

# Town of Southern Pines

Proposed FY 2024-2025 Budget

May 14, 2024

Town Manager  
Reagan Parsons, ICMA-CM

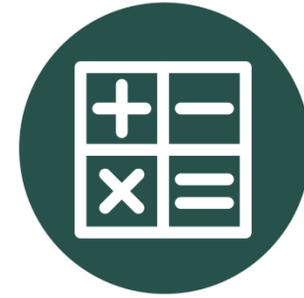


**Southern  
Pines**

NORTH CAROLINA



# THE FY 24-25 BUDGET PROCESS



## STAFF DEVELOPMENT

- Evaluate needs, citizen requests, & estimated costs
- Prepare operating & capital requests



## MANAGEMENT REVIEW

- Forecast revenues
- Review department requests
- Management team retreat: refine cost estimates, discuss alternatives, & prioritize needs



## COUNCIL REVIEW

- Review manager's recommended budget
- Council budget retreat: consider alternatives and confirm priorities



## PUBLIC INPUT & ADOPTION

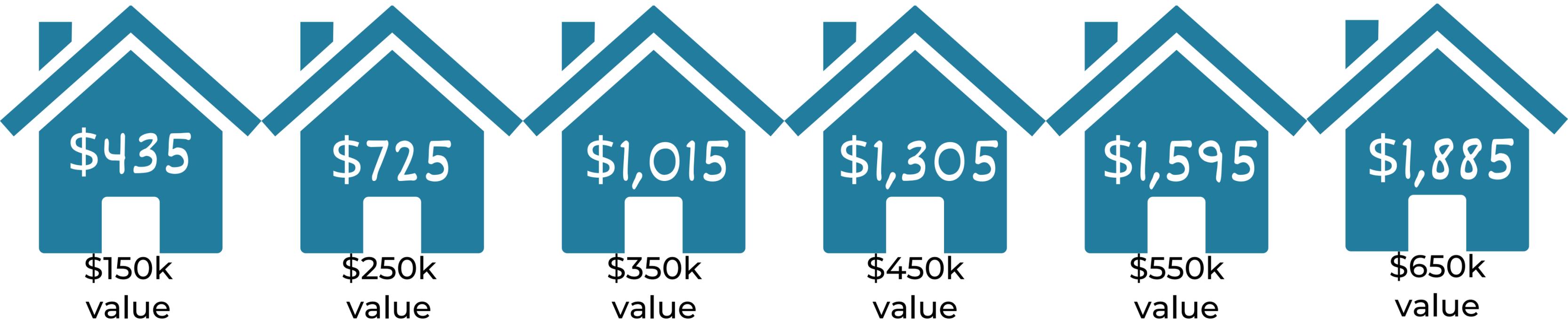
- Public Hearings: May 14 & June 11
- Council Adoption: June 11
- Fiscal Year Begins: July 1, 2024



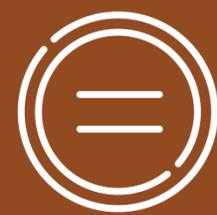


# Southern Pines

## PROPERTY TAX BILL AT \$0.29



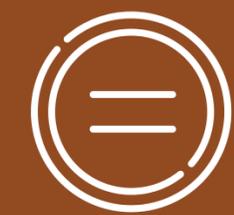
$$\left( \frac{\$486,500 \text{ ASSESSED VALUE}}{100} \right)$$



\$4,865.00



0.29  
TAX RATE



\$1,410.85  
OWED TO  
TOSP

# LOOKING BACK ON 2023-2024, SOUTHERN PINES...



**Accountable,  
Transparent,  
& Financially  
Strong**



**Maintained &  
Improved Our  
Community  
Assets**



**Enhanced  
Quality of Life**



**Protected Our  
Citizens,  
Businesses,  
and Visitors**

# ACCOUNTABLE, TRANSPARENT & FINANCIALLY STRONG...

- Launched Environmental Services Division and started yard waste, bulk and white goods pickup
- Re-bid solid waste contract with new vendor to begin January 1, 2025
- Received a \$185k grant from the CVB to renovate and open the Whitehall Carriage House
- Partnered with citizens on the Comprehensive Long Range Plan updates
- Launched TOSP Instagram and Nextdoor profiles. With Facebook our social media activities have garnered more than 97k interactions since November
- Launched CivicPay online bill pay & management
- Revised the Town's investment policy
- Updated the capital asset threshold
- Received over 99% of property taxes owed - thank you taxpayers!

