	**$ 9.73**	**$ 11.07**	**$ 3.55**	**$ 4.39**
GFL charges - all accounts (monthly)	**$ 130,880**	**$ 142,457**	**$ 5,704**	**$ 6,033**
Monthly Costs Recovered - All Accounts	**$ 72,276**	**$ 74,100**	**$ 4,312**	**$ 4,312**
Monthly Difference for All Accounts	**$ 58,604**	**$ 68,357**	**$ 1,392**	**$ 1,721**
GFL charges - all accounts (annually)	**$ 1,570,557**	**$ 1,709,487**	**$ 68,443**	**$ 72,395**
Annual Costs Recovered - All Accounts	**$ 867,312**	**$ 889,200**	**$ 51,744**	**$ 51,744**
Annual Difference for All Accounts	**$ 703,245**	**$ 820,287**	**$ 16,699**	**$ 20,651**

With the 7% increase in collection costs for FY 22-23, the Town will only recover 52% of residential collection costs and 71% of commercial, assuming no changes are made to monthly customer fees or services. Based on these projections, <u>the Town can expect to recover approximately $941,000 in FY 22-23 toward the collection costs of over $1.78 million.</u>

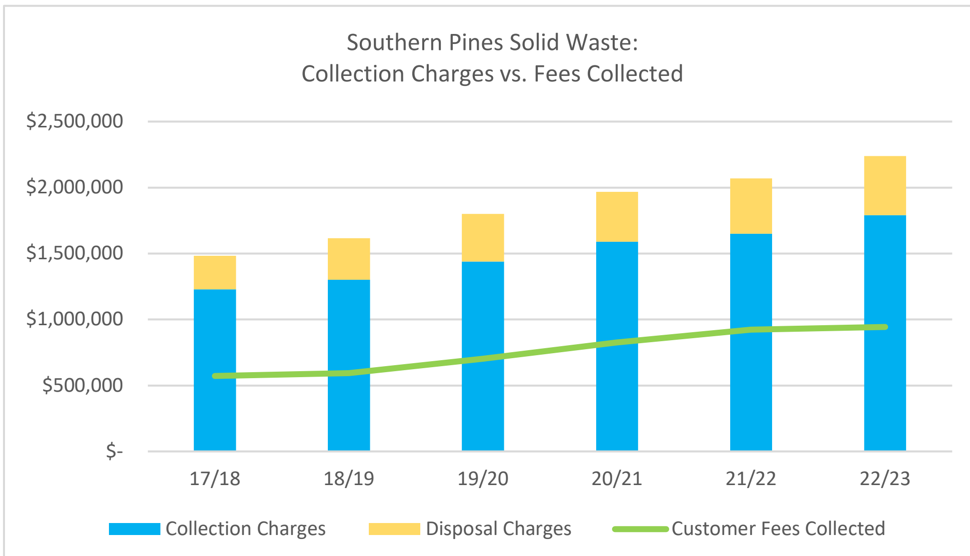


STATUS QUO: DISPOSAL CHARGES

The collection fees billed to the Town by GFL are only part of solid waste services; the Town is also billed for the disposal of MSW and yard debris, as well as the collection and disposal of bulk items. While the per unit fees are fixed for the year, the actual amount billed varies from month to month depending on the actual volume of waste and number of bulk items collected. The following table summarizes actual costs for the previous two years, as well as projected costs for FY 21-22 and FY 22-23 based on trends.

	Bulk Items			**MSW**			**Yard Debris**			**Total Annual Costs for Disposal**	**Annual % Increase**
	Collections	GFL Unit Rate	Annual Cost	Tons	Moore Co. Unit Rate	Annual Cost	Tons	Moore Co. Unit Rate	Annual Cost		
FY 19-20 (actual)	2,008	$15.86	$31,847	4,300	$49.71	$213,751	4,667	$25	$116,687	$362,285	--
FY 20-21 (actual)	1,239	$16.22	$20,097	4,582	$51.17	$234,463	4,353	$28	$121,892	$376,452	4%
FY 21-22 (projected)	1,093	$16.47	$18,000	4,700	$52.72	$247,784	5,000	$29	$150,000	$418,000	11%
FY 22-23 (projected)	1,300	$17.62	$23,350	5,000	$55.36	$276,800	4,600	$30	$140,000	$440,150	5%

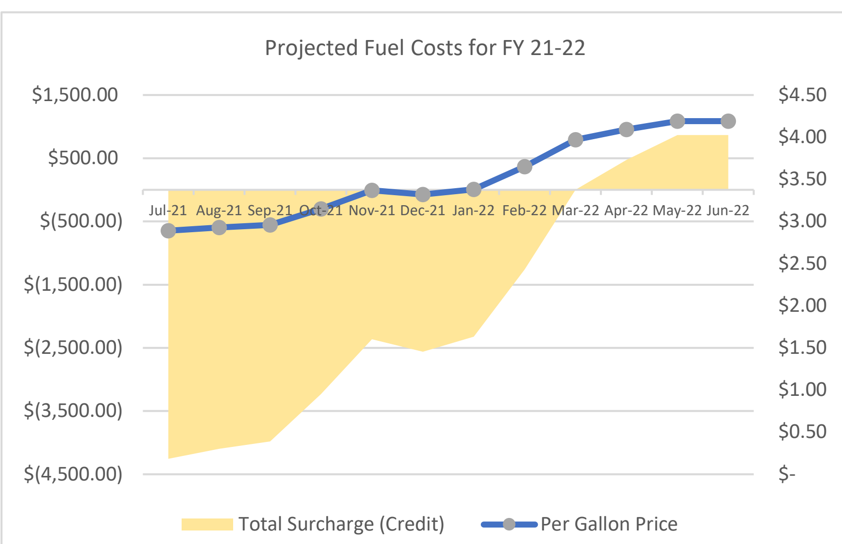
The chart at right illustrates that <u>the customer fees only cover a portion of the collection costs, meaning the Town assumes 100% of the costs to dispose residential and commercial MSW and residential yard debris, as well as both the collection and disposal of residential bulk items.</u> Moore County has confirmed that disposal fees will increase by 5% in FY 22-23, which will further widen the existing gap between actual costs and recovered costs.



<u>It is estimated that in FY 22-23, without any changes to solid waste services or fees, the Town will recover $941,000 in customer fees and must identify over $1.29 million from other funding sources</u>.

<u>STATUS QUO: FUEL CREDITS/SURCHARGES</u>

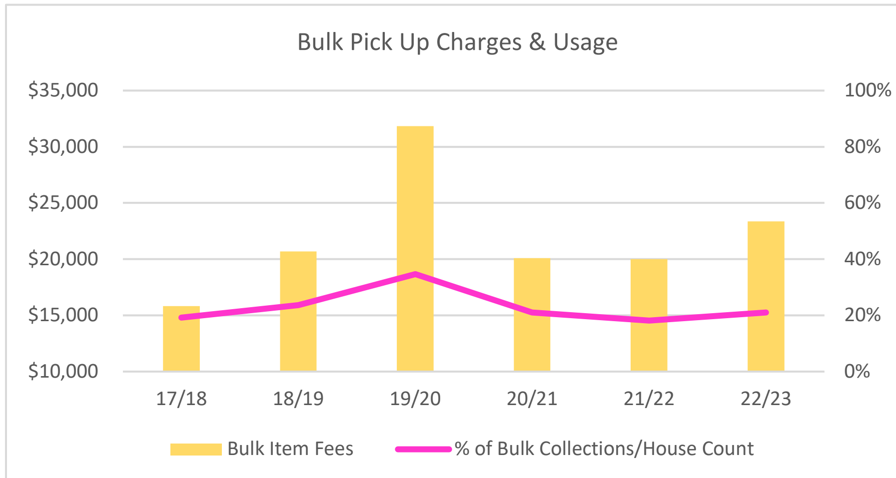
Per the contract, GFL calculates monthly adjustments based on actual fuel costs, resulting in a surcharge (or credit) which is applied to the monthly bill. When the contract was executed in July 2013, the base cost for fuel was established at $3.97/gallon, which increases annually over the life of the contract based on CPI. Given that the base price consistently represented a higher than average price/gallon in recent years, the Town has been receiving an annual credit around $72,000, which is applied to the Town's monthly bill. The FY 21-22 base fuel price is $4.27/gallon. With the current fuel prices, staff anticipates that the bill for February services will represent the last month for the foreseeable future in which the Town will actually receive a fuel credit. Based on current trends, which are illustrated in the chart at left, staff has projected prices per gallon peaking at $4.29 in May and June, representing a total credit of around $20,000 for this fiscal year (approximately $50,000 less



than recent years). For budgeting purposes, staff presumes that the Town will see surcharges in many, if not all months, of FY 22-23.

