

**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 grappler 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. DeFabrizo & 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.