



**Fiscal Year 2016—2017**

Town of River Bend, North Carolina

# **Annual Budget Message and**

(a summary of the annual budget)

# **Annual Operating Budget Ordinance**



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**Fiscal Year 2016-2017**  
**Annual Budget Message**  
**and**  
**Operating Budget Ordinance**

**Mayor**

John Kirkland

**Town Council**

Luci Avery

Bill Camp

Morris "Buddy" Sheffield

Irving "Bud" Van Slyke, Jr.\*

Pat Yocum

\*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 2, 2016

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, 2016 and ending June 30, 2017 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 Council developed at a retreat on January 21, 2016:

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 six 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.

One major consideration during the budget preparation this year was the recent revaluation of property in Craven County. The revaluation resulted in an estimated decrease in property value of \$49,072,191 or a 14.65% reduction in the value of taxable property. **The revenue neutral tax rate, adjusted for growth, in accordance with North Carolina General Statute 159.11 is \$0.3114.** Even while maintaining a progressive posture relative to maintaining infrastructure, providing competitive compensation for our staff, and maintaining sufficient reserves, we are able to propose a budget with a tax rate of \$0.3105.

The tax rate of \$0.3105 will produce a levy in FY16-17 equivalent to the levy produced in FY15-16 at the previous rate of \$0.265. The budget contains no increase in utility rates or fees.

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	\$ 1,706,980
Water Fund	\$ 595,166
Sewer Fund	\$ 641,620
<b>Total Operating Budget</b>	<b>\$ 2,943,766</b>

### **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. Three 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 \$1,706,980 which is a \$211,558 decrease over FY15-16. Most of that decrease can be attributed to the absence of large capital projects for this budget.

Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents an 11% decrease from the FY15-16 budget. Higher than estimated sales tax and utility franchise sales tax have allowed us to project using considerably less of the current year's assigned fund balance than the amount that was originally budgeted.

Much of the decrease in revenue in this year’s budget is due to a lower level of funding in FY16-17 from our own Capital Improvement Plans. This year we are budgeting \$65,948 less than we did during FY15-16.

**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.

<b>Patching:</b>	
Anchors Way	\$ 6,000
<b>Paving:</b>	
Lochbridge Drive	\$ 93,445
Gull Point	\$ 23,000
Striping and Patching Allowanc	\$ 15,000
	\$ 137,445

This year we are budgeting to follow the plan developed by our engineer to maintain the integrity of our roadways. Additionally, we are paving a section of Gull Point, which leads to public facilities. It currently is a gravel road. As shown in the table above, we plan to pave two streets and provide patching on one street. 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 deemed the current approach to be the most appropriate at this time.

Teakwood Drainage	\$ 5,000
Front Pond Aerator	\$ 4,273
	\$ 9,273

In this budget, we propose to address one drainage project that needs minor work . That project is located adjacent to Teakwood Drive. Our engineer planned and designed the work in FY15-16 following a series of meetings with interested parties and an adjacent property owner.

We will also replace an aerator in one of our stormwater ponds. This budget allocates \$74,052 to the Stormwater Capital Improvement Plan (CIP) for future projects. Prior to this allocation, the plan had a negative balance.

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. In FY2014, an architect-prepared design was completed as a follow up to the facility needs analysis performed in 2011. We now have a substantial amount of design and planning completed for the Facilities Enhancement & Design Strategy (FEDS) which includes construction of an administrative building and the renovation of the current facilities to meet current and future needs. The Town Council recently opted to defer moving to the construction phase of this project until an undetermined future fiscal year. Pending a future final decision on FEDS by Council, there are no major public building projects planned. Until further direction is given by Council, we will be in a repair-maintain mode relative to our public buildings.

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. Other than the purchase of a new vehicle, which is funded through the CIP, 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 4<sup>th</sup> of July parade and picnic. Also included in Parks and Recreation is continued 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.

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 without increasing the Ad Valorem tax rate beyond a revenue neutral rate.

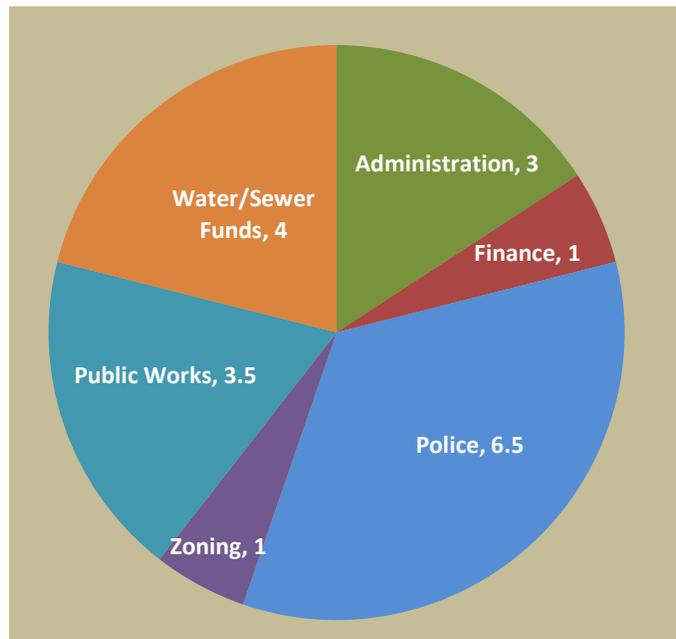
Requested projects and expenditures were kept to a minimum in order to develop a balanced budget. Prior to transfers, revenues are projected to exceed departmental expenditures by \$149,111 in FY16-17. The revenues from some of the transfers are budgeted to be allocated in various CIPs and the Law Enforcement Separation Allowance Fund in the General Fund in order to provide more long-term stability to those plans.

### Expenditures by Category

According to recent data from the North Carolina Local Government Commission, the Town of River Bend spends less per capita than other localities in our population range in Public Safety, Transportation, and General Government.