*32 Years of Excellence in Financial Reporting*





# MAINTAINED & IMPROVED OUR COMMUNITY ASSETS...

- Began National Park Service grant project to protect West Southern Pines historic assets
- Resurfaced the pool at Pool Park for 2024 swim season
- Managed first controlled burn in Whitehall in several decades
- Added more sidewalk to Bennett Street to connect downtown to Morganton Rd
- Added lights to Ball Field B at Memorial Park
- Transferred property to YMCA for future facility off Morganton Rd
- Resurfaced playgrounds at Pool Park and Downtown Park
- Added a Story Walk to Whitehall
- Added new in-car cameras which work in tandem with body cameras used by SPPD
- Upgraded the Town's emergency communications systems
- Partnered with Three Rivers Land Trust for land management at Whitehall
- Updated fleet management software for better efficiencies

*15 parks. 84 road miles.*

*247 water line miles. 164 miles of gravity sewer main.*

# ENHANCED QUALITY OF LIFE...

- SPPL served almost 75k patrons in the library and an increase of 1,415 patron registrations
- Almost 11k people attended over 488 library programs
- SPPL partnered with Appearance Commission for Lorax-themed Arbor Day celebration
- Held 617 programs with more than 6,400 participants
- Completed resurfacing and crack sealing on roads throughout town as needed, and new sidewalks on 2 blocks of S. Bennett Street
- Hosted first Cosmic Pickleball tournament and summer sand volleyball league
- SPPD remains the only law enforcement agency to be nationally accredited with excellence by CALEA (Commission on Accreditation for Law Enforcement Agencies) in Moore County.

*12 months. 365 days.*

*Over 15k citizens + 20 square miles.*





# PROTECTED OUR COMMUNITY...

- NC State Fire Marshal Class 2 Insurance Rating
- SPFD saved \$11.7M of structures from fire loss
- SPFD Conducted 2,104 field inspections and identified and cited 3,892 fire code violations
- SPFD installed 214 smoke alarms and changed 201 batteries
- 140 SPFD community education events - over 10k adults and 3k kids
- 80 SPPD Community Policing events - SPES bike-to-school, lockdown drills, Women's self defense, security assessments, prayer vigil, multiple meet and greets, as well as many others
- SPPD & Moore Co. School Police joint active shooter training exercise
- Joint Community Clean Up Event in West Southern Pines
- Staffed 78 safe community events...parades to First Fridays to community festivals, church and school events
- Completed all water quality & wastewater monitoring - no violations
- NC Water Resources found no violations in inspection of sewer lift stations: record keeping was noted as well maintained and in order
- Adopted 2040 Comprehensive Plan with wide community input. UDO changes and initiatives outlined in the document are now underway.

