

**Town of Swansboro
Board of Commissioners
February 13, 2023, Regular Meeting Minutes**

In attendance: Mayor John Davis, Mayor Pro Tem Frank Tursi, Commissioner PJ Pugliese, Commissioner Larry Philpott, Mayor Pro Tem Tursi, Commissioner Pat Turner, and Commissioner Jeffrey Conaway.

Call to Order/Opening Prayer/Pledge

The meeting was called to order at 5:30 pm. Mayor Davis led the Pledge of Allegiance.

Public Comment

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

Adoption of Agenda and Consent Items

On a motion by Commissioner Turner, seconded by Commissioner Philpott, the agenda and the below consent items were approved unanimously.

Meeting Minutes

- August 22, 2022, Regular meeting minutes
- August 22, 2022, Closes Session meeting minutes
- September 12, 2022, Regular meeting minutes

Budget Amendment 2023-3 Walnut Street Retrofit Project Improvements

Appointments/Recognitions/Presentations

Employee Introduction

Manager Webb introduced Rebecca Brehmer, the new Projects/Planning Coordinator. She shared that Ms. Brehmer had a bachelor's degree in historic preservation and has some land use knowledge in zoning.

FY 20-21 Audit Report

Gregory Redman, CPA presented specific details from the FY 21-22 Audit.

- Governmental Activities Net Position (Unrestricted) for 2022 was \$1,726,460 compared to 2021 at \$1,404,464.
- Total Net Position - \$8,378,928 and increase over 2022 of \$205,728.
- Unassigned General Fund Balance for 2022 - \$2,976,642 or 69% of General Fund Expenditures
- Unrestricted Net Position for Stormwater were \$134,136 and Solid Waste were \$67,680.

- Pension Liability: LEO-Police officers were \$86,581 and LGERS were \$365,977
- OPEB (Other Potential Employee Benefits) Liability of \$520,850 were funds that were not necessarily set aside but rather shown as a possible future liability for the Town.
- Current levy collection percentages town-wide was 99.42% (property taxes 99.37%, and registered motor vehicles 100.00%)

Mr. Redman shared that the Town was above and ahead of other jurisdictions similar in size and there were no findings in his audit.

Business Non-Consent

Future Agenda Topics

Future agenda items were shared for visibility and comment. In addition, an opportunity was provided for the Board to introduce items of interest and subsequent direction for placement on future agendas. The following items were introduced and or added by consensus.

- Presentation by Rob Johnson with Onslow Soil & Water
- Resolution Supporting Veterans Garden
- Presentation by Duke Energy
- Community Meetings Discussion

Joint Meeting with the Planning Board

The joint meeting between the Planning board and the Board of Commissioners was called to order at 5:49 pm. Planning Board members in attendance were: Scott Chadwick, Edward McHale, Laurent Meilleur, and Michael Favata. Edward Binanay and Sherrie Hancock were absent.

Planner Correll reviewed that discussion was desired in conjunction with the Planning Board on revising the Unified Development Ordinance Table of Permitted uses and consideration for moving Special Use Permits from the Board of Commissioners to the Board of Adjustment or staff. Mrs. Correll shared that all Special Uses could be reviewed by the Board of Adjustment, or a type of use standard could be created for review by staff and/or the Board of Adjustment and Special Uses remain with the Board of Commissioners. There were many uses identified as Special Uses and those designations have created several instances where a business was required to obtain another special use permit to operate the same or similar business at the same property. As an example, the Mexican Restaurant at 921 W Corbett Avenue had been out of business over 1 year, and the new property owners desired to open another restaurant of the same cuisine, but the table of permitted uses requires them to get a special use permit.

Mr. Chadwick and Mr. Meilleur both agreed that special uses were a good way for the town to control development and felt the table was acceptable and that special uses could be reviewed by the Board of Adjustment instead of the Commissioners.

After discussion on the history of the table, it was determined that a review of the table was needed. On a motion by Commissioner Philpott, seconded by Commissioner Turner, two members from the Planning Board and two from the Board of Commissioners along with the planning and staff would complete a review of the table of permitted uses. The members selected were Mr. McHale, Mrs. Ramsey, Commissioner Turner and Commissioner Conaway. The informal committee would meet weekly and provide recommendations for changes, edits, and additions for consideration within 30 days.

The joint special meeting ended, and the planning board adjourned at 6:49 pm.

Public Comment

Laurent Meilleur of 220 River Reach Drive shared that he had attended one of the mayor's community meetings and suggested that the Board consider holding such meetings and get involved with the residents. He offered suggestions on targeting certain groups and/or neighborhoods throughout town and having refreshments.

Board Comments

Board members shared their appreciation to Finance Director Johnson and the staff for the positive Audit Report.