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 41.43% of the combined 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 2015 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel is \$92 less than that 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 2.46%. Of that, .5% is attributable to a 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 \$1,706,980, an 11% decrease compared to projected revenue in the current budget. Fund Balance appropriation in the General Fund has been reduced by \$77,029 to a level of zero.

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 only 51.97% of the revenue for our General Fund. That means that nearly 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 \$0.3105. While the cost of most everything else associated with operating a town has increased over the same period of time, our tax rate has been the same or revenue neutral since 2011. This tax rate increase represents the first rate increase since 2009.

According to the North Carolina Local Government Commission, the average tax rate among 534 municipal governments in North Carolina during FY15-16 (the latest available data) was \$0.446 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 FY16-17, we have budgeted for a collection rate of 99.89%.

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 94.04% 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 budget being presented predicts a fund balance at the end of the fiscal year of 110.26%.

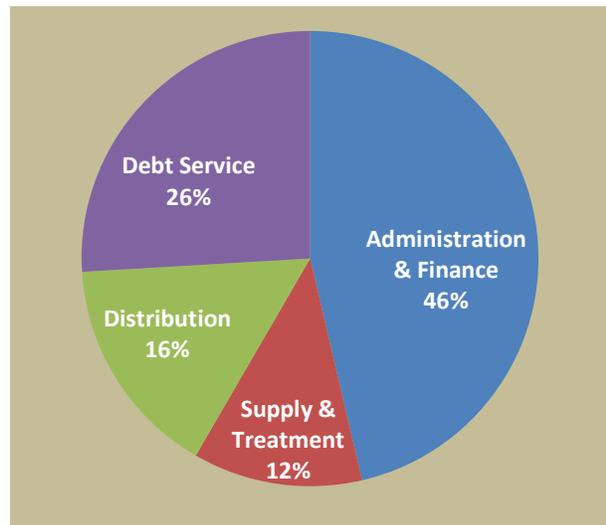
## Enterprise Funds

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 FY16-17 is \$595,166, an increase of \$15,574 from the current fiscal year.

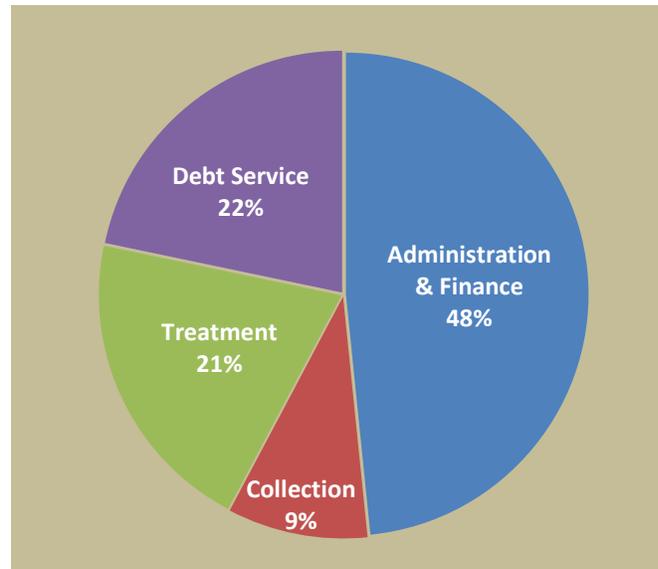
Interconnection with New Bern	\$42,000
Filter Media Rehabilitation	\$15,000
Half Cost of New Vehicle	\$13,640

*Proposed water enterprise projects*

Plans for the water utility include continuing a multi-year project to interconnect our water system with that of the City of New Bern. To date, no funds have been spent on this project. This interconnection would allow both utilities to have a back-up supply of water should either develop supply, treatment, or storage difficulties. The sharing of project costs and the rates for the purchase of water will be negotiated with the City before this project moves into planning and construction phases. This project was originally planned for FY14-15. The Water Fund will replace filter media in well #3 and share half of the cost of purchasing a new vehicle with the Sewer Fund. 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 FY16-17 is \$641,620, a \$4,681 decrease from the current fiscal year.



Upgrade Surge Tank	\$13,000
Half Cost of New Vehicle	\$13,640

*Proposed sewer enterprise projects*

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 changes in nutrient limits that may be part of our next permit renewal in 2018. The design phase of the project will result in the Town being prepared to act should any changes be mandated by the State. Currently, the Council has placed that project on hold until our permit is renewed. In the current year, we will fund half of the cost of a new vehicle and repair a surge tank at the Waste Water Treatment Plant.

### **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 and the revenue projected, we are recommending no change in the rates for the water utility. 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. We are recommending no change 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 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. The recent revaluation that resulted in a 14.65% reduction of property values added an additional variable to this year's budget process. I especially 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 by "us" 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, 2016 and ending June 30, 2017:

### Summary

General Fund	1,706,980
General Capital Reserve Fund	176,457
Law Enforcement Separation Allowance Fund	27,850
Water Fund	595,166
Water Capital Reserve Fund	42,134
Sewer Fund	641,620
Sewer Capital Reserve Fund	1,938
Total	<u>3,192,145</u>

### Section 1. General Fund

#### Anticipated Revenues

AD VALOREM Taxes 2016-2017	798,658
AD VALOREM Taxes-Motor Vehicle	88,466
Animal Licenses	2,400
Sales Tax 1% Article 39	145,000
Sales Tax 1/2% Article 40	91,700
Sales Tax 1/2% Article 42	70,100
Sales Tax Hold Harmless Distribution	89,100
Solid Waste Disposal Tax	1,900
Powell Bill Allocation	90,000
Beer and Wine Tax	13,324
Video Programming Sales Tax	58,894
Utilities Franchise Tax	119,000
Telecommunications Sales Tax	15,500
Court Refunds	850
Zoning Permits	2,500
Miscellaneous	5,945
Interest- Powell Bill Investments	1
Interest-Investments	5,250
Contributions	1,175
Wildwood Storage Rents	34,560
Rents & Concessions	18,000

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2016-2017

Sale of Fixed Assets	1,657
Transfer from Capital Reserve Fund	52,000
Total	1706,980