*All in a year's work.*

# FY 24-25 BIG PICTURE



**ALL EXISTING  
SERVICES &  
STAFF ARE  
MAINTAINED**



**ALL DEBT  
SERVICE IS  
FUNDED**



**ADVANCES  
CAPITAL  
PROJECTS**

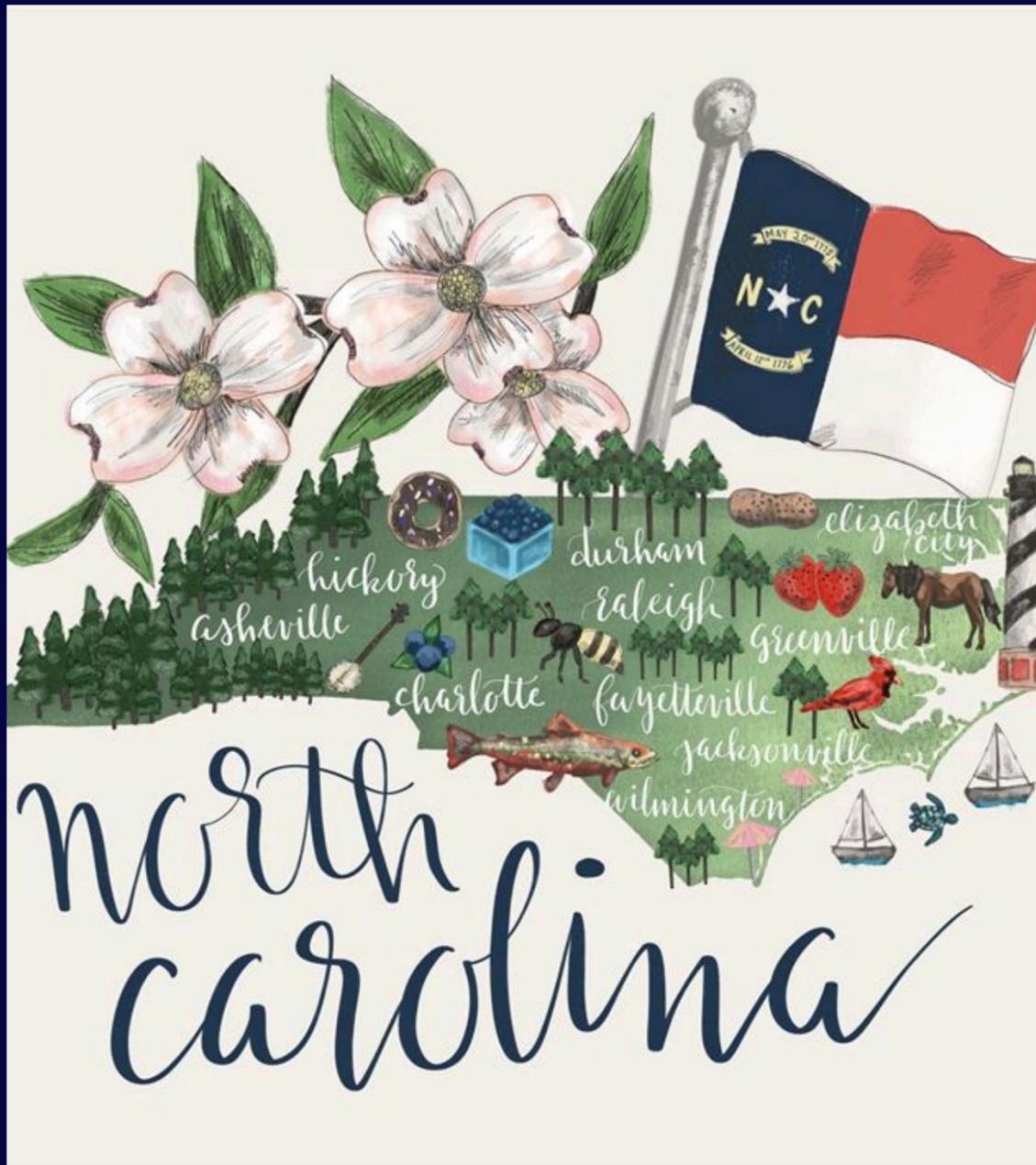


**NEW  
PROGRAMS  
&  
POSITIONS**



**25%  
RESERVED  
FOR FUND  
BALANCE**

# CURRENT ECONOMIC REALITIES



## TAX BASE IS STRONG

Our tax base is valued at \$4.6B. With a \$0.29 tax rate, this will bring in about \$13.2M in property taxes.

## RISING EXPENSES

Our expenditures are higher due to inflation, high utility costs, and premiums on construction projects.

## SALES TAXES LEVELING OFF

Sales taxes will be strong at around \$5.85M, but they're not growing at the same rate as recent years.

## CHALLENGING LABOR MARKET

It is an employees' market, which requires increased pay and benefits.



