Town of Swansboro
Board of Commissioners
May 19, 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.

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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. The PowerPoint presentation reviewed during the meeting is herein attached.

Town Manager Jonathan Barlow reviewed that at the boards May 14, 2026, regular meeting, staff had outlined several budget scenarios, with Scenario 7 seeming most suitable, noting that Senate Bill 889, which could pause the new property valuation numbers that took effect in January 2026, had passed the Senate and received a first reading in the House but had not advanced further. Finance Director Sonia Johnson created a budget based on Scenario 7, adhering to the 35-cent tax rate. This plan maintained spending levels from the current year but necessitated a fund balance appropriation of about $486,000, including a capital reserve transfer of $102,000 and reduced capital outlay of $226,000, addressing a lingering deficit.

Town Manager Barlow shared that larger municipalities in Onslow County, including Jacksonville, utilized new valuation figures – a strategy currently impractical for Swansboro due to its size. Staff remained ready to pivot to Scenario 4 while keeping Scenario 7 as a fallback. Barlow referenced House Bill 1082, aimed at more permanently controlling property tax revenue through capping rate changes, with a potential constitutional amendment on future voting ballots.

Town Manager Barlow outlined the budget timeline: a June 1 requirement to present a budget to the Board, practically translating to May 29, permitting a 10-day period for inspections before the June 9 public hearing. After the public hearing, the Board could tweak the budget up to its official adoption and tax rate finalization. Significant budget drivers for both scenarios were cost-of-living and merit adjustments at 1.35 percent, a 0.75 percentage point hike in state retirement contributions, and notable increases in insurance rates. Scenario 7 revealed no new personnel, a drop in capital outlay to $34,000, alongside an unfunded land use plan update, despite a revised valuation cut of $8,000,000.

Finance Director Johnson provided a detailed explanation of the budgetary balance. She highlighted that there was an unused fund balance approaching $657,719 and an unassigned balance amounting to $3,673,757, both significantly exceeding the board's minimum requirements. Finance Director Johnson reviewed the allocations for capital improvements, where $75,000 was set aside for the fire department and $11,500 for the acquisition of a police vehicle. Additional allocations were made for public works and stormwater initiatives, aligning with requests that had not been met in previous budgets. Finance Director Johnson also revisited the allocations for the Storm Water enterprise fund, stating that there were no changes from prior years, thus maintaining a level of consistency in the funds allocations. Furthermore, she provided justification for an increase in the solid waste rates, pointing out that these rates had remained unchanged since the fiscal years of 2018-2019, suggesting the need for an adjustment in response to current financial demands and service requirements.

During the discussion, the Board explored a possible tax rate for Scenario 4. Initially, some suggested reducing it to 33 cents, but eventually, the Board agreed on maintaining a 35-cent rate. This decision took into account the financial challenges, such as past unpaid projects, upcoming debt increases, and the need to keep crucial public safety staff. The conversation also showed concern about the upcoming laws and considered other ways to ease financial burdens, like changing stormwater fees. In the end, the plan was to move forward with Scenario 4 at a 35-cent rate, using the monetary plans from Scenario 7, with a focus on new staffing additions. The Board decided not to fund the land use plan update at this time, citing the anticipated change in personnel for the Planner position and the possible removal of ETJ designation authority through pending legislation. The main focus was on ensuring public safety resources and protecting capital, while keeping a strong financial balance, all under careful financial management, until the final budget adoption.

Adjournment

On a motion by Mayor Pro Tem Conaway, seconded by Commissioner Herbert, the meeting adjourned at 6:50 pm.

Town of Swansboro
Preliminary Draft Budget-FY 26/27
Scenario #7

BOC Special Meeting
May 19, 2026

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Budget Highlights FY 26/27

Significant Influence on the overall budget.

