

Town of River Bend, North Carolina

**Fiscal Year 2017—2018**

# Annual Budget Message and

(a summary of the annual budget)

# Annual Operating Budget Ordinance



**Fiscal Year 2017-2018**  
**Annual Budget Message**  
**and**  
**Operating Budget Ordinance**

**Mayor**

John Kirkland

**Town Council**

Luci Avery  
Bill Camp  
Morris "Buddy" Sheffield  
Irving "Bud" Van Slyke, Jr.\*  
Unfilled Vacancy

\*also serves as Finance Officer and Mayor Pro Tempore

**Prepared By:**

**Town Manager**

Delane Jackson

**Finance Administrator**

Margaret Theis

**Cover Designed by:**

Kathleen DeYoung, Deputy Town Clerk

## Budget Message

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

May 1, 2017

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, 2017 and ending June 30, 2018 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 the Budget Kick-Off meeting on January 12, 2017:

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.

One major consideration during the budget preparation this year was the tax rate. Following a 14.65% reduction in the value of taxable property last year, our estimated property value increased by 4.37% this year. Even while continuing 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 reduction of \$0.0205 to \$0.29.

The tax rate of \$0.29 will produce a levy in FY17-18, which is \$22,380 less than the levy produced in FY16-17 at the previous rate of \$0.3105. 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	\$ 1,673,332
Water Fund	\$ 544,621
Sewer Fund	\$ 640,173
<b>Total Operating Budget</b>	<b>\$ 2,858,126</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. Four years ago, a more detailed evaluation of labor allocations among the three funds was performed. This evaluation resulted in changes to more accurately reflect the work being performed by each staff member for each fund.

The total expenditure budget for the General Fund, including transfers, is \$1,673,332. That is an \$80,648 decrease over the current FY16-17. 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 a 4.6% decrease from the current FY16-17 budget. There is no appropriation of Fund Balance in the proposed budget.

**Expenditure Highlights by Department**

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

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

<b>Paving:</b>	
Wildwood Drive	\$115,000
<b>Patching:</b>	
Colonies Area	\$9,000
Tar Landing	\$3,000
Pier Pointe	\$3,000
Miscellaneous	\$5,000
	\$135,000

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

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

In this budget, we propose to address one drainage project at a cost of \$20,000. That project is located adjacent to Town Hall and serves the Wildwood Drive and other areas. Our engineer planned and designed the work in FY16-17 following a series of meetings and site visits with the Town Manager and Public Works Director. This budget allocates \$34,110 to the Stormwater Capital Improvement Plan (CIP) for future projects.

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

Public Buildings (Facilities): We plan to continue our efforts to be good custodians of our public facilities by making a few needed repairs and some modest improvements. The Town Council recently discussed options for enhancing our public buildings. They plan to continue that discussion during FY 17-18. Pending a future final decision by Council, there are no major public building projects planned. However, this year, we will make some improvements in Town Hall by replacing carpet and installing a new sound system at a cost of \$25,763.

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 4<sup>th</sup> of July parade and picnic. Excluded from the Parks and Recreation budget 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. Their original goal was to become financially self-supporting. They have accomplished that goal.

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. Sadly, during the budget preparation process, Chief Ryland E. Matthews, Jr. passed away. The process of appointing a new Police Chief will begin soon but will likely not be completed until sometime in FY17-18. We will miss Chief Matthews' input in the process. This budget proposal does include his budget requests for FY17-18.

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

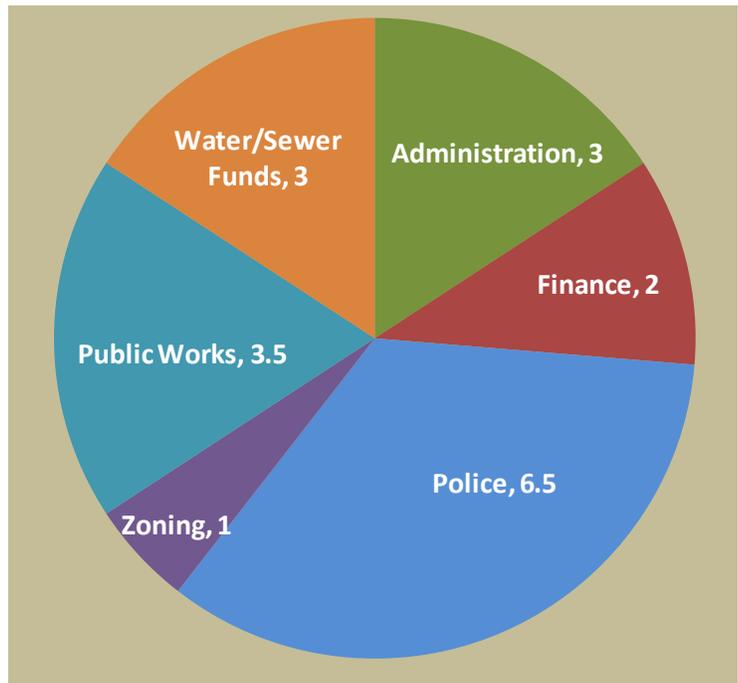
Requested projects and expenditures were kept to a minimum in order to develop a balanced budget. Prior to transfers and contingencies, revenues are projected to exceed departmental expenditures by \$145,390 in FY17-18. The revenues from some of the transfers are budgeted to be allocated in various CIPs and the Law Enforcement Separation Allowance Fund in the General Fund in order to provide more long-term stability to those plans.

