Town of Swansboro
Board of Commissioners
May 12, 2026, Regular 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.

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Call to Order
The meeting was called to order at 6:00 pm and Mayor Justice 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 Mayor Pro Tem Conaway, seconded by Commissioner Pieratti, the agenda as prepared and the following consent item was unanimously approved.

- March 10, 2026, Regular Meeting Minutes

Appointments/Recognitions/Presentations
Recognition of Cason Justice - Teacher of the Year
Mayor Justice presented a proclamation recognizing Cason Justice, a history teacher at Swansboro High School who was named the 2026 Burroughs Wellcome Fund North Carolina Teacher of the Year. Mr. Justice spoke and shared that Swansboro High School was the first place to offer him employment following his graduation from NC State University. He expressed deep gratitude for the community's support over the years and stated his intention to remain a part of the community for as long as possible.

National Police Week
Mayor Justice read a proclamation recognizing May 15th as Peace Officer Memorial Day and the surrounding week as National Police Week. Police Chief Dwayne Taylor thanked the Mayor and the Board for their continued support of the agency and expressed appreciation for the community's consistent and visible recognition of officers. Chief Taylor especially recognized the officers present at the meeting as the backbone of the agency.

Business Non-Consent
2026 Street Resurfacing Contract
Town Manager Jon Barlow reviewed that Onslow Grading & Paving, Inc. had submitted a proposal to provide patching, milling, and paving services at various locations in Town.

The estimated cost was $86,647.95 and was slightly higher than what was budgeted in FY25/26, but due to the timing (May 2026), the project would fall into FY26/27. The amount of Powell Bill funds received each year was about $130,000, and there were about $133,000 in Powell Bill reserves. Onslow Grading & Paving had provided these services to the Town for a number of years.

On a motion by Mayor Pro Tem Conaway, seconded by Commissioner Herbert, the contract for resurfacing services to Onslow Grading & Paving, Inc. in the amount of $86,647.95 was unanimously approved.

FY 2026/2027 Budget Review/Discussion
Town Manager Barlow and Finance Director Sonia Johnson presented the preliminary draft budget alongside various fiscal scenarios for FY 2026/2027 to the Board which included several scenarios. Town Manager Barlow emphasized recent changes affecting the budget outlook, particularly due to legislative developments, which have introduced significant revenue projection uncertainty.

Town Manager Barlow reviewed details related to the Revaluation situation. Onslow County conducted property revaluations every four years. In this cycle, the town's taxable property base increased from approximately $723 million to $1 billion, a substantial $273 million increase, which could have significantly expanded the tax base for the upcoming budget. However, this potential expansion was clouded by the introduction of Senate Bill 889 by the North Carolina General Assembly. This bill proposed a one-year delay in using new valuation figures for jurisdictions where revaluations started on January 1, 2026. Although the Senate had passed the bill, the House had yet to consider it, and the Governor had not signed it into law. This left staff uncertain whether to proceed with the $1 billion valuation or revert to the previous $723 million figure. Town Manager Barlow advised conservatively using the prior-year $723 million figure and maintaining the existing $0.35 tax rate per $100 of assessed value.

Town Manager Barlow identified several key cost drivers that persisted regardless of the valuation figure. These included:

- A 1.35% cost-of-living adjustment (COLA) and a potential 1.35% merit increase for all employees.
- A three-quarter-percent rise in the employer's contribution to the North Carolina Retirement System (Orbit).
- A 10% increase in property and liability rates from the League.
- A 7.6% increase in group health insurance rates, which is lower than expected due to positive claims experience.
- Funding for a potential $100,000 update to the town's land use plan.

- Requests for part-time pay increases and an additional position in Parks and Recreation.
- $431,315 allocated for new personnel costs covering three firefighters, two police officers, and a recreation coordinator.
- $254,500 for capital improvement projects.
- $723,500 in capital outlay funded through loans, cash reserves, and general funds.

Finance Director Johnson reviewed the compiled scenarios illustrating the impact of departmental requests at various tax rate levels. The reviewed scenarios ranged from a $0.2628 revenue-neutral rate, maintaining revenue on the new valuation, to the current $0.35 rate. Even using the new valuation figures at a $0.35 rate resulted in a $542,000 deficit should all requests be funded. Scenarios two through six involved reducing personnel and capital costs, with Scenario 6 achieving balance at $0.35 but requiring substantial cuts. The reviewed scenarios were included in the PowerPoint presentation herein attached.