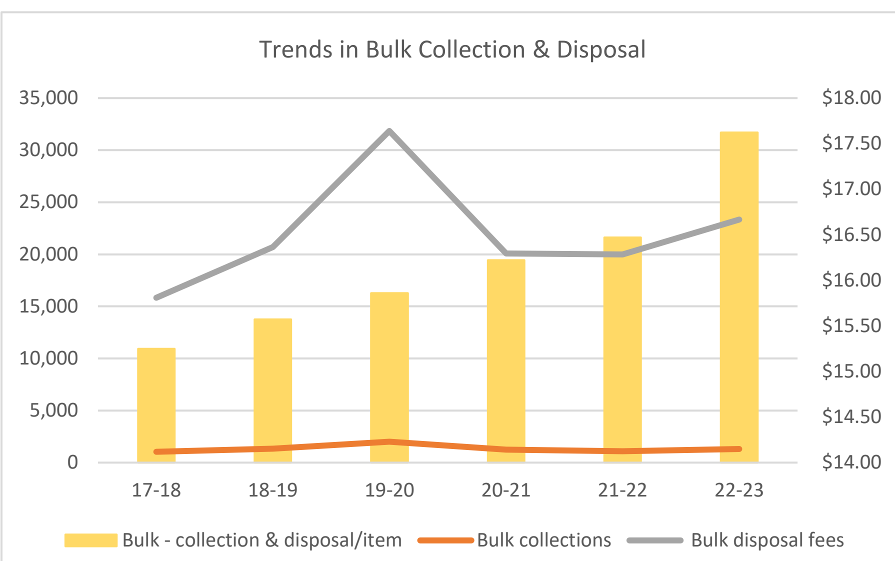
STATUS QUO: BULK ITEMS

The Town collects and disposes bulk items (discarded furniture, mattresses, and other items that won't fit in the garbage carts) on an as-requested basis. GFL will charge the Town $17.62 per collection in FY 22-23, which includes the fees to collect and dispose the item. Residents may schedule up to 3 cubic yards per week and may request this service on a weekly basis, as needed. While the number of collections can vary, GFL completes approximately 1,200 pick-ups each year or around 100 per month. Staff budgets $20,000 annually for this service and none of this is recovered in customer fees.



The chart at right illustrates that only a small percentage of Town residents actually use this service in any given year. The data assumes each collection is associated with a unique house, i.e. 1,239 actual collections in FY 20-21 for 1,239 unique houses. Staff is aware from reviewing monthly bills, there are in fact houses that request multiple collections per year. The chart does not take this into account, but the percentage of homes actually using the service will be lower than the chart shows. This can also be confirmed visually by driving through the community on collection days and seeing the small number of homes that place an item(s) out for collection.

Additionally, the trends documented in the below chart confirm that total disposal fees (the grey line corresponding with the primary y-axis on the left) have increased 48% since FY 17-18. We also see that the actual amount the Town is charged for each individual bulk collection has steadily increased (represented by the yellow bars corresponding with the secondary y-axis on the right). The number of actual collections remains fairly consistent each year at a median of 1,270 (the orange line), suggesting the rising disposal fees/charges are more closely attributed to CPI and increased landfill costs (factors the Town cannot influence), rather than higher usage by residents.



While there are a variety of ways the Town could look at recovering costs for this service, it is recognized that there is an overall community value in providing residents the ability to have bulk items collected at no additional cost. The Town has minimal problems with illegal dumping, which is an unsightly and challenging issue in other communities where residents do not have this ability. Increased dumping also requires more code enforcement resources. With this in mind, staff does not recommend making any changes to this service or cost recovery at this time.

STATUS QUO: "BACK DOOR" COLLECTION

Southern Pines is the only municipality in Moore County (and in the greater region) which provides "back door" MSW collection to all residential customers. The standard level of service is to provide it only to residents who have a waiver due to health or physical abilities, with all other customers receiving curbside collection.

In order to provide backdoor collection as a standard in Southern Pines, GFL must operate its routes with a minimum of two employees, one to drive and one to collect the carts. Many waste providers have transitioned away from this model, operating garbage trucks with an automated side loader, as shown at right, which can be run by one operator. This model is safer for operators, decreases personnel costs, and is more consistent and easier to operate when staffing changes may be frequent. Southern Pines has seen the effect of this during the pandemic and current labor shortage, as GFL has struggled to assign two operators to each route. This has impacted the quality of service by causing collection delays or missed houses.

Southern Pines is entering its final year of the current contract with GFL. Given the challenges and costs of continuing to provide back-door collection (requiring double the labor and specialized trucks), GFL has indicated they will be unable to provide backdoor collection after the current contract ends (with the exception of customers with medical waivers. Given that Southern Pines is the only municipality in the greater region which provides this enhanced service, it is unlikely any vendor will be willing to provide it. Staff does not recommend bidding the new contract with this requirement, given that it will substantially limit competition and cost a premium with any vendor who is able or willing to provide it.

STATUS QUO: THE COSTS OF RECYCLING

Like many local governments, Southern Pines provides collection and disposal services for both garbage and recycling. Until recently, recycling generated revenues which created a "win-win" situation by decreasing overall costs and diverting waste that would otherwise enter the landfills.

The economics of recycling services have essentially reversed and the Town now pays more to recycle than it does to dispose garbage. Much of this change is associated with China's *Operation National Sword,* which took effect in 2018. Through this policy, China now only accepts non-contaminated recyclables that can actually be used by its manufacturers. The market for recyclables subsequently collapsed and where local governments once earned revenues on the recyclables they collected, they are now paying tipping fees that end up costing more than the fees for garbage.

We can see the effects of this firsthand in Southern Pines. Where the Town once only paid for the collection of recycling, Southern Pines now pays $2.29/account/month to cover the tipping fees (in addition to the Town's continued curbside glass collection). When added to the collection fee of $3.33/account/month, this equates to costs of nearly $450,000 to provide recycling services in FY 22-23. The Town recycles approximately 1,300 tons a year, so this works out to approximately $340/ton.

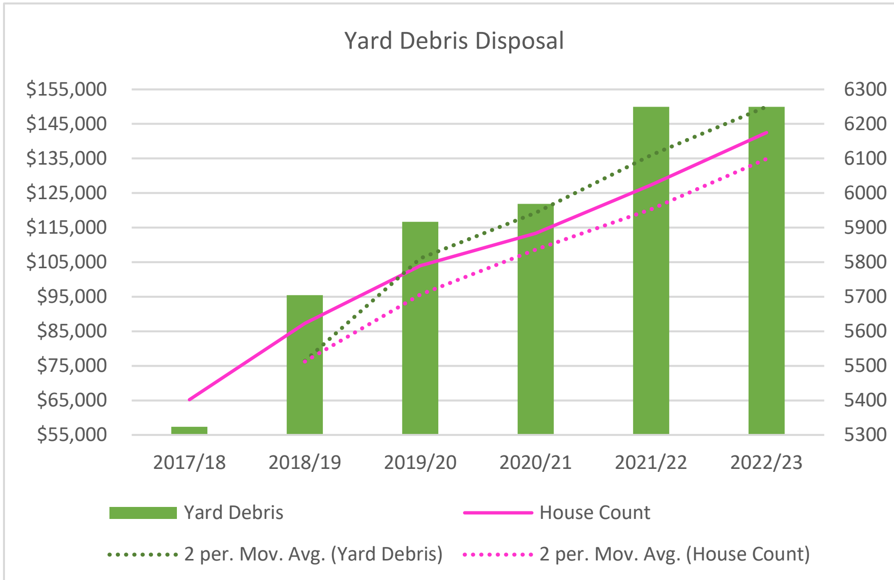
In FY 22-23, the Town will pay an estimated $740,000 to collect and dispose a projected 5,000 tons of MSW, which is just under $150/ton.

This changing economics have caused shifts in the business of recycling at the local government level -- some have discontinued recycling collection altogether, while others have been able to coordinate agreements where their tipping fees are forgiven by the county in which they're located. Those who run landfills have been able to rely on tipping fees to help recover the increasing costs of recycling.

COST RECOVERY OPTION: YARD DEBRIS

The Town collects yard debris in curbside piles every two weeks from single-family residential customers, which currently costs $7.18 per house/month, annualized at $86.16/house or $43,245. This will increase to $7.68 ($47,424) in FY 22-23[2]. The Town pays GFL for this collection, whether a resident actually uses it or not.

Additionally, the Town pays for the debris disposal, which is currently $29/ton with an average yearly volume of 4,500 tons. While the disposal charges vary each year (especially in years like 2022 with significant volume from storms), this is an expense that has grown substantially (144%) over the last five years. Where yard debris accounted for 23% of disposal costs in FY 17-18, it has increased in percentage each year and now accounts for around 32% of the Town's total disposal fees.