- 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
- Capital Improvement Plan-$102,752
- Capital Outlay $226,000- Funding using Loan Proceeds/Grants

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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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Scenario #7		EXPENDITURES					
#	DEPARTMENT	FY 2023-24 ACTUAL	FY 2024-25 ACTUAL	FY 2025-26 BUDGETED	FY 2025-26 PROJECTED 6/30/2026	FY 2026-27 DEPT. REQUEST	FY 2026-27 MGR. RECOMMENDATION
400	NON-DEPARTMENTAL	560,579	581,365	581,365	574,543	550,266	560,966
411	GOVERNING BODY	42,015	297,003	297,003	40,740	38,257	33,236
412	ADMIN SERVICES	420,346	445,135	445,135	441,049	478,780	483,385
414	FINANCE	292,400	345,320	345,320	321,236	366,729	349,468
415	LEGAL	58,662	59,300	59,300	59,300	59,300	59,300
426	PUBLIC BUILDINGS	360,760	303,843	303,843	302,541	304,968	320,304
430	FIRE	1,623,478	1,607,343	1,607,343	1,571,458	2,420,323	1,755,634
435	PERMITTING	315,885	301,128	301,128	267,751	315,071	296,945
436	PLANNING	-	2,172	92,066	92,066	202,229	98,878
450	POLICE	1,131,319	1,429,971	1,429,972	1,336,224	1,753,316	1,464,516
451	STREETS-PUBLIC WORKS	949,454	840,983	840,983	322,035	389,293	394,128
452	STREETS-STATE AID	182,019	126,580	126,580	124,237	126,626	126,626
453	PARKS & RECREATION	327,350	586,936	586,936	586,045	693,871	453,738
454	DOWNTOWN FACILITIES	122,315	206,211	206,211	209,429	163,303	113,788
455	FESTIVALS & EVENTS	116,547	161,189	161,190	125,024	172,132	164,760
456	EMERGENCY MANAGEMENT	13,737	12,000	12,000	12,000	63,000	14,000
ERAL FUND EXPENDITURES		$ 6,516,866	$ 7,306,479	$ 7,396,374	$ 6,385,676	$ 8,097,464	$ 6,689,671
	EXCESS REVENUES OVER EXPENDITURES			$ 0.00	$ (255,555)	$ (1,398,192)	$ (486,000.00)
	ENTERPRISE FUNDS						
31	SOLID WASTE ENTERPRISE FUND	462,066	476,012	477,354	488,675	527,650	527,650
30	STORM WATER ENTERPRISE FUND	97,867	131,369	157,574	125,074	157,574	157,574
	TOTAL ENTERPRISE FUND EXPENDITURES	559,934	607,381	634,928	613,749	685,224	685,224
	TOTAL ANNUAL BUDGET	$ 7,076,799	7,913,860	8,031,303	$ 6,999,425	$ 8,782,688	$ 7,374,895

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General Fund
FY 25/26
Projected as of June 30, 2026

Revenues		$6,130,121
Expenditures		$6,385,676
Surplus/Deficit		($255,555)
Current Budget: Assigned Fund Balance	**$773,654**	
Budget Amendments through April 14, 2026	**$139,620**	**$913,274**
Projected: Appropriated funds not expended		**$657,719**
Proposed: Assigned Fund Balance for FY 2026-2027		**$486,000**

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TOWN OF SWANSBORO
FY 2025-2026 BUDGET
PROJECTED
GENERAL FUND
FUND BALANCE ANALYSIS

	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 **Projected**	$518,662	$486,000	$3,673,757	$4,678,419

Fund Balance Policy Adopted 1-14-2025

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Capital Outlay (Funded) -$226,000

Budget Highlights FY 26/27

- **Police-$116,000**
  (2)Vehicles
- **Public Services-$50,000**
  Public Services Director Truck
- **Parks & Rec-$60,000**
  Municipal Tot Lot

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Capital Improvement Plan-Set Aside (Funded):$102,752

Budget Highlights FY 26/27

General Fund:

- **Fire: $75,000**
  Apparatus
- **Police:$11,500**
  (1) Police Vehicle
- **Public Works: $8,125**
  Vehicle/equipment Replacement

Enterprise Funds

Stormwater: $4,062.50
Vehicle/equipment Replacement

Solid Waste:$4,062.50
Vehicle/equipment Replacement

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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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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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