



Town of
Leland

Growing our future. Nourishing our roots.

Fiscal Year 2024-2025 Budget Public Hearing

Town of Leland
March 21, 2024

Budget Preparation Techniques

- Strategic Budgeting
- Performance Budgeting
- Zero-Based Budgeting
- Balanced Scorecard
- Line-Item Budgeting





Year-to-Date Work on the Budget

- September 11, 2023: Council Agenda Meeting – Budget Calendar/Vision Statement Review
- October 16, 2023: Council Agenda Meeting – Council Focus Areas/Requests
- November 13, 2023: Special Council Meeting – Budget Retreat at Burgaw Train Depot
- December 11, 2023: Council Agenda Meeting – Budget Foundation Discussion
- January 16, 2024: Council Agenda Meeting – Foundational Items/Next Steps
- Week of January 22, 2024: Individual Meetings with Each Council Member to Review Departmental Budgets
- January 29, 2024: Special Council Meeting – Review Budget Service Improvement Opportunities
- February 12, 2024: Council Agenda Meeting – Presentation of Budget Tiers
- February 19, 2024: Council Special Meeting – Proposed Budget and Budget Message Submitted to Council
- March 5, 2024: Staff-led Public Open-House, Presentation, and Question & Answer

Council Vision Statements

Internal Support

- Be a workplace that attracts high performers of various backgrounds who value learning, innovation, and service excellence.
- Be a community that is transparent, fair, and fiscally responsible with the Town's resources to ensure the future sustainability of the Town and its citizens.
- Be a governing body that proactively educates and communicates with the public, and municipal, county, and state officials.

Public Safety

- Be the safest southeastern NC town through preventative and responsive emergency services and citizen engagement.
- Be a town well-prepared for, responsive to, and able to recover from natural and man-made hazards.

Public Places

- Be a community that finds opportunities and leverages partnerships to have unique, inviting, and connected gathering places.
- Be a community that protects and promotes sustainability for our natural environment, facilities, and parks.
- Be a safe and healthy community with fun, accessible, and stimulating recreational and cultural activities for all.

Council Vision Statements

Public Services

- Be a resilient, sustainable, and environmentally conscious community.
- Be a community that proactively advocates, accommodates, and plans for safe and accessible pedestrian, vehicular, and multi-modal movement within the transportation network.

Business & Neighborhood Enhancement

- Be an inclusive, connected, strong, beautiful, and healthy community comprised of distinct, complementary, and diverse neighborhoods that offer housing options for all residents.
- Be a town well-positioned within the economic and tourism markets of southeastern North Carolina.
- Be a town that leverages our proximity to area beaches, blueways, air and nautical ports, rail connections, neighboring municipalities, and institutions of higher learning.
- Be a center for advanced, innovative manufacturing and technology employment.

Council Focus Areas

- Discussion included topics such as:
 - Public Safety Coverage
 - Fleet Operation Considerations
 - Contingency/Reserve Balance
 - Communication Improvements
 - Infrastructure



Budget Retreat

- Discussion exercise included topics such as:
 - A greater plan for the future
 - Big picture vision for the Town
 - What makes you want to visit a town?
 - What makes you want to live in Leland?
 - What do you want Leland to be known for?
 - What do you want Leland to look like?
 - What are we doing well?
 - What can we do better?
- Introduced the idea of establishing foundational items

Budget Foundational Items (Tier 1)

- Personnel
- Debt Payments
- Emergency Contingency
- Fire Truck
- Roadway Resurfacing



Fire Truck Price History

Truck Ordered July 2019

- Purchase Price \$665,289
- Delivered: May 2021

Truck Ordered July 2020

- Purchase Price \$701,438
- Delivered: December 2021

Truck Ordered July 2021* Ladder Truck

- Purchase Price \$1,400,000
- Estimated Delivery: July 2024

Truck Ordered July 2022

- Purchase Price \$800,000
- Estimated Delivery: February 2025

Truck Ordered July 2023

- Purchase Price \$950,000
- Estimated Delivery: January 2026



Public Safety Service Improvement Opportunities (Tier 2)

- Fire: Paratech Heavy Extrication Kit \$68,000
- Fire: Inflatable Boat, Motor, and Trailer \$26,000
- Fire: FAST Board \$3,200
- Fire: Public Safety Recognition Banquet \$2,500

- Police: RDS Initiative (Optics, Iron Sights, Mounting Plates, Holsters, Training) \$52,950
- Police: Sally Port Secure Area for Accreditation \$5,000
- Police: Public Safety Recognition Banquet \$2,500