**Expenditures by Category**

The North Carolina Local Government Commission (LGC) collects, maintains and compares financial data from all municipal governments in North Carolina. For fair comparison purposes, they have several population groups. This prevents small towns, such as River Bend, from being compared to large towns, such as Raleigh and Charlotte. They also separate towns that do own electrical distribution systems, such as New Bern, from those that do not own electrical distribution systems, such as River Bend. We fall into the group of towns with a population between 2,500 and 9,999 that do not operate an electrical distribution system. There are 111 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 2016, (the most recent data from the LGC) River Bend spends less per capita in all six areas than the average of all localities in our population range.

Function	Average Per Capita Expenditure of Group	River Bend Per Capita Expenditure
Public Safety	\$366	\$173
Transportation	\$126	\$111
General Government	\$198	\$144
Utility	\$286	\$232
Debt Service	\$114	\$87
Other	\$214	\$72

One of the largest expenditures for River Bend and for most localities is the cost of personnel. Our professional staff allows the Town to continue to provide quality service to our residents. We currently have 18 full-time employees and 2 part-time employees. Our projections indicate no need for additional staffing for at least the next five years. Our total personnel costs account for 42.2% 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 2016 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel is \$98 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 decrease of .88%. That reduction is attributable to a change in the medical insurance coverage. This budget includes a 2% 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 \$1,673,332, a 7.37% decrease compared to projected revenue in the current budget. Fund Balance appropriation in the General Fund remains at 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 51.62% 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 \$0.29. While the cost of most everything else associated with operating a town has increased over the same period, prior to this year's reduction, our tax rate has been the same or revenue neutral since 2011.

According to the North Carolina Local Government Commission, the average tax rate among 514 reporting municipal governments in North Carolina as of June 30, 2016 (the latest available data) was \$0.4438 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 FY17-18, we have budgeted for a collection rate of 99.75%.

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

county, in turn, shares their portion of the sales tax proceeds with the incorporated cities and towns in the county.

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

### **Fund Balance**

The North Carolina Local Government Commission (LGC) monitors the level of fund balance each locality maintains as a sign of their relative financial strength. Sufficient fund balance is essential to ensure a unit of local government has ample funds to respond to emergencies and opportunities. The benchmark for fund balance that the LGC uses is 8% of total expenditures. If a unit falls below that level, the LGC may express concern to the locality and direct action to increase the balance. We project a fund balance of approximately 115% at the end of the current fiscal year. The policy set by the Town Council is to maintain a fund balance of at least 50% of total expenditures. The proposed budget predicts a fund balance at the end FY 17-18 of approximately 117%.

### **Enterprise Funds**

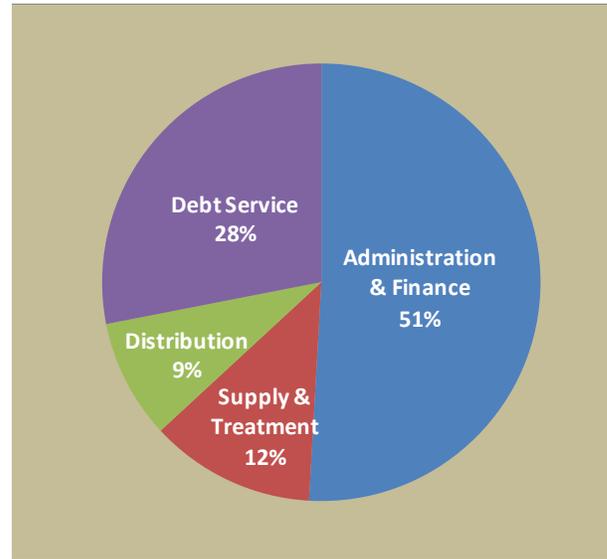
In addition to the General Fund, covering all typical government operations, the Town of River Bend operates two enterprises: the water system and the sewer system. These two enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of 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 FY17-18 is \$544,621, a decrease of \$50,545 from the current fiscal year.



