



Fiscal Year 2019—2020

Town of River Bend, North Carolina

Annual Budget Message and

(a summary of the annual budget)

Annual Operating Budget Ordinance



Fiscal Year 2019-2020
Annual Budget Message
And
Operating Budget Ordinance

Mayor

John Kirkland

Town Council

Bill Camp
Morris "Buddy" Sheffield
Irving "Bud" Van Slyke, Jr.*
Harry "Bud" McClard
Don Fogle

*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 9, 2019

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, 2019 and ending June 30, 2020 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 10, 2019:

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. This year's budget process presented an unusual and serious challenge. On September 14, 2018 Hurricane Florence impacted our town. Over 500 homes were damaged to some degree. Many of them were flooded. Hundreds of homes were rendered uninhabitable. Today, more than seven months later, many are still vacant and/or not repaired. The hurricane created the largest disaster in the history of River Bend and created the largest debris removal project in our history. The hurricane's impact is evidenced in this year's budget process. I am estimating a reduced property value of \$15,000,000 and reduced revenues in the utility funds of 8-10%. As always, two major considerations during budget preparation are the tax rate and utility

rates. After reviewing all proposed expenditures and revenues, and considering the lingering impacts from Hurricane Florence, I am recommending a 2¢ increase of the tax rate and no changes to the water or sewer rates. The proposed tax rate is 26¢.

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	\$ 1,740,903
Water Fund	\$ 532,983
Sewer Fund	\$ 610,095
Total Operating Budget	\$ 2,790,297

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. We use a labor allocation formula to more accurately reflect the work being performed by each staff member within each of the three funds.

The total expenditure budget for the General Fund, including transfers, is \$1,740,903. However, \$93,700 of that is attributable to grant-funded department expenditures. Excluding those costs, the General Fund is \$1,647,219. That is a \$1,162,137 decrease over the FY18-19 budget, as amended. Most of that decrease can be attributed to \$1,000,000 in hurricane recovery expenses which, for now, have been funded through an increase in appropriated fund balance. When those costs are excluded, the reduction is \$162,137.

Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents an 8.96% decrease from the current FY18-19 budget, excluding

hurricane expenses and the grant-funded expenses. There is a \$75,431 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. Due to uncertainties related to the hurricane, this year's proposed budget greatly reduces capital spending. I hope this can be a one-year reduction and can be refunded in FY20-21 budget.

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.

This year we are budgeting \$134,800 to follow the plan developed by our engineer to maintain the integrity of our roadways. 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: Typically, we allocate \$30,000 of funding within the stormwater Capital Improvement Plan (CIP). This year, we provide no funding in that CIP and we also have no funds budgeted for any stormwater projects. We have budgeted \$12,000 for stormwater projects that may arise during the year.

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. Last year, the Town Council continued to discuss options for enhancing our public buildings. Recently, the Council agreed on a floor plan for a new building and approved a contract with an architect to develop plans for that building. Once bids are received, the Council will decide if they wish to proceed with construction. The new building would serve as a Police Station and also contain two multipurpose rooms for community activities. The Council is also re-visiting earlier plans to remodel Town Hall. The Council will receive and consider bids for that project in conjunction with the new building project.

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. We provide 24/7/365 police presence within the Town. The Police Department's budget of \$545,596 is the largest in the General Fund, representing 31.64% of General Fund expenditures.

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 while maintaining the current level of services. Last year, the Council approved a 5¢ reduction to the tax rate. That required a \$147,000 fund balance appropriation. Unless new revenues are created to offset that reduction in revenues, it creates an annual deficit in revenues. That tax rate reduction, combined with next year's expected \$15,000,000 reduction in property values left few options to balance the budget except to raise the tax rate. With the 2¢ increase, the tax rate is still 3¢ less than it was in FY17-18.

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 \$57,550 in FY19-20. 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.

Recovery Grant: This is a new, temporary department which is being funded by a \$300,000 grant from the North Carolina Office of Recovery and Resiliency. The grant will provide most, but not all, of the funding to hire two new employees and purchase a new vehicle. The grant is for a 3-year period. The estimated 3-year cost is \$311,507. Since the grant is temporary, I have noted its omission from several of the comparisons to previous years' budget totals. I have also omitted these temporary positions from our personnel costs comparisons. The Town was also fortunate to receive a \$1,000,000, zero interest loan from the same State office. This loan will help us replenish our fund balance until FEMA reimbursements are received.

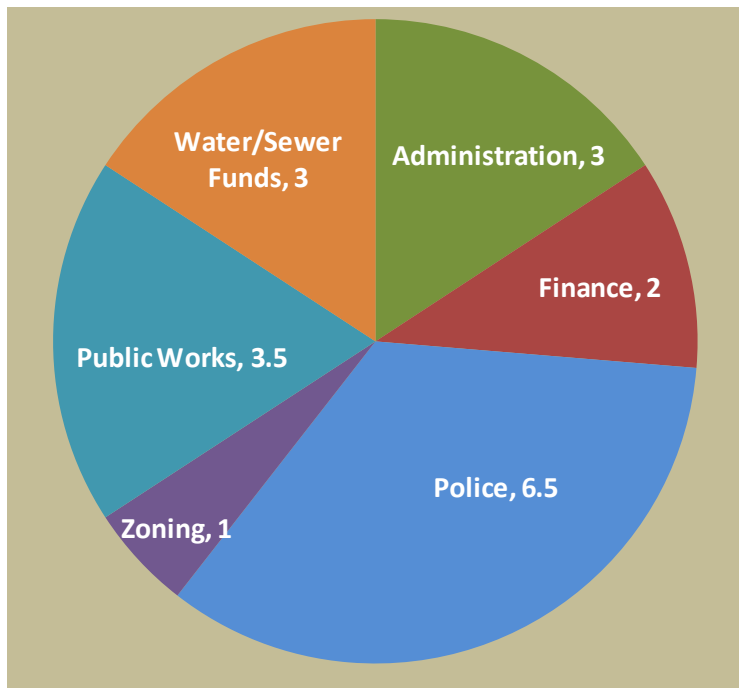
Expenditures by Category

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 2018, (the most recent data from the LGC) River Bend spends less per capita in

