Town of Swansboro
Board of Commissioners
May 13, 2021 Special Meeting

In attendance: Mayor John Davis, Mayor Pro Tem Frank Tursi, Commissioner Pat Turner, Commissioner Harry PJ Pugliese, Commissioner Larry Philpott, and Commissioner Laurent Meilleur (logged in at . It was noted that the Board had returned to remote meetings through the ZOOM platform as allowed by NCGS 166A-19. Governor Cooper had declared a state of emergency due to the COVID-19 Pandemic in March 2020 and it remained in effect.

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Call to Order/Opening Prayer

The special meeting was called to order at 5:30 pm. The purpose was further to discuss the proposed Budget for FY 21/22. Mayor Davis gave the invocation.

Manager Seaberg shared FY 20/21 accomplishments and briefed the Board on potential American Rescue Plan funding. He then reviewed the details of the revised budget (power point slides to be attached to these minutes) and gave explanation on revenue increases, expenditures increases/decreases.

FY 20/21 Accomplishments

- COVID-19 Responses
- Multi-Year Debris Collection and Removal Contract
- Multi-Year Debris Monitoring Contract
- Wayfinding Sign Installation
- Ward Shore Repairs and Improvements
- Sidewalk Project
- Emmerton School Recovery Grant
- Additional Parking Lot Construction at Municipal Park
- Moore Street Dock Replacement (Hurricane Florence)
- Swansboro ADA Transition Plan
- Hurricane/Tropical Storm Isaias
- NC DCM Public Access Grant – Bicentennial Park Boardwalk Extension Project
- Section 319 NPS Pollution Control Grant Project – Walnut St. Outfall Retrofit Project (NC Coastal Federation)
- Southeastern NC Regional Hazard Mitigation Plan
- NC DCM Resilient Coastal Communities Program Grant
- Adoption of new 160D Regulations
- Adoption of Flood Maps and Regulations

American Rescue Plan Act of 2021(H.R. 1319) - Funding

- Cities/Town to receive more than $1.3 billion in two separate distributions

- Two Groups
    - Group 1 – entitled cities under the CDBG program
    - Group 2 – all other non-entitled cities (Swansboro)
- First payment estimate - $490,000   June 15, 2021
- Second payment estimate – 12 months later $490,000
- Respond to the COVID-19 emergency and address its economic effects
- Provide premium pay to essential employees or grants to their employers
- Provide governmental services affected by revenue reduction resulting from COVID-19
- Make investments in water, sewer and broadband infrastructure
- Further, and more detailed, funding guidance is expected from the US Treasury Department

<u>FY 21/22 Revised Budget Proposal</u>
The proposed budget was further reduced by $39, 173. Any further reduction would include:
Funded Personnel (new)

Admin Services - Planning Technician	$59,803
Streets/Public Works - Maintenance Tech	$51,799
Fire Department – Driver/Operator	$51,236

Unfunded Requests included:

Church Street Dock - Dock Master	$55,545
Police Vehicles	$72,000
Fire Set Aside	$130,500

Other increases/decreases:
- We received an updated Tax Base estimate from the Onslow County Tax Department increasing our anticipated revenues from Ad Valorem Taxes by $19,404
- Administrative Services expenses increased $12,775 for the web site update
- Governing Body expenses decreased $16,182 per Board instructions keeping elected official compensation at the same rate as FY 2019-2020
- Administrative Services expenses decreased $33,239 due to adjusting how the Planner and Proposed Planner Tech position is to be funded (paying 25% of the anticipated cost with permit fees revenues)
- Permitting expenses increased $36,520 due to adjusting how the Planner and Proposed Planner Tech position is to be funded (paying 25% of the anticipated cost with permit fees revenues)
- Salaries and Benefits adjustments decreasing expenses $2,496
- Park and Recreation Salaries and Benefits increased $5,972

- Reduced Salary for Planning Tech (shifted to a Grade 15) $3,761
- Adjustments to both Public Works – Streets and Powell Bill – Streets with a total reduction of $591
- Fire Department expenses reduction (Department Head suggested) $11,800
- Finance Department expenses reduction (Department Head suggested) $5,400
- Governing Body expenses reduction (Department Head suggested) $2,500
- Parks and Recreation expenses reduction (Department Head suggested) $16,087
- Festivals and Events expenses increased (for Ads and Notices) $3,000
- Festivals and Events expenses decreased (correcting retirement contribution error) $3,423
- Festivals and Events expenses increased (Dues and Subscriptions) $2,140
- Administrative Services expenses increased (PEV Electric Charge Station) $1,500
- Debt Service Payment expenses increased $47,000
- Public Buildings expenses decreased (Town Manager suggested) $8,600
- Rec Program/Contract Fees Revenues increased $10,000 (Town Manager Suggested) based on estimated received from Department Head
- Police Department expenses decreased (Town Manager Suggested) $8,200
- Public Works – Streets expenses decreased (Town Manager Suggested) $8,200
- Park and Recreation expenses decreased (Town Manager Suggested) $5,000
- Adjusted expense (increased) for Salary Study Plan implementation $6,803

The following information was a breakdown of the cost to implement the proposed pay plan.

