

**TOWN OF LELAND  
REGULAR COUNCIL MEETING  
THURSDAY, MAY 15, 2008  
7:00 P.M.**

**ASSEMBLY**

The Town of Leland Council held their regular meeting on Thursday, May 15, 2008 at 7:00 p.m. at Leland Town Hall, 102 Town Hall Drive.

Present were: Walter Futch, Mayor; Councilmen: Herbert Barnes, Brenda Bozeman, Gordon Hobbs and Tommy Wallace.

Also present were: Bill Farris, Town Manager; Carol Ann Floyd, MMC, Town Clerk; Donna Strickland, CMC, Finance Officer; Jimmy Strickland, Public Works Director; Melody Jennings, Planning Director; Niel Brooks, Planner I; Robert Waring, Planner I; Nicholas Giacobbe, Interim Police Chief and John Wessell, Town Attorney.

**7:00:21 PM CALL TO ORDER, INVOCATION & PLEDGE OF ALLEGIANCE**

Mayor Futch called the meeting to order at 7:00 p.m. A quorum was present. Councilman Hobbs gave the invocation. Everyone stood and gave Pledge of Allegiance to the Flag of the United States of America.

**7:01:17 PM APPROVAL OF THE AGENDA**

Mayor Futch stated that we had one addition to the agenda.

15B Resolution – Authorizing Contract for Town Hall  
Master Planning

Mayor Futch asked if there were any other additions or deletions to the agenda. Mr. Farris stated that agenda item #4B-2, 3 and #6 for the voluntary annexation of Ashton Place that we have received verbal information that the petitioner would like to withdraw. Mr. Farris stated that he doesn't have that in writing so he asked that those items be continued until next month.

Councilman Hobbs **MOVED, SECONDED** by Councilman Wallace to approve the agenda as presented with the addition and continuations until the June 19, 2008 meeting as stated above. The **MOTION CARRIED UNANIMOUSLY.**

**PUBLIC COMMENT**

**Robyn Watts – Tax Certification**

Mayor Futch stated that we will move until next meeting because she is sick.

**Recognition – Ashli Barefoot, Niel Brooks & Robert Waring – MPA degrees**

Mayor Futch stated that these individuals have been working full-time jobs here at the town and they have all completed their Master of Public Administration degrees at UNCW. Mayor Futch stated that this was a tremendous feat and that we are really proud of them and thanked them for obtaining those degrees because it will be a big help to the town.

**Recognition – Dana Williams – Building Inspection Certificate**

Mayor Futch stated that Dana has achieved her Building Inspector Level 1 and the town appreciates all of the hard work.

**7:05:50 PM** Alice Razzano stated that she appeared here 2 months ago about the dust ball they are having. Ms. Razzano stated that she talks with Mr. Turner on a weekly basis and he keeps promising to do something and nothing has been done yet. Ms. Razzano asked the town if they could do something before going to NCDENR. Mr. Wessell stated that he thought that contacting the NCDENR would be the next step, that the town had no ordinances concerning sedimentation and erosion.

David Smith stated that he has lived here since 1972. Mr. Smith stated that when the town incorporated he served as Vice Chairman of the planning board. Mr. Smith stated he has been Chairman for the Board of Adjustment since the board had been formed. Mr. Smith stated that he is concerned with some of the issues that come before the board and the decisions that the board has to make. Mr. Smith stated that in serving 18 years on the board that on a recent case they did the right thing but it was the wrong thing to do. Mr. Smith stated that businesses are trying to move into our community. Mr. Smith stated use Wal-Mart as an example based on our ordinance the big businesses are only allowed a 32 square foot sign. Mr. Smith stated that is totally out of proportion. Mr. Smith stated that it's not conducive to a town of what we are trying to build. Mr. Smith stated that communities like Waterford and Brunswick Forest that had the Board of Adjustment not deemed and see fit the kind of entrances that they have they would not been allowed to have those signs. Mr. Smith stated that our ordinance is so far out it's actually driving businesses away. Mr. Smith stated that the individual that came on Monday night came all that way from Tennessee and couldn't return tonight, financial wise and that they didn't do him justice or his business.

Mayor Futch asked where we were with the sign re-write. Mr. Brooks stated that they are meeting about every two(2) weeks. Mr. Brooks stated that they have the definition section done and they are getting ready to tackle some of the main issues. Mr. Brooks stated that there has been some discussion on getting some stop gap measures considering the pace of development. Mr. Brooks stated that they are looking at on the whole sign ordinance looking at what we have and projecting into the future what we are going to need. Mr. Brooks stated that one of the big things is do we need to tweak the existing ordinance or do we need to look at incorporating some elements and kind of go in a different direction. Mr. Brooks stated that some ideas have been a different direction like overlay zones. Mr. Brooks stated that what they have to work with on a daily basis is what we have here and the way it's broken down is by zoning district. Mr. Brooks stated that possibly looking at the tables individually with the size limitations for the time being. Mr. Brooks stated that for a total re-write we are looking at least six(6) months.

Mr. Smith stated that most of what if being brought to the board is wall signs, monument signs and off-premise signs. Mr. Smith stated that he was not concerned about monument signs as the wall signs. Mr. Smith stated that it divides the board tremendously because we want to do the right thing by the town and its citizens.

Mayor Futch stated that we have known we have had a problem for a while that is why we are doing the sign re-write. Mayor Futch stated that we have not seen an influx of businesses that we have had lately. Mayor Futch stated that we never envisioned when the sign ordinance was written that the Board of Adjustment would arbitrate that to the point they are having to. Mayor Futch stated that fair or not fair we have to abide by the law, so whatever the ordinance says, until it's changed, you have to go with that.

Mr. Farris stated that he did meet with Mr. Wessell and Ms. Jennings today and there are some stop gap things that we could do. Mr. Farris stated that the fact is it's an amendment to the zoning ordinance it would be a 60 to 90 days out.

Mr. Smith stated that the board would like the council and the planning board to come up with a number that says the ordinance is being worked on and in the future this is what we intend to at least consider a maximum size sign. Mr. Smith stated that 32 square feet is not it.

Mr. Wessell stated that he had attended two(2) of the Board of Adjustment meetings and that he senses the frustration that they are feeling. Mr. Wessell stated that he suggests trying to address wall and monument signs on a short term basis, if the council is willing, and re-write the balance of the ordinance is whatever time that may take.

