

Town of River Bend



Fiscal Year 2018-2019

Annual Budget Message

(A summary of the Annual Budget)

And

Annual Operating Budget Ordinance

Town of River Bend, North Carolina
45 Shoreline Drive
River Bend, NC 28562

252-638-3870

www.riverbendnc.org

Fiscal Year 2018-2019
Annual Budget Message
And
Operating Budget Ordinance

Mayor

John Kirkland

Town Council

Bill Camp
Morris "Buddy" Sheffield
Irving "Bud" Van Slyke, Jr.*
William "Bill" Wanamaker
Eugene "Gene" Bauer

*also serves as Finance Officer and Mayor Pro Tempore

Prepared By:

Town Manager

Delane Jackson

Finance Administrator

Margaret Theis

Cover Designed by:

Kathleen DeYoung, Deputy Town Clerk

Budget Message

Honorable Mayor and Members of Council
Town of River Bend, North Carolina:

May 1, 2018

Pursuant to Section 159-11 of the North Carolina General Statutes, the Town of River Bend's proposed budget for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019 is hereby submitted for your consideration. This budget represents the commitment of the Council to the mission statement established in the Town's Comprehensive Plan and responds to the goals the Council developed at the Budget Kick-Off meeting on January 11, 2018:

1. Provide a safe, dynamic, and attractive community for people of all ages, and continue to address the changing demographic composition of the Town.
2. Provide safe drinking water and quality treatment of wastewater through maintenance of the current systems and continued prudent fiscal management of the utilities.
3. Continue to operate wastewater treatment facilities to maintain regulatory compliance and serve the current and future needs of the Town.
4. Continue to work with advisory boards as a means to encourage citizen participation in Town government.
5. Continue to be good stewards of the natural environment through planned stormwater and floodplain management efforts.
6. Continue to cooperate regionally and with other municipalities and, where appropriate, share ideas and resources.
7. Maintain a commitment to the Council-Manager form of government, and to support an adequate and well-trained staff to serve the current and future needs of the community.
8. Continue to employ sound fiscal management practices to ensure the long-term financial viability of the Town.
9. Maintain a visionary posture, acknowledging that change is inevitable.
10. Continue to conduct the business of the Town with complete transparency and integrity.

These goals provide the foundation upon which the budget is built. Over the course of five budget workshop sessions, following numerous hours of staff research and development, this budget was explained in detail and each expenditure and revenue item considered relative to the long-term goals of this community. As always, two major considerations during budget preparation are the tax rate and utility rates. Based on possible expenses related to the Building Utilization Strategy (BUS) and wastewater treatment plant needs, I recommended no changes in our tax rate or utility rates. However, after reviewing all proposed expenditures and revenues, the Council decided to lower the tax rate by 5¢ to 24¢ and to reduce the demand component of the water rate by \$5.00 to \$5.44. Both of these reductions result in a lowering of revenues. The Council chose to balance the budget by using \$147,270 from reserve funds in the General Fund and \$99,775 from reserve funds in the Water Utility Fund. This recommendation includes the reduced rates.

Reductions in sewer rates were discussed and considered, but no changes were approved. The tax rate of 24¢ will produce a levy in FY18-19, which is \$146,968 less than the levy produced in FY18-19 at the previous rate of 29¢.

The annual budget process is influenced by external factors including the condition of the national, state, and local economies, the emergent and pre-emergent needs identified in our community by the elected body, staff, and advisory boards, and the goals noted above. All these factors are considered in this budget, and armed with the knowledge that this document represents a significant amount of careful consideration and study, we are confident that it will allow the Town to meet its obligations, fulfill its goals, and remain fiscally strong.

Overview

The budget being presented for your consideration is balanced in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The total operating budget for the three major funds are:

General Fund	\$ 1,719,565
Water Fund	\$ 552,328
Sewer Fund	\$ 647,039
Total Operating Budget	\$ 2,918,932

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life. Expenditures are divided into functional departments in order to present a clear understanding of the costs of providing certain services. Personnel assigned to a specific functional area are paid from that department. Four years ago, a more detailed evaluation of labor allocations among the three funds was performed. This evaluation resulted in changes to more accurately reflect the work being performed by each staff member for each fund.

The total expenditure budget for the General Fund, including transfers, is \$1,719,565. That is a \$40,359 decrease over the current FY17-18, as amended. Most of that decrease can be attributed to additional BUS related design projects that were funded in FY17-18.

Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents a 2.29% decrease from the current FY17-18 budget. There is a \$147,270 appropriation of Fund Balance in the proposed budget.

Expenditure Highlights by Department

While not attempting to cover specifics for all of the eighteen (18) departments within the General Fund, what follows are some highlights of the more significant expenditures and programs being proposed. These projects, including some minor expenditures that are departures from past practices, are summarized in the tables shown on the following pages.

Street Maintenance: The Town owns and maintains over 16 miles of streets. Each year our engineer reviews an evaluation he performed of all our streets in order to determine the priority for our paving funds. These funds, Powell Bill by name, are appropriated by and are received from the State based upon our population and number of miles of town maintained roads. This revenue source has been relatively level in recent years, while costs continue to escalate.

Paving:	
Westchester Drive	38,000
Esquire Court	16,000
Carriage House Court	18,000
Canebrake Drive	40,000
Stillwater Court	6,500
Miscellaneous Patching	15,000
TOTAL	133,500

This year we are budgeting to follow the plan developed by our engineer to maintain the integrity of our roadways. As shown in the table above, we plan to pave five streets and provide patching in several areas. The total amount we expect to pay for contracted paving services is above the amount we expect to receive in Powell Bill funds; therefore, local revenue will be utilized to complete these projects.

Stormwater: The Town Council renewed its commitment to continue to improve stormwater management in this community. We fund this work through Ad Valorem taxes rather than, as other localities have, establishing a separate stormwater utility funded by user fees. The concept of a separate utility was examined several years ago, and the Public Works Advisory Board recommended to the Council that the current approach is the most appropriate at this time.

In this budget, we propose to address two drainage projects at a cost of \$15,000. Those projects are pipe repair on Lakemere Drive and bulkhead replacement on Channel Run Drive. Our engineer was consulted for the work in FY18-19 following a series of meetings and site visits with the Town Manager and Public Works Director. This budget allocates \$30,000 to the Stormwater Capital Improvement Plan (CIP) for future projects.

All of the work we do relative to managing stormwater is aimed at not only providing relief for emergent drainage problems but also at being conscious of the environmental impact stormwater can have on receiving streams. The Town, in many ways, serves as a model for good stormwater management practices, using grassy swales rather than the traditional urban model of curbs and gutters.

Public Buildings (Facilities): We plan to continue our efforts to be good custodians of our public facilities by making a few needed repairs and some modest improvements. The Town Council continued to discuss BUS options for enhancing our public buildings. I expect those discussions to continue during FY 18-19. Pending a future final decision by Council, there are no major public building projects funded in this budget. However, during FY 18-19, we may make considerable improvements to Town Hall if a BUS project is approved by Council. That project will include a new bathroom addition and other upgrades at Town Hall.

Public Works: The Department of Public Works pays for, among other items, the cost to operate streetlights and the cost to operate and maintain two vehicles. There are no major projects anticipated in Public Works this year.

Parks and Recreation: The budget being presented includes continued funding for our Parks and Recreation programs. The Parks and Recreation Advisory Board plans to continue its efforts to provide craft making and other special events throughout the year, the largest of which is the annual 4th of July parade and picnic. Excluded from the Parks and Recreation budget again this year is funding for the River Bend Community Organic Garden. It is an educational community garden operated and maintained by a group of volunteers but functioning as a component of a department of the Town.

Police: Expenditures for the Police Department include salaries and benefits for six full-time and one part-time officer, expenditures associated with dispatching, vehicle maintenance, uniforms, fuel, equipment, and Community Watch. The addition of the sixth full-time officer in FY2014 allowed the Department to continue its proactive work to reduce crime and provide a 24/7/365 police presence within the Town. The Police Department's budget includes funding for a new vehicle at a cost of \$27,000.

