



ANNUAL BUDGET

FISCAL YEAR 2014 – 2015

TOWN OF RIVER BEND • NORTH CAROLINA

Fiscal Year 2014-2015

Annual Budget

Adopted June 19, 2014

Mayor

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Town Council

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Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of River Bend

North Carolina

For the Fiscal Year Beginning

July 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of River Bend, North Carolina for its annual budget for the fiscal year beginning July 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Budget Message

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

May 1, 2014

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, 2014 and ending June 30, 2015 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 in November of 2013:

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. Plan for the renovation of 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, which remain unchanged from the last fiscal year, provide the foundation upon which the budget is built. Over the course of seven 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.

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 that reflects no increase in the tax rate, a small increase in the sewer rate, and a decrease in the water rate.

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	\$ 1,716,811
Water Fund	\$ 590,219
Sewer Fund	\$ 854,881
Total Operating Budget	\$ 3,161,911

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. Last year, 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 is \$1,716,811, representing a 0.04% decrease from the total projected expenditure in the current fiscal year, and a 4.43% decrease versus the current fiscal year budget. Lower than expected legal fees, lower than expected leaf and limb tonnage, and aggressive management of expenditures allowed some proposed FY 2015 projects to be accomplished in FY 2014 while still spending less than the total budgeted amount.

Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents a 3.88% decrease from the current fiscal year budget, and a 1.98% decrease compared to projected year-end revenue. Higher than estimated sales tax, Powell Bill, and Wildwood storage rental receipts explain much of the difference between the budgeted amount of revenue and the projected year-end revenue level. Much of the decrease in revenue in this year's budget is due to a higher level of funding in FY 2014 from our own Capital Improvement Plan to cover scheduled expenditures that were contained in the plan.

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), a function of

Paving:		
Brick Road		120,000
Patching:		
Lochbridge - Shoreline to Culvert Crossing		8,000
Canebrake		5,000
Wildwood		7,500
Westchester		4,000
Striping and Patching allowance		45,000
		189,500

gas tax revenue, are received from the State based upon our population and number of miles of roads. This revenue source has been relatively level while costs continue to escalate.

This year we are budgeting to follow the plan developed by our engineer in terms of the need for patching to maintain the integrity of our roadways. As shown in the table above, we plan to do full depth patching on four streets and have an ample allowance to perform other patching in various areas. The most significant project is the repair of the Old Brick Road. For many years, we have held this small section of roadway out of the paving plan with the intention of restoring this historical road. The cost of restoration has been prohibitive, and grant funding sources for this type of work have not been restored. This budgeted amount will allow us to remove the old bricks, install a proper gravel base, and pave the roadway at its current width. We opted to keep the single lane width due to the low volume of traffic on this street and due to the desire to use the narrow width as a way to keep speeds lower in this area. Even with this work done, we still have a short piece of untraveled Brick Road that can be restored to honor the historical significance of the roadway. The total amount we expect to pay for contracted paving services is well above the amount we expect to receive in Powell Bill funds, so 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

Sandpiper Court	13,000
Carriage House / Westchester	27,500
	40,500

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. In this budget, we propose to address two locations that need work to correct drainage issues: Sandpiper Court, and the Westchester Road area. While the total cost of these projects is greater than the annual stormwater reserve amount of \$30,000, there have been prior years when the work performed did not use all the available funding. All 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. This Town, in many ways, serves as a model for good stormwater practices, using grassy swales rather than the traditional urban model of curbs and gutters.

Also included in the Stormwater Management budget is \$25,000 for engineering services for a project we will address in FY 2016. The bulkhead on the upstream side of the stormwater receiving stream that goes under Plantation Drive near the Quarterdecks is deteriorated and in need of significant work. The amount budgeted this year will allow us to have the design and engineering work done and to obtain the required permits to perform necessary modifications and repairs. The project, if funded in FY 2016, will construct a new bulkhead (with tiebacks) and allow for the widening of the area between the roadway and the end of the pipe that is under the road. This widening will allow for a sidewalk to be placed in this area to separate pedestrians and vehicles in this narrow, limited sight distance, section of road. The end product will be a reliable bulkhead and a safer street.

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 FY 2014 an architect-prepared design was competed as a follow on to the facility needs analysis performed in 2011. We now have the design and permits for the future construction of an administrative building and the renovation of the current facilities to meet current and future needs. The Town Council opted to defer moving to the construction phase of this project until an undetermined future fiscal year.

The proposed budget also contains funding for the construction of a fenced lot for additional outdoor storage spaces to add to our current rental spaces. The Town manages and maintains the Wildwood storage facility and we have identified a need for additional spaces for people to store boats, trailers, and recreational vehicles. We propose to fence a portion of an open field near the wastewater treatment plant which will provide over 20 additional outdoor storage spaces. This facility will provide positive net revenues beginning in FY 2016.

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. Included this year is sufficient funding to contract for the first of a multi-year project to care for trees along the Plantation Drive median. Using guidance from the North Carolina Department of Forestry and our Community Appearance Commission, we will prune some trees and remove others. Also included in this Department is the shared cost for an electronic work order system. This system will allow the Director of Public Works to keep better records regarding the

routine and non-routine work performed by Public Works technicians and utility operators. This system should enhance our proactive maintenance programs and our customer service for those items reported by residents.

Parks and Recreation: The budget being presented includes continued funding for our Parks and Recreation programs. The Parks and Recreation Advisory Board plans to continue its efforts to provide craft making and other special events throughout the year, the largest of which is the annual 4th of July parade and picnic.

Also included in Parks and Recreation is continued funding for the River Bend Community Organic Garden, a community garden organized and developed by a group of volunteers.

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 FY 2014 allowed the Department to continue its proactive work to reduce crime while mitigating the need for overtime to cover for absences due to training, illness, and other leave.

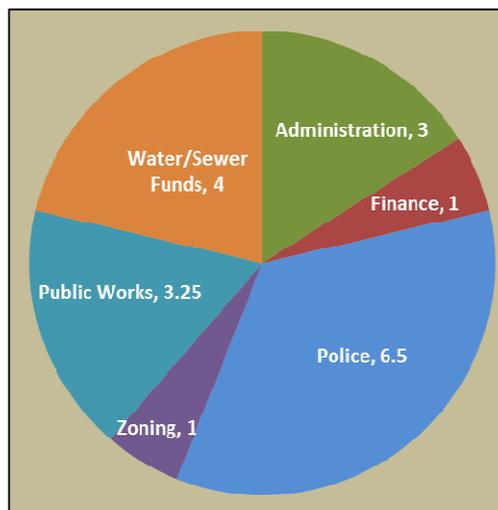
In order to reduce expenses and increase efficiency, we are moving the management of our police records from the City of New Bern to the Craven County communications center. With the purchase of two laptop computers as part of our information technology replacement plan, all of our police vehicles will have the hardware to allow officers to do reports and search for needed information while in their vehicles.

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. However, during the budget process this year, several requested projects and expenditures were reduced or eliminated in order to develop a balanced budget that also assigns the use of Fund Balance in the amount of \$97,322. The need to use a portion of our savings was driven, primarily, by the desire to undertake the project to repair the Old Brick Road.

Expenditures by Category

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

One of the largest expenditures River Bend – and for that matter most localities – faces 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 and our projections indicate no need for additional staffing for at least the next five years. Our total personnel costs account for 37% 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 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel is 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 increase of 2.5%, with 1.5% attributable to a cost of living increase and 1%, in most cases, for longevity increases. An additional merit pool is available to be used to recognize outstanding performance of individual employees.

Sources of Revenue

Due to the uncertain economic times we are experiencing we have been very conservative in our estimates of the revenue we expect to receive to offset expenditures noted above. General Fund revenues are budgeted at \$1,716,811, a 1.98% decrease compared to projected revenue in the current fiscal year. As noted above, we plan to use \$97,322 of unrestricted Fund Balance to balance the General Fund budget.

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. State law limits the rate a locality may charge for this tax to \$1.50 per \$100 of valuation; our proposed tax rate is unchanged at \$0.265, which is well below the state median rate of \$0.41. 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 estate taxes. In FY 2013 we had a collection rate of 99.38%.

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 from our share of the motor fuel tax under 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. River Bend uses this funding to, as noted earlier in this document, 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 the LGC uses is 8% of total expenditures, below which they express concern to the locality and direct action to increase the balance. River Bend, at the end of fiscal year 2013, had a General Fund Balance of 86.5%, and we project a balance of 79.9% at the end of the current fiscal year. The Fund Balance percentage decreases in FY 2014 even though the total dollars in Fund Balance increases due to the change in expenditures, some of which were one-time costs. 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 percentage at the end of the fiscal year of 74%.

Enterprise Funds

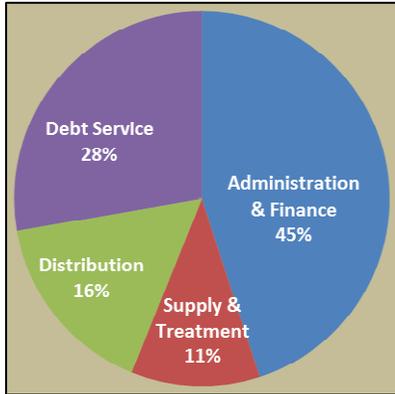
In addition to the General Fund, covering all typical government operations, the Town of River Bend operates two enterprises: the water system and the sewer system. These two enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of 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 FY 2013, 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 & Poors rating to AA- (subsequently upgraded again in November of 2013 to AA+), a Moody's A1 stable rating, and an upgrade

in our North Carolina Municipal Council rating to 81 which is equivalent to the national ratings received. 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

fiscal year 2015 is \$590,219, a decrease of \$28,33 from the current fiscal year.

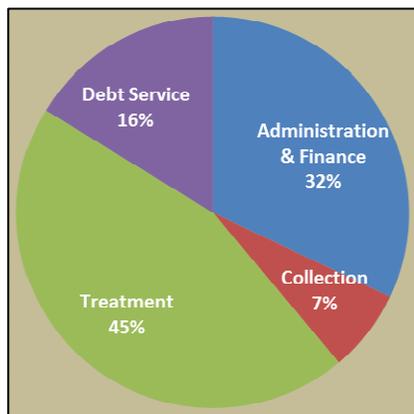
Water	
Back-flow preventers	6,200
Supports for Filter at Well #3	12,448
Interconnection with New Bern water	42,000
TOTAL	\$60,648

Proposed water enterprise projects

Plans for the water utility include continuing a multi-year project to install back-flow preventers on all our water connections. We also plan to have a contractor repair and upgrade existing supports under two filters in the well #3 water treatment plant. The current supports are showing signs of significant deterioration. The third project shown is one to interconnect our water system with that of the City of New Bern. 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.

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 fiscal year 2015 is \$854,881, a 37%

increase from the current fiscal year.

Wastewater	
Repairs to Treatment Unit 2	36,000
Design and Permitting for Renovation and Upgrade	210,000
TOTAL	\$246,000

Proposed sewer enterprise projects

In fiscal year 2015 we plan to make a repair to treatment unit #2 at the wastewater treatment plant. Similar to a repair we made to unit #1 last year, we will replace the weirs, the weir gasket, and weld a steel band on the inside of the clarifier tank where there is some corrosion that potentially could go through to the other side of the tank.

The most significant project in the sewer enterprise is to contract for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve those who are currently served by the collection and treatment systems. No plans are being made to change the permitted capacity of the treatment plant, rather, the Council is attempting to remain proactive in their approach to maintaining the life of the plant and be ready for changes in nutrient limits that are likely to be part of our next permit renewal in four years. The design and permitting phase of the project, costing \$210,000, will result in the Town having a permit to allow us to renovate and upgrade that is good for five years from when it is issued. The engineer working on this project estimates that it will take upwards of twelve months to complete this work. During the fiscal year 2015, the Town Council will continue discussions relative to the most appropriate time to undertake the construction phase of this project.

Enterprise Fund Revenue

The budget for these two enterprises received a great deal of attention in our budget workshop sessions with proposed expenditures being scrutinized in light of anticipated revenue. 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 a decrease in the base fee for the water utility. The cash balance in this utility is sufficient to respond to unknown conditions and there are no identified long-term capital needs that require the continued building of cash reserves.

On the other hand, the sewer enterprise fund is not as fiscally strong. In fact, absent a rate increase, the fund will continue to lose money. We are recommending, based upon the output of our rate model, that rates be increased to account for the effect of inflation since the last increase in FY 2011. According to the Bureau of Labor Statistics, the consumer price index has increased 6.87% over these four years, so this is the change we are recommending in sewer rates.

The net increase for our average water and sewer user will be approximately \$0.58 per bi-monthly bill. With the aforementioned changes in rates and remaining conservative with expenses will allow the utilities to maintain an adequate level of reserves to respond to emergent needs if they arise during the year.

Conclusion

The economic times in which we all live made it more important than ever to concentrate our budgeting efforts on maintenance of current services, Town-owned property and infrastructure while attempting to keep rates and fees reasonable. 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, and difficult decisions will again need to be made in order to keep River Bend as fiscally strong as it is now for many years into the future.

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 dwindling State revenues and limited grant funding opportunities. Our Town Council members accept their responsibility with great conviction and sincerity and remain 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 wish to take this opportunity to thank the Mayor, Town Council, and Town staff for their commitment to this budget process. This represents a true team effort as we all work to preserve the future of this great community.

Respectfully Submitted,

Drew Havens
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, 2013 and ending June 30, 2014:

Summary

General Fund	1,716,811
General Capital Reserve Fund	105,337
Water Fund	590,219
Water Capital Reserve Fund	33,063
Sewer Fund	854,881
Sewer Capital Reserve Fund	1,901
Law Enforcement Separation Allowance Trust Fund	<u>30,075</u>
Total	3,328,783

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2014-2015	802,229
AD VALOREM Tax-Motor Vehicle	64,398
Animal Licenses	2,000
Sales Tax 1% Article 39	129,500
Sales Tax 1/2% Article 40	82,365
Sales Tax 1/2% Article 42	65,602
Sales Tax Hold Harmless Distribution	78,964
Solid Waste Disposal Tax	1,700
Powell Bill Allocation	91,000
Beer and Wine Tax	12,235
Video Programming Sales Tax	65,223
Utilities Franchise Tax	67,757
Telecommunications Sales Tax	19,200
Court Refunds	1,000
Zoning Permits	2,000
Federal Grants	170
Miscellaneous	1,000
Interest- Powell Bill Investments	1
Interest- Investments	500
Contributions	1,000

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Section 1. General Fund (continued)

Wildwood Storage Rents	37,260
Rents & Concessions	18,000
Appropriated Fund Balance	97,322
Transfer from Capital Reserve Fund	<u>76,345</u>
Total	1,716,811

Authorized Expenditures

Governing Body	25,645
Administration	219,971
Finance	94,625
Tax Listing	9,463
Legal Services	30,000
Elections	0
Public Buildings	74,836
Police	464,994
Emergency Services	4,657
Animal Control	12,594
Street Maintenance	235,735
Public Works	158,977
Leaf & Limb and Solid Waste	41,225
Stormwater Management	96,641
Wetlands and Waterways	9,500
Planning & Zoning	43,850
Recreation & Special Events	7,385
Parks & Community Appearance	44,566
Contingency	27,147
Transfer to Capital Reserve Fund	105,000
Transfer to L.E.S.A. Fund	<u>10,000</u>
Total	1,716,811

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	105,000
Interest Revenue	<u>337</u>
Total	233,529

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Section 2. General Capital Reserve Fund (continued)

Authorized Expenditures	
Transfer to General Fund	76,345
Future Procurement	<u>28,992</u>
 Total	 105,337

Section 3. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	197,728
Utility Usage Charges, Classes 3 & 4	15,405
Utility Usage Charges, Class 5	14,810
Utility Usage Charges, Class 8	3,059
Utility Customer Base Charges	269,136
Hydrant Availability Fee	26,718
Taps & Connections Fees	1,250
Nonpayment Fees	7,590
Late Payment Fees	9,018
Capital Investment Fees	2,700
Interest Revenue	805
Transfer from Water Capital Reserve Fund	<u>42,000</u>
 Total	 590,219

Authorized Expenditures

Administration & Finance [1]	388,194
Operations and Maintenance	146,485
Transfer to Fund Balance for Capital Outlay	3,000
Transfer to Water Capital Reserve Fund	<u>29,418</u>
 Total	 590,219

[1] Portion of department for bond debt service: 146,523

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Section 4. Water Capital Reserve Fund

Anticipated Revenues

Contributions from Water Operations Fund	29,418
Interest Revenue	141
Total	<hr/> 29,559

Authorized Expenditures

Future Expansion	29,559
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Section 5. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	260,847
Utility Usage Charges, Classes 3 & 4	34,795
Utility Usage Charges, Class 5	33,451
Utility Usage Charges, Class 8	6,728
Utility Customer Base Charges	288,860
Taps & Connection Fees	1,250
Late Payment Fees	9,661
Capital Investment Fees	1,900
Interest Revenue	661
Appropriated Fund Balance	<hr/> 216,728
Total	854,881

Authorized Expenditures:

Administration & Finance [2]	380,501
Operations and Maintenance	409,480
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	<hr/> 1,900
Total	854,881

[2] Portion of department for bond debt service: 126,527

Section 6. Sewer Capital Reserve

Anticipated Revenues:

Contributions from Sewer Operations Fund	1,900
Interest Revenue	<u>1</u>
Total	1,901

Authorized Expenditures:

Future Expansion	1,901
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Section 7. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

Contributions from General Fund	10,000
Interest Revenue	110
Appropriated Fund Balance	<u>19,965</u>
Total	30,075

Transfer to General Fund, Separation Allowance	30,075
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of twenty-six and one-half cents (\$0.265) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2014, for the purpose of raising the revenue listed Ad Valorem Taxes 2014-2015 in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$304,616,367 and an estimated rate of collection of 99.38%. The estimated collection rate is based on the fiscal year 2012-2013 collection rate of 99.38% 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 2014-2015, 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.

Section 10. Special Authorization of the Budget Officer (continued)

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

Section 11. Classification and Pay Plan

Cost of Living Adjustment (COLA) for all Town employees shall be 1.5% and shall begin the first payroll in the new fiscal year.

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

Section 12. Utilization of the Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of River Bend municipal government during the 2014-2015 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 19th day of June, 2014.

John R. Kirkland, Mayor

Attest:

Ann Katsuyoshi, Town Clerk

Town of River Bend
Schedule of Rates and Fees
(Attachment A to Budget Ordinance)
Effective July 1, 2014

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

GENERAL FUND

Administrative

Ad Valorem Tax	\$.265 per \$100 assessed valuation
Copies of Public Information	\$.25 per page
Town Code, entire copy	\$75.00
Notary Fee	\$5.00 per signature after the first
Meeting Rooms	
Fours hours or less	\$35.00
Over four hours	\$60.00
Returned Check Processing Charge	\$25, as allowed by G.S. §25-3-506
Administrative Fee for returned bank drafts	\$25.00

Public Safety

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

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

Golf Cart Registration Fee	\$10.00
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Nuisance Abatement Administrative Fee

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

Parks

Town Hall Pavilion Use

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

Planning and Zoning

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

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

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

Residential Application Based on amount of project as follows:

Base Fee \$30

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

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

Residential Flood Plain Application with Zoning Permit

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

Commercial Application

Based on amount of project as follows:

Base Fee	\$50
	\$4 for every \$1,000 of project value after first \$1,000 and up to \$100,000; plus, \$2 for every \$1,000 above \$100,000 (All values rounded up to nearest \$1,000)

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

Planning and Zoning (continued)

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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

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 th of the month
Interest Charge		1.5% monthly on outstanding balances

ENTERPRISE FUNDS

Water and Sewer - Rates and Fees

	Water	Sewer
Class 1 and 2 - Residential		
Customer Base Charge per month*	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**
Initial Connection (Tap) charge***	1,250.00	1,250.00
Nonpayment Fee	70.00	-
Class 3 and 4 - Commercial		
Customer Base Charge per month*	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**
Initial Connection (Tap) charge***	3,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 5 - Industrial		
Customer Base Charge per month*	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**
Initial Connection (Tap) charge***	5,000.00	1,250.00
Nonpayment Fee	200.00	-
Class 6 - Early Bird (No longer available)		
Class 7 - Fire Hydrant Charge		
Availability Charge per year	183	
Class 8 - 1" Water Service		
Customer Base Charge per month*	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**
Initial Connection (Tap) charge***	1,500.00	1,250.00
Nonpayment Fee	100.00	-

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 Meter****	Actual cost of irrigation meter and fittings
Irrigation Connection Inspection	\$20

*Base charges do not include any usage.

** 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.

*** 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.

**** 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.

Consolidated Revenue Budget Summary

This summary is intended to provide the reader a broad overview of the expenditure budgets for the three major funds of the Town of River Bend for Fiscal Year 2014-15. A greater level of detail and information regarding each revenue and expense, along with information regarding non-major funds is provided in subsequent sections of this document.

General Fund				
	11-12	12-13	13-14	14-15
	Actual	Actual	Projected	Adopted
Ad Valorem Taxes	876,974	874,300	870,999	866,627
Animal Licenses & Zoning Permits	8,609	3,824	3,800	4,000
Interest	555	483	200	501
Wildwood Rents & Cable Franchise	36,054	38,166	36,500	37,260
Other Revenue & Rents	50,553	37,386	39,255	20,700
Contributions	1,572	1,720	1,300	1,000
Powell Bill (includes appropriation)	90,479	93,318	91,877	91,000
State Revenue (other than sales tax)	201,220	176,028	170,058	164,415
Sales Tax Revenue	347,390	362,039	356,490	356,471
Government Grants (State and County)	183,832	55,264	367	170
Fees (court refund)	234	480	1,000	1,000
Charges to Other Funds	0	0	0	0
Transfer from Capital Reserve	21,000	19,212	188,283	76,345
Transfer from LESA Fund		22,111	22,111	30,074
Transfer from Fund Balance				97,322
Fund Total	1,818,472	1,684,330	1,782,240	1,746,885
Water				
	11-12	12-13	13-14	14-15
	Actual	Actual	Projected	Adopted
Base Fee	311,672	320,638	322,572	269,136
Usage Charges	238,923	229,148	230,804	231,002
Hydrant Fee	31,564	31,560	30,232	26,718
Tap Fees	3,750	11,250	1,250	1,250
Non Payment Fees	6,540	7,595	7,590	7,590
Late Payment Fees	8,045	8,260	9,018	9,018
Capital Investment Fees	2,600	2,600	2,700	2,700
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	210,742	3,508	198	42,805
Appropriated Fund Balance	0	0	0	0
Fund Total	813,836	614,559	604,363	590,218
Sewer				
	11-12	12-13	13-14	14-15
	Actual	Actual	Projected	Adopted
Base Fee	262,979	270,497	269,833	288,860
Usage Charges	330,720	306,516	313,882	335,821
Tap Fees	0	4,650	2,500	1,250
Late Payment Fees	8,088	7,611	9,661	9,661
Capital Investment Fees	0	1,500	3,800	1,900
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	272	7,823	91	661
Appropriated Fund Balance	0	0	0	216,728
Fund Total	602,059	598,597	599,767	854,881
Total All Funds	3,234,367	2,897,486	2,986,370	3,191,982

Consolidated Expenditure Budget Summary

This summary is intended to provide the reader a broad overview of the expenditure budgets for the three major funds of the Town of River Bend for Fiscal Year 2014-15. A greater level of detail and information regarding each revenue and expense, along with information regarding non-major funds is provided in subsequent sections of this document.

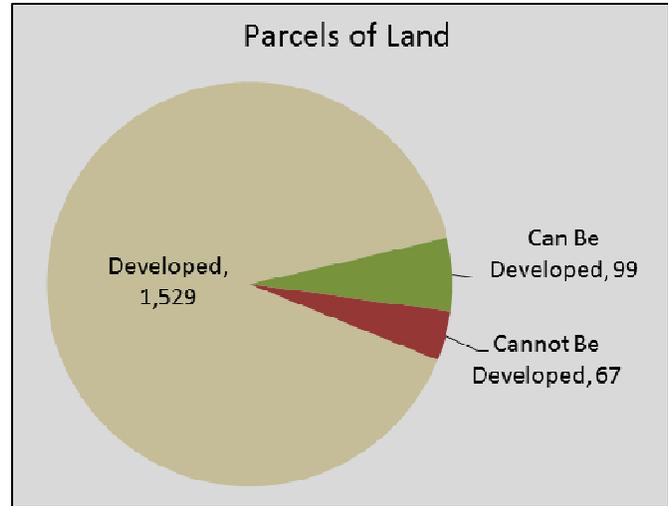
General Fund				
	11-12	12-13	13-14	14-15
	Actual	Actual	Projected	Adopted
Governing Body	23,170	22,710	23,889	25,645
Administration	189,823	202,369	208,224	219,971
Finance	90,523	92,244	88,829	94,625
Tax Listing	9,449	9,542	9,568	9,463
Legal Services	18,235	13,397	20,000	30,000
Elections	4,693	0	4,928	-
Police	462,191	494,525	539,642	505,066
Public Buildings	70,392	73,759	153,628	74,836
Emergency Services	196,388	2,975	3,850	4,657
Animal Control	8,420	8,023	10,940	12,594
Street Maintenance	136,446	169,049	191,709	235,735
Public Works	138,437	134,040	185,894	158,977
Leaf & Limb and Solid Waste	17,764	29,215	31,415	41,225
Stormwater Management	39,926	38,120	76,864	96,641
Wetlands & Waterways	2,496	430	3,000	9,500
Planning & Zoning	47,369	59,748	39,514	43,850
Recreation & Special Events	4,295	5,898	8,550	7,385
Parks & CAC	51,425	112,663	44,172	44,566
Contingency (1% per policy)			0	27,147
Transfer to Capital Reserve	106,500	108,000	105,000	105,000
Fund Total	1,617,942	1,576,708	1,749,616	1,746,885
Water				
	11-12	12-13	13-14	14-15
	Actual	Actual	Projected	Adopted
Administration & Finance	370,808	428,353	379,665	388,194
Supply & Treatment	67,722	39,055	59,486	59,678
Distribution	253,672	56,779	76,472	86,807
Other (includes transfers and contingency)	35,513	48,404	33,129	55,540
Fund Total	727,714	572,591	548,752	590,219
Sewer				
	11-12	12-13	13-14	14-15
	Actual	Actual	Projected	Adopted
Administration & Finance	367,784	472,492	371,053	380,501
Collection	60,263	41,064	71,535	54,110
Treatment	139,647	85,050	129,822	355,370
Other (includes transfers and contingency)	1,500	10,445	1,900	64,900
Fund Total	569,195	609,052	574,310	854,881
Total All Funds	2,914,851	2,758,351	2,872,678	3,191,985

Community Profile

Founded as the City of River Bend Plantation, it was renamed the Town of River Bend in 1981 when it was incorporated. Located in Craven County a few miles south of historic New Bern, River Bend, North Carolina encompasses three square miles of wooded area, bordered by the Trent River on the south and a navigable canal system on the east. A privately owned championship 18-hole golf course winds throughout the Town and a privately owned marina serves the needs of recreational boaters.

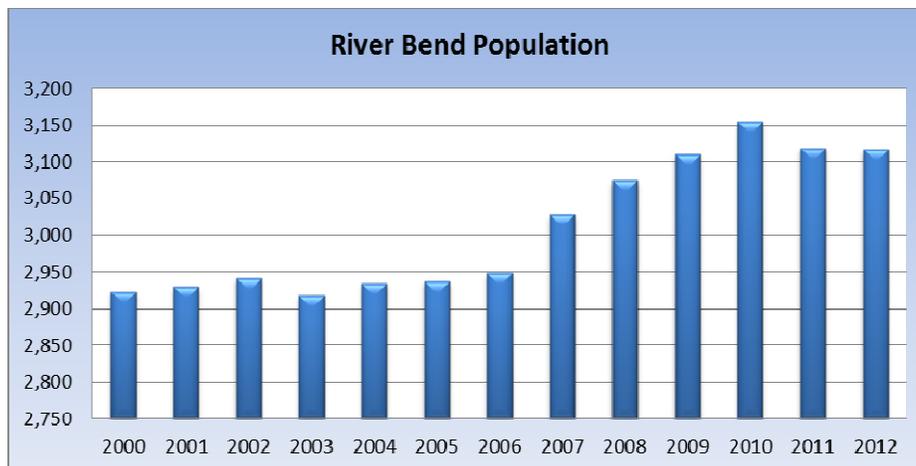
Land Use

According to the US Census Bureau, the town has a total area of 2.8 square miles, of which 2.6 square miles is land and 0.2 square mile is water. Land is divided into 1,695 parcels, of which 1,529 are developed and 166 undeveloped. There are approximately 33 acres of available commercial land, 20 acres of vacant institutional land, and over 280 acres of vacant residential land.



Population

The population of River Bend as reported in the 1990 US Census was 2,408; with a sizable 21.4% increase occurring between 1990 and 2000. The total 2000 population was reported to be 2,923. The North Carolina Office of State Planning estimated the 2010 population of the Town to be 3,155, demonstrating an increase in population of 7.94% between the years 2000 and 2010. The 2010 Census, however, provided an accurate count of 3,119 residents which is a 6.71% increase from the 2000 Census count. The chart below shows the change in total population over the past eleven years.



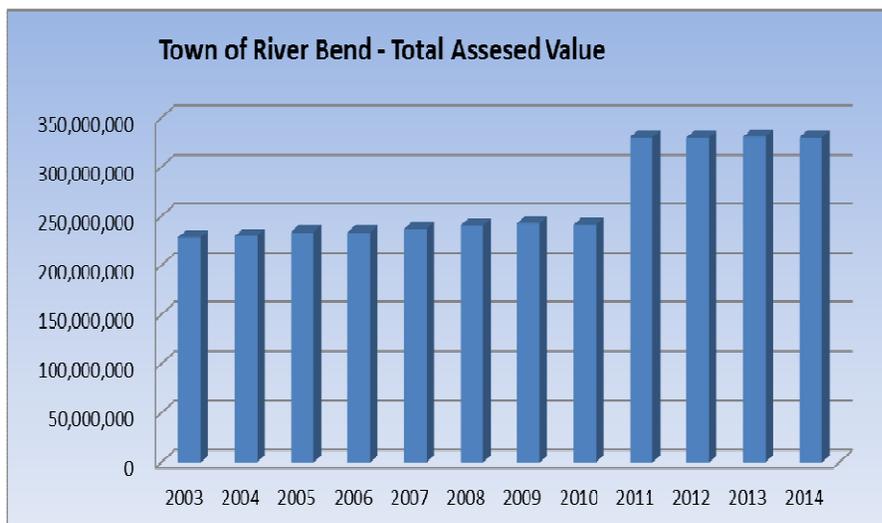
The median age in River Bend is 56.8 years old. According to the 2010 Census, veterans make up 24.1% of our population, compared to a national percentage of 9.9%.

Housing

The occupancy rate of River Bend’s housing units is relatively high – 89.7% of the Town’s housing units are occupied, as reported in the 2010 Census. Of the vacant units, 2.5% are used for seasonal, recreational, or occasional use. Of the occupied units, 79.7%, are owner-occupied, and 20.3% of the units are renter-occupied.

Housing values, particularly assessed values, in River Bend have increased between reappraisals in 2003 and 2011. The value of real property increased, in this eight-year period, by 44%. This equates to an additional 101.4 million dollars in value.

The chart to the right shows the changes in value since the last reappraisal.



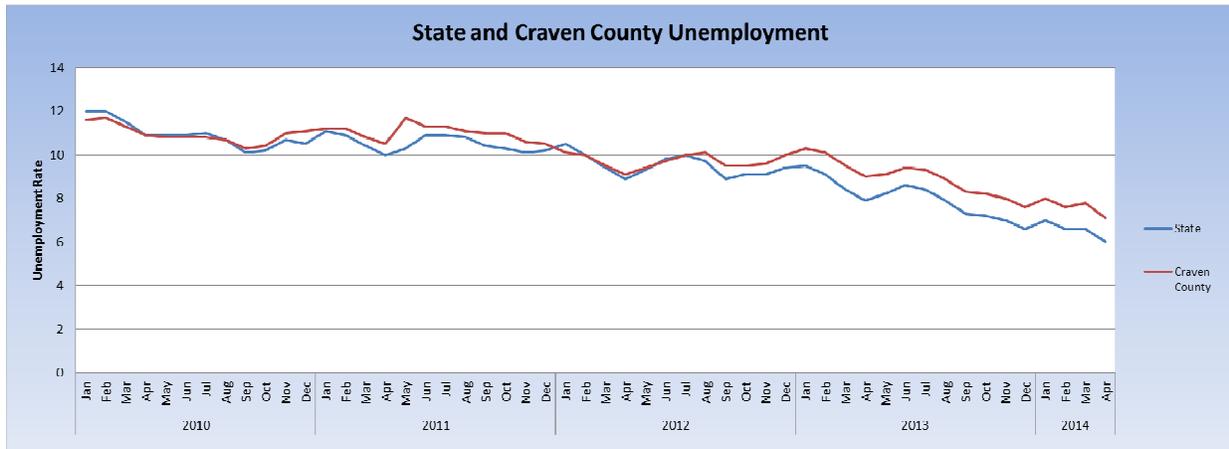
Economy and Education

The 2010 Census reported that the majority of River Bend’s workers were employed in the educational, health and social services (23%), and the manufacturing (20%) industries. Of our population over 16 years old, 56.8% were listed as “not in the labor force” in 2010. This reflects the level of retirees in Town. Of those in the labor force, 1.7% were listed as unemployed.

Employer	Employees
Department of Defense	5,274
Carolina East Health Systems	2,192
Craven County Schools	1,942
Moen Corporation	935
BSH Home Appliances	884
State of North Carolina	817
Craven County	587
Craven Community College	533
Wal-Mart	481
City of New Bern	479

The table to the left shows the top ten employers in Craven County according to the Craven County Economic Development Commission and N.C. Employment Security Commission. Department of Defense excludes active military personnel based in Craven County. It includes civilian employment at the Naval Aviation Depot, Naval Health Clinic, 2nd MAW, and MCAS Cherry Point.