Councilman Bozeman **MOVED, SECONDED** by Councilman Hobbs direct staff to come up with a stop gap measure for the sign ordinance. The **MOTION CARRIED UNANIMOUSLY.**

### **7:23:56 PM APPROVAL OF CONSENT AGENDA**

The consent agenda under consideration by the council was as follows:

- A. *Approval of Minutes* *April 17, 2008 – Regular Meeting  
April 18, 2008 – Special Meeting  
April 23, 2008 – Special Meeting*
  
- B. *Set Public Hearings* *Regular Meeting – June 19, 2008 –  
7:00 p.m. or shortly thereafter  
1) Site Specific Plan – SSP 07-3946 – Brunswick Forest –  
Phase 1 – Section 2 – Village 2A & 3A  
2) Annexation Petition – Ashton Place – Ashton Place –  
1345 Clancy Drive NE – Parcel #s 02900084,  
037AC00101-104, 037AC001-19, 037AD001-007 – 22.62  
acres +/-  
3) Initial Zoning – Annexation Petition –  
Ashton Place – 1345 Clancy Drive NE – Parcel #s  
02900084, 037AC00101-104, 037AC001-19, 037AD001-  
007 – 22.62 acres +/-*
  
- C. *Resolution* *Naming the Town Hall Playground*
  
- D. *Resolution* *LOC 06-1826 – Jefferson Landing at  
Brunswick Forest, LLC – Jefferson Landing at Brunswick  
Forest Subdivision – Section 2 Lots 9-123, 205, 206, 295 &  
296 – Reduce amount to \$23,437.50 and extend the  
expiration date to May 19, 2009*
  
- E. *Developmental Services* *Posting New Letter of Credits  
1) LOC 08-4030 – Funston Land &  
Timber, LLC – Brunswick Forest – Phase 5, Section 1 –  
\$3,379,248.06 expires May 15, 2009  
2) LOC 08-4029 – Funston Land & Timber, LLC –  
Brunswick Forest – Phase 3 – Section 1 – \$5,899,857.94  
expires May 15, 2009  
3) LOC 07-3985 – Kardan Holdings, LLC – The Willows –  
Phase 3A – \$48,901.25 expires May 15, 2009  
4) LOC 08-4045 – Stevens Homes Investments, LLC –  
South Brook at Mallory Creek – \$13,237.50 expires April  
29, 2009  
5) LOC 08-4044 – Stevens Home Investment, LLC –  
Ridgewood Park at Mallory Creek – \$13,750 expires April  
29, 2009  
6) LOC 08-4051 – Dominion Land Corporation – A  
Southern Community of Homes & Commerce – Tracts 4, 5,  
6, 7 & 11 – \$151,176.25 expires May 15, 2009*

Councilman Wallace **MOVED, SECONDED** by Councilman Bozeman to approve the consent agenda as presented with the exclusions as stated previously. The **MOTION CARRIED UNANIMOUSLY.**

**7:24:27 PM PUBLIC HEARING & ORDINANCE 08-12 – TEXT AMENDMENT – TXT-07-3984 – ALLOW AMBULANCE SERVICE IN C-3 – S&K VENUTRES STATEMENT OF CONSISTENCY**

Mayor Futch opened the public hearing at 7:24 p.m.

Mr. Brooks gave the following presentation:

**GENERAL INFORMATION**

Applicant: S&K Ventures  
Purpose: To amend the Town of Leland Zoning Ordinance to allow Ambulance Service as a permitted use in the C-3 zoning district. (Amend Sec. 30-181. Permitted uses).

**BACKGROUND**

Currently, the Town of Leland Zoning Ordinance does not allow Ambulance Service as a permitted use in the Commercial Trucking (C-3) district. Currently, there are 28 permitted commercial uses allowed within the C-3 district and 8 residential uses. Ambulance Services are currently allowed only in the C-1, C-2, O&I and PUD zoning districts.

**SUMMARY**  
The applicant wishes to amend Sec. 30-181. Permitted Uses to allow for Ambulance Services within the C-3 district. In order to allow for the use, the Town's Zoning Ordinance would have to be amended. Attached you will find a text amendment that would allow Ambulance Service as a permitted use. Staff feels such a use is consistent with the Town of Leland Land Use Plan.

Staff recommendation: Approval  
Planning Board recommendation: Approval

**7:26:30 PM** Mayor Futch closed the public hearing at 7:26 p.m.

The ordinance and statement of consistency under consideration by the council was as follows:

Introduced by: Niel Brooks, Planner I Date: 05/15/2008

ORDINANCE 08-12  
AMENDING SECTION 30-181 OF THE CODE OF ORDINANCES,  
TOWN OF LELAND, NORTH CAROLINA

The Town Council of the Town of Leland, North Carolina, doth ordain:

1. That Section 30-181. Permitted uses., of the Code of Ordinances, Town of Leland, North Carolina, is amended by adding a new use under the "TRANSPORTATION, WHOLESALE" heading, such new use being an "Ambulance service" as a permitted use in the C-1 general commercial business district, C-2 regional business commercial business district, C-3 commercial trucking district, O&I office and institutional district and PUD planned unit development district.
2. If this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given separate effect and to that end the provisions of this ordinance are declared to be severable.
3. Any ordinance or any part of the ordinance in conflict with this Ordinance, to the extent of such conflict, is hereby repealed.
4. This Ordinance is adopted in the interest of public health, safety and general welfare of the inhabitants of the Town of Leland, North Carolina, and shall be in full force and effect from and after its adoption.

\_\_\_\_\_  
Walter B. Futch, Jr., Mayor

Adopted at a regular meeting  
on May 15, 2008  
Attest:

Approved as to Form:

\_\_\_\_\_  
Carol Ann Floyd, MMC  
Town Clerk

\_\_\_\_\_  
John C. Wessell III, Town Attorney

(SEAL)

Leland Town Council Consistency Statement  
Zoning Map/Land Development Code Amendment Requests

Approval - This request is consistent with the objectives and policies of the following plans adopted by the Town of Leland:

- 1999 CAMA Land Use Plan  
 Collector Street Plan  
 Other: \_\_\_\_\_

Denial - This request is not consistent with the objectives and policies of the following plans adopted by the Town of Leland:

- 1999 CAMA Land Use Plan  
 Collector Street Plan  
 Other: \_\_\_\_\_

Therefore, the Leland Town Council does not consider this action to be reasonable and in the public interest and recommends denial of this request.

Comments:

This report reflects the recommendation of the Leland Town Council, this the 15<sup>th</sup> day of May 2008.

Attest:

\_\_\_\_\_  
Walter Futch, Mayor

Councilman Barnes **MOVED, SECONDED** by Councilman Hobbs to adopt Ordinance 08-12 and the Statement of Consistency as presented. The **MOTION CARRIED UNANIMOUSLY**.

