Town of Swansboro
Board of Commissioners
June 28, 2021 Regular 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.

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Call to Order/Opening Prayer

The meeting was called to order at 5:30 pm. Mayor Davis gave the invocation.

Public Comment

Citizens were offered an opportunity to address the Board regarding items listed on the agenda. No comments were given.

Adoption of Agenda

Mayor Davis moved adoption of Parks/Rec Month to Consent and indicated he would make personal recognition to the department outside of the meeting.

On a motion by Commissioner Turner, seconded by Commissioner Philpott, the Agenda as amended, and Consent Items below were unanimously approved.

Tax Refunds – Vehicle Tax Dzara, John Richard $29.22 Tag Surrender

Proclamation – Parks and Recreation Month

Public Hearings

UDO Text Amendment/Tree Preservation and Replacement - To discourage clear-cutting, the proposed amendments would require a permit for land improvement and establish a penalty fee if property was clear cut before a permit was obtained. The replacement of trees would still be required as provided under this section. The amendment would also clarify existing language under Section 152.105, Approvals Required.

Because of the effect of clear-cutting on the stormwater system, the money collected would be deposited into the Stormwater Enterprise Fund to aid in stormwater compliance, drainage problem identification and prioritization and proactive maintenance of Town owned and operated drainage facilities.

During its May 4, 2021, regular meeting, the Planning Board recommended approval of the proposed amendments to the Unified Development Ordinance and Schedule of Fees related to Section 152.538, Tree Preservation and Replacement.

Planner Ansell shared that House Bill 496 passed and was now in the Senate.

Under the minimum standards section, Mayor Davis recommended a 2.5" caliber rather than 3", having done research and finding that this size survived better. He also believed the incentive to preserve was removed – reference page 9 of the agenda.

Planner Ansell reminded the Board that those areas to be amended were highlighted in yellow. Otherwise, the language already existed. The Planning Board reviewed ordinances from 10 other municipalities and 3" was consistent among those ordinances. In 2013, when the landscaping section was developed there was involvement with different landscapers, and it was part of the gateway initiative. The language pertaining to three caliper inches per tree was existing and not proposed as an amendment.

Commissioner Philpott inquired about a height requirement and further noted having researched forestry documents and quoted *"Establishing a minimum diameter that is acceptable to be planted typically varies from 2.5"-3". Some municipalities reduce the minimum size to 2" for residential removals. Other municipalities may allow larger trees to be planted to reduce the overall number of trees, however, larger trees are more difficult to establish, and additional oversight and performance bonds may be necessary."* Planner Ansell shared that the height was provided in another section of ordinance.

Commissioner Meilleur suggested that a defined list of tree types might be beneficial and after some discussion, all agreed that the wording for 152.538 (d) would read as:

(d) In the event a developer clear-cuts a lot or tract and has failed to provide a site plan to the Planning and Code Enforcement office, the developer shall be required to plant 23 trees per acre (less impervious surface area), each with a minimum caliper of three inches, and is responsible for paying a penalty fee as established by the Town's Schedule of Fees. The money collected shall be deposited into the Stormwater Enterprise Fund to aid in stormwater compliance, drainage problem identification and prioritization and proactive maintenance of Town owned and operated drainage facilities.

Mayor Pro Tem Tursi believed a definition of clear-cut was also needed.

The public hearing was opened at 5:58pm. There were no comments, and the hearing was closed. *It is noted that the Town had returned to regular format (no remote participation) and therefore action on the hearings was effective immediately unless otherwise stated.*

There was additional discussion and scenarios for what 15 trees/acre might look like for different size lots. Ultimately, interpretation in the minimum standards would be left to the Planner and Manager.

On a motion by Mayor Pro Tem Tursi, seconded by Commissioner Turner, Ordinance 2021-O4 (as amended above) was approved which included a statement of consistency indicating that the ordinance was consistent with an adopted comprehensive plan and agreed with the Planning Board's recommendations. The FY 21/22 Fee Schedule would also reflect the associated permit and penalty fees as discussed. The vote was unanimous.

Further direction was given for the Planning Board to recommend a definition for clear cutting and if House Bill 496 passed all levels staff would seek a local bill to empower Swansboro to have a tree ordinance.