At one time, Moore County charged nothing for haulers or residents to dispose yard debris and then added an initial fee of $15/ton. This fee has risen sharply and will be $30/ton in FY 22-23. This is an expenditure that the Town has absorbed wholly at the same time that volume has also steadily increased. As the chart at right illustrates, while one would expect disposal fees to rise as the Town's house count grows, the increase in disposal fees is outpacing the growth in new homes. Staff projects the Town will pay nearly $150,000 in FY 22 -23 for yard debris, due to 1) disposal increasing from $29/ton to $30/ton; 2) an additional 152 homes; and 3) a $0.50 increase per house per month for collection.

Yard debris collection is offered by Aberdeen, Carthage, Pinehurst, and Whispering Pines and it is helpful to understand how Southern Pines' collection compares to the other municipalities. As the data below shows, with the exception of Aberdeen, the yard debris service offered by Southern Pines is comparable to Carthage and exceeds what Pinehurst and Whispering Pines offer (in terms of volume collected).

Yard Debris Collection	Southern Pines	Aberdeen	Carthage	Pinehurst	Whispering Pines
Frequency	Bi-weekly	Bi-weekly	Bi-weekly	Weekly	Bi-weekly
Volume collected per month	6 yd^3	14 yd^3	6 yd^3	2 yd^3	1/2 yd^3
Collection Method	Pile	Pile	Pile	95-gallon cart	45-gallon cart

There are a number of viable cost recovery and service options that could be considered relative to yard debris collection:

1. Ensure customer fees cover the $7.68/month for collection (or a portion thereof).
2. Ensure the customer fees cover disposal costs (or a portion thereof). Current fees need to be increased by $2.02/house/month to cover the estimated volume. This would generate approximately $150,000 in additional revenue.
3. Incorporate both options 1 & 2 into the customer fee. Adding $9.70/house to the monthly customer fee would allow the Town to recover the estimated costs for both yard waste collection & disposal.

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[2] GFL charges the yard debris collection fees based on an agreed-upon annual house count, rather than actual usage.

4. Reduce the volume of debris collected. The easiest way to do this would be to issue carts like Pinehurst and Whispering Pines do, which would also eliminate the debris piles that are regularly visible across the community as they await collection. Staff does not recommend this as an option for FY 22-23, but rather considering it when services are re-evaluated at the end of GFL's current contract next year.

COST RECOVERY OPTION: MSW DISPOSAL

As previously discussed, the Town's fees do not cover any of the actual MSW disposal costs. This not only disincentivizes recycling to a degree, but also makes the Town solely responsible for funding these increasing costs. Over the past five years, MSW disposal fees have increased 52%, which can be attributed to a lot of different factors, including but not limited to, an increase in disposal fees/ton, growing numbers of houses and businesses in Southern Pines, increased household sizes, and residents disposing higher volumes of waste each year, based on a per house calculation. Where it once cost the Town approximately $31.40/account/year to cover MSW disposal, staff projects this will be almost $39.00 in the current fiscal year. This equates to approximately $3.25/account/month.

There are a number of viable cost recovery and service options that could be considered relative to MSW disposal:

1. Charge customers the full cost of disposing MSW. This could be charged based on actual volumes/costs from the previous year, which would help to encourage greater recycling or finding alternatives other than disposal, i.e. donating gently used items, since customers would now "have some skin in the game."

   As an example of putting this practice into action, the Town paid $234,463 in FY 20-21 to dispose MSW, which equated to $3.12/month/account. The Town could have imposed a volume-based monthly disposal fee of $3.12 in FY 21-22 and applied these revenues toward the current year's disposal charges. This fee could be re-evaluated each fiscal year, passing on either savings or increased costs directly to the customers. This would also allow for the growth in accounts to absorb associated increases in disposal, as the number of accounts would also increase each year, i.e. creating a larger denominator each year. This would be a new revenue, which would vary based on volume and the disposal fees charged per ton, but would significantly help the Town toward recovering the costs of MSW disposal services and communicate the community's part in assisting with this effort.
2. Use another factor to determine a fee to recover disposal costs (or a portion thereof).

COST RECOVERY OPTION: COMMERCIAL COLLECTION FEES

The Town collects MSW and recycling from 392 small commercial businesses at a fee of $11/month. GFL will bill the Town $15.39/month in FY 22-23. Unless the Town increases fees for customer accounts in FY 22-23, the Town will effectively be subsidizing 29% of the waste collection charges for these businesses at a total cost of over $20,000 plus disposal. Staff recommends that Council consider increasing the FY 22-23 commercial solid waste fees, as outlined in the attached spreadsheet which details various options.

COST RECOVERY OPTION: RESIDENTIAL COLLECTION FEES

The Town will provide solid waste services to 6,175 homes in FY 22-23 and currently charges customers a fee of $12/month. GFL will bill the Town $23.07/month/account for collection ($1,709,487) plus actual disposal costs of MSW and yard debris (estimated around $435,000). Unless the Town increases fees, the Town will effectively be subsidizing 48% of the collection fees and 100% of the disposal costs, at a total estimated cost of around $1.25 million. Staff recommends that Council consider increasing the residential solid waste fees, as outlined in the attached spreadsheet which details various options.

SERVICE CHANGE OPTION: CURBSIDE GLASS RECYCLING

Glass recycling has diminished nationally due to the closure of glass manufacturing plants and the increased popularity of canned craft beers. Additionally, China's 2018 *National Sword* policy has also contributed to challenges and increased costs by effectively banning the purchase of contaminated materials from foreign waste streams. Curbside recycling is almost exclusively single-stream in order to encourage participation, meaning customers use a single container to combine all recyclable materials. When glass breaks, the small pieces mix with other recyclables, making it almost impossible to sort, which means it must be sold as a contaminated product at a reduced price and to a limited market. For this reason, many providers have stopped accepting glass through single-stream collection.

The effects of the challenges and costs of recycling glass can be seen in Moore County, where Southern Pines is the only area whose customers may still recycle glass curbside. Because of this, GFL has to transport the Town's recyclables out of the county and bills the Town $2.29/account/month, which covers 1) the processing to remove glass from the other items and 2) the tipping fees for all of the recyclables. **<u>The Town will pay GFL over $180,000 in FY 22-23 for this fee.</u>** Like other collection charges, the Town will be billed this fixed fee, regardless of the number of accounts who actually use this service.

Moore County accepts glass recyclables at seven central facilities for those who do not have curbside collection. In reality, it is assumed there is only a small percentage of community members who actually haul their glass to a central facility, with the majority of customers disposing their glass in the MSW stream.

There are a number of viable options that could be considered to address this current situation and cost:

1. Eliminate curbside glass recycling beginning on July 1. This would directly decrease GFL collection fees by $2.29/month/account or over $180,000 next year.

   It should be noted, the net savings will be lower than $180,000 as we can assume nearly all customers who currently recycle glass curbside would throw it away in the MSW stream (rather than taking it to a central facility). GFL collected a total of 1,282 tons of recyclables in FY 20-21. If we assumed approximately half of this volume was glass (given its heavy weight), it would be reasonable to project an increased 650 tons of glass in the MSW stream in FY 22-23. This would result in approximately $36,000 in added disposal MSW costs when calculated per ton.

   Additionally, GFL has indicated that when the Town eliminates curbside glass recycling, they will begin taking the Town's recyclables to a Moore County transfer facility, which will incur a recycling tipping fee of $128/ton. Based on current volumes, if we assume the Town recycles approximately 600 tons a year (everything except glass), this will result in a tipping fee of $76,800. These various factors result in a net savings to the Town of around $68,000 next year. While staff recognizes the environmental trade-off that is being made, the financial benefit cannot be ignored, since this net savings can be directly applied to projected expenditures for FY 22-23 (and each year in the future). If Council is interested in eliminating curbside glass collection in FY 22-23, staff requests a period of approximately 60-90 days to launch a public education campaign so customers are fully informed of the changes.

2. Staff discussed the possibility of having a central glass collection site in Town, hauling the glass separately from other recyclables, which would make it cheaper to dispose by not being in a single stream. From past experience operating a small municipal recycling/waste facility, staff does not recommend this option, as it needs to be manned to ensure it remains clean, broken glass is discarded, and customers do not dispose unacceptable items.

3. Evaluate customer fees to ensure the Town is adequately recovering the costs for providing enhanced services, like curbside glass recycling. Staff has provided some fee options that could be considered to increase the cost recovery for providing this service.

<u>SERVICE CHANGE OPTION: REDUCE MSW COLLECTION TO ONE CART WEEKLY</u>

Per the terms of the contract, GFL provides and collects two MSW carts weekly for each account, an enhanced service that other local governments do not provide and is one contributing factor to the Town's growing disposal volume and costs. GFL is currently conducting a field survey and will provide data in the coming weeks to document the percentage of residents who actually use more than one cart/week, but we expect it to be a minority of households.