Function	Average Per Capita Expenditure of Group	River Bend Per Capita Expenditure
Public Safety	\$383	\$151
Transportation	\$122	\$102
General Government	\$196	\$183
Utility	\$293	\$229
Debt Service	\$108	\$89
Other	\$274	\$49

all six areas than the average of all towns in our population range.

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 47.8% 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 2018 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, includes a 1.5% 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

The local and national economy appears to be growing. However, we remain conservative in our estimates of the revenue we expect to receive. General Fund revenues are budgeted at \$1,647,203, an 8.19% decrease compared to projected revenue in the current budget. Fund Balance appropriation in the General Fund is \$75,431. A substantial reduction compared to last year's adopted amount of \$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 \$741,967 or only 42.62% of the revenue for our General Fund in FY19-20. Of that amount, \$84,053 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 26¢, which is a 2¢ increase over last year. The property value is expected to decline by \$15,000,000 due to damages from Hurricane Florence. That lower value creates the need for a tax rate increase. Last year, the rate was reduced by 5¢.

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 FY19-20, we have budgeted for a collection rate of 99.44%.

The next largest source of revenue comes from our share of the sales tax that we all pay. These are essentially two tax types: the Sales Tax on the retail sale or lease of tangible

personal property, services, the rental of hotel rooms, and the Use Tax, which is 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. Due to \$1,000,000 of unexpected hurricane recovery expense, we project a fund balance of approximately 39% 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. Our fund balance will likely dip below that target level due to using reserves to pay for hurricane related expenses. The expenses are expected to be reimbursed by FEMA. Due to that expected reimbursement, the proposed budget predicts our fund balance will rebound by the end FY 19-20 to a level of approximately 123%. 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

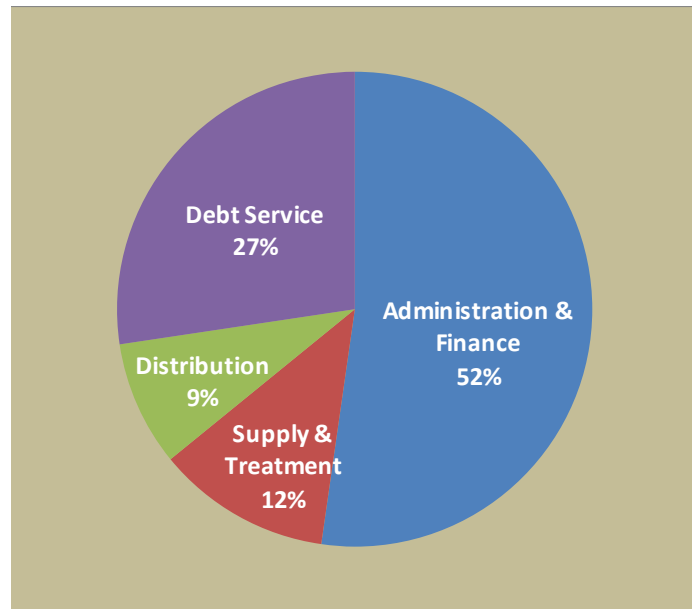
In addition to the General Fund, covering all typical government operations, the Town of River Bend operates two enterprises: the water system and the sewer system. These two enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of 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.



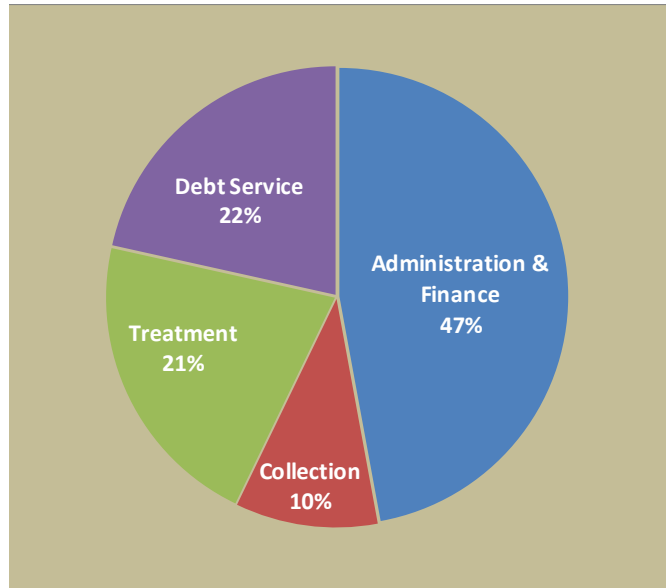
As noted earlier, debt service is a large expenditure for this enterprise and is divided from the Administration and Finance department in the chart to illustrate its proportion to overall expenditures. The total budgeted expenditure for the water enterprise in FY19-20 is \$532,983, an increase of \$2,928 from the current fiscal year.

The chart below shows the comparison of the current budget vs. the proposed budget.