Authorized Expenditures

Governing Body	25,907
Administration	227,953
Finance	100,468
Tax Listing	12,468
Legal Services	25,000
Elections	0
Public Buildings	60,054
Police	486,650
Emergency Services	3,862
Animal Control	11,810
Street Maintenance	182,769
Public Works	171,210
Leaf & Limb and Solid Waste	38,505
Stormwater Management	39,987
Wetlands and Waterways	6,000
Planning & Zoning	43,693
Recreation & Special Events	7,500
Parks & Community Appearance	42,034
Contingency	26,058
Transfer to Capital Reserve Fund	175,052
Transfer to L.E.S.A. Fund	20,000
Total	1,706,980

**Section 2. General Capital Reserve Fund**

Anticipated Revenues

Contributions from General Fund	175,052
Interest Revenue	1,405
Total	176,457

Authorized Expenditures

Transfer to General Fund	52,000
Future Procurement	124,457
Total	176,457

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2016-2017

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**Section 3. Law Enforcement Separation Allowance Trust Fund**

Anticipated Revenues:

Contributions from General Fund	20,000
Interest Revenue	140
Appropriated Fund Balance	<u>7,710</u>
 Total	 27,850

Authorized Expenditures:

Separation Allowance	27,850
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**Section 4. Water Fund**

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	187,818
Utility Usage Charges, Classes 3 & 4	12,687
Utility Usage Charges, Class 5	15,674
Utility Usage Charges, Class 8	2,886
Utility Customer Base Charges	270,128
Hydrant Availability Fee	25,254
Taps & Connections Fees	1,250
Nonpayment Fees	6,900
Late Payment Fees	6,900
Capital Investment Fees	2,700
Interest Revenue	2,276
Sale of Fixed Assets	3,400
Transfer from Water Capital Reserve Fund	42,000
Appropriated Fund Balance	<u>15,293</u>
 Total	 595,166

Authorized Expenditures

Administration & Finance [1]	411,053
Operations and Maintenance	152,659
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	<u>27,954</u>
 Total	 595,166

[1] Portion of department for bond debt service: 144,323

**Section 5. Water Capital Reserve Fund**

Anticipated Revenues

Contributions from Water Operations Fund	27,954
Interest Revenue	500
Appropriated Fund Balance	13,680
Total	42,134

Authorized Expenditures

Future Expansion	134
Transfer to Water Fund	42,000
Total	42,134

**Section 6. Sewer Fund**

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	253,673
Utility Usage Charges, Classes 3 & 4	28,564
Utility Usage Charges, Class 5	35,268
Utility Usage Charges, Class 8	6,365
Utility Customer Base Charges	292,498
Taps & Connection Fees	1,250
Late Payment Fees	7,400
Capital Investment Fees	1,900
Interest Revenue	1,661
Sale of Fixed Assets	3,400
Appropriated Fund Balance	9,641
Total	641,620

Authorized Expenditures:

Administration & Finance [2]	405,099
Operations and Maintenance	171,621
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	1,900
Total	641,620

<i>[2] Portion of department for bond debt service:</i>	<i>124,627</i>
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**Section 7. Sewer Capital Reserve**

Anticipated Revenues:

Contributions from Sewer Operations Fund	1,900
Interest Revenue	<u>38</u>
Total	1,938

Authorized Expenditures:

Future Expansion	1,938
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**Section 8. Levy of Taxes**

There is hereby levied a tax at the rate of thirty-one and five one hundredths cents (\$0.3105) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2016, for the purpose of raising the revenue listed "Ad Valorem Taxes 2016-2017" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$257,500,000 and an estimated rate of collection of 99.89%. The estimated collection rate is based on the fiscal year 2014-2015 collection rate of 99.89% by Craven County who has been contracted to collect property taxes for the Town of River Bend. **Craven County performed a 6-year revaluation of real property in 2016. The result of the revaluation creates a revenue-neutral property tax rate for the Town of River Bend, adjusted by its growth factor, of \$0.3114. N.C.G.S. § 159-11.**

**Section 9. Fees and Charges**

There is hereby established, for Fiscal Year 2016-2017, 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 .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 2016-2017 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 16th day of June, 2016.

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John R. Kirkland, Mayor

Attest:

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Ann Katsuyoshi, Town Clerk

**Town of River Bend**  
**Schedule of Rates and Fees**  
**(Attachment A to Budget Ordinance)**  
Effective July 1, 2016

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**

<b>Ad Valorem Tax</b>	\$ .3105 per \$100 assessed valuation
<b>Copies of Public Information</b>	\$.25 per page
<b>Town Code, entire copy</b>	\$75.00
<b>Notary Fee</b>	\$5.00 per signature after the first
<b>Meeting Rooms</b>	
Fours hours or less	\$35.00
Over four hours	\$60.00
<b>Returned Check Processing Charge</b>	\$25, as allowed by G.S. §25-3-506
<b>Administrative Fee for returned bank drafts</b>	\$25.00

**Public Safety**

<b>Pet License Fee</b>	\$10.00
<b>Town Ordinance Violation</b>	
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.*

<b>Golf Cart Registration Fee</b>	\$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 residential 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.