Staff did discuss with GFL the possibility of changing the standard service to one cart/account/week beginning July 1. It was determined that it would be difficult at this point to 1) remove extra carts from those residences who currently have them and 2) determine who needs to be charged a surcharge. With this in mind, staff recommends implementing this change with the new contract, effective July 1, 2023. For those customers who need more than one cart/week, this can be provided as an enhanced service via a surcharge to cover the additional cart and disposal fees.

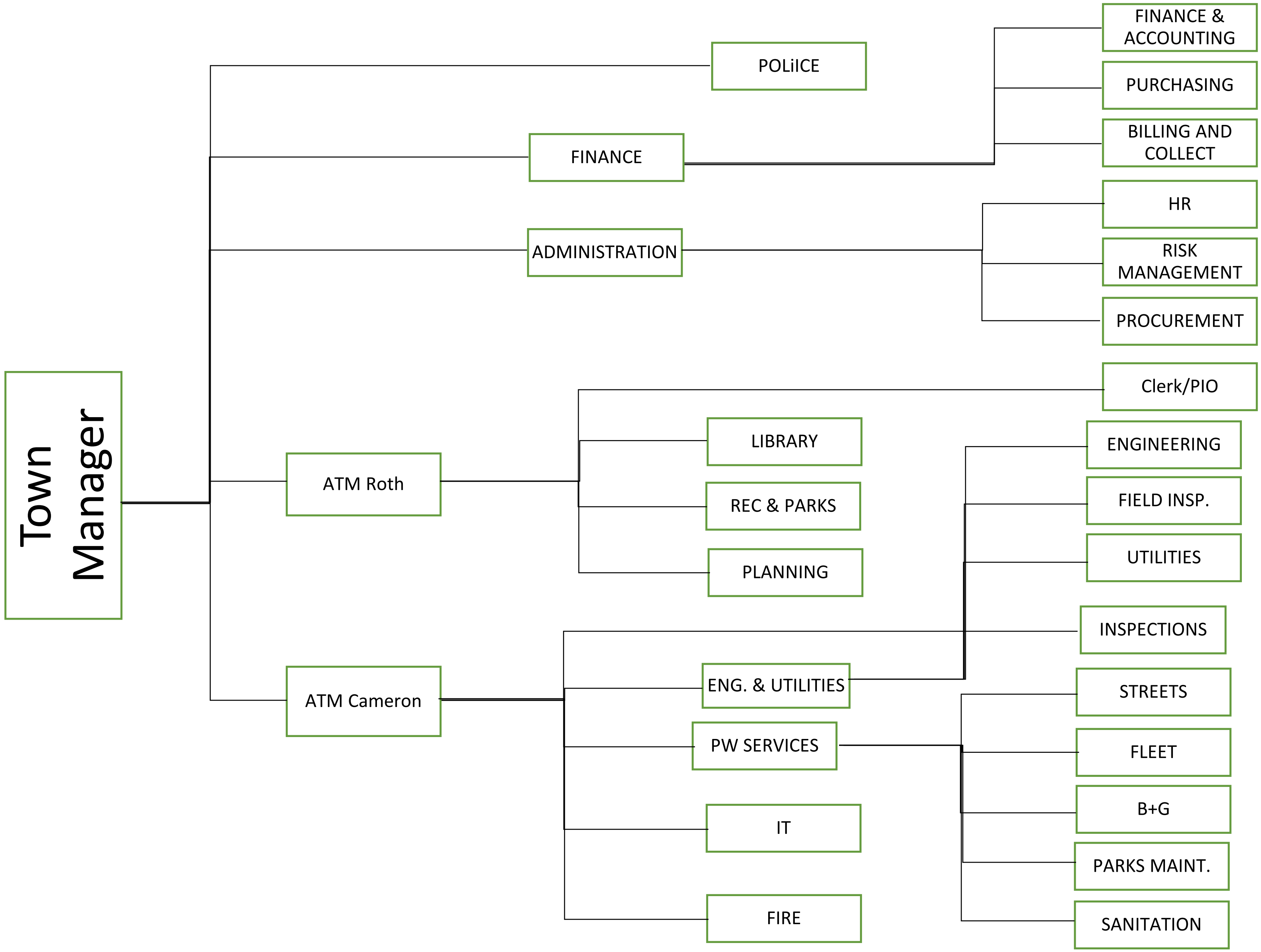
RECOMMENDATIONS

Staff's analysis has identified a number of viable options for decreasing expenditures through changes in service that would not substantially diminish the quality of the Town's existing service and still allow it to meet or exceed what is offered by neighboring local governments.

There are also a number of options for recovering a greater percentage of the actual costs through changes in customer fees. The Town's core governmental services (public safety, fire protection, parks, administration, and similar) are provided regardless of whether a corresponding revenue or fee is received (and often because the service is not profitable for the private sector to perform). Solid waste is considered a business-type activity, like public utilities, certain recreation programs and facilities, parking, and similar, provided in exchange for receiving a corresponding user charge/fee. It is easy, therefore, to determine if the government is recovering the costs associated with providing the service and to adjust customer fees accordingly.

Staff recommends that Council consider certain changes in FY 22-23 and look toward other changes in FY 23-24 and beyond (corresponding with the new solid waste contract), which are summarized in the following table.

Service/Cost Recovery	***FY 22-23 Recommendation***	***Future Recommendations***
Curbside glass recycling	Eliminate	Do not offer
Commercial fees	Adopt policy to attain 100% cost recovery	Fees adjust accordingly (up or down) for 100% cost recovery
Residential fees	Achieve 75% cost recovery (minimum)	Evaluate if 75% cost recovery is appropriate or if adjustments need to be made
Bulk items	No change – continue to cover the cost	Re-evaluate fees if new contract substantially changes the costs
Fuel surcharges	No change – do not add surcharge to fees	Negotiate a credit/surcharge structure in new contract
Yard debris	Achieve minimum of 75% cost recovery for collection and disposal	Adjust fees as needed for 75%+ cost recovery; evaluate feasibility of carts
Back door MSW collection	No change – continue to offer	Negotiate contract with curbside collection as standard, except for medical waivers
Collect 2 MSW carts weekly	No change – continue to offer	Negotiate new contract at 1 cart/week; offer 2 carts with a surcharge
Disposal fees	Incorporate disposal fees into customer fees at same recovery percentages	Same; adjust fees to pass on savings or increases based on actual volume from previous year


Town Manager
POLiICE
FINANCE
FINANCE & ACCOUNTING
PURCHASING
BILLING AND COLLECT
ADMINISTRATION
HR
RISK MANAGEMENT
PROCUREMENT
ATM Roth
Clerk/PIO
LIBRARY
REC & PARKS
PLANNING
ATM Cameron
INSPECTIONS
ENG. & UTILITIES
ENGINEERING
FIELD INSP.
UTILITIES
PW SERVICES
STREETS
FLEET
B+G
PARKS MAINT.
SANITATION
IT
FIRE

COLA Cost Calculation
Updated 03.05.22

1.00%	Current Salary	COLA	FICA Cost	401K Cost	Retirement Cost	Total Annual Cost
General Fund	9,276,107.18	92,761.07	7,096.22	4,638.05	9,461.63	113,956.98
Utility Fund	963,923.81	9,639.24	737.40	481.96	983.20	11,841.80
	10,240,030.99	102,400.31	7,833.62	5,120.02	10,444.83	125,798.78

3.00%	Current Salary	COLA	FICA Cost	401K Cost	Retirement Cost	Total Annual Cost
General Fund	9,276,107.18	278,283.22	21,288.67	13,914.16	28,384.89	341,870.93
Utility Fund	963,923.81	28,917.71	2,212.21	1,445.89	2,949.61	35,525.41
	10,240,030.99	307,200.93	23,500.87	15,360.05	31,334.49	377,396.34

5.00%	Current Salary	COLA	FICA Cost	401K Cost	Retirement Cost	Total Annual Cost
General Fund	9,276,107.18	463,805.36	35,481.11	23,190.27	47,308.15	569,784.88
Utility Fund	963,923.81	48,196.19	3,687.01	2,409.81	4,916.01	59,209.02
	10,240,030.99	512,001.55	39,168.12	25,600.08	52,224.16	628,993.90