Water		18-19 budget	19-20 proposed	Change v. prior year	
		Budget	Proposed	%	\$
60-7125	Administration & Finance	411,839	424,432	3.06%	12,593
60-7132	Supply & Treatment	70,807	63,142	-10.83%	-7,665
60-7134	Distribution	47,409	45,409	-4.22%	-2,000
TOTAL (less transfers and contingency)		530,055	532,983	0.55%	2,928

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 FY19-20 is \$610,095, a \$17,101 increase from the current fiscal year.



The chart below shows the comparison of the current budget vs. the proposed budget.

Sewer		18-19	19-20	Change v. prior year	
		Budget	Proposed	%	\$
61-7125	Administration & Finance	409,805	418,575	2.14%	8,770
61-7142	Collection	58,730	75,845	29.14%	17,115
61-7144	Treatment	124,459	115,675	-7.06%	-8,784
TOTAL (less transfers and contingency)		592,994	610,095	2.88%	17,101

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 water utility rates will not change for FY 19-20. 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 sewer utility rates will not change in FY 19-20. 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 costs of recovery from Hurricane Florence 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 any large 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 more challenges, some of which will be related to on-going hurricane recovery.

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.

The Town Council has recently approved a floor plan for a new building and approved a contract with an architectural firm to design and solicit bids for that building. During the next fiscal year, the Town Council will likely make a final decision on authoring construction of that building. If the Council authorizes construction, more decisions will need to be made about how to fund that construction. There are several options available, including funding it from our reserves. Those decisions will have an impact on Fund Balance and General Fund operations for years to come.

I 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, 2019 and ending June 30, 2020:

Summary

General Fund	1,740,903
General Capital Reserve Fund	10,908
Law Enforcement Separation Allowance Fund	15,177
Water Fund	536,484
Water Capital Reserve Fund	5,432
Sewer Fund	673,095
Sewer Capital Reserve Fund	250
Total	<hr/> 2,982,248

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2019-2020	657,914
AD VALOREM Taxes-Motor Vehicle	84,053
Animal Licenses	2,400
Sales Tax 1% Article 39	158,760
Sales Tax 1/2% Article 40	96,614
Sales Tax 1/2% Article 42	79,485
Sales Tax Article 44	11,300
Sales Tax Hold Harmless Distribution	97,136
Solid Waste Disposal Tax	3,000
Powell Bill Allocation	86,000
Beer and Wine Tax	13,500
Video Programming Sales Tax	56,500
Utilities Franchise Tax	119,000
Telecommunications Sales Tax	14,400
Court Refunds	500
Zoning Permits	5,000
Recovery Grant NCORR-FDLG-004	89,022
Miscellaneous	8,000
Interest-Powell Bill Investments	50
Interest-Gen. Investments	35,000
Interest-NCORR-FDLG-004	4,678
Contributions	1,200
Wildwood Storage Rents	18,120
Rents & Concessions	18,000
Transfer from Capital Reserve Fund	5,800
Appropriated Fund Balance	75,431
Total	<hr/> 1,740,903

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2019-2020

Authorized Expenditures

Governing Body	31,500
Administration	254,706
Finance	117,617
Tax Listing	10,833
Legal Services	24,000
Elections	6,500
Public Buildings	80,000
Police	532,095
Emergency Services	4,181
Animal Control	13,991
Street Maintenance	182,152
Public Works	164,913
Leaf & Limb and Solid Waste	43,200
Stormwater Management	45,791
Wetlands and Waterways	4,500
Planning & Zoning	48,005
Recovery Grant NCORR-FDLG-004	93,700
Recreation & Special Events	7,700
Parks & Community Appearance	45,660
Contingency	16,309
Transfer to Capital Reserve Fund	0
Transfer to L.E.S.A. Fund	13,500
	<hr/>
Total	1,740,903

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	0
Interest Revenue	10,908
	<hr/>
Total	10,908

Authorized Expenditures

Transfer to General Fund	5,800
Future Procurement	5,108
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Total	10,908

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2019-2020

Section 3. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

Contributions from General Fund	13,500
Interest Revenue	300
Appropriated Fund Balance	<u>1,377</u>
Total	15,177

Authorized Expenditures:

Separation Allowance	15,177
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Section 4. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	176,731
Utility Usage Charges, Classes 3 & 4	11,413
Utility Usage Charges, Class 5	14,171
Utility Usage Charges, Class 8	3,586
Utility Customer Base Charges	181,750
Hydrant Availability Fee	21,960
Taps & Connections Fees	1,250
Nonpayment Fees	10,500
Late Payment Fees	5,302
Interest Revenue	13,934
Appropriated Fund Balance	<u>95,887</u>
Total	536,484

Authorized Expenditures

Administration & Finance [1]	424,432
Operations and Maintenance	108,551
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	<u>0</u>
Total	536,483

[1] Portion of department for bond debt service: 145,879

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2019-2020

Section 5. Water Capital Reserve Fund

Anticipated Revenues

Contributions from Water Operations Fund	0
Interest Revenue	5,432
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Total	5,432

Authorized Expenditures

Future Expansion	5,432
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Section 6. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	227,581
Utility Usage Charges, Classes 3 & 4	25,778
Utility Usage Charges, Class 5	32,007
Utility Usage Charges, Class 8	8,236
Utility Customer Base Charges	291,868
Taps & Connection Fees	1,250
Late Payment Fees	6,906
Interest Revenue	16,469
Appropriated Fund Balance	63,000
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Total	673,095

Authorized Expenditures:

Administration & Finance [2]	418,575
Operations and Maintenance	191,520
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	0
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Total	673,095

[2] Portion of department for bond debt service: 125,971

Section 7. Sewer Capital Reserve

Anticipated Revenues:

Interest Revenue	250
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Authorized Expenditures:

Future Expansion	250
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of twenty-six cents (\$0.26) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2019, for the purpose of raising the revenue listed "Ad Valorem Taxes 2019-2020" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$254,468,855 and an estimated rate of collection of 99.44%. The estimated collection rate is based on the fiscal year 2017-2018 collection rate of 99.44% 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 \$32,327,971 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 2019-2020 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 1.5% 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 2019-2020 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 20th day of June, 2019.

