

Frequently Asked Questions: Proposed FY2024-2025 Budget

General Budget Questions

How much is the proposed fiscal year budget?

The [proposed fiscal year 2024-2025 budget](#) is \$56 million. This includes \$52 million for the General Fund, \$1 million for Powell Bill, and \$3 million for Building Inspections. Powell Bill funds are specifically spent on road infrastructure and building inspections revenue is spent on building inspections expenses.

How was the budget created?

Town Council has established vision statements which allow staff to strategize goals and actions in order to achieve success in attaining those visions. Each year during the budget process, staff and Town Council review these statements and make any updates they feel are necessary. The visions are intended to set a standard of operational excellence for the organization and the community. In September 2023, staff met with Town Council in a public meeting to discuss and finalize any updates to the vision statements.

Following the vision statement review, each department set its own goals, objectives, and actions which support their budget requests. The department-specific goals allow staff to implement and accomplish the overarching ideas and strategies of Town Council's vision statements.

In Town Council public meetings in November and December 2023, Town Council and staff discussed foundational expenses for the budget. Five foundational items were identified. Two of the items have always been included in prior budgets: employee salaries and debt service. Two of the items were new, including a 20-year roadway resurfacing initiative and the full purchase of a fire truck. One item, the emergency contingency, was better defined and prioritized.

The departments were responsible for compiling projected expenditure costs and submitting their requests to Finance by January 5, 2024. Finance staff then developed revenue projections and combined all department expenditure requests into one draft budget template. Staff met to prioritize the requests and create a budget to review with Town Council.

In a January Special Town Council public meeting, staff presented budget options that included the foundational items and two additional tiers of service level improvement items, along with the annual operational items. Town Council requested staff develop a budget that included all tiers of service level improvement and balance the budget with an adjustment of the tax rate to 0.39.

At a special meeting on February 19, 2024, Town staff presented the budget message and proposed balanced budget, including all revenues and expenses, to Town Council to receive feedback and further direction in developing the budget.

How is the budget approved?

The budget is approved by the Town Council, as elected representatives of the citizens, after a public hearing is held. There is not a public vote on the budget. [State laws](#) govern this process.

Are commercial properties, including large corporate chains and small businesses, and apartment complexes taxed at the same rate as single family residential?

Yes, all real and personal property is taxed at the same rate regardless of owner or use. Exemptions and tax reductions are implemented by Brunswick County tax officials.

Are fire fees expected to increase?

Fire fees are currently set at their maximum limit, which is determined by the Brunswick County Board of Commissioners and established by North Carolina special legislation found here:

<https://www.ncleg.gov/EnactedLegislation/SessionLaws/HTML/2017-2018/SL2017-60.html> Therefore, the proposed budget does not include an increase to the fire fee.

What is the existing amount of Town debt?

As of July 1, 2024, the Town's outstanding debt will be approximately \$20,748,450, with plans to issue debt for the Town Hall expansion in July or August 2024. Within the proposed budget, \$2.7 million is budgeted for this payment. Total debt accounts for 12.4% of the proposed budget. State statutes allow municipalities to issue debt up to 8% of the Town's total property valuation that is currently estimated by Brunswick County tax office to be \$6.25 billion for FY24-25. Debt Payment Budgets can be viewed on the [Budget website](#).

Does the Town have an official financial reserve policy?

Yes, Town Council adopted a fund balance policy in August 2006 stating 35% of the annual budget should exist in fund balance.

Does the Town apply for grants?

The Town applies for many Federal, State, and private grants. Grants the Town has applied for and received are available on the [Town website](#).

What was the change in property tax revenue from the 2023 reevaluation by the Brunswick County tax office and was the change in evaluation included in the proposed budget?

The 2023 reevaluation of properties and the lowering of the tax rate from 0.25 to 0.23 per \$100 in valuation increased the Town's property tax revenue by approximately \$4.3 million. The actual property tax collection from FY22-23 was \$9,967,511.09 and the budget for the current year, FY23-24, is \$14,270,000.

Yes, the 2023 reevaluation and all current values are included in the revenue projections for the FY24-25 budget.

Where can residents find information on tax relief options?

<https://www.brunswickcountync.gov/497/Tax-Relief>

<https://www.ncdor.gov/2024-av-9-securedpdf/open>

Specific Item Questions

What is the purpose of the \$750K for property acquisition that is included in the proposed budget?

The Town has identified several parcels of interest for various reasons. The Town does not disclose the specific locations or properties in advance to retain negotiating abilities.

What is the proposed 401K contribution percentage and how does it compare to previous years?