FY 2021/2022 Budget Ordinance w/Tax Rate, Stormwater Ordinance & Credit Manual, Fee Schedule, and Salary Schedule – The FY 2021/2022 Annual Budget was originally submitted on May 27, 2021. The budget was prepared in accordance with N.C.G.S. Chapter 159, the North Carolina Local Government Budget, and Fiscal Control Act. As required, all funds within the budget were balanced, and all revenues and expenditures identified for FY 2021/2022.

The total budget was $4,812,559 which represented a decrease of 11% from the FY 2020/2021 amended Budget of $5,403,831. The tax rate was proposed to remain unchanged at $0.35 per $100 valuation. The General Fund Budget for FY 2021/2022 was balanced with $249,260 of fund balance.

The collection of residential and some commercial garbage and recycling would continue to be managed through a contractual agreement approved by the Board on June 8, 2020, with GFL, Inc (AKA Waste Industries, Inc.). For FY 21/22, the rate for Solid Waste Services included an increase beginning July 1, 2021.

Current Solid Waste Fees	**New Solid Waste Fees Effective July 1, 2021**
$20.24/month residential	**$21.93/month residential**
$33.79/month commercial	**$36.62/month commercial**

The Stormwater Utility Fee structure was also increased and adjusted to a flat monthly rate for residential. Commercial rates would still be calculated at .01/Square Foot whichever greater, but a minimum of $5.00 per month required. These rate adjustments would be effective beginning July 1, 2021.

Current Residential Rates per Month			**New Residential Rate per Month - $5.00**
Tier 1 - $2.00	Tier 3 - $3.75	Tier 5 - $4.25	
Tier 2 - $3.50	Tier 4 - $4.00		

Current Commercial Structure was: Minimum Fee $4.25/month or .01/Square Foot whichever greater. **The new: Minimum Fee 5.00/month or .01/Square Foot whichever greater.**

The stormwater ordinance and credit manual were amended to reflect the new residential rates along with minor text changes and punctuation.

Changes to the FY 21/22 Fee Schedule included minimum building permit fees clarification by trade, land improvements permitting, an increase to the Historic District COA application fee, and an increase to the Damage Deposits for room rentals.

The FY 2021/2022 Salary Schedule was updated to reflect a 2.0% COLA increase.

Manager Seaberg noted that Onslow County had reduced their part-time staff funding by $18k, which reduced the proposed part-time staff positions from two to one.

Mayor Davis shared concerns with the stormwater increase on residential. Manager Seaberg explained that the Town was already low on its rate comparably and funds were needed for stormwater projects. Mayor Davis hoped the additional funds would support stormwater mapping and encouraged an annual project plan. Manager Seaberg indicated that a mapping project had been discussed under the resiliency project with Dewberry. Reprofiling older neighborhoods continued – noting that some areas had not been maintained for 20 plus years. Public Works staff was working at its maximum. He also referred to the annual stormwater snapshot which provided for upcoming annual projects.

Mayor Pro Tem Tursi inquired whether the FY 21/22 Budget included the fulltime firefighter and website update. The fulltime firefighter was included but the website update had been cut. Manager Seaberg was hopeful that the anticipated American Recovery Plan (ARP) Funds would provide for a website upgrade.

Commissioner Meilleur asked why the square footage amount for commercial stormwater calculation was not increased. Manager Seaberg stated that the Town was comparable with others on its commercial rate.

Commissioner Philpott was concerned that increasing the Historic Preservation Certificate of Appropriateness (COA) fee from $50 to $400 might deter property owners from making improvements. Recent changes to NCGS 160D now made the COA process quasi-judicial, and the fee increase brought that process in line with other review processes such as a Special Use, Variance, Rezoning, etc.