**Continue high quality services at same tax rate**

**4% pay adjustment for all employees**

**Market pay adjustments based on NCLM salary survey**

**Competitive employer of choice**

**ALL EXISTING SERVICES & STAFF ARE MAINTAINED**





# Southern Pines

NORTH CAROLINA

**Fire Station #2**

**\$412k**

**Fire Truck**

**\$137k**

**Community Development Building**

**\$69k**

**SBITA Installments**

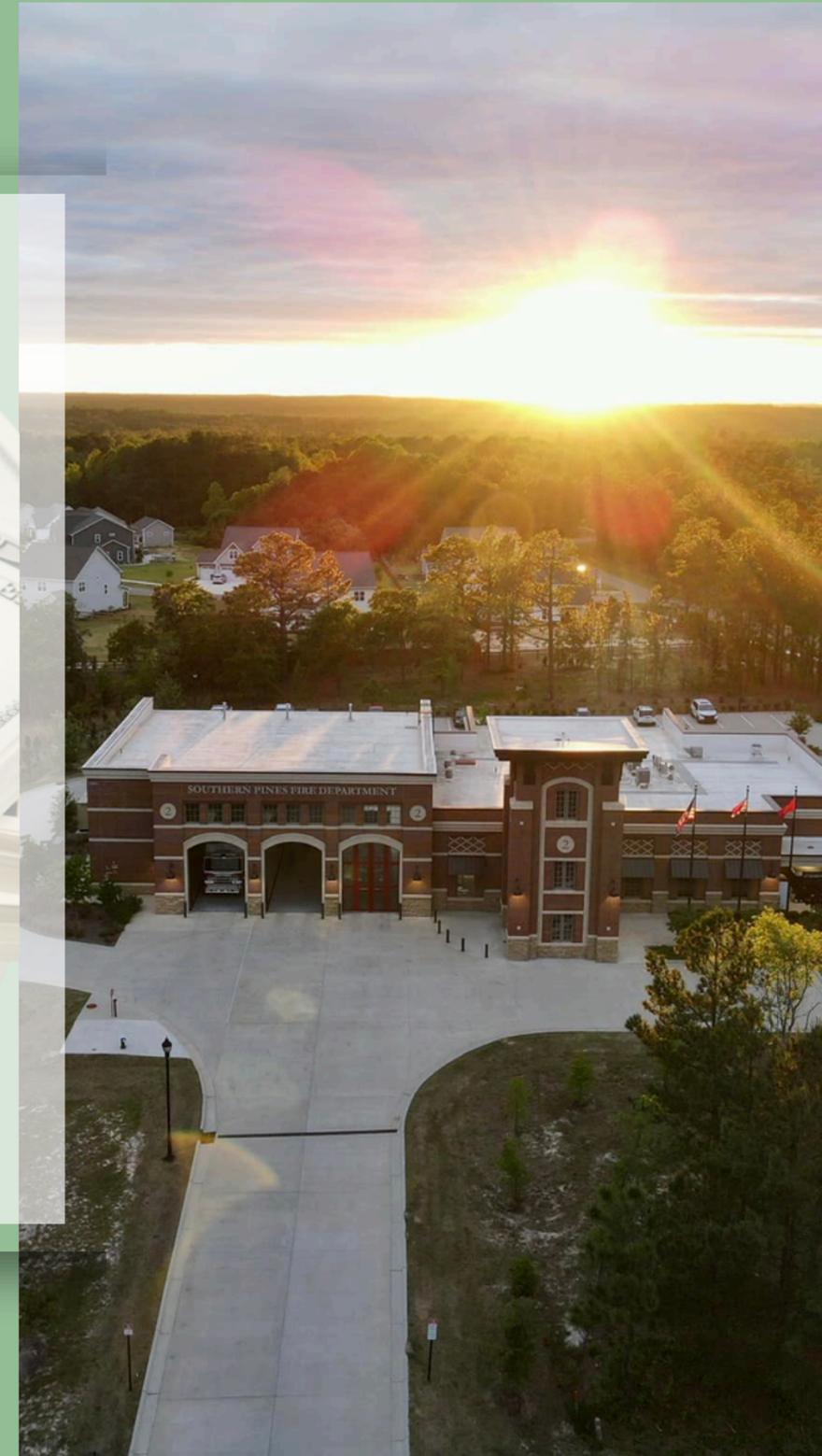
**\$232k**

**New street sweeper loan**

**\$75k (estimated)**



**ALL DEBT  
SERVICE  
PAYMENTS  
ARE FUNDED**





**Street Resurfacing: \$1.27M**

**Whitehall Carriage House  
\$690k + \$185k CVB grant**

**Sidewalk projects transfer: \$250k**

**Reservoir Park Dam  
\$200k transfer toward \$800k project**

**James Creek stormwater project  
\$29k transfer toward \$80k project**



**ONGOING  
CAPITAL  
PROJECTS**





- Street Sweeper: \$400k**
- Soccer Fields Irrigation System: \$150k**
- 2 police vehicles: \$130k**
- Public Works Laydown Yard: \$78k**
- IT Replacement Server \$70k**
- VIPER Radio Console \$70k**
- Backhoe: \$66k**
- Solid Waste Camera System: \$53k**
- Inspections Truck: \$45k**
- Material Buggy: \$27k**
- Fire Heavy Rescue Airbags: \$25k**
- Parks & Recreation Security Enhancements: \$25k**
- Parks Signage: \$25k**



**NEW  
CAPITAL  
REQUESTS  
FOR FY 24-25**

The text is centered over a semi-transparent white box. The background image shows a soccer ball on a grass field, with a blurred background of trees and a bright sky.



