

**Town of Swansboro
Board of Commissioners
June 11, 2024, Regular Meeting Minutes**

In attendance: Mayor John Davis, Mayor Pro Tem William Justice, Commissioner Jeffrey Conaway, and Commissioner Pat Turner. Commissioner Joseph Brown, and Commissioner Douglas Eckendorf were absent.

Call to Order/Opening Prayer/Pledge

The meeting was called to order at 6:00 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 Conaway, seconded by Commissioner Turner, the agenda and the below consent items were approved unanimously.

- February 27, 2024, Regular Meeting Minutes
- February 27, 2024, Closed Session Minutes

Appointments/Recognitions/Presentations

Recognition of Swansboro High School Marching Band

Mayor John Davis presented the Swansboro High School Marching Band and their Band Director, Kristen Graham, with a proclamation for their outstanding achievements during the school year.

Recognition of James Yesunas

Mayor John Davis presented James Yesunas with a proclamation for his achievement of the 3A Conference State Champion Pole Vault title by clearing a height of 14 feet.

Public Hearing

FY 2024-2025 Budget Ordinance, Tax Rate, Fee Schedule, and Salary Schedule

Interim Town Manager Barlow reviewed the proposed Annual Budget for Fiscal Year 2024-2025 following discussions held during several work sessions with the Board of Commissioners. The budget had been 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 for Fiscal Year 2024-2025 were identified. The total budget for FY 2024-2025 amounted to \$8,106,343, comprising the General Fund at \$7,498,704, the Stormwater Fund at \$132,046, and the Solid Waste Fund at \$475,593, reflecting an 18% increase from the FY 2023-2024 Amended Budget of \$6,879,332. The tax rate was proposed to remain unchanged at \$0.35 per \$100 valuation. The General Fund Budget for FY 2024-2025 was balanced with an allocation of

\$723,569. The proposed budget maintained a projected unassigned fund balance of approximately 40% of expenditures.

The following factors had a significant influence on the overall budget:

- 4% Merit
- New Personnel: \$72,630 (including Police Lieutenant & Police Officer, with a grant submitted)
- NC Orbit Retirement: Increase of 0.75 basis points
- NCLM Property & Casualty: 17.5% increase
- NCLM Workers Compensation: 10% increase
- NCLM Group Health Insurance: 4% increase
- Capital Outlay: \$570,000 (funded using loan proceeds)

The current draft was balanced with a \$723,569 appropriation from the fund balance for items requested by the Board of Commissioners, including:

- Sidewalks: \$500,000
- New Workstations: \$36,611
- Town Hall Digital Sign: \$18,000
- Pickleball Court: \$150,000
- Public Safety - Full-Time Personnel Bonus: \$15,758

Additionally, on June 4, 2024, during a special meeting, an added item included:

- Tunnel to Towers Contribution: \$3,200 (in-kind personnel costs)

The Stormwater Enterprise Fund remained unchanged at \$130,046, with no rate adjustments. The Solid Waste Fund stayed at \$475,500, absorbing a 3.4% increase from providers without passing costs onto customers.

In response to inquiries from the board Interim Manager Barlow clarified the following:

- Seaside Art Council contributions were included in the budget
- Fund to repair/maintenance accepted roads were funded by Powell Bill funds and is updated each July
- A healthy fund balance ensures financial stability by covering unexpected expenses and revenue shortfalls, aiding in emergency preparedness, and securing favorable debt financing terms. It also enhances grant opportunities by reflecting sound financial management. The current 40% fund balance is considered adequate but should be compared with similar towns to align with best practices and future planning.

The public hearing was opened at 6:33 pm. Those who spoke were:

Linda Thornley suggested several considerations regarding the budget. She advised against combining merit and COLA, emphasizing that each employee's merit should be evaluated individually while cost-of-living increases were a standard expectation. GFL

rates had increased for the Town and for everyone else, regardless of whether an employee was excellent or average, which was why COLA should not have been removed. She also noted that with budget constraints, it was essential not to cut necessary training and benefits for employees, as investing in these areas enhanced their performance and value. Furthermore, she pointed out that adding activities and amenities, such as those approved for the Parks and Recreation Department, should have been matched with additional staffing to ensure proper maintenance and management.

Randy Swanson appreciated the chance to comment on the budget and recalled that SwanFest was originally intended to help fund the Pavilion and boost local engagement, especially on Sundays. He urged the town to support SwanFest or find alternative funding due to its positive economic impact. As TDA Chairperson, Swanson clarified that the TDA's charter limits its ability to provide ongoing annual support for recurring events, allowing funding mainly for one-time or special events, especially during crises like COVID or Hurricane Florence. He encouraged finding self-sustaining solutions for events and hoped for smooth budget considerations.

The public hearing was closed at 6:41 pm.

On a motion by Commissioner Conaway, seconded by Commissioner Turner, the proposed FY 2024/2025 Budget Ordinance, Tax Rate (\$0.35/\$100), Fee Schedule, and Salary Schedule were adopted unanimously.