Mayor Davis asked the Board to consider funding the NCDOT shortfall for sidewalk improvements in Town. Phase 1 (Highway 24) was complete. The $97,000 shortfall would most likely influence Phase 3, which included ditch work along Hammocks Beach Road. Phase 2 would run along Old Hammock Road, according to Manager Seaberg. Mayor Davis shared that he had been working with the state representatives; Senator Lazarra had committed to $50k and Representative Shepard was working toward another $100k, but all had to run through the proper channels. He asked now so that there would not be a lapse in work by NCDOT. Mayor Pro Tem Tursi would not support the request at the last hour siting other major cuts to the budget and no clear understanding of how the funds were allocated. He felt it was a terrible way to fund a capital project. Commissioner Meilleur sided with Mayor Pro Tem Tursi and asked Mayor Davis to stop promoting his own agenda. Commissioner Pugliese believed it to be an important project but asked what guarantee the Town had that it would re-coup the funds. Manager Seaberg responded that he had no guarantee, nor could he be certain that phases 2 or 3 would continue or be delayed. Commissioner Philpott asked whether the ARP Funds could be used but only water/sewer and broadband were approved infrastructure items at this time. Commissioner Turner also noted the importance of the construction however, hurricane season was upon us, and that uncertainty was a concern. Discussion led to the unassigned fund balance, which was *projected* to be $2.1 million at FY 20/21 year-end. The $249,260 needed to balance the FY 21/22 would be deducted from that total. Commissioner Turner inquired if the shortfall could be more. Manager Seaberg had asked NCDOT to provide updated numbers, especially with the increase costs on concrete. Mayor Pro Tem Tursi clarified that he was not opposed to sidewalks, just the unknown funding appropriations. Manager Seaberg believed phase 2 would be constructed, phase 3 would be questionable with the required ditch construction. Commissioner Philpott reiterated the number of positions and items cut from the proposed budget and believed more guarantee was needed from NCDOT before the Town allocated more funds. Manager Seaberg was asked to push NCDOT for more updated construction costs and discuss later.

The public hearing was opened at 6:58pm. No comments were provided, and the hearing was closed.

On a motion by Mayor Pro Tem Tursi, seconded by Commissioner Philpott the FY 2021/2022 Budget Ordinance w/Tax Rate, Stormwater Ordinance and Credit Manual Amendments, Fee Schedule, and Salary Schedule were unanimously approved.

Board members noted that the next budget cycle would also be difficult and discussion on services, and rates would have to be held.

<u>Business Non-Consent</u>
Budget Ordinance Amendment #2021-9– Multiple departments required amending for FY 20/21 closeout.

Non-Departmental - Occupancy tax exceeded the budgeted amount for FY 20/21 by $42,151. The net proceeds of the tax collected to the authority shall be the gross proceeds of the tax less the 3% cost to the town of administering the tax.
Source of Funds: Taxes-Occupancy

Public Buildings - As part of the March 9, 2021 agreement, there was still a $14,378.48 obligation owed to One Harbor Church for audio/visual equipment purchased old Town Hall with a value of approximately $14,378.48, including but not limited to upgrades to all video and audio equipment in lieu of lease payments.
Source of Funds: Leases/Rent

Emergency Management - Received grant funds of $146,802.03 from the State of NC Department of Public Safety for expenses incurred from Hurricane Florence and Hurricane Dorian.
Source of Funds: Grants-Various

Finance - In FY 20/21, the Board of Commissioners allocated $60,000 for comprehensive operating software and approved the contract with Tyler Technologies of $60,800 at the May 10th BOC meeting. The Board also approved the additional cost to purchase the Rec Desk interface function for Parks & Recreation of $1,200. Therefore, $2,000 needed to be appropriated from fund balance for its intended purpose. In addition, based on the backlog, the Town was looking at 12-15 months before going live on all modules. Services were billed as incurred and some would be billed into FY 22/23 therefore, staff recommended appropriating the full amount now and setting up a reserve fund for its expenditures. Requested $62,000 be transferred to the Capital Reserve Fund.
Source: Appropriated Fund Balance-$2,000 Finance-$60,000

Non-Departmental - Funds were collected for payment in lieu of sidewalks and needed to be transferred to the Capital Reserve Fund. Requested $750 be transferred to the Capital Reserve Fund.
Source of Funds-Sidewalk Development Fee

Parks & Recreation - The Board of Commissioners approved an update to the 2008 Comprehensive Master Plan in June 2021. The funds would not be encumbered this Fiscal Year; therefore, staff requested to transfer the funds to the Capital Reserve Fund.
Source of Funds-Parks & Recreation

Bank Financing for Vehicles & Software - At the June 14th Board of Commissioners meeting, the Board approved financing with Truist Bank, which included the emergency purchase of the Public Works Department F-350 Truck in October 2020 so that the department could continue providing services to our citizens. The intent was to bundle the purchase with all other capital expenditures prior to the end of this Fiscal Year to include Comprehensive Operating Software, the F-350 Truck in Public Works, the Fire Chief's Dodge Ram, and a Toyota Corolla for the Police Detective.