Throughout the budget process, Council and staff were mindful of the need to control costs while continuing to provide necessary services and maintain our infrastructure. Our efforts resulted in budgeted expenditures that are quite lean and can be met with a reduced Ad Valorem tax rate while maintaining the current level of services.

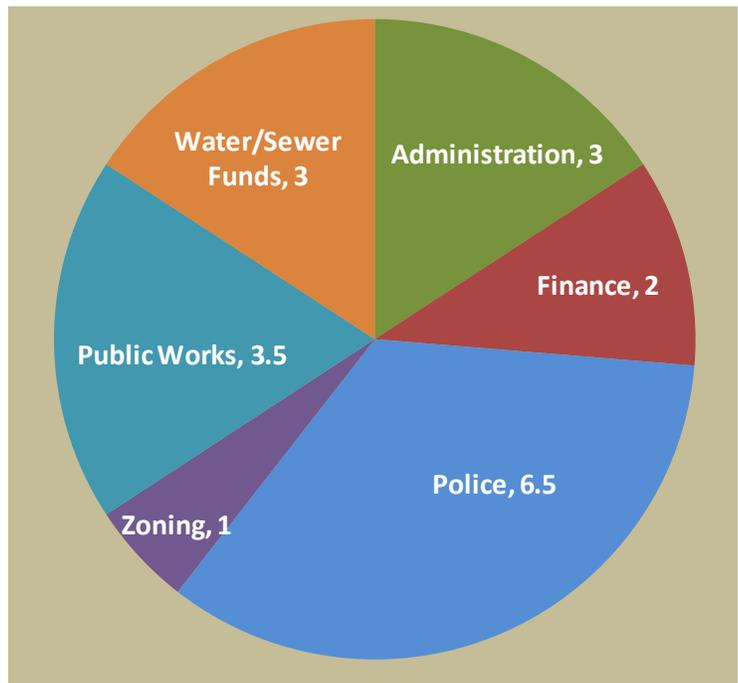
Requested projects and expenditures were kept to a minimum in order to develop a balanced budget. Prior to transfers, contingencies and appropriated fund balance, expenditures are projected to exceed revenues by \$43,737 in FY18-19. The revenues from some of the transfers are budgeted to be allocated in various CIPs and the Law Enforcement Separation Allowance Fund in the General Fund in order to provide more long-term stability to those plans.

Expenditures by Category

The North Carolina Local Government Commission (LGC) collects, maintains and compares financial data from all municipal governments in North Carolina. For fair comparison purposes, they have several population groups. This prevents small towns, such as River Bend, from being compared to large towns, such as Raleigh and Charlotte. They also separate towns that do own electrical distribution systems, such as New Bern, from those that do not own electrical distribution systems, such as River Bend. We fall into the group of towns with a population between 2,500 and 9,999 that do not operate an electrical distribution system. There are 121 towns in our group. The LGC compares the per capita expenditure for six functions for each town. Those six functions are: Public Safety, Transportation, General Government, Utility, Debt Service and Other. For 2017, (the most recent data from the LGC) River Bend spends less per capita in all six areas than the average of all towns in our population range.

Function	Average Per Capita Expenditure of Group	River Bend Per Capita Expenditure
Public Safety	\$388	\$164
Transportation	\$124	\$106
General Government	\$210	\$143
Utility	\$305	\$237
Debt Service	\$110	\$89
Other	\$225	\$60

One of the largest expenditures for River Bend and for most localities is the cost of personnel. Our professional staff allows the Town to continue to provide quality service to our residents. We currently have 18 full-time employees and 2 part-time employees. Our projections indicate no need for additional staffing for at least the next five years. Our total personnel costs account for 42.6% of the combined operating budgets of the General and Enterprise Funds. This chart shows the number of full-time employees working in each department. It does not, however, show the allocation of labor between the General Fund and Enterprise Funds that we use to account for work done outside of an employee's primary department. We use allocations in order to arrive at a more accurate cost of providing certain services and these allocations were thoroughly examined, as this budget was prepared. A detailed allocation table is provided in the Annual Budget document.



Through operational efficiencies in the utilization of personnel, leveraging technology to mitigate staffing increases, receiving countless hours of volunteer assistance, and other management strategies, we are able to maintain a staffing profile below that of comparable localities. In fact, according to 2017 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel was \$288, which is \$105 less than the \$393 average of our peer group.

This budget, following the guidance of the Council, by their continued support of our compensation plan, reflects a total wage and benefits increase of 1.55%. This budget includes a 1.8% cost of living allowance. There was also a 1% longevity increase for eligible employees in accordance with the plan. An additional merit pool is available to be used to recognize outstanding performance of individual employees.

Sources of Revenue

Due to the slow economic recovery we have experienced, we are very conservative in our estimates of the revenue we expect to receive. However, the local and state economic trends appear to be improving. General Fund revenues are budgeted at \$1,719,565, a .35% decrease compared to projected revenue in the current budget. Fund Balance appropriation in the General Fund is \$147,270.

The General Fund receives revenue from several sources, the largest of which is Ad Valorem taxes. Ad Valorem, from the Latin phrase meaning "according to value," is levied upon the property, and measured by the value of the property, not the owner's ability to pay. While important, Ad Valorem tax revenue generates \$716,056 or only 41.68% of the revenue for our General Fund in FY18-19. Of that amount, \$73,680 is attributable to taxes on motor vehicles. That means that more than half of the services that we provide in the General Fund are paid for with sources other than local property tax revenue. State law limits the rate a locality may charge for this tax to \$1.50 per \$100 of valuation. Our proposed tax rate is 24¢, which is the lowest rate since 2007.

According to the North Carolina Local Government Commission, the average tax rate among 497 reporting municipal governments in North Carolina as of June 30, 2017 (the latest available data) was \$0.4575 per hundred. River Bend contracts with the Craven County tax office to collect our taxes. This enables our residents to receive one tax bill and remit payment to one place. It also allows us to enjoy an excellent collection rate for real and personal property taxes. In FY18-19, we have budgeted for a collection rate of 99.68%.

The next largest source of revenue comes from our share of the sales tax we all pay. These are essentially two tax types: the Sales Tax on the retail sale or lease of tangible personal property and on the rental of hotel and motel rooms, and the Use Tax, an excise tax on the right to use or consume property in North Carolina or elsewhere. All taxes are pooled by the State and shared, in accordance with statutory formulas, by all 100 counties. Each county, in turn, shares their portion of the sales tax proceeds with the incorporated cities and towns in the county.

In addition to sales tax revenue, the Town also receives revenue from the State reflecting our statutory portion of tax revenues from telecommunication services, video programming, beer and wine sales, and motor fuel sales. With the exception of funding received under the terms of the Powell Bill, State revenues can be used for any legitimate government function. Powell Bill funding, by law, is restricted for uses related to the maintenance of streets. Historically, River Bend uses 100% of this funding to continue to follow our master street maintenance plan.

Fund Balance

The North Carolina Local Government Commission (LGC) monitors the level of fund balance each locality maintains as a sign of their relative financial strength. Sufficient fund balance is essential to ensure a unit of local government has ample funds to respond to emergencies and opportunities. The benchmark for fund balance that the LGC uses is 8% of total expenditures. If a unit falls below that level, the LGC may express concern to the locality and direct action to increase the balance. We project a fund balance of approximately 131% at the end of the current fiscal year. The policy set by the Town Council is to maintain a fund balance of at least 50% of total expenditures. The proposed budget predicts a fund balance at the end FY 18-19 of approximately 114%. According to June 30, 2017 LGC data, the average fund balance for our peer group was \$3,283,807 or stated as a percentage, 76.65%. The fund balance for River Bend for that same period was \$2,333,805 or 161.63%. While our fund balance percentage is considerably higher than our peer group average, our fund balance dollar amount is nearly \$1,000,000 below our peer group average. I believe the dollar amount of fund balance is more important than the percentage of fund balance. I often say, "Percentages do not pay the bills, dollars do."