Retirement & Health Benefit Costs

General Fund	21-22 Budgeted Retirement	22-23 Budgeted Retirement	Increase (Decrease)	21-22 Budgeted Health	22-23 Budgeted Health	Increase (Decrease)	Total Increase (Decrease)
	11.40%	12.10%					
	12.04%	13.04%					
Adminstration	62,834	69,105	6,271	63,000	61,600	(1,400)	4,871
IT	32,648	44,598	11,950	36,000	44,000	8,000	19,950
Finance	41,378	47,065	5,687	54,000	52,800	(1,200)	4,487
Patrol	283,848	336,569	52,721	342,000	360,800	18,800	71,521
Communications	40,771	43,594	2,823	63,000	61,600	(1,400)	1,423
Investigation	50,923	60,670	9,747	60,000	61,600	1,600	11,347
Fire	191,298	225,700	34,402	297,000	290,400	(6,600)	27,802
Planning	36,376	56,451	20,075	51,750	61,600	9,850	29,925
Inspections	31,538	37,705	6,167	45,000	44,000	(1,000)	5,167
Street	64,606	73,565	8,959	135,000	132,000	(3,000)	5,959
PW Administration	26,942	33,360	6,418	29,250	30,800	1,550	7,968
Fleet	21,311	24,335	3,024	36,000	35,200	(800)	2,224
Recreation	62,247	67,795	5,548	117,000	114,400	(2,600)	2,948
Library	51,990	58,935	6,945	81,000	79,200	(1,800)	5,145
B&G	45,090	51,640	6,550	90,000	88,000	(2,000)	4,550
Total General Fund:	1,043,800	1,231,087	187,287	1,500,000	1,518,000	18,000	205,287
Utility Fund							
Water	43,671	53,555	9,884	83,250	83,600	350	10,234
Sewer	40,970	48,310	7,340	81,000	79,200	(1,800)	5,540
B&C	25,269	28,370	3,101	45,000	44,000	(1,000)	2,101
Utility Fund:	109,910	130,235	20,325	209,250	206,800	(2,450)	17,875
Grand Total:	1,153,710	1,361,322	207,612	1,709,250	1,724,800	15,550	223,162

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Information Technology	Function: General Government
	Fund: General Fund
Project Title: Business Analyst\SharePoint Developer\Website Admin Position	

Project Description:

The Information Technology department is facing challenges in delivering IT services to the Town and Citizens with the current staffing level, specifically related to providing business analysis, enterprise application development and website administration.

The IT Strategic Plan identified staffing needs necessary to maintaining, testing and continually improving processes and support (G12,G13), keeping current solutions updated (G12), implement and upgrade software solutions (G10,G12,G14), implement multi-phase systems (G10,G12,G13,G14) as aligned with the Town's Comprehensive Long Range Plan.

IT is requesting a Business Analyst\SharePoint Developer\Website Administrator position to perform advanced technical work in sourcing, analysis, installation, configuration and management of large-scale applications and databases providing support of business processes to enhance and improve usability of enterprise software for Town employees and citizens. SharePoint document management, content management, retention and standards for internal and external site design development and deployment. Town website administration, design, refresh, modernization, citizen engagement. This position would also provide collaboration for application implementation for town operations, administer and troubleshoot application database and server architecture, perform analysis and programming associated with making modifications and enhancements to existing business applications.

Costs		2022-2023
Position Start Date – January, 2023		$51,418
Total		$51,418

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: 511- POLICE	Function: Public Safety
Project Title: Patrol Officer Positions	Fund: General Fund

Project Description:

The Police Department continues to face challenges in delivering police services to the community with the current staffing level in the Patrol Division, specifically related to traffic enforcement activities and specific investigations into drug activity at the Patrol level. The amount of traffic complaints, as well as drug and gang violence taking place in our community, needs to be quickly addressed which cannot occur with the current staffing levels.

The agency Table of Organization was changed in FY21/22 to improve efficiency. The 6 officer ECHO Team (1 Lieutenant, 1 Sergeant, 4 patrol officers) was restructured into a Directed Patrol Unit with two separate teams that will provide 7 day a week coverage. This unit is comprised of 1 Sergeant and 2 patrol officers on each team, who answer to the Operations Captain. The Directed Patrol Unit's function is task specific enforcement and investigations into drug activity and traffic enforcement. This position request is for 2 new patrol officers to be assigned to the Directed Patrol Unit, one on each team, which will enhance the unit's capability addressing not only drug crimes, but more specifically traffic enforcement and education activities in town. By adding **2 new officers**, each Directed Patrol team would have 1 Sergeant and 3 patrol officers.

Costs		2022-2023
New Positions - 2		$177,304
Total		$177,304

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Planning	Function: General Government
	Fund: General Fund
Project Title: New Planner II Position	

Project Description:

The Planning team responds to development feasibility and general zoning inquiries, receives and reviews pre-application meeting requests and site plan applications, processes all development approvals required by the Unified Development Ordinance, reviews all exemption surveys and subdivisions, reviews all residential and commercial building permit applications, administers the Historic District and conducts all code compliance activities. All the aforementioned workload indicators are at unprecedented levels overwhelming current staff and no market-based reduction in workload is reasonably foreseeable. Planning is requesting an additional Planner II position to hire an experienced planner (2-4 years municipal planning experience) to assist with all routine mid-level current planning tasks, particularly exemption survey and subdivision review.

Costs		2022-2023
		$47,112
Total		$47,112

PROJECTED COST LIST FOR

BUDGET YEAR 2022 - 2023

Purchasing will attempt to present guidelines for purchases in the upcoming budget year based on the best information available as of February 2022. Obviously, these are estimates only but should serve as fairly accurate guidelines for calculation of expenditures. This year due to the economic climate, please check state contract frequently. Some contracts are not renewing or lengths of the contracts have changed.

JANITORIAL SUPPLIES: 7% increase

PRINTING: 35% increase

OFFICE SUPPLIES: 5% general increase (paper increase 35%)

Keep in mind that it is a good practice to check with a few vendors to identify the best possible pricing, especially if you have used the same vendor for multiple years.

UTILITIES:

- NC Natural Gas Company –An approximate 6% increase.
- Progress Energy – An approximate 3.5% increase.

POSTAGE: USPS regular postage stamps will increase to 58 cents. The USPS expects an approximate 3.1% increase overall. FedEx rates will increase an average of 5.9%. UPS rates will increase an average of 5.9%.

MILEAGE: The IRS Mileage rate for business use as of January 1, 2022 is 58.5 cents per mile, up from 56 cents per mile in 2021. **(NOTE:** *The 58.5 cents per mile reimbursement rate will begin July 1, 2022 with FY 2022/2023.***)**

TOWN OF SOUTHERN PINES
GENERAL FUND
EXPENDITURE BY FUNCTION AND TRANSFERS
2022-2023

	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	BUDGET 2021-2022 as of 07/01/21	BUDGET 2021-2022 as of 03/01/2022	EXPECTED EXPENDITURES 2021-2022	*03.31.22* **BUDGET 2022-2023**
Legislative	$ 147,985	$ 177,200	$ 179,845	$ 198,201	$ 217,729	$ 210,939	**$ 168,451**
General Administration	616,717	650,025	704,750	894,803	894,803	831,535	**954,365**
Information Technology	729,305	1,111,518	1,015,563	1,233,183	1,233,183	1,202,079	**1,385,690**
Financial Services	726,447	733,844	720,218	803,550	803,550	781,995	**849,815**
Police Administration & Patrol	3,368,008	3,388,391	3,733,061	4,123,635	4,221,839	4,148,060	**4,754,804**
Police Communications	424,015	476,706	519,020	764,762	764,762	712,550	**659,954**
Investigations	745,945	775,323	676,295	793,555	793,555	767,017	**931,018**
Fire/Rescue	2,387,092	3,419,640	2,850,995	3,242,865	3,295,365	3,291,287	**3,366,292**
Planning	621,021	405,319	464,261	533,772	571,772	558,690	**908,627**
Inspections	0	371,627	435,296	472,789	479,989	462,997	**517,565**
Street Maintenance	1,323,289	1,574,317	1,470,701	1,828,132	2,058,897	2,032,381	**2,346,335**
Public Works/Sanitation	2,092,289	2,344,142	2,408,854	2,608,904	2,608,904	2,583,271	**2,803,798**
Fleet Maintenance	311,788	297,682	309,530	341,349	341,349	332,531	**366,450**
Recreation	806,816	1,227,864	1,210,993	1,521,342	1,471,342	1,380,421	**1,544,905**
Library	879,811	1,001,343	856,599	971,545	979,605	969,441	**1,026,740**
Building and Grounds	1,720,702	1,389,926	1,166,211	1,371,823	1,371,823	1,263,610	**1,362,700**
Special Appropriations:							
Sponsorships	1,500	1,500	1,500	1,500	1,500	1,500	**1,500**
Economic Development-Dues	26,250	26,250	26,250	26,500	26,500	26,500	**26,500**
Economic Incentive	12,000	0	0	0	0	0	**0**
Shaw House	1,000	1,000	1,000	1,000	1,000	1,000	**1,000**
Total Special Appropriations	40,750	28,750	28,750	29,000	29,000	29,000	**29,000**
Non-Departmental:							
W/S Indirect Costs	(1,021,577)	(1,050,334)	(1,141,360)	(1,184,485)	(1,184,485)	(1,184,485)	**(1,200,526)**
Installment Purchase-Fire Sub-Sta	530,020	517,718	499,443	432,910	432,910	432,910	**425,729**
Installment Purchase Police Stat	518,191	502,028	485,864	469,701	469,701	469,701	**453,538**
Installment Purchase Whitehall Tract	0	0	0	315,758	315,758	315,758	**310,171**
Installment Purchase Annex Upfit	0	0	0	71,782	71,782	71,782	**70,497**
Installment Purchase Fire Vehicle	0	0	136,926	136,926	136,926	136,926	**136,926**
Total Non-Departmental	26,634	(30,588)	(19,127)	242,592	242,592	242,592	**196,335**
Total Expenditures	16,968,614	19,343,029	18,731,815	21,975,802	22,380,059	21,800,396	**24,172,844**
Transfers:							
Transfer to Cap Proj-Unpaved St	230,000	0	0	0	0	0	**0**
Transfer to Cap Proj-Downtown Park	35,000	0	0	0	0	0	**0**
Transfer to Cap Proj-Open Space	0	0	519,262	0	0	0	**0**
Transfer to Cap Proj-Storm Water	100,000	0	0	0	0	0	**0**
Transfer to Cap Proj-EIDMS	125,000	0	45,874	0	0	0	**0**
Transfer to Cap Proj-Recreation Improv	100,000	80,000	0	92,000	142,000	142,000	**0**
Transfer to Cap-Proj-Parking Lots	200,000	43,000	45,000	0	0	0	**100,000**
Transfer to Cap-Proj-Facility Modern	102,750	313,817	0	0	0	0	**191,975**
Transfer to Cap-Proj-Building Renov	0	13,000	100,000	0	0	0	**0**
Transfer to Cap-Steambank Stabilization	0	0	75,000	110,000	110,000	384,484	**0**
Transfer to Cap Proj-Reservoir Dam Impr	0	0	0	75,000	75,000	75,000	**100,000**
Transfer to General Capital Reserve	0	0	0	0	0	0	**0**
Transfer to Cap Proj-Sidewalks	150,000	261,150	100,000	200,000	200,000	200,000	**200,000**
Total Transfers	1,042,750	710,967	885,136	477,000	527,000	801,484	591,975
Total Expenditures/Transfers	$ 18,011,364	$ 20,053,996	$ 19,616,951	$ 22,452,802	$ 22,907,059	$ 22,601,880	$ 24,764,819