Craven County unemployment, despite being boosted by the effect of local military and related employment, runs slightly higher than the statewide unemployment rate. As with other areas, Craven County and North Carolina experienced increases in the rate of unemployment during the economic downturn, but the rates have been following a downward trend over the last three years. The chart below tracks unemployment over the past four full years comparing the State and County rates.



The median household income recorded in the 2010 Census was \$48,547 compared to a national median household income of \$41,994. Only 4% of our population has an income below the poverty level, compared to a national poverty rate of 11.3%.

For residents 25 years of age and older, 93.2% have a high school or higher education; 26.5% have a bachelor's degree or higher, and 8% have a graduate or professional degree.

Town Government

The Town of River Bend operates under the Council-Manager form of government. All five members of the Town Council (Council) are popularly elected to serve four-year terms. Terms of office are staggered so an election for at least a portion of the Council is held every two years.

The Mayor is elected directly by the voters to serve a four-year term and presides at all meetings of the Council and represents the Town at official functions. The Mayor, and each member of the Council, also serve as liaisons to Advisory Boards, or in other administrative capacities in support of the function of the Town. The Mayor Pro-Tempore is a member of the Council, selected by the Council to assume the duties of the Mayor in the Mayor's absence.

The Council appoints a Town Manager to handle the administrative affairs of the Town. The Manager is the supervisor of Town staff and, by law, the Town's Budget Officer. The Manager provides the Council with regular reports regarding the operational and financial condition of the Town and works with the Council to establish and implement long-range plans.

The Council appoints six volunteer boards to serve in advisory, planning and quasi-judicial capacities in accordance with their charge.

Planning Board

The purpose of the Board is to advise the Council and Manager on planning and zoning issues to include, but not be limited to, establishment or revision of districts, and regulation and restriction of the erection, construction, reconstruction, alteration, repair or use of buildings, structures or land in accordance with G.S. § 160A-382. The Board shall work on other issues assigned by the Council or Manager. The Board shall propose principles, goals, and methods, and offer guidance to the Council and Manager on planning and zoning issues (River Bend Code of Ordinances 3.05.036).

Parks & Recreation Board

The purpose of the Board is to advise the Council and Manager on parks and recreation issues to include, but not be limited to, Town parks and recreation areas, safety matters in Town parks and recreation areas, and recreational activities in Town parks and recreation areas. The Board shall work on other issues assigned by the Council or Manager. The Board shall propose principles, goals, and methods, and offer guidance to the Council and Manager on parks and recreation issues (River Bend Code of Ordinances 3.05.001).

Environmental/Waterways Advisory Board

The purpose of the Board is to keep current on federal, state and county rules and regulations on waterways and the environment, to inform and advise the Council and Manager on changes or status of such, and to provide recommendations on waterways and environmental issues or concerns relating to use, preservation, conservation and protection of such resources in the Town. Advice, information and resulting recommendations are to be developed through research, reference to, or consultation with experts in the appropriate fields. The Board shall work on other issues assigned by the Council or Manager. The Board shall propose principles, goals, and methods and offer guidance to the Council and Manager on waterways and environmental issues. For purposes of this subchapter, waterways and environments include, but are not necessarily restricted to: canals, channels, lakes and ponds, storm water, soil and landscape, air and open space, and flora and fauna therein (River Bend Code of Ordinances 3.05.016).

Community Appearance Commission

The purpose of the Commission is to advise the Council and Manager on community appearance issues to include, but not be limited to, enhancing the appearance of the municipality and its surroundings, making recommendations for planting of trees, shrubs or other planting materials to Town property including Town rights-of-way, and any other matter that affects the overall appearance of the Town. The Commission shall work on other issues assigned by the Council or Manager. The Commission shall propose principles, goals, and methods, and offer guidance to the Council and Manager on community appearance issues (River Bend Code of Ordinances 3.05.056).

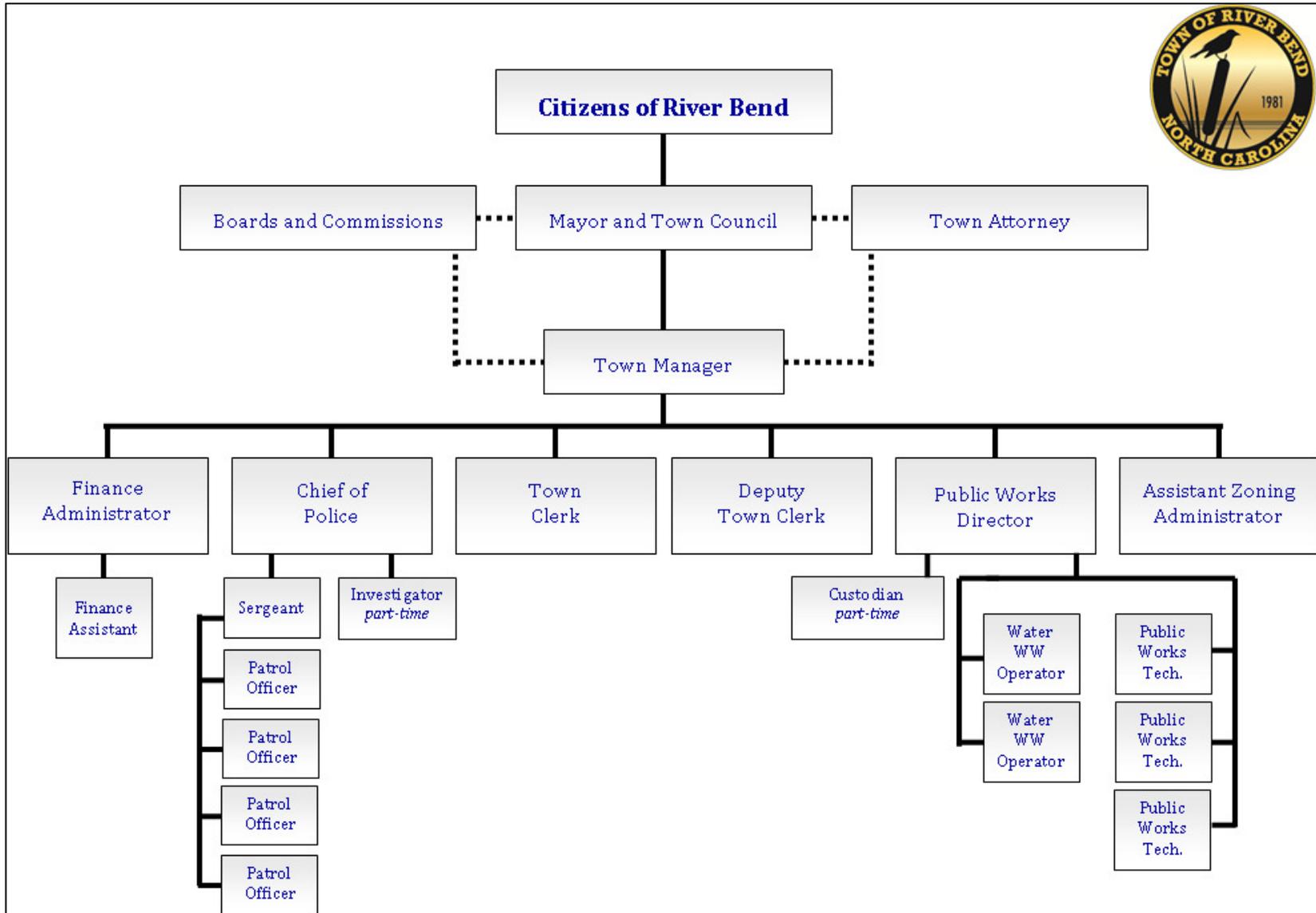
Public Works Advisory Board

The purpose of the Board is to advise the Council and Manager on public works issues to include, but not be limited to, water and sewer matters, public roads, and public buildings. The Board shall work on other issues assigned by the Council or Manager. The Board shall propose principles, goals, and methods, and offer guidance to the Council and Manager on water resources and public works issues (River Bend Code of Ordinances 3.05.076).

Board of Adjustment

The Board of Adjustment shall have the following powers and duties: (1) *Administrative review*. To hear and decide appeals where it is alleged by the appellant that there is error in any order, requirement, permit, decision, determination or refusal made by the Zoning Administrator or other Town official, in the carrying out or enforcement of any provision of this chapter. (2) *Interpretation*. To interpret the terms of this chapter and pass upon disputed questions of lot lines or district boundary lines and similar questions as arise in the administration of this chapter. (3) *Variance*. To authorize upon appeal in specific cases variances or modifications from any of the regulations or provisions of our zoning and land use ordinances relating to the use, construction, or alterations of buildings or structures or the use of land as will not be contrary to the public interest where, owing to special conditions, a literal enforcement of the provisions of these ordinances would result in unnecessary hardship. In granting any variance, the Board may prescribe appropriate conditions and safeguards in conformity with these ordinances (River Bend Code of Ordinances 3.05.076).

This Organizational Chart depicts the relationships between the Town staff, Town Manager, the Town Council, and Advisory Boards.



Financial and Budgetary Policies **(Revisions effective July 1, 2013)**

I. Introduction

The Town of River Bend maintains comprehensive financial policies covering a broad range of the elements of the Town's financial plans and financial systems that underlay the management of overall financial resources. These policies have major objectives to be achieved that include:

1. To link long-term financial planning with short-term daily operations and decision making.
2. To maintain and improve the Town's financial position.
3. To maintain and improve the Town's credit ratings by meeting or exceeding the requirements of rating agencies through sound financial policies.
4. To maintain and increase investor confidence in the Town and to provide credibility to the citizens of the Town regarding financial operations.
5. To comply with the North Carolina Budget and Fiscal Control Act and the policies of the North Carolina Local Government Commission (the "LGC").
6. To effectively conduct asset-liability management of the Town's balance sheet.

II. Operating Budget

1. The Town's Annual Budget Ordinance will be balanced in accordance with the Local Government Budget and Fiscal Control Act (G.S. 159-8(a)).
2. The Town's Annual Budget Ordinance will be adopted, by fund and department, by each July 1 (G.S. 159-13(a)).
3. In order to force a higher level of planning throughout all levels of Town government, the annual budget process will focus on future needs through a Capital Improvements Plan, as discussed later in this document.
4. The annual budget process will consist of a series of public meetings where Council and staff discuss needs in relation to the Town's mission statement, and Council's adopted priorities.

III. Revenue Policy

1. Ad Valorem Tax – As provided by the North Carolina Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:
 - a. Assessed valuation will be provided by the Craven County Tax Assessor.

- b. The estimated percentage of collection will not exceed the actual collection percentage of the preceding fiscal year, in accordance with State law.
 - c. The property tax rate will be set each year based upon the costs of providing general governmental services, meeting debt service obligations and building or maintaining any reserves or fund balances the Council deems necessary.
 2. State revenues fluctuate according to the general economic condition of the state and the county. Accordingly, the Town will budget these revenues in a conservative manner using guidance from the North Carolina League of Municipalities to determine predicted rates of growth in these revenues.
 3. User Fees – The Town Council (the “Council”) will set user fees annually by listing such fees within a fee schedule adopted with the Annual Budget Ordinance. In the case of the water and sewer enterprises, the Council will continue to use a professionally designed rate model in order to determine the most appropriate rates based upon current and future expenses. User fees will maximize charges for services that can be individually identified and where costs are directly related to the provision of or to the level of service provided.
 - a. Emphasis of user fees results in the following benefits:
 1. The burden on the Ad Valorem tax is reduced.
 2. User fees are paid by all users, including those exempt from property taxes.
 3. User fees help minimize subsidization in any instance where there are requirements in order to qualify for the use of the service and the service is not provided to the general public.
 4. User fees produce information on the demand level for services and help to make a connection between the amount paid and the services received.
 4. Interest Income – Interest income is subject to variability based upon changes in prevailing interest rates, which cannot be predicted with certainty. Such revenue shall therefore be budgeted in a conservative manner within the Annual Budget Ordinance and shall comply with the Asset – Liability Management section of this policy.
 5. Grant Funding – Staff will pursue opportunities for grant funding. Application for grant funding will be made after a grant has been evaluated for consistency with the Council’s goals and compatibility with Town programs and objectives. Staff must have Council approval to apply for a grant for any amount over \$50,000 and for any grant that requires a local dollar match. All awarded grants can only be accepted by Council action at which time the related budget shall be established.
 - a. Grants that have been awarded in prior years and are recurring in nature will be included and addressed through the annual budget process.
 - b. Grants that fund operating expenditures but have a funding termination date must fully disclose that fact to the Council prior to acceptance.

- c. The grant manager for each grant shall be the Town Manager. The grant manager is responsible for all grant monitoring, compliance and reporting. The grant manager will provide copies of all documents to the Finance Administrator. The Finance Administrator will maintain a grant file by fiscal year for each active grant.
 - d. For grants involving federal funds, the grant manager is responsible for checking the list of federally debarred contractors prior to awarding any contracts.
6. Appropriation of Fund Balance – Assigned fund balance originally appropriated with adoption of the General Fund annual operating budget shall not exceed 3% of the prior fiscal year’s budgeted expenditures, unless done per Section 2b of the Reserve/Fund Balance section of this policy. Any further commitment of fund balance in the General Fund during the fiscal year shall require four “yes” votes from the five members of Council.
7. Budgetary Responsibilities – The Town Manager shall develop initial budget estimates of applicable revenues. Those estimates are to be supported by variables (base, rate, etc.) that comprise such revenue. Monitoring of the revenue budget shall be performed by the Finance Administrator in a timely manner throughout the fiscal year and shall include an analysis of actual versus budgeted variances. Compliance of revenue with all laws and/or regulations is primarily the responsibility of the revenue initiating department.

Revenue Spending Policy

1. The Town will follow a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Department, as directed by the Finance Officer, will use resources in the following hierarchy as appropriate: bond proceeds, federal funds, State funds, local non-Town funds, and Town funds.
2. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

IV. Expenditure Policy

1. Expenditure budgets shall be monitored throughout the fiscal year by department heads, the Finance Administrator and the Town Manager. Budget compliance is the responsibility of the department head and the Town Manager.
2. Budgeted funds will only be spent for categorical purposes for which they are intended. Budget amendments may be made to reflect unexpected expenses and must be approved by vote of the Council. Appropriations of debt proceeds will be made only for the purpose for which such debt instrument was issued or for the payment of debt principal and interest.
3. Budgeted expenditures for debt service for any variable rate debt or synthetic variable rate debt will be set to at least the average of the prior five years.
4. For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.

5. Payroll will be processed in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefit payments will be made in accordance with the Town's Personnel Policy.
6. The Town may utilize non-capital operating leases or installment purchase loans for the procurement of copiers, for multifunction copiers/printer type machines and for personal computers.
7. The Town will fund current expenditures with current resources and will strive to avoid balancing budgets utilizing one-time revenues.
8. The Town will employ the use of the carryover method for reappropriation of outstanding purchase orders and contracts as of the end of each fiscal year into the new fiscal year. The process shall be explained in each year's budget process.

V. Reserve/Fund Balance Policy

1. In accordance with State statute, appropriated fund balance in any fund will not exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.
2. The Town will maintain a General Fund unrestricted and unassigned fund balance that significantly exceeds the minimum eight percent (8%) required by the LGC. This "available fund balance" will be defined as funds that remain available for appropriation by the Town Council after all commitments for future expenditures, required reserves defined by State statutes, and Council-established assignments have been calculated. The percentage is to be determined by dividing the available fund balance amount by actual expenditures of the then completed fiscal year. The goal is to maintain a fund balance of greater than 50%.
 - a. Purpose of Reserve: These funds will be utilized to avoid cash flow interruptions, generate interest income, eliminate the need for short-term borrowing, and maintain the Town's credit ratings.
 - b. Reserve Drawdown: The available fund balance may be purposefully drawn down below the target percentage for emergencies, economic influences, nonrecurring expenditures, or major capital projects.
 - c. Reserve Replenishment: If the available fund balance falls below the target percentage for two consecutive fiscal years, the Town will replenish funds by direct appropriation in the next budget developed for the fiscal year after the occurrence is known. In that instance, the Town will annually appropriate 25% of the difference between the target percentage level and the actual balance until the target level is met. In the event appropriating 25% is not feasible, the Town will appropriate a lesser amount and shall reaffirm by Council resolution its commitment to fully replenish the fund balance over a longer period of time.

3. Any General Fund available fund balance that exceeds the target goal range may be used to reduce general fund debt.

The Town will appropriate within the annual budget a Contingency appropriation each fiscal year. The minimum level of contingency is 1% of budgeted general fund expenditures and the maximum is an amount equal to the revenue generated by a \$.01 ad valorem tax rate.

VI. Asset-Liability Management

1. The Town will seek to incorporate coordinated investment and debt structuring decisions with the goal of such coordination being to use each side of the balance sheet to mitigate, or hedge, cash flow risks posed by the other side of the balance sheet.
2. The Town considers short-term investments to be effective hedges to variable rate debt because movements in interest rates should have offsetting impacts upon both.
 - a. Given the prevalent patterns of business, economic and interest rate cycles, the Town may strive to match temporary increases in interest income to temporary increases in interest expense through the use of variable rate debt or synthetic variable rate debt.
 - b. This recognizes that variable rate debt generally offers lower interest costs and that the use of higher interest income to offset higher interest expense is preferable to creating a budget imbalance due to reliance upon temporarily increased interest income.
3. The Finance Officer is designated to monitor and report on financial market conditions and their impact on performance of debt, investments, and any interest rate hedging products implemented or under consideration.
4. The Finance Officer is designated as the individual responsible for negotiating financial products and coordinating investment decisions for debt structure. The Finance Officer is designated as the individual responsible for recommending debt structure to the Council.
5. The Town may incorporate the use of variable rate debt or synthetic variable rate debt, as allowed by the Debt Management Section of the LGC, into its debt structure. Unhedged variable or synthetic variable rate debt shall not exceed 20% of the Town's total, non-Utility debt outstanding.

VII. Capital Improvements Policy

1. Capital Improvements Plan
 - a. The Town will update and readopt annually a five-year Capital Improvements Plan (CIP) which projects capital needs and details the estimated costs, description and anticipated funding sources for capital projects. A separate CIP will be developed for the General Fund, Water Fund, and Sewer Fund.

- b. The annual update of the CIP will be conducted in conjunction with the annual operating budget process.
- c. The first year of the five-year CIP will be the basis of formal fiscal year appropriations during the annual budget process.
- d. A programming or cost estimation study is eligible for inclusion in the CIP for a project for which a future request is being considered. Such a study is encouraged in order generate reliable cost estimates for the CIP.
- e. The Town expects to see new capital items generally first appear in the last year of the CIP.
- f. The Town acknowledges pay-as-you-go financing as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project both on an individual basis after examining all relevant factors of the project and in conjunction with the funding of the entire CIP.

2. Capital Formation

- a. General fund revenue is the source for the General Fund CIP. The water CIF fee and hydrant fee are sources of revenue for the water Capital Reserve Fund. The sewer CIF fee is a revenue source for the sewer Capital Reserve Fund. The water and sewer enterprise fund annual budget will also provide CIP revenue in these areas as the use of CIF/Hydrant fee revenue is limited, per Council resolution, to debt reduction or system expansion activities.
- b. The Capital Reserve Fund is the funding source for pay-as-you-go financing and for debt service payments for debt financed projects in the CIP.
- c. Given the historical volatility of the State and other revenues, the five year projections of revenue used to complete the CIP shall be very conservative.

3. Fixed Assets

- a. The capitalization threshold for fixed assets shall be \$5,000. The threshold will be applied to individual fixed assets and not to groups of fixed assets. Fixed assets will only be capitalized if they have a useful life of at least three years following the date of acquisition. A physical inventory of capitalized fixed assets will be performed, either simultaneously or on a rotating basis, so that all fixed assets are physically accounted for at least once every four years.

VIII. Debt Policy

1. Debt will only be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. **Debt will not be used for operational needs.** Debt financing can include general obligation bonds, revenue bonds, certificates of participation, lease/purchase agreements, special obligation bonds, or any other financing instrument allowed under North Carolina law.

2. The Town will seek to structure debt and to determine the best type of financing for each financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate payer equity, and the structure that will provide the lowest interest cost in the circumstances.
3. Debt financing will be considered in conjunction with the approval by the Council of the Town's CIP.
4. Capital projects financed through the issuance of bonds, installment financings or lease financings will be financed for a period not to exceed the expected useful life of the project.
 - a. General fund debt will normally have a term of 20 years or less. When practical, the term of non-Utility debt will not exceed 30 years.
 - b. Enterprise fund (water and sewer) debt will normally have a term of 30 years or less. When practical, the term of Utility debt will not exceed 40 years.
5. The Town will strive to maintain a high level of pay-as-you-go financing for its capital improvements.
6. Debt Affordability
 - a. The net debt of the Town, as defined in G.S. 159-55, is statutorily limited to 8% of the assessed valuation of the taxable property within the Town. The Town will strive to maintain a net debt level of no greater than 4%.
 - b. Total General Fund debt service will not exceed any limits imposed by the LGC. As a guide, formulas established by the LGC and rating agencies will be monitored and appropriately applied by the Town. Debt service as a percentage of the operating budget will be targeted at 14% to 16%.
 - c. The Town will strive to achieve amortization of 60% or more of its non-Utility debt principal within ten years.
7. The Town will seek to structure debt in the best and most appropriate manner to be consistent with the Asset - Liability Management section of this policy.
8. If the Town issues Revenue Bonds, and whereas the minimum coverage ratio expected for Town revenue bonds is 1.20 times, upon the calculation of a coverage ratio for any Utilities System Revenue Bonds which is below 1.5 times (Net Revenues as defined by the General Indenture, but excluding cash receipts from special assessments, over Debt Service as defined by the General Indenture), the Finance Officer will notify the Council of such. Within three months of such notification, the Finance Officer will again report to the Council and will have performed the necessary internal study to advise the Council on the actions necessary to restore the coverage ratio to above 1.5 times. This policy is intended to ensure that all reasonable steps necessary are taken to begin the process of reviewing water revenues and rates well before the coverage ratio for outstanding revenue bonds could reach the minimum level of 1.20 times.
9. The Town will seek to employ the best and most appropriate strategy to respond to a declining interest rate environment. That strategy may include, but does not have to be limited to, delaying the planned issuance of fixed rate debt, examining the potential for

refunding of outstanding fixed rate debt, and the issuance of variable rate debt. The Town will seek to employ the best and most appropriate strategy to respond to an increasing interest rate environment. That strategy may include, but does not have to be limited to, the issuance of variable rate debt (a historically lower interest cost), and the use of forward delivery fixed rate debt.

10. The Town will monitor the municipal bond market for opportunities to obtain interest rate savings by refunding by forward delivery, currently refunding or advance refunding outstanding debt. The estimation of net present value savings for a traditional fixed rate refunding should be, at a minimum, in the range of 2.5% to 3% of the refunded maturities before a refunding process begins. The estimation of net present value savings for a synthetic fixed rate refunding should be, at a minimum, in the range of 5% to 6% of the refunded maturities before a refunding process begins.
11. The Town will strive for the highest possible bond ratings in order to minimize the Town's interest costs.
12. The Town will normally obtain two debt ratings (Fitch Ratings, Moody's, or Standard & Poor's) for all publicly sold debt issues.
13. While some form of outstanding debt exists, the Town will strive to have a portion of that debt in the form of general obligation debt.
14. For all years that the Town has any publicly sold debt outstanding, the Town will provide annual information updates to each of the debt rating agencies if desired by those agencies.
15. The Town will use the Comprehensive Annual Financial Report as the disclosure document for meeting its obligation under SEC Rule 15c2-12 to provide certain annual financial information to the secondary debt market via various information repositories.
16. The Town recognizes the significance of the debt portfolio and the need for the ability to properly manage and maintain that portfolio. The Finance Administrator will maintain a current database of all debt.

IX. Accounting, Auditing and Financial Reporting

1. The Town will maintain accounting systems in compliance with the North Carolina Local Government Budget and Fiscal Control Act. The Town will maintain accounting systems that enable the preparation of financial statements in conformity with generally accepted accounting principals (GAAP).
 - a. The basis of accounting within governmental funds will be modified accrual.
 - b. The basis for accounting within all Enterprise and Internal Service Funds will be modified accrual.
2. Financial systems will be maintained to enable the continuous monitoring of revenues and expenditures or expenses with complete sets of monthly reports provided to the Council, and the Town Manager. Monthly expenditure/expense reports will be provided to each

department head for their functional area and online, real time, view only, access to the financial system will be made available to department heads and other staff as much as practical and its use encouraged.

3. The Town will place emphasis on maintenance of an accounting system which provides strong internal budgetary and financial controls designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, as well as the accountability of assets.
4. An annual audit will be performed by an independent certified accounting firm which will issue an opinion on the annual financial statements as required by the Local Government Budget and Fiscal Control Act.
5. The Town will solicit proposals from qualified independent certified public accounting firms for audit services. The principal factor in the audit procurement process will be the auditor's ability to perform a quality audit. The Town may enter into a multi-year agreement with the selected firm for a period of up to three fiscal years. Firms are not barred from consecutive contract awards. The Council, upon recommendation from the Finance Officer and Audit Committee, shall approve the contractual relationship with the auditor.
6. The Town will maintain a standing audit committee. The committee will oversee the independent audit of the Town's financial statements, from the recommendation of the auditor to the resolution of any audit findings.
7. The Finance Officer will conduct some form of internal audit procedures at least one time per year, specifically focusing upon cash receipts procedures.
8. The Town will prepare a CAFR in compliance with established criteria to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting and will be submitted to that award program each year.
9. Full and complete disclosure will be provided in all regulatory reports, financial statements and debt offering statements.
10. The Town shall use the CAFR as the disclosure document for meeting its obligation to provide certain annual financial information to the secondary debt market via various information repositories. The annual disclosure is a condition of certain debt covenants and contracts that are required by SEC Rule 15c2-12.
11. The Finance Administrator will develop and maintain a Financial Procedures Manual as a central reference point and handbook for all financial, accounting and recording procedures.
12. The Town Manager will establish, document and maintain a Computer Disaster Recovery Plan and will provide for the daily backup of data and the offsite storage of the same.

X. Cash Management Policy

1. Receipts

- a. All aspects of cash receipts shall be subject to proper internal controls with standard controls documented and followed by revenue generating departments.
- b. The Town Manager shall prescribe internal control procedures for departments which address adequate segregation of duties, physical security, daily processing and reconciliation, use of automated resources, and treatment of overpayments.
- c. Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these monies into interest bearing accounts and investments.
- d. All incoming funds will be deposited daily as required by State law.
- e. The Finance Officer is responsible for conducting at least two unannounced random or risk based internal audits of cash receipting locations per fiscal year.
- f. Upon any suspicion of fraud, the department head shall timely notify the Town Manager for further investigation.
- g. Upon any suspicion of non-compliance with internal control directives, the department head shall timely notify the Town Manager for further investigation.

2. Cash Disbursements

- a. The Town's objective is to retain monies for investment for the longest appropriate period of time.
- b. Disbursements will be made timely in advance of or on the agreed-upon contractual date of payment unless earlier payment provides greater economic benefit to the Town.
- c. Inventories and supplies will be maintained at minimally appropriate levels for operations in order to increase cash availability for investment purposes.
- d. Dual signatures are required for Town checks. Electronic signature of checks, drafts and purchase orders, while technically possible, is not deemed appropriate at this time. The Council may provide by appropriate resolution or ordinance for the use of a signature stamp or similar device in signing checks and drafts and in signing the preaudit certificate on contracts or purchase orders. The Council shall charge the Finance Officer with the custody of the stamp or device, and the Finance Officer and sureties on his official bond are liable for any illegal, improper, or unauthorized use.
- e. Electronic payments shall be utilized to the fullest extent possible where it is determined to be cost effective by the Finance Administrator. Such payments shall be integrated with financial systems and shall have proper data processing controls.

XI. Investment Policy

1. Policy - It is the policy of the Town to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the Town and conforming to all State statutes governing the investment of idle funds.
2. Scope - This investment policy applies to all financial assets of the Town except authorized petty cash, and debt proceeds, which are accounted for and invested separately from pooled cash. The Town pools the cash resources of its various funds and participating component units into a single pool, as deemed appropriate, in order to maximize investment opportunities and returns. Each fund's and participating component unit's portion of total cash and investments is tracked by the financial accounting system.
3. Prudence
 - a. The standard of prudence to be used by authorized staff shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
 - b. Authorized staff acting in accordance with procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Council and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.
4. Authorized Staff - G.S. 159-25(a) 6 delegates management responsibility for the investment program to the Finance Officer. The Finance Officer will establish and maintain procedures for the operation of the investment program which are consistent with this policy. Such procedures will include delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer.

The Finance Officer will be responsible for all transactions undertaken and will establish and maintain a system of controls to regulate the activities of subordinates. In the absence of the Finance Officer and those to which he or she has delegated investment authority, the Town Manager or his or her designee is authorized to execute investment activities.

5. Objectives - The Town's objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield.
 - o Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To best mitigate against credit

risk (the risk of loss due to the failure of the security issuer) diversification is required. To best mitigate against interest rate risk (the risk that changes in interest rates will adversely affect the market value of a security and that the security will have to be liquidated and the loss realized) the second objective, adequate liquidity, must be met.

- Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating and debt service cash requirements that may be reasonably anticipated. The portfolio will be structured so that securities mature concurrent with cash needs (static liquidity), with securities with an active secondary market (dynamic liquidity), and with deposits and investments in highly liquid money market and mutual fund accounts.
 - Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary, economic and interest rate cycles, taking into account investment risk constraints and liquidity needs.
6. Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Town Manager any interests in financial institutions with which they conduct business material to them. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the Town.
7. Authorized Financial Dealers and Financial Institutions
- a. The Finance Officer will maintain a list of financial institutions that are authorized to provide investment services. Authorized financial institutions will be selected by credit worthiness and must maintain an office in the State of North Carolina. These may include “primary” dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).
 - b. Any financial institutions and broker dealers that desire to become qualified to conduct investment transactions with the Town must supply the Finance Officer with the following:
 - Audited financial statements;
 - Proof of National Association of Securities Dealers certification;
 - Proof of State registration; and
 - Certification of having read the Town’s investment policy.
 - c. Any previously qualified financial institution that fails to comply or is unable to comply with the above items upon request will be removed from the list of qualified financial institutions.

- d. The Finance Officer shall have discretion in determining the number of authorized financial institutions and may limit that number based upon the practicality of efficiently conducting the investment program. The Finance Officer shall also have the discretion to add or remove authorized financial institutions based upon potential or past performance.
8. Internal Control - The Town Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires the use of estimates and judgments by management.
9. Collateralization - Collateralization is required for certificates of deposit. North Carolina General Statutes allow the State Treasurer and the Local Government Commission to prescribe rules to regulate the collateralization of public deposits in North Carolina banks. These rules are codified in the North Carolina Administrative Code – Title 20, Chapter 7 (20 NCAC 7). The Pooling Method of collateralization under 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local government. This method transfers the responsibility for monitoring each bank’s collateralization and financial condition from the Town to the State Treasurer. The Town will only maintain deposits with institutions using the Pooling Method of collateralization.
10. Delivery and Custody - All investment security transactions entered into by the Town shall be conducted on a delivery versus payment basis. Securities will be held by a third party custodian designated by the Finance Officer and each transaction will be evidenced by safekeeping receipts and tickets.
11. Authorized Investments - The Town is empowered by North Carolina G.S. 159-30(c) to invest in certain types of investments. The Town Council approves the use of the following investment types, the list of which is more restrictive than G.S. 159-30(c):
 - a. Obligations of the United States or obligations fully guaranteed as to both principal and interest by the United States.
 - b. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the United States Postal Service.
 - c. Obligations of the State of North Carolina.
 - d. Bonds and notes of any North Carolina local government or public authority that is rated “AA” or better by at least two of the nationally recognized ratings services or that carries any “AAA insured” rating.

- e. Fully collateralized deposits at interest or certificates of deposit with any bank, savings and loan association or trust company that utilizes the Pooling Method of collateralization (section VIII.I).
- f. Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service, which rates the particular obligation.
- g. Banker's acceptance of a commercial bank or its holding company provided that the bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.
- h. Participating shares in a mutual fund for local government investment, provided that the investments of the fund are limited to those qualifying for investment under G.S. 150-30(c) and that said fund is certified by the LGC. (The only such certified fund is the North Carolina Capital Management Trust.)
- i. Evidences of ownership of, or fractional undivided interest in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States government, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian (STRIPS).
- j. Guaranteed investment contracts utilizing repurchase agreements but only for the investment of debt proceeds which are to be collateralized at 105% and marked to market on a daily basis.

12. Prohibited Forms of Authorized Investments

- a. The use of repurchase agreements in the normal investment portfolio (not debt proceeds) is prohibited.
- b. The use of collateralized mortgage obligations is prohibited.
- c. The use of any type of securities lending practices is prohibited.

13. Diversification - Investments will be diversified by security type and by institution.

- a. With the exception of United States treasury securities and the North Carolina Capital Management Trust, no more than 30% of the Town's total investment portfolio will be invested in a single security type or with a single financial institution.
- b. The total investment in certificates of deposit shall not exceed 25% of the Town's total investment portfolio and the investment in certificates of deposit with a single financial institution shall not exceed FDIC insurance limitations.

- c. The Finance Officer is responsible for monitoring compliance with the above restrictions. If a violation occurs, the Finance Officer shall report such to the Town Manager and to the Council along with a plan to address the violation.

14. Maximum Maturities - To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements. Beyond identified cash flow needs, investments will be purchased so that maturities are staggered. The following maturity limits are set for the Town's investment portfolio:
 - a. At least 60% of the investment portfolio will have maturities of no more than 3 years from the date of purchase.
 - b. At least 80% of the investment portfolio will have maturities of no more than 5 years from the date of purchase.
 - c. At least 95% of the investment portfolio will have maturities of no more than 10 years from the date of purchase.
 - d. No investments maturing more than 15 years from the date of purchase may be purchased.
 - e. For purposes of this section, for any variable rate demand obligation, the purchase date is considered to be the last reset and remarketing date and the maturity date is considered to be the next reset and remarketing date.
 - f. If any change is made to the Town's policy for available fund balance in the General Fund, then other sections of this policy must be concurrently revised.