Scenario 7, relevant to the legislative situation, used the $723.5 million prior-year valuation at a $0.35 rate and presented a $753,000 shortfall, closely mirroring the $773,000 fund balance used to align with the current budget. Under Scenario 7, new hires would be deferred, capital outlay limited, capital improvement plan contributions withheld, and funding for the land use plan update omitted.

Board discussion included concerns about the impact of the legislative situation on local budget planning, the importance of maintaining capital reserves in light of the upcoming hurricane season, and the need to remain mindful of the town's fund balance policy requiring 50% retention. It was noted that no contributions had been made to capital reserves during the last two budget years and that any funds shifted to capital reserves would need to remain earmarked for capital needs. Scenario 7 was identified as the most viable option at that time; however, Scenario 4 was also recognized as warranting further review if Senate Bill 889 did not pass. Additional comments addressed the need for updated year-end projections after the May 15 purchasing deadline, the tight timeline created by the May 29 budget submission deadline, the recurring nature of the budget deficit in prior cycles, and support for a conservative approach that could allow for adjustments during the fiscal year if legislative developments required them.

The Board collectively agreed to proceed with Scenario 7 for the detailed budget, deferring discussions about funding and specific line items to the planned workshop.

A tentative budget workshop was to be scheduled for May 19th, pending confirmation.

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:

- If possible, have a state representative speak on the evaluation situation.

Public Comment

Worth Edwards, of 123 Forest Lane, addressed the Board regarding the status of sidewalk projects in town. He expressed concern that funding had been set aside and engineering work had been completed, but that no visible progress had been made, and he feared the projects had been forgotten. Mayor Justice acknowledged the comment and indicated it would be addressed under manager and board comments.

Manager's Comments

Town Manager Jon Barlow provided several updates.

- Public Safety EOC Grant Extension: Receipt of a one-year extension confirmed for the $3 million in state infrastructure grant funds initially expiring on June 30, 2026. All agencies in the grant program received the same extension.
- Visitor Center: Exterior painting was complete and well received. Interior work was progressing, with successful inspections the prior week, and the project was anticipated to finish in three to four weeks, followed by a grand opening. No formal notification had been received related to the funding from Onslow County TDA, but he had received informal word that the funding had been approved.
- DOT Lane Closures: Upcoming lane closures at Highway 24 and Norris Road would be taking place on May 18th-20th for a pedestrian improvement project adding a sidewalk and handicap ramps. He also mentioned funded but early-stage crosswalk projects at Phillips Loop Road and another location.
- Sidewalk Projects (in response to public comment): Manager Barlow provided a detailed update on the town's sidewalk program. The town had previously reprioritized sidewalk projects from nine areas down to five. An engineer had been retained and had completed design work for all five project areas. The total cost estimate for all five projects was approximately $1.1 million. The town held approximately $100,000 in state infrastructure grant funds for that purpose, leaving a funding gap of approximately $1 million. The next steps would be to secure easements from private property owners in areas where the planned sidewalk alignment crossed private land, and to pursue additional funding.

In response to an inquiry from the board, Town Manager Barlow confirmed that the town had not yet received word on the outcome of grants applied for or additional state funding opportunities for sidewalk construction.

Board Comments

Commissioner Herbert thanked attendees and those watching remotely. He expressed appreciation to Cason Justice for his contributions to the community and students, looked forward to the upcoming public safety building discussion, and noted the upcoming Arts by the Sea festival on Saturday, June 13th as part of the season's upcoming community events.

Mayor Pro Tem Conaway thanked Manager Barlow and Finance Director Johnson for their individual meetings with commissioners and reiterated confidence in the direction chosen for the budget. He also acknowledged Cason Justice's service, noting personal familiarity with the teaching profession through his wife's career and the education of his three children.

Commissioner Eckendorf offered congratulations to the honorees and reiterated his position on maintaining a strategic capital investment posture going forward.

Commissioner Vannoy thanked attendees and offered personal remarks about Cason Justice, noting that Mr. Justice had taught both of his children, who had recently completed graduate and undergraduate degrees respectively. Commissioner Vannoy also noted that he had recently attended the Fire Department's awards ceremony and expressed appreciation for the work of both the fire and police departments.

