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.