Closed Session

On a motion by Commissioner Conaway, seconded by Commissioner Philpott, the board entered closed session pursuant to NCGS 143-318.11 (a) (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

Pursuant to a motion duly made in and seconded in closed session the board returned to open session.

Adjournment

On a motion by Commissioner Turner, seconded by Commissioner Pugliese, the meeting adjourned at 7:48 pm.

Regular Meeting February 13, 2023



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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 no public hearings scheduled for this meeting.

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PUBLIC COMMENT

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

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AGENDA AND CONSENT ITEMS

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

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Employee Introduction

Presenter: Paula Webb – Town Manager

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FY 21-22 Audit Report

Presenter: Greg Redman – CPA

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Town of Swansboro Audit Report Presentation

Gregory T. Redman, CPA


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Independent Auditor's Report

Opinion

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Swansboro, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended **in accordance with accounting principles generally accepted in the United States of America.**

“Unmodified Opinion”

**Reference Page 1 of the Annual
Comprehensive Financial Report**

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Government-Wide Financial Analysis

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 11,531,614	\$ 4,666,799	\$ 293,069	\$ 163,641	\$ 11,824,683	\$ 4,830,440
Capital and other noncurrent assets	6,733,814	7,053,832	258,974	227,836	6,992,788	7,281,668
Total assets	\$ 18,265,428	\$ 11,720,631	\$ 552,043	\$ 391,477	\$ 18,817,471	\$ 12,112,108
Deferred outflows of resources	\$ 850,945	\$ 710,088	\$ 40,990	\$ 24,842	\$ 891,935	\$ 734,930
Long-term liabilities	\$ 1,962,369	\$ 2,898,586	\$ 48,518	\$ 85,184	\$ 2,010,887	\$ 2,983,770
Other liabilities	7,593,321	1,065,007	32,799	33,974	7,626,120	1,098,981
Total liabilities	\$ 9,555,690	\$ 3,963,593	\$ 81,317	\$ 119,158	\$ 9,637,007	\$ 4,082,751
Deferred inflows of resources	\$ 1,181,755	\$ 293,926	\$ 50,926	\$ 132	\$ 1,232,681	\$ 294,058
Net position:						
Net investment in capital assets	\$ 5,573,365	\$ 5,599,105	\$ 258,974	\$ 227,836	\$ 5,832,339	\$ 5,826,941
Restricted	1,079,103	1,169,631	-	-	1,079,103	1,169,631
Unrestricted	1,726,460	1,404,464	201,816	69,193	1,928,276	1,473,657
Total net position	\$ 8,378,928	\$ 8,173,200	\$ 460,790	\$ 297,029	\$ 8,839,718	\$ 8,470,229

Reference Page 8 of the Annual
Comprehensive Financial Report

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 437,882	\$ 493,238	\$ 605,915	\$ 533,193	\$ 1,043,797	\$ 1,026,431
Operating grants and contributions	459,558	584,617	-	-	459,558	584,617
Capital grants and contributions	147,807	9,474	-	-	147,807	9,474
General revenues:						
Property taxes	1,893,788	1,827,866	-	-	1,893,788	1,827,866
Other taxes	102,690	78,930	-	-	102,690	78,930
Grants and contributions not restricted to specific programs	1,617,719	1,473,942	-	-	1,617,719	1,473,942
Other	54,199	98,952	10,035	5,415	64,234	104,367
Total revenues	\$ 4,713,643	\$ 4,567,019	\$ 615,950	\$ 538,608	\$ 5,329,593	\$ 5,105,627
Expenses:						
General government	\$ 924,517	\$ 700,524	\$ -	\$ -	\$ 924,517	\$ 700,524
Public safety	2,031,383	2,266,322	-	-	2,031,383	2,266,322
Transportation	430,280	449,106	-	-	430,280	449,106
Economic development	331,837	143,597	-	-	331,837	143,597
Environmental protection	-	-	-	-	-	-
Cultural and recreation	419,503	369,351	-	-	419,503	369,351
Other	297,584	221,532	-	-	297,584	221,532
Interest on long-term debt	2,657	9,706	-	-	2,657	9,706
Sewerwater	-	-	122,200	117,630	122,200	117,630
Solid Waste	-	-	400,143	405,335	400,143	405,335
Total expenses	\$ 4,437,761	\$ 4,160,138	\$ 522,343	\$ 522,965	\$ 4,960,104	\$ 4,683,103
Increase in net position before transfers and special items	\$ 275,882	\$ 406,881	\$ 93,607	\$ 15,643	\$ 369,489	\$ 422,524
Transfers and special items	(70,154)	(27,510)	70,154	27,511	-	1
Increase in net position	\$ 205,728	\$ 379,371	\$ 163,761	\$ 43,154	\$ 369,489	\$ 422,525
Net position, July 1	8,173,200	7,793,829	297,029	253,875	8,470,229	8,047,704
Net position-beginning, restated	-	-	-	-	-	-
Net position, June 30	\$ 8,378,928	\$ 8,173,200	\$ 460,790	\$ 297,029	\$ 8,839,718	\$ 8,470,229