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, 2019

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	\$.26 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 Occupied(TO)
BB 09	10x20	TO
BB 10	10x20	TO
BB 11	10x20	TO
BB 12	10x20	TO
GB 15	10x16	\$65
GB 16	10x16	\$65
GB 17	10x16	\$65
GB 18	10x16	\$65
GB 19	10x16	\$65
GB 20	10x16	TO
GB 21	10x16	TO
GB 22	10x16	TO
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

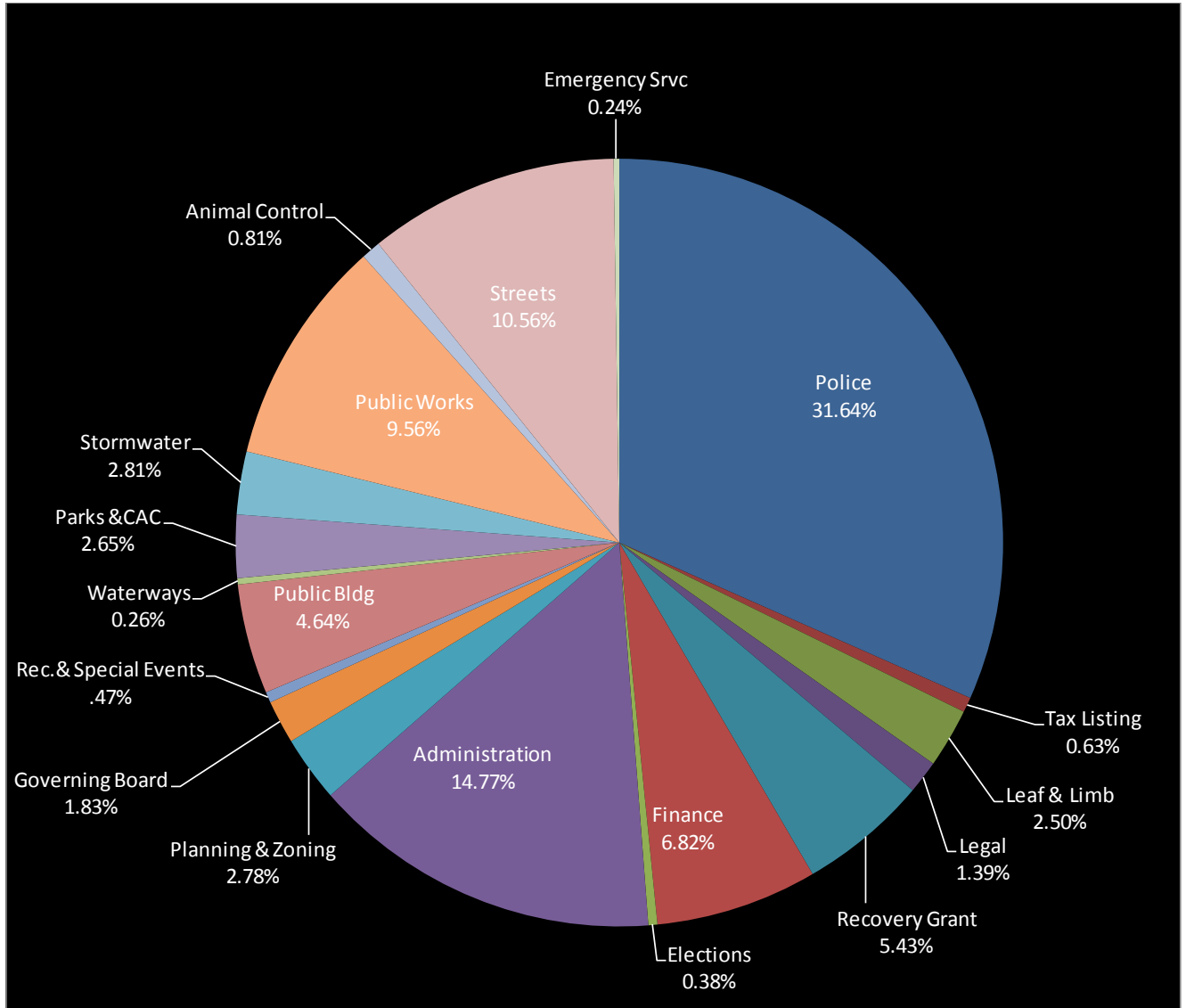
The chart shown below summarizes the actual, budgeted, projected, and proposed expenditures, by department, in the General Fund for the previous three fiscal years, the current fiscal year, and the budget under consideration. This allows the reader to see how expenditures change in each of these departments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