<b>Zoning Amendment Request (Map or Text)</b>	\$200 plus cost of required legal advertisement and postage to notify abutting land owners
<b>Sign Permit</b>	\$30
<b>Tree Harvest Permit</b>	\$50
<b>Zoning and Subdivision Ordinances</b>	\$25 per set

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**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	\$75
BB 10	10x20	\$75
BB 11	10x20	\$75
BB 12	10x20	\$75
GB 15	10x16	\$65
GB 16	10x16	\$65
GB 17	10x16	\$65
GB 18	10x16	\$65
GB 19	10x16	\$65
GB 20	10x16	\$65
GB 21	10x16	\$65
GB 22	10x16	\$65
FB 01	12x30	\$105
FB 02	12x30	\$105
FB 03	12x30	\$105
FB 04	12x30	\$105
FB 05	12x30	Town
FB 06	12x30	\$105
FB 07	12x80	\$110
FB 08	12x30	\$105
FB 09	12x20	\$105
FB 10	12x50	Town
FB 11	12x50	\$110
FB 12	12x50	\$110
FB 13	12x30	\$105
FB 14	12x30	\$105
FB B	12x50	\$110
FBE	10 x 12	\$35
FBF	12x12	\$50
OP	Open Spaces (21)	\$25
Late Payment Charge		\$10, assessed after the 10 <sup>th</sup> of the month
Interest Charge		1.5% monthly on outstanding balances

**ENTERPRISE FUNDS**

**Water and Sewer - Rates and Fees**

	<b>Water</b>	<b>Sewer</b>
<b>Class 1 and 2 - Residential<sup>(1)</sup></b>		
Customer Base Charge per month <sup>(2)</sup>	15.24	24.18
Usage per 1,000 gallons	4.02	9.08
New Customer Capital Investment Fee (CIF)	2,700.00	1,900.00 <sup>(3)</sup>
Initial Connection (Tap) charge <sup>(3)</sup>	1,250.00	1,250.00
Nonpayment Fee	70.00	-
<b>Class 3 and 4 - Commercial</b>		
Customer Base Charge per month <sup>(2)</sup>	88.32	141.99
Usage per 1,000 gallons	4.02	9.08
New Customer Capital Investment Fee (CIF)	21,600.00	15,200.00 <sup>(3)</sup>
Initial Connection (Tap) charge <sup>(4)</sup>	3,500.00	1,250.00
Nonpayment Fee	100.00	-
<b>Class 5 - Industrial</b>		
Customer Base Charge per month <sup>(2)</sup>	276.24	444.93
Usage per 1,000 gallons	4.02	9.08
New Customer Capital Investment Fee (CIF)	70,200.00	49,400.00 <sup>(3)</sup>
Initial Connection (Tap) charge <sup>(4)</sup>	5,000.00	1,250.00
Nonpayment Fee	200.00	-
<b>Class 6 - Early Bird (No longer available)</b>		
<b>Class 7 - Fire Hydrant Charge</b>		
Availability Charge per year	183.00	-
<b>Class 8 - 1" Water Service</b>		
Customer Base Charge per month <sup>(2)</sup>	30.90	49.43
Usage per 1,000 gallons	4.02	9.08
New Customer Capital Investment Fee (CIF)	6,750.00	4,750.00 <sup>(3)</sup>
Initial Connection (Tap) charge <sup>(4)</sup>	1,500.00	1,250.00
Nonpayment Fee	100.00	-
<b>Class 9 - Vacant /Out of Use Non-residential Property</b>		
Customer Base Charge per month <sup>(2)</sup>	15.24	24.18
Usage per 1,000 gallons	4.02	9.08
Nonpayment Fee	70.00	-
<b>Class 10 - Vacant Residences</b>		
Customer base Charge per month <sup>(2)</sup>	15.24	-
Nonpayment Fee	70.00	-

**Special Charges**

<b>Service Call - 2 hour minimum</b>	\$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
<b>Meter Testing Charge</b>	\$25 - no charge if meter defective

**Special Charges (continued)**

<b>Returned Check Processing Charge</b>	\$25, as allowed by G.S. §25-3-506
<b>Late Payment Charge</b>	10% of amount overdue per month or part of month beginning 30 days after billing date
<b>Irrigation Connection Inspection</b>	\$20

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

(2) Base charges do not include any usage.

(3) For parcels in areas currently served by the sewer collection system. For areas not served, the CIF will be determined by utilizing current economic data and information contained in the Utility Rate Model.

(4) 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.

(5) 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 great detail during the budget sessions. More details will be included in the Budget document when it is completed.

#### General Fund Expenditures

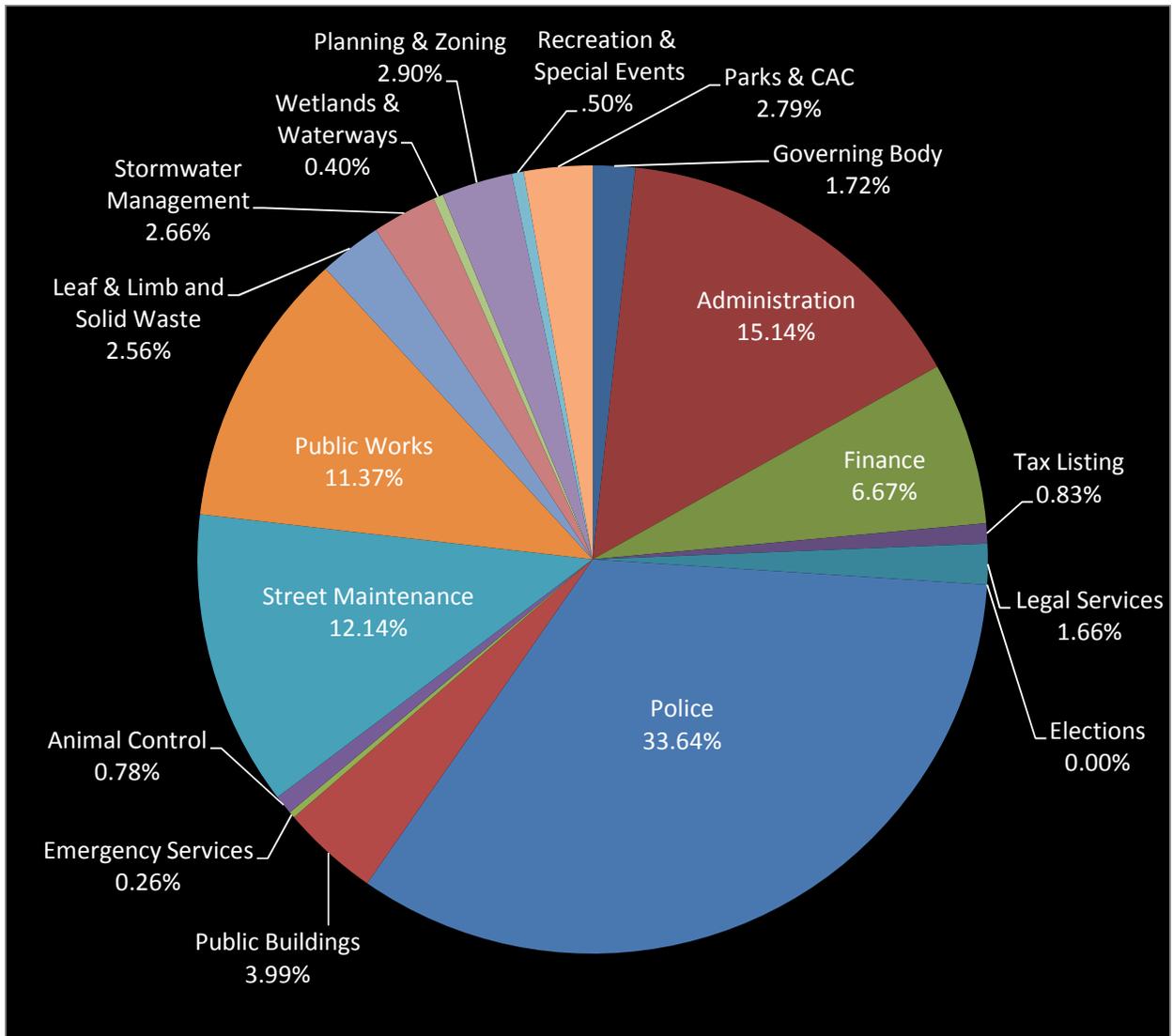
The chart shown below summarizes the actual, budgeted, projected, and proposed expenditures, by department, in the General Fund for the previous two fiscal years, the current fiscal year, and the budget under consideration. This allows the reader to see how expenditures change in each of these departments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

