

Town of Swansboro
Board of Commissioners
April 1, 2026, Special Meeting Minutes

In attendance: Mayor William Justice, Mayor Pro Tem Jeffrey Conaway, Commissioner Douglas Eckendorf, Commissioner Tamara Pieratti, Commissioner Tim Vannoy, and Commissioner Wayne Herbert.

Call to Order

The meeting was called to order at 9:00 am. The purpose of the meeting was for discussion/direction on the FY 2026/2027 Budget.

Town Manager Jon Barlow and Finance Director Sonia Johnson presented the preliminary FY 2026/2027 draft budget. At the revenue-neutral tax rate of \$0.26 per \$100 valuation, projected revenues totaled \$6,714,522 against department requests of \$8,097,464, yielding a preliminary deficit of \$1,382,942. The revenue-neutral rate reflects the new countywide revaluation, which increased Swansboro's total assessed valuation from approximately \$750 million to just over \$1 billion. One cent on the new valuation generates approximately \$99,516, compared to \$71,000 under the prior valuation. Keeping the rate at the current \$0.35 would generate approximately \$880,000 more than the revenue-neutral rate. The board was advised that a revenue-neutral statement was required by statute in the budget message, and that Kevin Turner from Onslow County would present further details on the revaluation at an upcoming board meeting.

Key cost drivers outside the town's control included a 2.7% COLA/merit increase, a 0.75-point increase in the state ORBIT retirement employer contribution rate, a 10% property and casualty insurance increase through the League of Municipalities, and a 20% Blue Cross Blue Shield rate increase (net of a \$66,000 introductory credit received last year). Finance Director Johnson noted ongoing work to evaluate prescription plan options and potentially transition to an HSA-compatible plan. Additional cost pressures included rising utility rates, vehicle fuel and maintenance costs, and the town's transition to Onslow County for IT services at \$25,000 annually, down from approximately \$110,000.

New personnel requests totaled \$437,704 and included one Recreation Coordinator (\$68,000), three Firefighters (\$218,000), and two Police Officers (\$151,000). Capital reserve set-asides totaling \$254,500 were requested across Fire (\$125,000), Police (\$23,000), Public Works (\$32,500), and Parks & Recreation (\$74,000). Manager Barlow noted that the capital reserve program had not been funded for at least the past two fiscal years and strongly encouraged the board to resume annual contributions. Capital outlay requests totaled \$684,500 and covered two police vehicles, a fingerprint live scan system, a drone, radio replacement, a brush truck, a fire department boat launch (split 50/50 with Downtown Facilities), equipment for a new fire engine, a municipal tot lot, a parks vehicle, snow removal equipment, and mobile message boards for Emergency Management.

Finance Director Johnson reported the current fiscal year was projected to use approximately \$315,000 of the \$862,814 appropriated fund balance, with about \$547,000 returning to fund balance. Unassigned fund balance remains at approximately 50%, and the \$250,000 reserved for Project Coffee was expected to return to fund balance. The Solid Waste fund was projected to run a deficit of about \$10,000 due to increased GFL contract and recycling costs; proposed rate increases were \$2.15 per month for residential customers and \$3.59 for commercial customers. The Stormwater fund was expected to remain stable despite the loss of a one-time \$16,000 early-payment discount. Johnson also advised that financing for a new ladder truck and engine, estimated at \$3.5 million, would add approximately \$300,000 to the annual debt service, for a net increase of about \$200,000 as existing debt was retired.

Proposed budget details for each department were reviewed. Key items discussed included:

- Non-Departmental: Transition to Onslow County for IT services at a cost of \$25,000 under a county agreement. Additional costs include software licenses and computer replacements; the last replacement cycle occurred during COVID, and staff identified urgent needs in the coming year.
- Governing Body: The \$250,000 previously allocated for Project Coffee was included in the current year's contributions line but was not projected to be spent.
- Administration Services: Projected to finish near budget. Next year's increases were driven by merit and COLA adjustments, full staffing following a brief vacancy, and higher retirement and insurance costs.
- Finance: The Town's current auditor notified the town that they would no longer provide services, requiring issuance of an RFP. Staff were directed to budget approximately \$30,000 for audit services, though the final cost will depend on proposals received.
- Fire: Increased costs reflect higher insurance and retirement expenses due to more employees participating in the health plan, three new personnel requests, uniforms, and capital reserve contributions. The fire chief's salary allocation has been moved fully into the Fire budget from a prior split with Permitting.
- Permitting: Budget included funding for the vacant Chief Building Inspector position in anticipation of hiring, as well as travel and training for the permit technician, to include getting certification.
- Planning: The primary increase was tied to the Land Use Plan update, a multi-year effort involving public engagement and long-range policy development. Discussion noted uncertainty related to pending state legislation affecting the Town's ETJ; while staff indicated this could be incorporated into the scope, the Board expressed interest in deferring major expenditures until legislative clarity was reached.