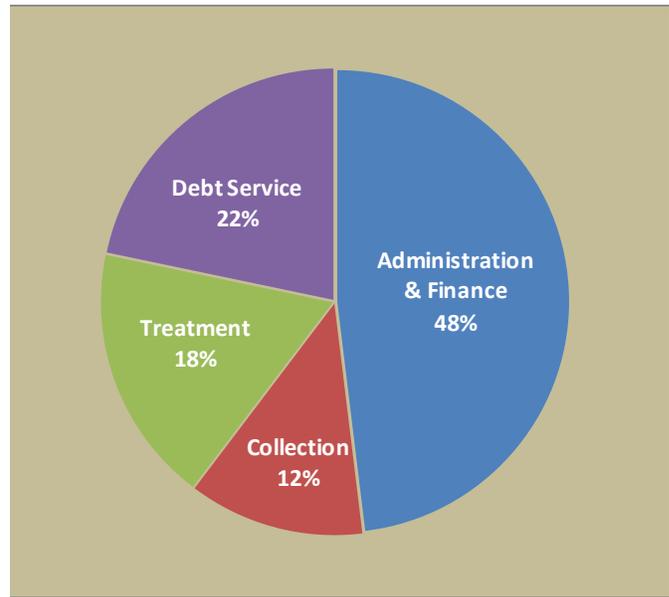
Media Replacement Well #3	\$13,000
Half Cost of New Vehicle	\$12,000

#### *Proposed water enterprise projects*

Due to high project costs and low expectation for need, plans for the project to interconnect our water system with that of the City of New Bern have been abandoned. 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 FY17-18 is \$640,173, a \$1,447 decrease from the current fiscal year.



Half Cost of New Vehicle	\$12,000
Manhole Repairs	\$15,000

*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 manhole in the collection system.

**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 but improving growth and very limited grant funding opportunities. Our Town Council members accept their responsibility with great conviction and sincerity and strive to be well informed and engaged in the operation of this government. This budget reflects the Council's commitment to maintaining and improving this community and positioning it to be financially sound in the future. I believe it to be worthy of your consideration and approval.

I want to thank the Mayor, Town Council, and Town staff for their commitment to and participation in this budget process. It should be noted that Councilwoman Pat Yocum resigned from the Town Council during the budget process but did play a role in the development of this proposed budget. I thank Mrs. Yocum for her service on the Council. 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

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**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, 2017 and ending June 30, 2018:

**Summary**

General Fund	1,673,332
General Capital Reserve Fund	115,260
Law Enforcement Separation Allowance Fund	34,112
Water Fund	544,621
Water Capital Reserve Fund	24,320
Sewer Fund	640,173
Sewer Capital Reserve Fund	27
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Total	3,031,845

**Section 1. General Fund**

Anticipated Revenues

AD VALOREM Taxes 2017-2018	776,704
AD VALOREM Taxes-Motor Vehicle	87,000
Animal Licenses	2,400
Sales Tax 1% Article 39	148,300
Sales Tax 1/2% Article 40	94,300
Sales Tax 1/2% Article 42	74,500
Sales Tax Hold Harmless Distribution	94,200
Solid Waste Disposal Tax	2,000
Powell Bill Allocation	90,000
Beer and Wine Tax	13,300
Video Programming Sales Tax	60,800
Utilities Franchise Tax	119,000
Telecommunications Sales Tax	15,500
Court Refunds	850
Zoning Permits	2,500
Miscellaneous	5,900
Interest- Powell Bill Investments	5
Interest-Investments	6,000
Contributions	1,200
Wildwood Storage Rents	38,880
Rents & Concessions	18,000
Transfer from Capital Reserve Fund	21,993
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Total	1,673,332

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2017-2018

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Authorized Expenditures

Governing Body	31,553
Administration	227,888
Finance	102,873
Tax Listing	12,182
Legal Services	25,000
Elections	8,500
Public Buildings	87,001
Police	478,689
Emergency Services	3,862
Animal Control	12,170
Street Maintenance	179,975
Public Works	156,337
Leaf & Limb and Solid Waste	38,505
Stormwater Management	50,505
Wetlands and Waterways	6,000
Planning & Zoning	39,533
Recreation & Special Events	7,500
Parks & Community Appearance	34,870
Contingency	31,279
Transfer to Capital Reserve Fund	114,110
Transfer to L.E.S.A. Fund	25,000
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Total	1,673,332

**Section 2. General Capital Reserve Fund**

Anticipated Revenues

Contributions from General Fund	114,110
Interest Revenue	1,150
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Total	115,260

Authorized Expenditures

Transfer to General Fund	21,993
Future Procurement	93,267
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Total	115,260

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2017-2018

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

Anticipated Revenues:

Contributions from General Fund	25,000
Interest Revenue	100
Appropriated Fund Balance	<u>9,012</u>
Total	34,112

Authorized Expenditures:

Separation Allowance	<u>34,112</u>
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**Section 4. Water Fund**

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	194,122
Utility Usage Charges, Classes 3 & 4	14,302
Utility Usage Charges, Class 5	14,148
Utility Usage Charges, Class 8	3,459
Utility Customer Base Charges	271,394
Hydrant Availability Fee	23,370
Taps & Connections Fees	1,250
Nonpayment Fees	9,720
Late Payment Fees	7,400
Interest Revenue	3,536
Sale of Fixed Assets	<u>1,500</u>
Total	544,621

Authorized Expenditures

Administration & Finance [1]	408,561
Operations and Maintenance	108,770
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	<u>23,790</u>
Total	544,621

*[1] Portion of department for bond debt service: 145,181*

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2017-2018

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**Section 5. Water Capital Reserve Fund**