General Fund Expenditure Summary						Change v. prior year	
		13-14	14-15	15-16	16-17	%	\$
Dept #	Department Name	Actual	Actual	Budget	Proposed		
4110	Governing Body	20,445	22,504	26,452	25,907	-2.06%	-545
4120	Administration	208,132	216,929	219,908	227,953	3.66%	8,045
4130	Finance	87,625	93,908	100,560	100,468	-0.09%	-92
4140	Tax Listing	10,729	11,724	11,531	12,468	8.12%	936
4150	Legal Services	18,308	21,698	30,000	25,000	-16.67%	-5,000
4170	Elections	4,928	-	7,137	-	-100.00%	-7,137
4310	Police	525,713	490,983	510,418	506,650	-0.74%	-3,768
4190	Public Buildings	147,846	72,940	61,259	60,054	-1.97%	-1,205
4330	Emergency Services	3,168	3,735	3,890	3,862	-0.72%	-28
4380	Animal Control	10,117	11,506	12,566	11,810	-6.02%	-757
4510	Street Maintenance	189,622	193,261	210,018	182,769	-12.97%	-27,249
4560	Public Works	179,989	113,217	154,763	171,210	10.63%	16,447
4710	Leaf & Limb and Solid Waste	25,598	39,028	34,925	38,505	10.25%	3,580
4730	Stormwater Management	70,236	119,085	171,877	39,987	-76.73%	-131,890
4760	Wetlands & Waterways	1,925	8	5,035	6,000	19.17%	965
4910	Planning & Zoning	29,932	34,230	43,722	43,693	-0.07%	-29
6120	Recreation & Special Events	6,259	5,931	7,525	7,500	-0.33%	-25
6130	Parks & CAC	43,200	42,040	38,452	42,034	9.32%	3,582
<b>Department Expenditure Total</b>		1,583,773	1,492,730	1,650,038	1,505,869	-8.74%	-144,169
	Contingency (1% per policy) + Merit Pool		26,227	27,500	26,059	-5.24%	-1,442
	Transfer to Capital Reserve	105,000	105,000	241,000	175,052	-27.36%	-65,948
<b>TOTAL</b>		1,688,773	1,623,957	1,918,538	1,706,980	-11.03%	-211,558

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

Town of River Bend, North Carolina  
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This chart shows the percentage of funding that each department receives of the total budget.



Town of River Bend, North Carolina  
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**General Fund Revenue**

