

TOWN OF ST. JAMES BUDGET RETREAT MINUTES
February 26, 2026

The St. James Town Council held a Budget Workshop at 10:00 a.m. on Thursday, February 26, 2026 in the Homer E. Wright Event Center.

Council Members Present: Mayor Jean Toner, Mayor Pro Tem Jim Board, Councilors Dennis Barclay, Lynn Dutney, and Bill Miller.

Staff Present: Town Manager Jeff Repp, Finance Director Pauline Haran, and Town Clerk Jamie Burns

Others: Jim Crum (SJFD Board President), Rich Agar (SJFD Board Treasurer), Kevin Murphy (Deputy Chief SJFD) and 3 residents

CALL TO ORDER

The meeting was called to order at 10:00 a.m.

St. James Fire Department Presentation

Jim Crum, President of the St. James Fire Department Board of Directors, introduced Kevin Murphy as the new designated chief who will assume his roll effective April 1, 2026. Mr. Murphy brings 40 years of military experience and 40 years of volunteer fire service, along with tremendous training credentials. The finalized budget document will be formally presented to council at their April meeting once fire fee numbers from Brunswick County have been received.

Rich Agar, Treasurer of the St. James Fire Department Board of Directors, presented the draft budget and explained their process. He described how they started in December, provided budget input templates to Chief Boyer in January, and worked with divisions to build budgets from the ground up. The draft budget was presented to their board at the February meeting.

Mr. Agar highlighted that the Town of St. James represents 81% of the fire departments funding with Brunswick County contributing about 11%. He noted that they were projecting an increase in the town's contribution of approximately \$68,000. This increase was largely attributed to discontinuing the ground cover (pine straw) campaign (a loss of \$50,000 in revenue) and increasing their operating reserve by \$20,000 annually to reach \$250,000 over several years. The ground cover campaign was discontinued due to lack of volunteers and concerns about the fire department promoting material that conflicted with the Firewise Committee's recommendations.

Significant budget highlights include a reduction in capital reimbursement of over \$900,000 compared to the previous year, as the town funded a new fire engine in the current year. Their capital funding for the current year was approximately \$60,000. The department's debt service will decrease as their primary ambulance will be paid off in February 2027, and Station 1 will be debt-free in 2028 for the first time since it was built.

Mr. Agar discussed various budget line items, including increases in office supplies for IT infrastructure improvements and increased training costs which he noted as positive for ISO rating improvements and leadership development. Insurance costs continue to rise substantially, with the new fire truck adding \$5,000 to their policy while removing the old engine only provided \$1,600 in savings.

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Mr. Agar reported to council that they are putting more money into volunteer recruitment this year as recruitment and replacement continues to be a challenge. They are looking into ways to thank volunteers and promote comradery. Council members asked questions about staffing numbers. Mr. Agar reported there are approximately 108 total members, with EMS having around 30 members, fire having 40-45 members, and fire police having 26 members.

Mr. Crum explained their capital planning process has been refined to include a 10-year span with clear allocations between the town and fire department. The fire department would absorb the first \$200,000 of capital expenditures, with the town would handle larger expenditures like vehicles and significant system replacements.

Discussion occurred about Station 1 renovations after the debt expires in 2028. Mr. Crum noted significant challenges with ADA compliance, explaining that adding a second exit to the upstairs training room could cost around \$250,000 due to the building's age and original construction standards from 1999.

Councilor Bill Miller asked about major fires and call volumes for context. Mr. Agar reported 1,027 EMS calls and 356 fire calls for the previous year, noting that EMS calls have consistently increased every year. Members of the fire department emphasized the importance of having fire-police on the scene.

Council members praised the significant improvements in the department's professionalism and budgeting processes over the past five years. Mayor Pro Tem Board commended the transformation under Mr. Crum's leadership and the contributions of Chief Boyer and Rich Agar. Mr. Crum emphasized that the fire department is committed to their partnership with the town in planning and growth. Town Council commended Mr. Agar for doing an excellent job with the budget presentation.

Jim Crum, Rich Agar, and Kevin Murphy left the meeting at 10:50 a.m.

New Policies/Updates:

a. *Obituary Policy*

Town Manager Jeff Repp indicated that the finalized version of the new Obituary Policy will be presented at the March 19th work session agenda for council review, with adoption expected in April. This would allow family members to have obituaries posted on the town website.

b. *Personnel Policy*

Finance Director Pauline Haran discussed needed updates to the personnel policy. Mayor Toner noted that while they review it annually for benefit costs and information updates, they hadn't had a thorough review in about four (4) years. The policy requires changes to incorporate recent state law modifications, results from an upcoming compensation study, and clarifications for part-time to full-time employee transitions. Ms. Haran sought council support for working with attorneys to update the policy, which the council approved.