**1 Human Resources Manager**

**\$111k**

**1 additional Mechanic**

**\$63k**

**1 Administrative Assistant**

**(utilities)**

**\$56k**

**2 Parks & Grounds part-time**

**seasonal employees**

**\$23k**

**NEW  
POSITIONS**

*Now*  
**HIRING**





**25%**

**OF EXPENDITURES WILL STAY IN  
"FUND BALANCE," LIKE A  
SAVINGS ACCOUNT**

**THAT EQUALS JUST OVER**

**\$7M**

**WHICH IS ALSO THE SAME AS**

**3 MONTHS  
OF EXPENDITURES**



**25% IS  
RESERVED  
FOR FUND  
BALANCE**



**RAINY DAY  
FUND**



**Proposed Budget  
FY 24-25**

**Available Fund Balance: July 1, 2024**

**\$11,737,003**

**Increases from Revenues & Reserves**

**\$26,446,653**

**Less Expenditures**

**(\$28,112,000)**

**Less Capital Project Transfers**

**(\$2,436,702)**

**Ending Available Fund Balance**

**\$7,634,954**

**Less 3 months expenditures**

**(\$7,028,000)**

**Less Revenue Replacement Funds Balance**

**(\$130,016)**

**Available Fund Balance: June 30, 2025**

**\$476,938**

**We have many of the same expenses  
as our community, just generally on a larger scale.**



**We understand and feel  
your concerns about inflation.**



**Health Insurance  
Premiums  
\$1.8M**



**Utilities  
\$1.4M**



**Auto  
Operating &  
Repairs  
\$665k**



**Property &  
General  
Insurance  
\$610k**



**Facility Repairs &  
Maintenance  
Contracts  
\$355k**

**35%  
INCREASE  
IN  
3 YEARS**

**SPFD Firefighter**

SCBA.....	\$9,694
Shift Radio.....	\$6,478
Turnout Gear.....	\$5,450
Uniform.....	\$1,280
Pager.....	\$501
<b>TOTAL.....</b>	<b>\$23,403</b>