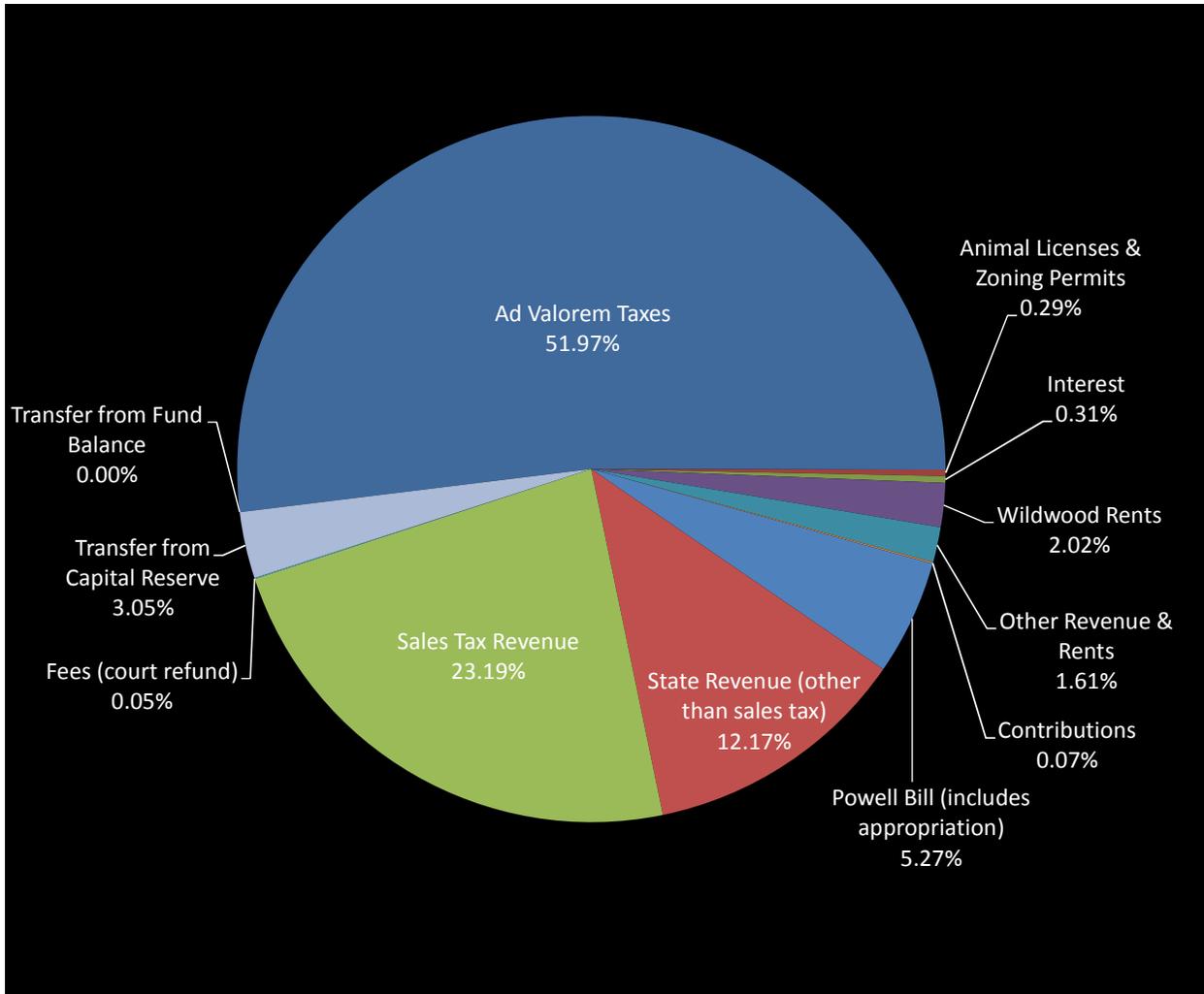
The chart shown below summarizes the actual, budgeted, and projected revenue, by type, in the General Fund. Similar to the chart for expenditures, this worksheet gives the reader some historical perspective regarding the changes in sources of revenue.

General Fund Revenue Summary					Change v. prior year	
	13-14	14-15	15-16	16-17	%	\$
	Actual	Actual	Budget	Proposed		
Ad Valorem Taxes	918,326	891,577	876,842	887,124	1.17%	10,282
Animal Licenses & Zoning Permits	5,923	5,667	4,400	4,900	11.36%	500
Interest	218	347	502	5,251	946.02%	4,749
Wildwood Rents & Cable Franchise	36,709	37,322	36,580	34,560	-5.52%	-2,020
Other Revenue & Rents	43,354	42,077	38,940	27,502	-29.37%	-11,438
Contributions	2,726	822	785	1,175	49.68%	390
Powell Bill (includes appropriation)	93,909	92,300	91,000	90,000	-1.10%	-1,000
State Revenue (other than sales tax)	178,731	212,617	187,642	207,718	10.70%	20,075
Sales Tax Revenue	369,291	394,208	383,566	395,900	3.22%	12,334
Government Grants (Fed, State & County)	13,639	478	0	0	0.00%	0
Fees (court refund)	1,266	645	699	850	21.60%	151
Charges to Other Funds	0	0	0	0	0.00%	0
Transfer from Capital Reserve	188,283	76,345	220,553	52,000	-76.42%	-168,553
Transfer from LESA Fund						0
Transfer from Fund Balance	0	0	77,029	0		-77,029
<b>TOTAL</b>	1,852,376	1,754,403	1,918,538	1,706,980	-11.03%	-211,558