15. Selection of Securities - The Finance Officer or his or her designee will determine which investments shall be purchased and sold and the desired maturity date(s) that are in the best interest of the Town. The selection of an investment will involve the evaluation of, but not limited to, the following factors: cash flow projections and requirements; current market conditions; and overall portfolio balance and makeup.

16. Responses to Changes in Short Term Interest Rates
 - a. The Town will seek to employ the best and most appropriate strategy to respond to a declining short term interest rate environment. The strategy may include, but does not have to be limited to, purchases of callable "cushion" bonds, lengthening of maturities in the portfolio, and increases in the percentage of ownership of treasury notes relative to that of treasury bills.
 - b. The Town will seek to employ the best and most appropriate strategy to respond to an increasing short term interest rate environment. That strategy may include, but does not have to be limited to, purchases of "step-up" securities, shortening of maturities in the portfolio, the use of floating rate investments, and increases in the percentage of ownership of treasury bills relative to that of treasury notes.

17. Performance Standards - The investment portfolio will be managed in accordance with the parameters specified within this policy. The investment portfolio will strive to obtain a market average rate of return within the constraints of the Town's investment risk profile and cash flow needs. The performance benchmarks for the performance of the portfolio will be rates of return on 90-day commercial paper and on three year treasury notes.
18. Active Trading of Securities - It is the Town's intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal. However, if economic or market conditions change making it in the Town's best interest to sell or to trade a security before maturity, that action may be taken.
19. Pooled Cash and Allocation of Interest Income - All monies earned and collected from investments other than bond proceeds will be allocated monthly to the various participating funds and component units based upon the average cash balance of each fund and component unit as a percentage of the total pooled portfolio. Earnings on bond proceeds will be directly credited to the same proceeds.
20. Marking to Market - A report of the market value of the portfolio will be generated at least semi-annually by the Finance Administrator. The Finance Officer will use the reports to review the investment portfolio in terms of value and price volatility, as well as for compliance with GASB Statement #31.
21. Software - The Town recognizes the significance of the size of its investment portfolio and of the requirements contained in this policy. The Town will utilize investment software which enables efficient transaction processing and recording, sufficient portfolio monitoring and the ability to maintain reporting compliance with this policy.
22. Reporting - The Finance Administrator will prepare a quarterly investment report that will be submitted with the Board's monthly report package.
 - a. The quarterly investment report will include a listing of all investments and will show the investment number, the investment description, the purchase, call and maturity dates, the yields to call and to maturity, the weighted average yields to call and to maturity by investment type and in total, the coupon rate, the par value and the ending amortized value. The report will also include earnings information for the last twelve months with that information compared to the established benchmarks.
 - b. The quarterly investment report will include reporting on the status of diversification compliance.
23. Policy Considerations
 - a. A maturity or diversification violation created by fluctuations in the size of the portfolio does not require corrective action. The violation may be cured through an increase in the portfolio size or the maturity of an investment.

XII. Review and Revision

The Town will formally review this set of financial and budgetary policies at least once every three years.

Introduction to the Budget

Basis of Accounting

This budget is prepared using the modified accrual method of accounting for all funds, the same method used for our accounting practices and for our audited financial statements. This approach to accounting recognizes revenues when they become measurable and expenditures at the time the liability is incurred. All revenues and expenditures must be included in the annual budget ordinance, or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered at the end of the fiscal year shall lapse.

The accounts of the Town are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds. The Town of River Bend maintains three major funds: the General Fund, the Water Fund, and the Sewer Fund. Capital expenditures associated with these major funds are accounted for in three separate Capital Reserve Funds.

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.

The Water and Sewer enterprises are operated as businesses by having all revenues and expenses accounted for separately from other functions of the Town and by having rates established that cover all expenses of the enterprise.

The Law Enforcement Officer (LEO) Separation Allowance Fund is a fiduciary fund. Fiduciary funds are used to account for assets held by the Town in a trustee capacity for others and therefore cannot be used to support the Town's own programs. The LEO Separation Allowance fund is used to account for assets held by the Town in an agency capacity for the purpose of supporting the public employee retirement system for qualifying sworn law-enforcement officers.

The Chart of Accounts, the listing of all revenue and expense accounts, is reflected on the budget worksheets the reader will see in this document, and are the basis upon which our financial software package manages information. The worksheets show a level of detail that is far greater than shown in the budget ordinance. The ordinance is the legal

instrument that guides our spending and is adopted by department. The process of amending the budget is described later in this document.

North Carolina Local Government Budget and Fiscal Control Act (the Act)

North Carolina General Statute 159-7(c) states “It is the intent of the General Assembly...to prescribe for local governments and authorities a uniform system of budget adoption and administration and fiscal control.” This Act mandates many of the actions the Town takes to prepare, adopt, and administer the annual budget.

Section 159-8 of the Act requires that the Town adopt an ordinance containing a balanced budget for each of the funds managed by the Town and sets the fiscal year as beginning July 1 and ending June 30. According to the Act, a budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. The budgets for each of our funds, the General Fund, the Water Fund, and the Sewer Fund are balanced in accordance with this law. The budget ordinance also includes, as required by the Act, the property tax levy and rate.

Section 159-9 of the Act dictates that, in towns operating under a Council-Manager form of government, like River Bend, the Manager is to be the Budget Officer. The Budget Officer is mandated to receive budget expense and revenue requests from Town departments by April 30, and to recommend an annual budget to the governing body no later than June 1. The governing body then must adopt the annual budget by June 30.

Once the recommended budget is presented to the Council, several legal provisions apply to Council review and adoption of the budget. These include the timing of public hearings, a requirement to make the budget available to the public and press, and the requirement for a hearing at which any person may comment upon the budget. Our budget process exceeds the requirement of the Act and gives our residents significant opportunity for input.

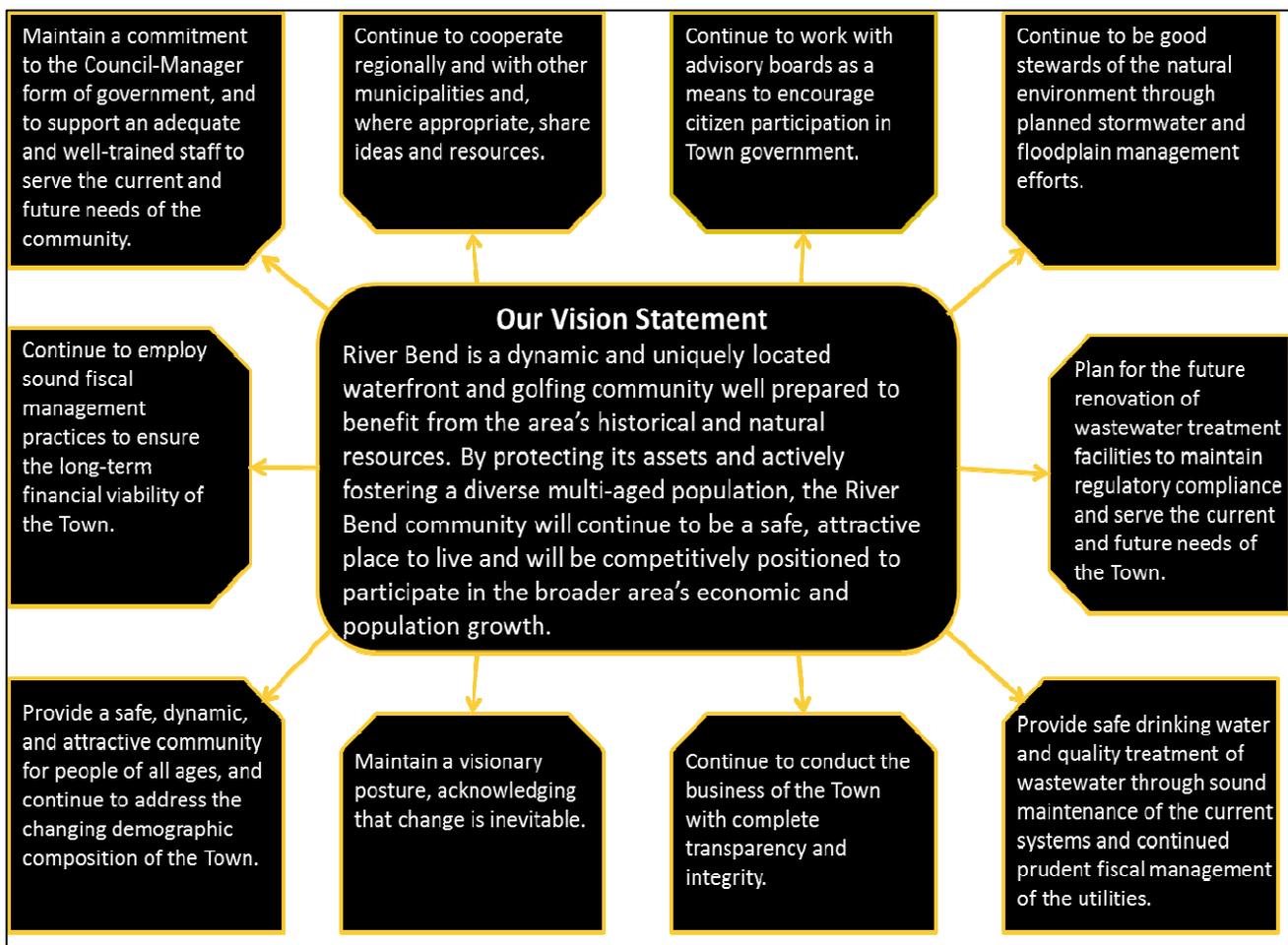
Our Budget Preparation Process

The Town of River Bend employs a progressive and transparent budget development process that allows for significant participation from elected officials, advisory boards, staff, and the public.

The process formally begins with a Council retreat in November where the Council discusses its priorities for the coming fiscal year in terms of how they respond to the Town’s Mission Statement. The Finance Officer, at this retreat, leads some general discussion about the current fiscal year and trends observed that might impact the budget planning process. This year, due to continued economic uncertainty, and the uncertainty regarding the levels of State collected local revenue the Town can expect to receive, the Council remains cautious in budgeting for many of these revenue types. This uncertainty, and the predicted levels of revenue, however, are not expected to affect service levels.

The Council also agrees, at this retreat, to a schedule of budget workshops. The chart below shows how each Council priority, established for Fiscal Year 2014-15, responds to the Town's overall Mission Statement. These priorities remain unchanged from Fiscal Year 2013-14 and remain focused on maintaining infrastructure, services, and the resultant quality of life in a well governed and managed community.

Town Council Priorities for the 2014-2015 Fiscal Year



In January of this year a detailed list of the dates and subject matter of seven budget workshops was made available to our residents through a brochure mailed in water bills and available at Town Hall, and through required publication of the notice of these special meetings of the Town Council. The image below is from the Budget Workshop brochure and shows each session held beginning at 4:00 p.m. in the Town Hall:

<p style="text-align: center;"><u>MARCH 4, 2014</u></p> <p>EMPLOYEE COMPENSATION AND BENEFITS - Pay Plan Review - Health Insurance Benefits - Retirement / 401K / LESA - Cost of Living Adjustment (COLA)</p> <p>LABOR ALLOCATIONS AMONG DEPARTMENTS & FUNDS - Staffing Projections - Allocation Table</p> <p>CAPITAL IMPROVEMENT PLANS - Water and Sewer Funds - General Fund - Vehicle Replacement Plan - Information Technology Replacement Plan</p> <p>INFORMATION TECHNOLOGY - VC3, Inc. On-going Support - Disaster Recovery</p> <p>RISK MANAGEMENT - Property & Liability - Workers' Compensation</p> <p>ELECTRIC UTILITIES AND FUEL PRICES</p> <p style="text-align: center;"><u>MARCH 11, 2014</u></p> <p style="text-align: center;"><u>GENERAL FUND DEPARTMENTS</u></p> <p>GOVERNING BODY - Training - Association Dues</p> <p>ADMINISTRATION</p> <p>FINANCE - Information Technology</p> <p>TAX LISTING</p> <p>LEGAL SERVICES</p> <p>ELECTIONS</p>	<p>POLICE PROTECTION - Community Watch</p> <p>STREET MAINTENANCE - Roadway Improvement Plan</p> <p>STORM WATER MAINTENANCE - Prioritized Drainage Concerns - Scheduled Maintenance</p> <p>PUBLIC WORKS</p> <p>PUBLIC BUILDINGS - Mowing and Landscaping Contract - Building Maintenance</p> <p>LEAF & LIMB AND SOLID WASTE</p> <p style="text-align: center;"><u>MARCH 18, 2014</u></p> <p>RECREATION AND SPECIAL EVENTS - July 4th Plans - Recreation Programs</p> <p>PARKS AND CAC - Parks - Community Appearance Commission Projects</p> <p>EMERGENCY SERVICES - Contingency Funding - CERT (Community Emergency Response Team)</p> <p>ANIMAL CONTROL</p> <p>WETLANDS & WATERWAYS - Pond and Canal Maintenance - Environment and Waterways Advisory Board</p> <p>PLANNING AND ZONING</p> <p>GENERAL FUND—REVENUE</p> <p>GENERAL FUND—FUND BALANCE</p>	<p style="text-align: center;"><u>MARCH 25, 2014</u></p> <p style="text-align: center;"><u>ENTERPRISE FUND DEPARTMENTS</u></p> <p>WATER AND SEWER FUND CASH LEVELS - Debt Service - Capital Reserve Funds - Cash Capital Needs—Proposed Projects</p> <p>WATER FUND DEPARTMENTS - Administration - Water Supply & Treatment - Water Distribution</p> <p>SEWER FUND DEPARTMENTS - Administration - Sewer Collection - Sewer Treatment</p> <p>UTILITY FINANCIAL MODEL - Rate History - Consumption Trends - Revenue & Expense—Cash Balances - Rate Scenarios—Part 1</p> <p style="text-align: center;"><u>APRIL 1, 2014</u></p> <p>UTILITY FINANCIAL MODEL Rate Scenarios—Part 2</p> <p>GENERAL FUND—REVENUE / EXPENSE - Balance Budget</p> <p style="text-align: center;"><u>APRIL 8, 2014</u></p> <p>TAX RATES, UTILITY RATES, AND OTHER FEES - Ad Valorem Tax Rate - Utility Rates and Fees - Schedule of Rates and Fees</p> <p style="text-align: center;"><u>APRIL 15, 2014</u></p> <p>OVERVIEW</p> <p>BUDGET MESSAGE AND DRAFT ORDINANCE, SCHEDULE OF FEES</p>
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At these workshops the professional staff presents details of revenue and expenses in each fund. Through direct interaction with the Council in a less formal setting, the staff is able to get the consensus of the elected body in terms of the details contained in the budget. The Council is also able to hear from residents who attend these sessions in an informal setting. Each week, as changes are made, the Council receives updated pages for their budget books. These books, maintained and updated by the Town Clerk, allow the staff to lead the Council in an organized discussion, and allows the members to find information quickly. Following the last of these workshops, the professional staff prepares the Budget Message and the document you are reading as a way to provide detailed information to all interested citizens.

The next step in our process is to advertise and conduct a public hearing to receive comments from interested parties relative to the budget under consideration. This is a formal hearing, affording less opportunity for citizens to have direct input into the formation of the budget than is afforded during the workshops. Typically, this hearing is

conducted at the regular Council meeting in May. The final step is the vote to adopt the budget which typically occurs at the regular Town Council meeting in June. Of course, following the public hearing, the Council may decide to hold additional public work sessions to modify the budget before it is formally adopted. The box below contains the calendar of significant events in the preparation of the fiscal year 2014-15 budget.

**Town of River Bend
Fiscal Year 2014-15 Budget Calendar**

November 12, 2013	Council Retreat to set priorities
November 14, 2013	Manager's Memo to Department Heads and Advisory Boards
January 31, 2014	Deadline for initial submissions to Manager
March 4 – April 15, 2014	Budget Workshops
May 1, 2014	Budget Message and Summary available for public review
May 15, 2014	Public Hearing
June 19, 2014	Budget Adoption

While it might seem that the process would end with adoption, the budget process is, in fact, a cycle of events with no defined end. Staff begins to prepare for the implementation of the budget before it takes effect, and puts it formally into action on, or shortly after July 1st. Major capital projects are typically contracted early in the fiscal year in order to take advantage of better pricing and to better manage our cash and workflow.

Each month following adoption of the budget, professional staff, advisory boards, and Mayor and Council review expenses and revenue relative to the budget as adopted. The financial performance of each of the three major funds is analyzed in order to ensure the programs and projects funded are being carried out in a manner consistent with the intent of the elected body.

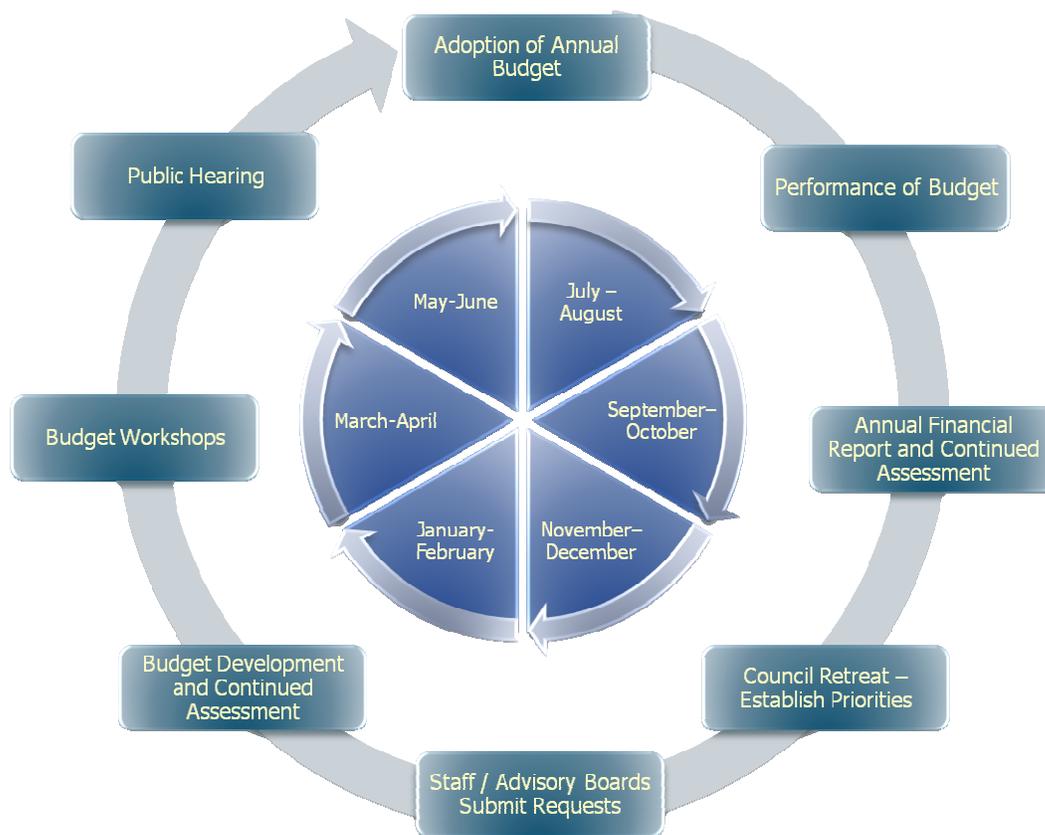
Occasionally, we find that estimates for the costs of certain goods and services increased from the time the budget was prepared to the time they are procured. When this occurs, the professional staff informs the Council of the difference and the Council makes a decision whether to amend the budget ordinance or forego a certain project. Moving budgeted amounts from one line to another within a department requires the approval of the Budget Officer, but moving budgeted amounts from one department to another within the General Fund requires a formal budget amendment vote by the Council. As with all the other business this Town conducts, these changes are made in public meetings and are reported at the main Council meeting.

This process of monitoring the current budget continues through the close of the fiscal year and up through the process of the preparation of the Comprehensive Annual Financial Report (CAFR) of the Town. This report, containing audited financial statements, is prepared by Town staff and an independent auditor under contract with the Town and is submitted to the North Carolina Local Government Commission for their approval. The

results of this audit are presented in written form to the Town Council and in an oral report from the auditor or a member of the audit committee at a public meeting.

Once our portion of the work on the CAFR is complete, attention turns again to discussion of priorities for the budget in the next fiscal year. At the Council retreat in November, as mentioned above, this process begins anew. Projects that were set aside from previous years are reexamined in terms of the Council's priorities. Price estimates and the anticipated benefit of these projects are updated and made ready for further consideration, and new projects and programs are considered that respond to the direction the Council has given.

This graphic illustrates the cyclical nature of our budget process, one marked by continued assessment and a commitment to fiscal responsibility. The budget process used in River Bend continues to evolve. We believe it offers significant opportunity for public interaction, both in informal workshops and a formal hearing.



Our goal is to have our budget document achieve continued recognition for excellence by the Government Finance Officers Association. Achieving this goal recognizes that there are likely to be many more improvements we will make in future years, just as this year's document represents an improvement over the last.

Computation of Legal Debt Margin

North Carolina General Statutes impose a limit on the amount of debt River Bend, and any other local government, can incur. This debt ceiling is eight percent of the total assessed value of real and personal property. As of July 1, 2014 our gross debt obligation is \$2,935,000, which are entirely general obligation (G.O.) bonds backed by the full faith, credit, and taxing power of the Town of River Bend. These G.O. bonds were issued for the Water and Sewer Enterprise Funds. North Carolina General Statutes 159-55 permits deduction of water bonds from gross debt, in our case, \$1,574,969, in determining the Town's legal debt margin.

Assessed Value of Real and Personal Property:	\$330,423,008
Debt Limit (8% of assessed value):	\$ 26,434,641
Debt (net) Applicable to Limit (as of 7/1/2014):	\$ 1,360,031
Legal Debt Margin:	\$ 25,074,610

General Fund

The General Fund incurs debt to finance improvements and other large capital purchases. As we enter the fiscal year, there is no outstanding installment debt, with the last of the short-term loans having been retired in Fiscal Year 2011. The Town does not plan to issue any General Fund debt in Fiscal Year 2015.

Enterprise Funds

The Enterprise Funds account for the entire amount of debt that is recorded against our legal debt threshold. Issued to purchase the water and sewer system, this general obligation bond was refinanced in Fiscal Year 2005 in order to take advantage of competitive interest rates. Refer to the table below for more details about these obligations. The Town does not plan to issue any Enterprise Fund debt in Fiscal Year 2015.

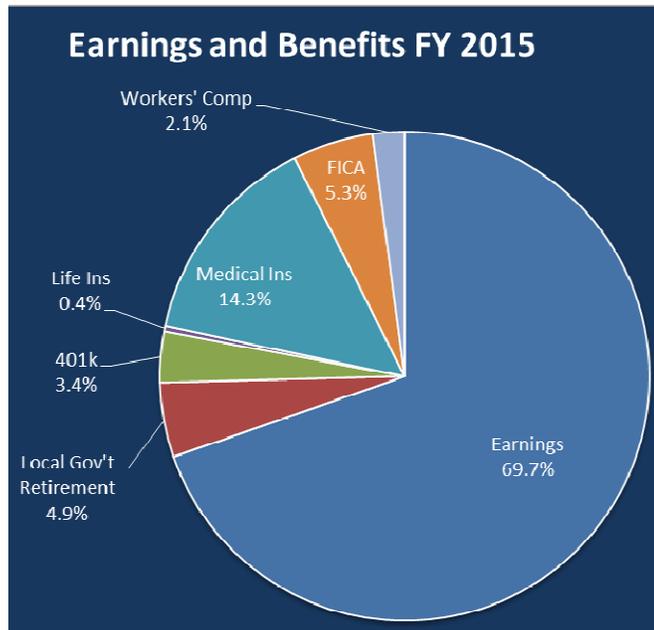
Fiscal Year 2015 Debt Obligations Summary										
Year Issued	Project	Loan Type	Amount Issued	Fiscal Year Retired	Interest Rate	Debt as of 7/1/2014	FY 2015 Principal	FY 2015 Interest	Total Payment	Debt as of 6/30/2015
Water Fund										
2005*	Purchase of Water System	General Obligation Bond	1,588,384	2027	2 - 3 % **	1,574,969	110,006	36,517	146,523	1,464,963
Remaining Debt at end of Fiscal Year			1,464,963							
Sewer Fund										
2005*	Purchase of Sewer System	General Obligation Bond	1,371,616	2027	2 - 3 % **	1,360,031	94,994	31,533	126,527	1,265,037
Remaining Debt at end of Fiscal Year			1,265,037							
* 1997 and 2000 Series Refunded in FY2005, Series 2004. Refunded in FY2013					** Rate changes per schedule					

Personnel

Personnel Costs

The total of all personnel related expenses, including wages and benefits, is budgeted at \$1,164,307. This represents a total of 37% of the total combined operating budget. This budget, following the guidance of the Council, reflects a total wage increase of 2.5%, with 1.5% attributable to a cost of living increase and 1% for longevity. There is also an additional 1% available for merit bonuses.

The chart to the right shows how the total personnel cost is broken down. Earnings account for 70% of the total cost of personnel, and medical insurance is the most costly benefit in spite of changes made in FY 2013 to our offering to lessen the financial impact of this benefit. Our health insurance plan features a \$2,500 deductible from Blue Cross and Blue Shield of North Carolina. The Town mitigates the financial impact of this high deductible by funding, for each full-time employee, a Healthcare Reimbursement Account (HRA) in the amount of \$1,500. Even with this added to the premium cost, we are still able to save money on the cost of this benefit while still providing a quality program for our staff.

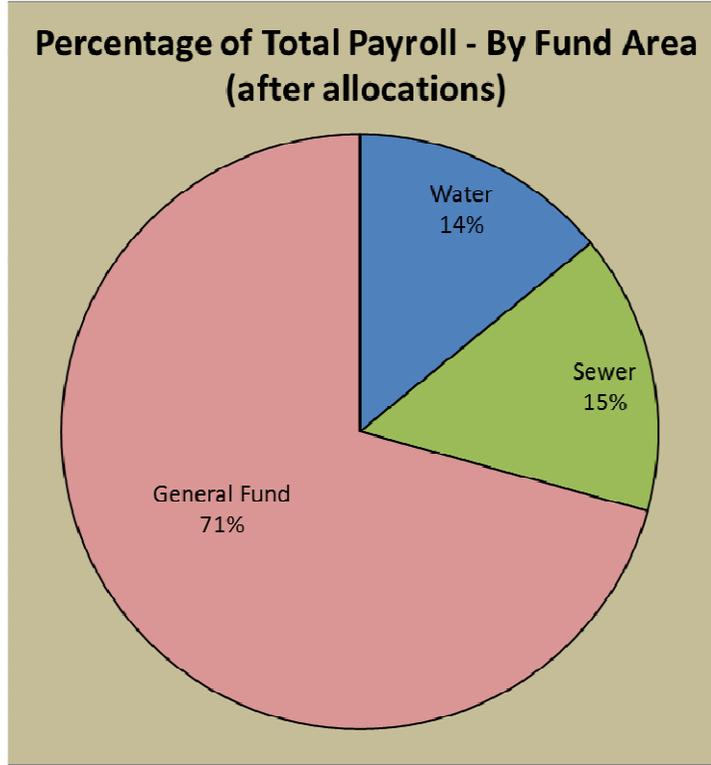


By way of comparison, according to data compiled by the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel is \$97 less than that of our peer group. Through efficient scheduling in our Police Department, increases in operational efficiencies in other areas due to our investment in our municipal management system, receiving countless hours of volunteer assistance, and other management strategies, we are able to maintain a staffing profile below that of comparable localities.

Labor Allocations

The Town of River Bend has a total of 21 positions, 2 of which are part-time. Each year each position is analyzed in order to determine its contribution to the overall operation of the Town, and to determine how to best allocate the expenses related to the position between the three major funds (General, Water, and Sewer).

These allocations are based upon estimates of the number of hours, relative to the full work week, that each position spends working on tasks related to a specific fund. As we examined allocations this year, the management team saw the need to adjust of some them in order to be more accurate in reflecting the work being done by our personnel. We will continue to examine and revise (if needed) these allocations each year during the process of preparing the budget. Absent a detailed, and costly, time study, these estimates represent, we believe, a fair and reasonable approximation of the actual time spent in each fund area by the positions listed.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Labor allocations are depicted in the table below:

	Water	Sewer	Gen. Fund
	%	%	%
Town Manager	20	20	60
Finance Administrator	25	25	50
Finance Assistant*	32.5	32.5	35
Town Clerk	5	5	90
Deputy Town Clerk	5	5	90
Assistant Zoning Administrator	20	20	60
Police Chief	0.5	0.5	99
Police Sergeant	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer (Part time)	0.5	0.5	99
Public Works Director *	30	40	30
Water Operator *	40	45	15
Water Operator *	40	45	15
Public Works	10	10	80
Public Works	10	10	80
Public Works	10	10	80
Custodian (part-time)			100
*These four positions are primarily within the water/sewer department, so the General Fund pays the allocated portion of the cost of these employees to the Enterprise Funds.			
Other positions that are allocated between the Funds are primarily General Fund positions, so the Enterprise Funds pays the allocated portion of the cost of these employees to the General Fund.			

Changes in Staffing Levels and Hours

This budget, as noted earlier, does not contemplate the addition or elimination of any full or part-time positions for the foreseeable future.

Full-Time Equivalent Positions (FTE) - All Funds												
Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	3	3	3	3	3	3	3	3	3	3	3	3
Finance	1	1	1	1	1	1	1	1	1	1	1	1
Police	5.26	5.26	5.5	5.5	5.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Zoning	1	1	1	1	1	1	1	1	1	1	1	1
Public Works	2.5	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Water/Sewer Funds	4.6	5	5	5	4	4	4	4	4	4	4	4
TOTAL FTE	17.36	17.76	18	18	18	19						

Employee Benefits

Competitive Salary

River Bend maintains a competitive salary structure when compared to other local governments in our peer group. In Fiscal Year 2011 a complete review and revision of the compensation plan for all employees was completed. The plan is reviewed each year and no changes are contemplated in this budget.

Insurance

The Town pays the full costs of health and life insurance for all employees. An employee may purchase additional insurance for family coverage. Beginning in FY 2013, the Town increased the individual deductible to \$2,500 in order to realize savings on health insurance premiums. To offset some of the impact on employees, the Town agreed to fund, using a Health Reimbursement Account (HRA), the first \$1,500 of each employee's deductible.

Supplemental insurance for dental, accident, life, long-term care, cancer, and short term disability, is available for the employee to purchase using payroll deduction.

Retirement

All Town employees are members of the Local Government Employees' Retirement System, which is run by the State of North Carolina. Both the Town and employees contribute to the retirement system. The employer's contribution rate increased for fiscal year 2011 for the first time in over thirty years and continues to change each year to respond to changes in the financial performance of funds invested for local government retirees.

401K

The Town contributes an amount equal to 5% for sworn police officers into a 401K for retirement, per state law, and the Town takes the additional step of providing a 5% contribution to all other full-time staff members' 401K plans. Employees can voluntarily contribute into the account. Each employee chooses how the money is invested from a menu of investment accounts.

Social Security

The Town and employees both contribute to the Social Security System.

Holidays

In accordance with our Personnel Policy, full-time employees are provided eleven paid holidays per year.

Vacation

Employees accrue vacation leave time at rates based upon years of service and are limited to 30 days in the total amount they may accrue.

Sick Leave

Employees earn one sick leave day for each month of service. There is no maximum accrual for sick leave and this leave may be converted to service credit according to terms established by the North Carolina Local Government Employees' Retirement System.

Uniforms

Uniforms and safety shoes are provided to certain employees where needed, such as police, public works and water resources.

Tuition Reimbursement

Employees taking courses that will improve their skills for their current job or prepare them for promotional opportunities within the Town, may be eligible for reimbursement of up to \$350 per year for tuition and other related expenses.

Law Enforcement Separation Allowance

The Town also, in conformance with State law, provides for supplemental retirement benefits for law enforcement personnel. We budget a small amount each year in a trust fund to pay for a portion of this benefit when the need arises.

DEPARTMENT: Administration / Finance

PURPOSE: The purpose of this plan is to provide an equitable framework for the compensation and advancement of personnel.

FEATURES:

1. Pay Grades – The plan contains a total of six (6) pay grades.
 - AD 1 - Entry Level – Administrative Support Specialist. Currently unfilled, and not likely to be needed unless staffing in other areas changes, or a need is identified.
 - AD 2 – Basic level of administrative and finance functions. Some post-secondary education required, and some advanced skills and knowledge. This is the level at which we currently employ the Town Clerk.
 - AD 3 – Intermediate level of administrative and finance functions. Post secondary degree, and/or directly relevant certifications, and/or at least three years of directly relevant experience with the Town or similar entity. This is the level at which we currently employ our Deputy Town Clerk and to which we would promote the Clerk upon receipt of Certified Municipal Clerk designation. The Assistant Zoning Administrator is currently in this grade due to having obtained certification as a Certified Floodplain Administrator and CAMA Local Permit Officer.
 - AD 4 – Advanced level of administrative and finance functions. Graduate study/degree required along with at least three years of experience at an intermediate level in a comparable or directly related position. This is the level at which we currently employ our Finance Assistant.
 - AD 5 – Finance Administrator. Department head level, with supervisory responsibility. Baccalaureate degree required along with two to five years of experience at an advanced level in a comparable or directly related position. Substantial course work in governmental finance required and graduate level study/degree preferred.
 - AD 6 – Town Manager. Graduate degree in a related field and three or more years of directly relevant experience.

2. Longevity Pay – The plan recognizes longevity by increasing each full-time employee one step within their pay grade on July 1st of each year. Employees who end their probationary period on or after January 1st will not advance from the step to which their position is assigned on the subsequent July 1st but will in succeeding years begin advancement as described above.