**ANNEXATION PETITION – NON CONTIGUOUS – ASHTON PLACE – 1345 CLANCY DRIVE NE – PARCEL #S 02900084, 037AC00101-104, 037AC001-19, 037AD001-007 – 22.62 ACRES +/-**

**RESOLUTION – DIRECTING THE CLERK TO INVESTIGATE THE SUFFICIENCY OF THE ANNEXATION PETITION  
CERTIFICATE OF SUFFICIENCY – ASHTON PLACE**

As previously motioned to continue until next month's regular council meeting.

**7:28:47 PM RESOLUTION – APPROVING LEASE OF PROPERTY TO CURTIS G. TOWNSEND**

The resolution under consideration by the council was as follows:

Introduced by: Landon Barker, Executive Assistant Date: 05/15/2008  
Resolution Approving the Lease of Property to Curtis G. Townsend

INTENT/PURPOSE:

The Town of Leland is authorized pursuant to G.S. 160A-272 to lease property for such terms and upon such conditions as the Town Council may determine. Notification of the Town Council's intent to lease property was published.

THEREFORE, BE IT RESOLVED:

1. The Town Council of the Town of Leland hereby authorizes the Mayor to execute a lease agreement with Curtis G. Townsend for property owned by the Town of Leland, said property being 852 Appleton Way, and being more particularly described in a copy of the lease agreement attached.
2. The Town Council of the Town of Leland hereby determines that the property described in the lease agreement will not be needed by the Town for the term of the lease.

\_\_\_\_\_  
Walter B. Futch, Jr., Mayor

Adopted at a regular meeting  
On May 15, 2008  
Attest:

\_\_\_\_\_  
Carol Ann Floyd, MMC

Town Clerk

Councilman Hobbs **MOVED, SECONDED** by Councilman Wallace to adopt the resolution as presented. The **MOTION CARRIED UNANIMOUSLY.**

**7:31:32 PM RESOLUTION – FIRE INSPECTION PAYMENT**

The resolution under consideration by the council was as follows:

Introduced by: Town Manager Date: May 15, 2008

Resolution Authorizing Payment to Leland Volunteer Fire and  
Rescue Department (LVFRD)

INTENT/PURPOSE:

In August 2006 Town Council approved an agreement whereby the LVFRD assumed responsibility for operating the Town's fire inspection program. The Council also adopted a fee schedule that was developed jointly by building inspections and the fire department. The goal was to cover the costs incurred by LVFRD with fire inspection fees. It was understood that initially the Town might be required to subsidize the program.

The program was fully implemented during the current fiscal year; however, it has not been operational for the entire year. Fire fees will not cover costs in the current year. It is expected that a subsidy will be required next fiscal year.

A budget of \$10,000 to help offset costs was established in the current year building inspections budget. An additional \$15,000 is needed in the current fiscal year.

The resolution authorizes additional payments to LVFRD for fire inspections. Town Council wishes to ensure that subsidies for the service do not exceed the Town's cost for providing the service with its own personnel.

THEREFORE, BE IT RESOLVED:

1. THAT the Town Council authorizes the Town Manager to reimburse the LVFRD up to \$25,000 in FY2007-08 for fire inspection service.
2. THAT the Town Council sets a limit of \$15,000 per fiscal year for reimbursements in future years.

\_\_\_\_\_  
Walter B. Futch, Jr., Mayor

Adopted at a regular meeting  
on May 15, 2008  
Attest:

\_\_\_\_\_  
Carol Ann Floyd, MMC  
Town Clerk

Councilman Wallace **MOVED, SECONDED** by Councilman Barnes to adopt the resolution as presented. Mayor Futch called for a discussion. Mayor Futch asked if the town bills for the fire inspections. Mr. Evans stated that the town sends out the bills for fire inspections. Mr. Farris stated that once a quarter the town would remit the fees to the fire departments for the fire inspections. Mayor Futch asked how we monitor the payments. Mr. Farris stated that we know how much has been collected in fees and if they collect \$40,000 in fees we wouldn't owe them anything. Mayor Futch stated that he thought we could generate \$40,000 for the first year and in future years if they generate \$40,000 in fees the town would not subsidize the fire department. Mayor Futch asked that be included in the resolution so they understand that we aren't just going give them \$15,000 dollars every year if they are covering more than their cost. Mr. Wessell stated that the town would reimburse the fire department the difference between their cost and the amount of the fees that they generate up to \$15,000. Mr. Farris read amendment as follows:

That the town council agrees to reimburse LVFRD for its inspection cost less fees collected up to a maximum of \$15,000. Councilman Wallace **MOVED, SECONDED** by Councilman Barnes accept the resolution as amended by Mr. Farris in paragraph #2. The **MOTION CARRIED UNANIMOUSLY.**

**7:44:50 PM BUDGET FY 08-09  
PRESENT TO COUNCIL  
SET PUBLIC HEARING FOR THURSDAY, JUNE 5, 2008 @ 7:00 P.M.**

Mr. Farris presented the following budget message:

May 15, 2008  
Town Council  
Town Hall  
Leland, NC

Dear Mayor and Council Members:

I am pleased to submit the recommended budget for the fiscal year beginning July 1, 2008 and ending June 30, 2009. The budget is constructed to address the service and infrastructure needs of the growing community and to sustain the quality of life of all town residents. As in past years, the recommended budget is designed to continue providing for delivery of essential services and facilities at the lowest practical cost to Leland taxpayers and to keep overall costs at a level that fits the Town's projected revenues without adjustment of the tax rate. The recommended budget also provides for *quality of life* improvements that will help lead Leland toward recognition as the premiere place to live and work in the region.

This year we are moving toward a more strategic approach to the recommended budget. To the extent possible, available resources are focused on services, programs, and improvements that address the priorities set by Town Council at its spring workshop. The budget also provides delivery of the Town's basic services.

The strategic work plan is summarized in the box on page \_\_. Additional details on specific services, programs, and projects are provided in the departmental sections of the budget.

**THE GENERAL FUND**

Revenues. Total general fund revenues are projected at \$6,001,200 for the new budget year.

The general fund is balanced with a property tax rate of \$0.1166 per \$100 of assessed valuation. At this tax rate, the projected tax levy is \$1,863,035 and the projected revenue from the property tax is \$1,825,800. The projected revenue is the tax levy adjusted by the town's collection rate.

According to estimates from the Brunswick County Tax Department, the Town's assessed valuation for FY2008-09 is \$1,597,825,340.