Reference Page 9 of the Annual
Comprehensive Financial Report

Balance Sheet Governmental Funds

Town of Swainsboro, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

	2022 General Fund	2021 General Fund
Assets		
Cash and cash equivalents	\$ 3,766,706	\$ 3,442,222
Restricted cash	56,790	39,235
Receivables, net:		
Taxes	25,045	26,394
Accounts	281,974	527,007
Leases	133,450	-
Grants	166,879	-
Due from other funds	-	-
Total Assets	\$ 4,430,844	\$ 4,034,858
Liabilities		
Liabilities payable from restricted assets	\$ -	\$ 11,991
Accounts payable and accrued liabilities	661,396	737,366
Other liabilities	141,777	-
Total Liabilities	\$ 803,173	\$ 749,357
Deferred Inflows of Resources		
Property taxes receivable	\$ 25,045	\$ 26,394
Prepaid taxes	131,649	26,507
Total Deferred Inflows of Resources	\$ 156,694	\$ 52,901
Fund Balances		
Nonspendable:		
Leases	\$ 1,801	\$ -
Restricted:		
Stabilization by State Statute	450,654	527,007
Streets	41,880	24,325
Capital improvements	-	-
Assigned:		
Subsequent year's expenditures	-	249,260
Unassigned	\$ 2,976,642	\$ 2,432,008
Total Fund Balances	\$ 3,470,977	\$ 3,232,600
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	\$ 4,430,844	\$ 4,034,858

Reference Page 18 of the Annual
Comprehensive Financial Report

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Unassigned Fund Balance as a Percentage of Total General Fund Expenditures

	2022	2021
Unassigned fund balance	\$ 2,976,642	\$ 2,432,008
Total General Fund expenditures	4,306,320	4,057,911
Unassigned fund balance as a Percentage of Total General Fund expenditures	69%	60%
LGC recommended amount	34%	34%
Average of similar-sized towns	63%	63%

Reference Page 18 and 20 of the Annual
Comprehensive Financial Report

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Statement of Net Positions Proprietary Funds

Town of Swansboro, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2022

	Major Enterprise Funds		
	Stormwater	Solid Waste	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 87,078	\$ 125,689	\$ 212,767
Accounts receivable (net)	80,302	-	80,302
Due from other funds	-	-	-
Total Current Assets	\$ 167,380	\$ 125,689	\$ 293,069
Noncurrent assets:			
Capital assets:			
Land and other non-depreciable assets	-	-	-
Other capital assets, net of depreciation	102,994	155,980	258,974
Capital assets (net)	\$ 102,994	\$ 155,980	\$ 258,974
Total Assets	\$ 270,374	\$ 281,669	\$ 552,043
Deferred Outflows of Resources			
Pension deferrals	\$ 20,495	\$ 20,495	\$ 40,990
Liabilities			
Current liabilities:			
Accounts payable - trade	\$ 3,522	\$ 28,285	\$ 31,807
Due to other funds	-	-	-
Customer deposits	-	-	-
Compensated absences - current	496	496	992
Total Current Liabilities	\$ 4,018	\$ 28,781	\$ 32,799
Noncurrent liabilities:			
Compensated absences	\$ 921	\$ 922	\$ 1,843
Net pension liability	9,631	9,631	19,262
Total OPEB liability	13,706	13,707	27,413
Total non-current liabilities	\$ 24,258	\$ 24,260	\$ 48,518
Total Liabilities	\$ 28,276	\$ 53,041	\$ 81,317
Deferred Inflows of Resources			
Pension deferrals	\$ 25,463	\$ 25,463	\$ 50,926
Net Position			
Net investment in capital assets	\$ 102,994	\$ 155,980	\$ 258,974
Restricted net position	-	-	-
Unrestricted net position	134,136	67,680	201,816
Total Net Position	\$ 237,130	\$ 223,660	\$ 460,790

Reference Page 23 of the Annual
Comprehensive Financial Report

Statement of Revenues, Expenses, And Changes in Fund Net Position Proprietary Funds