Enterprise Funds

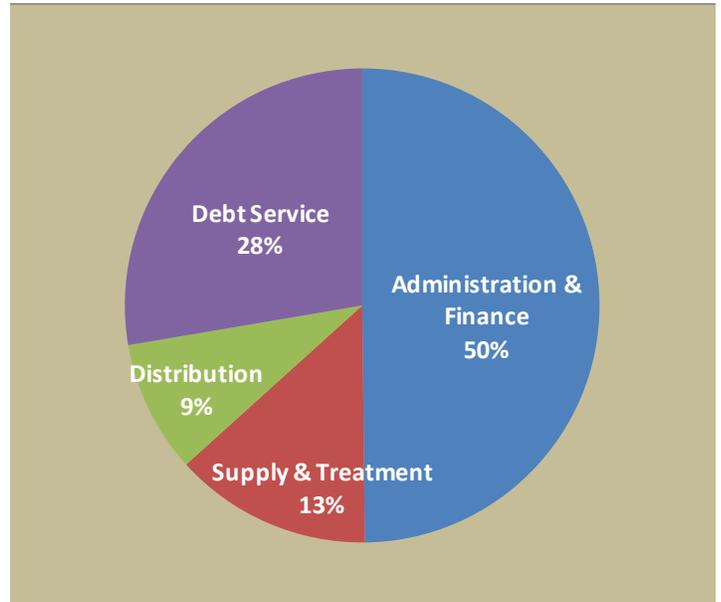
In addition to the General Fund, covering all typical government operations, the Town of River Bend operates two enterprises: the water system and the sewer system. These two enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of the Town and by having rates established that cover all expenditures of the enterprise. River Bend purchased these two businesses from a private company, Carolina Water Service, in 1995. As a result of this purchase, a significant portion of the revenue we receive is dedicated to cover the debt incurred, and amortized with annual payments through fiscal year 2027.

In FY2013, we refinanced the debt in order to take advantage of interest rates that were more favorable than we had in our prior debt structure. The result of this effort was a savings of nearly \$300,000 over the remaining life of the debt. In the process of this bond refunding we received an upgrade in our Standard & Poor's rating to AA- (subsequently upgraded again in November of 2013 to AA+), and a Moody's A1 stable rating. Both ratings remain the same today. These ratings are further evidence of good financial performance.

Water Enterprise Expenditures

Expenditures in the Water Fund are divided according to function. There are costs specifically associated with supply and treatment (taking the water from the ground and treating it to make it safe to drink) and costs associated with distributing it to the customer. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and bond debt service.

As noted earlier, debt service is a large expenditure for this enterprise and is divided from the Administration and Finance department in the chart to illustrate its proportion to overall expenditures. The total budgeted expenditure for the water enterprise in FY18-19 is \$552,328, an increase of \$7,707 from the current fiscal year.



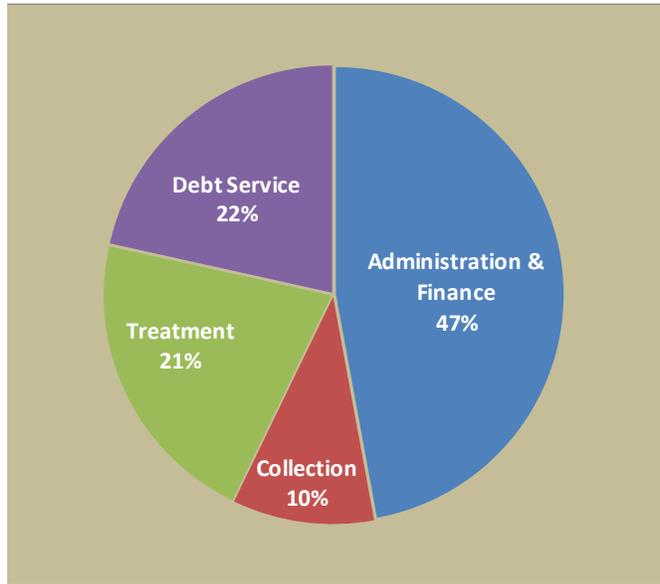
Valve Replacement	\$5,000
Roof Replacement at Well	\$4,000
Treatment House Filter Painting	\$9,200
Purchase Gas Chlorinator	\$2,000

Proposed water enterprise projects

Above are a few of the projects in the Water Fund for FY18-19. These plans, while modest in scope and total cost, all maintain the proactive posture we take to address the current and future needs of this utility.

Sewer Enterprise Expenditures

Similar to water expenditures, those for the sewer enterprise are also divided according to function. Costs specifically associated with collection (pipes and lift stations) are separated from those associated with operating the wastewater treatment plant. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and bond debt. As noted earlier, debt service is a large expenditure for this enterprise and is divided from the Administration and Finance department in the chart to illustrate its proportion to overall expenditures. The total budgeted expenditure for the sewer enterprise in FY18-19 is \$647,039, a \$6,866 increase from the current fiscal year.



Digester Inspection-Analysis	\$3,500
Purchase Sewer Cleaning Machine	\$4,500
Purchase New Blower Motor	\$3,500

Proposed sewer enterprise projects

Above are a few of the projects in the Sewer Fund for FY18-19. Recently, the Town completed a design project for our sewer plant. No plans are being made to implement any changes or to change the permitted capacity of the treatment plant; rather, the Council is attempting to remain proactive in its approach to maintaining the life of the plant and to be ready for any changes that may be included in future permits. The design phase of the project will result in the Town being prepared to act should changes be mandated by the State. Currently, the Council has placed that project on hold until our permit dictates that changes be made.

Enterprise Fund Revenue

The budget for these two enterprises received attention in our budget workshop sessions with proposed revenues for current and future years being scrutinized in light of anticipated expenditures. We are fortunate to have a professionally designed rate model for each utility so the impact of the proposed expenditures can be compared to revenue at various rate levels.

Based upon the proposed expenditures, proposed revenues from user fees and cash balance, the Council directed me to lower the water rates. The cash balance in this utility is sufficient to respond to many unknown conditions, and there are no identified long-term capital needs that require the continued building of cash reserves.

Likewise, both current and future revenues and expenditures for sewer were considered during the budget work sessions. The Council directed me to make no changes in sewer rates. The current rate structure, combined with conservative expenditures, will allow the utilities to maintain an adequate level of reserves to respond to emergent needs if they arise during the year and for the next few years. Each year, the Council looks at current and long-range needs of both systems. Next year, the Council will do the same and will consider any necessary rate changes to keep the funds sound.

Conclusion

The slowly recovering economic conditions made it important to concentrate our budgeting efforts on maintaining current levels of services and maintenance of Town-owned property and infrastructure, while attempting to avoid an increase in rates and fees. The budget being presented for your consideration accomplishes these goals. Each year we are faced with different challenges and opportunities, and the next year will likely see us facing challenges similar to those we faced this year.

Maintaining our critical infrastructure and essential services comes at a cost; and River Bend, like towns throughout the State, must manage in a fiscal climate marked by economic uncertainty and slow but improving growth and very limited grant funding opportunities. Our Town Council members accept their responsibility with great conviction and sincerity and strive to be well informed and engaged in the operation of this government. This budget reflects the Council's commitment to maintaining and improving this community and positioning it to be financially sound in the future. I believe it to be worthy of your consideration and approval.

I want to thank the Mayor, Town Council, and Town staff for their commitment to and participation in this budget process. I want to recognize the considerable contribution of Margaret Theis, Finance Administrator, in the development of this year's budget. However, every member of the staff at Town Hall, along with the Department Heads contributed in some degree to the budget recommendation process. This annual budget represents a true team effort as we all work to preserve the future of this great community.