Business Non-Consent

Future Agenda Topics

Future agenda items were shared for visibility and comments. 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 addressed:

- Downtown Beautification Committee Creation discussion
- Swimming Pool Committee was created with Matthew Prane appointed as chair and given authority to select his committee members for approval
- Policy reviews for TDA and Non-profit funding

Public Comment

Linda Thornley addressed concerns that were raised by Commissioner Eckendorf at the June 7, 2024, Special Meeting, about using public funds for non-profits, noting that the Municipal Fiscal Control Act allowed such funding. She emphasized that community support must start with the town, and while the TDA can fund marketing and capital projects, they must follow their charter. Thornley expressed willingness to discuss funding requests, particularly for non-profits, and stressed that repeated requests should

show tangible benefits, like boosting tourism. She assured that the TDA would carefully evaluate, and support initiatives aligned with community goals.

Aric Oostra addressed the board and requested that a new approach be considered for street closures for downtown festivals in Swansboro. He suggested closing a block on Moore Street instead of Front Street, which he noted is a major thoroughfare. By setting up a drop-off point on Front Street from Moore Street to Water Street, Oostra believed it would improve traffic flow and access downtown, making it easier for festivalgoers and benefiting local businesses.

Directions were provided to Manager Barlow to review options for street closures and crosswalks with the Police and Fire Chief.

Board Comments

Board Members extended their gratitude to all attendees and commended the quality of the presentations, noting they were among the best seen during their tenure. They expressed appreciation for the diligent efforts of staff members, including Jon, Sonia, and Alissa, in managing the budget effectively despite necessary reductions. The board also recognized the successful integration of the grapppler truck. Additionally, they lauded the recent Arts by the Sea event, praising the impressive execution by the small staff involved. Matt recounted a positive personal experience from the event, highlighting the enthusiastic participation of visitors from various locations and the gratitude expressed by elderly attendees who benefited from the shuttle service.

Closed Session

On a motion by Commissioner Conaway, seconded by Mayor Pro Tem Justice, with unanimous approval, the board entered closed session at 7:06 pm pursuant to NCGS 143-318.11 (a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged, in the matter of the Town of Swansboro vs. DeFabrizzo & Suarez.

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

Adjournment

On a motion by Commissioner Conaway, seconded by Commissioner Turner, the meeting adjourned at 7:19 pm.

Regular Meeting June 11, 2024



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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 is 1 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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Recognition of Swansboro High School **Marching Band**

Presenter: Mayor John Davis

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Recognition of James Yesunas **State Pole Vault Champion**

Presenter: Mayor John Davis

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PUBLIC HEARING

FY 2024-2025 Budget Ordinance, Tax Rate, Fee Schedule, and Salary Schedule

The FY 2024-2025 Annual Budget is presented following discussions at several work sessions with the Board of Commissioners. 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 2024-2025.

Recommended Action:

- 1. Hold the Public Hearing; and*
- 2. Motion to adopt FY 2024/2025 Budget Ordinance, Tax Rate (\$0.35/\$100), Fee Schedule, and Salary Schedule.*

Presenters: Jonathan Barlow – Interim Town Manager Sonia Johnson – Finance Director

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Town of Swansboro

FY 24/25 Budget



Public Hearing
June 11, 2024

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Budget
Highlights
FY 24/25

Significant Influence on the overall budget.

- 4% Merit
- New Personnel \$72,630 (Police Lieutenant & Police Officer (Grant Submitted)
- NC Orbit Retirement: Increase .75 basis points
- NCLM Property & Casualty 17.5% increase
- NCLM Workers Comp 10% increase
- NCLM Group Health Insurance increased 4%
- Capital Outlay \$570,000-Funded using Loan Proceeds

Assistant Fire Chief Vehicles-\$120,000

Police Vehicle-\$50,000

Public Works-Non CDL Vac Truck-\$400,000

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Budget
Highlights
FY 24/25

Major budget requests that were unfunded:

- Recreation Coordinator: \$57,534
- Recreation Assistant (2)-\$10,851
- Dock Attendants (2): April 1st – November 23rd)
\$20,884
- Firefighter II (3) January 2025-June 2025: \$105,852

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The Proposed Budget is balanced with \$723,569 appropriation from fund balance for items requested by the Board of Commissioners.

Budget
Highlights
FY 24/25

- Sidewalks-\$500,000
- New Workstations-\$36,611
- Town Hall Digital Sign-\$18,000
- Pickleball Court-\$150,000
- Public Safety-FT Personnel Bonus-\$15,758

Added-6/4/2024-Special Meeting

- Tunnel 2 Towers Contribution-\$3,200 (In-kind personnel costs)

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• Capital Improvement set aside that were unfunded:

- Fire: \$225,000
 - Apparatus Replacement 175,000
 - Equipment 50,000
- Police: 16,000
 - Police Vehicles
- Parks & Recreation: \$102,500
 - Property Acquisition 25,000
 - Waterfront Implementation 10,000
 - Tennis Court Resurfacing 10,000
 - Municipal Park Tot Lot 50,000
 - Rec Center-Fitness Equip 7,500

Total \$343,500

Budget
Highlights
FY 24/25

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TAX PER CENT

.01 = \$72,515 (100% Collection)

.01 = \$71,493 (98.59% Collection)

- Current Tax Rate = 35 cents/\$100

NCGS 159-13(b)(6)–The estimated percentage of collection of property taxes shall not be greater than the percentage of the levy actually realized in cash as of June 30 during the preceding fiscal year. For purposes of the calculation under this subdivision only, the levy for the registered motor vehicle tax under Article 22A of Chapter 105 of the General Statutes shall be based on the nine-month period ending March 31 of the preceding fiscal year, and the collections realized in cash with respect to this levy shall be based on the 12-month period ending June 30 of the preceding fiscal year.