Town of Swansboro, North Carolina
Statement of Revenues, Expenses, And Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Major Enterprise Funds		
	Stormwater	Solid Waste	Totals
Operating Revenues			
Charges for services	\$ 150,813	\$ 455,102	\$ 605,915
Other operating revenues	-	-	-
Total Operating Revenues	\$ 150,813	\$ 455,102	\$ 605,915
Operating Expenses			
Administration	\$ -	\$ -	\$ -
Stormwater operations	-	-	-
Solid waste operations	120,062	392,527	512,589
Depreciation	2,138	7,616	9,754
Total Operating Expenses	\$ 122,200	\$ 400,143	\$ 522,343
Operating income (loss)	\$ 28,613	\$ 54,959	\$ 83,572
Non-operating Revenues (Expenses)			
Investment earnings	\$ -	\$ -	\$ -
Grants	10,035	-	10,035
Total Non-operating Revenues (expenses)	\$ 10,035	\$ -	\$ 10,035
Income (loss) before contributions and transfers	\$ 38,648	\$ 54,959	\$ 93,607
Capital contributions	-	-	-
Transfers from other funds	68,708	1,446	70,154
Transfers to other funds	-	-	-
Change in net position	\$ 107,356	\$ 56,405	\$ 163,761
Net position, beginning	129,774	167,255	297,029
Net position, ending	\$ 237,130	\$ 223,660	\$ 460,790

Reference Page 24 of the Annual
Comprehensive Financial Report

Changes in Long-term Liabilities

	Beginning			Ending	Current
	Balance	Increases	Decreases	Balance	Portion of
Governmental Activities:					Balance
Notes from direct placements	\$ 1,454,727	\$ -	\$ 294,278	\$ 1,160,449	\$ 247,374
Total pension liability (LEO)	108,015	-	21,434	86,581	-
Net pension liability (LGERS)	812,365	-	446,388	365,977	-
Total OPEB liability	703,090	-	182,240	520,850	-
Compensated absences	134,902	89,022	107,176	116,748	40,862
Total	<u>\$ 3,213,099</u>	<u>\$ 89,022</u>	<u>\$ 1,051,516</u>	<u>\$ 2,250,605</u>	<u>\$ 288,236</u>
Business-type Activities:					
Net pension liability (LGERS)	\$ 42,756	\$ -	\$ 23,494	\$ 19,262	\$ -
Total OPEB liability	37,004	-	9,591	27,413	-
Compensated absences	6,026	2,486	5,677	2,835	992
Total	<u>\$ 85,786</u>	<u>\$ 2,486</u>	<u>\$ 38,762</u>	<u>\$ 49,510</u>	<u>\$ 992</u>

Reference Page 56-57 of the Annual
Comprehensive Financial Report

Analysis of Current Tax Levy

Town of Swansboro, North Carolina
Analysis of Current Tax Levy
Town-wide Levy
For the Fiscal Year Ended June 30, 2022

	Town-wide			Total Levy	
	Property	Rate	Amount	Property	Registered
	Valuation		of Levy	excluding	Motor
				Registered	Motor
				Motor	Vehicles
Original levy:					
Property taxed at current year's rate	\$ 497,092,571	0.35	\$ 1,739,824	\$ 1,739,824	\$ -
Registered motor vehicles taxed at current rate	48,355,714	0.35	169,245	-	169,245
Total property valuation	<u>\$ 545,448,286</u>				
Net levy			\$ 1,909,069	\$ 1,739,824	\$ 169,245
Unpaid (by taxpayer) at June 30, 2022			(11,028)	(11,028)	-
Current year's taxes collected			<u>\$ 1,898,041</u>	<u>\$ 1,728,796</u>	<u>\$ 169,245</u>
Current levy collection percentage			<u>99.42%</u>	<u>99.37%</u>	<u>100.00%</u>

Reference Page 86 of the Annual
Comprehensive Financial Report

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with “Government Auditing Standards”

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Swansboro, North Carolina’s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Reference Page 106 of the Annual Comprehensive Financial Report

NEW BUSINESS/NON-CONSENT

Future Agenda Items

Future agenda items are shared for visibility and comment. In addition, an opportunity is provided for the Board to introduce items of interest and subsequent direction for placement on future agendas.

Action Needed: Discuss and provide any guidance.

Presenter: Alissa Fender – Town Clerk

NEW BUSINESS/NON-CONSENT

Joint Meeting with the Planning Board

The Board of Commissioners has asked staff to provide information for discussion with the Planning Board on revising the Unified Development Ordinance moving many Special Use Permits from the Board of Commissioners to the Board of Adjustment or staff.

Recommended Action: *After discussion provide directions to the Planning Board and the Town Planner on desired changes to Special Use Permit standards.*

Presenter: Andrea Correll – Planner

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PUBLIC COMMENT

Citizen opportunity to address the Board.

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MANAGER'S COMMENTS

Paula Webb, 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 Jeffrey Conaway

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CLOSED SESSION

Motion to enter closed session pursuant to NCGS 143-318.11 (a) (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

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ADJOURN

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