Respectfully Submitted,

Delane Jackson
Town Manager

Annual Budget Ordinance

BE IT ORDAINED by the Council of the Town of River Bend, North Carolina that the following anticipated fund revenues and departmental expenditures, together with certain fees and schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

Summary

General Fund	1,719,565
General Capital Reserve Fund	130,000
Law Enforcement Separation Allowance Fund	36,722
Water Fund	552,328
Water Capital Reserve Fund	26,008
Sewer Fund	647,039
Sewer Capital Reserve Fund	136
Total	3,111,798

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2018-2019	643,056
AD VALOREM Taxes-Motor Vehicle	73,680
Animal Licenses	2,400
Sales Tax 1% Article 39	151,200
Sales Tax 1/2% Article 40	93,800
Sales Tax 1/2% Article 42	75,700
Sales Tax Article 44	11,300
Sales Tax Hold Harmless Distribution	93,400
Solid Waste Disposal Tax	2,100
Powell Bill Allocation	88,000
Beer and Wine Tax	13,500
Video Programming Sales Tax	60,100
Utilities Franchise Tax	119,000
Telecommunications Sales Tax	15,200
Court Refunds	500
Zoning Permits	3,000
Miscellaneous	8,000
Interest- Powell Bill Investments	5
Interest-Investments	16,064
Contributions	1,200
Wildwood Storage Rents	20,248
Rents & Concessions	18,000
Transfer from Capital Reserve Fund	59,142
Appropriated Fund Balance	147,270
Total	1,719,565

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2018-2019

Authorized Expenditures

Governing Body	28,131
Administration	236,521
Finance	108,476
Tax Listing	10,246
Legal Services	24,000
Elections	0
Public Buildings	83,436
Police	515,587
Emergency Services	4,590
Animal Control	12,699
Street Maintenance	180,049
Public Works	156,279
Leaf & Limb and Solid Waste	42,345
Stormwater Management	51,449
Wetlands and Waterways	5,500
Planning & Zoning	40,610
Recreation & Special Events	7,495
Parks & Community Appearance	35,977
Contingency	38,675
Transfer to Capital Reserve Fund	124,000
Transfer to L.E.S.A. Fund	13,500
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Total	1,719,565

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	124,000
Interest Revenue	6,000
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Total	130,000

Authorized Expenditures

Transfer to General Fund	59,142
Future Procurement	70,858
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Total	130,000

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2018-2019

Section 3. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

Contributions from General Fund	13,500
Interest Revenue	400
Appropriated Fund Balance	<u>22,822</u>
Total	36,722

Authorized Expenditures:

Separation Allowance	36,722
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Section 4. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	193,058
Utility Usage Charges, Classes 3 & 4	12,840
Utility Usage Charges, Class 5	13,624
Utility Usage Charges, Class 8	4,088
Utility Customer Base Charges	182,304
Hydrant Availability Fee	23,058
Taps & Connections Fees	1,250
Nonpayment Fees	9,660
Late Payment Fees	6,086
Interest Revenue	6,585
Appropriated Fund Balance	<u>99,775</u>
Total	552,328

Authorized Expenditures

Administration & Finance [1]	407,554
Operations and Maintenance	118,216
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	<u>23,058</u>
Total	552,328

[1] Portion of department for bond debt service: 145,558

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2018-2019

Section 5. Water Capital Reserve Fund

Anticipated Revenues

Contributions from Water Operations Fund	23,068
Interest Revenue	2,950
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Total	26,008

Authorized Expenditures

Future Expansion	26,008
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Section 6. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	263,820
Utility Usage Charges, Classes 3 & 4	31,916
Utility Usage Charges, Class 5	33,369
Utility Usage Charges, Class 8	9,470
Utility Customer Base Charges	293,514
Taps & Connection Fees	1,400
Late Payment Fees	7,585
Interest Revenue	5,965
Appropriated Fund Balance	0
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Total	647,039

Authorized Expenditures:

Administration & Finance [2]	400,850
Operations and Maintenance	183,189
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	0
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Total	647,039

<i>[2] Portion of department for bond debt service:</i>	<i>125,692</i>
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Section 7. Sewer Capital Reserve

Anticipated Revenues:

Interest Revenue	136
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Authorized Expenditures:

Future Expansion	136
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of twenty-four cents (\$0.24) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2018, for the purpose of raising the revenue listed "Ad Valorem Taxes 2018-2019" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$268,800,000 and an estimated rate of collection of 99.68%. The estimated collection rate is based on the fiscal year 2016-2017 collection rate of 99.68% by Craven County who has been contracted to collect property taxes for the Town of River Bend. Also included in this rate is a valuation of \$30,700,000 for purposes of taxation of motor vehicles with a collection rate of 100% by the North Carolina Vehicle Tax System.

Section 9. Fees and Charges

There is hereby established, for Fiscal Year 2018-2019, various fees and charges as contained in Attachment A of this document.

Section 10. Special Authorization of the Budget Officer

- A. The Budget Officer shall be authorized to reallocate any appropriations within departments.
- B. The Budget Officer shall be authorized to execute interfund and interdepartmental transfers in emergency situations. Notification of all such transfers shall be made to the Town Council at its next meeting following the transfer.
- C. The Budget Officer shall be authorized to execute interdepartmental transfers in the same fund, including contingency appropriations, not to exceed \$5,000. Notification of all such transfers shall be made to the Town Council at its next meeting following the transfer.

Section 11. Classification and Pay Plan

Cost of Living Adjustment (COLA) for all Town employees shall be 1.8% and shall begin the first payroll in the new fiscal year.

The Town Manager is hereby authorized to grant merit increases to Town employees, when earned, per the approved Pay Plan.

Section 12. Utilization of the Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of River Bend municipal government during the 2018-2019 fiscal year. The Budget Officer shall administer the Annual Operating Budget and shall ensure the operating staff and officials are provided with guidance and sufficient details to implement their appropriate portion of the budget.

Section 13. Copies of this Budget Ordinance

Copies of this Budget Ordinance shall be furnished to the Clerk, Town Council, Budget Officer, and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this 21th day of June, 2018.

John R. Kirkland, Mayor

Attest:

Ann Katsuyoshi, Town Clerk

Town of River Bend
Schedule of Rates and Fees
(Attachment A to Budget Ordinance)
Effective July 1, 2018

Amounts due are based upon the Fees and Charges Schedule in effect at the time of payment. It is the Town Council's intention that the Fees and Charges Schedule be revised as needed by July 1st of each year. Some fees and charges may be adjusted during the year as circumstances change.

GENERAL FUND

Administrative

Ad Valorem Tax	\$.24 per \$100 assessed valuation
Copies of Public Information	as specified by State Statute
Town Code, entire copy	\$75.00
Notary Fee	\$5.00 per signature after the first
Meeting Rooms	
Four hours or less	\$35.00
Over four hours	\$60.00
Returned Check Processing Charge	\$25, as allowed by G.S. §25-3-506
Administrative Fee for returned bank drafts	\$25.00

Public Safety

Pet License Fee	\$10.00
Town Ordinance Violation	
1st Offense	\$25.00
2nd Offense	\$50.00
3rd Offense	\$75.00
4th (and subsequent) offense	\$100.00

Ordinance permits penalties up to \$500. Penalties of this magnitude are reserved for serious infractions.

Golf Cart Registration Fee	\$10.00
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Nuisance Abatement Administrative Fee

<u>Cost of Abatement</u>	<u>Fee</u>
\$1 – 1,000	\$50.00
\$1,001 – and up	5% of total abatement cost (maximum fee \$2,000)

Parks

Town Hall Pavilion Use

Up to 25 attendants	No charge
26 - 100 attendants	\$25
Over 100 attendants	\$50

Planning and Zoning

Special Exception Use Permit \$200 plus cost of required legal advertisement and postage to notify abutting land owners

Variance \$200 plus cost of required legal advertisement and postage to notify abutting land owners

Appeal to Board of Adjustment \$200 plus cost of required legal advertisement and postage to notify abutting land owners

Residential Application Based on amount of project as follows:

Base Fee \$30

\$2 for every \$1,000 of project value after first \$1,000 and up to \$100,000; plus, \$1 for every \$1,000 above \$100,000 (All values rounded up to nearest \$1,000)

Zoning Administrator can use any appropriate means to verify project valuation.