TOWN OF SOUTHERN PINES
GENERAL FUND
BUDGET SUMMARY
2022-2023

03.31.2022

	ACTUAL 2020-2021	BUDGET 2021-2022 as of 03/01/22	EXPECTED REVENUES EXPENDITURES 2021-2022	BUDGET 2022-2023
Available Fund Balance - Beginning	$ 7,791,204	$ 8,420,427	$ 8,420,427	$ 10,165,595
Total Revenues & Reserve Increases	20,246,174	22,509,566	24,347,048	21,044,154
Total Funds Available	28,037,378	30,929,993	32,767,475	31,209,749
Total Expenditures	18,731,815	22,380,059	21,800,396	24,172,844
Transfers Out to Capital Projects	885,136	527,000	801,484	591,975
Available Fund Balance - Ending	$ 8,420,427	$ 8,022,934	$ 10,165,595	6,444,930
Less 3 Months Expenditures				6,043,211
Available Fund Balance - FYE 06/30/23				$ 401,719

03.21.22	Beginning AFB:		(3,064,134)	
	Increase Library State Aid		1,300	
	Recreation Fees		42,000	
	Recreation Rental		3,000	(3,017,834)
	Recycling - drop glass keep rates 22/23		305,800	
	Surplus property		42,000	
	Current year trash add'l revenue - reduction per JR		(64,634)	
	22/23 Fire Donations		2,500	(2,732,168)
	22/23 Brush Truck removed		191,525	
	22/23 Thermal Camera removed		14,000	
		25%	51,381	(2,475,262)
	PW glass removal reduction over stated	22-23	(5,000)	
		25%	(1,250)	(2,481,512)
	Patrol - travel & training	21-22	5,000	
	Commuications - equipment maintenance	21-22	4,000	(2,472,512)
	B&G lift moved from 21/22-22/23 25%		(16,250)	
	Recreation Whitehall Professional Svcs	21-22	15,000	
	Recreation Whitehall Professional Svcs	22-23	35,500	
		25%	8,875	
	Floor Saw purchase moved to 21-22 - 25%	22-23	4,750	(2,424,637)
	PW Salaries open position	21-22	7,194	
	CPF 55 - Unpaved Road	22-23	221,000	
	CPF 58 Recreation Imprv remove Whitehall	22-23	150,000	
	CPF 52 Facility PF - Library bathrooms	22-23	135,000	
	CPF 52 Facility Project Fund ADA tiles	22-23	40,000	
	CPF 52 Facility PF Whitehall water supply	22-23	25,000	
	CPF 52 Facility Project Fund pool storage	22-23	10,000	
	CPF 52 Creech projects using current funds	22-23	171,925	(1,664,518)
	Pool Deck repair	22-23	150,000	
		25%	37,500	(1,477,018)
	Douglass Community Center irrigation	22-23	11,500	
		25%	2,875	(1,462,643)
	Annex parking to be paid out of CPF	22-23	25,000	
	Douglass Community Center restrooms	22-23	29,000	
	Recreation - Campbell split fence replc	22-23	48,950	
		25%	12,238	
	Recreation - Campbell basketball court resurface		10,000	
		25%	2,500	
	Recreation - Campbell basketball fence repl		15,750	
		25%	3,938	
	Recreation - Optimist Fence Replacement		92,400	
		25%	23,100	
	Recreation - Memorial Park Field B Lights		160,000	
		25%	40,000	(999,768)
	CPF 52 - remove ADA ramp for Admin Bldg		125,000	(874,768)

	Street - reduced paving		278,843	
		25%	69,711	
	Patrol - removed vehicles for new positions		116,000	
		25%	29,000	(381,214)
	Planning - proposed hire date 01/01/23		40,952	
		25%	10,238	(330,024)
	IT - proposed hire date 01/01/23		45,318	
		25%	11,330	
	Increase waste removal revenue		296,400	
	Library - circulation desk		35,000	
		25%	8,750	66,773
	Administration - employee recognition		6,600	
		25%	1,650	
	Administration - Prof Svcs PO automation	21-22	2,000	
	Street - Training & Travel		4,000	
		25%	1,000	
	Patrol - department supplies SRT equip		5,000	
		25%	1,250	88,273
	B&G - department supplies		10,000	
		25%	2,500	
	Recreation - Building & Grounds		3,000	
		25%	750	
	Recreation - Contract Svcs greenway repairs		10,000	
		25%	2,500	
	Recreation - Department Supplies		3,000	
		25%	750	
	IT - Contractual Svcs - IT Support		5,000	
		25%	1,250	
	IT - Utilities (duplicated in other depts)		12,000	
		25%	3,000	
	B&G - Appearance Commission - Tree Project		55,000	
		25%	13,750	210,773
	Street - travel & training 21/22		3,500	
	IT - Contractual Svcs 21/22		2,000	
	Police Patrol - departmental supplies 21/22		5,000	
	Street - Contractual Svcs 22/23		1,500	
		25%	375	
	Recreation - remove Charge Station		16,000	
		25%	4,000	
	Police Patrol - Dues & Subscriptions 22/23		(4,860)	
		25%	(1,215)	237,073
Revenue changes:	Sales Tax Article 39		75,000	
	Sales Tax Article 40		50,000	
	Sales Tax Article 42		35,000	
	Sales Tax Article 44		35,000	
	Recreation Revenue - ACC Sandhills		12,000	
	Available Fund Balance:			444,073

03.30.22	Available Fund Balance		444,073
	miscellaneous rev 21-22	16,600	
	Ad Valorem Tax collection to 99%	56,530	
	Sales Tax - Art 39	115,000	
	Sales Tax - Art 40	40,000	
	Sales Tax - Art 42	55,000	
	Sales Tax - Art 44	40,000	
	Finance 21-22 reduction to training & travel	4,000	
	Finance 21-22 reduction to bad debt	1,000	
	Fund balance transfer to Streambank CPF	(526,484)	
	Nick's Creek CPF to transfer to Streambank	72,000	
	General Capital Reserve to Streambank	180,000	
	Glass Recycle savings adjustment	(76,800)	
	Glass Recycle savings adjustment - 25%	(19,200)	
03.31.22	Available Fund Balance		401,719

TOWN OF SOUTHERN PINES
2022-2023 GENERAL FUND BUDGET
DEPARTMENTAL NEW AND CAPITAL REQUESTS

DEPARTMENT	REQUEST	CONTINUATION CAPITAL OR NEW REQUEST	AMOUNT	Line Item
Information Technology	ESX Server Replacement	C	$ 12,000	10-430-7401
	New Position		51,418	10-430-0200,0500, 0600, 0700, 0800
	Information Technology Department Total		63,418	
Police - Patrol	Vehicle Replacements (4)	C	232,000	10-511-7402
	New Positions (2)	N	177,304	10-511-0200,0500, 0600, 0700, 0800
	Police - Patrol Department Total		409,304	
Police - Investigations	Vehicle Replacements (2)	C	104,000	10-515-7402
	Police - Investigations Department Total		104,000	
Fire	Staff Vehicles (2)	C	88,000	10-530-7402
	Extrication Equipment	C	18,000	10-530-7403
	Fire Department Total		106,000	
Planning	New Position	N	47,112	10-540-0200, 0500, 0600, 0700, 0800
			47,112	
Street	Paving - Annual	C	900,000	10-560-7300
	Street Department Total		900,000	
Buildings & Grounds	Self propelled lift	N	65,000	10-640-7403
	Buildings & Grounds Department Total		65,000	
	GRAND TOTAL		$ 1,694,834	

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Information Technology	Function: General Government
Project Title: 7401-Server Replacement	Fund: General Fund

Project Description:

Funding is requested to replace (1) ESX Server – ESX-06 in accordance with the Town of Southern Pines IT Equipment Replacement Schedule. This server replacement will provide equipment, support and warranty for a in service server that supports departmental applications and IT services.