Anticipated Revenues

Contributions from Water Operations Fund	23,790
Interest Revenue	530
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Total	24,320

Authorized Expenditures

Future Expansion	24,320
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**Section 6. Sewer Fund**

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	264,974
Utility Usage Charges, Classes 3 & 4	33,959
Utility Usage Charges, Class 5	27,966
Utility Usage Charges, Class 8	7,754
Utility Customer Base Charges	292,111
Taps & Connection Fees	1,250
Late Payment Fees	7,800
Interest Revenue	2,859
Sale of Fixed Assets	1,500
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Total	640,173

Authorized Expenditures:

Administration & Finance [2]	402,788
Operations and Maintenance	174,385
Transfer to Fund Balance for Capital Outlay	63,000
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Total	640,173

*[2] Portion of department for bond debt service: 125,369*

**Section 7. Sewer Capital Reserve**

Anticipated Revenues:

Interest Revenue \_\_\_\_\_ 27

Authorized Expenditures:

Future Expansion \_\_\_\_\_ 27

**Section 8. Levy of Taxes**

There is hereby levied a tax at the rate of twenty-nine cents (\$0.29) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2017, for the purpose of raising the revenue listed "Ad Valorem Taxes 2017-2018" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$298,500,000 and an estimated rate of collection of 99.75%. The estimated collection rate is based on the fiscal year 2015-2016 collection rate of 99.77% by Craven County who has been contracted to collect property taxes for the Town of River Bend.

**Section 9. Fees and Charges**

There is hereby established, for Fiscal Year 2017-2018, 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 2% 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 2017-2018 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 15th day of June, 2017.

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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, 2017**

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>	\$ .29 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>	
Four 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

Town of River Bend, North Carolina  
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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
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
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
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
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**

**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

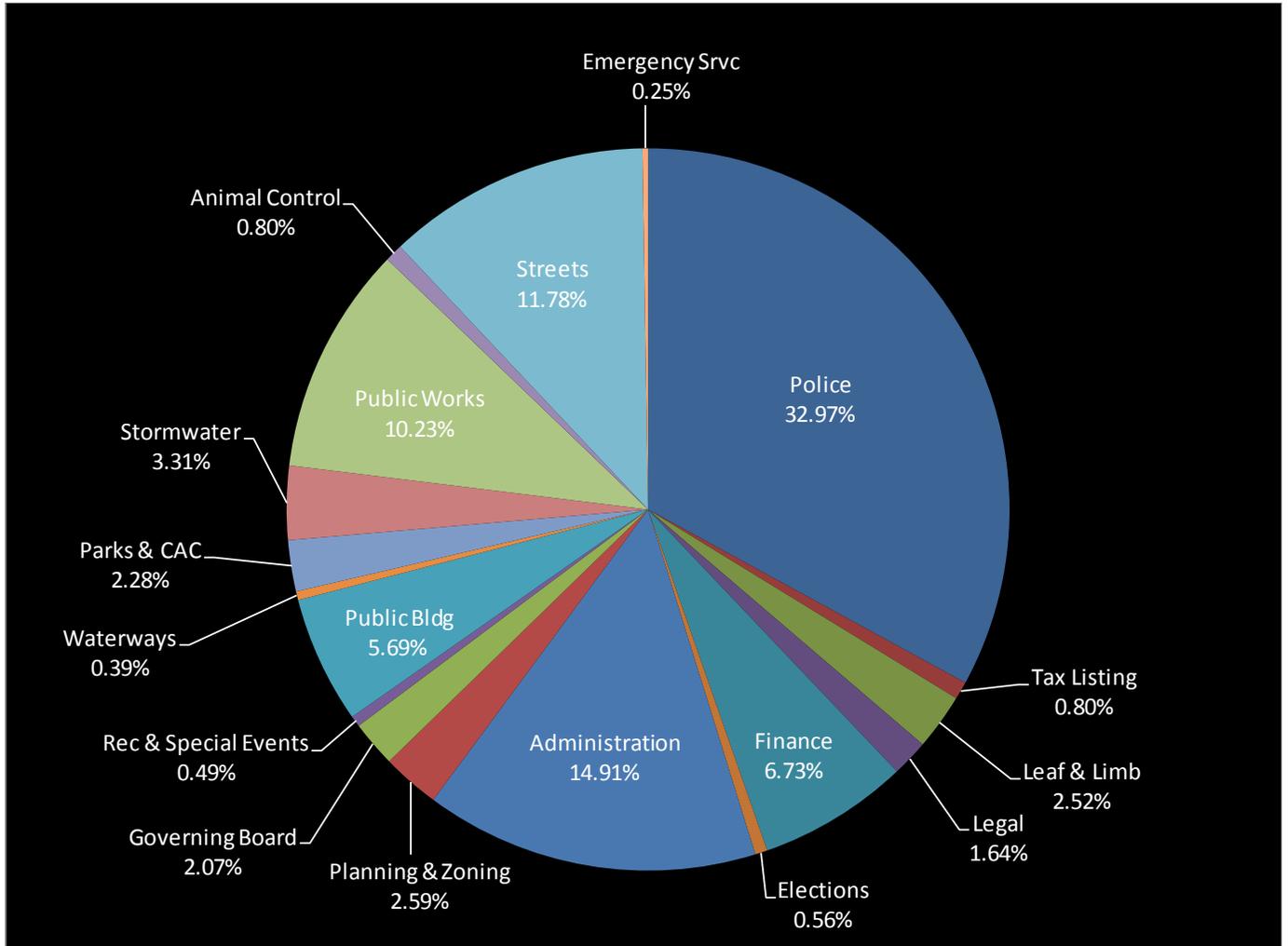
The chart shown below summarizes the actual, budgeted, projected, and proposed expenditures, by department, in the General Fund for the previous two fiscal years, the current fiscal year, and the budget under consideration. This allows the reader to see how expenditures change in each of these departments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