Commissioner Pieratti acknowledged the sidewalk concern raised by the public commenter, assuring the community that sidewalks remain a priority and have not been forgotten.

Mayor Justice thanked staff for their work during a stressful budget season and expressed appreciation for Cason Justice. He shared that the newly formed Swansboro Firefighters Association was selling merchandise to support its activities. He also shared upcoming meetings with county and federal representatives to discuss funding opportunities, with sidewalks and stormwater infrastructure identified as priorities, and announced a Memorial Day service at Bicentennial Park on May 25th at approximately 8:00 a.m.

Adjournment

On a motion by Mayor Pro Tem Conaway, seconded by Commissioner Herbert the meeting adjourned at 7:04 pm

Regular Meeting
May 12, 2026

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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 <u>0</u> 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 Cason Justice Teacher of the Year

Presenter: Mayor William Justice

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National Police Week

Presenter: Mayor William Justice

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NEW BUSINESS/NON-CONSENT

2026 Street Resurfacing Contract

To award a contract to Onslow Grading & Paving, Inc. to provide paving and patching services at various locations within the Town of Swansboro.

Recommended Action: *Approve the contract for resurfacing services to Onslow Grading & Paving, Inc. in the amount of $86,647.95.*

Presenter: Jon Barlow – Town Manager

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NEW BUSINESS/NON-CONSENT

FY 2026/2027 Budget Review/Discussion

Recommended Action: *Provide further direction to staff.*

Presenter: Jon Barlow – Town Manager & Sonia Johnson- Finance Director

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Town of Swansboro
Preliminary Draft Budget-FY 26/27
Budget Scenarios

BOC Meeting
May 12, 2026

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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-7.6% rate increase predicted
- Land Use Update-$100,000
- Parks & Recreation-Part Time-Pay Increase
- New Personnel-$431,315
- Capital Improvement Plan-$254,500
- Capital Outlay $723,500- Funding using Loan Proceeds/Grants/Capital Reserve/General Fund

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Ad Valorem Revenue Increase Per Tax Rate Change

TAX RATE	AD VALOREM TAX REVENUE	IMPACT TO BUDGET
.2628 CENTS	$2,602,336	**REVENUE NEUTRAL ($99,023)**
.31 CENTS	$3,069,726	+ $467,390
.32 CENTS	$3,168,750	+$566,413
.33 CENTS	$3,267,773	+$665,436
.34 CENTS	$3,366,797	+764,459
.35 CENTS	$3,465,820	+$863,482

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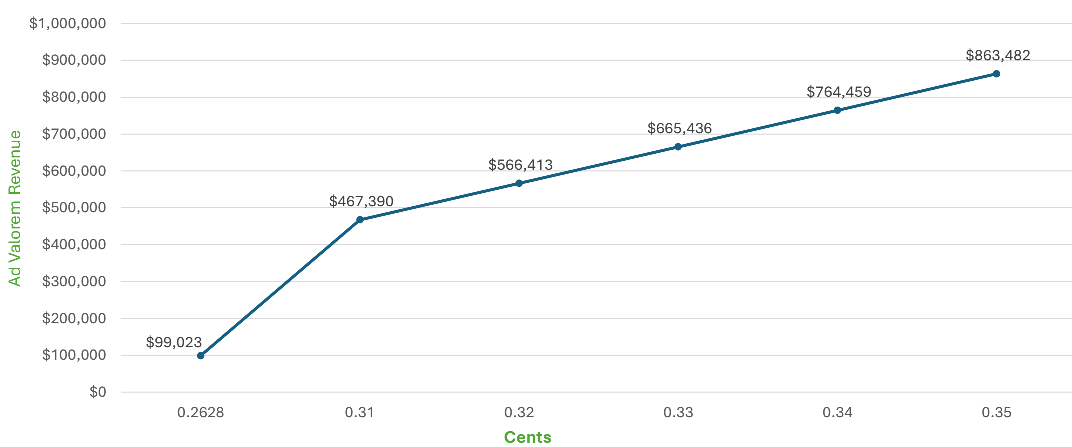
Ad Valorem Revenue Increase Per Tax Rate change



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REVENUE NEUTRAL
TAX PER CENT

.01 = $100,460 (100% Collection)

.01 = $99,023 (98.57% Collection)

- **Revenue Neutral-Tax Rate = 26.28 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:$2,602,336 (98.57% Collection Rate)