State statute requires the Town to contribute 5% of earnings to 401K for sworn police officers. Historically, the Town Council has approved contributions of 5% for every full-time employee's 401K. This remains the same in the proposed budget.

What is the purpose of a swift water rescue boat and 5-ton rescue/evacuation vehicle that is included in the proposed budget?

These additions to the Fire fleet will ensure faster and more efficient response times. Swift water rescue boats are used in swift water rescue operations to allow a rescue team to quickly reach a victim and safely retrieve them in swift water. Water flowing faster than 1 knot (1.15 mph) is considered swift water. The high-water 5-ton rescue/evacuation vehicle can drive through roadways that are flooded up to 30 inches (2.5 feet) to allow rescuers to get to people who are stranded in homes or vehicles that are cut off by flood waters. These people can then be transported/evacuated to a safe area.

During Hurricane Florence in 2018, the use of a 5-ton vehicle and FEMA swift water rescue equipment and personnel enabled evacuation of more than 200 people from high waters.

What is the purpose of the additional Firefighters included in the proposed budget and what is included in the amount proposed?

Five new Firefighters would boost Leland Fire/Rescue's on-shift firefighting team from 15 to 17, meeting the national house fire response standard, and maintaining minimum daily staffing levels on Fire trucks. Also, with the new tiller/ladder truck being added to the fleet, at least three positions are required to operate, whereas the current ladder truck only requires two to operate. The amount includes salaries, benefits, uniforms, turnout gear, training, and all other necessary equipment.

What is the purpose of the additional Police positions included in the proposed budget and what is included in the amount proposed?

Five new Police positions would help reduce response times, keep up with geographic and population growth, respond to increases in annual call volume, maintain minimum staffing needs, and allow for more proactive policing. These positions will create a second peak-hour shift. The amount includes salaries, benefits, uniforms, firearms, radios, training, and patrol ready vehicles.

What is the purpose of emergency contingency in the proposed budget?

Emergency contingency funding is available for appropriation by Town Council. Examples of appropriation of these funds could include natural disasters, economic changes, and other similar events or opportunities.

What is the purpose of the plan to resurface 5% of Town roadways annually, as included in the proposed budget?

The Town's objective for this foundational item is to focus on expanded infrastructure improvements each year. Under this standardized roadway resurfacing initiative, evaluations are performed periodically to determine the condition of all roadways and which roadways will be included in resurfacing and other improvements annually. The typical lifespan of a road surface is approximately 20 years which equates to 5% of roadways being addressed annually.

How is the Town assisting small business owners?

Plans to assist small business owners are included in the [Economic Development Strategic Plan](#).

What is the purpose of the GASB reporting line item and what is included in the amount proposed in the budget?

The GASB reporting line item is an equal amount recorded in the revenue and expense of the budget. It is an accounting reporting of leases and subscriptions for GASB 87 and GASB 96, respectively. It is not an additional purchase and revenue. The amount proposed in the FY24-25 budget is a \$1.5 million increase over the amount approved in the FY23-24 budget. Budget adjustments to the FY23-24 budget are forthcoming before the fiscal year end.

What is Municipal Vehicle Tax, to whom does it apply, and how are the funds expended in the proposed budget?

In the state of North Carolina, vehicles are considered personal property.

Municipal Vehicle Tax is a tax on each vehicle registered within Town limits. More information can be found here: <https://www.townofleland.com/finance/taxes/municipal-vehicle-tax-faq>

The funds from the Municipal Vehicle Tax are included in the \$4.5 million General Fund appropriation for street resurfacing in the proposed FY24-25 budget.

All Leland residents, renters or owners alike, who have a vehicle registered in Leland are assessed this fee on their personal property tax bill from the DMV.

Growth & Development Questions

How has new development affected the Town's revenue?

The Town's revenue is based off property valuations and population, and while the growth is happening now, not all revenue is recognized immediately. Additional growth requires additional services more immediately than the additional revenue is generated.

Can developers be charged impact fees?

In North Carolina, a municipality is not legally allowed to charge an impact fee. Here is a link to a State Bill that was introduced in the Senate in 2021 to allow impact fees for various community service facilities, such as parks, streets, police and fire stations, schools, libraries, waste collection, etc.:
<https://www.ncleg.gov/Sessions/2021/Bills/Senate/PDF/S437v1.pdf>

The bill did not get approved. <https://www.ncleg.gov/BillLookup/2021/S437>

Does the Town have rules regarding how developers build?

Yes, the Town has [ordinances](#) in place that developers must adhere to.

Can developers be told they are not allowed to develop?

According to North Carolina law, the Town cannot prevent landowners from developing their land if it meets Town, state, and federal regulations.