FY 2008-2009 Strategic Service Plan	
Strategy 1—	Deliver exemplary services to residents and businesses in the Town of Leland
<input type="checkbox"/>	Create a plan to improve the town hall campus and to provide office and public spaces that support efficient operations and customer service.
<input type="checkbox"/>	Conduct a complete review of the town code and make adjustments necessary to make it an effective guidebook for town operations.
<input type="checkbox"/>	Implement a process to measure how well we deliver town services.
<input type="checkbox"/>	Use a town-wide information system that allows response to growing requests for information, allows production of tailored reports, reduce costs, and improve overall service.
Strategy 2—	Make Leland the most beautiful and livable community in the Cape Fear region
<input type="checkbox"/>	Initiate implementation of the master plan.
<input type="checkbox"/>	Work to provide real transportation options for residents, including timely implementation of the Village Rd. project, initiating at least one major "catalyst project" from the bicycle plan, and continuing to support the Brunswick Connector.
<input type="checkbox"/>	Implement a Neighborhood Safety Initiative that focuses on education to address a range of neighborhood concerns.
<input type="checkbox"/>	Improve community appearance through a coordinated effort of code enforcement, assistance to property owners to achieve compliance, a selective demolition of abandoned, dilapidated houses.
<input type="checkbox"/>	Increase the amount and frequency of right-of-way maintenance.
<input type="checkbox"/>	Provide additional community recreation opportunities by expanding access to public trust waters and securing a <i>greenway</i> link to the Brunswick Nature Park.
Strategy 3—	Provide services that support a healthy environment
<input type="checkbox"/>	Continue implementation of the town-wide stormwater management program that is incorporated into the approved Phase II NPDES permit.

The valuation of property in the Town of Leland is an increase from \$1,383,942,510 for fiscal 2007-2008, or \$213,882,830. At the new property tax base, each \$0.01 of the tax rate produces a tax levy of \$159,783, unadjusted for the collection rate. The tax base growth reflects a fifteen percent increase for the year. While it is a sound increase, it is significantly below the average increase of approximately thirty-five percent in the four years before revaluation in FY2007-2008.

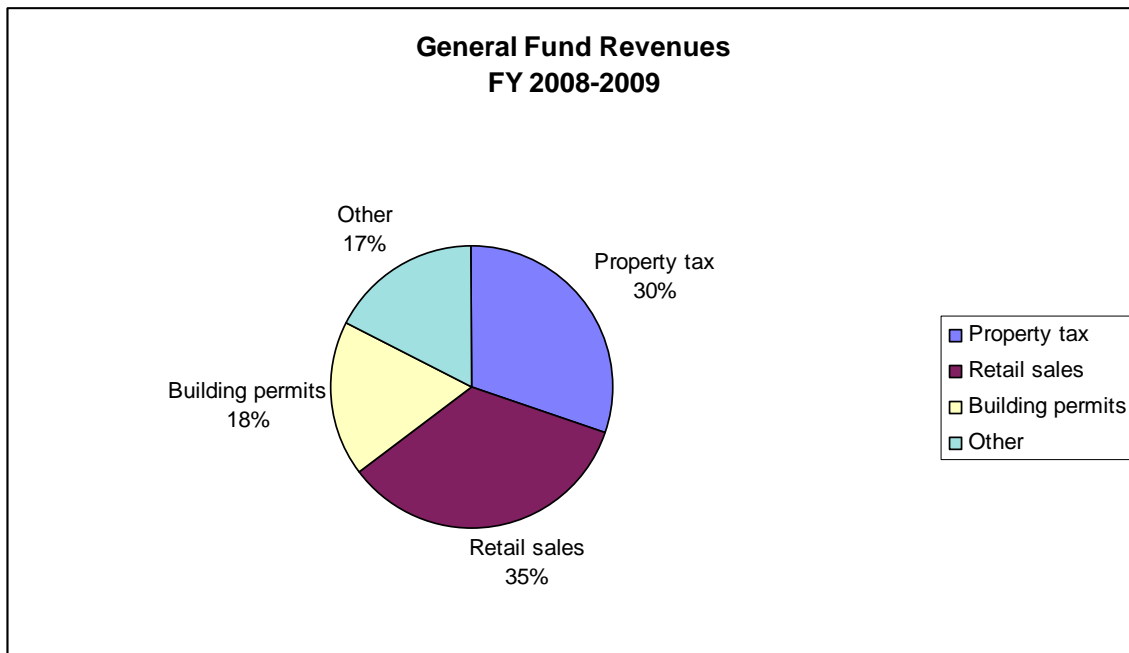
Sales and use tax receipts are a major source of revenue for the general fund. The budget projects \$2,050,000 in sales tax revenues in fiscal 2008-09. This projection is an increase of approximately three percent over anticipated receipts for the current year. In recent years, sales tax receipts, which are distributed in Brunswick County on a population basis, increased by approximately 12 percent per year. In the current year, the town's estimated population increased by nearly 100 percent, which produced a significant spike in revenues from retail sales. The town's population will grow this year but the growth will not be as dramatic. Also, retail sales are expected to be flat during the coming year. All of these factor point to a significantly lower rate of growth for retail sales revenues.

Building permit fees continue to be a significant component of general fund revenues in fiscal 2008-09; however the pace of building continues to moderate somewhat when compared to prior years. Revenues from building permits were projected to decline by 20 percent in the current year. Current estimates put fiscal 2007-08 revenues from building permit fees at \$1,100,000, or approximately 35 percent below the prior year. With some stabilization in residential building and increase in commercial activity, revenue from building permits is expected to stabilize. Therefore total revenue from building permits is projected at \$1,100,000, which is at the fiscal 2007-08 level.

General fund revenues include an appropriation of \$475,000 in fund balance. This recommended appropriation is part of the funds that are projected for "roll-out" from the current year budget. The appropriated fund balance is not used for recurring expenditures.

The chart on page \_ illustrates projected revenues for fiscal 2008-09.

Expenditures. Recommended general fund expenditures at \$6,001,200 are approximately 2.9% below the current level. The recommended budget includes expenditures by department, funding for existing and proposed reserves, and existing and new capital projects.



The recommended general fund expenditures for the coming year represent a significant reduction in the cost per capita for town services. In 2007-08, budgeted general fund expenditures were approximately \$786 per person and the recommended 2008-08 expenditures are \$625 per person\*.

The recommended general fund budget continues to emphasize the *delivery of exemplary services to the residents and businesses of Leland*. The budget includes two additional police officers and a Neighborhood Safety Initiative that will provide focused neighborhood level public safety services. Work continues on a fire substation on Old Lanvale Road to extend rapid response services to that area of town.

The recommended budget follows prior years with an allocation of funds to the transportation reserve. This reserve fund sets aside resources for highway improvements to address traffic management and safety needs.