Residential Flood Plain Application with Zoning Permit

40% of the fee for the Town's residential zoning permit and shall be additional to the zoning permit fee for enclosed structures (fences, decks, and other similar exempt from additional fee).

Commercial Application

Based on amount of project as follows:

Base Fee \$50

\$4 for every \$1,000 of project value after first \$1,000 and up to \$100,000; plus, \$2 for every \$1,000 above \$100,000 (All values rounded up to nearest \$1,000)

Zoning Administrator can use any appropriate means to verify project valuation.

Commercial Flood Plain Application with Zoning Permit

40% of the fee for the Town's commercial zoning permit and shall be additional to the zoning permit fee for enclosed structures (fences, decks, and other similar exempt from additional fee).

Residential Flood Plain Application without Zoning Permit

Based on amount of project as follows:

Base Fee \$30

\$2 for every \$1,000 of project value after first \$1,000 and up to \$100,000; plus, \$1 for every \$1,000 above \$100,000 (All values rounded up to nearest \$1,000)

Zoning Administrator can use any appropriate means to verify project valuation.

Commercial Flood Plain Application without Zoning Permit

Based on amount of project as follows:

Base Fee \$50

\$4 for every \$1,000 of project value after first \$1,000 and up to \$100,000; plus, \$2 for every \$1,000 above \$100,000 (All values rounded up to nearest \$1,000)

Zoning Administrator can use any appropriate means to verify project valuation.

Engineering Review	Charged to applicant at the actual cost of the service as billed by the contracted engineer.
Zoning Amendment Request (Map or Text)	\$200 plus cost of required legal advertisement and postage to notify abutting land owners
Sign Permit	\$30
Tree Harvest Permit	\$50
Zoning and Subdivision Ordinances	\$25 per set

Wildwood Storage Rental Rates

Unit Number	Unit Size	Monthly Rent
BB 01	5x20	\$35
BB 02	5x20	\$35
BB 03	5x20	\$35
BB 04	5x20	\$35
BB 05	10x20	\$75
BB 06	10x20	\$75
BB 07	10x20	\$75
BB 08	10x20	Town
BB 09	10x20	Town
BB 10	10x20	Town
BB 11	10x20	Town
BB 12	10x20	Town
GB 15	10x16	\$65
GB 16	10x16	\$65
GB 17	10x16	\$65
GB 18	10x16	\$65
GB 19	10x16	\$65
GB 20	10x16	Town
GB 21	10x16	\$65
GB 22	10x16	Town
OP	Open Spaces (40)	\$25
Late Payment Charge		\$10, assessed after the 10 th of the month
Interest Charge		1.5% monthly on outstanding balances

ENTERPRISE FUNDS

Water and Sewer - Rates and Fees

	Water	Sewer
Class 1 and 2 - Residential ⁽¹⁾		
Customer Base Charge per month ⁽²⁾	10.24	24.18
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽³⁾	1,250.00	1,250.00
Nonpayment Fee	70.00	-
Class 3 and 4 - Commercial		
Customer Base Charge per month ⁽²⁾	48.32	141.99
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	3,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 5 - Industrial		
Customer Base Charge per month ⁽²⁾	146.24	444.93
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	5,000.00	1,250.00
Nonpayment Fee	200.00	-
Class 6 - Early Bird (No longer available)		
Class 7 - Fire Hydrant Charge		
Availability Charge per year	183.00	-
Class 8 - 1" Water Service		
Customer Base Charge per month ⁽²⁾	18.40	49.43
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	1,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 9 - Vacant /Out of Use Non-residential Property		
Customer Base Charge per month ⁽²⁾	10.24	24.18
Usage per 1,000 gallons	4.02	9.08
Nonpayment Fee	70.00	-
Class 10 - Vacant Residences		
Customer Base Charge per month ⁽²⁾	10.24	-
Nonpayment Fee	70.00	-

Special Charges

Service Call - 2 hour minimum

\$35 per hour - signed by customer to initiate work outside of scheduled work hours of 7:00 a.m. - 4:00 p.m. on weekdays and 7:00 a.m. - 3:00 p.m. on weekends

Meter Testing Charge \$25 - no charge if meter defective

Special Charges (continued)

Returned Check Processing Charge \$25, as allowed by G.S. §25-3-506

Late Payment Charge 10% of amount overdue per month or part of month beginning 30 days after billing date

Irrigation Connection Inspection \$20

(1) Residential customer deposit may apply. Please refer to Water Resources Department Policy Manual.

(2) Base charges do not include any usage.

(3) The published Initial Connection (Tap) charges are based on the historic River Bend average cost that has been experienced in making connections. There will be cases when, because of the local depth of the service main pipe to which the connection is to be made, or other site specific differences from the norm, the published connection fee will not cover the actual cost of the tap. When the Water Resources Superintendent encounters such conditions, he shall notify the applicant requesting the tap that the cost may exceed the published fee. In those cases, a record of cost associated with the specific tap will be accounted for and if the total cost exceeds the published fee, then the applicant shall pay a fee equal to the actual cost.

(4) The necessary equipment will be provided to the resident at cost. The resident is responsible for installing the irrigation meter on the resident's side of the regular water meter. After installation, the work will be inspected by a Water Resources Department employee.

Budget “Snapshot”

What follows is a brief “snapshot” of the budgets of all three major funds. These are briefly explained in the Budget Message that precedes these pages, and were discussed in detail during the budget sessions. More details will be included in the Budget document when it is completed.