General Fund Expenditure Summary							Change v. prior year	
		15-16	16-17	17-18	18-19	19-20	%	\$
Dept #	Department Name	Actual	Actual	Actual	Current Budget	Proposed		
4110	Governing Body	28,711	20,576	24,112	28,131	31,500	11.98%	3,369
4120	Administration*	224,214	229,914	231,314	254,596	254,706	0.04%	110
4130	Finance	100,434	99,724	100,871	108,476	117,617	8.43%	9,141
4140	Tax Listing	11,362	12,084	11,191	10,246	10,883	6.21%	637
4150	Legal Services	12,926	9,335	28,710	24,000	24,000	0.00%	0
4170	Elections	4,591	-	4,631	-	6,500		6,500
4310	Police*	493,610	474,712	432,336	543,298	545,595	0.42%	2,297
4190	Public Buildings *	58,938	64,251	151,306	110,470	80,000	-27.58%	-30,470
4330	Emergency Services*	3,663	3,596	3,363	1,004,590	4,181	-99.58%	-1,000,409
4380	Animal Control*	12,028	11,446	11,638	13,459	13,991	3.95%	532
4510	Street Maintenance *	202,916	163,465	145,711	181,949	182,152	0.11%	203
4560	Public Works*	136,653	159,988	162,845	158,939	164,913	3.76%	5,974
4710	Leaf & Limb and Solid Waste	36,365	48,670	31,325	42,345	43,200	2.02%	855
4730	Stormwater Management *	105,116	51,042	24,346	64,589	45,791	-29.10%	-18,798
4760	Wetlands & Waterways*	2,353	434	11,577	22,500	4,500	-80.00%	-18,000
4910	Planning & Zoning*	36,222	43,804	33,949	46,934	48,005	2.28%	1,071
6120	Recreation & Special Events	6,708	5,576	4,921	7,495	7,700	2.74%	205
6130	Parks & CAC*	33,663	34,413	40,964	46,700	45,660	-2.23%	-1,040
9999	Recovery Grant	-	-	-	52,500	93,700	78.48%	41,200
Department Expenditure Total		1,510,471	1,433,028	1,455,109	2,668,717	1,724,594	-35.38%	-944,123
	Contingency (1% per policy)	13,300	13,300	10,379	16,639	16,309	-1.98%	-330
	Transfer to Capital Reserve	241,000	175,052	114,110	124,000	-	-100.00%	-124,000
	* department amended since adoption							
TOTAL		1,764,770	1,621,379	1,579,598	2,809,356	1,740,903	-38.03%	-1,068,453

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 2019-2020

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 2019-2020

General Fund Revenue

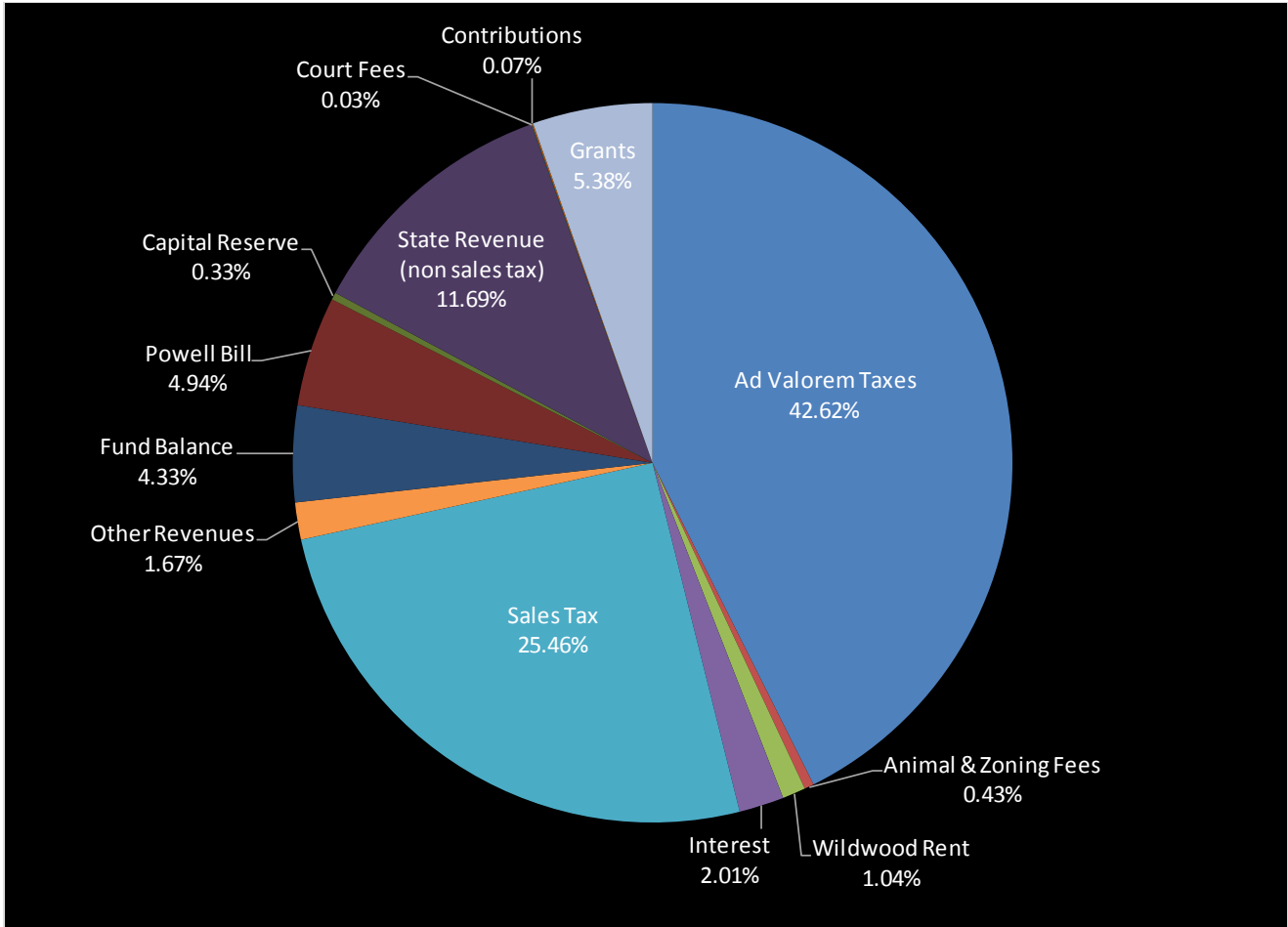
The chart shown below summarizes the actual, budgeted, and projected revenue, by type, in the General Fund. Similar to the chart for expenditures, this worksheet gives the reader some historical perspective regarding the changes in sources of revenue.