*x 55 firefighters*



# WHAT CAN RESIDENTS EXPECT?



**PROPERTY TAX RATE  
REMAINS THE SAME**

**\$.29 PER \$1,000  
ASSESSED VALUE**



**WASTE FEE INCREASES BY  
\$3.75 TO \$21.00 PER MONTH**

**RECYCLING "OPT-IN"  
INCLUDING GLASS  
\$10 PER MONTH  
STARTING JANUARY 1**



**WATER & SEWER RATES  
INCREASE BY  
\$3.02 PER MONTH  
FOR AVERAGE CUSTOMER  
(5,000 GALLONS A MONTH)**



# FY 24-25 GENERAL FUND REVENUES

## \$26,446,653

Property Taxes: \$13.1M

Sales Taxes: \$5.8M

Sales & Services: \$2.4M

Unrestricted Intergovt: \$1.2M

Other: \$1M

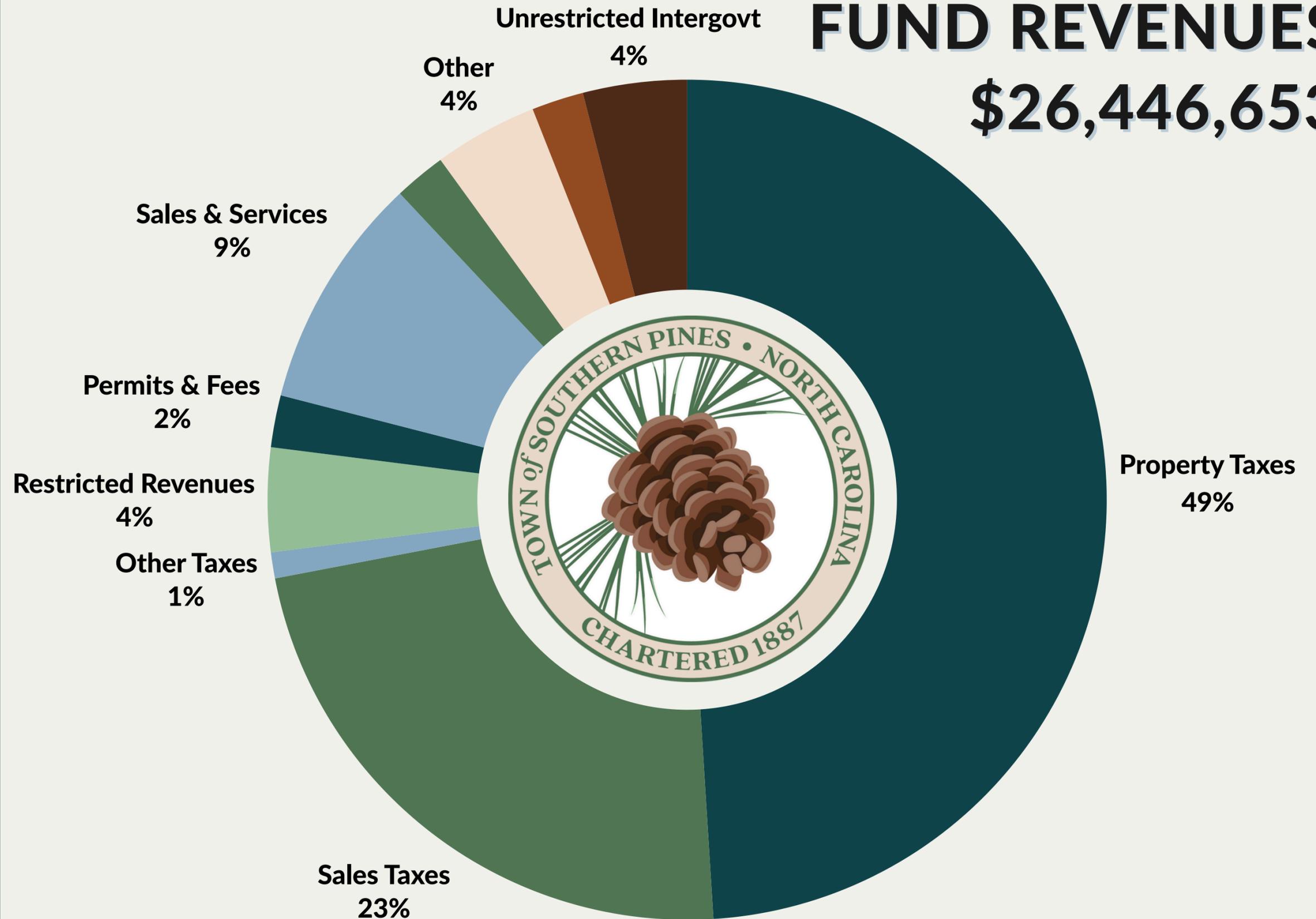
Restricted Revenues: \$990k

Other Financing Sources: \$592k

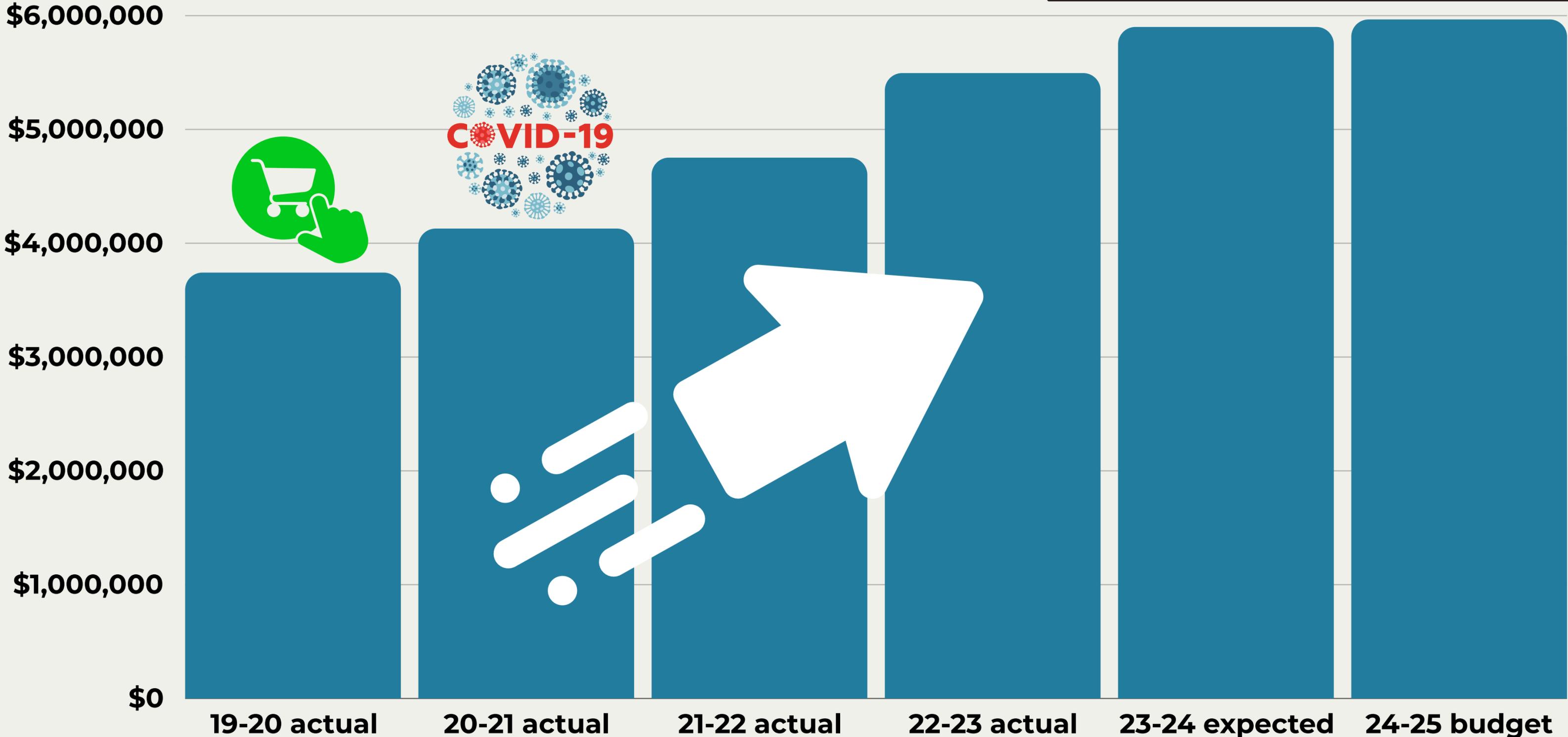
Permits & Fees: \$552k

Investment Earnings: \$400k

Other Taxes & Licenses: \$367k

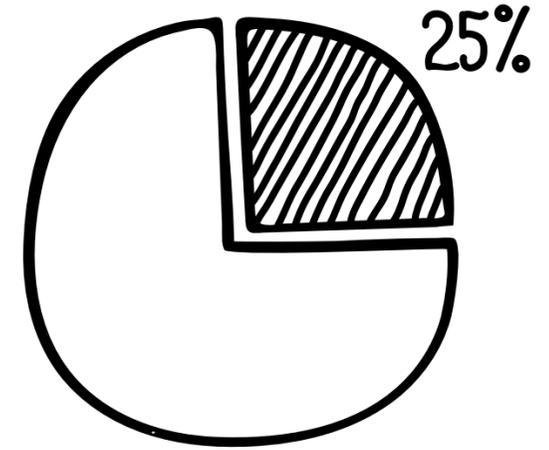


# A CLOSER LOOK AT SALES TAXES: \$5.8M 3-YEAR MOVING AVERAGE





**Sales taxes account for almost 1/4 of our revenues.**



**This is about the same as each household paying another \$750 in property taxes.**

**#supportlocal  
#shoplocal  
#eatlocal  
#lovelocal**

Photo by: Joseph Hill

# Where Each \$1.00 Goes

**\$0.39 = Public Safety**

**\$0.34 = General Government**

**\$0.09 = Culture & Recreation**

**\$0.06 = Non-Dept & Transfers**

**\$0.06 = Transportation**

**\$0.05 = Economic & Physical Development**





# PROPERTY TAX RECEIPT

Average Taxpayer's Bill = \$1,410.85