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The town also needs to update its purchasing policy, which hasn't been revised recently. Staff will work with the UNC School of Government, which provides template purchasing policies for municipalities. Mayor Toner noted the town lacks a travel and expense policy, though travel is minimal and typically involves mileage reimbursement at the federal IRS rate.

Mr. Repp informed council that the town attorney recommends adopting a parade, picket, assemble, and demonstration policy following a second incident where groups wished to demonstrate on public property. This policy would require permits and establish guidelines for demonstrations/assemblies.

Continuation of the One Cent Disaster Recovery Tax

Finance Director Pauline Haran presented the current status of the disaster recovery fund. The original commitment goal was \$1.5 million, and the fund is projected to reach \$1.8 million by the end of fiscal year June 2026. Residents who responded to the comprehensive plan survey indicated preference for maintaining higher savings levels rather than eliminating the tax. Mayor Toner explained that the town typically has surplus funds at year-end that could be allocated to continue growing the disaster fund without the dedicated tax. The one-cent tax will automatically sunset as originally legislated since it has exceeded the \$1.5 million threshold. The town has the flexibility to reinstitute the tax if needed, though any new tax would require new legislation.

Town Manager Jeff Repp provided updated cost projections for storm debris removal, showing that Florence's 2018 cleanup cost of \$584,000 would cost approximately \$1.1 million today using current contract rates. Future costs could include construction and demolition debris removal and hazardous material cleanup, services not provided during Florence.

Council members expressed concern about future hurricane seasons and the unpredictability of federal reimbursement. Mayor Pro Tem Board noted that \$1.5 million might not adequately cover a severe hurricane season, while Councilor Miller calculated that inflation since 2018 would push equivalent costs over \$2 million. The council discussed that having funds upfront allowed them to pay contractors immediately rather than waiting for reimbursement. Mayor Toner emphasized that the disaster recovery fund is for more than just hurricanes.

The consensus of the Town Council was to sunset the one-cent disaster recovery tax as required by the original ordinance, target \$2 million in the disaster recovery fund by the end of fiscal year 2026 using existing surplus funds, and budget \$250,000 from general funds for fiscal year 2027 to continue building the reserve. Future council decisions would determine whether to continue this approach or reinstitute the tax if needed. The budget will be presented at 5 cents instead of 6 cents. Nothing else needs to be done.

Fiscal 2026-2027 Decisions

a. Fireworks vs. Drone Show Decision

Ms. Haran presented options for the town's 250th anniversary celebration, comparing traditional fireworks to a drone show. Both options cost approximately \$25,000, but the drone show would only last thirteen (13) minutes compared to a longer fireworks display.

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Mayor Toner informed council that the General Manager of Troon is willing to work with the town but is hesitant about fireworks due to Property Owners Association (POA) concerns about property damage, though he would support a drone show.

Mayor Pro Tem Board expressed strong preference for traditional fireworks for this milestone celebration, stating the drone show wasn't celebratory enough for people to remember and discuss in the future. He emphasized this was the 250th anniversary, a milestone many generations would only experience once. The council discussed increasing the fireworks budget from \$25,000 to \$30,000 to create a more impressive show for the special anniversary. They agreed the mayor would speak with the Troon General Manager again about doing fireworks despite POA concerns, and Town Manager Jeff Repp would discuss insurance arrangements if needed. The decision will be finalized within two weeks to allow time for reservations.

b. Auditor Process

Ms. Haran proposed conducting a Request for Proposals process for audit services, noting that many towns solicit new auditors every 4-5 years. The current audit typically costs around \$23,000 annually. Council supported the RFP process, though they acknowledged limited options among qualified firms in the region. The process will provide comparative pricing and ensure the town receives competitive rates for audit services.

Council took a lunch break at 11:42am and the meeting resumed at 12:17pm.

Discussions/Decisions on Various Topics

a. Update AV Solutions, software and equipment

Ms. Haran reported that AV contractor 20/20 (formerly Landmark) has conducted initial assessments at the Event Center and will return after early voting to complete their assessment and provide recommendations. The company is local to Wilmington and can provide on-site support due to the new equipment being non-proprietary, unlike the current equipment which requires a vendor based near Raleigh to maintain the equipment. The assessment will result in recommendations for comprehensive upgrades including microphone systems, improved cameras, and TV walls for both meeting spaces. The budget already includes \$50,000 for a TV wall in the smaller meeting room, which will be integrated into the overall upgrade plan. Ms. Haran estimated \$200,000 total for comprehensive AV upgrades, noting the TV walls were modular and repairable (individual panels could be replaced rather than entire systems).

b. Update on Replacing six (6) additional streetlights along St. James Drive

Mayor Pro Tem Board had provided Jeff Repp with a Google Earth map showing six locations with old streetlights needing replacement with newer LED models for consistency from the entrance to the main gate. These included four lights entering the Reserve on Ridgecrest before the circle and two on St. James Drive near the pickleball entrance. Mr. Repp informed council that Clayton (BEMC) indicated they would replace these lights as part of their ongoing project, though timing remained uncertain. Parking lot lights around Town Hall and the Event Center that were reported to be dim have recently been replaced.