To qualify for the tax-exempt rate, the Town would have had to pass a reimbursement resolution no later than 60 days *after* the actual purchase of the vehicle. Since the town did not pass that resolution or enter the financing within 60 days of the purchase, the bank will not be able to finance the F350 Truck as part of the tax-exempt transaction.

Options
1- Remove the F-350 from the loan and fund it outright from fund balance; or
2- Separate the F-350 into a different loan, one taxable (F-350) and the other tax exempt (all other items)

Manager Seaberg recommended Option 1 to remove the F350 from the loan and pay for it out of fund balance ($18,630).

The consensus was Option 1 with Commissioner Meilleur expressing that he did not believe fund balance should be used on low-cost items such as this.

On a motion by Commissioner Philpott, seconded by Commissioner Turner, Budget Amendment #2021-9 Ordinance and Resolution 2021-R-6 were approved by unanimous vote.

Financial Report – May 2021 – Finance Director Johnson reviewed details from the monthly financial report, *attached herein*. It was noted that $395,000 was still outstanding from FEMA for hurricane reimbursements (Florence, Dorian, Isaias).

Future Agenda Items – A memo detailing proposed upcoming agenda items was reviewed and an opportunity for the Board to introduce any new items was given.

Board members would like to revisit Food Trucks on July 26 and Temporary Signs/Sign Amortization in August and September.

Mayor Pro Tem Tursi was interested in staff revisiting the creation of a future policy on Agenda Development specially, regarding the presentation of proclamations and resolutions.

Public Comments

Citizens were offered an opportunity to address the Board regarding items not listed on the agenda. No comments were offered.

Manager's Comments

Manager Seaberg highlighted certain items from the Manager's Brief provided in the agenda packet.

It was noted that the structural report by Wooten Company indicated that the footings at the Public Safety Building were not sufficient to consider the building safe enough during more than a Category 1 hurricane. Board members shared interest in a mock standup of the temporary Emergency Operations Center at Swansboro Methodist Church.

Downtown Traffic Pattern changes would be delayed until after tourist season/Mullet Festival. A public broadcast on the changes would be important for locals and visitors.

Commissioner Philpott was interested in NCDOT reviewing the intersection at Main Street Extension and NC24 for safety.

Mayor Pro Tursi mentioned the gullying issues at Ward Shore. The Coastal Federation engineer had provided a list of salt tolerant grass that might be better than the sand area.

Board Comments

Board members shared appreciation to staff on a tough budget year. All looked forward to the July 4th celebrations.

Adjournment

On a motion by Commissioner Philpott, seconded by Commissioner Pugliese, the meeting adjourned at 7:41pm.

Regular Meeting
June 28, 2021

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1. Please turn cell phones to “off” or “vibrate”.

2. The Board offers the public three opportunities to speak during the meeting:

A comment period is offered at the beginning and end of the meeting. Please note that a separate opportunity is provided for those items requiring a public hearing.

Public Hearing(s) – There are two (2) public hearings scheduled for this meeting.

2

PUBLIC COMMENT

Citizen opportunity to address the Board for items listed on the agenda.

3

AGENDA AND CONSENT ITEMS

Action Needed: *Motion to Adopt the Agenda as prepared (or amended) and approval of the Consent Items*

4

PUBLIC HEARING

Regulations for Landscaping – Tree Preservation and Replacement

In order to discourage clear-cutting, the proposed amendments would require a permit for land improvement and establish a penalty fee to be collected if property is cleared before a permit is obtained. The replacement of trees would still be required as provided under this section. The amendment would also clarify existing language under Section 152.105, Approvals Required.

Because of the effect of clear-cutting on the stormwater system, the money collected would be deposited into the Stormwater Enterprise Fund to aid in stormwater compliance, drainage problem identification and prioritization and proactive maintenance of Town owned and operated drainage facilities.

