

TOWN OF ST. JAMES WORK SESSION MINUTES
April 16, 2026

The St. James Town Council held a Work Session on April 16, 2026 in the Earl Dye Council Chamber. Mayor Toner opened the Work Session at 10:01 a.m.

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

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

Others Present: Jim Crum (SJFD Board of Directors President), Rich Agar (SJFD Board of Directors Treasurer), State Port Pilot Reporter Eliot Duke, and 7 residents.

Attending Via Zoom: Project Engineer Larry Mitchell with CDM Smith and Senior Project Manager Paul Goss with Brunswick County Utilities.

Administration Update

- a. *St. James Water Pressure Update – Project Engineer Larry Mitchell with CDM Smith and Paul Goss Senior Project Manager with Brunswick County Public Utilities.*

Town Manager Jeff Repp introduced Larry Mitchell with CDM Smith, noting that the last project update presented to Town Council was in July 2025. Mr. Repp indicated that a progress meeting held last week generated significant information warranting an update to the Council. Mr. Mitchell introduced Paul Goss as the new Senior Project Manager with Brunswick County Public Utilities who is the successor of the recently retired Bob Tweedy. Mr. Goss stated he has been in the role for approximately six months.

Phase 2 Construction (Highway 211 Corridor): The 12-inch water main installation along the Highway 211 corridor is approximately 40-50 percent complete, with the contractor, State Utilities, making good progress. Internal pipeline work within the town, involving horizontal direction drilling near the golf course and open trenching in several residential areas, was expected to begin in earnest within two weeks. All necessary easements have been secured from cooperating parties including Troon, the St. James POA, the Reserve Development, and several private property owners.

Schedule: The project completion date has shifted from June to September 2026, primarily due to delays in executing a hold-harmless agreement with NCDOT roadway contractor Barnhill. Mr. Mitchell noted there is anticipation of beating the September deadline.

Pressure Sustaining Valve: Work at the water treatment plant on the pressure sustaining valve is progressing ahead of schedule. Upon full project completion, hydraulic modeling projects a minimum of 40 PSI throughout the entire town under peak demand conditions. Mr. Mitchell confirmed for Mr. Repp that no one should go below 40 PSI. During preliminary engineering for the project over 900 homes were identified to have pressures less than 40 PSI.

Phase 3 (Highway 906/Conservation Easement): The preferred route for the Phase 3 pipeline runs through a Brunswick Electric Membership Cooperative (BEMC) right-of-

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way that crosses a highly restrictive, multi-agency conservation easement created as mitigation for the construction of Middleton Boulevard. CDM Smith has been working for over a year to obtain permission from NCDOT and the NC Attorney General's office to directionally drill approximately 30 feet beneath the conservation easement, which would have less environmental impact, prevent private property easements, and would be approximately \$750,000 less costly than alternate routes. As of the meeting, a revised proposal with detailed easement language was to be submitted to NCDOT the following day. The door has not been officially closed on this approach. A backup alignment exists but would involve the conservation easement as well, a greater cost and complexity.

Town Manager Jeff Repp asked Mr. Mitchell to clarify for the Town Council whether the Highway 906 segment was necessary for the project to deliver meaningful results. Mr. Mitchell confirmed the majority of the town will see improvements from the work currently underway, and that the Highway 906 connection, while important for completing the pressure zone and serving the higher elevation areas, is not the sole determinant of success.

Councilor Bill Miller asked whether higher pressures could damage older infrastructure. Mr. Mitchell indicated that operation pressures would be in the 60 PSI range, well below the 120 PSI threshold where system problems typically occur. Though increased pressure may cause existing minor leaks to become visible in the county system.

The Town Council requested that the presentation slides be shared and posted on the town's website. No further questions were raised, and Town Council thanked Mr. Mitchell and Mr. Goss for their time.

Larry Mitchell and Paul Goss left the meeting at 10:30 a.m.

b. *FY 2027 Preliminary Budget Review*

Finance Director Pauline Haran presented the preliminary budget to the Council. She prefaced the presentation by noting that the budget is a work in progress and that minor changes are expected before the public hearing, including updated figures from the St. James Fire Department.

St. James Fire Department Capital Update: Mr. Crum noted that a new fire chief will have input on the long-term capital vehicle replacement plan, particularly regarding smaller vehicles. He emphasized the department's continued commitment to working collaboratively with the town on capital planning and maintaining a cash-basis approach to major purchases. Mr. Agar confirmed that the Board of Fire Commissioners had recently approved the departments operating budget with two changes from what was discussed at the budget retreat: fire fees from Brunswick County were reduced by approximately \$5,000 (due to two parcels being merged by their owner into a single property, resulting in the loss of one \$11,000 fee cap), and the building and grounds budget was increased by \$10,000 for facility improvements at Station 1. The net change to the operating budget is an increase of \$15,447. It was confirmed that the tower truck and ambulance remain on schedule for delivery between the end of 2027 and the end of 2028 under fixed-price contracts.

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Jim Crum and Rich Agar left the meeting at 10:46 a.m.