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 2016-2017

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

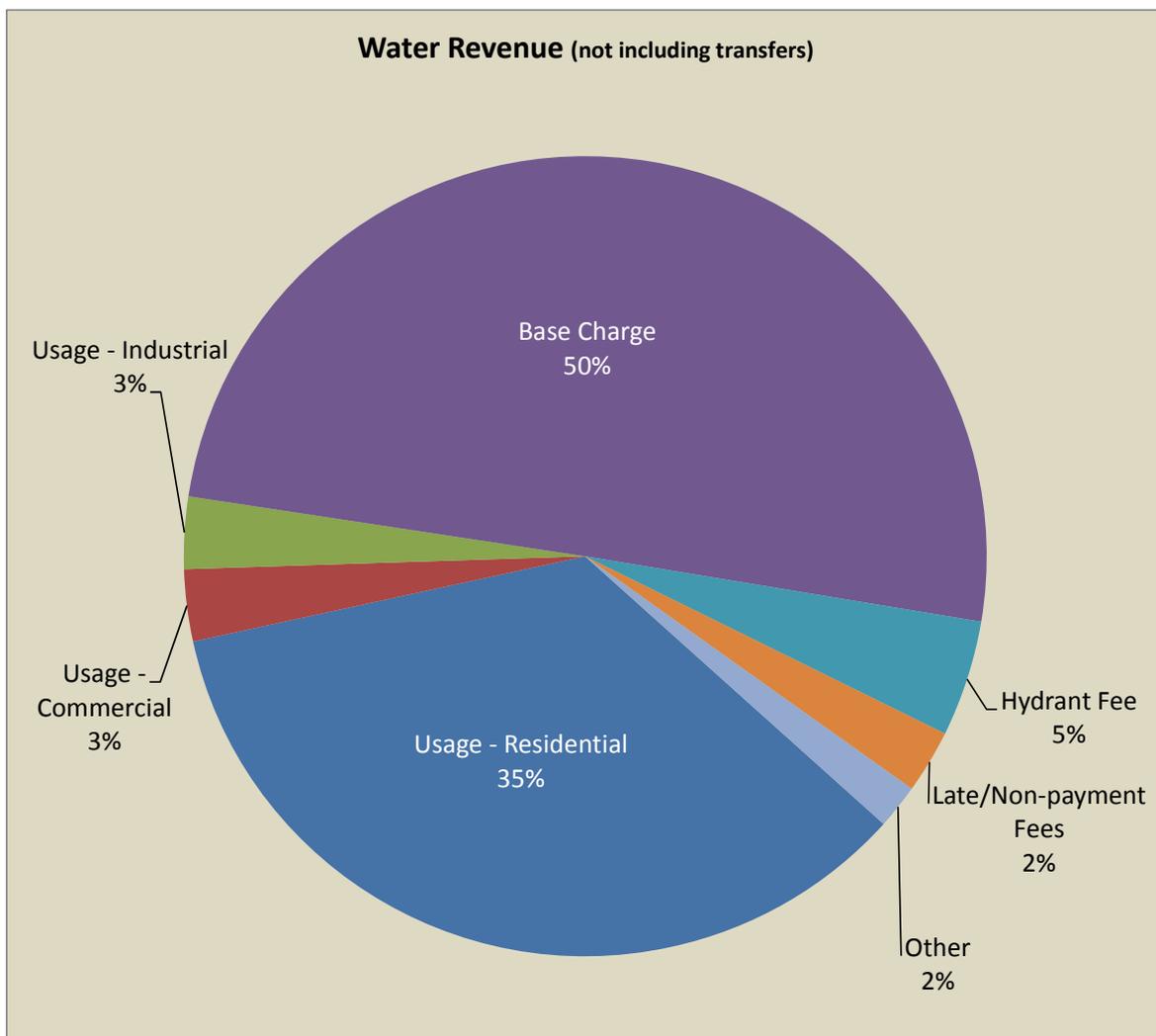


### Water Fund Expenditures

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

	Water	13-14	14-15	15-16	16-17	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
60-7125	Administration & Finance	367,777	373,273	387,461	411,053	6.09%	23,592
60-7132	Supply & Treatment	49,901	42,762	52,130	68,242	30.91%	16,112
60-7134	Distribution	68,481	36,062	92,346	84,417	-8.59%	-7,929
<b>TOTAL (less transfers and contingency)</b>		<b>486,160</b>	<b>452,096</b>	<b>531,937</b>	<b>563,712</b>	<b>5.97%</b>	<b>31,775</b>