Action Needed: 1) Hold the public hearing; and
2) Motion to approve Ordinance 2021-O4 and adopt a statement of consistency.

Presenter: Jennifer Ansell, Planner

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PUBLIC HEARING

FY 21/22 Budget, Tax Rate, Stormwater Ordinance & Credit Manual, Fee Schedule, and Salary Schedule

The FY 2021/2022 Annual Budget was originally submitted on May 27, 2021. The budget was prepared in accordance with N.C.G.S. Chapter 159, the North Carolina Local Government Budget and Fiscal Control Act. As required, all funds within the budget are balanced, and all revenues and expenditures are identified for FY 2021/2022.

The total budget is in the amount of $4,812,559 which represents a decrease of 11% from the FY 2020/2021 Amended Budget of $5,403,831. The tax rate is proposed to remain unchanged at $0.35 per $100 valuation. The General Fund Budget for FY 2021/2022 is balanced with $249,260 of fund balance.

Action Needed: 1) Hold the public hearing; and
2) Motion to adopt FY 2021/2022 Budget Ordinance w/Tax Rate, Stormwater Ordinance and Credit Manual Amendments, Fee Schedule, and Salary Schedule.

Presenter: Chris Seaberg, Town Manager

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BUSINESS NON-CONSENT

Budget Ordinance Amendment #2021-9

Multiple departments require amending for FY 20/21 closeout.

Action Needed: 1) Determine Option for F350;
2) Motion to approve Budget Ordinance Amendment #2021-9 as prepared or amended;
3) Adopt Banking Resolution as amended

Presenter: Sonia Johnson, Finance Director

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TOWN OF SWANSBORO
FINANCIAL REPORT
(AS OF MAY 31, 2021)

REVENUES

EXPENDITURES

LOAN PAYMENTS

INVESTMENTS

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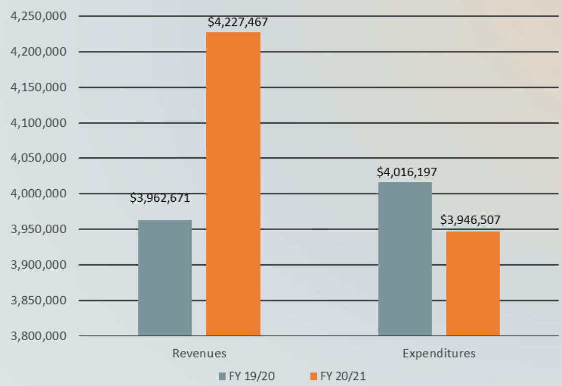
TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF MAY 31, 2021)

GENERAL FUND



ENCUMBRANCES INCLUDED
Total Excess of Revenues Over Expenditures $280,960

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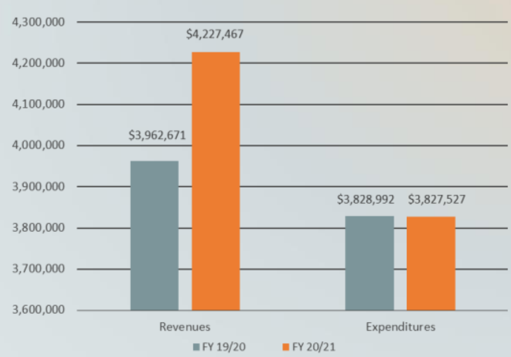
TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF MAY 31, 2021)

(ACTUAL)