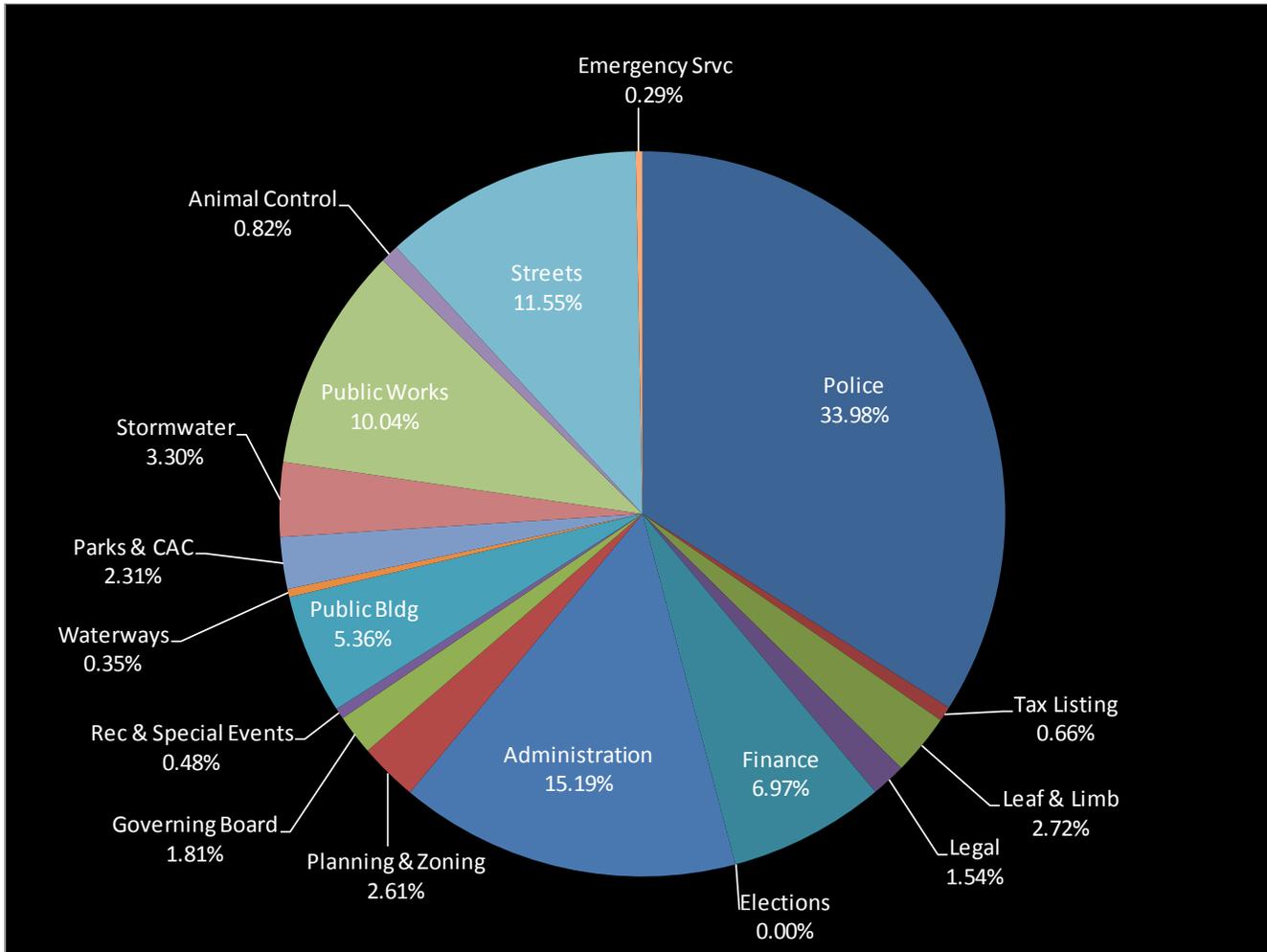
General Fund Expenditures

The chart shown below summarizes the actual, budgeted, projected, and proposed expenditures, by department, in the General Fund for the previous three fiscal years, the current fiscal year, and the budget under consideration. This allows the reader to see how expenditures change in each of these departments over the course of three years.

General Fund Expenditure Summary							Change v. prior year	
		14-15	15-16	16-17	17-18	18-19	%	\$
Dept #	Department Name	Actual	Actual	Actual	Budget	Proposed		
4110	Governing Body	22,504	28,711	20,576	31,553	28,131	-10.85%	-3,422
4120	Administration	216,929	224,214	229,914	227,888	236,521	3.79%	8,633
4130	Finance	93,908	100,434	99,724	102,873	108,476	5.45%	5,603
4140	Tax Listing	11,724	11,362	12,084	12,182	10,246	-15.89%	-1,936
4150	Legal Services	21,698	12,926	9,335	25,000	24,000	-4.00%	-1,000
4170	Elections	-	4,591	-	8,500	-	-100.00%	-8,500
4310	Police	490,983	493,610	474,712	511,361	529,087	3.47%	17,726
4190	Public Buildings *	72,940	58,938	64,251	178,121	83,436	-53.16%	-94,685
4330	Emergency Services	3,735	3,663	3,596	3,862	4,590	18.85%	728
4380	Animal Control	11,506	12,028	11,446	12,170	12,699	4.35%	529
4510	Street Maintenance *	193,261	202,916	163,465	158,475	180,049	13.61%	21,574
4560	Public Works	113,217	136,653	159,988	169,837	156,279	-7.98%	-13,558
4710	Leaf & Limb and Solid Waste	39,028	36,365	48,670	38,505	42,345	9.97%	3,840
4730	Stormwater Management *	119,085	105,116	51,042	55,705	51,449	-7.64%	-4,256
4760	Wetlands & Waterways	8	2,353	434	6,000	5,500	-8.33%	-500
4910	Planning & Zoning	34,230	36,222	43,804	39,533	40,610	2.72%	1,077
6120	Recreation & Special Events	5,931	6,708	5,576	7,500	7,495	-0.07%	-5
6130	Parks & CAC	42,040	33,663	34,413	34,870	35,977	3.18%	1,107
Department Expenditure Total		1,492,730	1,510,471	1,433,028	1,623,935	1,556,890	-4.13%	-67,045
Contingency (1% per policy) + Merit Pool *		27,147	13,300	13,300	21,879	38,675	76.77%	16,796
Transfer to Capital Reserve		105,000	241,000	197,052	114,110	124,000	8.67%	9,890
* department amended since adoption								
TOTAL		1,624,877	1,764,770	1,643,379	1,759,924	1,719,565	-2.29%	-40,359

The last two columns compare the proposed budget to the current year's budget.

This chart shows the percentage of funding that each department receives of the total budget.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2018-2019

General Fund Revenue

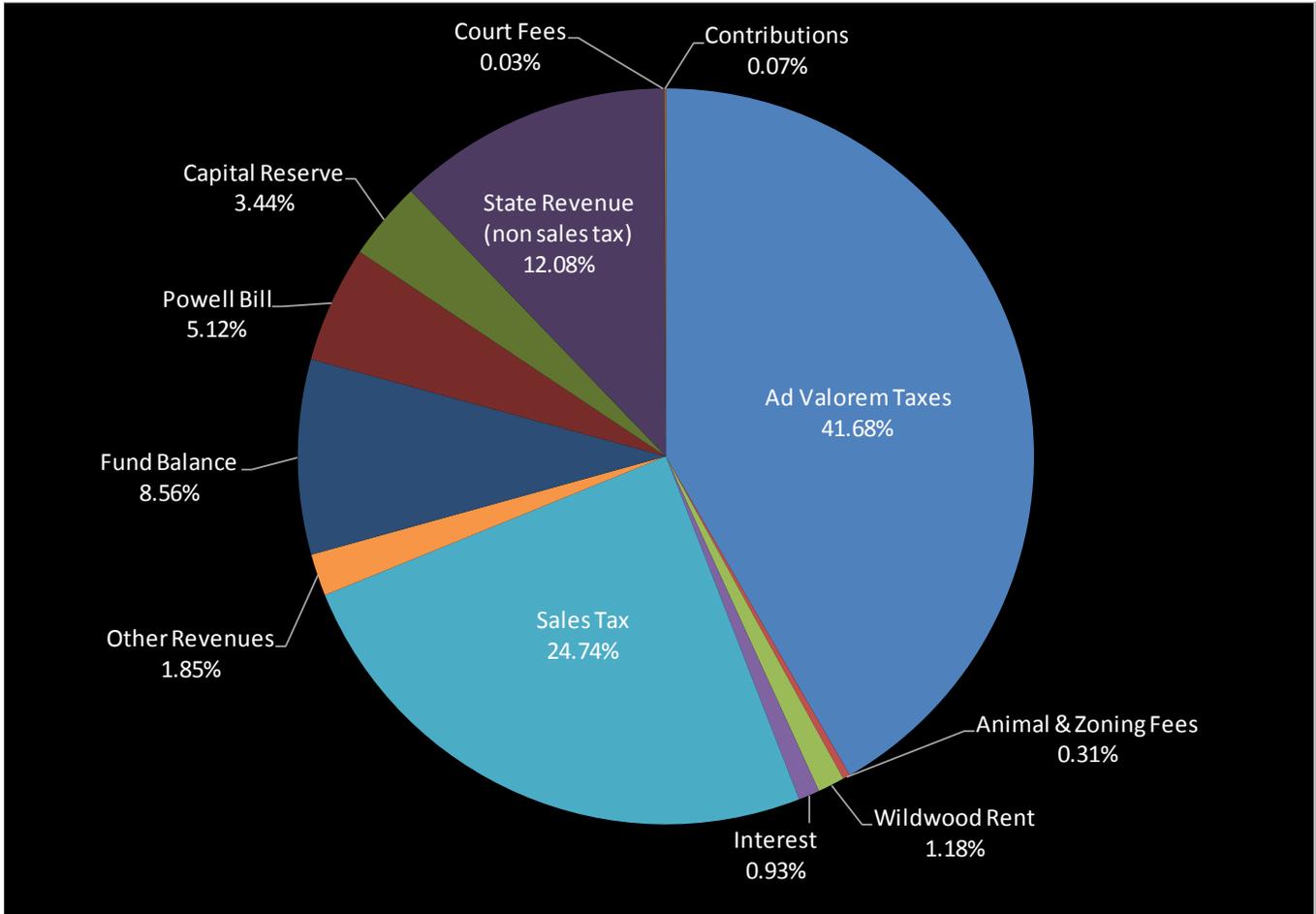
The chart shown below summarizes the actual, budgeted, and projected revenue, by type, in the General Fund. Similar to the chart for expenditures, this worksheet gives the reader some historical perspective regarding the changes in sources of revenue.