Costs		2022-2023
ESX Server		$12,000
Total		$12,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: 511- Police	Function: Public Safety
Project Title: 7402-Vehicle Replacement (4)	Fund: General Fund

Project Description:

Funding is requested to replace four (4) aging 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, these new vehicles we allow for the installation and carrying of needed equipment to effectively carry out the daily duties of a Patrol Officer.

$58,000 per car- fully equipped with NEW VIPER radio, MVR, printer, light bar, equipment, stripes, etc.

Replacing vehicles:
879- 2008 Dodge Durango
896- 2011 Ford Crown Victoria
895- 2013 Ford Explorer
8635- 2015 Chevy Tahoe

Costs		2022-2023
$58,000 per car		
Total:		$232,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: 515- Police	Function: Public Safety
Project Title: 7402- Vehicle Replacement (2)	Fund: General Fund

Project Description:

Funding is requested to replace two (2) aging Investigation 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, new vehicles allow for the installation and carrying of needed equipment to effectively carry out the daily duties of an Investigator.

$52,000 per car- fully equipped with NEW VIPER radio, emergency lights, equipment, etc.

Replacing vehicle 8913- 2014 Chevy Tahoe
8503- 2013 Chevy Tahoe

Costs		2022-2023
$52,000 per car		
Total:		$104,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Fire Department	Function: Public Safety Fund: General Fund
Project Title: Staff Vehicles	

Project Description:

The request is to replace the Fire Chiefs' and Deputy Fire Chiefs' Staff SUV's with new SUV's.
The Fire Chief's current SUV is a 2014 Tahoe with over 90,000 miles on it and has recently had several maintenance issues. It has been to the Town Garage and it has had to be taken to the Chevrolet Dealership for repairs.

The Deputy Fire Chiefs' SUV is a 2013 Tahoe with approximately 85,000 miles on it and it is also starting to need repairs.

Both of these vehicles are used during the daily work routine as well as emergency response throughout the district.

Costs		2022-2023
2 – SUV's		$78,000
Radios/Equipment		$10,000
Total		$88,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Fire Department

Function: Public Safety

Fund: General Fund

Project Title: Extrication Equipment

Project Description:

The fire department is asking to replace a set of 2005 Hydraulic Extrication Equipment that is assigned to First-out Engine 811 at Station 1.

We will move away from the hydraulic equipment to battery operated equipment so we will not have a small engine or the need for hydraulics. The new equipment will include a battery operated Combination Cutter and Spreader as well as a Ram.

This will allow our first in-engine to be able to start extrication without the need of a hydraulic pump and motor.

SPFD utilized our extrication equipment 9 times last year to free victims who were pinned in a wreck and many more times to force entry into a vehicle.

Costs		2022-2023
Extrication Equipment		$18,000
Total		$18,000

DEPARTMENTAL NEW & CAPITAL REQUESTS DETAIL

Department:	Street	Function:	Transportation
Project Title	Paving	Fund:	General

Project Description:

Resurface Town of Southern Pines streets & roadways to remain on schedule with the current pavement condition survey.

Costs		2022-2023
Annual Paving		$900,000
Total		$900,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Building & Grounds	Function: General Government
Project Title: Self-Propelled Lift	Fund: General

Project Description:

The request is for the new purchase of one self- propelled 2-man lift with 45' boom. This new lift will allow us to more effectively meet the demands of Town when it comes to operations that have historically required the bucket truck. This lift is more stable and more nimble than our current bucket truck. The purchase of this lift will allow us to more safely continue our operations that require lifting an employee for vegetation trimming, building maintenance, holiday decorations and the like.

If purchased, we would seek to surplus the existing bucket truck #984 and share this equipment between the operations for Streets, Recreation & Parks and Buildings & Grounds.

Costs		2022-2023
		$65,000
Total		$65,000

Example of what the self-propelled lift looks like.

MEMO

TO: Town Council
FROM: Town Manager
Date: 04-01-22

RE: Capital Project Funds Update

Relative to the current status of our CPFs:

FD 40 PW Annex improvements: This fund was created in FY 17-18 with the intent of pursuing loan proceeds toward the up-fit of the PW Annex into a Community Development Building that houses the functions of Planning, Engineering, etc. The initial project will be complete with final Budget amendments in April, with an intent to Close the Fund prior to the end of the fiscal year.

FD 41 Open Space: Current Balance of $46,466. This Fund was most recently used for the Whitehall tract purchase.

FD 42 Nick's Creek: Current Balance of $72,000 ($0 following April Amendment). This has a long history, with intent having been the eventual construction of a Nick's Creek Parkway through wetlands between NC 22 and 15/501, providing additional access to Forest Creek. Project has been off of Moore County/NCDOT Plans for more than fifteen years and is very unlikely to ever occur given current environmental regulations, and if it did the expense would be far beyond anything the original funding mechanism would ever provide. An April Budget Amendment will transfer these funds toward the Streambank Stabilization Fund 50, and Staff will pursue action to Close out the Fund prior to the end of the fiscal year.

FD 43 EIDMS: Current Balance of $184,676. Recent implementations have included new software for the Police Department, SMARTGOV, and Civic Rec. IT staff are currently in the process of migrating our Springbrook software to the most current version (completion scheduled later in April), which will allow us to pursue a number of projects that have been on hold awaiting Springbrook update (on-line utility payments and timekeeping being just two examples.)

FD 44 Parking Lot Project: Current Balance of $77,913. This fund was established for the purpose of construction and renovation of parking lots owned by the Town in addition to being a source for funds for the additional parking along SW Broad Street. Recent projects included reconstructing the lot between the Library and New Hampshire, the lot off of Camelia Way, and a number of restriping projects in the Core Downtown. *Additional Parking to serve the new Community Development facility and PW annex, estimated at $27,000, will be constructed from this Fund.* Based on the Funds remaining, Council may

wish to undertake either the improvement of the lot at the Douglass Community Center, a block of downtown (possibly in front of the park or Pennsylvania), or pursue additional parking at the Morganton Sports Complex. Selection of any one of these projects will require additional funds from either Fund Balance or potentially another CPF source.

FD 46 Storm Water: The current balance in this Fund is $50,676.

Fund 49 Bike Transportation: Current Balance is at $236,325. Current allocations in this Fund were intended to be utilized toward the Knoll Road pedestrian project, a larger effort that was supposed to have funding from NCDOT. Unfortunately, both design considerations and a freeze on DOT funds delayed initiation of the work, and now any project would significantly exceed original estimates. This represents a project that requires some discussion in the coming year, as Knoll Road through Longleaf is quickly nearing repaving and depending on the project the road itself could be affected and any repaving would potentially be "wasted money."

Fund 50 Streambank Stabilization: The current balance is $140,178. What was estimated to be a seven-figure project recently received a very solid bid, particularly given the current environment, and following the April transfers from Fund Balance, Nick's Creek CPF, and the Capital Reserve the project will move forward sometime around June or July. Related, but funded separately, is the protection of the above ground sewer line in the vicinity.

Fund 52 Facility Modernization: The current balance is $376,072 ($214,645 is Utility related). Created following the Creech Facility Assessment Report, the draft Budget contains a transfer of $191,975 to cover the estimated costs of continued MPE replacements reaching expected end of life. A couple of sizable examples would be the electric distribution panels at the Library ($62,500) and Recreation Center ($60,000).

Fund 53 Reservoir Dam: An engineering study and required Emergency Action Plan (EAP) update for Reservoir Park Dam is nearing completion. The current draft budget includes a $100,000 transfer to this Fund to address trees required to be removed from the Dam. There will be additional costs, likely in FY23-24, in order to update the valves and controls that no longer function on the old dam.