GENERAL FUND



(ENCUMBRANCES NOT INCLUDED)
Total Excess of Revenues Over Expenditures $399,940

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DEPT.	BUDGET	(PAID YEAR TO DATE) ACTUAL	(PURCHASE ORDERS) ENCUMBERED BALANCE	SPENT % May 31, 2021
GOVERNING BODY	14,098	12,504	193	90.1%
ADMIN SERVICES	429,255	375,108	6,442	88.9%
FINANCE	300,825	214,366	-	71.3%
LEGAL	42,000	29,467	-	70.2%
PUBLIC BUILDINGS	353,752	289,635	12,173	85.3%
FIRE	909,443	636,232	45,121	74.9%
PERMITTING	223,915	183,979	-	82.2%
POLICE	1,050,863	821,197	7,096	78.8%
PUBLIC WORKS-STREETS	303,916	277,705	6,637	93.6%
POWELL BILL-STREETS	90,318	79,483	4,879	93.4%
PARKS & RECREATION	371,304	242,104	16,184	69.6%
CHURCH STREET DOCK	8,230	6,554	-	79.6%
EMERGENCY MANAGEMENT	169,212	144,608	20,912	97.8%
FESTIVALS & EVENTS	95,451	4,378	(675)	3.9%
NON DEPARTMENTAL	510,206	510,106	17	100.0%
TOTAL	4,872,788	3,827,427	118,980	81.0%

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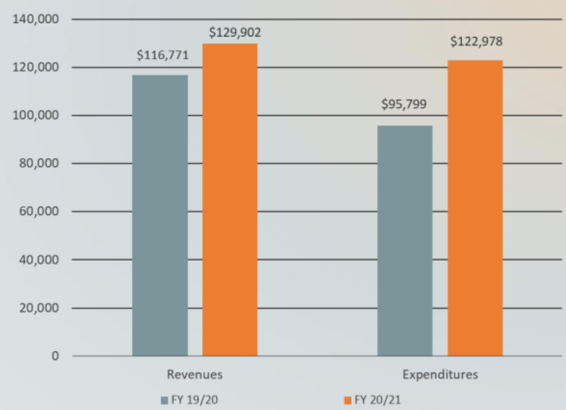
TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF MAY 31, 2021)

STORMWATER ENTERPRISE FUND



ENCUMBRANCES INCLUDED
Total Excess of Revenues Over Expenditures $6,924

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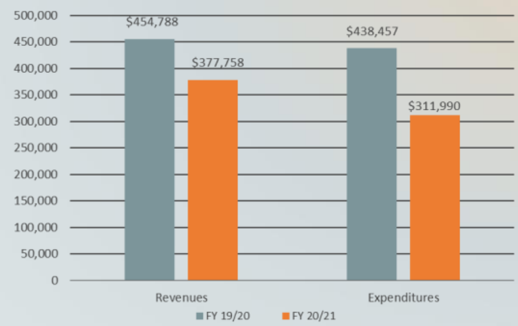
TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF MAY 31, 2021)

SOLID WASTE ENTERPRISE FUND



ENCUMBRANCES INCLUDED
Total Excess of Revenues Over Expenditures $65,768

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TOWN OF SWANSBORO
LOAN REPORT
(AS OF MAY 31, 2021)

Item	Principal Balance	Interest Rate	End Date	Annual Debt Service
Town Hall/Tanker	$534,076	2.69	03/21/2028	$84,724
Public Safety Facility	$160,000	2.58	12/22/2024	$45,160
Fire Truck	$265,418	2.08	11/01/2026	$47,512
Equipment/Vehicles	$50,832	1.87	11/01/2021	$51,783
Sleeping Quarters	$150,000	2.43	12/14/2026	$29,253
Grapple Truck/Town Hall Generator	$227,700	1.72	6/25/2025	$47,917
Total Debt	$1,388,026			$306,349

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TOWN OF SWANSBORO
CASH & INVESTMENTS REPORT
(AS OF MAY 31, 2021)

CASH & INVESTMENTS

BANK	BALANCE	INTEREST RATE
First Citizens Bank	$3,924,832	.03%
NC CMT-General	$253,096	.01%

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Any Questions

?

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BUSINESS NON-CONSENT

Future Agenda Items

An opportunity is provided for the staff to share anticipated/proposed items for upcoming meetings and for the Board to introduce items of interest.

Action Needed: Provide guidance to staff on upcoming items and introduce items of interest for future meetings.

Presenter: Paula Webb, Assistant Manager/Town Clerk

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PUBLIC COMMENT

Citizen opportunity to address the Board.

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MANAGER’S COMMENTS

Chris Seaberg, Town Manager

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BOARD COMMENTS

Mayor John Davis
Mayor Pro Tem Frank Tursi
Commissioner Pat Turner
Commissioner Harry “PJ” Pugliese
Commissioner Larry Philpott
Commissioner Laurent Meilleur

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ADJOURN

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