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c. Gazebo Utilization

Mayor Pro Tem Board inquired about the gazebo's lack of use despite significant construction costs. The council discussed potential reasons including location, size limitations, and lack of amenities compared to successful pavilions elsewhere. It is currently not aesthetically pleasing with the 211 construction. In the past it has been used for photos.

d. Cellular Coverage

Mr. Repp reported a new 155-foot monopole communication tower was being reviewed by Brunswick County for administrative approval near the airport. The tower would be owned by Northwind Optima Tower, who would lease space to a carrier. The council discussed their lack of control over cellular service providers and tower placement, noting federal regulations limit local authority. They hoped the new tower would improve service, particularly for the eastern side of town.

e. NC 211 Median Landscaping

Mr. Repp explained that NCDOT would address median landscaping at the March work session. The original agreement included the town maintaining enhanced landscaping that NCDOT would install using an additional 1% budget allocation for enhancements within town limits. The council wanted to confirm contract details with Dave DeLong, who had negotiated the original agreement. Mr. Repp will ask NCDOT to research their contract so that it can be addressed with council. Councilor Barclay emphasized the importance of attractive, low-maintenance landscaping to avoid problems seen in other areas.

f. Event Center Expansion Progress

Mr. Repp reported that the Request for Qualifications (RFQ) for architectural services has been advertised in the newspaper with proposals due March 17th. A selection committee will rank proposals and present a recommendation to council for negotiating design contracts. The design process is expected to take 6-8 months, with real costs and designs available by year-end 2026. The budget includes \$400,000 for professional services, representing approximately 15-17% of the estimated construction cost. Council will vote on the architectural contract at the May regular meeting, representing a significant commitment to the expansion project before the final construction decision.

g. Fire Department Recognition Event

Mayor Toner added an additional item to discuss. She suggested that the town provide recognition for the fire department given their excellent relationship and service. Ideas discussed included a party, citizen recognition day, catered dinner, ice cream social, or pool party for approximately 200 people (100+ department members plus spouses). Councilor Dutney agreed to research what events the fire department already has planned to avoid duplication. The budget could range from \$5,000 to \$10,000.

Expense Items expected in the 2026-2027 budget

Ms. Haran gave an update on budget items expected in the 2026-2027 budget which will include several continuing and new items.

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Continuing programs: Fire Department funding (\$915,000 including capital and operating expenses), UNCW partnership (\$20,000), fishing derby, veterans' breakfast, drone mapping, holiday lighting, two shred events, and volunteer appreciation luncheon.

New items: State health plan surcharge (2.4% of salaries, approximately \$16,000), clerk training program (\$10,000 for tuition and travel), snow removal budget (\$10,000), emergency management furniture (\$5,000), website ADA compliance (\$40-\$60 monthly), and UDO review and update (\$38,000). Brunswick Big Band is scheduled to perform at the Event Center on July 2nd as part of the 250th celebration of America.

UNCW: Council also discussed their continued partnership with UNCW. The consensus of Council was to potentially make another one-time contribution to the endowment so as to allow for the disbursement of scholarship funds. Ms. Haran reported there have been continuous discussions with UNCW as to how to increase the endowment but have yet to come up with a good plan. The Oyster Dinner was a way to advertise to the public. Mayor Toner will talk to Lindsay Creighton regarding publicity material.

Mayor Pro Tem Board inquired about whether the town is responsible for public safety. He raised concerns about a dangerous intersection at Seafield Drive/Middleton Road, requesting that staff petition NCDOT for a traffic signal. The council agreed to make another request despite previous denials.

Mayor Toner informed council about a resolution opposing the Fuquay-Varina interbasin water transfer from the Cape Fear River without replacement. This involves six million gallons daily that wouldn't be returned to the river system, potentially affecting downstream communities. Nineteen Brunswick County municipalities were asked to submit individual resolutions to the DEQ committee as public comment. Council supported the resolution which will be added to the regular meeting agenda in March.

ADJOURNMENT

Mayor Toner adjourned the Budget Workshop at 1:33pm.

Respectfully Submitted,

Approved,

Jamie Burns, Town Clerk

Jean R. Toner, Mayor