- The proposal increases the total expense for full time staff in the amount of $46,956.84
- Added expenses as a result of that proposed increase (i.e. FICA and retirement contributions including 401K) $10,597.05
- Total expense $57,553.89
- Please note that part-time expenses are not included in that equation listed above due to the fact that the Town budgets a set amount for the departments that use part-time labor. Once that limit is set by the budget, the Department Head manages that expense as part of that department's operating budget. The proposed limits are listed below for consideration:
    - Fire Department $135,000
    - Parks and Recreation Department $46,160

Manager Seaberg offered further reductions that would reduce the reliance on Fund Balance to $227,967:

- Eliminating all new personnel $162,531

- Eliminate updating the Town website $12,595

- Eliminate the additional percent to the 401K contribution match (total proposed was 3% - staff participating currently were offered up to 2% match) $12,140

The Enterprise Fund was increased to reflect a proposed rate increase of:

Current		Proposed New Rate	
Residential	$20.24	Residential	$21.29
Commercial	$33.79	Commercial	$35.54

Mayor Davis indicated support to take care of current employees by funding the 401K additional percent but inquired whether the proposed fulltime positions could be part-time. Manager Seaberg noted that the Planner Tech was discussed and deferred last year. The need was even more apparent now with Planner Ansell going out on maternity leave in July. He did not feel hiring a consultant who would not be knowledgeable of the Town Ordinances would be beneficial, nor would the Town be successful in hiring this type of position as part-time. Manager Seaberg did believe the firefighter position could be part-time initially. However, the Town was trying to move the department to fulltime status. Volunteers were almost non-existent and not reliable. The Maintenance Tech position also needed to be fulltime. Mayor Pro Tem Tursi asked, if approved as revised, how much would be left in the undesignated fund balance. Finance Director Johnson indicated that the last budget meeting provided $1.7 Million. Projections would be done again in May, and she believed only $260,000 of the $370,000 reliance for FY 20/21 would be used, leaving $2.1 million. The proposed reliance of $415,000 (as proposed) for FY 21/22 would then be taken from that total. The eight percent state requirement balance totaled $1.3 million currently. As a comparison, Hurricane Florence cost the Town $1 million up front. Mayor Pro Tem Tursi could not support a budget that equaled to a 5-cent tax increase. While he understood the personnel needs, he would find it hard to support them at a $162,531 transfer from Fund Balance. Commissioner Turner agreed noting that the Pay Plan funding should be re-considered. Commissioner Pugliese was concerned with the reliance on Fund Balance each year. Commissioner Philpott agreed, but noted that not funding the Firefighter could have a negative impact on the Town's ISO rating. Public Works needed additional staff to continue providing the same service and maintain the current facilities. The Planning Department Program of Work certainly indicated the need for an additional person. Mayor Davis offered that the staff should shoot for a zero reliance on Fund Balance; consider making a part-time position fulltime in Fire, eliminate the other new positions and the Pay Plan, which would bring the reliance down further. Mayor Pro Tem Tursi supported the fulltime Firefighter at $54,690 and still believed the planning could be contracted out while the Planner was on maternity leave. Commissioner Philpott concurred sharing that the Board had to look at sustainability and re-occurring costs long term. Mayor Pro Tem Tursi offered that the Town contributions might also need to be cut in half if possible.

Adjournment

On a motion by Mayor Pro Tem Tursi, seconded by Commissioner Philpott, the meeting adjourned at 6:19pm.

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FY 20/21 ACCOMPLISHMENTS

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- Emmerton School Recovery Grant

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FY 20/21 ACCOMPLISHMENTS

- Additional Parking Lot Construction at Municipal Park
- Moore Street Dock Replacement (Hurricane Florence)
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FY 20/21 ACCOMPLISHMENTS

- Southeastern NC Regional Hazard Mitigation Plan
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AMERICAN RESCUE PLAN ACT OF 2021(H.R. 1319) - FUNDING

- Cities/Town to receive more than $1.3 billion in two separate distributions
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AMERICAN RESCUE PLAN ACT OF 2021(H.R. 1319) – FUNDING GUIDANCE

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FY 21/22 DEPARTMENTAL REQUESTS/MANAGER RECOMMENDATIONS

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FY 21/22 NEW PERSONNEL FUNDED/UNFUNDED

- Funded

Admin Services - Planning Technician	$59,803
Streets-Public Works - Maintenance Tech	$51,799
Fire Department – Driver/Operator	$51,236

- Unfunded

Church Street Dock - Dock Master	$55,545

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ENTERPRISE FUND
SOLID WASTE INCREASE 5.17%

- Current
  - Residential $20.24
  - Commercial $33.79
- Proposed New Rate
  - Residential $21.29
  - Commercial $35.54

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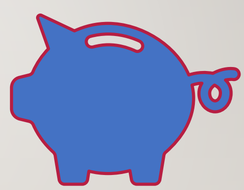
FY 21/22 UNFUNDED REQUESTS/ OPTIONS FOR FUNDING

DEPARTMENT	ITEM	AMOUNT	.01- $52,421
POLICE	PARTOL VEHICLES	$72,000	.0137
FIRE	SET ASIDE	$130,500	.0249
CHURCH STREET DOCK	DOCK MASTER	$55,545	.0105



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ADJUSTMENTS FROM APRIL 12, 2021 WORKSHOP

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TOTAL COST OF PAY PLAN IMPLEMENTATION

At the April 12, 2021 FY 2021-2022 Draft Budget Work Session, a request was made on the cost to implement the proposed pay plan. The following is intended to break down the proposal and answer that question:

- The proposal increases the total expense for full time staff in the amount of $46,956.84
- Added expenses as a result of that proposed increase (i.e. FICA and retirement contributions including 401K) is $10,597.05
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