- Police: Projected to come in under budget due to earlier vacancies and was now nearly fully staffed. Request included two new officers, capital reserve contributions for future vehicles, and two patrol vehicles to be financed. Fuel and oil increases were based on prior-year mileage at \$3.50 per gallon; Chief Taylor noted that adding vehicles would increase fuel and oil consumption accordingly.
- Public Works – Streets: Projected well under budget, largely due to \$500,000 in grant-funded sidewalk work that has not yet advanced. Next year included modest utility increases. The Powell Bill fund was restricted to road maintenance and did not impact the General Fund balance.
- Parks and Recreation: Director Stanley requested a \$3.00/hour increase for part-time staff to remain competitive, noting the inability to staff summer camp last year due to low wages. Also requested one new full-time staff position; total estimated increase was \$32,800. She indicated willingness to forgo a vehicle request to prioritize staffing. Director Stanley also reviewed a grant strategy combining LWCF and PARTF funding for pickleball courts, tennis resurfacing, tot lot replacement, and potential skate park repurposing; November application deadlines require decisions by approximately June.
- Downtown Facilities: Includes \$15,000 for part-time visitor center staffing and \$44,000 in capital outlay for a Christmas tree, floating kayak launch, and the Fire Department's 50% share of a boat launch. Visitor center renovations were underway; a budget amendment will follow. Funding includes \$30,000 in TDA grants, a prior \$60,000 allocation (with approximately \$26,000 remaining), and pending county/TDA requests totaling \$42,000.
- Festivals and Events: Increase in part-time wages to allow overtime pay for festival-day work. Marketing increased by approximately \$10,000 to support updated photo and video production for advertising, including regional television partnerships.
- Emergency Management: Fire Chief Randall highlighted planned purchases of mobile message boards and snow removal equipment (plow attachment for an existing vehicle). Equipment can be used across departments and was covered under the Town's VFIS policy. Finance Director Johnson noted the budget was minimal in non-disaster years, as emergency spending was authorized under declared states of emergency without prior appropriation.

In response to inquiries from the board the following details were clarified:

- The tax rate would be determined through the ongoing process as expenditure priorities were established, and that future workshops would present scenarios showing the impact of various rate options on a typical property owner. It was also noted that a required revenue-neutral statement would be included in the budget message.

- Regarding employee health insurance, staff were working with the Laymon Group to explore better options, including addressing higher prescription costs under the current plan.
- \$150,000 for pickleball courts could be transferred to Capital Reserve due to pending grant efforts.
- Adaptation of the skate park for reopening or for pickleball courts would still require new concrete and may not be an ideal fit for pickleball.
- Municipal Park was already equipped with cameras

Additional Board discussion included possible future purchase of speed trailers for traffic enforcement, the status of Emerton School renovations (on track for August completion with potential shared-use leasing), and a request to support the Historic Preservation Advisory Board with a small outreach budget (approximately \$1,000–\$2,000) for educational events and materials, which was not currently included in the draft.

In closing, the Board provided directions for staff to come back with a clearer list of priorities from each department and several budget options showing different spending levels tied to possible tax rates.

Adjournment

On a motion by Mayor Pro Tem Conaway, seconded by Commissioner Herbert, the meeting adjourned at 11:39am.

Town of Swansboro
Preliminary Draft Budget-FY 26/27
 Before Adjustments



Budget Workshop
 April 1, 2026

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General Fund
Before Adjustments
FY 26/27

<u>Revenues</u>	\$6,714,522
<u>Expenditures</u>	\$8,097,464
<u>Deficit</u>	(\$1,382,942)

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REVENUE NEUTRAL TAX PER CENT

.01 = \$100,960 (100% Collection)

.01 = \$99,516 (98.57% Collection)

- Revenue Neutral-Tax Rate = 26.15 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.

Currently included in Draft Budget

Ad Valorem Tax Revenue:\$2,602,351 (98.57% Collection Rate)

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TAX PER CENT

.01 = \$100,960 (100% Collection)

.01 = \$99,516 (98.57% 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.

Ad Valorem Tax Revenue:\$3,483,070 (98.57% Collection)

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Significant Influence on the overall budget.

Budget Highlights FY 26/27

- 1.35% COLA & 1.35% Merit (FICA & Retirement included)
- NC Orbit Retirement: Increase .75 basis points
- NCLM Property & Casualty-10% rate increases predicted
- BCBS Group Health Insurance-20% rate increase predicted
- Land Use Update-\$100,000
- Parks & Recreation-Part Time-Pay Increase
- New Personnel-\$437,704
- Capital Improvement Plan-\$254,500
- Capital Outlay \$684,500- **Funding using Loan Proceeds/Grants/Capital Reserve**

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New Personnel Requests-Salaries/Benefits-\$437,704

Budget Highlights FY 26/27

- Recreation Coordinator: \$68,293
- Firefighter II (3): \$218,156
- Police Officer (2): \$151,255

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Capital Improvement Plan-Set Aside Requests:\$254,500