3. Promotions – The plan encourages promotion from the level of AD 1 to AD 2, and beyond, by offering a pay grade increase for increased levels of formal education. Promotions to the level of Finance Administrator will be based upon competitive selection as the position become available. The position of Town Manager will be filled in accordance with the procedures established by the Town Council when this position becomes, or is about to become, vacant. Persons hired from outside

- the department may be granted credit for time in grade by placing them into step levels commensurate with the value of their prior experience in the job classification into which they are hired. This step placement will be at the discretion of the Town Manager. Promotions will take effect on the July 1st immediately following the employee meeting all promotion criteria.
4. Cost of Living Increases – The plan will be adjusted annually, with an effective date of July 1st, to reflect the decision of the Town Council regarding the appropriate level of adjustment necessary to respond to changes in cost of living indices.
 5. Other Plan Adjustments – Each year, the Town Manager will review the compensation levels within the plan. Current levels will be compared to those in similar sized jurisdictions in North Carolina, and with other municipal departments in the area based upon data collected by the North Carolina League of Municipalities. During the annual budget process, any recommended changes to the levels of compensation will be discussed with the Town Council, who will decide what, if any, changes are appropriate given the data presented balanced with other competing needs in the Town.
 6. Maximum Levels of Compensation – If an employee reaches the maximum step available within their pay grade, they will no longer be eligible for longevity increases. Compensation will still be adjusted based upon criteria outlined in numbers 4 and 5 above.
 7. Merit Bonus – Each year the Town Council may, at its discretion, create a pool of funds to be used to reward exceptional performance by employees during the preceding fiscal year, and to reward them for obtaining advance and job appropriate certifications throughout the year. Merit bonuses will be based upon the results of annual performance evaluations at the discretion of the Town Manager in consultation with the appropriate Department Head. The amount of the bonus will be determined by the Town Manager, but will not, unless special circumstances exist, and only with Town Council approval, exceed 2 percent of the employee's base salary.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

ADMIN.						
Step	AD 1	AD 2	AD 3	AD 4	AD 5	AD 6
1	23,811	32,469	34,093	37,502	51,951	59,527
2	24,049	32,794	34,433	37,877	52,470	60,122
3	24,289	33,122	34,778	38,256	52,995	60,723
4	24,532	33,453	35,126	38,638	53,525	61,330
5	24,777	33,787	35,477	39,024	54,060	61,944
6	25,025	34,125	35,832	39,415	54,600	62,563
7	25,275	34,467	36,190	39,809	55,147	63,189
8	25,528	34,811	36,552	40,207	55,698	63,821
9	25,784	35,159	36,917	40,609	56,255	64,459
10	26,041	35,511	37,286	41,015	56,817	65,103
11	26,302	35,866	37,659	41,425	57,386	65,754
12	26,565	36,225	38,036	41,840	57,960	66,412
13	26,830	36,587	38,416	42,258	58,539	67,076
14	27,099	36,953	38,800	42,681	59,125	67,747
15	27,370	37,322	39,188	43,107	59,716	68,424
16	27,643	37,696	39,580	43,538	60,313	69,109
17	27,920	38,073	39,976	43,974	60,916	69,800
18	28,199	38,453	40,376	44,414	61,525	70,498
19	28,481	38,838	40,780	44,858	62,140	71,203
20	28,766	39,226	41,187	45,306	62,762	71,915
21	29,054	39,618	41,599	45,759	63,389	72,634
22	29,344	40,015	42,015	46,217	64,023	73,360
23	29,637	40,415	42,435	46,679	64,664	74,094
24	29,934	40,819	42,860	47,146	65,310	74,835
25	30,233	41,227	43,288	47,617	65,963	75,583

Current Classification – By Position (full-time positions only)

Town Manager	AD6	Step 21
Finance Administrator	AD5	Step 19
Finance Assistant	AD4	Step 14
Town Clerk	AD2	Step 9
Deputy Town Clerk	AD3	Step 21
Asst. Zoning Administrator	AD3	Step 13

DEPARTMENT: Police

PURPOSE: The purpose of this plan is to provide an equitable framework for the compensation and advancement of police personnel.

FEATURES:

1. Pay Grades – The plan contains a total of six (6) pay grades.
 - PO 1 - Entry Level Patrol Officer
 - PO 2 – Patrol Officer with at least three years' time as PO 1 and Intermediate Law Enforcement Certification.
 - PO 3 – Patrol Officer with at least three years' time as PO 2 and Advanced Law Enforcement Certification.
 - PO 4 – Sergeant – patrol officer and first level supervisor.
 - PO 5 – Lieutenant – patrol officer and intermediate level supervisor. Currently unfilled and not likely to be needed until the size of the department expands to the point where this intermediate supervisory level is warranted.
 - PO 6 – Chief of Police
2. Longevity Pay – The plan recognizes longevity by increasing each full-time employee one step within their pay grade on July 1st of each year. Employees who end their probationary period on or after January 1st will not advance from the step to which their position is assigned on the subsequent July 1st but will in succeeding years begin advancement as described above.
3. Promotions – The plan, in the first three grades, encourages promotion from the rank of PO 1, to PO 2, and then PO 3 by offering a pay grade increase and by eliminating longevity increases beyond a tenure deemed reasonable to meet the criteria for promotion. Promotions to the rank of Sergeant, Lieutenant, and Chief will be based upon competitive selection as positions become available. Persons hired from outside the department may be granted credit for time in grade by placing them into step levels commensurate with the value of their prior experience in the job classification into which they are hired. This step placement will be at the discretion of the Town Manager in consultation with the Chief of Police. Promotions will take effect on the July 1st immediately following the employee meeting all promotion criteria.
4. Cost of Living Increases – The plan will be adjusted annually, with an effective date of July 1st, to reflect the decision of the Town Council regarding the appropriate level of adjustment necessary to respond to changes in cost of living indices.

5. Other Plan Adjustments – Each year, the Town Manager and the Chief of Police will review the compensation levels within the plan. Current levels will be compared to departments located in similar sized jurisdictions in North Carolina, and with other municipal departments in the area based upon data collected by the North Carolina League of Municipalities. During the annual budget process, any recommended changes to the levels of compensation will be discussed with the Town Council, who will decide what, if any, changes are appropriate given the data presented balanced with other competing needs in the Town.

6. Maximum Levels of Compensation – If an employee reaches the maximum step available within their pay grade, they will no longer be eligible for longevity increases. Compensation will still be adjusted based upon criteria outlined in numbers 4 and 5 above.

7. Merit Bonus – Each year the Town Council may, at its discretion, create a pool of funds to be used to reward exceptional performance by employees during the preceding fiscal year, and to reward them for obtaining advance and job appropriate certifications throughout the year. Merit bonuses will be based upon the results of annual performance evaluations at the discretion of the Town Manager in consultation with the appropriate Department Head. The amount of the bonus will be determined by the Town Manager, but will not, unless special circumstances exist, and only with Town Council approval, exceed 2 percent of the employee's base salary.

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POLICE						
Step	PO 1	PO 2	PO 3	PO 4 (sgt)	PO 5 (lt)	PO 6 (chief)
1	32,469			42,210	46,539	51,951
2	32,794			42,632	47,004	52,470
3	33,122			43,058	47,474	52,995
4	33,453	35,126		43,489	47,949	53,525
5	33,787	35,477		43,924	48,429	54,060
6		35,832		44,363	48,913	54,600
7		36,190	37,999	44,807	49,402	55,147
8		36,552	38,379	45,255	49,896	55,698
9		36,917	38,763	45,707	50,395	56,255
10		37,286	39,151	46,164	50,899	56,817
11			39,542	46,626	51,408	57,386
12			39,938	47,092	51,922	57,960
13			40,337	47,563	52,441	58,539
14			40,740	48,039	52,966	59,125
15			41,148	48,519	53,495	59,716
16			41,559	49,004	54,030	60,313
17			41,975	49,494	54,571	60,916
18			42,395	49,989	55,116	61,525
19			42,819	50,489	55,667	62,140
20			43,247	50,994	56,224	62,762
21			43,679	51,504	56,786	63,389
22			44,116	52,019	57,354	64,023
23			44,557	52,539	57,928	64,664
24			45,003	53,065	58,507	65,310
25			45,453	53,595	59,092	65,963

Current Classification - By Position (full-time positions only)

Police Chief	P06	Step 25
Sergeant	P04	Step 25
Patrol Officer	P02	Step 5
Patrol Officer	P02	Step 10
Patrol Officer	P03	Step 8
Patrol Office	P03	Step 12

DEPARTMENT: Public Works / Water Resources

PURPOSE: The purpose of this plan is to provide an equitable framework for the compensation and advancement of personnel.

FEATURES:

1. Pay Grades – The plan contains a total of seven (7) pay grades.
 - o PW 1 - Entry Level Public Works Technician
 - o PW 2 – Public Works Technician with at least three years' time as PW 1 and possession of one or more State issued pesticide or herbicide licenses.
 - o PW 3 – Public Works Technician with at least two years as a PW2 and possession of C-Well, C-Distribution, Collections-I and Wastewater-I. (class being added, if approved by Council, effective 7/1/2012)
 - o WO 1 – Entry level water/wastewater operator. Must possess, or obtain C-Well, C-Distribution, Collections – I and Wastewater – I within one year of hire.
 - o WO 2 – Water/Wastewater Operator with at least three years' time as WO 1 and possession of B – Well, B – Distribution, Collections – II, and Wastewater – II.
 - o WO 3 – Advanced Water/Wastewater Operator with at least two years time as WO 2 and possession of B – Well, B – Distribution, Collections – III, and Wastewater – III.
 - o WO 4 – Field Operations Supervisor – Field level supervisor with B – Well, B – Distribution, Collections – III, Wastewater – III and Cross Connection certifications.
 - o WO 5 – Director of Public Works

2. Longevity Pay – The plan recognizes longevity by increasing each full-time employee one step within their pay grade on July 1st of each year. Employees who end their probationary period on or after January 1st will not advance from the step to which their position is assigned on the subsequent July 1st but will in succeeding years begin advancement as described above.

3. Promotions – The plan encourages promotion from the level of PW I to PW II to PW III, and from WO I, to II, to III, by offering a pay grade increase and by eliminating longevity increases beyond a tenure deemed reasonable to meet the criteria for promotion. Promotions to the level of Field Operations Supervisor and Superintendent will be based upon competitive selection as positions become available. Persons hired from outside the department may be granted credit for time in grade by placing them into step levels commensurate with the value of their prior experience in the job classification into which they are hired. This step placement will be at the discretion of the Town Manager in consultation with the Director. Promotions will take effect on the July 1st immediately following the employee meeting all promotion criteria.

4. Cost of Living Increases – The plan will be adjusted annually, with an effective date of July 1st, to reflect the decision of the Town Council regarding the appropriate level of adjustment necessary to respond to changes in cost of living indices.
5. Other Plan Adjustments – Each year, the Town Manager and the Director will review the compensation levels within the plan. Current levels will be compared to those in similar sized jurisdictions in North Carolina, and with other municipal departments in the area based upon data collected by the North Carolina League of Municipalities. During the annual budget process, any recommended changes to the levels of compensation will be discussed with the Town Council, who will decide what, if any, changes are appropriate given the data presented balanced with other competing needs in the Town.
6. Maximum Levels of Compensation – If an employee reaches the maximum step available within their pay grade, they will no longer be eligible for longevity increases. Compensation will still be adjusted based upon criteria outlined in numbers 4 and 5 above.
7. Merit Bonus – Each year the Town Council may, at its discretion, create a pool of funds to be used to reward exceptional performance by employees during the preceding fiscal year, and to reward them for obtaining advance and job appropriate certifications throughout the year. Merit bonuses will be based upon the results of annual performance evaluations at the discretion of the Town Manager in consultation with the appropriate Department Head. The amount of the bonus will be determined by the Town Manager, but will not, unless special circumstances exist, and only with Town Council approval, exceed 2 percent of the employee's base salary.
8. Stand-by Pay – Stand-by time is defined as that time when an employee must be available for contact via a Town authorized communication device and be within a thirty (30) minute response time to the Town. Non-exempt employees required to be on "stand-by" duty will be paid for nine hours of work for each week of stand-by time they serve. Stand-by compensation for less than one full week shall be determined by the ratio of 0.07 hours of pay per one hour of stand-by time. Hours actually worked while on stand-by are calculated beginning when the employee begins transit, subject to a maximum travel time of one-half hour, to the work site, and ending, subject to a maximum return travel time of one-half hour, when the employee returns to their pre-call back location. These hours are added to the regular total of hours worked for the week. Travel time, subject to the one hour maximum round trip, is counted toward the two-hour call back minimum. Operators will be reimbursed, at the rate approved by the Town Council, for mileage, round-trip, from their home, or actual location when called back, whichever is closer.

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PUBLIC WORKS Step	Public Works			Water				
	PW 1	PW 2	PW 3	WO 1	WO 2	WO 3	WO 4 (FO Sup)	WO 5 (Dir)
1	27,058			31,387			42,210	51,951
2	27,328			31,701			42,632	52,470
3	27,601	28,981		32,018			43,058	52,995
4	27,877	29,271		32,338	33,955		43,489	53,525
5	28,156	29,564	32,661	32,661	34,294		43,924	54,060
6		29,860	32,988		34,637	36,369	44,363	54,600
7		30,158	33,318		34,984	36,733	44,807	55,147
8		30,460	33,651		35,333	37,100	45,255	55,698
9		30,764	33,987		35,687	37,471	45,707	56,255
10		31,072	34,327		36,044	37,846	46,164	56,817
11		31,383	34,671		36,404	38,224	46,626	57,386
12		31,697	35,017		36,768	38,606	47,092	57,960
13		32,014	35,367		37,136	38,993	47,563	58,539
14		32,334	35,721		37,507	39,382	48,039	59,125
15		32,657	36,078		37,882	39,776	48,519	59,716
16		32,984	36,439		38,261	40,174	49,004	60,313
17		33,313	36,803		38,644	40,576	49,494	60,916
18		33,647	37,171		39,030	40,982	49,989	61,525
19		33,983	37,543		39,420	41,391	50,489	62,140
20		34,323	37,919		39,815	41,805	50,994	62,762
21		34,666	38,298		40,213	42,223	51,504	63,389
22		35,013	38,681		40,615	42,646	52,019	64,023
23		35,363	39,068		41,021	43,072	52,539	64,664
24		35,717	39,458		41,431	43,503	53,065	65,310
25		36,074	39,853		41,846	43,938	53,595	65,963

Current Classification - By Position (full-time positions only)

Director of Public Works	W05	Step 11	
Water Operator	W01	Out of Steps	\$33,034
Water Operator	W02	Step 16	
Public Works Technician	PW3	Step 9	
Public Works Technician	PW2	Step 19	
Public Works Technician	PW1	Step 4	

Vehicle Replacement Plan

Included in the General Fund Capital Improvement Plan (CIP) is a detailed plan for the regular replacement of the vehicles in General Fund departments. The table below shows inventory of these vehicles and their estimated year of replacement. Estimated purchase prices are based upon the current State contract cost for the vehicle type in the current year and assumes a rate of inflation of 3% per year for the cost of the vehicle. Funding into the vehicle replacement plan is inflated at 1.5% per year and rounded to the nearest one thousand dollars. This table shows the budgeted fiscal year and the subsequent eight years, but the plan extends projections an additional eight years.

There are no vehicles being replaced in FY 2014-15.

Vehicle Replacement Plan			2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
General Fund														
Reserved			15,000	15,000	16,000	16,000	16,000	16,000	17,000	17,000	17,000	17,000	18,000	18,000
	Life Cycle	Current Vehicle												
Police Vehicles														
Veh #1	8 years	2007 Dodge					23,000							
Veh #2	8 years	2010 Dodge							24,000					
Veh #3	8 years	2010 Dodge									26,000			
Veh #4	8 years	2013 Dodge			22,723								27,000	
Public Works Vehicles														
Veh #1	12 years	2004 F-150						17,000						
Veh #2	12 years	2013 F-250			25,501									
Total Expended			0	0	48,224	0	23,000	17,000	24,000	0	26,000	0	27,000	0
Balance (end of FY)			24,248	39,248	7,024	23,024	16,024	15,024	8,024	25,024	16,024	33,024	24,024	42,024
Purchase price inflated by 3% per year beginning with FY 2015 and using the current State contract price as the base.														
Contributions increased by 1.5% per year beginning with FY 2012.														

Information Technology Replacement Plan

Included in the General Fund Capital Improvement Plan is a detailed plan for keeping our Information Technology equipment up-to-date. In fiscal year 2012 we migrated away from maintaining our IT infrastructure on-site to a model that moved our servers to a remote site, maintained by our IT contractor, namely VC3, Incorporated. This eliminated many of the more expensive components of our infrastructure, and eliminated the need for many service expenses including for disaster recovery. Our analysis of this change in approach was predicated upon the need to be more aggressive in complying with public records laws as they relate to the retention of e-mail. Our former system lacked the sophistication to adequately maintain these records in a way that they could be retrieved efficiently. We looked at options that included acquiring new hardware and software to provide this service, but ultimately decided that the most cost effective approach was to contract for an off-premise based system.

Consequently, our IT hardware inventory was reduced in value by nearly 40%. We will, as shown on the table on the next page, need to continue to replace certain pieces of hardware to keep our system viable. What has been eliminated is servers, workstations, and back-up related hardware. Our estimates of the cost savings show that we will save nearly \$31,000 over the first eight years of using this approach to IT.

We pay a monthly fee of \$175 per desktop unit to VC3, and a per account charge for e-mail retention and retrieval. We no longer pay for disaster recovery services as this is a feature included and enhanced by this new approach.

With this change, we were able to reduce the amount of CIP funding for IT from \$10,000 per year to \$6,000 per year in FY 2012. Due to reductions in the costs of our remaining hardware, particularly when it comes to mobile data terminals used by the police, we were able to further reduce CIP funding to \$2,000 in FY 2014 and will continue this level of funding for FY 2015.

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The table below shows the inventory of this equipment and its intended year of replacement. As the reader will notice, we plan to purchase two mobile computers for the Police Department, replace a printer, replace a switch, and replace the network battery power supply that keeps the network running as the building transfers from commercial power to generator power.

Hardware Remaining in Plan					
Item - User	Year	Make/Model	Cost	Est. Year	Est. Repl.
	Purchased			of Replacement	Cost
MDT - Police	2014	Motorola	1,974	2020	1,500
MDT - Police	2014	Motorola ML910	1,180	2020	1,500
MDT - Police	2011	Motorola	4,200	2015	1,100
MDT - Police		Dell	1,300	2015	1,100
ASA	2008	Cisco 5505	2,447	2016	500
Laptop	2013	Dell Precision M4300	2,274	2016	1,500
Powered Switch	2011	Cisco SRW224G4P	500	2019	515
Phone Switch	2011	Cisco IAD 800	700	2019	721
Projector	2013	Dell	664	2021	684
Network UPS	2008	Emerson	691	2015	845
Switch (unpowered)	2008	Cisco Catalyst 2960	907	2016	515
Projector	2008	InFocus IN 34	934	2017	700
Switch (Powered - PW/PD)	2008	Linksys	2100	2015	2100
Printers					
Deputy Clerk	2005	HP LaserJet 2840		2016	1,000
Finance Assistant	2009	HP LaserJet 4250		2015	1,200
Governing Body	2012	HP LaserJet P2055dn		2020	500
Police	2012	HP LaserJet 1020		2020	500
Zoning	2010	HP LaserJet P2055dn		2020	500
Manager	2011	HP LaserJet P2055dn		2021	500
Police	2011	HP LaserJet P2055dn		2021	500
Water Resources/Pub. Wk	2011	HP LaserJet P2055dn		2021	500
Clerk	2013	HP LaserJet M401dw		2023	500
Finance Administrator	2013	HP LaserJet M401dw		2023	500
TOTAL ESTIMATED REPLACEMENT COST					19,480

Other Expenditures Common Across Major Funds

Electric Power Costs

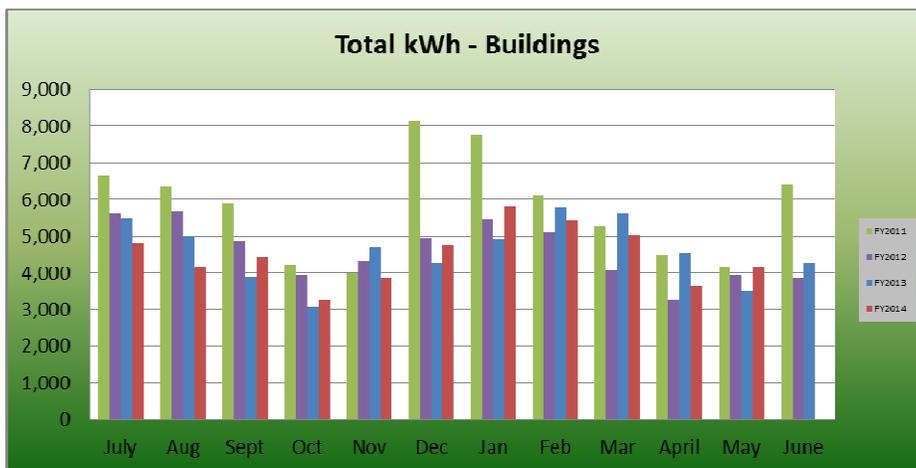
One of the larger expenditures, and one that affects all three major funds, is for electricity. Each year, during the budget process, we review information regarding our historical consumption patterns, and combine that with the outlook provided by our supplier, Duke Energy - Progress, to arrive at a reasonable projection for the costs in each of these areas.

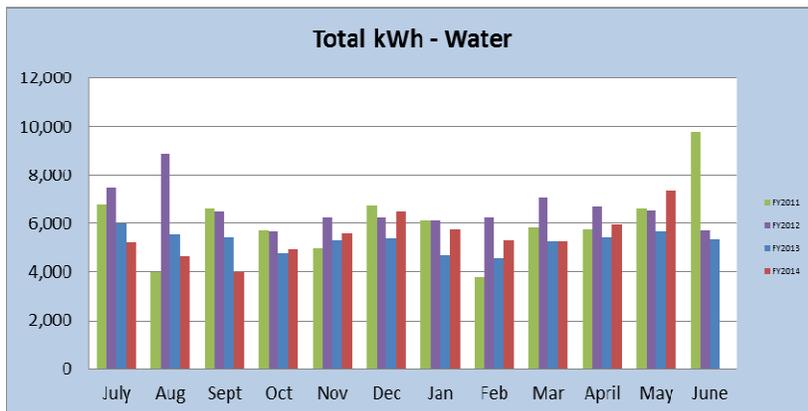
The budget uses an average of the current fiscal year (FY 2014) to date for the first six months of the new year (FY 2015). Duke plans to ask for no rate increases in the coming year. For the second six-month period, we increase the monthly average by 2% to account for any fuel factor rate increase (Duke Energy makes their fuel cost adjustments on a calendar year basis). Duke Energy predicted no fuel factor increase in December of 2014, but prudent budgeting leads us to anticipate a slight increase in fuel costs, thus necessitating the increase in our budget. It is worth noting that the fuel factor decreased by 2.2% in December of 2013. An additional 3% per category is included to account for unusual weather (higher heating and cooling) and other unforeseen demands for power.

	FY 2014		FY 2015
	Budget	Projected	Budget
Water Supply	8,500	7,500	8,500
Sewer Collection	8,000	7,500	8,000
Sewer Treatment	31,000	31,000	31,000
Public Buildings	9,000	8,200	9,000
Parks	6,000	5,500	6,000
Street Lights	44,000	44,000	44,000
TOTAL	106,500	103,700	106,500

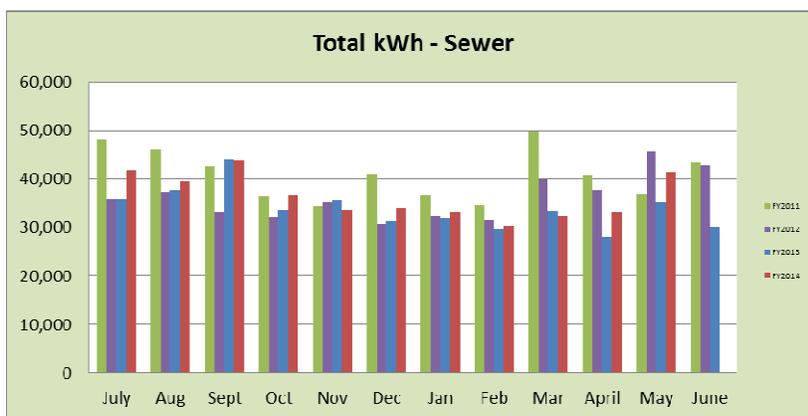
The chart to the left shows the FY 2014 budget and year-end projected expenditure in each area where electric costs appear in the budget, and what we project for FY 2015 in each of these areas. While we will end FY 2014 under budget, we felt it prudent to budget the same amount in each of these areas as noted above.

The chart to the right shows the amount of power we use for our building operations. The reader will notice that, while, in general, we are using less power than in FY 2011 when we made some changes in lighting and made other energy saving changes, we still have months where weather and other factors increase our consumption.





We also track power consumption in our water and sewer operations. Both of these, the reader will notice, are large users of electricity, with the sewer treatment plant being the single largest user in our operations.



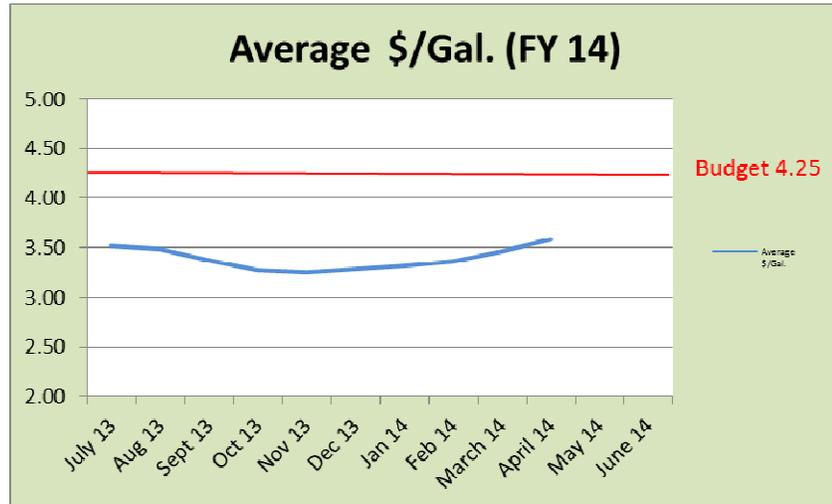
We continue to look for ways to realize savings in these areas, including examining our rate structure, exploring opportunities with Duke Energy Progress related to efficiency incentives, and considering other best management practices related to energy cost savings.

Gasoline Consumption

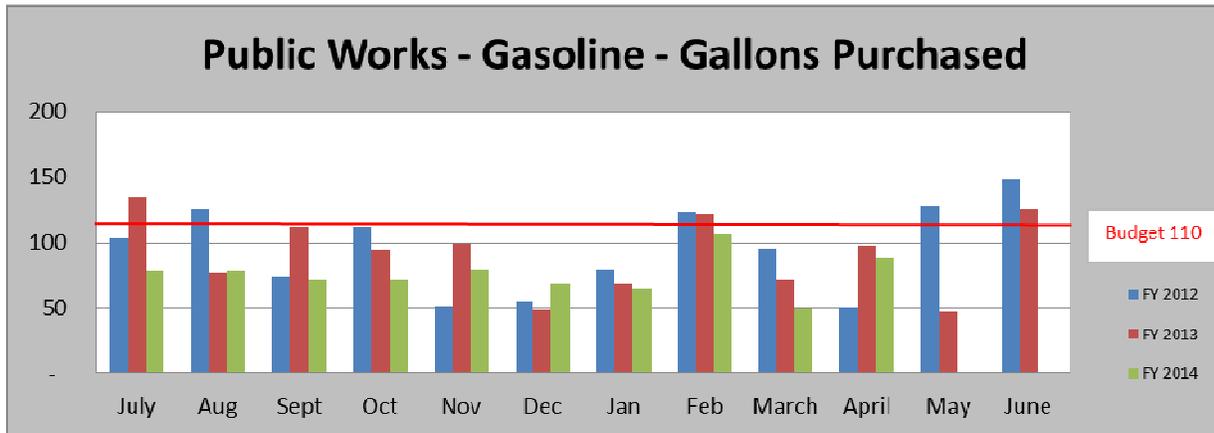
Another expenditure that affects all three funds, and several departments, is for motor fuel for our fleet. During the preparation of the budget, we look at the projections and historical data prepared by the federal Energy Information Administration (EIA) and compare that with our own experience. We then arrive at what we feel is a reasonable retail rate per gallon. From this retail rate, we subtract fifty-nine cents per gallon to arrive at our budget amount which represents the amount of federal and state tax included in each gallon. We maintain a fuel tax exemption certificate with our supplier who then subtracts the tax before billing us for the fuel we purchase. The current combined tax rate is 55.8 cents.

In order to determine the projected consumption, we look at historical records of miles driven in each department. Using an estimated number of miles per gallon based upon the composition of the department's fleet, we can predict, with some accuracy, the total amount we will spend on motor fuel for each department.

The chart to the right shows the retail cost per gallon we have been paying in fiscal year 2014 and the budgeted price per gallon.



Each month, department heads receive reports showing how their fuel consumption measures up against the number of gallons per month budgeted for their department. The chart below shows an example of what was submitted to the Director of Public Works in May. The department heads use this information as a management tool to ensure costs are tracking well with the amount budgeted.



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The table below shows the detail of how each budgeted amount is arrived at and the change in budgeted expenditure compared to FY 2014.

The gallons consumed projection for the Police Department is higher this year than last due to the more proactive nature of patrolling procedures that keeps officers on patrol versus doing paperwork in the office. The fact that the police fleet increased to four cars by holding a car an extra two years before declaring it surplus, does not mean that more total miles are driven and more gasoline is consumed. Rather, the miles driven are spread over four cars versus three, helping to reduce wear and tear and maintenance costs.

		Retail Price / Gallon				\$4.25	
		Less Federal & State Taxes				0.59	
		Budget Price / Gallon				\$3.66	
Police							Change v FY14 *
Days	Miles/Day	Annual Miles	MPG	# of Veh.		Total	
365	65	23,725	16	1		\$5,427	
365	65	23,725	16	1		\$5,427	
240	60	14,400	16	1		\$3,294	
205	120	24,600	13	1		\$6,926	
		86,450				\$21,074	\$2,392
Public Works							
Days	Miles/Day	Annual Miles	MPG	# of Veh.		Total	
300	22	6,600	10	2		\$4,831	\$0
Water / Sewer							
Days	Miles/Day	Annual Miles	MPG	# of Veh.		Total	
365	18	6,570	11	3		\$6,558	\$0
				TOTAL		\$32,463	
Change in total budgeted amount v. FY 2014						\$2,392	

Understanding the Headings

The heading on each worksheet contains the name of the department, and the department code as shown in our Chart of Accounts. Down the left side of the spreadsheet are the Expenditure Object Codes from our Chart of Accounts. These codes are the same for each department as prescribed by the Department of State Treasurer’s Policies Manual. For instance, Object Code 121 (wages and salaries) is seen in many departments. This coding allows us to combine, in reports, the total amount spent on a given category.

Governing Body		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
4110								
121	Wages & Salaries							
170	Board Member Expenditures							
181	FICA							
186	Workers' Compensation Ins.							
171	Mayor's Representation							
481	Indirect Cost- Labor							
491	Dues & Subscriptions							
499	Misc- Contributions							
	Printing							
	TOTAL							

The worksheet contains columns for the last two complete fiscal years showing the year-end budget and the actual amount expended in each line. This provides the reader with a historical frame of reference for seeing how particular expenditures have changed. There are two columns for the current fiscal year that show the current budget, and what we project will be expended when the fiscal year is over on June 30.

The next column contains the adopted budget for the coming fiscal year. The reader, by now, is familiar with how we prepare our budget, so it should come as no great surprise that we do far more than just look at what was spent in the last couple of years and apply some sort of inflationary factor to arrive at the proposed amount. Each line is carefully analyzed at the department level to ensure the budget will allow for the successful execution of the plans approved by the Town Council.

The notes below the TOTAL line on the worksheets provide some detail about the expenditures and are referenced by the “line” in which they are included in the worksheet. The charts show end-of-year actual expenditures (in dollars) in the past, and projected expenditures for the current fiscal year as compared to the budgeted expenditure for the coming year. These charts give the reader a longer historical perspective on expenditures in a given department.

General Fund Overview

The General Fund, as noted earlier, is the Fund that accounts for all governmental revenues and expenditures not associated with our Enterprises or other special funds.

What follows is a detailed description of the Capital Improvement Plan, expenditures, and revenues associated with the General Fund. Our budget process focuses attention on all these areas beginning with an analysis of planned expenditures to meet the needs of the community. Once expenditures are justified, projected revenues are examined in order to determine if they will be sufficient to fund the budgeted expenditures.

If projected revenues will not fund budgeted expenditures, the Town Council reviews expenditures in order to determine what, if any, projects and services can be eliminated. Once this process is complete, the Council may elect to use a portion of the unassigned Fund Balance or choose to increase revenue through a change in the Ad Valorem tax rate.

We are fortunate, this year, to be able to fund necessary maintenance and purchases without the need to increase the tax rate, but will need to use \$97,322 of our reserve funds to accomplish the work described in the sections that follow.

General Fund Capital Improvement Plan

The purpose of the Capital Improvement Plan (CIP) is to forecast and match projected revenues and major capital needs over a five-year period. Capital planning is an important management tool that strengthens the linkage between community infrastructure needs and the financial capacity of the Town.

The River Bend General Fund CIP achieves five major objectives as a component of the Town's budget and financial planning process:

1. Helps the Town rationally and intelligently plan for the repair, replacement, and acquisition of capital items that are necessary in providing high quality services to the citizens of River Bend.
2. Assists in fiscal planning by forecasting capital demands together with future revenues and expenditures.
3. Ensures better coordination, evaluation, and planning of projects to serve the community and its needs.
4. Serves, together with the annual budget and other financial plans, as a guide to decision-making for the Town Council, Town Manager, and staff.
5. Serves as a systematic and comprehensive analysis of capital needs, increasing the probability of making rational budgetary judgments since improvements are identified, prioritized, and matched to the projected fiscal resources of the Town.