Fund 55 Unpaved Streets: The balance is currently $11,708. Aside from a few small dirt roads that are essentially private driveways and candidates for Town abandonment, only the far ends of Broad Street remain, and neither of these projects are a pressing priority relative to other needs and available revenues.

Fund 57 Sidewalks: The balance is currently $46,681. With Carlisle Street complete along with portions of Bennett Street, the current draft Budget includes a $200,00 transfer to continue efforts along Bennett Street.

Fund 58 Recreation Improvements: Balance $100,070. Modernization of the playground at Betty Rounds Park, the final remaining playground needing replacement equipment at this time, is in process. The inflation and supply chain challenges impacting about everything this past year required a redesign of the original Plan.

<u>Fund 59 Capital Reserve:</u> Current balance is $8,090 once an April transfer to the Streambank Stabilization Project occurs. This Fund should be considered for replenishment at a later date in FY23.

TOWN OF SOUTHERN PINES
2022-2023 GENERAL FUND
CAPITAL PROJECT REQUESTS

DEPARTMENT	REQUEST	NEW FUND	INCLUDED IN BUDGET	AMOUNT
Street	Parking Lots	N		$ 100,000
	Sidewalks - Annual Transfer	N		200,000
Recareation & Parks	Reservoir Dam Improvements	N		100,000
Buildings & Grounds	Facilities Modernization	N		191,975
	Grand Total			$ 591,975

Revenue Replacement Opportunities

• EV Charging Station Res. Park	$16,000	
• DCC bathrooms upfit	$29,000	
• Library Circulation Desk	$35,000	
• Library men's & women's bathrooms	$135,000	
• New Fencing Optimist Field	$92,400	
• Memorial B Lights	$160,000	
• New Fencing Campbell House	$74,300	
• Appearance Commission Project	$55,000	
• Campbell House BB Court	$10,000	
	$606,700	

• Streambank Capital Reserve Replacement	$250,000	
• Skate Park Commitment	$50,000	
• Fire Lane Parking Lot	$450,000	(in-house est. 80 spots)
• Fire Brush Truck	$191,525 +	(current pricing)
• Dirt Roads Paving	$221,000	
• ADA ramp for Admin	$125,000***	(contractors)
• Pool Deck	$150,000***	(contractors)
• EV Stations	varies*	(grants/public private)
• DCC Yard Improvements	$11,500 irrigation/other options TBD	
• Old Library upfits + Landscape	TBD	(AC Landscape Plans)
• Admin Building Project	TBD	
• Pool park storage roof replacement	$10,000	(Demo?)
• Whitehall connection to Town's water	$25,000***	(hold for MP)
• Whitehall Facility Projects	TBD	(Master Plan)
• Whitehall Land Projects	TBD	(Master Plan)
• Individual DT Parking projects	TBD	
• Individual DT Brick projects	TBD	
• Various Sidewalks	TBD	(Bennett 3 yrs.)
• Reservoir Park Dam Physical Improvements	TBD	
• VIPER Radio replacements	TBD***	(County?)
• Dedicated Meeting Space	TBD	
• Various WSP Projects	TBD***	(CC group/Planner)
• Housing Rehab Program(?)	$500-$750k	(Habitat)
• ***Utilities Projects from CIP***	Varies	(Loan delay?)

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Recreation & Parks Project Title: Charge Station | Reservoir Park	Function: Cultural & Recreation Fund: General Fund

Project Description:

With the increase of electric vehicles at a rapid pace, the need for EV stations is on the rise as well. This project is to request 2 charging stations (1 unit) at Reservoir park. While this service shows not only the town is doing their part to clean up the environment, the service will also attract a variety of visitors into the park. According to the state, the goal is to have 80,000 EVs on the road by 2025. The ability to charge at given locations is a great service to our community.

*Still trying to get quote from electrician for conduit and 40 amp double pole breaker and addition of concrete pad.

Costs		2022-2023
Charge Station		$ 6,000
Electrician/Concrete Pad		$10,000
Total		$16,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Library | Function: Cultural & Recreation
Fund: General Fund

Project Title: Front Desk replacement

Project Description:

The replacement of the front desk of the Library is necessary due to both wear and tear on the 27 year old furniture- pieces are constantly falling off and being glued back on- and also the large footprint it takes up in the Library. Current customer service trends in libraries also have staff being more accessible to patrons through smaller and less barrier driven desks. SPPL Library patrons have commented that staff do not always seem accessible hidden behind the large front desks.
Materials traditionally stored behind the desk are also more digitally available now. The need for 30 shelves of staff shelving at the front are gone, and many of this is wasted space that could be re-purposed for use by patrons.

Costs		2022-2023
Front Desk components		Est $35,000
Total		35,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Recreation & Parks	Function: Cultural & Recreation Fund: General Fund
Project Title: Optimist Fence Replacement	

Project Description:

To replace fencing around Optimist Ballfield with a 6', 8-gauge black coated chain-link fence. Old fence has rusted and is also galvanized fence which is no longer allowed by Town code. The contractor has individually quoted the ballfield fence as well as the outside surrounding fence along Morganton Rd and Fire Lane. All pricing is turn key to include deconstruction and disposal of existing fence.

Costs		2022-2023
Ball Field Fence		$56,200
Outside Fence (MorgantonRd/Fire Lane)		$36,200
Total		$92,400

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Recreation & Parks	Function: Cultural & Recreation Fund: General Fund
Project Title: Lighting Field B | Memorial Park	

Project Description:

Request to add lighting to Field B at Memorial Park.
Field B is the only field without lights in the park. By adding lighting to this field, we can add more programs and rent for longer periods of time.

Costs		2022-2023
Light Structure System, light control		$ 160,000
Total		$160,000

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Recreation & Parks Project Title: Campbell House Fence Replacement	Function: Cultural & Recreation Fund: General Fund

Project Description:

To replace all the split rail fence around the Campbell House property with a sturdier split rail style fence. A good portion of the properties fence has rotted beyond repair.

Costs		2022-2023
Install 200 sections 2 rail round split rail fence		$48,950
Removal of existing fence (In House)		0.00
Total		$48,950

Memorandum
November 30, 2021
Recommendation to Town of Southern Pines Council
<u>Combine Legacy Landmark Funding projects for 2021-22/2022-23.</u>

The Appearance Commission Tree Committee recommends that the town combine two up-coming projects and budget to have both completed this coming **January/February 2022.**

The two projects are the street tree replacement project in the **100 block of W. New Hampshire** and the project to renew the **landscaping around the municipal parking** behind the Sunrise Theatre and adjacent to the 100 block of W. New Hampshire.

As was done in early 2021 with the 100 block of W. Pennsylvania, this project would be "turn-key" and completed by an outside contractor. The projects include tree removal, new tree replacement, creation of new tree wells and installation of pavers. The combined projects being adjacent should be completed more quickly and easily by the contractor. Completion quickly and efficiently will be less disruptive to the surrounding businesses and hopefully generate less concern in the community.

The combined projects would include taking out 17 large trees and replanting with 20 deciduous trees and 2 live or laurel oaks. It would also include planting numerous low growing ornamental shrubs.

The town has a contractor ready to do the work for both projects in January/February 2022. The costs associated with these two projects are not likely to decrease. The Appearance Commission recommends the project go ahead now as a special project, but if this not feasible, the commission suggests these combined projects be budgeted together as a larger project in the 2022-23 budget year, combining the Landmark Legacy funding for both 2021/22 and 22/23.

<u>2022 tree replacement project</u>

<u>100 block of W. New Hampshire Ave</u>

- $6,800 – Mac's tree service price for removal of 6 trees.
- $1,300 – Bradford price for stump grinding/6 stumps.
- $2,200 – Cost of 10 new trees.
- $14,071 – Colonial Landscape price for paver removal/ 49 square feet, tree well creation/1, paver installation/ 658 square feet, excavation & tree installation.

Total cost estimate: **$24,371**

<u>Municipal Parking lot off of W New Hampshire Ave</u>

- $20,602 - Colonial Landscapes – quote attached
- $5,800 – Mac's Tree Service – quote attached
- $1,800 – New Trees – quote from staff.
- $300 – Bradford Stump Grinding – quote from staff.

Total cost estimate: **$28,502**

<u>Overall total for both projects combined is $52,873</u>

Respectfully submitted, Town of Southern Pines Appearance Commission,
Tree Committee, Terry Lenahan, Cynthia Dowdy, Katherine Schirmer
November 30, 2021

DEPARTMENTAL NEW CAPITAL REQUESTS DETAIL

Department: Recreation & Parks	Function: Cultural & Recreation Fund: General Fund
Project Title: Campbell House Basketball Court Repaving	

Project Description:

To repave the existing 7,400 square foot basketball court. The court is cracked in several places and also has pot holes forming. This will give the Recreation department more options for programs and outside events.

Costs		2022-2023
Court Resurfacing		$10,000
Total		$10,000