Ms. Haran identified the following as the key highlights of the proposed FY27 budget:

- Elimination of the \$0.01 disaster recovery tax; The one-cent tax was determined to have met its purpose by establishing a fund of \$1,500,000 and will sunset per the terms of the original ordinance. Any future contributions to the disaster recovery fund will be made on a voluntary basis from recurring revenues. No separate resolution is required.
- Fire Department Capital reserves: The FY27 budget proposes a \$500,000 contribution to the St. James Fire Department long-term capital reserve fund (increased from \$250,000 in the prior year) to prevent a projected \$800,000 deficit by FY30. With the current-year \$250,000 transfer (per a resolution to be adopted at the May council meeting), the reserved balance will reach approximately \$2,401,000 at the end of FY26.
- Disaster Recovery Fund: A resolution for the May council meeting will assign \$531,467 of current-year fund balance to disaster recovery, bringing that fund to \$2,000,000 at the end of FY26. The FY27 budget includes an additional \$250,000 voluntary contribution to this fund.
- Other notable items: The budget includes funding for audio-visual system replacement across both buildings (approximately \$600,000, to be formally approved separately), architectural fees for the Homer E. Wright Event Center expansion, an EOC furniture line item, accounting software, snow removal, a new ice machine for the Event Center, a volunteers lunch, a \$30,000 fireworks budget, and a \$133,000 contingency related to the debris site/land swap.

The proposed FY27 total budget is \$5,760,000, balanced as presented. Ms. Haran noted that revenues reflect an approximately 3 percent overall decrease due to the elimination of the one-cent tax, partially offset by projected increases in sales tax. A \$320,000 carbon reduction grant from NCDOT for street lighting, which is part of a \$400,000 project, is expected to be closed out prior to June 30th.

Personnel: A 2.5% COLA (down from last year) and up to 4% merit increase consistent with prior years are proposed. The budget also anticipates a 2.4% state health plan surcharge on payroll (effective July 1, 2026) and increasing retirement system rates (up to 15.1%). A pay classification study and compensation study is underway. It is uncertain whether results will be available prior to the public hearing. A contingency amount to cover anticipated costs for the compensation study may be added to maintain budget flexibility.

c. *Proposed Fee Schedule*

Finance Director Pauline Haran presented the proposed FY27 fee schedule, noting that it will be formally adopted as part of the budget ordinance. Town Manager Jeff Repp and Wes MacLeod of AnchorPoint Planning collaborated on the zoning-related fee revisions, benchmarked against surrounding jurisdictions. Some fees were increased and some fees that did not previously exist were added. No changes were found to be significantly

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burdensome to residents. Changes were added regarding advertising on the digital sign. There was discussion regarding changes in fees for the digital sign. Town Council found the wording to be confusing and agreed the wording needed to be clarified. Staff will revise the language before adoption.

d. *A/E Statement of Qualifications for Wright Event Center – Sawyer, Sherwood & Associates Architecture*

Town Manager Repp explained that the town publicly advertised for architectural services and received only one response which was from Sawyer, Sherwood, and Associates Architecture, the firm that designed the original Town Hall and Event Center. Under the Mini Brooks Act, a single qualifying respondent may be awarded a professional services contract based on qualifications rather than price.

The council expressed no objection to the selection of Sawyer, Sherwood and Associates. Mr. Repp indicated he would proceed to request a formal fee proposal. If the council approves the contract architectural fees would be drawn against the \$400,000 budgeted in FY27 for design services. Mr. Repp noted that awarding the architectural contract represents a practical commitment to the project, as the drawings would have limited shelf life if the town later chose not to proceed with construction.

e. *March 2026 Zoning Report*

Presented in the council packet. There was no formal discussion on this item.

Mr. Repp noted that the town received submittal documents from the developers of CN1, the commercial property/supermarket project. The materials were being distributed to the Technical Review Committee for a two-week comment period, with permits to begin construction on the supermarket site anticipated within approximately 30 days.

Mr. Repp also noted 10 applicants for the Planning Board position and indicated the council would review applications and provide direction at the next meeting

f. *March Wright Event Center Report & Surveys*

Presented in the council packet. There was no formal discussion on this item.

Regarding the audio-visual /TV wall project: the council agreed it made no sense to spend \$89,000 on a standalone tv wall installation when the comprehensive \$600,000 AV replacement project was expected to commence in July. Staff will advise the AV contractor to incorporate the TV wall into the larger contract. The AV contractor (20-20) is expected to present the full proposal at the May work session.

Finance Update:

a. *March 2026 Finance Report (Presented at Meeting)*

Finance Director Pauline Haran reported that through April 14, 2026, the town has collected \$5,142,120 in revenue and expended \$3,871, 926, reflecting the town's consistent practice of conservative spending and revenue.

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Ms. Haran noted that audit RFPs were due the following day (April 17). Four to five proposals were anticipated, and Ms. Haran planned to review them over the weekend and discuss with the Town Manager.

b. Review of Fund Transfer Resolutions for May Public Meeting

Two draft resolutions were presented for council review in advance of the May public meeting:

- Resolution #2026-03: Assigns \$250,000 of FY26 fund balance to Fire Protection (St. James Fire Department capital reserves).
- Resolution #2026-04: Assigns \$531,467 of FY26 fund balance to Disaster Recovery, bringing that fund to \$2,000,000.

The Council reviewed both resolutions without objection. Formal adoption is scheduled for the May council meeting.

Adjournment

Mayor Toner adjourned the Work Session at 12:12 p.m. Staff noted a potential date change for the May work session from Thursday, May 21 to Tuesday, May 19 due to a scheduling conflict for the Town Manager. A confirming email will be distributed to council.

Respectfully Submitted,

Approved,

Jamie Burns, Town Clerk

Jean R. Toner, Mayor