Generally defined, capital expenditures are those of major value that recur irregularly, result in the acquisition (or significant modification) of a fixed asset, and have a useful life greater than one year.

The CIP is updated annually as part of the Town’s regular budget process. Projects are reviewed and evaluated based on the Mayor’s and Council’s priorities, other Town infrastructure needs, the financial capacity of the Town and the impact the projects will create on the Town’s operating budget.

Once the projects are evaluated, a recommended CIP is developed that identifies the selection and timing of capital projects into future fiscal years. First-year projects are incorporated into the recommended annual operating budget. The Mayor and Council are also presented the future planning years for their consideration, review, and endorsement so staff can proceed with planning and evaluation of potential capital projects.

The Capital Improvement Plan is simply that – a *plan*. As such, projects are subject to change based on new or shifting service needs, special financing opportunities, emergency needs, or other directives or priorities established by the Mayor and Council. Because priorities can change, projects included in outward planning years are not guaranteed for funding.

The projects funded by expenditures from the Capital Improvement Plan are detailed later in this report within the description of the operational department in which the expenditure is made.

Stormwater Improvements	65,500
Information Technology	6,345
Canal Maintenance	4,500
Total	76,345

The graphic to the left provides a summary of the CIP projects for Fiscal Year 2014-15. As noted above, these projects were reviewed in light of their impact upon the operating budget. Due to adequate planning for such capital

projects, there is no adverse effect upon the operating budget due to their inclusion in the budget.

The tables on the next two pages shows both funding and expenditure from the General Fund Capital Improvement Plan. The General Fund Capital Reserve Fund accounts for this financial activity.

General Fund Capital Improvement Plan - Funding

Adopted Capital Funding	FY Funding Began	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	TOTALS
<i>Public Bld. & Grounds:</i>											
Wildwood Facility Replacement	10-11	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	498,000
<i>Public Works:</i>											
Stormwater Improvements [1]	05-06	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	450,000
<i>Environmental - Waterways</i>											
Canal Maintenance (Dredging)	03-04	3,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	71,500
Front Pond/Ritter Field Silt Clean-ou	05-06										3,000
<i>Information Technology</i>											
Hardware replacement	10-11	6,000	6,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	36,000
<i>Vehicles (ref. veh repl schedule):</i>											
Public Works and Police	04-05	15,000	15,000	16,000	16,000	16,000	16,000	17,000	17,000	17,000	229,000
TOTAL		106,500	108,000	105,000	105,000	105,000	105,000	106,000	106,000	106,000	1,342,500

General Fund Capital Improvement Plan - Spending

CAPITAL RESERVE FUND	Beg. Bal.	244,101	331,227	417,183	333,900	362,555	409,040	467,340	513,840	588,604	1,342,500	
Adopted Capital Spending			2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	TOTALS
<i>Public Bld. & Grounds:</i>												
Wildwood Replacement					90,340							141,740
<i>Public Works:</i>												
Stormwater Improvements			15,000	15,000	45,800	65,500	30,000	30,000	30,000	30,000	30,000	429,900
<i>Environmental - Waterways</i>												
Canal Maintenance & Dredging			4,500			4,500			4,500			18,000
Front Pond/Ritter Field Clean-out												3,000
<i>Information Technology:</i>												
Hardware replacement			1,500	4,212	3,154	6,345	4,515	700	0	1,236	4,500	33,062
<i>Vehicles (ref. veh repl schedule):</i>												
Public Works					26,266			17,000				43,266
Police					22,723		24,000		25,000		26,000	164,990
TOTAL			21,000	19,212	188,283	76,345	58,515	47,700	59,500	31,236	60,500	955,663
CAPITAL RESERVE FUND	Interest Earned:		126	168								38,952
	Ending Balance:		223,227	312,183	228,900	257,555	304,040	361,340	407,840	482,604	528,104	425,789
			2011-2012	2012-2013	2013-2014	2014-2015	2014-2015	2015-2016	2017-2018	2018-2019	2019-2020	Ending Bal.

General Fund Expenditures

Introduction

The General Fund is broken down into eighteen departments based upon the functions and services the Town of River Bend provides. What follows is a cursory description of each department and an overview of the budget for each.

Included on the first page of each department's narrative is an indication that directs the reader to the Mayor-Council Priorities for the budget year as shown on Page 6 of this document. For instance, if a department's budget contains funding for a particular project, purchase, or expenditure that is related to financial management, the heading would show that there are expenditures related to Mayor-Council priority number 8. These indications show how the function of each department is directly related to the priorities the Council establishes each year.

Major expenditures and projects are discussed in some detail to provide the reader with a thorough understanding of the rationale supporting these expenditures. Minor or routine expenditures are not described in detail in this document. Also, there is a box containing some highlights from the prior fiscal year to provide the reader with an understanding of some of the work performed within the department that year.

Governing Body

Council Priority(ies): 1, 6, 9, 10

The Governing Body, by State statute, is the entity having primary responsibility to establish the general framework under which the government can meet the needs of the community by creating policies and instituting law. As elected officials within the framework of the Council/Manager form of town government, members of the Town Council make decisions and set policies to ensure the safety, health, attractiveness, and social well-being of the community.

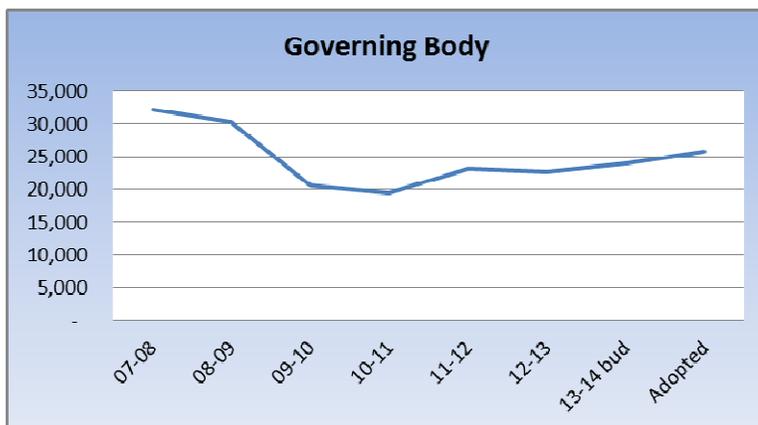
Primary Functions:

- Establish annual goals for the organization.
- Review, reinforce, or alter public policies and long-range planning governing municipal operations and functions.
- Establish priorities and funding limits through adoption of an annual budget.
- Grant or deny requests for conditional use permits.
- Respond to and communicate with citizens regarding their concerns, perspectives, and initiatives.
- Supervise work and responsibilities of Town Manager and Town Attorney.
- Make appointments to and serve on committees and task forces.
- Participate in county and region-wide planning.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Mayor participated in the NCLM Annual Conference in Hickory
- Mayor and all five Council members participated in the Essentials of Municipal Government Course presented by the UNC School of Government
- Continued participation in the Eastern Carolina Council of Governments
- Continued participation in the Highway 17 Association
- Began involvement in the New Bern Metropolitan Planning Organization
- Made a contribution to Allies for Cherry Point's Tomorrow as a show of support for their lobbying efforts on behalf of MCAS Cherry Point and Fleet Readiness Center East.

This department accounts for expenditures related to the Mayor and Town Council. Each member of the Town Council is paid \$200 per month, and the Mayor \$300, for their attendance at meetings and the countless hours, local mileage, phone calls, and other expenditures each devotes to their tasks.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Line 170 reflects the budgeted expenses for the Mayor and two Council members to attend the North Carolina League of Municipalities annual conference in Greensboro. It also includes funding, as has been our practice, for travel to other meetings and educational seminars.

Lines 491 and 499 are important reflections of the Town's interest in staying involved in our League of Municipalities, School of Government, and active in the association lobbying for the widening of U.S. Highway 17 south of River Bend. The Town Council approved, in FY 2013, participating in a newly formed Metropolitan Planning Organization focused on transportation issues in and around the greater New Bern area. These relate to Council priorities and position the Town as being proactive and a cooperating regional partner.

Governing Body		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
4110								
121	Wages & Salaries	15,600	15,600	15,600	15,600	15,600	15,600	15,600
170	Board Member Expenditures	9,100	7,309	5,000	5,152	5,080	5,080	4,500
181	FICA	1,193	1,193	1,194	1,193	1,193	1,193	1,193
186	Workers' Compensation Ins.	110	96	110	86	110	110	110
171	Mayor's Representation	2,000	1,790	2,000	1,627	2,000	2,000	2,000
481	Indirect Cost- Labor	-8,444	-8,440	-8,451	-8,450	-8,451	-8,451	-8,451
491	Dues & Subscriptions	4,006	4,122	4,082	4,302	6,856	6,856	7,492
499	Misc- Contributions	1,500	1,500	3,200	3,200	1,500	1,500	3,200
	Printing							
	TOTAL	25,065	23,170	22,735	22,710	23,889	23,889	25,645
170	NCLM Conference in Greensboro	1,500	3 participants at \$500					
		1,500	Lodging for 3 at \$500					
	Other Travel and Subsistence	1,500						
		4,500						
491	Eastern Carolina Council		380	(Total of \$1,140 - based upon population, paid 1/3 by each Fund)				
	Metropolitan Planning Organization		2,501					
	Governing		20					
	NB Area Chamber of Commerce		230					
	NC Coastal Federation		50					
	NC League of Municipalities		3,951	Based upon population				
	UNC School of Government		360					
			7,492					
499	Appropriation to Highway 17 Association		1,500					
	Appropriation to Allies for Cherry Point		1,700					
			3,200					

Administration

Council Priority(ies): 1, 7, 8, 9, 10

The Administration Department is comprised of the Town Manager, Town Clerk, and Deputy Town Clerk.

Town Manager

Primary duties include enforcement of adopted Town policies and procedures, providing staff support to the Town Council, management of daily Town operations, and annual budget preparation and presentation. The Town Manager serves as primary advisor to, and implements the policies of, the Mayor and Town Council. The Town Manager communicates policies to residents and staff, and effectively organizes and manages Town staff and resources to respond to community needs.

Primary Functions:

- Provide general guidance and support to Town departments in achieving Town-wide goals and objectives.
- Enforce adopted Town policies and procedures.
- Enforce adopted Town Ordinances.
- Prepare, present, and administer the annual budget.
- Seek capital improvement strategies to meet the needs of the Town.
- Study, develop, and implement policy and program recommendations at the direction of the Town Council.
- Provide support for the Town Council.
- Serve as the Town's Personnel Officer.
- Conduct and facilitate public communication with the Mayor and Town Council, residents, employees, and other users of Town services.
- Manage the Wildwood Storage facility.

Town Clerk

The Town Clerk prepares Town Council meeting agendas and minutes and makes them available to citizens and Town staff, maintains official Town documents, and prepares and makes available updates to the Town Code and provides support for the Mayor and Town Council.

Primary Functions:

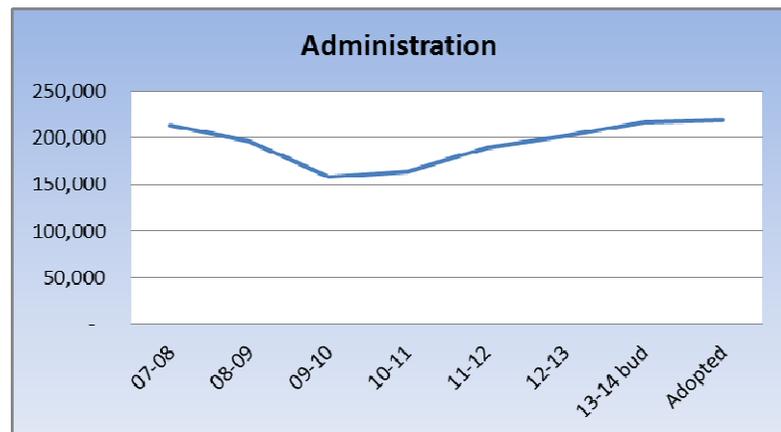
- Prepare minutes and agendas of Town Council meetings and makes these documents available electronically through the Town's website.
- Maintain Town records in accordance with applicable laws and internal policies.
- Serve as a point of contact for resident and visitor inquiries.
- Maintain information regarding Town services and officials for distribution to the public.

- Maintain updated Town Code.
- Prepare and distribute the monthly Calendar of Meetings.
- Prepare monthly meeting agenda items for review by the Town Manager and Mayor.
- Maintain a roster of advisory boards and commissions and facilitate the application and appointment process.
- Research Town records upon request.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Town Manager participated in the NCLM Annual Conference in Hickory
- Conducted the fourth annual “Shred Event” where a paper shredding contractor comes to Town for a day to allow residents to shred unneeded documents and to allow the Town to dispose of records in accordance with NC Department of Cultural Resources regulations for the maintenance and disposal of such records
- Received the fourth consecutive “Tree City USA” award

The department of Administration is staffed by the Town Manager, Town Clerk, and Deputy Town Clerk. Besides wages and benefits for these three employees, this department also funds the annual maintenance agreement on the photocopier (line 430), and other supplies and materials. Line 498 is a pass through of State funds in



support of Public Access Television. We receive these funds and pay them to Channel 10, the local public access channel. In exchange for this pass through, we are not charged a fee to record and broadcast our meetings.

This is the department from where the General Fund portion of our property and liability insurance is paid (line 450). The Enterprise Funds also pay an allocated share of these expenditures based upon the exposure they create. We currently have our insurance placed through a local broker, but continue to look for ways to reduce this expenditure through other sources.

We anticipate no change in staffing levels or hours for this department in FY 2015. The Manager and Town Clerk are 40-hour-per-week positions and the Deputy Clerk is a 30-hour-per-week position.

Training (line 395) and Travel (line 390) cover expenses for the manager to attend the NCLM annual conference and the Essentials of Government Course with the Mayor and Council.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Administration	11-12		12-13		13-14		14-15		
	YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget		
4120									
121	Wages & Salaries	125,893	129,170	130,330	133,967	133,608	134,065	138,993	
122	Overtime	0		0		0	0	0	
134	401(k) Retirement	6,295	6,459	6,517	6,698	6,680	6,703	6,950	
181	FICA	9,631	10,009	9,971	10,375	10,221	10,256	10,633	
182	Loc Govt Emp Retirement	8,661	8,887	8,784	9,029	9,446	9,478	9,966	
183	Group Insurance	25,266	25,183	28,985	27,880	32,141	26,146	28,324	
185	Unemployment Comp.	0	0	0	0	0	640	0	
186	Workers' Compensation Ins.	1,606	1,631	1,654	1,460	1,696	1,165	1,764	
189	Automobile Allowance	3,300	3,300	3,300	3,300	3,600	3,600	3,600	
310	Travel & Subsistence	1,600	951	1,000	620	1,000	750	1,500	
395	Training	3,000	1,131	1,300	793	1,500	1,300	1,500	
380	Data Processing Services	0		0		0	0	0	
393	Temporary Help Services	0		0		0	0	0	
399	Contracted services	400	412	500	474	500	854	1,250	
498	PEG Channel Support	34,320	24,457	34,320	31,836	32,000	32,000	32,000	
260	Office Supplies	6,000	4,830	7,500	6,099	5,000	3,000	5,000	
320	Telephone & Postage	2,500	1,858	1,800	1,917	1,850	1,850	1,850	
370	Advertising	500	231	500	0	500	471	500	
391	Legal Advertising	2,500	1,565	2,500	804	2,000	2,000	2,000	
340	Printing	500	0	500	120	500	500	500	
352	Maint & Repair- Equip	0	0	0	0	0	0	0	
430	Equipment Rental	6,600	6,523	6,600	6,353	6,600	6,600	6,600	
450	Property and Liability Insurance	14,000	11,248	13,809	11,190	15,590	14,257	15,406	
491	Dues & Subscriptions	350	234	350	234	235	235	235	
481	Indirect Cost- Labor	-48,752	-48,752	-51,069	-51,068	-48,147	-48,147	-49,099	
499	Miscellaneous	500	497	500	288	500	500	500	
	TOTAL	204,671	189,823	209,651	202,369	217,020	208,224	219,971	
310	Travel and Subsistence	500	NCLM Conference						
		1,000	Other						
	TOTAL	1,500							
395	NCLM Conference in Greensboro	500							
	Other	1,000							
	TOTAL	1,500							
399	Shred Event	750							
	GetResponse e-mail service	500							
	TOTAL	1,250							
498	Recording Council meetings - no longer any net charge associated with this. This expense is offset by revenue from the State								
430	Copier Lease and maintenance (\$5,700), Postage Meter Lease (\$800), Property Tax (\$91)								
450	Property and Liability Insurance		Gen	Water	Sewer	Total Property & Liability			
			\$13,906	\$9,197	\$11,859	\$34,962			
			deductibles: \$500 auto, \$1000 property						
491	Clerks Association	50							
	Sun Journal	170							
	Arbor Day Foundation	15							
	TOTAL	235							

Finance

Council Priority(ies): 8, 10

The Finance Department is comprised of a Finance Administrator, who supervises the Department's activities, and a Finance Assistant. This Department administers the financial affairs of the Town under the supervision of the Town Manager and the Finance Officer who is a member of the Town Council.

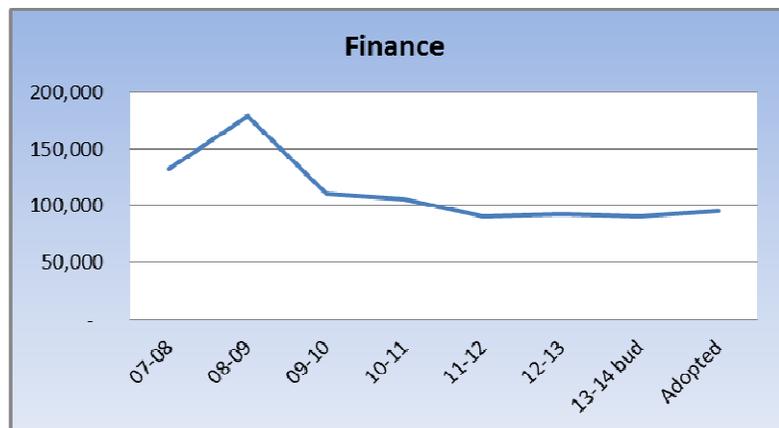
Primary Functions:

- Maintain accounting and financial records.
- Invest all Town funds.
- Bill and collect utility payments and other accounts receivable.
- Maintain an encumbrance system for purchasing and processing accounts payable.
- Maintain the Town's insurance programs.
- Maintain payroll system.
- Work with our contracted independent auditor, prepare the Comprehensive Annual Financial Report (CAFR).

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Received the Town's third Excellence in Financial Reporting Award from GFOA
- Received our fourth consecutive Distinguished Budget Presentation Award from GFOA

The Finance Department funds the salary and benefits of the Finance Administrator who has overall responsibility for all the financial operations of the Town. The Finance Assistant is paid by the Enterprise Funds, with a portion of the time allocated back to the General Fund. The statutorily required Finance Officer position is filled by a member of the Town Council. We anticipate no change in staffing levels for this department in FY 2015.



The Finance Department funds our required annual audit and the expenditures related to the banking services the Town uses. The budget for this department also contains expenditures related to the maintenance of our IT system and software. It is this department that also contains the cost of allocated finance labor paid to the Water and Sewer Enterprises (line 482).

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

The large increase in the trend shown in the graph is due to the financing of the purchase of the Information Technology system in FY 2007-08. This three-year installment purchase loan was paid in full in FY 2011.

		11-12		12-13		13-14		14-15
Finance		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
4130								
121	Wages & Salaries	56,284	57,410	58,268	59,534	59,733	60,928	62,140
134	401(k) Retirement	2,814	2,871	2,913	2,977	2,987	3,048	3,107
181	FICA	4,306	4,348	4,457	4,512	4,570	4,647	4,754
182	Loc Govt Emp Retirement	3,872	3,950	3,927	4,013	4,223	4,308	4,455
183	Group Insurance	8,495	8,491	9,737	10,051	10,770	8,509	9,531
185	Unemployment Comp.	0	0	0	0	0	214	0
186	Workers' Compensation Ins.	177	181	210	164	215	174	224
310	Travel & Subsistence	1,000	1,014	1,000	499	1,000	950	500
395	Training	1,250	1,120	1,250	749	1,250	925	500
191	Professional Svcs- Auditing	4,500	4,167	4,400	4,333	4,500	4,500	4,500
382	Banking Services	1,200	791	1,200	856	1,100	876	1,100
393	Temporary Help Services	0		0		0	0	0
441	Springbrook Service & Maint.	4,695	4,680	4,883	4,868	5,062	5,062	5,265
482	Indirect Labor Cost	10,947	10,947	11,514	11,514	20,989	20,989	21,253
481	Labor Allocation	-22,785	-22,784	-23,854	-23,854	-41,249	-41,249	-42,106
299	Supplies & Materials	500	238	500	68	500	500	3,500
381	Other IT Services	500	507	500	432	600	600	600
440	VC3 IT Service & Maint.	12,360	11,813	13,673	11,068	12,623	12,623	14,051
491	Dues & Subscriptions	240	225	240	225	225	225	250
499	Miscellaneous	1,000	555	1,000	236	1,000	1,000	1,000
520	Capital Outlay- Equip	0	0	0	0	0	0	0
760	Install. Purchase - Principal	0	0	0	0	0	0	0
770	Install. Purchase - Interest	0	0	0	0	0	0	0
	TOTAL	91,356	90,523	95,818	92,244	90,097	88,829	94,625
191	Auditing Services (\$13,500 total allocated equally to general/water/sewer funds, \$4,500 each)							
382	Banking Services: Estimated \$350 per month. Allocated between water/sewer/general fund							
441	Springbrook software maintenance (Total = \$13,162). [40% general fund, 30% water, 30% sewer]							
482	General Fund pays 35% of Fin. Asst. W/S is charged 50% of Finance Admin							
381	Computer Services: Internet, web site, etc.							
440	VC3 Hosted Desktop Contract: \$31,947 + \$3,180 support = \$35,127 [40% general fund, 30% water, 30% sewer]							
299	Includes \$2,945 for Switch for computer network							
499	Miscellaneous, includes submittal fees for GFOA Budget (\$185) and CAFR (\$370) awards							
491	GFOA	160						
	NCGFOA	50						
	Springbrook Nat. User Group	40						
		<u>250</u>						

Tax Listing

Council Priority(ies): 8

The Tax Listing Department has no personnel assigned; the functions of this department are carried out by the Craven County Tax Office which, by contract, bills and collects ad valorem tax revenue and liens on behalf of the Town.

Primary Functions

- Maintain tax assessment records.
- Bill and collect real property, personal property, tax liens, and motor vehicle taxes.
- Remit collections, less contractual fees, to the Town.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Under contract with Craven County, collected 99.4% of real property tax and 94.1% of motor vehicle taxes.

We pay the County a 1% fee to collect real and personal property taxes and a yet to be determined fee to collect motor vehicle taxes. Due to a recent change in the procedure to collect motor vehicle taxes, the Town and the County will renegotiate an interlocal agreement during FY2015. The budget is based upon a collection fee of 1.5%, which is the amount charged under the existing agreement.



		11-12		12-13		13-14		14-15
Tax collection		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
4140								
392	RE & Pers Prop Collection Fee	8,239	8,115	8,152	8,061	8,159	8,204	8,147
394	Motor Veh Collection Fee	1,420	1,334	1,408	1,481	1,364	1,364	1,316
	TOTAL	9,659	9,449	9,560	9,542	9,523	9,568	9,463

This table below shows the total tax base, and the revised tax base upon which we base our revenue budget (as required by State law). This information is what feeds the expenditures shown in the worksheet.

Per the TR2-2013 report:		tax base	tax rate	total levy	collection rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		304,616,367	0.265	807,233	99.38%	802,229	1.0%
Motor vehicles		25,816,641	0.265	68,414	94.13%	64,398	1.5%
	TOTAL	330,433,008					

Legal Services

Council Priority(ies): 10

The Legal Services Department has no personnel assigned. The functions of this department are carried out by the law firm of Sumrell, Sugg, Carmichael, Hicks, and Hart, P.A. of New Bern. The Council appoints a firm annually to handle the legal affairs of the Town.

Primary Functions:

- Advise the Mayor, Town Council, Board of Adjustment, and Town Manager on legal matters associated with Town functions.
- Review, as requested, proposed ordinance changes.
- Take legal action on behalf of the Town to enforce ordinances, policies, and procedures.
- Defend the Town against legal actions filed against it or any officer of the Town acting on its behalf.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Provided legal counsel and direction as we pursued enforcement of Town ordinances related to a nuisance property and failure to comply with animal control regulations.

The Town contracts with the law firm of Sumrell, Sugg, Carmichael, Hicks, & Hart, P.A. to provide legal services. This firm specializes in municipal law and is an outstanding resource for the Town. The budgeted amount, as the reader will notice, is divided into four general categories, all with the same "line number." Our chart of accounts does not distinguish



between routine legal fees and those we incur due to lawsuits or other actions filed against the Town. We use this detail to help illustrate the breakdown of these expenditures. Expenditures in this department are driven largely by need. Aside from the routine legal matters mentioned above, if the Town either initiates or needs to defend an action, our legal costs will increase. This is borne out by the pattern of expenditures revealed in the graph shown above. The firm's rates will increase, beginning July 1, 2014, to \$225 per hour for partners and \$200 per hour for associates.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

		11-12		12-13		13-14		14-15
Legal Services		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
4150								
192	Professional Services - General	30,000	11,781	15,500	13,397	24,000	20,000	24,000
192	Prof Svcs. - FEMA Floodplain							
192	Prof Svcs - Lawsuits	8,500	350			6,000		6,000
192	Prof Svcs. - Personnel Policy review	8,500	6,104					
	TOTAL	47,000	18,235	15,500	13,397	30,000	20,000	30,000

Elections

Council Priority(ies): 10

The Elections Department has no personnel assigned. The functions of this department are carried out by the Craven County Board of Elections.

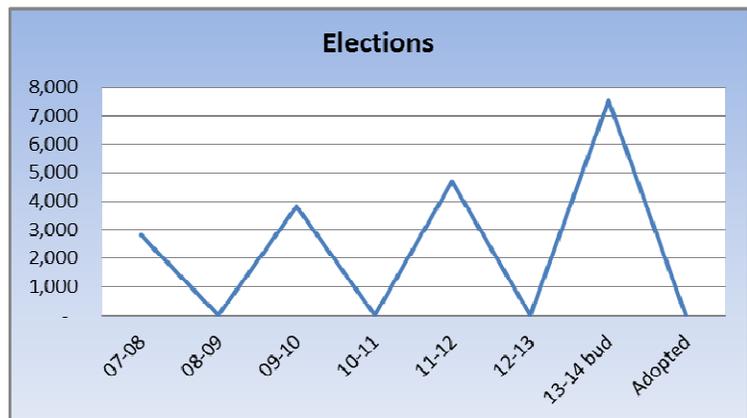
Primary Functions:

- Maintain a list of registered voters.
- Conduct local, state, and federal elections and report their results in accordance with applicable regulations.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- An election was held to fill three seats on the Town Council.

The Craven County Board of Elections maintains the voter list and conducts our municipal elections. The amount of actual expenditure is based upon a number of factors including ballot prices, and anticipated turnout, and are charged based upon a contractual agreement between the Town and the County's Board of Elections.



In Fiscal Year 2015 there will be no local election. The next election, in FY 2016, will be for Mayor and two seats on the Town Council.

Elections	11-12		12-13		13-14		14-15
	YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
4170							
200 Supplies and Materials							
399 Contracted services	5,700	4,693	0	0	7,556	4,928	0
TOTAL	5,700	4,693	0	0	7,556	4,928	0

Public Buildings

Council Priority(ies): 1, 9

The Public Buildings Department contains personnel related expenses for our part-time custodian. This department is responsible for the maintenance of Town buildings and grounds. The major portion of grounds maintenance, mowing and landscaping, is accomplished through the use of a contract with a private contractor.

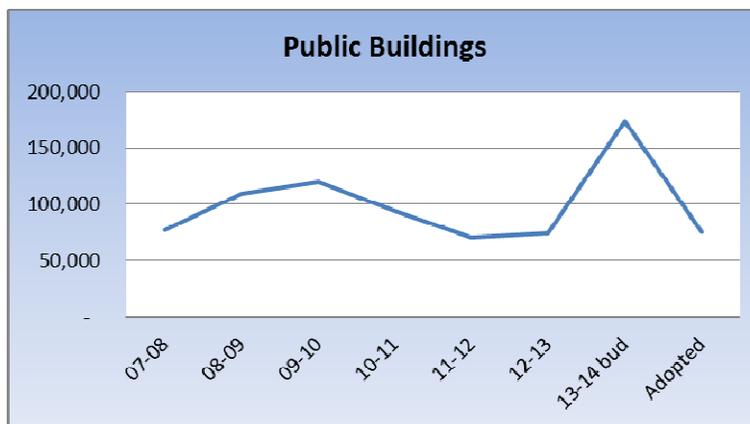
Primary Functions:

- Maintain Town facilities in an attractive, functional, and safe condition.
- Monitor buildings and grounds for needed repairs and effect those repairs in a timely manner.
- Advise the Town Manager regarding needs for significant repairs or improvements to facilities.
- Supervise the lawn and landscape maintenance contracts.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Executed new two-year lawn and landscape maintenance contracts
- Completed the design and permitting phase for the construction of a new Town Hall / Police building and the renovation of the existing Town Hall and police/public works building

In the Public Buildings Department are budgeted expenditures related to the maintenance and operation of the Town's public facilities. These include the Town Hall, Police and Public Works building, Wildwood facility (home of the Red Caboose Library), and our storage buildings. This department also budgets for the mowing and



landscaping contracts. These two-year contracts expire in February of 2016, after being executed in FY 2014. In order to manage competition for this type of work, the Town also submitted bids for each contract. We will continue to monitor the costs/benefits/challenges of performing this work in house to determine the most economically and operationally feasible approach.

We anticipate no change in staffing levels or hours for this department in Fiscal Year 2015. In Fiscal Year 2015, we plan to continue our efforts to be good custodians of our public facilities by making a few needed repairs but anticipate no major projects.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Public Buildings	11-12		12-13		13-14		14-15
	YR End Budget	Actual Budget	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
4190							
121 Wages & Salaries	12,665	11,720	13,108	12,234	13,305	13,305	13,436
181 FICA	969	896	1,002	936	1,018	1,018	1,028
185 Unemployment Comp.	0	0	0	0	0	133	0
186 Workers' Compensation Ins.	477	485	564	486	572	423	578
195 Wildwood Property Mgmt Fees	0	0	0		0	0	0
354 Grounds & Landscp Contracts	18,400	19,493	25,500	25,280	26,796	26,796	25,280
355 Wildwood Storage Facility Maint.	3,000	3,004	3,000	2,493	3,000	3,000	3,000
399 Contracted Services	9,696	10,773	3,614	3,943	113,954	93,954	5,514
211 Janitorial Supplies	2,000	1,427	2,000	1,863	2,000	2,000	2,000
299 Supplies & Materials	2,500	2,844	9,600	10,213	2,000	2,000	2,000
330 Utilities	9,900	7,178	9,100	7,434	9,000	9,000	9,000
351 Maint & Repair Bldg & Grnds	7,800	9,356	7,800	8,737	1,500	1,500	1,500
352 Maint & Repairs- Equipment	500	600	500	139	500	500	500
550 Capital Outlay- Equipment	0	0	0	0	0	0	0
580 Capital Outlay- Grounds/Bldg	3,200	2,616	0	0	0	0	11,000
760 Install. Purchase - Principal	0	0	0	0	0	0	0
770 Install. Purchase - Interest	0	0	0	0	0	0	0
TOTAL	71,107	70,392	75,788	73,759	173,645	153,628	74,836
399 Pest control (consolidated service for all buildings)			3,560	Pest = 560, Termite = 3,000 (1,100 recurring)			
Preventative Maintenance Agreement for HVAC			700				
Alarm System Line, Monitoring, and Testing			1,254				
			5,514				
299 Other Supplies & Materials		2,000					
		2,000					
354 Lawn & Landscape Contracts	FY 2015	Lawn Base	Water 1	Total GF			
	July	2,525	253	Lawn	Landscape		
Current Contracts	Aug	2,525	253	2,273	3,550		
Expire Feb. 28, 2016	Sept	2,525	253	2,273	0		
	Oct	2,525	253	2,273	0		
	Nov	2,525	253	2,273	0		
	Dec	0	0	0	0		
	Jan	0	0	0	0		
	Feb	0	0	0	0		
	Mar	0	0	0	3,550		
	Apr	2,525	253	2,273	0		
	May	2,525	253	2,273	0		
	June	2,525	253	2,273	0		
	TOTAL	20,200	2,020	18,180	7,100		
<i>1 Water pays 10% of the water base contract</i>							
330	Based upon historical costs/demand, and contemplates a 2% fuel factor increase in December						
	Includes water service paid to the Water Fund.						
	Based upon trends, the Red Caboose Library accounts for approximately \$550 of this budget line.						
351	PRN Maintenance and Repair	1,500					
		1,500					
580	Storage Expansion	11,000					

Police

Council Priority(ies): 1, 4, 7

The Police Department maintains public safety and contributes to improving the quality of life through the enforcement of criminal and traffic laws, and local ordinances. The Police Department is staffed by a Chief, one Sergeant, four full-time Patrol Officers, one part-time Patrol Officer and four unpaid Reserve Police Officers. Police Department personnel utilize and maximize all available resources, technological advances, and educational opportunities in an effort to provide professional police services.