General Fund Revenue Summary	15-16	16-17	17-18	18-19	19-20	Change v. prior year	
	Actual	Actual	Actual	Current Budget	Proposed	%	\$
Ad Valorem Taxes	891,338	926,035	870,529	716,736	741,967	3.52%	25,231
Animal Licenses & Zoning Permits	6,421	8,061	7,178	5,400	7,400	37.04%	2,000
Interest	2,952	6,932	20,777	35,005	35,050	0.13%	45
Wildwood Rents	40,577	43,850	30,728	20,248	18,120	-10.51%	-2,128
Other Revenue & Rents	35,971	43,724	33,157	65,670	29,000	-55.84%	-36,670
Contributions	1,650	1,232	1,125	1,200	1,200	0.00%	0
Powell Bill (includes appropriation)	90,502	88,873	89,226	88,000	86,000	-2.27%	-2,000
State Revenue (other than sales tax)	211,165	208,106	204,647	207,800	203,440	-2.10%	-4,360
Sales Tax Revenue	411,712	417,859	438,300	425,400	443,295	4.21%	17,895
Government Grants (Fed, State & Count	0	17,636	0	5,012	93,700	1769.51%	88,688
Fees (court refund)	806	612	410	500	500	0.00%	0
Charges to Other Funds	0	0	0	0	0	0.00%	0
Transfer from Capital Reserve	220,553	99,000	60,693	59,142	5,800	-90.19%	-53,342
Transfer from LESA Fund							0
Appropriated Fund Balance	0	0	0	1,179,243	75,431	-93.60%	-1,103,812
TOTAL	1,913,646	1,861,921	1,756,769	2,809,356	1,740,903	-38.03%	-1,068,453