- No change projected in proposed budget

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General Fund

FY 24/25
Revenues

Ad Valorem Tax	\$2,502,239
Ad Valorem Tax prior years	\$10,000
Penalties and Interest	\$3,500
Sales and Use Tax	\$1,350,000
Powell Bill Funds	\$126,626
County Funding (Fire)	\$236,947
County Funding (\$.03 Cent Property Tax)	\$210,000
Utility Franchise Taxes	\$235,000
Building Permit Fees	\$179,100
ABC Distribution	\$60,000
Beer & Wine Tax	\$14,000
Investment Earnings/GF	\$124,560
ONWASA Satellite Office Payment	\$35,000
Rental Fees/Leases	\$40,388
Festivals & Events	\$78,800
Appropriated Fund Balance	\$723,569
Other Revenues	\$1,568,975
Total General Fund Revenues	\$7,498,704

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General Fund

FY 24/25
Expenditures

Governing Body	\$25,195
Administrative Services	\$429,552
Finance	\$315,178
Legal	\$59,300
Public Buildings	\$347,173
Fire Department	\$1,994,458
Permitting	\$258,500
Planning	\$86,293
Police Department	\$1,344,996
Streets Municipal	\$1,214,586
Streets State Aid	\$116,712
Parks & Recreation	\$486,086
Church Street Dock/Visitor Center	\$130,326
Emergency Management	\$10,850
Festivals & Events	\$134,635
Non-Departmental	\$544,864
Total General Fund Expenditures	\$7,498,704

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**TOWN OF SWANSBORO
FY 2024-2025 BUDGET**

**GENERAL FUND
FUND BALANCE ANALYSIS – 5 YEAR TREND**

	RESTRICT ED	ASSIGNED- APPROPRIATED FOR THE NEXT YEAR	UNASSIGNED	TOTAL
FY 2018-2019	\$427,877	\$123,471	\$2,144,927	\$2,696,275
FY 2019-2020	\$358,110	\$378,472	\$2,229,423	\$2,966,005
FY 2020-2021	\$551,332	\$249,260	\$2,432,008	\$3,232,600
FY 2021-2022	\$494,335	\$ -0-	\$2,976,642	\$3,470,977
FY 2022-2023	\$372,002	\$385,883	\$3,557,332	\$4,316,557
FY 2023-2024 *	\$350,000	\$720,369	\$2,550,140	\$3,620,509

* Projected balance as of June 30, 2024

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Stormwater Enterprise Fund FY 24/25

<u>Revenues</u>	\$132,046
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<u>Expenditures</u>	<u>\$132,046</u>
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No rate change proposed in FY 24/25

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Solid Waste Enterprise Fund FY 24/25

<u>Revenues</u>	\$475,593
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<u>Expenditures</u>	<u>\$475,593</u>
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No rate change proposed in FY 24/25

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Current Debt Summary

Purpose	<u>Principal</u>	<u>Annual</u>	<u>Payoff Date</u>	<u>Interest</u>	
	<u>Balance</u>	<u>Payment</u>		<u>Rate</u>	<u>Term</u>
Town Hall/Tanker	\$317,275	\$84,724	3/21/28	2.69	15
Public Safety Facility	\$40,000	\$41,032	12/22/24	2.58	10
Fire Truck	\$136,806	\$47,512	11/01/26	2.08	10
Sleeping Qtrs.	\$75,000	\$26,823	12/14/26	2.43	10
Grapple Truck/Town Hall Generator	\$93,416	\$47,917	6/25/2025	1.72	5
Vehicles (Police & Fire Department) & Software	\$67,627	\$23,377	7/15/2026	1.84	5
Cab Tractor/Dump Truck	\$254,500	\$58,491	4/3/2029	4.82	5
Total Debt	\$984,624	\$329,876			



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

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PUBLIC COMMENT

Citizen opportunity to address the Board.

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MANAGER'S COMMENTS

Interim Town Manager

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BOARD COMMENTS

Mayor John Davis
Mayor Pro William Justice
Commissioner Jeffrey Conaway
Commissioner Douglas Eckendorf
Commissioner Joseph Brown
Commissioner Patrica Turner

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CLOSED SESSION

Motion to enter Closed Session pursuant to NCGS 143-318.11 (a) (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the amount of compensation and other material terms of an employment contract or proposed employment contract, and 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.

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ADJOURN

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