Primary Functions:

- Provide 24-hour proactive service and emergency response.
- Effectively answer and initiate calls for service.
- Conduct criminal investigations and initiate arrests.
- Provide necessary traffic control and enforcement; investigate traffic accidents;
- Provide basic business/residential security checks.
- Partner with the community through Community Watch to enhance proactive crime prevention.
- Partner with River Bend Community Emergency Response Team to effectively respond in times of disaster.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Refer to Appendix A for statistical information related to service levels
- Purchased a new patrol vehicle
- Made lighting and mobile computing improvements in the three other cars
- Hired an experienced officer/investigator to fill a newly created full-time position
- Purchased and installed an additional evidence locker to properly secure evidence

Our Police Department provides service twenty-four hours a day, seven days a week with a staffing profile, much lower than that of other localities offering similar service, this is enabled by a traditionally safe community, and the fact that we have a “working Chief.” The Chief in many localities does not work a patrol shift as ours routinely does. Good scheduling and a flexible workforce give us the advantage of a small force that provides outstanding service.



Expenditures for the Police Department include salaries and benefits for six full-time and one part-time officer, and a limited number of reserve officers, expenditures associated

with dispatching, vehicle maintenance, uniforms, fuel, equipment, and Community Watch. Contracted Services (line 399) contains charges related to our Criminal Records System. In order to improve operational efficiency, we are transferring our records management from the City of New Bern to Craven County. This system allows our officers to produce reports to be submitted to the State for inclusion in state and federal crime statistics. To do this we will need to incur a one time charge of \$3,300 to purchase software licenses and \$768 for annual maintenance. The maintenance charge is the only recurring software cost. Craven County will charge us \$1,000 for Fiscal Year 2015 and \$1,200 per year thereafter to manage our records. So, in subsequent years our total cost will be \$1,968, which is less than we had been paying New Bern for similar service.

The Community Policing line (231) reflects the Town's commitment to continue to support the efforts of the Community Watch program. The Supplies and Materials line (299) includes funding to purchase two additional mobile computers and mounts. The computers are funded through our Capital Improvement Plan. We also plan to make some changes to emergency lighting on the vehicles to enhance officer safety and replace graphics on the car that will be kept in our fleet for several more years. The purchase of a portable radio is also included in this line in an effort to keep our equipment up-to-date and functioning properly.

Maintenance and repairs includes tires, oil changes, and as needed repairs. By having a four-car fleet we are able to spread the miles driven over a larger number of cars. Because tires and oil changes are mostly determined by mileage, having a fourth car does not add to the cost of routine maintenance.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Police		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
4310								
121	Wages & Salaries	265,422	268,503	271,361	268,672	273,147	291,409	286,502
122	Overtime	0	117	6,000	5,879	0	4,560	0
131	Separation Allowance	4,700	4,700	20,540	20,540	20,540	20,540	27,937
133	401(k) Retirement - LEO	12,202	12,752	13,304	13,055	12,858	13,999	13,506
181	FICA	19,839	20,941	21,801	22,517	22,467	22,642	24,055
182	Loc Govt Emp Retirement	17,180	17,974	17,920	17,676	18,722	20,383	20,665
183	Group Insurance	42,282	42,491	48,401	45,802	62,469	49,745	56,648
185	Unemployment Comp.	0	0	0	0	0	5,881	0
186	Workers' Compensation Ins.	8,402	8,634	9,300	7,296	10,643	8,709	10,601
189	Uniform Maintenance	2,640	2,760	2,640	2,540	3,120	3,120	3,120
310	Travel & Subsistence	1,500	750	3,200	341	2,000	2,000	1,100
395	Training	1,200	100	0	300	0	0	0
399	Contracted Services	21,075	20,946	4,700	4,413	6,000	5,000	6,500
212	Uniforms	3,500	3,313	6,000	5,339	3,225	3,225	2,300
231	Community Policing	1,000	400	1,500	1,379	450	450	1,000
251	Motor Fuel	12,947	10,423	14,375	14,415	18,682	16,331	21,074
299	Supplies & Materials	6,555	7,089	11,829	11,707	10,865	14,181	8,307
320	Telephone & Postage	2,500	1,895	2,500	2,350	4,615	3,461	5,175
340	Printing	0	0	0	0	0	0	0
352	Maint & Repairs- Equip	9,000	348	9,000	7,326	2,000	2,000	2,000
353	Maint & Repairs- Auto	3,000	3,398	6,500	7,279	5,000	8,000	7,975
481	Indirect Cost- Labor	-3,592	-3,592	-3,550	-3,550	-3,917	-3,917	-4,098
491	Dues & Subscriptions	700	250	700	250	700	700	700
540	Capital Outlay- Motor Vehicles	0	0	0	0	28,208	30,223	
760	Installment Purch Principal	0	0	0	0	0	0	0
770	Installment Purch Interest	0	0	0	0	0	0	0
9800								
988	Transfer to LESA Trust Fund	38,000	38,000	39,000	39,000	10,000	17,000	10,000
	TOTAL	470,051	462,191	468,021	494,525	511,794	539,642	505,066
310	Travel and Subsistence							
	Per Training Plan	600						
	Other Travel	500						
		1,100						
399	Records Management Software		4,608		Recurring 768			
	Records Management - County Charge		1,000					
	DCI		732					
	LESA Actuarial Valuation		160					
			6,500					
212	Uniforms							
	Replacement/Additional Uniforms		1,500					
	Replacement Holsters		300					
	Miscellaneous		500					
			2,300					
231	Community Watch - Supplies, i.e. shirts, vests, signs, bike poles/flags, banner, etc. (\$727), Misc. (\$273)							
251	Fuel - \$4.25 per gallon estimate - \$0.59 per gallon tax = \$3.66 per gallon cost							
299	2 mobile data terminals at \$1,100 each (CIP Funded)					2,200		
	Computer Mounts (two with chargers)					580		
	Lights for Pistols					560		
	Replacement pistol					560		
	Ammunition					1,800		
	Portable Radio					525		
	Lighting and graphics for patrol cars					2,082		
						8,307		
353	Maintenance and Repair - Auto							
	Tires (6 for each patrol car, 4 for Chief's car)					3,025		
	Alignment					280		
	Oil Changes					1,170		
	Other Maintenance and Repair					3,500		
						7,975		

Emergency Services

Council Priority(ies): 1, 4

The Emergency Services Department has no personnel assigned. The functions of this department are carried out by the Town Manager and the River Bend Community Emergency Response Team (CERT) under the supervision of the River Bend Police Department.

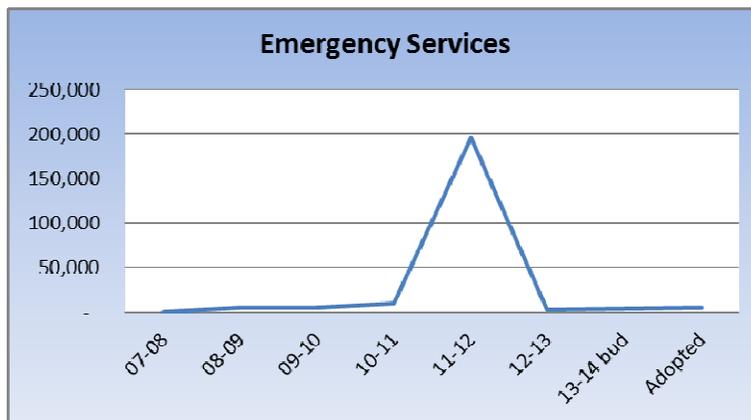
Primary Functions

- Develop and maintain appropriate plans and contracts for emergency response and disaster mitigation.
- Maintain a “Reverse 911” system for emergency notification of residents.
- Provide funding and support for the River Bend CERT.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- The Community Emergency Response Team (CERT) held its fourth annual Severe Storm Awareness Fair. It was well attended and well received.
- CERT continues to train for a variety of emergency scenarios and maintains a readiness to respond as needed.

The Emergency Services Department contains the budget for two important services. One is our “Reverse 911” system. We contract with BlackBoard Connect for this service that allows the Town to contact all our residents with information about storm events, or other more routine communication.



This department also, since moving it from the police budget after FY 07-08, contains the budget for River Bend’s Community Emergency Response Team (CERT). This group of volunteers is trained to assist in the event of a disaster. The budget amount for CERT is to enhance their training and for other supplies and materials to enhance their ability to respond and assist. Also budgeted is a small amount for insurance for these volunteers. This disability coverage pays \$200 per week for 52 weeks beginning the first day of disability. The annual premium is approximately \$20 per member.

Also included in this department is \$500 to retain the services of our leaf and limb contractor for post disaster clean-up. This retainer requires him to stage his equipment in River Bend in advance of a storm so we are ready to begin clean-up as soon as the storm

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

passes. We also budget a small (\$500) disaster contingency for any unknown small purchases needed in disaster response and recovery.

The large spike in expenditure in FY 11-12 is due to spending for recovery from Hurricane Irene. Included in these expenditures were overtime, generator fuel, and the largest was for debris removal. We received public disaster assistance from Federal and State agencies in the amount of \$183,654 to offset these costs.

Our reverse 911 service (line 399) will cost more in FY 2015 as we are changing to another provider for this service to improve its utility to us and our residents.

Emergency Services	11-12		12-13		Current Budget	13-14		14-15 Adopted Budget
	YR End Budget	Actual Expend	YR End Budget	Actual Expend		Expended As of	Projected Year-End	
4330						02/28/14		
121	Wages & Salaries							
122	Overtime	1,560	1,533	0				
133	401(k) Retirement - LEO	100	77	0				
181	FICA	125	116	0				
182	Loc Govt Emp Retirement	115	105	0				
183	Group Insurance	600	588	0				
185	Unemployment Comp.							
186	Workers' Compensation Ins.	0	0	0				
399	Contracted Services	179,200	179,196	1,250	1,250	1,250	1,250	2,440
232	CERT	2,650	1,035	2,650	1,408	1,750	415	1,367
299	Supplies & Materials	17,513	13,421	500	0	500	0	500
450	Property & Liability Ins.	350	317	350	317	350	317	350
	TOTAL	202,213	196,388	4,750	2,975	3,850	1,981	3,850
399	\$1,940 for Blackboard Connect "reverse 911", (\$3,877.52 total, \$970 to be paid by water and \$970 by sewer)							
	\$500 disaster mobilization							
232	CERT							
	Tables		0					
	Portable Radios		300					
	4 Folding Cots		300					
	4 folding chairs		60					
	Vent cap for trailer		150					
	Other supplies		57					
	Supplies (glow sticks, disaster guides)		500					
			1,367					
299	\$500 disaster contingency							
450	Accident Insurance	350						

Animal Control

Council Priority(ies): 1

The Animal Control Department is staffed through the allocation of labor time of our three Public Works employees. Refer to the Labor Allocation table on Page 64 for more detailed information. This department is responsible for assisting the Police Department in the enforcement of animal control regulations through the capture and detention of stray domestic animals. Animals unclaimed at the end of a business day are transported to the Craven County Animal Shelter. The department also assists residents with emergent wild animal control needs and recommends resources for further assistance.

Primary Functions:

- Capture and retain stray domestic animals in a humane and safe manner.
- Transport stray domestic animals, as required, to the Craven County Animal Shelter.
- Maintain animal control equipment and supplies.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Enhanced communication about the need to license pets resulted in greater compliance
- Greater licensure rates increases the likelihood that lost animals will be re-united with their owners rather than transported to the County animal shelter

We anticipate no change in staffing levels or hours for this department in FY 2015. Personnel costs have increased due to the allocation of labor in accordance with the allocation table on page 64.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

		11-12		12-13		13-14		14-15
Animal Control		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
4380								
121	Wages & Salaries	6,007	6,069	6,218	5,576	9,268	8,704	9,807
122	Overtime	0		0		0	0	0
134	401(k) Retirement	300	304	311	279	463	435	490
181	FICA	460	456	475	418	709	666	750
182	Loc Govt Emp Retirement	413	418	419	379	655	615	703
183	Group Insurance	1,672	1,642	1,920	1,551	3,194	2,467	2,816
185	Unemployment Comp.					0	69	-
186	Workers' Compensation Ins.	368	362	420	336	519	445	552
310	Travel & Subsistence	475	0	0	0	0	0	
395	Training	525	0	0	0	0	0	
299	Supplies & Materials	500	92	500	461	500	500	500
481	Indirect Costs- Labor	(922)	(922)	(976)	(976)	(2,962)	(2,962)	(3,024)
	TOTAL	9,798	8,420	9,287	8,023	12,347	10,940	12,594

Street Maintenance

Council Priority(ies): 1, 8

The Street Maintenance Department is staffed through the allocation of time of our three Public Works employees. Refer to the labor allocation table on Page 63 for more detailed information. This department is responsible for the maintenance of approximately 16 miles of Town-owned streets and rights-of-way. A contracted engineer develops and updates a Roadway Maintenance Plan to prioritize the upgrade and resurfacing of streets.

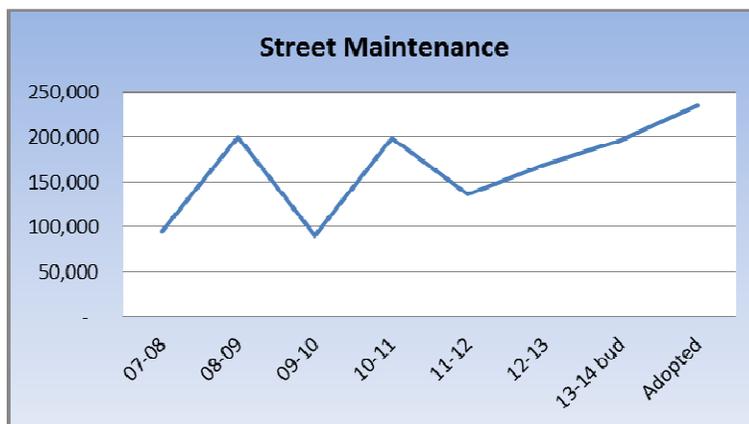
Primary Functions:

- Provide general street and right-of-way maintenance services that include street repair, sign installations, pavement markings, mowing, and litter control.
- Responsible for inclement weather street maintenance, i.e. ice and snow removal, hurricane and other types of storm clean-up.
- Contract for street resurfacing and marking in accordance with the Roadway Maintenance Plan as funding allows.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Patched and paved four streets in compliance with the paving plan
- Performed full-depth patching on five streets
- Used our sealant melter/applicator to seal cracking asphalt on many streets
- Completed a quantitative and qualitative inventory of all street name and regulatory signs
- Replaced several worn, faded, or damaged regulatory signs
- Repaired roadway shoulder areas that had become rutted
- Repaired most potholes within one day of having them reported

The Street Maintenance Department contains the budget for all the streets in River Bend. Each year the length of the roadway we pave varies as does the cost of the work. Therefore, the overall expenditure in this department each year is driven by the cost of the work needed under our plan, the cost to contract for the work, and where the current projects fit within the



plan. Any funding from the State, under the Powell Bill, not used in a given year is, according to law, placed in a reserve fund and used in subsequent years. So, while the overall expenditures noted on the graph vary from year to year, this is not an indication of any intent to stray from our plan to maintain our streets, it just reveals good planning as funding and planned work are reconciled and consideration is given to using additional

funding from local revenue in order to ensure adequate maintenance of this critical part of our public infrastructure.

The Professional Services line (193) reflects the expenditure of this plan review and the expenditures related to developing bid specifications and documents for the paving project. The engineer also monitors the work of the selected contractor to ensure it is done properly and in accordance with the specifications.

This year we plan to depart from our regular maintenance plan to address a longstanding problem with one of our streets. The Old Brick Road has been in a state of disrepair for many years as we sought funds for the restoration of this historic roadway. Absent outside funding, and armed with the knowledge that even restoring just a small portion of the roadway was cost prohibitive, the Council opted to remove all the old bricks, install a proper base, and pave the street at its current width. This work will allow the roadway to be used safely while keeping it narrow will help limit the speed of vehicles.

Our engineer identified the need for full depth patching on four streets (Lochbridge, Canebrake, Wildwood, and Westchester) and recommended a substantial allowance for other patching and striping. All the paving and striping costs are reflected in line 591 on the worksheet.

The Supplies and Materials line (299) allows for the purchase of materials for our staff to make small patches, apply sealant to cracks, purchase regulatory and directional signs, and perform work on the shoulders of the roadways. As part of an effort to enhance pedestrian safety, funds are included for reflectors and signs to be installed strategically in areas where vehicles and pedestrians share the roadway.

We anticipate no change in staffing levels or hours for this department in FY 2015. Personnel costs have increased due to the allocation of labor in accordance with the table on page 64.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Street Maintenance		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
4510								
121	Wages & Salaries	15,017	15,175	15,546	13,944	23,170	21,763	24,517
122	Overtime							
134	401(k) Retirement	751	759	777	697	1,158	1,088	1,226
181	FICA	1,149	1,139	1,190	1,024	1,772	1,665	1,876
182	Loc Govt Emp Retirement	1,033	1,044	1,048	966	1,638	1,539	1,758
183	Group Insurance	4,181	4,105	4,799	3,880	7,985	6,201	7,039
185	Unemployment Comp.	0	0	0	0	0	172	0
186	Workers' Compensation Ins.	921	904	1,049	840	1,299	1,112	1,379
193	Professional Services - Engineer	9,000	5,200	5,600	5,850	7,000	7,000	6,000
399	Contracted Services	0	0	0	257		2,060	1,500
299	Supplies & Materials	6,000	4,207	6,000	4,007	6,000	3,000	8,500
481	Indirect Cost- Labor	-2,305	-2,306	-2,441	-2,440	-7,404	-7,404	-7,559
550	Capital Outlay - Other Equip							
591	Capital Outlay - Rdwy/Pvmt	108,500	106,218	139,600	140,024	153,513	153,513	189,500
	TOTAL	144,246	136,446	173,168	169,049	196,131	191,709	235,735
121	25% of PW employees salaries and benefits.							
193	Engineering and Contractor costs for paving.							
399	Limbs (etc) transported to landfill by leaf and limb contractor.							
299	Cold Patch	1,500						
	Sealer	1,000						
	Pedestrian Safety - Reflectors	2,500						
	Regulatory Signs	1,500						
	Gravel for shoulders	700						
	Powell Bill Map	300						
	Other Supplies and Materials	1,000						
		8,500						
591	Paving:							
	Brick Road			120,000				
	Patching:							
	Lochbridge - Shoreline to Culvert Crossing			8,000				
	Canebrake			5,000				
	Wildwood			7,500				
	Westchester			4,000				
	Striping and Patching allowance			45,000				
				189,500				

Public Works

Council Priority(ies): 1,8

The Public Works Department is comprised of three full-time technicians who operate under the supervision of the Director of Public Works. This department is responsible for maintenance of the Town's vehicles and equipment and through labor allocations to other departments is responsible for street, storm drainage, buildings and grounds maintenance.

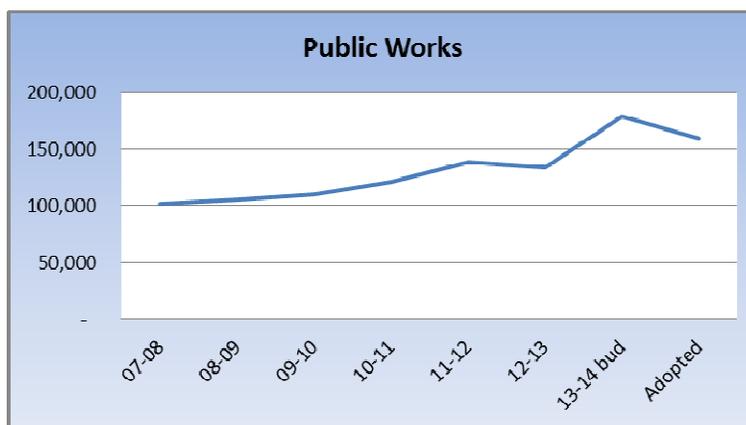
Primary Functions:

- Maintain vehicles and equipment to support Town maintenance operations.
- Other functions of the personnel in this department are described in the departments to which their time is allocated.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Purchased a new four wheel drive, three-quarter ton pick-up truck to replace an aging truck
- Purchased a small welder so we can perform minor repairs in-house
- Continued a proactive program of trimming limbs around streetlights
- Maintained a regular schedule of mowing of rights-of-way.

The Public Works Department contains the budget for the three full-time staff members mentioned above whose labor is allocated across other departments. This department also contains the budget for the allocation of the personnel costs of the Public Works Director and two Water Operators (line 382). Refer to the labor allocation table Page 64 for more details.



This department budgets for the maintenance and operation of two vehicles, both of which are included in our vehicle replacement plan (see Page 76). The plan does not call for the replacement of any vehicles this year.

Public Works staff members perform a variety of duties including daily litter pick-ups, emptying trash and dog waste cans, making minor repairs to buildings, streets, and other facilities, performing small carpentry projects, some minor electrical work, maintaining our ponds and fountains, maintaining our stormwater infrastructure, and mowing and trimming along our rights-of-way. This is just a partial list of the duties these three members of the staff perform in addition to their duties in animal control and assisting, as needed, water resources operators.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

This year we budgeted to begin a three-year project to remove and prune many of the trees on the Plantation Drive median. This work is in response to an evaluation of these trees by an urban forester from the North Carolina Department of Forestry.

This year we plan to begin to use an internet based software solution to help manage our work orders and preventative maintenance tasks. Our current system, one created in-house, is cumbersome and not responsive to the needs of the department or our goal of providing exceptional service to our citizens. The new system will allow office staff to enter work order requests from citizens and be able to track the progress on the work. This project also includes purchasing mobile computing devices for our field staff so they can view work orders and indicate when they are complete, or indicate the need for a delay in getting work done.

The single largest expenditure in this department is for Utilities (line 330). This represents the annual budgeted cost for operating our streetlights.

Public Works		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
4560								
121	Wages & Salaries	21,023	21,239	21,764	19,521	32,438	30,454	34,324
122	Overtime	100	67	100	0	100	100	100
134	401(k) Retirement	1,051	1,065	1,088	976	1,622	1,523	1,716
181	FICA	1,608	1,598	1,665	1,461	2,481	2,330	2,626
182	Loc Govt Emp Retirement	1,446	1,465	1,467	1,302	2,293	2,153	2,461
183	Group Insurance	5,853	5,745	6,719	5,431	11,179	8,681	9,855
185	Unemployment Comp.	0	0	0	0	0	240	0
186	Workers' Compensation Ins.	1,289	1,266	1,469	1,176	1,818	1,557	1,930
310	Travel & Subsistence	0	0	500	0	500	0	500
395	Training	500	245	500	116	500	326	500
399	Contracted Services	5,000	6,217	3,500	2,567	9,000	10,304	12,000
482	Indirect Labor Cost	48,795	48,795	49,677	49,676	39,485	39,485	41,064
481	Labor Allocation	-3,227	-3,228	-3,417	-3,418	-10,366	-10,366	-10,582
212	Uniforms	2,200	2,521	2,300	2,494	2,300	2,800	2,700
251	Motor Fuel	4,020	3,399	4,692	3,343	4,831	4,831	4,831
299	Supplies & Materials	5,000	3,740	5,000	4,497	6,500	18,000	6,500
320	Telephone & Postage	624	737	624	764	550	550	1,453
330	Utilities	43,000	40,854	42,000	41,285	44,000	44,000	44,000
352	Maint & Repairs- Equip	1,200	309	1,000	1,266	1,000	1,000	1,000
353	Maint & Repairs- Vehicle	2,500	2,312	2,500	1,583	2,000	2,000	2,000
439	Bldg & Equip Rental	0	90	0	0	0	0	0
540	Capital Outlay- Motor Vehicles	0		0	0	26,266	25,926	0
	TOTAL	141,983	138,437	143,148	134,040	178,498	185,894	158,977
399	Street light & right-of-way trimming, tree removal on Plantation Dr (\$8,000), Work order software (\$1,624)							
382	30% of Director salary and benefits + 15% of water operators' salary and benefits.							
251	Fuel - \$4.25 per gallon estimate - \$0.59 per gallon tax = \$3.66 per gallon cost							
330	Based upon historical costs/demand, and contemplates a 2% fuel factor increase in December							
299	Misc. Supplies and Materials, American Flags (\$200), mobile computers (\$960)							

Leaf & Limb and Solid Waste

Council Priority(ies): 1, 9

This Department has no personnel assigned. The Town, through an independent contractor, picks up limbs and bagged leaves on a published bi-monthly schedule. The Town also offers, to its residents, recycling of waste oil and used oil filters. The functions of this department fall under the supervision of the Director of Public Works.

Primary Functions:

- Monitor and administer the Leaf and Limb contract.
- Administer the waste oil and filter recycling program.
- Maintain outdoor waste and recycling containers at Town facilities.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

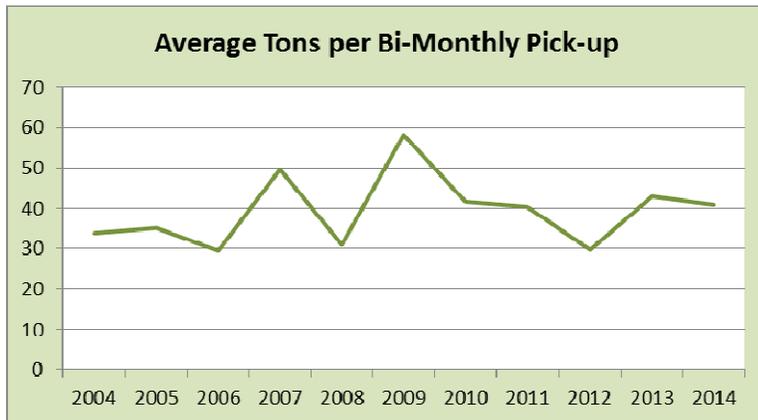
- Continued to provide used motor oil and oil filter recycling programs.
- The Town's contractor removed 245 tons of vegetative debris as part of our bi-monthly leaf and limb pick-up service.

This department contains the budget for the bi-monthly leaf and limb pick-up service provided by the Town (line 396). We continue to offer, to our residents, the ability to bring their used oil filters to a containment area, and we continue to contract for their recycling. A State law prohibits the disposal of these filters in any landfill in the state. We also allow residents to dispose of a reasonable amount of waste oil in a waste oil dumping station we own.



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For our leaf and limb contract, this budget reflects 60 tons per pick-up, which is the same as we budgeted in FY 2014. The chart below shows the average amount of waste we collected per bi-monthly period in each of the last ten full fiscal years. While we have performed well in comparison to our estimate, we are not giving in to the temptation to reduce the budgeted tonnage in light of the amount collected in previous years. This will be the first year of a two-year contract with the same vendor we have used for the past several years. His price remains unchanged at \$95 per ton. In addition to this fee, we also pay the landfill tipping fee of \$15 per ton.



		11-12		12-13		13-14		14-15
Leaf & Limb / Solid Waste		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
4710								
396	Leaf & Limb Pick-up Services	40,345	16,974	39,845	28,360	42,145	30,000	39,625
399	Contracted Services	820	790	820	854	915	915	1,100
299	Supplies & Material	500	0	500	0	500	500	500
499	Miscellaneous	0	0	0	0	0	0	0
	TOTAL	41,665	17,764	41,165	29,215	43,560	31,415	41,225
		\$	Tons	\$/ton	# of pick-ups			
396	K.A. Jones (contractor)	34,200	60	95.00	6			
	Landfill Tipping Fee	5,400	60	15.00	6			
	Landfill Facility Fee	25						
		39,625						
399	Oil Filter Recycling	100						
	Town Hall Dumpster	1,000						
		1,100						

Stormwater Management

Council Priority(ies): 1, 4, 5, 9

The Stormwater Management Department is staffed through the allocation of time of our three public works employees. Refer to the labor allocation table on Page 64 for more detailed information. This department is responsible for the maintenance of Town-owned swales and pipes, and for prioritizing and implementing improvements in stormwater infrastructure.

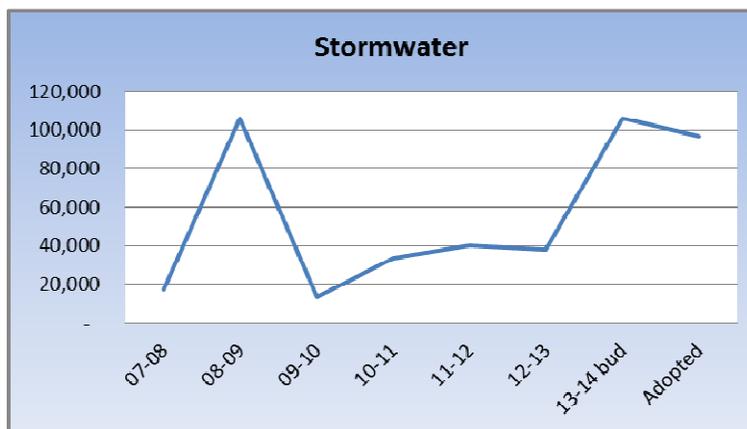
Primary Functions

- Provide routine maintenance of stormwater swales and pipes.
- Work to improve the quality of stormwater entering receiving streams through management of Town-owned wetlands.
- Identify needs for improvements in stormwater infrastructure.
- Using our consulting engineer, design improvements, and monitor construction contracts, if necessary.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Completed five small stormwater improvement projects with a total expenditure of \$45,800
- Using in-house talent, repaired several minor stormwater infrastructure issues
- Continued proactive and reactive maintenance of issues related to the flow of stormwater

The Town Council renewed its commitment to continue to improve stormwater management in this community. We continue to fund our stormwater management efforts 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, with input from our Finance Officer (Councilman Van Slyke) the current approach to be the most appropriate at this time.



We identified, over the course of the current fiscal year, two stormwater problems that require our attention. These projects are shown in the table below, along with the preliminary work for a project to be completed in FY 2016, total more than the \$30,000 reserved in the CIP each year for stormwater work. However, in past years, we have used substantially less than \$30,000, so there is sufficient money in the CIP to complete these projects in FY 2014-15.

Stormwater	
Sandpiper	13,000
Carriage House Court	27,500
Engineering (\$6,000 for current year, \$25,000 for Plantation BH)	31,000
TOTAL	\$71,500

The projects are described as follows:

- The Sandpiper Court project will improve drainage off the roadway and along its sides. The first cul-de-sac on Sandpiper currently holds water for extended periods of time, causing damage to the road surface.
- The Carriage House Court project will help remove water during heavy rain events by installing a larger capacity pipe to convey the water from the neighborhood.
- The third project listed is to complete the design and permitting for needed repairs of the bulkhead where water goes under Plantation Drive at Quarterdeck. This bulkhead is showing signs of weakness and needs to be repaired before failure occurs. The construction phase of this project, estimated to cost \$175,000, will be considered for inclusion in the FY 2016 budget.

Our engineer examined possible solutions and prepared designs for the most practical approach to resolve these issues. These projects (line 590) should greatly improve stormwater flow in the affected areas.

Using our personnel, we will continue to perform routine maintenance on the structures and swales we have in place. All 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. This Town, in many ways, serves as a model for good stormwater practices, using grassy swales rather than the traditional urban model of curbs and gutters.

Town of River Bend, North Carolina
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		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
Stormwater Management								
4730								
121	Wages & Salaries	9,010	9,106	9,328	8,365	13,902	13,053	14,710
122	Overtime	0	0	0	0	0	0	0
134	401(k) Retirement	450	455	466	418	695	653	736
181	FICA	689	683	713	626	1,063	999	1,125
182	Loc Govt Emp Retirement	620	626	629	566	983	923	1,055
183	Group Insurance	2,509	2,463	2,880	2,327	4,791	3,721	4,223
185	Unemployment Comp.	0	0	0	0	0	103	0
186	Workers' Compensation Ins.	552	542	630	504	779	667	827
193	Professional Services - Engineer	4,450	4,450	8,279	6,113	8,200	8,388	31,000
399	Contracted Services	5,000	4,254	2,500	924	2,500	2,500	2,500
299	Supplies & Materials	4,000	2,850	3,500	3,324	3,000	3,000	3,000
430	Equipment Rental	1,000	922	1,500	625	1,500	1,500	1,500
481	Indirect Cost- Labor	-1,383	-1,384	-1,465	-1,464	-4,443	-4,443	-4,535
590	Capital Outlay - Other Structures	15,000	14,959	15,000	15,792	73,000	45,800	40,500
	TOTAL	41,897	39,926	43,960	38,120	105,971	76,864	96,641
121	15% of PW Employee salaries and benefits.							
193	Engineering for current project (\$6,000) and following year project preparation (\$25,000)							
399	Minor repairs - PRN							
590	Sandpiper Court	13,000						
	Carriage House / Westchester	27,500						
		40,500						

Wetlands and Waterways

Council Priority(ies): 1, 4, 5, 9

The Wetlands and Waterways Department has no personnel assigned. This department is responsible for the effective management of Town-owned wetlands and waterways, such as the front entrance pond, Ritter Field Wetland, Town Hall Pond, Island Lake, and the Plantation Canal.

Primary Functions:

- Using properly licensed Public Works staff, treat, as needed, ponds and waterways with approved herbicides and algaecides to improve their function and appearance.
- Remove obstacles from navigable waterways.
- Clean-up litter from wetlands and waterways.
- Through the Environment and Waterways Advisory Board, produce educational materials for Town residents regarding related issues.

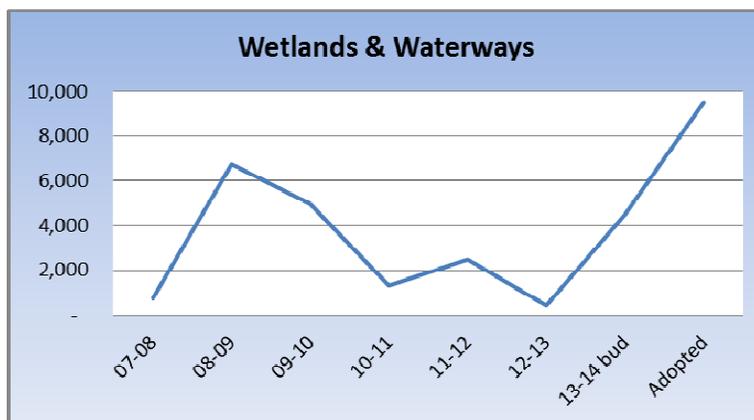
Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Remained proactive in treating ponds and other areas for invasive weeds and algae.
- Using in-house forces and a volunteered boat, replaced faded “No Wake” signs and missing navigation signs.