Public Safety.....	\$550.65
General Government.....	\$482.50
Cultural & Recreation.....	\$128.75
Transportation.....	\$88.22
Non-Dept & Transfers.....	\$88.22
Economic & Physical Development..	\$72.51
<b>TOTAL FOR 2024.....</b>	<b>\$1,410.85</b>



## PUBLIC SAFETY

Police, Fire



## GENERAL GOVERNMENT

Legislation, Administration, IT, Finance, Public Works, Sanitation, Fleet Maintenance, Buildings & Grounds



## CULTURAL & RECREATION

Library, Recreation



## TRANSPORTATION

Streets



## ECONOMIC & PHYSICAL DEVELOPMENT

Planning, Inspections

# Water & Sewer: Operations

The Town's water and sewer operations are funded through an enterprise fund with a total proposed budget of \$13M.

An enterprise fund is similar to how private businesses function. User fees are charged to cover the cost of providing water and sewer service.



Rate increases needed for higher operating costs + capital transfers



\$22.45 = base rate: \$0.87 increase



4% increase to consumption rates



\$3.02 monthly increase for average consumer (5,000 gallons)

# Southern Pines General Fund

## Debt Principal Owed: \$4.2M



**POLICE  
STATION &  
WHITEHALL  
PURCHASE**

**PAID OFF  
in FY 23-24!**