General Fund Expenditure Summary		Change v. prior year					
		14-15	15-16	16-17	17-18	%	\$
Dept #	Department Name	Actual	Actual	Budget	Proposed		
4110	Governing Body	22,504	28,711	25,907	31,553	21.79%	5,646
4120	Administration	216,929	224,214	227,953	227,888	-0.03%	-65
4130	Finance	93,908	100,434	100,468	102,873	2.39%	2,405
4140	Tax Listing	11,724	11,362	12,468	12,182	-2.29%	-286
4150	Legal Services	21,698	12,926	25,000	25,000	0.00%	0
4170	Elections	0	4,591	0	8,500	8500.00%	8,500
4310	Police	490,983	493,610	531,650	503,689	-5.26%	-27,961
4190	Public Buildings	72,940	58,938	60,054	87,001	44.87%	26,947
4330	Emergency Services	3,735	3,663	3,862	3,862	0.00%	0
4380	Animal Control	11,506	12,028	11,810	12,170	3.05%	360
4510	Street Maintenance	193,261	202,916	182,769	179,975	-1.53%	-2,794
4560	Public Works	113,217	136,653	171,210	156,337	-8.69%	-14,873
4710	Leaf & Limb and Solid Waste	39,028	36,365	38,505	38,505	0.00%	0
4730	Stormwater Management	119,085	105,116	61,987	50,505	-18.52%	-11,482
4760	Wetlands & Waterways	8	2,353	6,000	6,000	0.00%	0
4910	Planning & Zoning	34,230	36,222	43,693	39,533	-9.52%	-4,160
6120	Recreation & Special Events	5,931	6,708	7,500	7,500	0.00%	0
6130	Parks & CAC	42,040	33,663	42,034	34,870	-17.04%	-7,164
<b>Department Expenditure Total</b>		1,492,730	1,510,471	1,552,870	1,527,942	-1.61%	-24,928
	Contingency (1% per policy) + Merit Pool	27,147	13,300	26,058	31,279	20.04%	5,221
	Transfer to Capital Reserve	105,000	241,000	175,052	114,110	-34.81%	-60,942
<b>TOTAL</b>		1,624,877	1,764,770	1,753,980	1,673,332	-4.60%	-80,648