General Fund Revenue Summary	14-15	15-16	16-17	17-18	18-19	Change v. prior year	
	Actual	Actual	Actual	Budget	Proposed	%	\$
Ad Valorem Taxes	891,577	891,338	926,035	863,704	716,736	-17.02%	-146,968
Animal Licenses & Zoning Permits	5,667	6,421	8,061	4,900	5,400	10.20%	500
Interest	347	2,952	6,932	6,005	16,070	167.61%	10,065
Wildwood Rents	37,322	40,577	43,850	38,880	20,248	-47.92%	-18,632
Other Revenue & Rents	42,077	35,971	43,724	25,900	31,800	22.78%	5,900
Contributions	822	1,650	1,232	1,200	1,200	0.00%	0
Powell Bill (includes appropriation)	92,300	90,502	88,873	90,000	88,000	-2.22%	-2,000
State Revenue (other than sales tax)	212,617	211,165	208,106	208,600	207,800	-0.38%	-800
Sales Tax Revenue	394,208	411,712	417,859	411,300	425,400	3.43%	14,100
Government Grants (Fed, State & County)	478	0	17,636	0		0.00%	0
Fees (court refund)	645	806	612	850	500	-41.18%	-350
Charges to Other Funds	0	0	0	0	0	0.00%	0
Transfer from Capital Reserve	76,345	220,553	99,000	60,693	59,142	-2.56%	-1,551
Transfer from LESA Fund							0
Appropriated Fund Balance	0	0	0	47,892	147,270	0.00%	99,378
TOTAL	1,754,403	1,913,646	1,861,921	1,759,924	1,719,565	-2.29%	-40,359

The last two columns compare the proposed budget to the current year's budget.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2018-2019

This chart shows the percentage each revenue type contributes to total General Fund revenue.

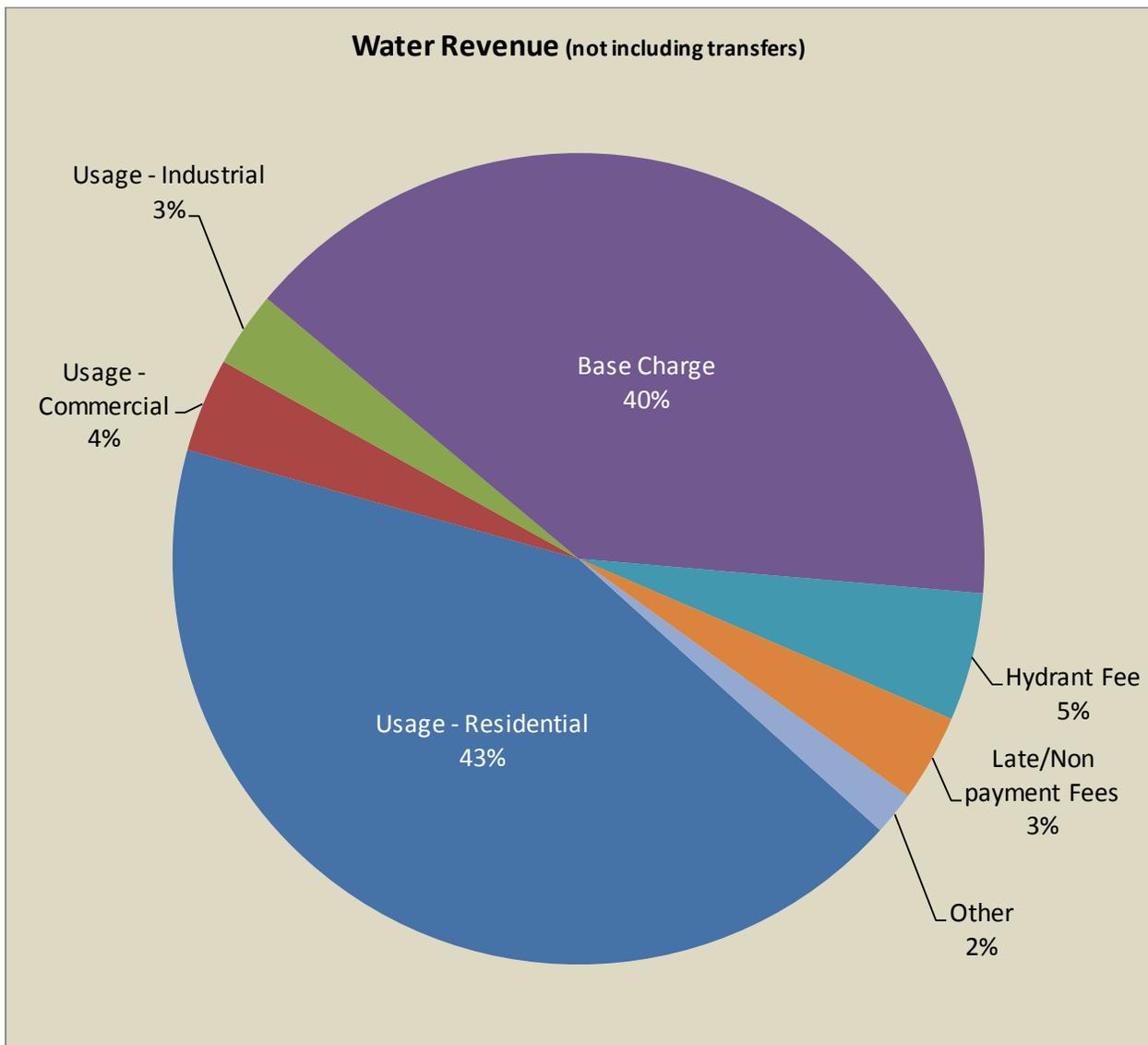


Water Fund Expenditures

The worksheet shown below summarizes the actual, budgeted, and projected expenditures, by department within the Water Enterprise Fund.

Water		15-16	16-17	17-18 bud.	18-19 prop.	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
60-7125	Administration & Finance	375,489	407,220	408,561	407,554	-0.25%	-1,007
60-7132	Supply & Treatment	26,406	37,204	63,179	70,807	12.07%	7,628
60-7134	Distribution	39,479	31,503	45,591	47,409	3.99%	1,818
TOTAL (less transfers and contingency)		441,374	475,926	517,331	525,770	1.63%	8,439

This chart shows the percentage each revenue type contributes to the total received by this enterprise.