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 2019-2020

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

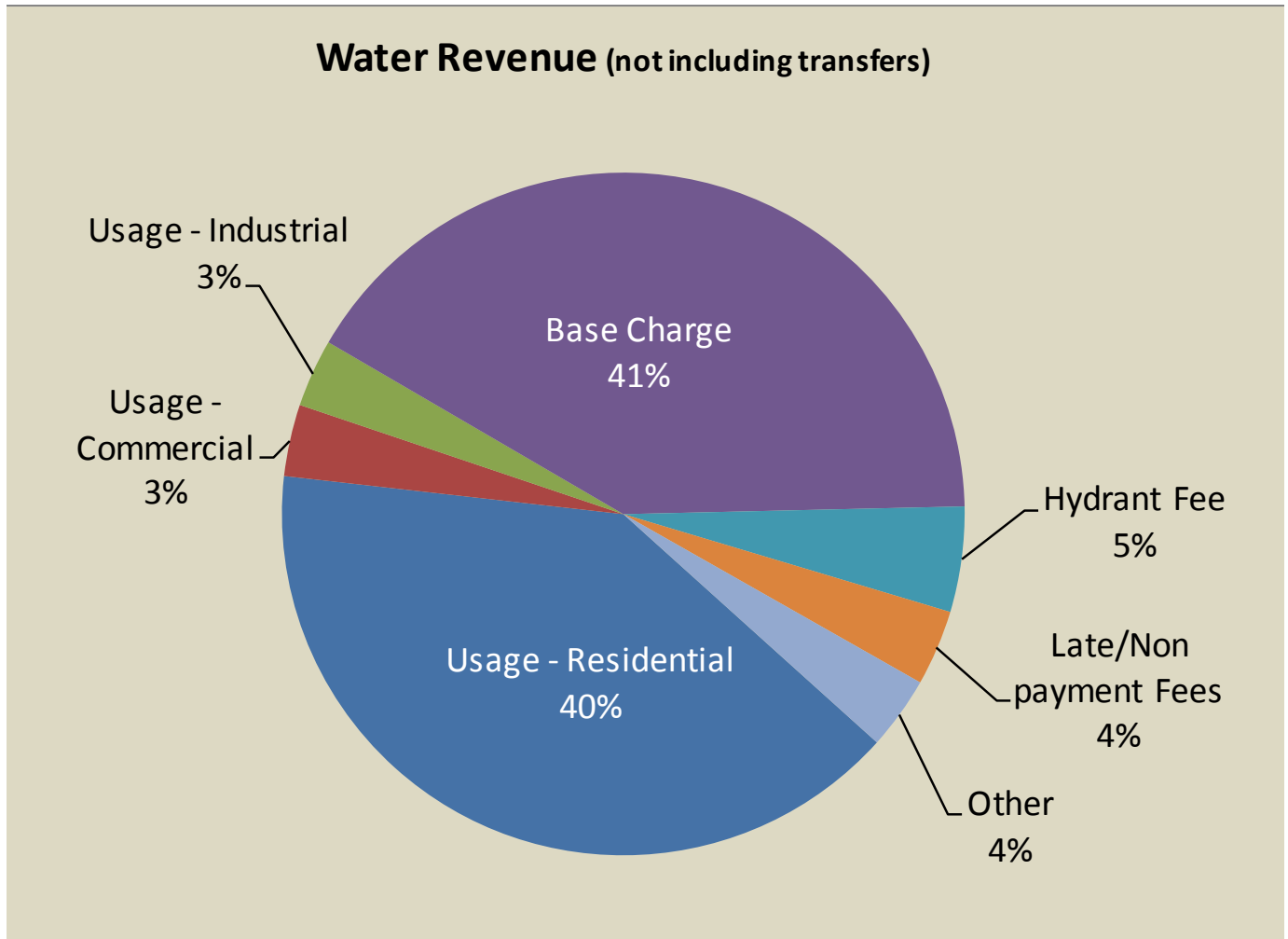


Water Fund Expenditures

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

Water		16-17	17-18	18-19 budget	19-20 proposed	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
60-7125	Administration & Finance	407,220	400,898	411,839	424,432	3.06%	12,593
60-7132	Supply & Treatment	37,204	34,159	70,807	63,142	-10.83%	-7,665
60-7134	Distribution	31,503	30,156	47,409	45,409	-4.22%	-2,000
TOTAL (less transfers and contingency)		475,926	465,213	530,055	532,983	0.55%	2,928

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

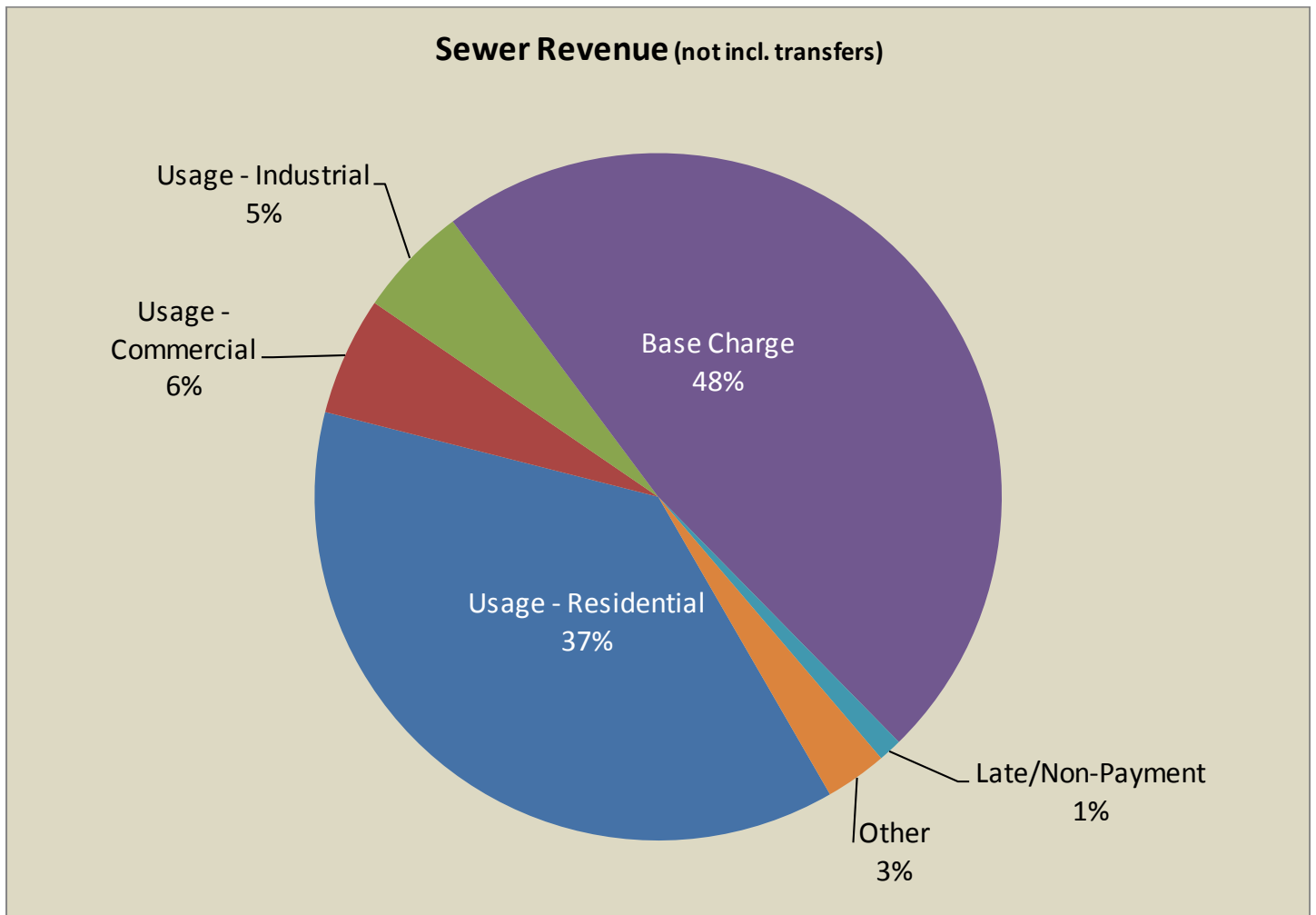


Sewer Fund Expenditures

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

	Sewer	16-17	17-18	18-19	19-20	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
61-7125	Administration & Finance	398,461	393,227	409,805	418,575	2.14%	8,770
61-7142	Collection	23,944	24,014	58,730	75,845	29.14%	17,115
61-7144	Treatment	95,484	76,958	124,459	115,675	-7.06%	-8,784
	TOTAL (less transfers and contingency)	517,889	494,199	592,994	610,095	2.88%	17,101

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 0.0026. 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, prior to hurricane damage impacts, is \$159,595 (note highlighted data).