\* 2006 population 6,710; 2007 population 9,607.

The budget continues operations in the public works department that address appearance and beautification. The budget includes equipment that allows the department to expand maintenance of public rights-of-way to NCDOT areas and to increase the frequency of mowing. In addition, the department continues implementation of the stormwater management program. The department will pave additional public dirt streets.

The stormwater program is a new program included in the FY2007-08 budget for the first time. This program is in response to the Town's approved Phase II stormwater permit issued by the NC Department of Environment and Natural Resources. The permit contains a multi-year work program that the Town is required to implement. The Town has a pending application for state funds for water quality improvements in the Lanvale Trace area. If this grant is approved, the project will get underway in the coming year.

The parks and water access capital project remains a priority. This project includes local funds to match grants from the state and other agencies to acquire and develop public access sites along the town's extensive public trust waters and shorelines. Development services focuses on programs to implement the numerous plans that have been prepared - master plan, bicycle plan, and open space and parks. In addition, development services and building inspections will cooperatively focus on code enforcement. Funding for demolition of vacant dilapidated houses and cleanup of nuisances continues.

In administration, new programs will allow the town to complete much more of its work in a digital format, allowing better access by employees and the public, more timely production of reports, and a significant reduction in storage requirements. Providing support for safety and employee health and wellness remain central themes.

Debt service. General fund debt service is consolidated into a debt service line item in the general fund. Debt service, at \$694,284, covers the debt payments on town hall, fire station, fire apparatus, and police vehicles.

GENERAL FUND  
CURRENT AND PROJECTED DEBT SERVICE

	Current Year	FY 2008-09	FY 2009-10	FY 2010-11
Town Hall Addition	58,962	57,098	32,446	0
Police Vehicles	146,735	146,735	146,735	0
Fire Trucks	184,173	184,173	184,173	184,173
Fire Department	231,367	225,720	220,073	214,427
Software Purchase	0	31,067	31,067	31,067
Lossen Land Purchase	0	0	49,444	48,249
Osborne Land Purchase	0	0	0	52,735
Town Hall Complex	0	0	380,000	375,000
Totals	621,237	644,793	1,043,938	905,651

THE POWELL BILL FUND

Revenues. Powell Bill revenues are projected to increase in the recommended budget to \$285,500. These funds are distributed according to a formula that considers population and total local public street miles.

Expenditures. Public works continues maintenance and repair of streets and sidewalks. These services include pot-hole repairs, patching, cleaning, mowing, and maintaining drainage systems in the public rights-of-way. The town is responsible for maintaining approximately 43 miles of public streets. Balances in the Powell Bill fund are allocated to street construction for paving dirt streets in the recommended budget.

THE SEWER ENTERPRISE FUND

Revenues. Total revenues in the sewer enterprise fund are estimated at \$2,186,940. These revenues are derived from two primary sources: user fees, which include the base rate plus usage, and impact fees. For fiscal 2008-09, total customers are estimated at 3,884 by year end. The projected customer base in July 2008, the first month of the new fiscal year, is 3,444 and the town expects to add 40 customers per month. Total user fees are projected to total \$1,106,940 for the year and impact fees are projected to total \$1,080,000.

No adjustments to user fees or the impact fee are recommended for the coming year. However, there is some possibility that Brunswick County will impose a surcharge for excess BOD at the treatment plant. In that event, it would be necessary to review the rate structure. For the Town's system, grease discharged into wastewater lines is a major source of BOD. Public works will continue its efforts to education customers about proper disposal of grease.

Expenditures. Total sewer enterprise fund expenditure is \$2,159,287. The major portion of operating expenditures is this fund is allocated to three areas: maintenance and repair to 46 miles of collection lines, 5 miles of force mains, and 22 lift stations; payment to Brunswick County for wastewater treatment costs; and contract payments to Brunswick County to retire debt on the Northeast Wastewater Treatment Plant. A total of \$583,000 is recommended for sewer operations in fiscal 2007-08. Of this total, \$500,000 is earmarked for wastewater treatment costs.

The budget includes funds to implement up-sizing the force main that connects Lift Station #3 to the county system. This potential improvement will address wastewater collection and treatment needs along the US 17 corridor.

The projected payment to Brunswick County to offset the debt on capital costs to construct the northeast wastewater treatment plant is \$225,387. This "debt service" payment is shown as a line item expenditure in sewer enterprise. Personnel and related support costs for the sewer enterprise fund are funded in the public works general fund budget. A transfer of \$125,000 from sewer enterprise to general fund is budgeted to cover these costs. Approximately \$1,080,000 from impact fees and other available revenues is transferred from sewer enterprise to the sewer capital reserve fund. These funds are available to help cover costs of upgrade and expansion to the collection and treatment system.

#### THE CAPITAL RESERVE FUNDS AND CAPITAL PROJECTS

Four capital reserve funds are included in the recommended budget. These funds are used to accumulate resources for future capital projects. These reserves are described below:

Space development fund - \$109,000 is transferred from fund balance for developing town facilities.

Transportation fund - \$90,000 is transferred from fund balance and \$40,000 transferred from the old sewer reserve fund to address highway priorities.

Parks capital reserve - \$50,000 is transferred from fund balance to provide a source of funds for future parks acquisition and development.

Sewer enterprise capital reserve - \$1,080,000 transferred from sewer enterprise to provide resources for future sewer system upgrades and expansions.

Three capital projects are included in the budget. The fire department capital project, with a revenue total of \$3,755,253, provides for continued construction of the Westport Fire Station and completion of the fire apparatus purchase.

The parks and water access project includes a transfer of \$131,000 from fund balance plus a state grant of \$318,750 to acquire and develop a water access site on Sturgeon Creek.

#### CAPITAL IMPROVEMENT PROGRAM

The budget includes a 3-year capital improvement program that identifies and schedules major projects that represent significant additions to the town's physical assets. As a rule of thumb, the CIP includes projects that cost more than \$20,000 and have a useful life of more than 10 years. Other capital items are included in departmental capital outlays.

#### NEW BUDGET INITIATIVES

The submitted budget includes a section that contains formal policies to guide the town's financial operations.

The submitted budget also includes a section that outlines goals and tasks for each department. This is the first step toward establishing *performance measures* that provide quality benchmarks for the town's operations. Performance measures will be established during FY2008-09 and made operational in FY2009-10. The staff will approach this task carefully to ensure that performance measures are simply, easy to track, and provide meaningful management information.

Preparation of the budget has been a team effort by the town's department heads and staff. We look forward to working with Town Council in its review of the recommended budget.