The Town and several property owners (individually and as members of homeowners associations) maintain a series of stormwater containment ponds from the Town’s front entrance to the point where the water enters the Plantation Canal near Town Hall.

This department contains the budget to perform routine weed and algae control in the waterways we maintain and to maintain the pumps that feed the fountains. We have members of our staff who are licensed to apply chemical weed control in waterways, and we only use controls approved and appropriate for such an application.

This department also contains funding for training for members of our Environment and Waterways Advisory Board (EWAB). The spike in expenditures in FY 11-12 is for removing trees downed in Hurricane Irene, and replacing navigational aids destroyed by this same storm.



Town of River Bend, North Carolina
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This year, using a private contractor (line 399), we will do routine maintenance of the trees along the side of Planation Canal. We do this work every three years, funded by the CIP, in order to keep the boating channel clear of overgrown or downed trees.

		11-12		12-13		13-14		14-15
Wetlands and Waterways		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
4760								
399	Contracted Services	5,000	0	0	0	0	0	4,500
310	Travel & Subsistence	500	0	500	0	500	0	
395	Training	500	0	500	0	1,000	0	
299	Supplies & Materials	4,500	2,496	4,000	430	1,500	1,500	3,500
359	Maintenance & Repairs	3,000	0	1,500	0	1,500	1,500	1,500
	TOTAL	13,500	2,496	6,500	430	4,500	3,000	9,500
310/395	Travel and Training for EWAB Members							
299	EWAB Publications & Programs	1,000						
	Navigational signs	1,500						
	Algae and weed control	1,000						
		3,500						
359	Waterways maintenance, aeration, boat maintenance							
399	Canal Clearing - Trees	4,500	CIP Funded					

Planning and Zoning

Council Priority(ies): 1, 5, 6, 9

The Planning and Zoning Department is comprised of an Assistant Zoning Administrator and Floodplain Manager working under the direction of the Town Manager who is the Zoning Administrator. This department is responsible for the review of applications for zoning permits, floodplain development permits, and timber harvesting permits. It is also responsible for administering the Town's Floodplain Management Ordinance and enforcement of the Town's Land Use and Subdivision ordinances.

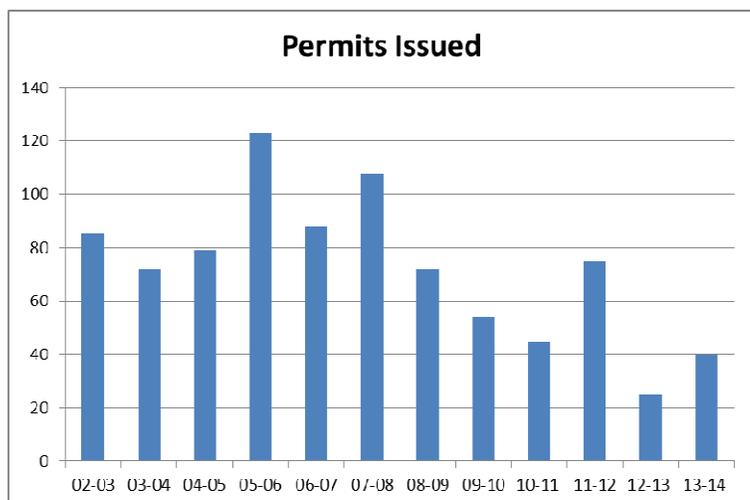
Primary Functions:

- Review applications for and issue zoning and floodplain development permits.
- Serve as a CAMA local permit officer.
- Proactively enforce Town land use regulations.
- Support the work of the Town Planning Board.
- Present cases, as required, to the Board of Adjustment.
- Work to educate residents about flood damage prevention measures.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Continued to comply with the participation requirements of the Community Rating System.
- Continued to maintain status as a CAMA Local Permit Officer.
- With the assistance of the Eastern Carolina Council of Governments, updated our Comprehensive Plan.
- Enforced local ordinances including nuisance abatement
- Assistant Zoning Administrator maintained designation as a NC Certified Zoning Officer.

The Town enforces our own Planning and Zoning and Floodplain Management ordinances and engages, in a cooperative manner, in regional planning efforts. This position is funded for 40 hours per week, with some hours allocated to the enterprise funds as this person fulfills customer service duties at the service window in Town Hall that are related to general and enterprise fund activities. The allocation for the position is shown in the labor allocation table on page 64.



Town of River Bend, North Carolina
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This budget also contains funding to pay for mapping support from the Eastern Carolina Council (ECC) (line 193) and for training for the Assistant Zoning Administrator (lines 310 and 395). Line 399, Contracted Services, contains \$5,000 to contract for expenditures related to nuisance abatement. This is used if a property owner does not comply with our ordinance and we are forced to contract to have the problem remedied. Ultimately, through a lien on the property, we will recover these costs from the property owner.



		11-12		12-13		13-14		14-15
Planning and Zoning		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
4910								
121	Wages & Salaries	27,837	27,921	28,818	28,816	36,928	37,098	38,416
122	Overtime	0	0	0	0	0	0	0
134	401(k) Retirement	1,392	1,396	1,441	1,441	1,846	1,855	1,921
181	FICA	2,130	2,159	2,204	2,226	2,825	2,838	2,939
182	Loc Govt Emp Retirement	1,915	1,921	1,942	1,942	2,611	2,623	2,754
183	Group Insurance	8,350	8,384	9,589	9,580	10,669	8,403	9,397
185	Unemployment Comp.						258	0
186	Workers' Compensation Ins.	600	544	605	500	775	492	807
189	Automobile Allowance	1,260	1,260	1,260	1,260	1,260	1,260	1,260
310	Travel & Subsistence	300	90	1,250	1,163	1,000	1,000	1,000
395	Training	250	285	1,250	920	1,000	1,000	1,000
193	Engineering	500	0	500	0	500	500	500
194	Professional Services - Survey	500	0	500	0	500	500	500
399	Contract Services	2,000	3,000	10,000	11,223	8,000	3,000	5,000
299	Supplies & Materials	750	393	750	462	750	750	750
320	Telephone & Postage	100	16	100	217	100	200	100
481	Indirect Cost- Labor	0	0	0		-22,262	-22,262	-22,494
	TOTAL	47,883	47,369	60,209	59,748	46,503	39,514	43,850
310	Floodplain Manager's Conference, \$500, other							
395	Floodplain Manager's Conference, \$250; other							
193	ECC GIS Services, Engineering review							
399	Nuisance abatement							

Recreation and Special Events

Council Priority(ies): 1, 4

The Recreation and Special Events Department has no personnel assigned. This department, through the work of the Parks and Recreation Advisory Board, is responsible for developing and maintaining a limited schedule of recreational and craft activities for people of various ages. One of the Town's signature events, its 4th of July celebration, is organized and managed by the Parks and Recreation Board.

Primary Functions:

- Provides creative and diverse recreation and craft event opportunities.
- Provides special & community events.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Conducted four craft events
- Conducted four community game afternoons
- Conducted a workshop for new "smartphone" users
- Held the Town's Christmas tree lighting ceremony and celebration
- Held the annual Easter Egg Hunt and two community chorus events
- Organized and executed the Town's annual July 4th celebration

This budget includes continued funding for our recreation programs and special events as shown on the list at the bottom of the worksheet below. The largest of these events, our annual 4th of July celebration, is a great example of community pride and a wonderful time for neighbors to come together and enjoy their community. The Parks and Recreation Advisory Board has broadened its offerings and the Town - under Parks and Recreation - offers, at a charge to participants, yoga, Zumba, and karate.



Town of River Bend, North Carolina
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		11-12		12-13		13-14		14-15
Recreation & Special Events		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
6120								
399	Contracted Services	2,350	1,532	2,700	1,644	2,400	2,400	2,700
299	Supplies & Materials	5,275	2,762	4,700	4,254	4,250	6,150	4,685
	TOTAL	7,625	4,295	7,400	5,898	6,650	8,550	7,385
399	Country Aire - July 4th	1,800						
	Food - Volunteer Day	900						
		2,700						
299	Events	4,685						
		4,685						
Detail of Activities and Expenses Per Event								
Date	Activity	Item			Cost			
July	4th of July	Rentals, Food & Supplies			4,400			
Oct	Family Event	Snacks, drinks, cups			50			
Oct	Social - Games	Supplies, refreshments			25			
Oct	Workshop	Supplies			75			
Nov	Social - Games	Refreshments			25			
Nov	Craft workshop for adults	Supplies, refreshments			100			
Dec	Tree Lighting Ceremony	Refreshments			100			
Dec	Fairfield Harbor Chorus	Supplies, refreshments			25			
Jan	Craft workshop for adults	Supplies			250			
Jan	Social - Games	Refreshments			25			
Feb	Workshop	Supplies, refreshments			50			
Feb	Social - Games	Refreshments			25			
Feb	Seminar- Speaker	Refreshments			35			
Mar	Craft - Show and Tell	Supplies			25			
Mar	Social - Games	Refreshments			25			
April	Easter Egg Hunt	Candy and Prizes			200			
April	Volunteer Recognition Day	Food and supplies			1,300			
April	Workshop	Supplies			75			
May	Fairfield Harbor Chorus	Refreshments			75			
May	Band Concert	Supplies, refreshments			500			
					7,385			

Parks and Community Appearance Commission (CAC) Council Priority(ies): 1, 4

The Parks and CAC Department is staffed through the allocation of time of our two Public Works employees. Refer to the labor allocation table on Page 63 for more detailed information. Its purpose is to enrich the leisure needs and quality of life for citizens by providing accessible facilities and a safe public park system and maintaining and improving the visual appeal of the Town.

Primary Functions:

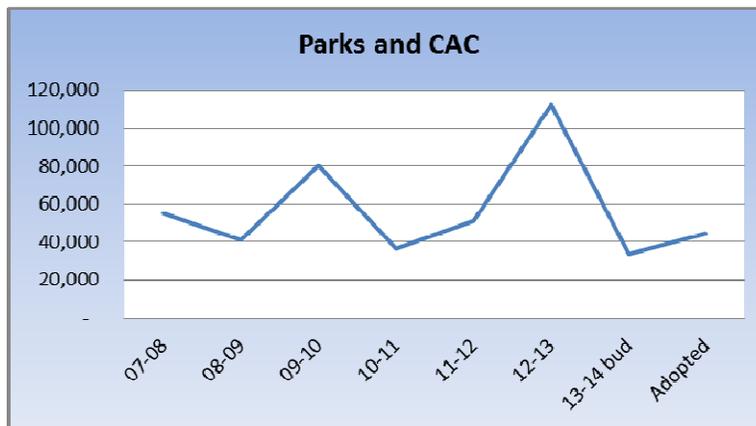
- Support the work of the Community Appearance Commission.
- Maintain a system of parks including, Town Hall Park, Ritter Field, Town Commons, Springdale, and Channel Run.
- Maintain the walking trail on Town Commons and Ritter Field.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases

- Provided land, funding, and logistical support for the beginning of the River Bend Community Organic Garden – a volunteer effort
- Resurfaced the basketball court on Town Commons
- Installed some new plantings around Town Hall
- Maintained compliance with the Tree City USA program

Personnel costs reflect an allocated portion of the Public Works staff time. The utility budget (line 330) is for the electricity for all the park areas in Town.

Also included in this budget area is funding for some minor projects anticipated by the CAC (line 358). This volunteer board takes on many projects aimed at improving the appearance of the community including Christmas decorations and planting projects.



The Department is also sponsoring, through volunteer contributions and effort, a Community Garden. The small amount of sponsorship money will help defray expenses for water and some supplies and materials.

Line 399 contains funding for a porta-potty used for nine months a year at our kayak launch on Gull Pointe.

Town of River Bend, North Carolina
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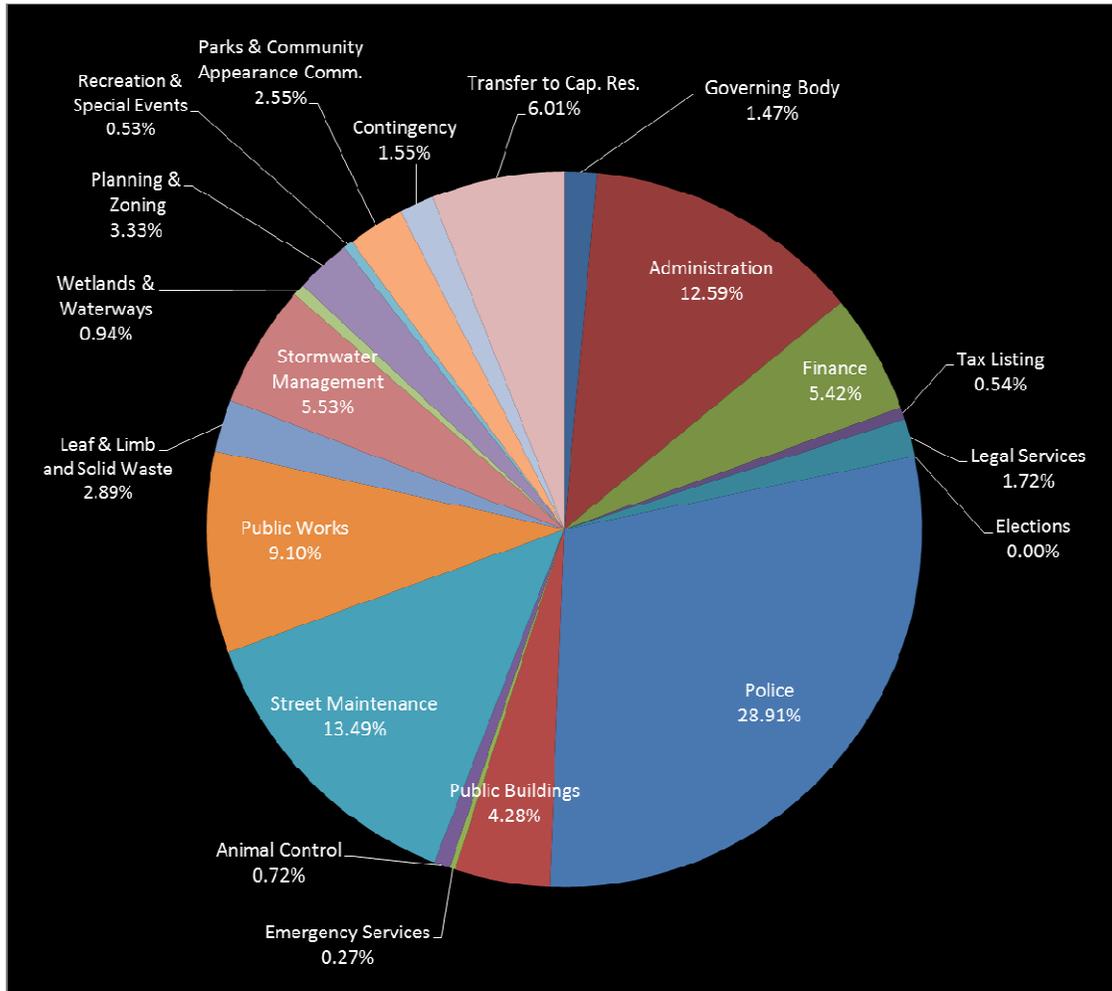
Parks & CAC		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
6130								
121	Wages & Salaries	9,010	9,405	9,328	9,505	13,902	14,613	14,710
122	Overtime	0		0	0	0	0	0
134	401(k) Retirement	450	455	466	418	695	653	736
181	FICA	689	707	713	713	1,063	1,118	1,125
182	Loc Govt Emp Retirement	620	627	629	567	983	923	1,055
183	Group Insurance	2,509	2,464	2,880	2,328	4,791	3,719	4,223
185	Unemployment Comp.	0	0	0	0	0	96	0
186	Workers' Compensation Ins.	552	542	630	494	779	729	827
310	Travel & Subsistence	0	0	0	0	0	0	0
399	Contracted Services	6,000	6,012	6,100	4,916	3,900	4,915	3,900
299	Supplies & Materials	5,000	4,856	7,500	6,218	4,500	4,500	4,500
358	CAC	2,875	2,138	2,875	2,984	850	850	3,025
330	Utilities	6,800	5,393	5,800	5,223	6,000	6,000	6,000
351	Maint & Repairs- Bldg & Grnds	0	0	0	10	0	0	0
352	Maint & Repairs- Equipment	500	0	500	0	500	500	500
481	Indirect Cost- Labor	-1,383	-1,384	-1,465	-1,464	-4,443	-4,443	-4,535
550	Capital Outlay - Other Equip	0	0	0	0	0	0	0
572	Land Improvements	0	0	0	0	0	0	0
580	Buildings, Strctrs & Improvements	0	0	0	0	0	0	0
590	Other Strctrs & Improvement	28,600	20,210	88,926	80,750	0	10,000	8,500
593	Landscaping	0	0	0		0	0	0
	TOTAL	62,222	51,425	124,882	112,663	33,520	44,172	44,566
299	Community Garden		1,500					
	Other supplies/materials		3,000					
			4,500					
399	Other services as needed (i.e. tree work)		3,000					
	Porta Potty Rental		900		(\$100 per month)			
			3,900					
358	Community Appearance Commission:							
	Shrub replacement -- Town Hall, Plantation median, Caboose, Town Commons						1,000	
	Front Entrance Landscaping -- Plants and shrubs						1,000	
	Christmas Decorations (flags \$400, lights \$200, cords/timers/etc. \$100)						700	
	Arbor Day (purchase tree)						75	
	Flowers - Town Hall						150	
	Spring & Fall Clean-up						100	
							3,025	
330	Based upon historical costs/demand, and contemplates a 2% fuel factor increase in December							
590	Dog Park Fence	8,500						

General Fund Expenditure Summary

The total budgeted expenditures for the General Fund, including transfers, is \$1,746,885 which represents a 4.43% decrease over budget expenditures in the current fiscal year and a 0.16% decrease compared to projected 2013-14 year end expenditures. The table below shows the total for each department and the change compared to the budget for 2013-14.

General Fund Expenditure Summary	11-12	12-13	13-14	14-15	Change v. prior year	
	Actual	Actual	Budget	Adopted	%	\$
Governing Body	23,170	22,710	23,889	25,645	7.35%	1,756
Administration	189,823	202,369	217,020	219,971	1.36%	2,951
Finance	90,523	92,244	90,097	94,625	5.03%	4,527
Tax Listing	9,449	9,542	9,523	9,463	-0.63%	-60
Legal Services	18,235	13,397	30,000	30,000	0.00%	0
Elections	4,693	-	7,556	-	-100.00%	-7,556
Police	462,191	494,525	511,794	505,066	-1.31%	-6,728
Public Buildings	70,392	73,759	173,645	74,836	-56.90%	-98,809
Emergency Services	196,388	2,975	3,850	4,657	20.96%	807
Animal Control	8,420	8,023	12,347	12,594	2.00%	247
Street Maintenance	136,446	169,049	196,131	235,735	20.19%	39,605
Public Works	138,437	134,040	178,498	158,977	-10.94%	-19,520
Leaf & Limb and Solid Waste	17,764	29,215	43,560	41,225	-5.36%	-2,335
Stormwater Management	39,926	38,120	105,971	96,641	-8.80%	-9,329
Wetlands & Waterways	2,496	430	4,500	9,500	111.11%	5,000
Planning & Zoning	47,369	59,748	46,503	43,850	-5.70%	-2,652
Recreation & Special Events	4,295	5,898	6,650	7,385	11.05%	735
Parks & CAC	51,425	112,663	33,520	44,566	32.95%	11,046
Contingency (1% per policy) + Merit Pool			27,826	27,147	-2.44%	-679
Transfer to Capital Reserve	106,500	108,000	105,000	105,000	0.00%	0
TOTAL	1,617,942	1,576,708	1,827,879	1,746,885	-4.43%	-80,994

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



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.

Department	Cents per Hundred
Governing Body	0.39
Administration	3.34
Finance	1.44
Tax Listing	0.14
Legal	0.46
Elections	0.00
Police	7.66
Public Buildings	1.14
Emergency Services	0.07
Animal Control	0.19
Street Maintenance	3.58
Public Works	2.41
Leaf and Limb/Solid Waste	0.63
Stormwater Management	1.47
Wetlands and Waterways	0.14
Planning and Zoning	0.67
Recreation and Special Events	0.11
Parks and CAC	0.68
Contingency + Merit	0.41
Transfer to Cap. Res.	1.59
Tax Rate	26.5

General Fund Revenue Introduction

Each year the North Carolina League of Municipalities (NCLM) produces a well-researched report to give local governments some guidance in predicting State revenue. This chapter outlines the basis for the budget numbers we use in the General Fund revenue budget. Each tax is explained below to give some background on the source of the revenue, and to give the reader an indication of the stability of the sources. We then propose an estimate of the growth or reduction for each of the revenues based upon the NCLM report and/or our history with a given revenue. These estimates are then reflected on the Revenue budget worksheet

Revenue Sources

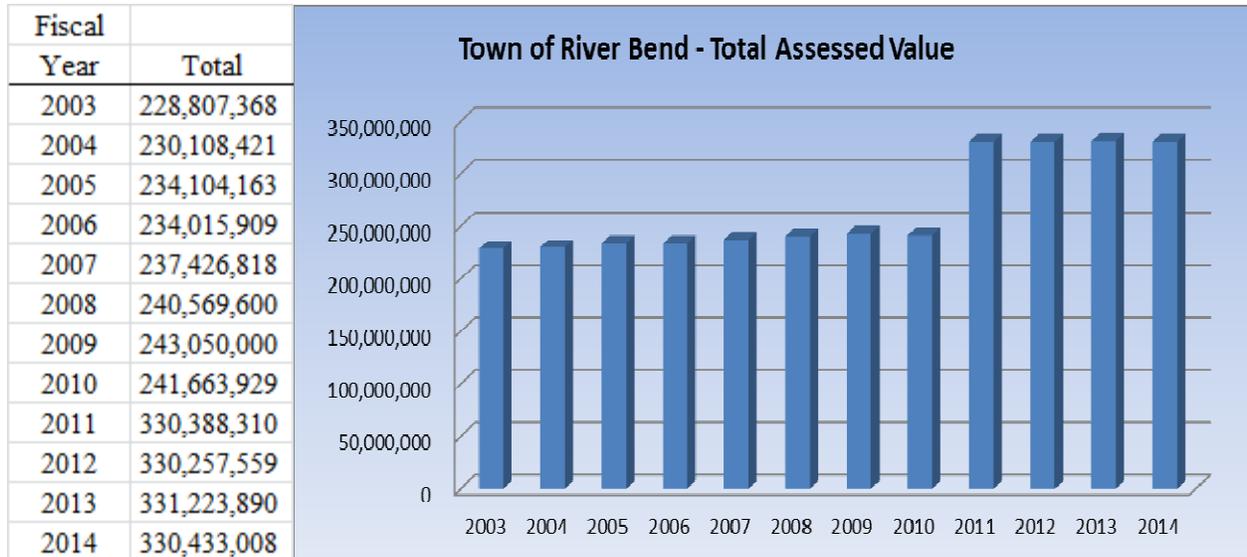
(In the order they appear on the budget worksheet)

Property Tax:

The property tax is levied against the real and personal property and motor vehicle tax bases. The tax base consists of real property (land, buildings, and other improvements to the land); personal property (boats, business equipment, etc.); and the property of public service companies (electric, telephone, railroads, etc.) and automobiles. State law requires that the tax rate be uniform unless the legislature grants the locality permission to establish a special service district. State law also limits the rate a locality may charge to a maximum of \$1.50 per \$100 of assessed valuation. Our current rate is \$0.265 per \$100.

Our tax base is determined by assessments performed by the County assessor's office and taxes are collected with County taxes and remitted to us. We pay the County a 1% fee to collect Real and Personal Property Taxes and 1.5% to collect Motor Vehicle Taxes. The budgeted amount for these revenues, according to State law, must be based upon the total levy from the current tax base as modified by our actual rate of tax collection in the previous year.

Our tax base, as shown in the table and chart below, grew at a modest rate last year. The last revaluation was performed by the County, effective in fiscal year 2011. The State mandates revaluation every eight years. Craven County will depart from this standard and conduct the next revaluation to be effective in fiscal year 2017 (six-year cycle) and then will move to a four-year revaluation cycle thereafter.



Animal Licenses:

This source has been fairly consistent over the past few years. There was an increase in FY 2012 revenue in this line due to increasing the license fee from \$6 to \$10. It would seem prudent to budget for FY 2015 a conservative estimate of selling 200 licenses. This is the amount shown in the budget worksheet.

Sales / Use Tax:

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 local sales taxes are collected by the State along with their 4.25% sales tax and the local portion is distributed (after the State subtracts collection costs) to the 100 Counties as explained below.

The two types are currently collected in the form of four separate taxes referenced here by the enabling portion of the state tax code:

Article 39: 1% tax – returned directly to the county in which the goods were delivered.

Article 40: ½% tax – placed in a statewide pool and allocated among the counties on a per capita basis.

Article 42: ½% tax – originally placed in a statewide pool and allocated among the counties on a per capita basis, this tax, effective in October of 2008, is now distributed on a point of delivery basis in a manner similar to Article 39.

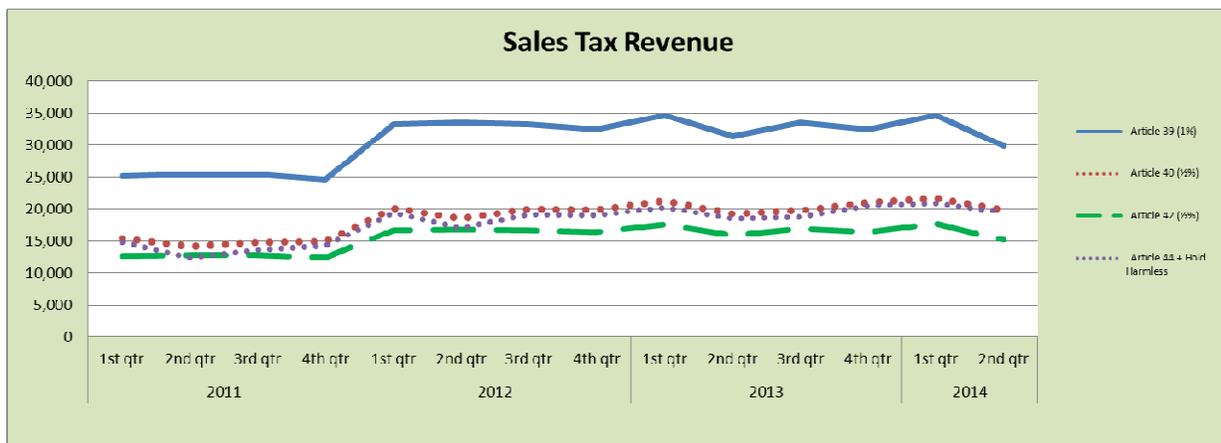
Article 44: As of October 1, 2008 the Article 44 tax was reduced to a ¼% tax (we account for this particular tax in the “Local Option Sales Tax line in the budget), with the proceeds all being returned to the County of origin. Effective October 1, 2009 we no longer receive proceeds under this tax. However, the counties are required to hold cities harmless for these changes.

Hold Harmless: This reflects the “hold harmless” payments that the state department of revenue will make to us on behalf of the County as described above.

Once the County receives the proceeds, it distributes them to the localities within that County by one of two methods; per capita or ad valorem. The method is determined by the County Board. Craven County uses the ad valorem method whereby our share is determined by the proportion our tax levy bears to the total levy of all local government units in the County. The County, at its discretion, may change the distribution method during the month of April each year.

We track each of these components and attempt to be alert to significant trends as they occur. We also attend economic briefings that allow us to maintain a state and national perspective on the factors that might impact our local economy, and thus our revenue.

The most significant change we saw in the past three years was the result of the revaluation of property in the county. Because property in River Bend rose in value at a greater rate than in other localities within the county, the share of the total sales tax receipts we receive also grew. In fiscal year 2011 we received 1.08% of the total county distribution, in fiscal year 2012 the rate was 1.29%. This rate has held steady since the change.



The revenue under articles 39 and 42, the locally driven revenues, has been underperforming compared to our conservative budget estimates for fiscal year 2014. In the first quarter, in the aggregate, these two revenues were 0.3% under budget and 10.4% under budget in the second quarter. While there is no reason to be overly pessimistic about these revenues due to historical trends that show some recovery in actual versus budget is expected in the second two quarters, we have opted to maintain a conservative posture. We base our year-end projections for these two lines on an assumption that they will underperform the quarterly budgeted amount by 2%.

It is the end-of-year projection for FY 2014 that we use as the basis for our FY 2015 projection. Assuming that the revenue in FY 2014 is lower than the amount we budgeted, we are proposing that we keep the budget for these two lines the same as our end-of-year projections. Because there is some history that shows that we will outperform the year-end projections, we think that this approach generates a reasonably conservative budget for FY 2015.

Article 40, because it reflects statewide trends and is distributed based upon population, has, in the past, lagged somewhat behind the local trends that were showing improvement. However, this year we have seen actual quarterly revenues outperform budgeted revenues. In the first quarter we took in 6.4% more than projected and took in 7.5% more than projected in the second quarter. Opting to be somewhat conservative even in light of trends that show this source will continue to perform well above expectations, we project that we will receive only 5% more than budgeted in the remaining two quarters of the year. Again, we use the end-of-year projection for FY 2014 as the basis for our FY 2015 budget. Opting to remain conservative even in light of current trends and statewide optimism for this revenue source, we are budgeting, in FY 2015, to receive the same amount of revenue as our FY 2014 year-end projection.

We may end fiscal year 2014 pleasantly surprised by sales tax revenues, but there are many factors that could slow the current economic recovery, and accordingly reduce the revenues we receive. We remain confident that conservative budgeting in this area is prudent to mitigate against unpredicted economic and/or political events that could further moderate the income we receive from these taxes.

Solid Waste Tax:

The Solid Waste Disposal Tax is a \$2 per ton tax charged to haulers to dispose of waste in landfills within the state or delivered to a transfer station for out-of-state disposal. This tax applies to municipal solid waste and construction and demolition debris. 50% of the tax proceeds go to the Inactive Hazardous Sites Cleanup Fund. 12.5% of the proceeds are deposited in the State Solid Waste Management Trust Fund for grants to State agencies and local governments. 18.75% of the proceeds go to counties and 18.75% go to cities, each on a per capita basis for solid waste management programs and services. The pool of money available for distribution continues to decline, so we are budgeting for a 2% decline in this revenue line. These funds are restricted in their use to fund solid waste programs within a locality. Our current programs will use more than the projected amount of revenue from this source.

Powell Bill:

The State levies motor fuel taxes pursuant to a formula that increase taxes when the wholesale price of motor fuels increases. An amount equal to \$.0175 per gallon taxed, plus 6.5% of the net proceeds of the North Carolina Highway Trust Fund are combined in a "pool" from which funds are distributed to cities in the State.

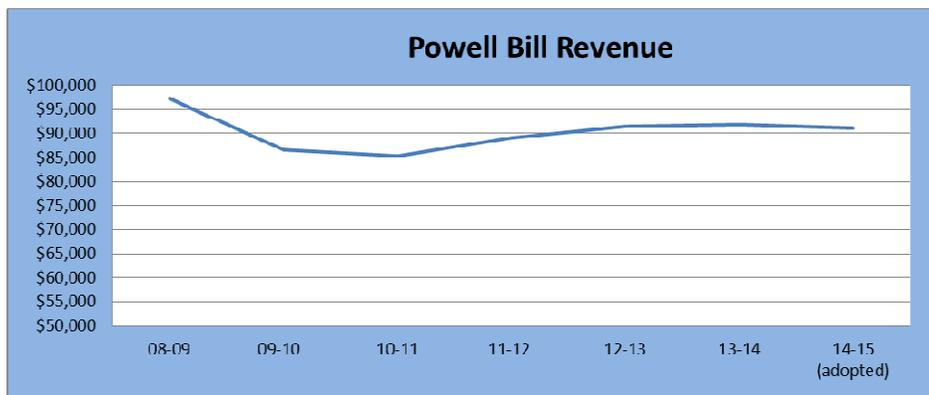
Named for the legislator who sponsored the bill to create this distribution, funds are remitted to the localities based upon a two-part formula. Three quarters of the local proceeds are distributed on a per-capita basis, and one quarter based upon the number of miles of non-state streets within

the locality. River Bend has no state streets, so all our miles (16.9 total) of road enter into this part of the formula.

The funds, unlike property tax and sales tax, are restricted in their use. We may use this revenue only for maintaining, repairing, and constructing streets (and appurtenances such as sidewalks, drainage structures, etc.). The Council's recent philosophy has been to use these funds strictly for paving, and fund other road related expenses using other general fund revenue.

In the current fiscal year the population based portion of this revenue was \$20.62 per capita, up from \$20.43 the prior year (1% increase). Similarly, the mileage-based portion of the formula was \$1,632.91 per mile, up from \$1,610.94 in the prior year (1% increase). Each of these components increased 1% from FY 2013 to FY 2014.

This downward trend we saw in these components for the three years preceding the FY 2012 turned around due to a variety of factors including the volume of new car sales. In fact, the total pool of Powell Bill funds grew by 1.95% from 2013 to 2014. However, we are not overly optimistic that the upward trend will continue. In a desire to remain conservative in our estimates, we are budgeting no change in either the population or mileage rate. Therefore our budget will be based upon a population rate of \$20.62 and the mileage rate of \$1,632.91. This results in revenue of \$64,273 and \$27,596 respectively and allows us to round down to budget a total of \$91,877 for this revenue source. This is down from the \$91,877 we received this year.



Of course, we will have to keep track of what is happening in the General Assembly this year as there have been some discussions on the committee level of modifying the distribution formula for Powell Bill. A policy analyst at NCLM reported that the NC Department of Transportation thinks there will be further discussions during the short session of the Legislature this spring. The analyst opined that legislative adoption of any alternative distribution formula that would affect our FY 2015 revenue is unlikely in the short session. Of the three options being considered at this point, the least favorable to us would only result in a decrease of less than 1% in our share of the Powell Bill funds. The other two options being considered would result in increases of 8% for one and 17% for the other. We will monitor the work of the Legislature and keep in contact with NCLM and our representatives as this issue progresses in the Legislature.