Budget Highlights FY 26/27

- **Fire: \$125,000**
Apparatus: \$100,000
Equipment: \$25,000
- **Police:\$23,000**
(2) Police Vehicles
- **Public Works: \$32,500**
2025 Ford F-350, 2025- F-450 Super Duty, Ditch Witch, Kaufman Tilt Trailer,
Cat 312/Dump Truck/Equipment Trailer
- **Parks & Recreation: \$74,000**
Property Acquisition, Waterfront Implementation, Tennis Court Resurfacing,
Park Equipment, Fitness Equipment

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Capital Outlay Requests -\$684,500

Budget Highlights FY 26/27

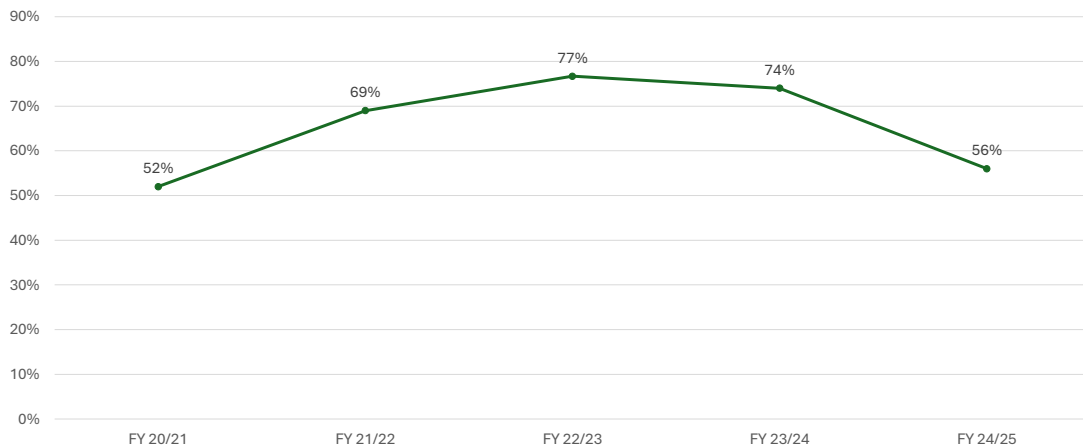
- **Police-\$163,000**
(2)Vehicles, Finger Live Scan, Drone Replacement, Radio Replacement
- **Fire- \$333,000**
Brush Truck, Boat, equipment for New Engine & Training Prop, FD Boat Launch-
50%
- **Downtown Facilities-\$44,000**
New Christmas Tree, Floating Kayak Launch replacement, Fire Dept Boat Launch- 50%
- **Parks & Rec-\$102,000**
Municipal Tot Lot, Vehicle
- **Emergency Management-\$42,500**
Snow Removal Equipment/Message Boards

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	RESTRICTED	ASSIGNED- APPROPRIATED FOR THE NEXT YEAR	UNASSIGNED	TOTAL
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	\$486,698	\$723,569	\$3,852,321	\$5,062,588
FY 2024-2025	\$542,013	\$773,654	\$3,673,757	\$4,989,424
FY 2025-2026 <small>* ESTIMATED BALANCE AS OF JUNE 30, 2026</small>	\$400,000	\$0	\$3,673,757	\$4,989,424

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Fund Balance Unrestricted Percentage of Annual Expenditures



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Stormwater Enterprise Fund FY 25/26

Revenues \$157,574

Expenditures \$157,574

No rate change proposed in FY 26/27

Note:

The credit for one month if payments were made in advance of quarterly installments (i.e. lump sum for total annual fee paid by September 30th) for both commercial and residential parcels has been discontinued.

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Solid Waste Enterprise Fund FY 26/27

Revenues \$527,650

Expenditures \$527,650

Proposed rate increases of 9.8% are necessary An increase in solid waste fees is necessary to address rising costs associated with cumulative Consumer Price Index (CPI) adjustments in prior years.

Current Rate: Residential \$ 21.93 Commercial \$36.62

Proposed Rate: Residential \$ 24.08 Commercial \$40.21

Last Increase was in FY 18/19

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Current Debt Summary

Purpose	<u>Principal Balance</u>	<u>Annual Payment</u>	<u>Payoff Date</u>	<u>Interest Rate</u>	<u>Term</u>
Town Hall/Tanker	\$162,847	\$84,724	3/21/28	2.69	15
Fire Truck	\$46,544	\$47,512	11/01/26	2.08	10
Sleeping Qtrs.	\$25,000	\$29,860	12/14/26	2.43	10
Vehicles (Police & Fire Department) & Software	\$22,955	\$23,377	7/15/2026	1.84	5
Cab Tractor/Dump Truck	\$159,767	\$58,491	4/3/2029	4.82	5
Jet Vac Truck, Police Vehicle, (2) Fire Chief Vehicles	\$474,425	\$129,183	12/31/2029	4.40	5
Total Debt	\$891,538	\$373,147			

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Questions/comments



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