Respectfully submitted,

William B. Farris

Town Manager

Mr. Farris stated that he would break tradition this year and not read the budget message. Mr. Farris gave a summary of the budget message presented to the council. Mr. Farris stated that there was no appropriation of fund balance in the revenue projections for the general fund. Mr. Farris stated that any excess from this year would go into fund balance. Mr. Farris stated that next year's expenditures are slightly less than this year due to amending the budget and increased the level of expenditures. Mr. Farris stated that debt service is about at \$700,000 dollars and it will go up for a while before it comes back down. Mr. Farris stated that he had noticed an error in the budget message, not in the tables, the Powell Bill projected revenue should be \$285,500 not \$180,000 dollars. Mr. Farris stated that this is the first year we are moving toward establishing performance measures.

Mayor Futch asked if we were going to have any roll out this year and how much would it be. Mr. Farris stated that he believe we would have approximately \$400,000 dollars. Mayor Futch stated that he noticed in a couple of places that when showing authorized positions in the narrative it shows some positions are unfilled and unfunded, so he is confused. Mr. Farris stated that authorized positions show the number of positions for each department but the salary line does not include the unfunded position. Councilman Wallace stated that he still had curiosity

about the staff CPA. Mr. Farris stated that position had not been included in the budget. Mr. Farris stated that he would be happy to work with council on that and thinks we would want to develop a specific set of admission for that position. Councilman Wallace stated that he thought because of the growth and the size of the town and the size of our staff at this point it seems like a needed position to keep us directed in the right direction financially and protect us from any potential liability financially at the size we are now. Mr. Farris stated that if he were to make a recommendation the CPA is one designation but because of the fund accounting requirements we would want to go with someone with the government finance officer designation. Mayor Futch stated that he would like to see reports through out the year on where we stand financially. Mayor Futch stated that he is on the board of health and every month from about two(2) months into the year their account tells them how much they can expect to have surplus at the end of the year. Mayor Futch stated that he thought it would be beneficial in making decisions, especially about debt, if we knew where we stood throughout the year. Mayor Futch stated that he feels that an accountant could provide a lot of analysis things that he frankly thought the current staff doesn't have the time to do. Mayor Futch stated that he comes over a lot and that Mrs. Strickland is always busy and everyone else is busy and if we had someone that was a numbers person they could do lots of things for us to give us predictions. Mayor Futch stated that he doesn't know how much time Mr. Strickland spent getting the sewer numbers together, but he was sure it was a whole lot longer than he wanted it to be, and a number's person could do those type things easy. Mr. Farris stated that he would be happy to provide some estimates on salaries and benefits. Councilman Wallace asked if it would be possible to add that position in the budget now. Mr. Farris stated that he had just submitted the budget and it's now the council's budget. Mayor Futch asked the council if they had any questions or concerns to contact Mr. Farris before the public hearing so he could work numbers before that meeting.

**8:09:58 PM** Councilman Wallace **MOVED, SECONDED** by Councilman Barnes to set the public hearing for the fiscal year 2008-2009 budget for Thursday, June 5, 2008 at 7:00 p.m. The **MOTION CARRIED UNANIMOUSLY.**

#### **8:10:16 PM** APPOINTMENTS

##### **1) LELAND CODE RE-WRITE TASK FORCE**

Mayor Futch asked if Councilman Barnes had anyone for appointment to the code re-write task force. Councilman Barnes stated that he had no one at this time. No one else had an appointment. No action was taken.

##### **8:11:17 PM** 2) TRANSPORTATION OVERSIGHT COMMITTEE

The following citizens were nominated for the citizen committee by nomination from Council:

Thomas Hyatt  
David Smith  
Derek Mickler  
Mr. Tracy Love  
Mark Ellenberg

Councilman Wallace **MOVED, SECONDED** by Councilman Hobbs to close nominations. The **MOTION CARRIED UNANIMOUSLY.**

Councilman Wallace **MOVED, SECONDED** by Councilman Bozeman to appoint the citizens as stated above to the Transportation Oversight Committee. The **MOTION CARRIED UNANIMOUSLY**.

The following councilmen were nominated for the council positions on the committee:  
Councilman Hobbs  
Councilman Barnes  
Councilman Wallace

Councilman Bozeman **MOVED, SECONDED** by Councilman Barnes close nominations. The **MOTION CARRIED UNANIMOUSLY**. Mayor Futch took another vote of the council to appoint two(2) councilmember's to the committee. The following council members were appointed to the committee:

Councilman Hobbs  
Councilman Wallace

### **8:15:59 PM 3) BOARD OF ADJUSTMENT ALTERNATE EXPIRING 6/20/08**

Councilman Barnes nominated Bruce Jarvis for re-appointment to the Board of Adjustment for another term. There being no other nominations Councilman Wallace **MOVED, SECONDED** by Councilman Hobbs to close nominations. The **MOTION CARRIED UNANIMOUSLY**.

### **8:16:33 PM DISCUSSION – LETTER OF CREDIT PROCEDURES**

Mr. Waring stated that recently staff and the town attorney looked at the town's letter of credit procedures and the issues associated with our process. Mr. Waring stated that currently the town requires developers to provide a security agreement in place of installing all or a portion of the infrastructure for subdivisions. Mr. Waring stated that developers choose to go with letter of credit. Mr. Waring stated that the town requires the letter of credits to be twelve(12) months in length. Mr. Waring stated that the town has provisions for the LOC's to be reduced as infrastructure is installed. Mr. Waring stated that as the time lines become an issue we have provisions to allow the LOC's to be extended. Mr. Waring stated that once the infrastructure is in place he goes out with the town engineer and inspect the infrastructure and they would put before the council to be released accordingly. Mr. Waring stated that once the LOC is release it's up to the developer to get with public works and have the infrastructure deeded over to the town to continue maintenance. Mr. Waring stated that staff would like to review the process to better protect the town's interest, to simplify the process and speed up the dedication process. Mr. Waring stated that he recently met with Mr. Farris, Mr. Wessell and Ms. Jennings about putting together a committee with the development community, banking community and the town engineer to flesh out some ideas and try and gather what their cost would be for some of the changes. Mr. Waring stated that once it's completed they would bring back to council with their suggestions.