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 2017-2018

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 2017-2018

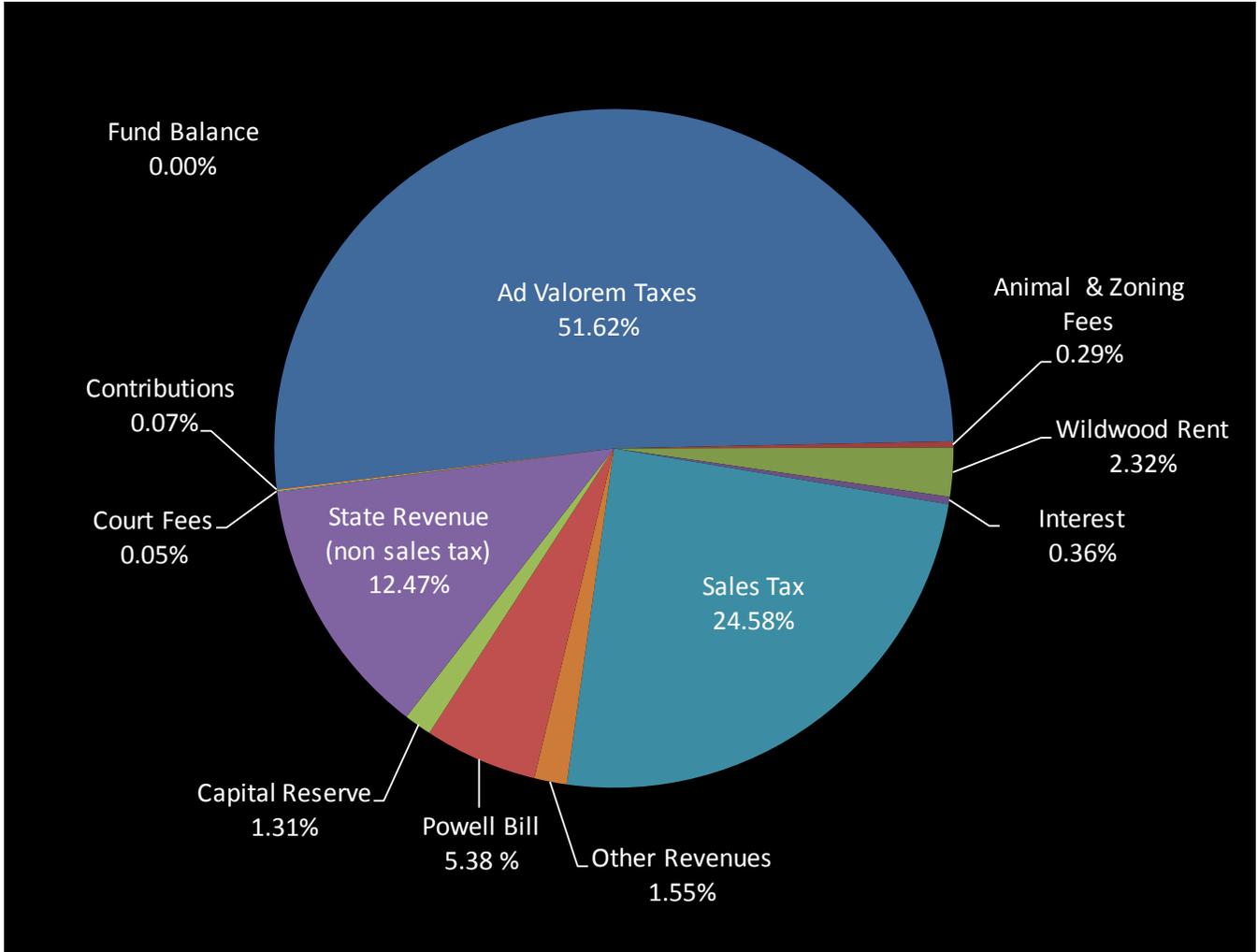
**General Fund Revenue**

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

General Fund Revenue Summary	14-15	15-16	16-17	17-18	Change v. prior year	
	Actual	Actual	Budget	Proposed	%	\$
Ad Valorem Taxes	891,577	891,338	887,124	863,703	-2.64%	-23,421
Animal Licenses & Zoning Permits	5,667	6,421	4,900	4,900	0.00%	0
Interest	347	2,953	5,251	6,006	14.38%	755
Wildwood Rents	37,322	40,577	34,560	38,880	12.50%	4,320
Other Revenue & Rents	42,077	35,971	27,502	25,900	-5.83%	-1,602
Contributions	822	1,650	1,175	1,200	2.13%	25
Powell Bill (includes appropriation)	92,300	90,502	90,000	90,000	0.00%	0
State Revenue (other than sales tax)	212,617	211,165	207,718	208,600	0.42%	882
Sales Tax Revenue	394,208	411,712	395,900	411,300	3.89%	15,400
Government Grants (Fed, State & County)	478	0	0		0.00%	0
Fees (court refund)	645	806	850	850	0.00%	0
Charges to Other Funds	0	0	0	0	0.00%	0
Transfer from Capital Reserve	76,345	220,553	99,000	21,993	-77.78%	-77,007
Transfer from LESA Fund						0
Transfer from Fund Balance	0	0	0	0	0.00%	0
<b>TOTAL</b>	1,754,403	1,913,646	1,753,980	1,673,332	-4.60%	-80,648