Public Safety Service Improvement Opportunities (Tier 3)

- Fire: Three (3) New Positions \$350,000
 - Includes salary, benefits, uniforms, turnout gear, training, and all other necessary equipment
- Fire: Physical Fitness Uniforms \$4,000
- Fire: 5-Ton Rescue/Evacuation Vehicle \$35,000

- Police: Five (5) New Positions \$970,000
 - Includes salary, benefits, uniforms, firearms, training, and patrol ready vehicles



Public Works Service Improvement Opportunities (Tier 2)

- Streets/Grounds: Mill Head Attachment \$35,000
- Streets/Grounds: 25 ft Low Pro Trailer \$23,600
- Streets/Grounds: Aera-vator 60 \$10,000
- Streets/Grounds: Stump Grinder \$25,000
- Streets/Grounds: Portable Chain Hoist \$4,200
- Streets/Grounds: Confined Space Retrieval Harness \$450
- Streets/Grounds: Confined Space Retrieval System \$3,100
- Streets/Grounds: Baldwin Drive and Park Trees \$10,000
- Streets/Grounds: Handrail for Cypress Cove Kayak Dock \$1,000
- Streets/Grounds: Facility Demo: Lossen Lane \$30,000
- Streets/Grounds: Facility Demo: River Road \$25,000
- Streets/Grounds: Facility Demo: Old Fire Station 51 \$25,000
- Fleet/Facilities: New Leland in Lights Holiday Display \$62,520
- Fleet/Facilities: MOC Additional Fence/Gate for Popular Drive \$20,000
- Fleet/Facilities: MOC Floor Improvement: Warehouse \$8,000

Public Works Service Improvement Opportunities (Tier 3)

- Streets/Grounds: Cypress Cove Park Improvements \$5,000
- Streets/Grounds: Sturgeon Creek Park, Misc. Construction \$20,000
- Streets/Grounds: Baldwin/Fairview Sidewalk Contractor \$50,000
- Streets/Grounds: Grinder – Street Debris \$66,000
- Streets/Grounds: Directional Plate Tamper \$2,800
- Streets/Grounds: Trench Jack Tamper \$2,700
- Fleet/Facilities: MOC Sign \$25,000
- Fleet/Facilities: Facility Improvements for New Positions \$10,000

Engineering & CIP Service Improvement Opportunities (Tier 2)

- Engineering: Traffic Signal Timing Review \$5,000
- CIP: Sturgeon Creek \$60,000
- CIP: Property Acquisition \$750,000
- CIP: Oceangate \$300,000





Engineering & CIP Service Improvement Opportunities (Tier 3)

- Engineering: Stormwater Mapping \$20,000
- CIP: Economic Development Opportunities \$250,000



IT Service Improvement Opportunities (Tier 2)

- Fire: Station 52 Bi-Directional Amplifier \$40,000
- Emergency Management: Incident Action Plan Authentication Upgrade \$1,500

- Administration: Presentation Enhancement Software \$300
- Administration: Laserfiche Document Storage Solution \$37,500

- Engineering: Stormwater Permitting Software \$18,000

- Public Works: Access Control (MOC Warehouse) \$20,000

- GIS: Aerial Imagery for 2025 \$12,000
- IT: IT Records Management Software \$10,000
- IT: Analog Phone Line Replacement \$10,000
- IT: Emerging Technologies \$10,000



IT Service Improvement Opportunities (Tier 3)

- Fire/Police: New Position Support \$20,000
- Police: Additional Field Ops Licenses \$600
- Fire: Station 52 Audio-Visual Upgrade \$37,000
- Emergency Management: Radio Communications System Capacity Study \$10,000
- Emergency Management: TRG Initial Response Mobile Application \$1,000
- Emergency Management: Large Format Mobile Plotter \$1,000
- Emergency Management: WeatherModels.com \$300

- Public Works: Panic Security System Replacement (Town Hall) \$20,000

- IT: New Position – IT Technician \$115,000
 - Includes salary and benefits



Administration/Planning Service Improvement Opportunities (Tier 2)

- Administration: Strategic Plan \$30,000
- Administration: Print Advertising \$10,000
- Administration: Digital Advertising \$5,000

- Planning: South Navassa Road Corridor Plan Consultation \$10,000
- Planning: South Navassa Road Corridor Plan Marketing \$1,000