Mayor Futch asked if there was a time limit noted in the statues. Mayor Futch stated that we give them a year and with building starting to slow down that we have to extend a lot of LOC's. Mayor Futch asked if we could go to two(2) years. Mr. Wessell stated that he thought we could and thinks it's an option we have to make available when ordinances were amended a

few years back as long as it's not excessive or unreasonable. Mayor Futch stated that if we go to two(2) years or eighteen(18) months it would make our job easier as far as extending them but he think its incumbent upon us to jump on the inspection process when they have finished 30% and get out there and get that reduced for them. Mr. Waring stated that they are very adamant about getting us out there and have the LOC reduced at the next council meeting. Mr. Waring stated that he doesn't think that has been so much a problem, but that the town may loses some of its leverage when we reduce the LOC too much. Mr. Waring stated that when it down just to sidewalks and we have problems with some of the other infrastructure and we only have \$13,000 dollars remaining on the LOC, we don't have a whole lot of leverage left. Mr. Waring stated that part of the problem that maybe the council is a little reluctant to accept some of the infrastructure if there are other phases to be built with a lot of heavy equipment going over the streets with a lot of extra wear and tear. Mr. Waring stated that is one of the issues we really should try and answer. Councilman Hobbs asked at what percentage of build out have to be before we accept the infrastructure. Mr. Wessell stated that there is no real guidance as to what percentage of build out has to be completed for us to accept. Mayor Futch asked if the year warranties could be longer. Mr. Wessell stated that he thought the year warranty came from the warranties of home builders, which is sort of court mandated. Mr. Wessell stated that we could do a longer warranty, but we would not be able on the hook indefinitely. Mr. Wessell stated that the warranty covers the quality of construction not if a truck drives over it a tears it up. Mayor Futch asked if the 25% over cost that we require could be higher. Mr. Wessell stated that there is no real guidance there either.

#### **8:26:42 PM DISCUSSION – I-140 AS A TOLL ROAD IN BRUNSWICK COUNTY**

Mayor Futch stated that there is a resolution and a memo from him in the agenda packets. Mayor Futch stated that he would give a little bit of background on this. Mayor Futch stated that he saw in the newspaper that Brunswick County was going to have a presentation by the Turnpike Authority talking about tolling the Wilmington bypass. Mayor Futch stated that he went to that presentation and got kind of hot sitting there listening to their presentation. Mayor Futch stated that basically they want to get a hold of our dollars to help finish the skyway bridge and trying to convince us that we need this road tolled so they can get it completed. Mayor Futch stated that the more he reads and hears it seems to him what has happened that some of these projects were going to be way down the list on getting funded from the transportation department. Mayor Futch stated that they came up with a way to go to the legislature and say if they toll these can we build them quicker. Mayor Futch stated that the legislature said if you toll them you can build them quicker but we will only allow six(6) projects and one(1) has been since added then. Mayor Futch stated that the skyway was one(1) of the projects. Mayor Futch stated that when they got into the toll project that there was a huge gap in the amount tolls would pay and the amount of construction cost. Mayor Futch stated that the gap on the skyway is around \$500 hundred million dollars, which is more than the original estimate for the skyway. Mayor Futch stated that now they have gone back to the legislature and asking to float a billion dollar bond and they could use that money to fund the gap and pay for some of the projects. Mayor Futch stated that he feels that is an underhanded way of jumping in front of us. Mayor Futch stated that we have waited thirty(30) years to get a bypass and we have paid gasoline taxes to the State of North Carolina and they have built loops around Raleigh, Super highways in Charlotte, Greensboro, Burlington, all of the state and we have sat here and waited. Mayor Futch stated that now it's our turn and they want us to pay for our road with tolls. Mayor Futch stated

that he doesn't think it's fair or right and then for them to come in and jump ahead of us by calling it a toll road and if we participate we could get it sooner. Mayor Futch stated we should let the legislature know that is not the way it should be and that it is not the fair thing to do nor the right thing to do. Mayor Futch stated that if they are going to float a billion dollar bond, then we want them to fund the projects that are on the drawing board now and not fund the toll gaps. Mayor Futch stated that if the toll road is that needed then the toll should pay for it and if it can't then maybe it's not needed that bad. Mayor Futch stated that is what the resolution is about and he will leave up to the council. Councilman Wallace stated that he knows from the MPO meetings there is big concern and the bigger concern is can they get the skyway done. Councilman Wallace stated that they are trying to lump this together to try and make it happen. Councilman Wallace stated that they are not one in the same. Councilman Wallace stated that the Wilmington bypass ends at Highway 17 and the Skyway starts at Highway 17 and they are both out of two different departments as well. Councilman Wallace stated that one is the Turnpike Authority and the other is the NCDOT so he doesn't understand how that funding could happen except with some curious accounting. Councilman Wallace stated that ever since he has been on the TAC that the skyway has always been suggested as toll road but never the bypass. Mayor Futch stated that what gets him is there is a state law that would not allow a toll on a road that has been built, so the section already built in New Hanover County would not be tolled, only the portion in Brunswick County. Mayor Futch stated that we are getting the short end of the stick and we need to stand up and tell them about it whether it will do any good or not. Mayor Futch stated that we definitely need that road and he likes to be first in a lot of things, but not to have the first toll road in North Carolina. Councilman Wallace stated that providing that we pass this resolution he would also suggest sending it to the local municipalities to request their support as well.

### **8:33:20 PM RESOLUTION – SKYWAY & WILMINGTON BYPASS AS TOLL ROADS**

The resolution under consideration by the council was as follows:

Introduced by: Mayor Futch

Date: May 15, 2008

Resolution in opposition of tolling the Wilmington Bypass

#### INTENT/PURPOSE:

Whereas, the Wilmington Bypass is vitally important to the resolution of traffic congestion in the Town of Leland and surrounding areas, and;

Whereas, the construction of the Wilmington Bypass is vital to the safety and well-being of the traveling public, and;

Whereas, the North Carolina Department of Transportation has completed section C and funded the right of way acquisition for sections A and B in 2008 and the construction of section B in 2012, and delayed the completion of section A until after the current Transportation Improvement Plan, and;

Whereas, the Cape Fear Skyway has never been a part of the Wilmington Bypass planning, and;

Whereas, the North Carolina Turnpike Authority does not have jurisdiction or authority over the Wilmington Bypass construction or operation, and;

Whereas, no other bypass or loop in North Carolina has been tolled to pay for its completion, and;

Whereas, Wilmington, Leland, along with Brunswick County and New Hanover County citizens and visitors have patiently awaited the completion of the Wilmington Bypass while helping to fund the completion of other bypasses,

Now therefore be it resolved that the Town of Leland, North Carolina Town Council goes on record opposing any joining of the Wilmington Bypass with the Cape Fear Skyway Project for the purpose of tolling the Wilmington Bypass, and;

Be it further resolved that the Leland Town Council strongly opposes the tolling of the Wilmington Bypass to pay for its completion, and;

Be it further resolved that the Leland Town Council strongly recommends that the Wilmington Metropolitan Planning Organization, the North Carolina Department of Transportation, and the North Carolina General Assembly allocate necessary funds to complete the Wilmington Bypass in the current seven year Transportation Improvement Program as was originally planned without placing a toll on the construction or operation of the Wilmington Bypass, and;

Be it further resolved that the Leland Town Council urges the North Carolina Department of Transportation to make the completion of the Wilmington Bypass the number one priority project in the State of North Carolina without delay.