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

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

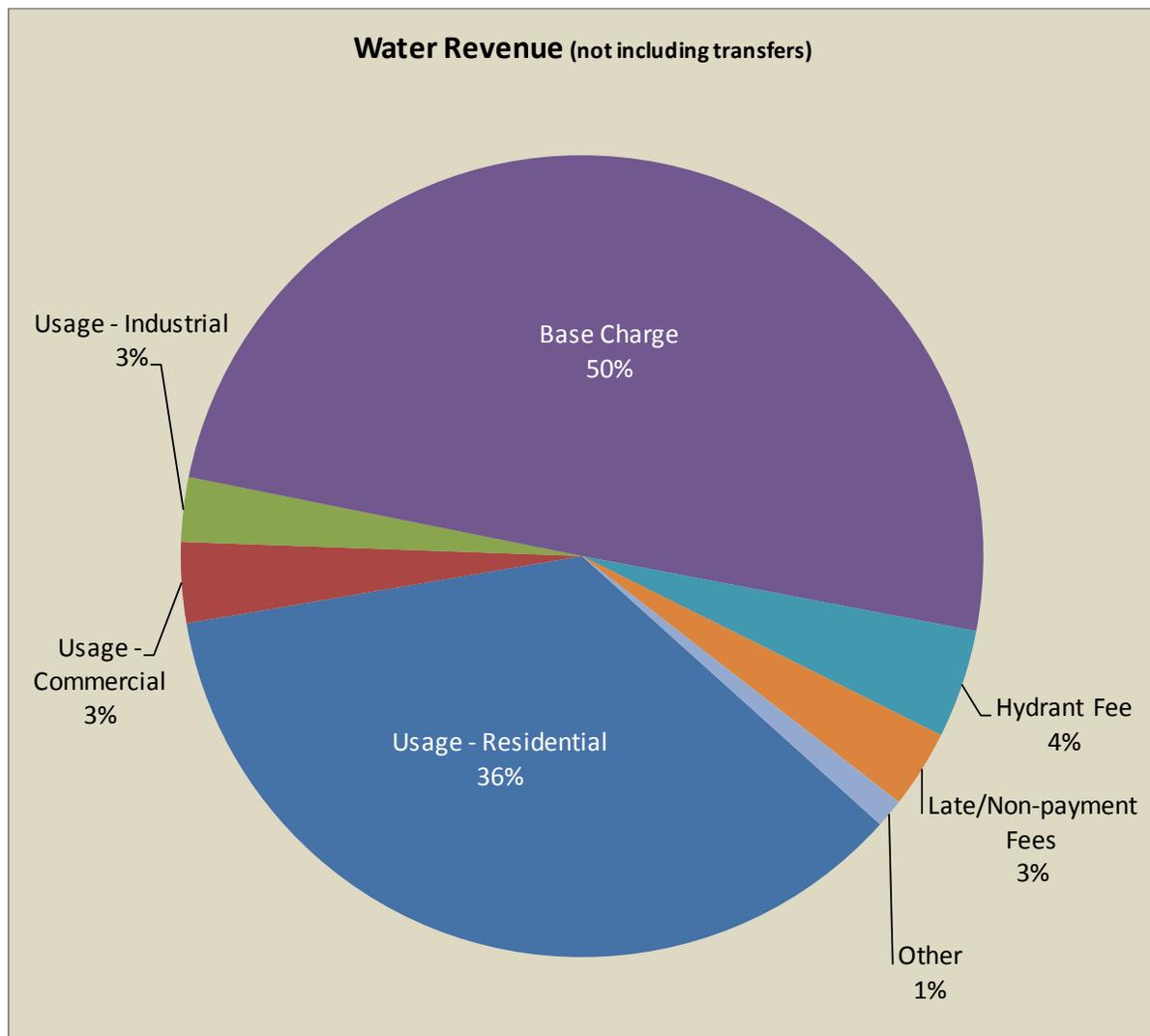


### Water Fund Expenditures

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

<b>Water</b>		<b>14-15</b>	<b>15-16</b>	<b>16-17</b>	<b>17-18</b>	<b>Change v. prior year</b>	
		Actual	Actual	Budget	Proposed	%	\$
60-7125	Administration & Finance	373,273	375,489	411,053	408,561	-0.61%	-2,492
60-7132	Supply & Treatment	42,762	26,406	68,242	63,179	-7.42%	-5,063
60-7134	Distribution	36,062	39,479	84,417	45,591	-45.99%	-38,826
<b>TOTAL (less transfers and contingency)</b>		452,096	441,374	563,712	517,331	-8.23%	-46,381