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

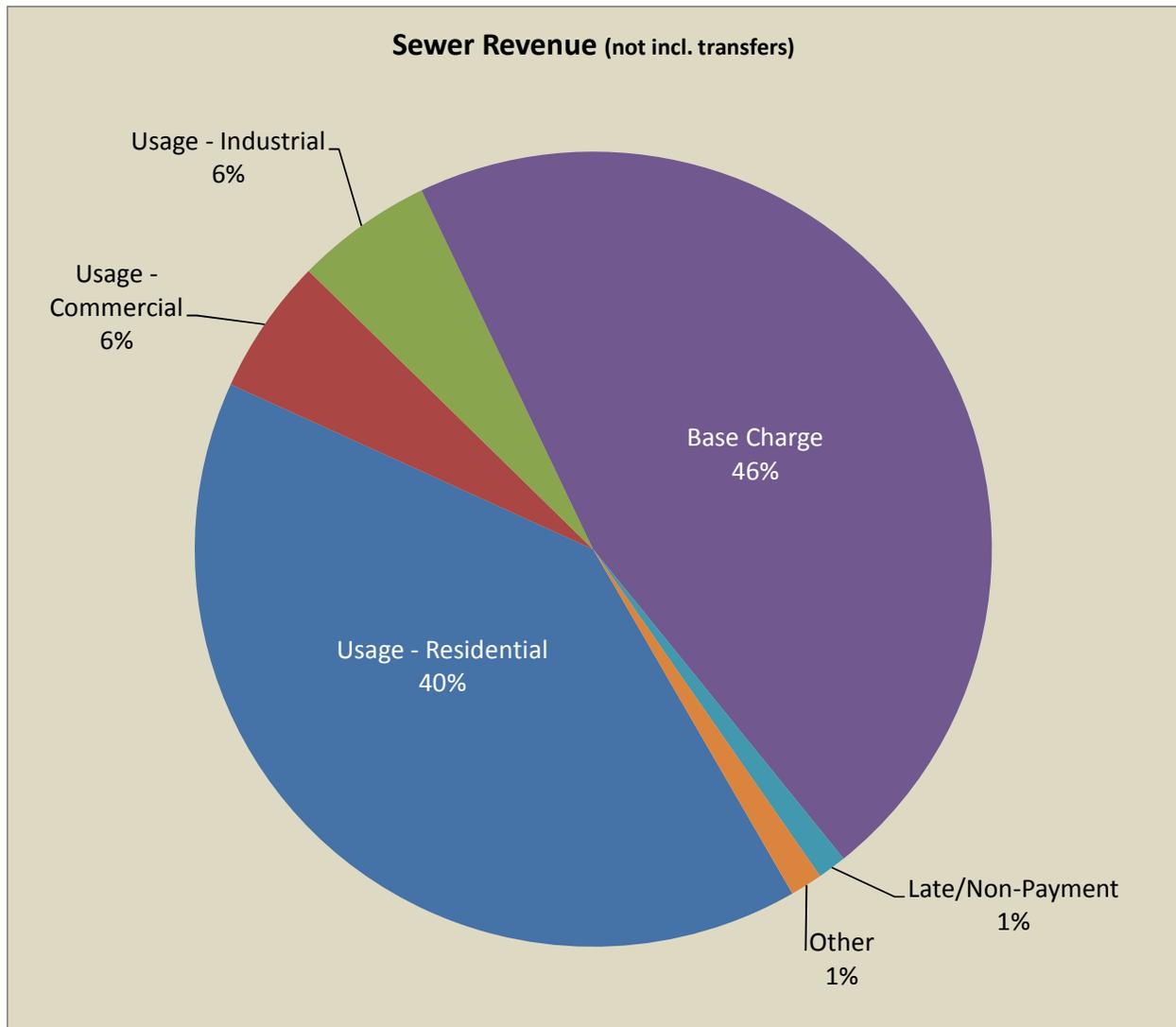


### Sewer Fund Expenditures

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

Sewer	13-14	14-15	15-16	16-17	Change v. prior year	
	Actual	Actual	Budget	Proposed	%	\$
61-7125 Administration & Finance	361,127	364,614	382,326	405,099	5.96%	22,774
61-7142 Collection	46,545	23,161	54,020	53,710	-0.57%	-310
61-7144 Treatment	117,636	319,678	145,055	117,911	-18.71%	-27,144
<b>TOTAL (less transfers and contingency)</b>	<b>525,308</b>	<b>772,353</b>	<b>581,401</b>	<b>576,720</b>	<b>-0.81%</b>	<b>-4,680</b>

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 0.003105. 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 \$115,830 ( note highlighted data).

<b>New Assessed Value</b>	<b>Annual Bill at 0.3105</b>
95,000	295
<b>115,830</b>	<b>360</b>
150,000	466
190,000	590
200,000	621
250,000	776
300,000	932
350,000	1,087
400,000	1,242
500,000	1,553
600,000	1,863

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 remain unchanged from the current rates. Business, commercial, and industrial base rates and fees are different from the residential base rate and fees. In 2015, the average water customer used 3,305 gallons of water per month.

<b>Charges for 3,000 gallons per month</b>			
		<b>Current</b>	<b>Approved</b>
<b>Water</b>	Base	15.24	15.24
	Use	12.06	12.06
<b>Sewer</b>	Base	24.18	24.18
	Use	27.24	27.24
<b>Monthly</b>		<b>78.72</b>	<b>78.72</b>
<b>Per-Bill</b>		<b>157.44</b>	<b>157.44</b>
Monthly Increase			<b>0.00</b>
Per Bill Increase			<b>0.00</b>
			0.00%

Town of River Bend, North Carolina  
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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 valued at \$115,830 and water and sewer fees. For \$3.57 per day, our average water and sewer user living in our average home, receives clean water, efficient wastewater treatment, police protection, animal control, planning, parks, 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.

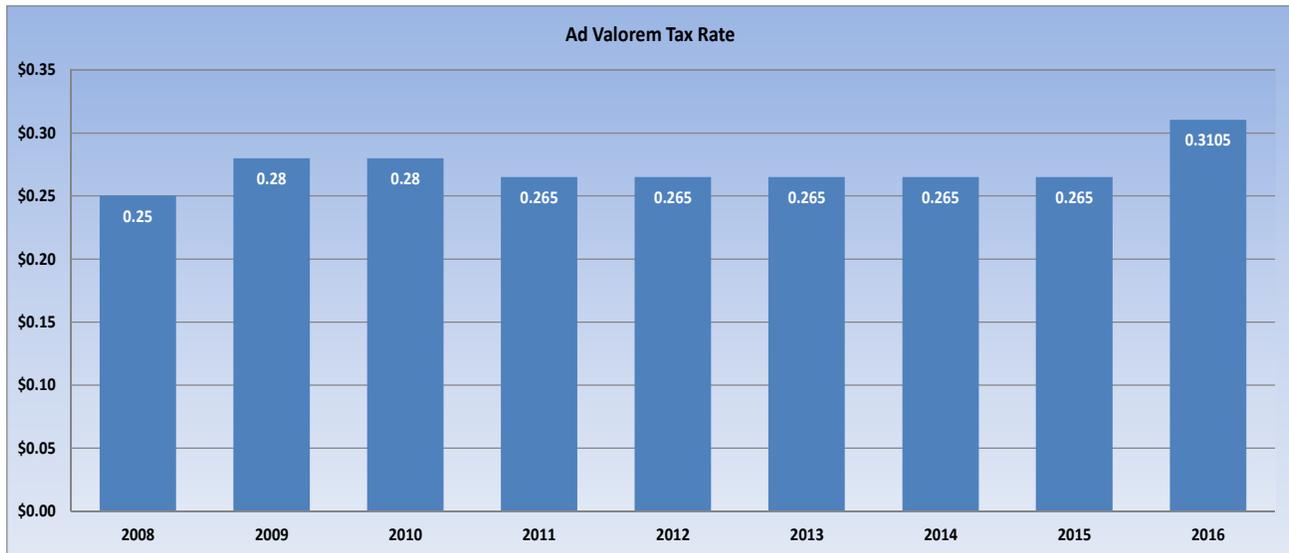
<b>Annual Costs</b>	
Water/Sewer Fees (3,000 gal/month)	945
Real Estate Tax (\$115,830 home)	360
<b>TOTAL</b>	<b>1,305</b>

**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 expressed as \$0.3105 per one hundred dollars of assessed value.

<b>Department</b>	<b>Cents per Hundred</b>
Governing Body	0.471
Administration	4.146
Finance	1.828
Tax Listing	0.227
Legal	0.455
Elections	0.000
Public Buildings	1.092
Police	9.216
Emergency Services	0.070
Animal Control	0.215
Street Maintenance	3.325
Public Works	3.114
Leaf and Limb/Solid Waste	0.700
Stormwater Management	0.727
Wetlands and Waterways	0.109
Planning and Zoning	0.795
Recreation and Special Events	0.136
Parks and CAC	0.765
Transfer to Cap. Res.	3.184
Contingency	0.474
<b>Tax Rate</b>	<b>0.3105</b>

## Tax Rate History



The chart above shows the history of the tax rate for the Town of River Bend since 2008. The current rate of \$0.3105 is the first rate increase since 2009 and represents a revenue neutral rate compared to last year.

## 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 from Government Finance Officers Association

2011 to present- Excellence in Financial Reporting from Government Finance Officers Association

Rated "A" for Transparency in Government by John Locke Foundation  
(of 549 North Carolina units listed, only 2% received an "A" rating)