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TAX PER CENT

.01 = $100,460(100% Collection)

.01 = $99,023 (98.57% Collection)

- **Current Tax Rate = 35 cents/$100**
  (Revaluation Dependent)

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:$3,465,820 (98.57% Collection)

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FY 2026–2027 Property Tax Rate Scenarios

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General Fund

Scenario 1

26.28 CENTS

REVENUE NEUTRAL

TAX RATE	ADD'L AD VALOREM REVENUE-PER CENT	SHORTFALL	NEW PERSONNEL	CAPITAL OUTLAY	CAPITAL IMPROVEMENT PLAN	Land Use Plan Update
26.28¢	REVENUE NEUTRAL	($1,406,301)	3 Firefighters ($214,696) 2 Police Officers ($148,949) 1 Recreation Coordinator ($67,665) $431,310	$723,500	$238,250	$100,000
31¢	$467,390	($938,911)				
32¢	$566,413	($839,888)				
33¢	$665,436	($740,865)				
34¢	$764,459	($641,842)				
35¢	$863,482	($542,819)				

Funded Items Include: New Personnel, Capital Outlay, Capital Improvements, and Land Use Plan
Capital Outlay Funding: $596,700 funded through loan proceeds, $112,000 funded through grant funding, and $14,800 funded through the General Fund
If Capital Outlay Is Not Funded: Remove $596,700 in loan proceeds from revenues and Remove $112,000 in grant funding from revenues

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General Fund
Scenario 2

26.28 CENTS
REVENUE NEUTRAL

TAX RATE	ADD'L AD VALOREM REVENUE-PER CENT	SHORTFALL	NEW PERSONNEL	CAPITAL OUTLAY	CAPITAL IMPROVEMENT PLAN	Land Use Plan Update
26.28¢	REVENUE NEUTRAL	($1,339,462)	3 Firefighters ($214,696)/ 2 Police Officers ($148,949) $363,645	$723,500	$238,250	$100,000
31¢	$467,390	($872,072)				
32¢	$566,413	($773,049)				
33¢	$665,436	($674,026)				
34¢	$764,459	($575,003)				
35¢	$863,482	($475,980)				

Funded Items Include: New Personnel, Capital Outlay, Capital Improvements, and Land Use Plan
Capital Outlay Funding: $596,700 funded through loan proceeds, $112,000 funded through grant funding, and $14,800 funded through the General Fund
If Capital Outlay Is Not Funded: Remove $596,700 in loan proceeds from revenues and Remove $112,000 in grant funding from revenues

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General Fund
Scenario 3

26.28 CENTS
REVENUE NEUTRAL

TAX RATE	ADD'L AD VALOREM REVENUE-PER CENT	SHORTFALL	NEW PERSONNEL	CAPITAL OUTLAY	CAPITAL IMPROVEMENT PLAN	Land Use Plan Update
26.28¢	REVENUE NEUTRAL	($1,254,248)	2 Firefighters ($143,130) 2 Police Officers ($148,949) $292,079	$723,500	$238,250	$100,000
31¢	$467,390	($786,858)				
32¢	$566,413	($687,835)				
33¢	$665,436	($588,812)				
34¢	$764,459	($489,789)				
35¢	$863,482	($390,766)				

Funded Items Include: New Personnel, Capital Outlay, Capital Improvements, and Land Use Plan
Capital Outlay Funding: $596,700 funded through loan proceeds, $112,000 funded through grant funding, and $14,800 funded through the General Fund
If Capital Outlay Is Not Funded: Remove $596,700 in loan proceeds from revenues and Remove $112,000 in grant funding from revenues

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General Fund
Scenario 4

26.28 CENTS
REVENUE NEUTRAL

TAX RATE	ADD'L AD VALOREM REVENUE- PER CENT	SHORTFALL	NEW PERSONNEL	CAPITAL OUTLAY	CAPITAL IMPROVEMENT PLAN	Land Use Plan Update
26.28¢	REVENUE NEUTRAL	($1,119,516)	1 Firefighter ($71,565) 1 Police Officer ($74,474) $146,039	$723,500	$238,250	$100,000
31¢	$467,390	($652,126)				
32¢	$566,413	($553,103)				
33¢	$665,436	($454,080)				
34¢	$764,459	($355,057)				
35¢	$863,482	($256,034)				