Governing Body/Parks, Recreation, & Cultural Resources Service Improvement Opportunities (Tier 3)

- Governing Body: Historical Marker \$7,000
- Parks, Recreation, & Cultural Resources: Comprehensive Plan Update \$40,000
- Parks, Recreation, & Cultural Resources: Volunteer Training/Appreciation/Recognition \$3,100



Tax Rate Equivalency

Category	Dollar Amount	Summary	Tax Rate Equivalent
Infrastructure	\$3.5M (Plus \$1M in Powell Bill gas tax and \$1M in MVT)	Starting a 20-year lifecycle program to resurface 5% of the roadways per fiscal year	5.1 cents
Police	\$1M	Five new Police patrol officer positions, new vehicles, and equipment for a second peak demand shift	1.5 cents
Police	\$390K	Four replacement police vehicles	0.6 cents
Fire	\$550K	Five new Fire positions to fully staff apparatuses and prepare for a new station	0.8 cents
Fire	\$1.3M	Fire apparatus	1.9 cents
Internal Support	\$320K	Three new positions: Deputy Town Clerk, IT Technician, Fleet Position	0.5 cents
Other Operational Service Improvements	\$3M	Various improvements in all departments	4.5 cents
Debt Payments	\$1.9M	Founders Park, a fire truck, and the Town Hall expansion	2.8 cents
Emergency Contingency	\$2M	Funds in case of emergency	2.9 cents





Proposed General Fund Expenditure Budget

DEPARTMENT	FY 2024-2025 PROPOSED BUDGET	PERCENT OF BUDGET
GOVERNING BODY	310,000	0.6%
ADMINISTRATION	3,350,000	6.4%
INFORMATION TECHNOLOGY (IT)	4,850,000	9.3%
HUMAN RESOURCES	590,000	1.1%
FINANCE	1,340,000	2.6%
PARKS, RECREATION, & CULTURAL RESOURCES	1,300,000	2.5%
FACILITIES & FLEET	1,850,000	3.6%
STREETS & GROUNDS	4,170,000	8.0%
ENGINEERING	1,160,000	2.2%
POLICE	8,040,000	15.5%
EMERGENCY MANAGEMENT	240,000	0.5%
FIRE	8,920,000	17.2%
PLANNING	1,280,000	2.5%
TRANSFER TO CAPITAL IMPROVEMENT PROJECTS	5,900,000	11.3%
EMERGENCY CONTINGENCY	2,000,000	3.8%
TRANSFER TO TDA	250,000	0.5%
DEBT	6,450,000	12.4%
Total	52,000,000	





Proposed General Fund Revenue Budget

REVENUE DESCRIPTION	FY 2024-2025 PROPOSED BUDGET	PERCENT OF BUDGET
PROPERTY TAX (CURRENT YEAR)	24,300,000	46.7%
PROPERTY TAX (PRIOR YEAR)	20,000	0.0%
PROPERTY TAX (INTEREST EARNED)	20,000	0.0%
PROPERTY TAX (MOTOR VEHICLES)	1,560,000	3.0%
MUNICIPAL VEHICLE TAX	950,000	1.8%
SALES & USE TAX	13,600,000	26.2%
FRANCHISE TAX	1,100,000	2.1%
BEER & WINE TAX	100,000	0.2%
SOLID WASTE DISPOSAL TAX	20,000	0.0%
FIRE FEES	6,180,000	11.9%
PARKS & RECREATION & CULTURAL RESOURCES	250,000	0.5%
PLANNING/ZONING FEES	200,000	0.4%
STORMWATER PERMIT FEES	50,000	0.1%
INTEREST INCOME	1,150,000	2.2%
OCCUPANCY TAX	250,000	0.5%
CONTRACTED SERVICES REVENUE	90,000	0.2%
GASB REPORTING	1,760,000	3.4%
GRANT REVENUE	60,000	0.1%
ALLOCATION TRANSFER FROM BI	340,000	0.7%
Total	52,000,000	

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Property Tax Valuation

Property Tax Valuation (Excluding Motor Vehicle)						
Description	2020*	2021*	2022*	2023*	2024**	2025**
Property Tax Valuation	3,143,714,286	3,430,260,000	3,703,465,600	4,019,356,800	5,843,574,352	6,252,242,302
YOY Increase In Dollars		286,545,714	273,205,600	315,891,200	1,824,217,552	408,667,950
YOY Increase by Percentage		9%	8%	9%	45%	7%
*Year End Actual from the Audit						
**Budget Valuation from Brunswick County						