\_\_\_\_\_  
Walter B. Futch, Jr., Mayor

Adopted at a regular meeting  
on May 15, 2008  
Attest:

\_\_\_\_\_  
Carol Ann Floyd, MMC, Town Clerk

Councilman Wallace **MOVED, SECONDED** by Councilman Barnes to adopt the resolution as presented. The **MOTION CARRIED UNANIMOUSLY**.

### **8:33:34 PM DISCUSSION – NEW STORMWATER RULES**

Mayor Futch stated that at the same commissioners meeting Cameron Moore was there to discuss the new stormwater rules. Mayor Futch stated that he wasn't here tonight to be for or against these rules, but he thought there would be two(2) sides to these rules. Mayor Futch stated that he heard Cameron's side and if what he said is correct some of these rules may not make a lot of sense. Mayor Futch stated that he didn't know how much they would affect us, but maybe we should look into it. Mayor Futch stated that the push is on by the Cape Fear Home Builders Association to get the legislature to send these rules to a study committee. Mayor Futch stated that if you read through the rules and he would have to agree with Cameron that some are pretty ridiculous. Mayor Futch stated that the rain barrels would have to catch the first 1 ½ inches of rain fall off of a roof and a 1,200 square foot house would require 100 rain barrels to catch all of the water. Mayor Futch stated that if you clear a quarter of an acre to build a house you will need a drainage pond or a rain garden or however many rain barrels you would need to catch the first 1 ½ inches of rain. Mayor Futch stated that he wonders if this will create problem for folks that own lots for a long time and they might not be allowed to put a house up unless they spend a lot of money to engineer some kind of stormwater pond for their ½ acre lot and how many stormwater ponds are we going to end up with in neighborhoods. Mayor Futch stated that his suggestion would be to have a special meeting to hear both sides of the argument. Mayor Futch stated that we should maybe have a seminar with Steven, who is our expert on stormwater and is unbiased as anyone. Mayor Futch asked Mr. Strickland to tell Steven thanks for the booklet that he put together.

### **8:38:22 PM DISCUSSION/ACTION – CURBSIDE RECYCLING**

Mayor Futch stated that it come up at a meeting with a lot of interest. Mayor Futch stated that he had written up a three(3) page questionnaire for the town manager. Mayor Futch stated that Mr. Farris had worked really hard to get some of the answers and here it is before the council. Mayor Futch stated that if we are thinking about doing something with it in the budget and if it requires a tax increase it would be next year. Mayor Futch stated that he is not advocating doing that but that is a possibility. Mayor Futch asked the council look through this and bring something back to Mr. Farris between now and the budget hearing on June 5<sup>th</sup> or talk about it now. Councilman Barnes stated that recycling has become an issue and is becoming more of an issue. Councilman Barnes stated that by the fifth we need to determine if we need to work something in the budget and if it's going to hurt one of the major programs then put it aside. Councilman Barnes stated that we could always take it out and we don't use it. Councilman Barnes stated that the county has a survey going on now and they will not have the survey completed until June and at that time they may provide a county-wide recycling program



functional master plan.

The resolution authorizes a contract with BMS Architects to prepare a town hall complex master plan.

THEREFORE, BE IT RESOLVED:

- 1 THAT the Town Council authorizes the Mayor to sign a contract with BMS Architects in the amount of \$14,000 to prepare a master plan for the Town Hall Complex;
- 2 THAT a seven-member master plan committee is established to provide oversight and input on the master plan;
- 3 THAT the Mayor is authorized to appoint two Council Members to serve on the master plan committee and the Town Manager is authorized to appoint five staff members to serve on the committee.

\_\_\_\_\_  
Walter B. Futch, Jr., Mayor

Adopted at a regular meeting  
on May 15, 2008

Attest:

\_\_\_\_\_  
Carol Ann Floyd, MMC  
Town Clerk

Councilman Bozeman **MOVED, SECONDED** by Councilman Wallace to adopt the resolution as presented. The **MOTION CARRIED UNANIMOUSLY**.

Mayor Futch stated that we are at the end of the agenda and there is one thing that isn't on here that he meant to put on. Mayor Futch stated that at our last meeting he was going to meet with the sewer partner committee the next day. Mayor Futch stated that we thought we needed to ask the county for a million gallons of allocation in the new plant, which is going to be 3 million gallons. Mayor Futch stated that the numbers got changed quite a bit. Mayor Futch stated that all of the requests came up to 3.3 million gallons so the county said that the requests had to be reduced by 19%. Mayor Futch stated that after some arguing they decided that's fine. Mayor Futch stated that the interesting thing he found that Mr. Pierce said that the cost of building the new plant would be \$8 dollars a gallon. Mayor Futch stated that all of the engineering reports say 32 million dollars is the cheapest you can build the plant and 3 million gallons into 32 is more than 8. Mayor Futch stated that Mr. Pierce said they had just built one for \$6.00 dollars a gallon at the other end of the county, so they think they could build this one for \$8.00. Mayor Futch stated that they cut us from a million gallons to 810,000 gallons. Mayor Futch stated that we have received the letter from the county telling us what the debt service would be on the allocations. Mayor Futch stated that the letter says they cut us to 810,000 gallons and the cost was going to be 8.8 million dollars, which amounts to \$10.89 a gallon. Mayor Futch stated that was just a report on that meeting and where we are from here. Mayor Futch stated that the other note was that it would take three(3) years to build the plant. Mayor Futch stated that we are pushing it to have in time.

## **REPORTS**

### **1) MONTHLY FINANCIAL REPORT**

### **2) MONTHLY TAX REPORT**

### **3) MONTHLY UTILITIES REPORT**

### **4) MONTHLY POLICE ACTIVITY REPORT**

### **5) MONTHLY BUILDING INSPECTION REPORT**

The reports are for the council's information.

**9:00:56 PM ADJOURNMENT**

Councilman Barnes **MOVED, SECONDED** by Councilman Wallace to adjourn the meeting at 9:00 p.m. The **MOTION CARRIED UNANIMOUSLY.**

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Walter B. Futch Jr., Mayor

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Carol Ann Floyd, MMC, Town Clerk

Approval Date: 06/19/08