Funded Items Include: New Personnel, Capital Outlay, Capital Improvements, and Land Use Plan
Capital Outlay Funding: $596,700 funded through loan proceeds, $112,000 funded through grant funding, and $14,800 funded through the General Fund
If Capital Outlay Is Not Funded: Remove $596,700 in loan proceeds from revenues and Remove $112,000 in grant funding from revenues

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General Fund
Scenario 5

26.28 CENTS
REVENUE NEUTRAL

TAX RATE	ADD'L AD VALOREM REVENUE- PER CENT	SHORTFALL	NEW PERSONNEL	CAPITAL OUTLAY	CAPITAL IMPROVEMENT PLAN	Land Use Plan Update
26.28¢	REVENUE NEUTRAL	($1,123,494)	1 Police Officer ($74,474)	$723,500	$238,250	$100,000
31¢	$467,390	($656,104)				
32¢	$566,413	($557,081)				
33¢	$665,436	($458,058)				
34¢	$764,459	($359,035)				
35¢	$863,482	($260,012)				

Funded Items Include: New Personnel, Capital Outlay, Capital Improvements, and Land Use Plan
Capital Outlay Funding: $596,700 funded through loan proceeds, $112,000 funded through grant funding, and $14,800 funded through the General Fund
If Capital Outlay Is Not Funded: Remove $596,700 in loan proceeds from revenues and Remove $112,000 in grant funding from revenues

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General Fund
Scenario 6

26.28 CENTS
REVENUE NEUTRAL

TAX RATE	ADD'L AD VALOREM REVENUE-PER CENT	SHORTFALL	NEW PERSONNEL	CAPITAL OUTLAY	CAPITAL IMPROVEMENT PLAN	Land Use Plan Update
26.28¢	REVENUE NEUTRAL	($863,482)	Not funded	$304,000	$159,520	Not funded
31¢	$467,390	($396,092)				
32¢	$566,413	($297,069)				
33¢	$665,436	($198,046)				
34¢	$764,459	($99,023)				
35¢	$863,482	**Balanced $0 Fund Balance**				

Funded Items Include: Capital Outlay and Capital Improvements
Capital Outlay Funding: $235,200 funded through loan proceeds, $60,000 funded through grant funding, and $8,800 funded through the General Fund
If Capital Outlay Is Not Funded: Remove $235,200 in loan proceeds from revenues and Remove $60,000 in grant funding from revenues

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General Fund
Scenario 7
Current Ad Valorem
Per Senate Bill 889

TAX RATE	SHORTFALL	NEW PERSONNEL	CAPITAL OUTLAY	CAPITAL IMPROVEMENT PLAN	Land Use Plan Update
35¢	($753,769)	Not funded	$304,000	Not funded	Not funded

Funded Items Include: Capital Outlay

Capital Outlay Funding: $235,200 funded through loan proceeds, $60,000 funded through grant funding, and $8,800 funded through the General Fund

If Capital Outlay Is Not Funded: Remove $235,200 in loan proceeds from revenues and Remove $60,000 in grant funding from revenues

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TAX PER CENT
FY 2025/2026

.01 = $73,480(100% Collection)

.01 = $72,429 (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:$2,539,006 (98.57% Collection)

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New Personnel Requests-Salaries/Benefits-$431,315

Budget Highlights FY 26/27

- Recreation Coordinator: $67,665
- Firefighter II (3): $214,696
- Police Officer (2): $148,949

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Capital Outlay Requests -$723,500

Budget Highlights FY 26/27

- **Police-$152,000**
  (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%
- **Public Services-$50,000**
  Public Services Director Truck
- **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

25

Capital Improvement Plan-Set Aside Requests:$238,250

Budget Highlights FY 26/27

- **Fire: $125,000**
  Apparatus: $100,000
  Equipment: $25,000
- **Police:$23,000**
  (2) Police Vehicles
- **Public Works: $16,250**
  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

26

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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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, MMC – Town Clerk

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PUBLIC COMMENT

Citizen opportunity to address the Board.

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MANAGER’S COMMENTS
Town Manager
Jonathan Barlow

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BOARD COMMENTS

Mayor William Justice
Mayor Pro Tem Jeffrey Conaway
Commissioner Douglas Eckendorf
Commissioner Tamara Pieratti
Commissioner Wayne Herbert
Commissioner Tim Vannoy

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ADJOURN

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