Assessed Value	Annual Bill at 0.26
95,000	\$247
125,000	\$325
159,595	\$415
190,000	\$494
200,000	\$520
250,000	\$650
300,000	\$780
350,000	\$910
400,000	\$1,040
500,000	\$1,300
600,000	\$1,560

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 no changes in the rates. Business, commercial, and industrial base rates and fees are different from the residential base rate and fees. In 2018, the average water customer used 3,279 gallons of water per month.

Charges for 3,000 gallons per month		
	Current	Proposed
Water Base	10.24	10.24
Use	12.06	12.06
Sewer Base	24.18	24.18
Use	27.24	27.24
Monthly	73.72	73.72
Per-Bill	147.44	147.44
Monthly Difference		0.00
Per Bill Difference		0.00
		0.00%

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 taxes on a home

Annual Costs	
Water/Sewer Fees (3,000 gal/month)	\$ 885
Real Estate Tax (\$159,595 home)	\$ 415
TOTAL	\$ 1,300
Average Per Day Cost for water/sewer/tax	\$ 3.56

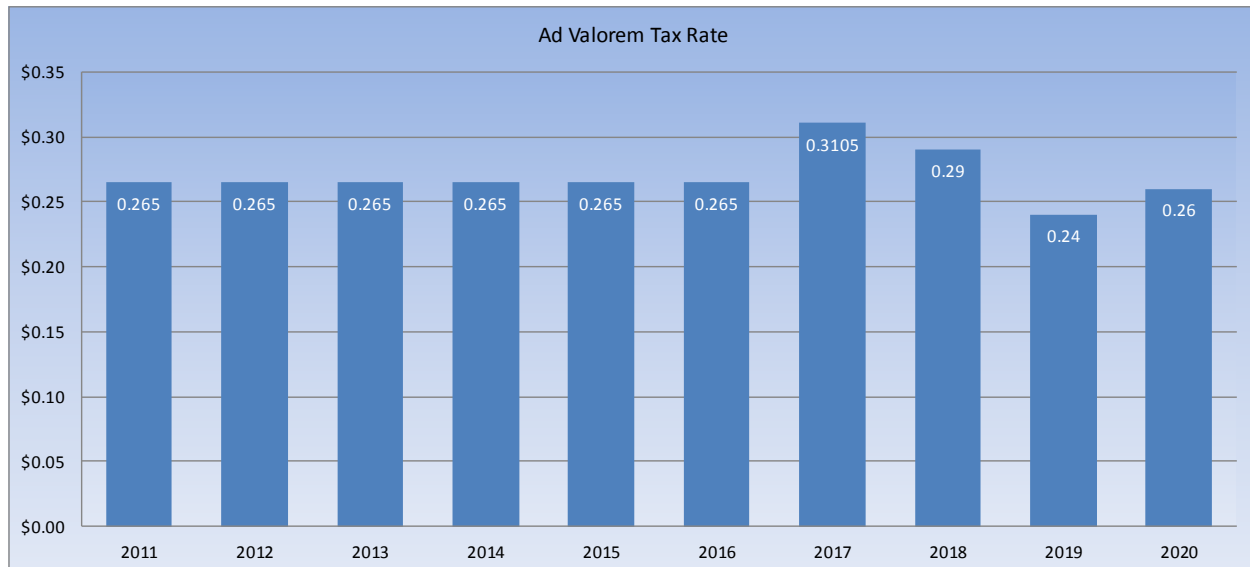
valued at \$159,595 and water and sewer fees for 3,000 gallons usage per month. For \$3.56 per day, our average water and sewer user living in our average valued home, receives clean potable water, efficient wastewater treatment, 24/7 police protection, stormwater management, animal control, planning, 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. Last year the cost was \$3.47 per day. For the average resident, it will cost 9¢ more per day or \$32.85 more per year for these items in River Bend compared to last year.

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 26¢ per one hundred dollars of assessed value.

Department	Cents per Hundred
Governing Body	0.470
Administration	3.804
Finance	1.757
Tax Listing	0.163
Legal	0.358
Elections	0.097
Police	8.148
Public Buildings	1.195
Emergency Services	0.062
Animal Control	0.209
Street Maintenance	2.720
Public Works	2.463
Leaf and Limb/Solid Waste	0.645
Stormwater Management	0.684
Wetlands and Waterways	0.067
Planning and Zoning	0.717
Recreation and Special Events	0.115
Parks and CAC	0.682
Contingency	0.244
Recovery Grant	1.399
Transfer to Cap. Res.	0.000
Tax Rate	0.26

Tax Rate History



The chart above shows the 10-year history of the tax rate for the Town of River Bend, including the proposed rate of 26¢ per \$100 of assessed value for FY 19-20. The proposed tax rate is less than the tax rate was in 8 of the previous 9 years.

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 ninth in a row for fiscal year beginning 2018.

2011 to present- Excellence in Financial Reporting Award from the Government Finance Officers Association. Last year, we received our seventh in a row for fiscal year ending 2017. We have applied for and expect to receive our eighth award for 2018 soon.