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

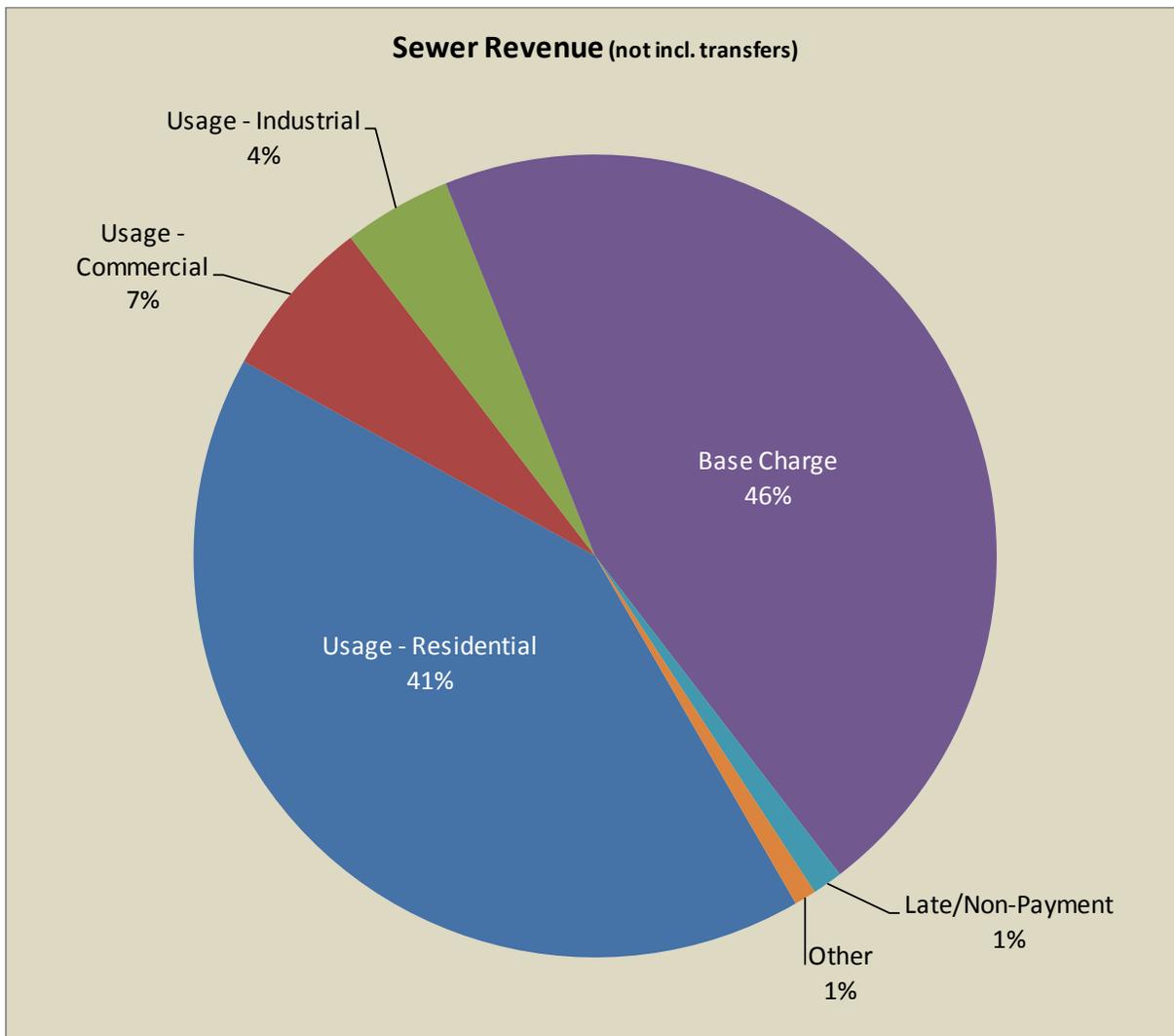


### Sewer Fund Expenditures

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

Sewer		14-15	15-16	16-17	17-18	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
61-7125	Administration & Finance	364,614	382,326	405,099	402,788	-0.57%	-2,311
61-7142	Collection	23,161	54,020	53,710	70,605	31.46%	16,895
61-7144	Treatment	319,678	145,055	117,911	103,780	-11.98%	-14,131
<b>TOTAL (less transfers and contingency)</b>		<b>707,453</b>	<b>581,401</b>	<b>576,720</b>	<b>577,173</b>	<b>0.08%</b>	<b>453</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 0.0029. This will show what you pay for the General Fund services that the Town provides.

According to the Craven County Tax Department, the current, average, assessed value of a home in River Bend is \$159,456 ( note highlighted data).

<b>Assessed Value</b>	<b>Annual Bill at 0.29</b>
95,000	\$276
125,000	\$363
<b>159,456</b>	<b>\$462</b>
190,000	\$551
200,000	\$580
250,000	\$725
300,000	\$870
350,000	\$1,015
400,000	\$1,160
500,000	\$1,450
600,000	\$1,740

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 2016, the average water customer used 3,221 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%

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 \$159,456 and water and sewer

<b>Annual Costs</b>	
Water/Sewer Fees (3,000 gal/month)	\$ 945
Real Estate Tax (\$159,456 home)	\$ 462
<b>TOTAL</b>	<b>\$ 1,407</b>
Average Per Day Cost for water/sewer/tax	\$ 3.85

fees for 3,000 gallons usage per month. For \$3.85 per day, our average water and sewer user living in our average home, receives clean potable water, efficient wastewater treatment, 24/7 police protection, stormwater management, animal control, planning, zoning, code enforcement, parks, recreational events, street lights, street maintenance, leaf & limb removal, and a host of other services. Our goal is to continue to deliver high quality services at a reasonable price to all who make River Bend their home.

### Where are my tax dollars spent?

This table breaks down the proposed tax rate to show how much of that rate goes to fund each of the functions in the General Fund. The total proposed tax rate is \$0.29 per one hundred dollars of assessed value.

<b>Department</b>	<b>Cents per Hundred</b>
Governing Body	0.547
Administration	3.949
Finance	1.783
Tax Listing	0.211
Legal	0.433
Elections	0.147
Public Buildings	1.508
Police	8.729
Emergency Services	0.067
Animal Control	0.211
Street Maintenance	3.119
Public Works	2.709
Leaf and Limb/Solid Waste	0.667
Stormwater Management	0.875
Wetlands and Waterways	0.104
Planning and Zoning	0.685
Recreation and Special Events	0.130
Parks and CAC	0.604
Transfer to Cap. Res.	1.978
Contingency	0.542
<b>Tax Rate</b>	<b>0.29</b>

## Tax Rate History



The chart above shows the history of the tax rate for the Town of River Bend since 2009, including the proposed rate of \$0.29 for FY 17-18.

## 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 the Government Finance Officers Association. Recently, we received our seventh in a row for fiscal year beginning 2016.

2011 to present- Excellence in Financial Reporting from the Government Finance Officers Association. Recently, we received our sixth in a row for fiscal year ending 2016.