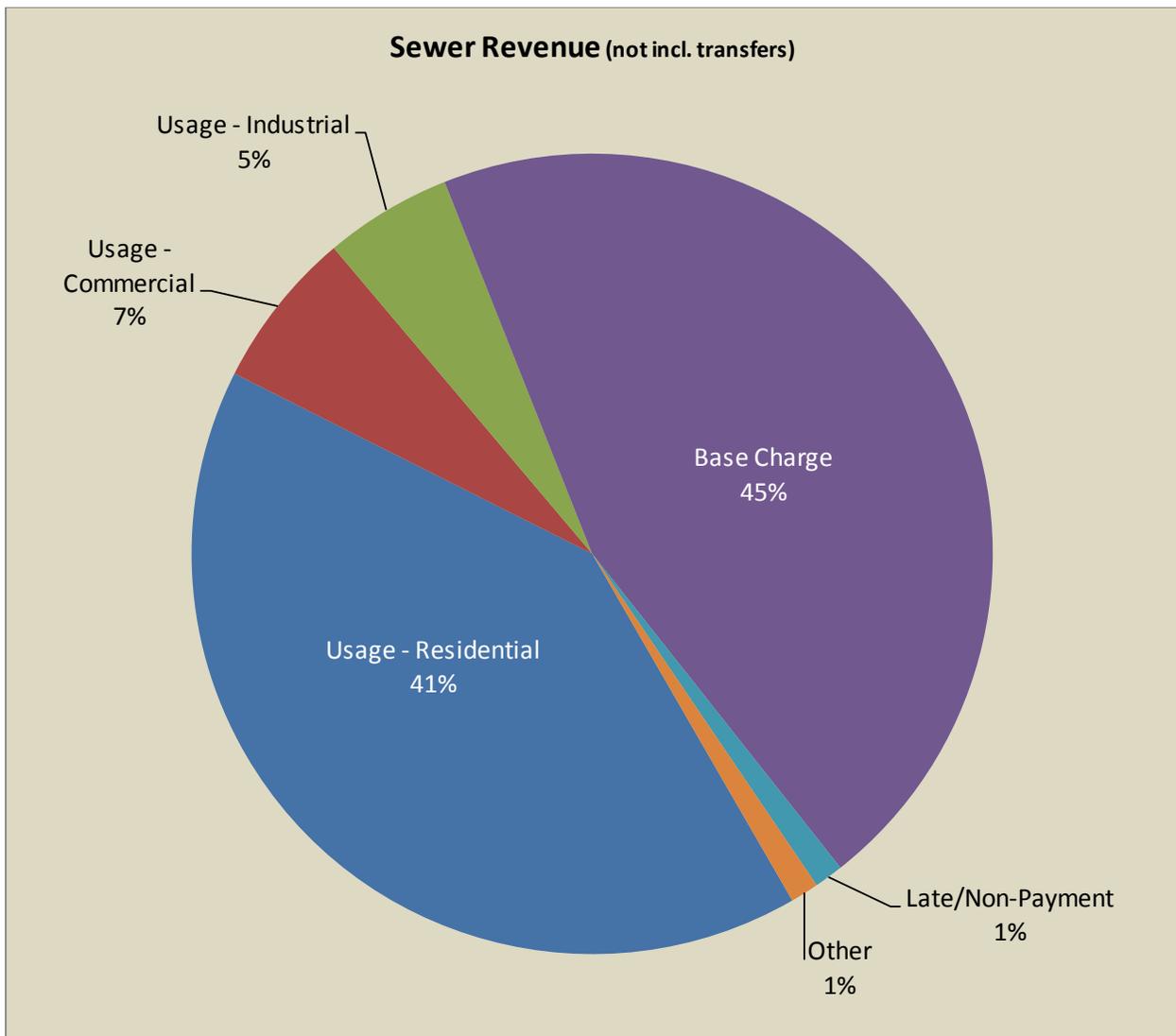


Sewer Fund Expenditures

The worksheet shown below summarizes the actual, budgeted, and projected expenditures, by department within the Sewer Enterprise Fund.

	Sewer	15-16	16-17	17-18	18-19	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
61-7125	Administration & Finance	382,326	398,461	402,788	400,850	-0.48%	-1,938
61-7142	Collection	54,020	23,944	70,605	58,730	-16.82%	-11,875
61-7144	Treatment	145,055	95,484	103,780	124,459	19.93%	20,679
TOTAL (less transfers and contingency)		581,401	517,889	577,173	584,039	1.19%	6,866

This chart shows the percentage each revenue type contributes to the total received by this enterprise.



What Will I Pay?

This table shows the real estate tax one would pay based upon the assessed value of their property.

To calculate your actual Town tax, multiply the total assessed value of your property by 0.0024. This will show what you pay for the General Fund services that the Town provides.

According to the Craven County Tax Department, the current, average, assessed value of a home in River Bend is \$159,637 (note highlighted data).

Assessed Value	Annual Bill at 0.24
95,000	\$228
125,000	\$300
159,637	\$383
190,000	\$456
200,000	\$480
250,000	\$600
300,000	\$720
350,000	\$840
400,000	\$960
500,000	\$1,200
600,000	\$1,440

The following table shows the proposed residential water and sewer rates and their effect upon a residential customer using 3,000 gallons per month. The proposed rates represent a decrease of \$5.00 per month in the water rates only. Business, commercial, and industrial base rates and fees are different from the residential base rate and fees. However, water rates were reduced in all rate classes. In 2017, the average water customer used 3,185 gallons of water per month.

Charges for 3,000 gallons per month			
		Current	Approved
Water	Base	15.24	10.24
	Use	12.06	12.06
Sewer	Base	24.18	24.18
	Use	27.24	27.24
Monthly		78.72	73.72
Per-Bill		157.44	147.44
Monthly Difference			-5.00
Per Bill Difference			-10.00
			-6.35%

This table combines the cost of real estate taxes and the cost of water and sewer to show the total amount a resident of River Bend would pay in a year for real estate

Annual Costs	
Water/Sewer Fees (3,000 gal/month)	\$ 885
Real Estate Tax (\$159,637 home)	\$ 383
TOTAL	\$ 1,268
Average Per Day Cost for water/sewer/tax	\$ 3.47

taxes on a home valued at \$159,637 and water and sewer fees for 3,000 gallons usage per month. For \$3.47 per day, our average water and sewer user living in our average home, receives clean potable water, efficient wastewater treatment, 24/7 police protection, stormwater management, animal control, planning, zoning, code enforcement, parks, recreational events, street lights, street maintenance, leaf & limb removal, and a host of other services. Our goal is to continue to deliver high quality services at a reasonable price to all who make River Bend their home.

Where are my tax dollars spent?

This table breaks down the proposed tax rate to show how much of that rate goes to fund each of the functions in the General Fund. The total proposed tax rate is 24¢ per one hundred dollars of assessed value.

Department	Cents per Hundred
Governing Body	0.393
Administration	3.301
Finance	1.514
Tax Listing	0.143
Legal	0.335
Elections	0.000
Police	7.384
Public Buildings	1.165
Emergency Services	0.064
Animal Control	0.177
Street Maintenance	2.513
Public Works	2.181
Leaf and Limb/Solid Waste	0.525
Stormwater Management	0.718
Wetlands and Waterways	0.077
Planning and Zoning	0.567
Recreation and Special Events	0.105
Parks and CAC	0.502
Contingency	0.540
Transfer to Cap. Res.	1.731
Tax Rate	0.24

Tax Rate History



The chart above shows the history of the tax rate for the Town of River Bend since 2010, including the proposed rate of 24¢ per \$100 of assessed value for FY 18-19.

Budget and Finance Recognition

The Town Council realizes that the budget preparation process is one of, if not, the most important aspects of operating a municipal government. The budget sets the priorities for not only the next fiscal year but also for future years as well. A considerable amount of planning goes into the annual budget preparation process. After the budget has been approved by the Council, it is handed over to the staff for implementation. Maintaining budget compliance is a year-long responsibility. During the fiscal year, the Council is updated at least monthly on the financial condition of the Town. The Council is ultimately responsible for the financial condition of the Town and takes that responsibility very seriously. The Town of River Bend has often been recognized for its budget preparation, financial reporting and transparency. Some of those recognitions are listed below:

2010- Excellence in Accounting and Financial Management from the NC State Treasurer.

2010 to present- Distinguished Budget Presentation Award from the Government Finance Officers Association. Recently, we received our eighth in a row for fiscal year beginning 2017.

2011 to present- Excellence in Financial Reporting Award from the Government Finance Officers Association. Recently, we received our seventh in a row for fiscal year ending 2017.