Fire District Discussion

Fire Department					
FY	Fire Fees	Operational Expenses*	Debt Payments**	Difference	Notes
17-18	2,532,332	2,775,040	330,929	(573,637)	
18-19	2,701,095	3,533,940	278,958	(1,111,803)	
19-20	3,445,520	3,236,820	325,685	(116,985)	20% Fire Fee increase
20-21	4,079,458	3,237,106	420,726	421,626	10% Fire Fee increase
21-22	4,315,455	4,399,107	452,431	(536,083)	
22-23	4,612,288	6,120,850	878,060	(2,386,621)	
23-24 YTD as of 2/15/24	2,998,081	4,787,347	1,050,464	(2,839,731)	Fire Fees set at statutory limit
24-25 Budget	6,180,000	8,920,000	1,266,964	(4,006,964)	
				(11,150,197)	
	*Does not include buildings, building upkeep, cleaning supplies, IT software, IT hardware, cellphones, utilities, insurance etc.		**Debt Payments are for buildings and fire apparatus		
<p>The fire district is larger than just the Leland Town limits. Currently, the fire fee is set to the maximum amount allowed by State Statute. Therefore, in order to provide the level of fire service desired, the difference between fire fee revenue and fire department expenses is supplemented by Town of Leland residents. For reference, Leland Town limits is about 27.20 square miles and the Leland Fire district is 60 square miles.</p>					



FY24-25 Budget Public Hearing

Total Proposed Budget

TOTAL REVENUES	FY 2024-2025 PROPOSED BUDGET	PERCENT OF BUDGET
GENERAL FUND	52,000,000	92.9%
POWELL BILL	1,000,000	1.8%
BUILDING INSPECTIONS	3,000,000	5.4%
Total	56,000,000	

TOTAL EXPENSES	FY 2024-2025 PROPOSED BUDGET	PERCENT OF BUDGET
GENERAL FUND	52,000,000	92.9%
POWELL BILL	1,000,000	1.8%
BUILDING INSPECTIONS	3,000,000	5.4%
Total	56,000,000	



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Fiscal Year 2024-2025 Proposed Budget Highlights

Ad Valorem Tax Rate

- There is an increase in the tax rate to 39.0 cents per \$100.00 of valuation with this proposed budget

New Employee Positions

- The budget includes the addition of thirteen (13) new full-time employees, including (5) Police Patrol Officers, (5) Firefighters, and (3) new internal support positions: Deputy Town Clerk, IT Technician, and Fleet/Asset position

Infrastructure Resurfacing/Maintenance

- The budget includes \$5.5M for road resurfacing. This will begin a program to pave 5% of Town roads each fiscal year – placing them on a 20-year life cycle
- \$405K for road maintenance, both in-house and contract work

Emergency Contingency

- \$2M in emergency contingency funds to be prepared for emergency and opportunity response

Fiscal Year 2024-2025 Proposed Budget Highlights (Cont.)

Police Department

- (9) Police Vehicles, including (5) new and (4) replacement
- Phase 2 of the Traffic signal backup power project
- Red Dot Sight (RDS) Initiative

Fire Department

- Replacement fire apparatus
- Paratech Heavy Extrication Kit for Tiller
- Swiftwater Inflatable Rescue Boat, Motor, and Trailer

Capital Improvement Projects

- Baldwin Drive Improvements
- Ocean Gate Plaza Improvements

Economic & Community Development

- Funds reserved for property acquisition and economic development opportunities

Questions & Answers

- **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.

Questions & Answers

- **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](#).

Questions & Answers

- **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>

Questions & Answers

- **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.

Questions & Answers

- **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 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.

Questions & Answers

- **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.

Questions & Answers

- **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.

Questions & Answers

- **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>

- **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.

Council Discussion on Proposed Budget

TOTAL REVENUES	FY 2024-2025 PROPOSED BUDGET	PERCENT OF BUDGET
GENERAL FUND	52,000,000	92.9%
POWELL BILL	1,000,000	1.8%
BUILDING INSPECTIONS	3,000,000	5.4%
<i>Total</i>	56,000,000	
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Public Hearing Comment Policy

- You must sign in at the table located to the left of the dais prior to the start of the meeting.
- If you have documents to present to Council, please give them to the Police Officer or Town Clerk.
- Begin by stating your name and address.
- Each speaker may speak for three (3) minutes.
- Speakers should not expect Council to engage in dialogue or answer questions.



Council Discussion on Proposed Budget

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