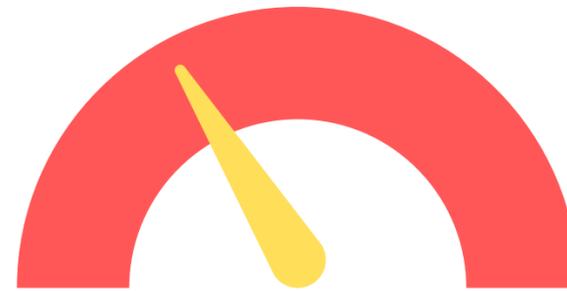
*100%*



**FIRE  
PUMPER TRUCK**

**Final payment  
of \$137K in FY 24-25  
to pay off  
installment loan**

**Original issuance  
\$650K at 1.91%  
2021**



**FIRE  
STATION #2**

**FY 24-25 payments  
\$411k**

**Principal balance  
of \$3.45M  
through FY 32-33**

**Original issuance  
\$5.23M at 2.06%  
2018**



**COMMUNITY  
DEVELOPMENT**

**Principal balance  
of \$1.12M  
through FY 35-36**

**Original issuance  
\$1.25M at 1.91%  
2021**

**SBITAS & LEASES**

**FY 24-25 payments  
of \$202k**

**Outstanding  
payments total  
\$367,457 & terms  
vary**

**NEW LOAN FOR  
STREET SWEEPER IN  
FY 24-25**

**\$400K loan  
\$75k estimated  
payment in FY 24-25**

# Looking Ahead to FY 25-26

Aging facilities & infrastructure

Public desire for enhanced services & facilities

Tight labor market

Increased revenues from growth are not keeping pace with inflation & borrowing costs

Increasing costs across all departments

Delicate balance of increased rates, fees, and taxes vs. services that are potentially reduced or eliminated

Employer of choice for talented employees who embody "public service"



Photo by: Gerald Ostlund

SOUTHERN PINES

[sopinesnc.info/budget](http://sopinesnc.info/budget)



Photo by: Joseph Hill

THANK YOU

*Citizens, staff, and Council.*