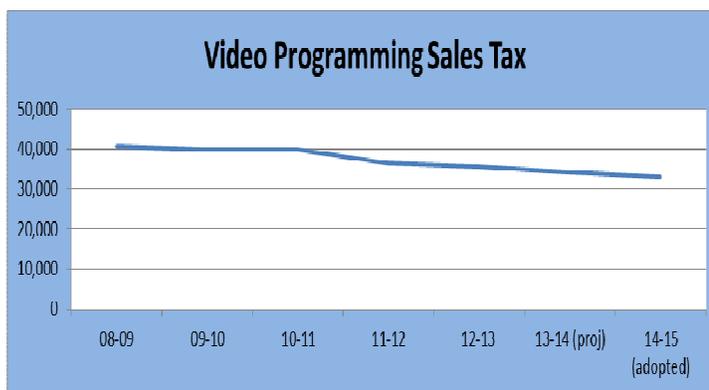
Beer and Wine Tax:

The State levies license and excise taxes on liquor and excise taxes on beer and wine. 23.75% of the excise tax on beer, 62% of the excise tax on unfortified wine, and 22% of the excise tax on fortified wine is shared by all cities and counties who permit the sale of these beverages within their limits.

The State retained two thirds of the distribution due to local governments in fiscal 2009-10. Based upon recent trends, we are predicting a 2% decline from the amount we expect to receive in the current year from this revenue source.

Video Programming Tax:

As of January 1, 2007, the local cable franchise system was replaced with a statewide video service franchising process. This effectively removed our ability to charge/collect franchise fees directly from the providers. The “pool” of money we share is made up of 7.7% of the net proceeds of tax collections on telecommunication services, 23.6% of the net proceeds of tax collections on video programming services, and 37.1% of the net proceeds of tax collections on direct-to-home satellite services.



After the first \$2 million of this pool is parsed out to localities to support PEG services, the remainder is divided, in our case, based upon the “base rate” established in a filing we made in March of 2007 to the Secretary of State. This base amount is the proportionate share our franchise fee (from the first half of FY 06-07) represents in the overall “pool” of money from localities throughout the State. Our share is 0.05037% of this pool. Each year this percentage is reviewed and modified based upon changes in population as certified by the State Budget Officer.

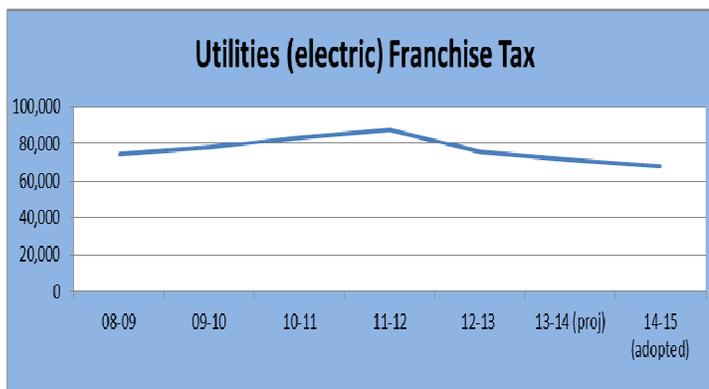
This “pool” was enhanced by receiving new money from carriers who were not charged franchise fees in some localities. This is part of the reason we saw more money come in when this tax was enacted. In our case, and in many other localities, no franchise fees were collected from satellite providers. This too provided some “new” money for this pool.

Our current trend reveals that this revenue will be down approximately 4% in the current year compared to the prior year. We do not have any evidence to support a prediction that this trend will moderate or reverse. We are proposing, therefore, a 3% decrease from the amount we project to receive in the current year for the tax revenue.

In addition to the tax revenue, we receive “pass through” funds from the State that we remit to C-TV Channel 10. This is how the television station receives their State funding. In the past, they received this pass through from the City of New Bern. Now that New Bern has their own channel, we handle the pass through, and in exchange, receive services from Channel 10 at no cost.

Utilities Franchise Tax:

The Electric Franchise Tax is levied by the state on electric utilities at a rate of 3.22 percent of gross receipts over and above the regular State sales tax. The State distributes an amount equal to 3 percent of gross receipts to each city for service sold within their boundaries. Gross receipts for electricity tend to fluctuate based upon temperature and other factors.

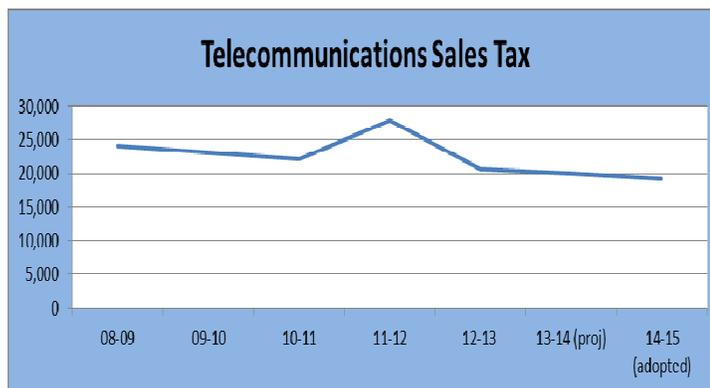


We receive this money quarterly. In the proposed budget, remaining conservative in our budgeting, we are budgeting for a 5% decrease in revenue in this line. This decrease is taken using our projection for the end of FY 2014 as the base. This projection shows that we end the current year slightly under the amount we budgeted, which was for a 6% decrease from FY2013.

Telecommunications Tax:

The Telecommunications Tax is from a pool created by 18.03% of the telecommunications sales tax imposed by all 100 counties (after the first \$2.6 million is deducted) and is also shared by all cities.

Our share is determined by the proportion our old franchise fee contributed to the pool when it was created in 2001. Therefore, our share of the pool remains constant, but the pool can fluctuate based upon taxes collected. Based upon trends in the revenue we receive for this tax, we are predicting a 4% decrease from the projected revenue in the current fiscal year which is projected to be down 4% from the prior year.



Court Refunds:

State law provides for a \$5 per “arrest” fee and other incidental costs to be paid to the locality whose officer makes an arrest. The relative unpredictability of the number of arrests that will be needed and made in a given year makes this a difficult source of revenue to forecast. However, based upon current activity data that show an increase in the number of arrests our department is making, we are budgeting for a modest increase in this relatively small revenue line.

Zoning Permits:

This line is driven by the level of construction activity in Town. As noted for the past few years, and it continues this year, there is a statewide trend toward lower rates of construction and that is borne out here in River Bend in the decline in permit revenue in spite of more aggressive permitting efforts and, in some cases, increased fees. The amount shown in the budget worksheet is an estimate based upon the projection for the current year.

Federal Grant – BVP Program:

We plan to purchase at least one “bullet proof” vest for our Police Department in FY 2015. This revenue line reflects fifty percent of the total cost that will be paid by federal grant proceeds.

Miscellaneous:

Includes for the other fifty percent of the cost of “bullet proof” vests. This revenue will come as a safety grant from our workers’ compensation insurance carrier. The bulk of the revenue shown in this line in FY 2014 is from recreation program fees. Our karate, Zumba, and yoga programs are doing well and are generating revenue in excess of expenditures. We opt to not budget for this fee revenue in an effort to remain conservative as they are subject to the effects of reduced enrollment and/or cancellation of the programs. It is likely, however, that we will continue to offer these programs and realize revenue that we have not budgeted.

Interest:

These two lines reflect the estimated revenue from interest in these two areas. We are required to show the revenue from interest from our Powell Bill funds on a separate line as this income is restricted in its use in a manner similar the allocation we receive under this Act. These estimates are based upon a conservative .35% interest rate and, reflect the amount of money we have invested. Currently, our funds in BB&T and those with the North Carolina Capital Management Trust are returning slightly over one-third of one percent.

Rents and Concessions:

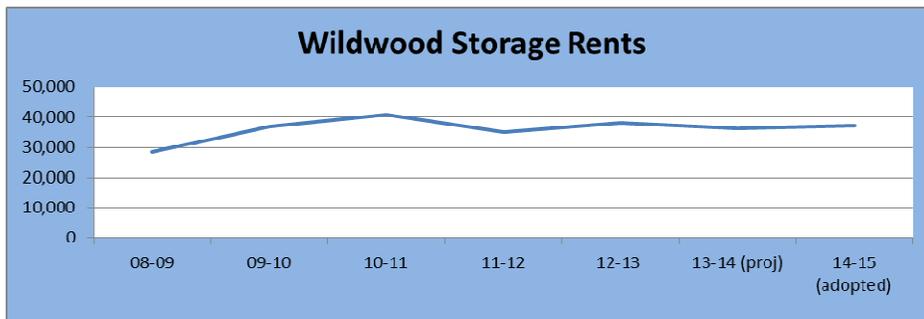
This line reflects revenue from our enterprise funds for rental of office space and charges for reserving the park or Town Hall meeting room.

Wildwood Storage Rentals:

The line reflects our revenue from the rental of the units in Wildwood. Now that we are managing this property, we get all the revenue. The budgeted amount is based upon our current rental rates, which appear competitive in the local market, and uses a 90% occupancy rate. The occupancy rate prediction is based upon our actual experience since taking over the management of this facility.

The amount budgeted includes the addition of 24 outside storage spaces at \$25 per month for nine months. If the project to build the new storage spaces is not funded, this line will need to be reduced by \$5,400.

		Revenue
Enclosed Units	37	\$2,910
Open Spaces	21	\$515
Total Units on Property	58	\$3,425
less		
Town Occupied Units	5	\$345
Net Units Available for Rental	53	\$3,080
Units Available for Rent	2	\$130
Units Past Due or Over-locked	0	\$0
Total Loss	2	\$130
Total Occupied and Paid	51	\$2,950
Rate of Paid Occupancy	96.2%	



General Fund Revenue Summary

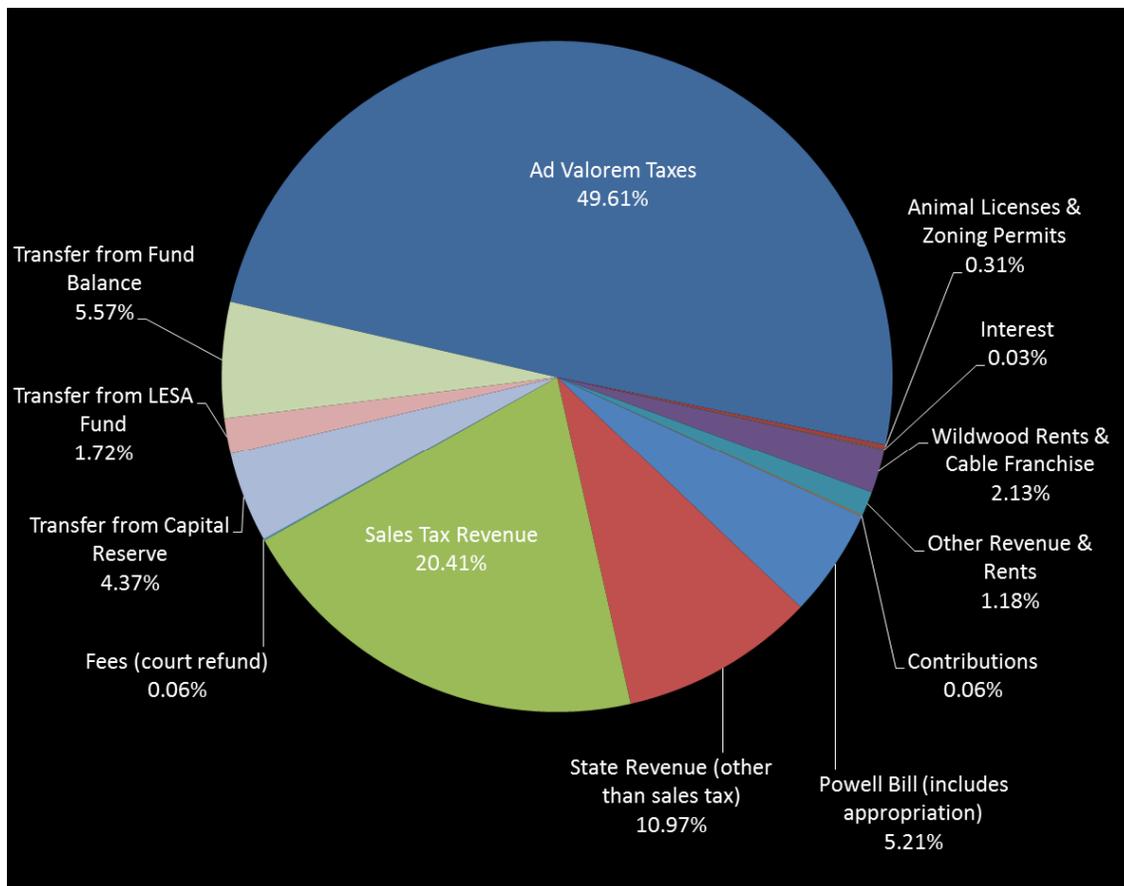
Due to the uncertain economic times we are in, we have been very conservative in our estimates of revenue. Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents a 3.88% decrease from the current fiscal year budget, but a 1.98% decrease compared to projected year-end revenue. Higher than estimated property tax, sales tax, Powell Bill, and Wildwood rental receipts explain much of the difference between the budgeted amount of revenue and the projected year-end revenue level.

The proposed tax rate and its corresponding revenue, along with the other revenues mentioned above, will allow us to maintain our infrastructure and maintain the current levels of service while looking at the future needs of the community. We are also able to maintain an appropriate level of fund balance in order to maintain a solid financial foundation, which has a direct impact upon our bond rating and overall creditworthiness. We remain aware of and seek any other sources of revenue whether through grants or other taxes as deemed appropriate.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

The table on the next page shows the detail of the General Fund Revenue budget. The summary table below combines like sources. The chart depicts, graphically, the portion of the total revenue we receive from each source type.

General Fund Revenue Summary	11-12	12-13	13-14	14-15	Change v. prior year	
	Actual	Actual	Budget	Adopted	%	\$
Ad Valorem Taxes	876,974	874,300	870,999	866,627	-0.50%	-4,372
Animal Licenses & Zoning Permits	8,609	3,824	6,000	4,000	-33.33%	-2,000
Interest	555	483	501	501	0.00%	0
Wildwood Rents & Cable Franchise	36,054	38,166	34,000	37,260	9.59%	3,260
Other Revenue & Rents	50,553	37,386	27,200	20,700	-23.90%	-6,500
Contributions	1,572	1,720	1,000	1,000	0.00%	0
Powell Bill (includes appropriation)	90,479	93,318	88,500	91,000	2.82%	2,500
State Revenue (other than sales tax)	201,220	176,028	173,984	164,415	-5.50%	-9,569
Sales Tax Revenue	347,390	362,039	350,775	356,471	1.62%	5,696
Government Grants (Fed, State & County	183,832	55,264	170	170	0.00%	0
Fees (court refund)	234	480	500	1,000	100.00%	500
Charges to Other Funds	0	0	0			0
Transfer from Capital Reserve	21,000	19,212	235,483	76,345	-67.58%	-159,138
Transfer from LESA Fund		22,111	22,111	30,074	36.01%	7,963
Transfer from Fund Balance		0	6,144	97,322	1484.02%	91,178
TOTAL	1,818,472	1,684,330	1,817,367	1,746,885	-3.88%	-70,482



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Revenue	11-12		12-13		13-14		14-15
	YR End Budget	Actual Revenue	YR End Budget	Actual Revenue	Current Budget	Projected Year-End	Adopted Budget
AD VALOREM Taxes	801,387	809,907	802,675	804,033	803,399	803,399	802,229
Tax Penalties	0	0	0		0		0
AD VALOREM Tax-Motor Veh.	58,018	67,068	63,916	70,267	67,599	67,599	64,398
Animal Licenses	2,000	3,410	3,000	2,240	4,000	2,000	2,000
Sales Tax - Art. 39 1%	127,479	130,483	127,615	133,138	132,800	129,540	129,540
Sales Tax - Art. 40 1/2%	71,715	77,502	71,064	81,225	77,715	82,365	82,365
Sales Tax - Art. 42 1/2%	64,183	65,649	64,183	67,399	67,000	65,602	65,602
Sales Tax (Local Opt)- Art. 44 1/2%	0	550	0	76	0	19	0
Hold Harmless Tax Distribution	66,240	72,821	65,604	77,840	73,260	78,964	78,964
Cable TV Franchise	550	992	0		0		0
Solid Waste Disposal Tax	2,200	2,147	2,200	1,975	2,200	1,700	1,700
Powell Bill Appropriation	0	0	0		0		0
Powell Bill Allocation	89,167	90,479	91,421	93,318	88,500	91,877	91,000
Beer and Wine Tax	13,945	13,561	12,740	12,694	12,485	12,485	12,235
Video Programming Sales Tax	68,335	71,729	68,344	66,575	66,935	66,250	65,223
Utilities Franchise Tax	74,000	87,957	80,791	75,996	73,529	71,323	67,757
Telecomm Sales Tax	19,995	27,973	20,419	20,762	21,035	20,000	19,200
Court Refunds	300	234	300	480	500	1,000	1,000
Zoning Permits	2,000	5,199	2,000	1,584	2,000	1,800	2,000
Federal Grant- BVP Program	0	178	640	172	170	367	170
Federal Disaster Assistance	137,741	137,741	0		0		0
State Disaster Assistance	45,913	45,913	0		0		0
Interlocal Service Agreements	0	0	0		0		0
County Government Grants	0	0	0		0		0
State Government Grants	0	0	55,092	55,092	0		0
Miscellaneous	4,000	14,497	1,640	16,947	1,000	13,100	1,000
Insurance Settlements	13,809	15,820	0	464	0		0
Interest- Powell Bill	101	1	1	1	1	0	1
Interest- General Fund	3,250	554	1,495	482	500	200	500
Recreation Land Fees	0	0	0		0	0	0
Contributions	1,000	1,572	1,000	1,720	1,000	1,300	1,000
Wildwood Storage Rentals	32,000	35,062	34,000	38,166	34,000	36,500	37,260
Rents & Concessions	18,000	18,090	18,000	18,000	18,000	18,000	18,000
Sale of Fixed Assets	0	0	0		6,000	6,455	
Sales Tax Refund Revenue	0	386	0	2,361	0		0
Proceeds from Debt	0	0	0		0		0
Transfer - Capital Res Fund	21,000	21,000	19,212	19,212	235,483	188,283	76,345
Transfer from Parks Fund	0	0	0	0	0	0	0
Transfer from Water Fund	0	0	0	0	0	0	0
Transfer from Sewer Fund	0	0	0	0	0	0	0
Transfer from LESA Fund	0	0	22,111	22,111	22,111	22,111	30,074
Appropriated Fund Balance	13,600	0	29,079	0	6,144		97,322
TOTAL REVENUES	1,751,928	1,818,472	1,658,542	1,684,330	1,817,367	1,782,240	1,746,885

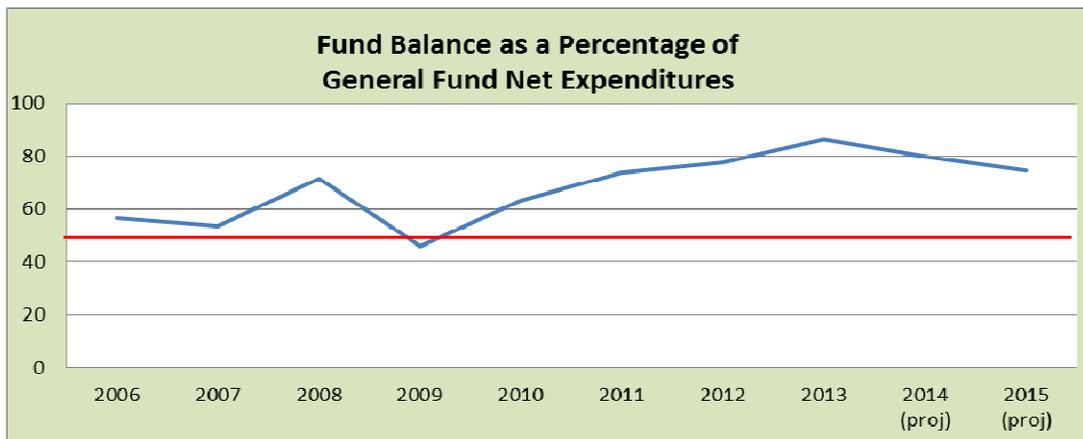
General Fund Balance

Fund Balance is, simply explained, the amount of assets in excess of liabilities in a given fund. The North Carolina Local Government Commission (LGC) monitors the level of unreserved Fund Balance each locality maintains as a sign of their relative financial strength. The benchmark the LGC uses is 8% of total expenditures, below which they express concern to the locality and direct action to increase the balance. The target set by the Town Council is to maintain an unrestricted Fund Balance of greater than 50%. Having such a balance enables us to meet our financial obligations without interruptions due to cash flow, generates investment income, eliminates the need for short-term borrowing, and provides a reserve of funds to respond to emergencies or opportunities.

River Bend, at the end of Fiscal Year 2013 had a Fund Balance of 86.52%, and we project a Fund Balance of 79.9% at the end of the current fiscal year. In FY 2009 we used a large amount of Fund Balance in order to accomplish a major roadway paving project. In FY 2010 the Town Council elected to maintain the Ad Valorem tax rate at \$0.28 per \$100 valuation and consequently budgeted to use fund balance to balance the budget. In FY 2011 the Town Council elected to set a tax rate higher than a Revenue Neutral tax rate. This allowed the Fund Balance to recover and come closer to the target of 50%. This adopted budget, using \$97,322 of fund balance to balance the budget, predicts a fund balance percentage, at the end of the fiscal year, of 74%.

Fund Balance remains, according to our projections, at or above 50% through the end of Fiscal Year 2017 with no additional tax rate increase. See the following section for more details regarding our five-year financial forecast. The table below shows the amount of Fund Balance at the end of each fiscal year and the corresponding percentage of General Fund expenditures. The chart depicts the Fund Balance percentage at the end of the fiscal year.

	2006	2007	2008	2009	2010	2011	2012	2013	2014 (proj)	2015 (proj)
Fund Balance \$	753,676	749,970	911,137	802,506	915,383	1,056,417	1,256,939	1,364,560	1,397,184	1,299,861
									projected	
	2006	2007	2008	2009	2010	2011	2012	2013	2014 (proj)	2015 (proj)
Fund Balance %	56.68	53.57	71.52	46.08	63.28	73.84	77.69	86.54	79.86	74.41
									projected	



Five-Year Financial Forecast

A financial forecast assists the Town in planning for future expenditures and revenues and estimating the financial resources required to maintain adequate services and reserves. By capturing known or planned expenditures and predicting, based upon historical data, future expenditures we are able to develop a reasonable estimate of trends over the next five years. The forecast is based upon a set of assumptions that are, following the philosophy of the elected body, quite conservative in estimating revenue and realistic in predicting expenditures.

These projections are reviewed annually to see how they correlate to actual expenditures and to determine if changes in the economic climate warrant changes in the underlying assumptions.

What follows is a list of some of the assumptions that underlie the forecast:

Expenditures

- 1.5% COLA for FY2015 and 3% per year thereafter.
- Other compensation changes per the approved Pay Plan.
- No increase in staffing level from FY 2014 levels.
- Predicted decreases in contribution rates to the Local Government Employees Retirement System.
- 15% per year increase in medical insurance premiums.
- Continued funding of Healthcare Reimbursement Accounts for employees.
- 1% per year increase in Workers' Compensation Insurance.
- 7.5% increase in per year in Property & Liability Insurance after a 12% increase in FY2015.
- 3% increase per year in Electric expenditures.
- 2% per year in Telephone and Postage expenditures.
- 10% per year increase in motor fuel expenditure.
- 3% increase per year in many other routine expenditures.
- Includes all vehicle and IT replacement, per plans.
- \$30,000 per year expenditure for stormwater - \$30,000 going into CIP for stormwater.
- Maintains LESA funding at \$10,000 this year. For FY 16 and FY 17, the assumed contribution is \$11,000. For FY 18 and beyond, the contribution is \$13,500.
- Does not include any funding for major capital expenditures for building additions or modifications.
- Fully funds CIP contribution for building construction or renovation in an amount equal to prior debt service payments.

Revenue

Real Property:	1% per year increase in tax base 99% collection rate No change in tax rate
Motor Vehicle:	1% per year decrease in tax base 95% collection rate No change in tax rate
Sales Taxes:	1% per year growth from FY 2014 year-end level
Powell Bill:	2% per year decrease in funding
Beer and Wine Tax:	2% per year decrease from FY 2014 year-end level
Video Programming Sales Tax:	3% per year decrease from FY 2014 year-end level
Utilities Franchise Tax:	5% per year decrease from FY 2014 year-end level
Telecommunication Sales Tax:	2% per year decrease from FY 2014 year-end level
Sale of Fixed Assets:	Tracks with years new vehicles are purchased
Wildwood Storage Rental	90% Occupancy Rate

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

This worksheet shows the General Fund expenditure summary, by department, based upon the assumptions noted above.

General Fund Expenditure Summary	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
	Actual	Projected	Proposed					
Governing Body	22,710	23,889	27,589	31,177	27,000	31,854	27,423	32,565
Administration	202,369	208,224	219,971	230,824	236,739	247,282	257,288	269,607
Finance	92,244	88,829	94,625	99,472	102,231	107,022	111,511	117,006
Tax Listing	9,542	9,568	9,463	9,512	9,583	9,655	9,728	9,801
Legal Services	13,397	20,000	30,000	30,000	30,000	30,000	30,000	30,000
Elections	-	4,928	-	6,000	-	7,000	-	8,000
Police	494,525	539,642	505,066	556,576	558,332	613,467	611,290	627,328
Public Buildings	73,759	153,628	74,836	65,152	68,918	72,990	77,399	81,648
Emergency Services	2,975	3,850	4,657	4,797	4,941	5,089	5,241	5,399
Animal Control	8,023	10,940	12,594	13,368	14,067	15,058	15,935	16,889
Street Maintenance	169,049	191,709	235,735	204,313	211,387	192,200	211,741	215,067
Public Works	134,040	185,894	158,977	162,973	187,137	178,903	187,336	196,362
Leaf & Limb and Solid Waste	29,215	31,415	41,225	41,273	43,304	48,213	50,589	53,083
Stormwater Management	38,120	76,864	96,641	87,875	90,028	92,652	95,140	97,777
Wetlands & Waterways	430	3,000	9,500	6,150	6,305	10,964	6,628	6,796
Planning & Zoning	59,748	39,514	43,850	46,017	47,055	49,264	51,276	53,803
Recreation & Special Events	5,898	8,550	7,385	7,607	7,835	8,070	8,312	8,561
Parks & CAC	112,663	44,172	44,566	37,743	39,322	41,354	43,234	45,244
Contingency (1% per policy)			27,167	23,867	24,300	25,069	25,459	26,208
Transfer to Capital Reserve	108,000	105,000	105,000	105,000	105,000	106,000	106,000	106,000
TOTAL	1,576,708	1,749,616	1,748,848	1,769,695	1,813,482	1,892,104	1,931,530	2,007,144
	-2.55%	10.97%	-0.04%	1.19%	2.47%	4.34%	2.08%	3.91%

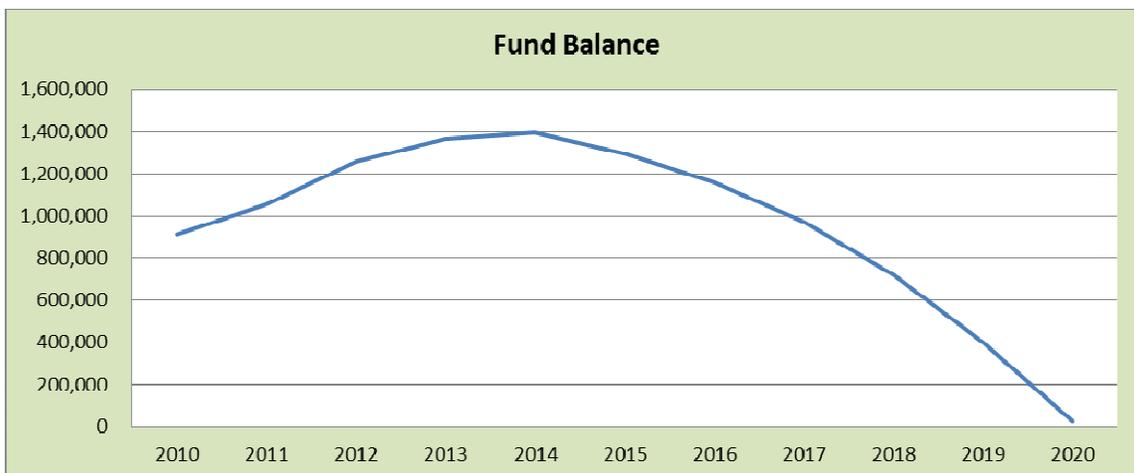
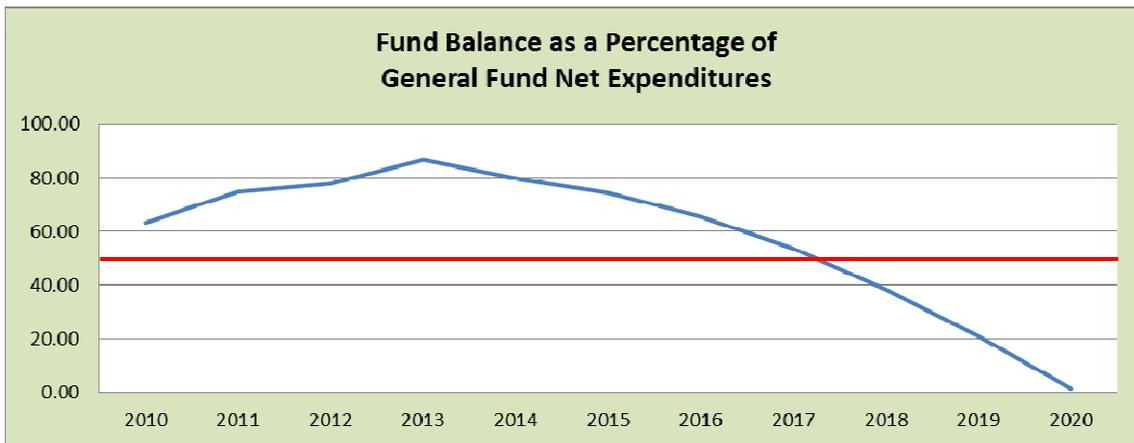
This worksheet shows the General Fund revenue summary, by major source, based upon the assumptions noted above.

General Fund Revenue Summary	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
	Actual	Projected	Proposed					
Ad Valorem Taxes	874,300	870,999	866,627	871,496	878,924	886,439	894,043	901,734
Animal Licenses & Zoning Permits	3,824	3,800	4,000	4,000	4,000	4,000	4,000	4,000
Interest	483	200	501	500	500	500	500	500
Wildwood Rents & Cable Franchise	38,166	36,500	37,260	37,260	37,260	37,260	37,260	37,260
Other Revenue & Rents	37,386	39,255	20,700	23,200	23,200	23,200	23,200	23,200
Contributions	1,720	1,300	1,000	1,000	1,000	1,000	1,000	1,000
Powell Bill (includes appropriation)	93,318	91,877	91,000	89,180	87,396	85,648	83,936	82,257
State Revenue (other than sales tax)	176,028	170,058	164,415	157,673	151,234	145,083	139,205	133,588
Sales Tax Revenue	362,039	356,490	356,471	360,036	363,636	367,272	370,945	374,655
Government Grants (Fed, State & County)	55,264	367	170	0	0	0	0	0
Fees (court refund)	480	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Charges to Other Funds	0	0	0	0	0	0	0	0
Transfer from Capital Reserve	19,212	188,283	76,345	55,015	49,678	61,000	31,236	60,000
Transfer from LESA Fund	22,111	22,111	30,074	30,091	30,091	30,091	24,855	14,070
Transfer from Fund Balance	0	0	97,322	0	0	0	0	0
TOTAL	1,684,330	1,782,240	1,746,885	1,630,451	1,627,920	1,642,494	1,611,180	1,633,265
	-7.40%	5.81%	-1.98%	-6.67%	-0.16%	0.90%	-1.91%	1.37%

Town of River Bend, North Carolina Annual Budget for Fiscal Year 2014-2015

The worksheet and charts shown below summarize the effect upon fund balance assuming no change in tax rates occurs. Absent increases in revenue, or substantial decreases in spending, with the resultant modification to services provided, the structural deficit illustrated below will persist. This trend is similar to what we saw last year in our forecast.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund Balance \$	915,383	1,056,417	1,256,939	1,364,560	1,397,184	1,297,898	1,158,654	973,092	723,482	403,132	29,252
	(data from annual financial report)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund Balance %	63.28	74.56	77.69	86.54	79.86	74.21	65.47	53.66	38.24	20.87	1.46
	(data from LGC)										
GF Expenditures	1,301,881	1,416,926	1,617,942	1,576,708	1,749,616	1,748,848	1,769,695	1,813,482	1,892,104	1,931,530	2,007,144
50% of Expense	650,940	708,463	808,971	788,354	874,808	874,424	884,847	906,741	946,052	965,765	1,003,572
Ad Valorem Revenue	667,826	875,263	876,974	874,300	870,999	866,627	871,496	878,924	886,439	894,043	901,734
All Other Revenue	747,391	713,426	941,883	810,030	911,241	882,222	758,955	748,995	756,054	717,137	731,530
Revenue	1,415,217	1,588,690	1,818,858	1,684,330	1,782,240	1,748,849	1,630,451	1,627,920	1,642,494	1,611,180	1,633,265
Revenue-Expense	113,336	171,764	200,916	107,623	32,624	0	-139,244	-185,562	-249,610	-320,350	-373,880

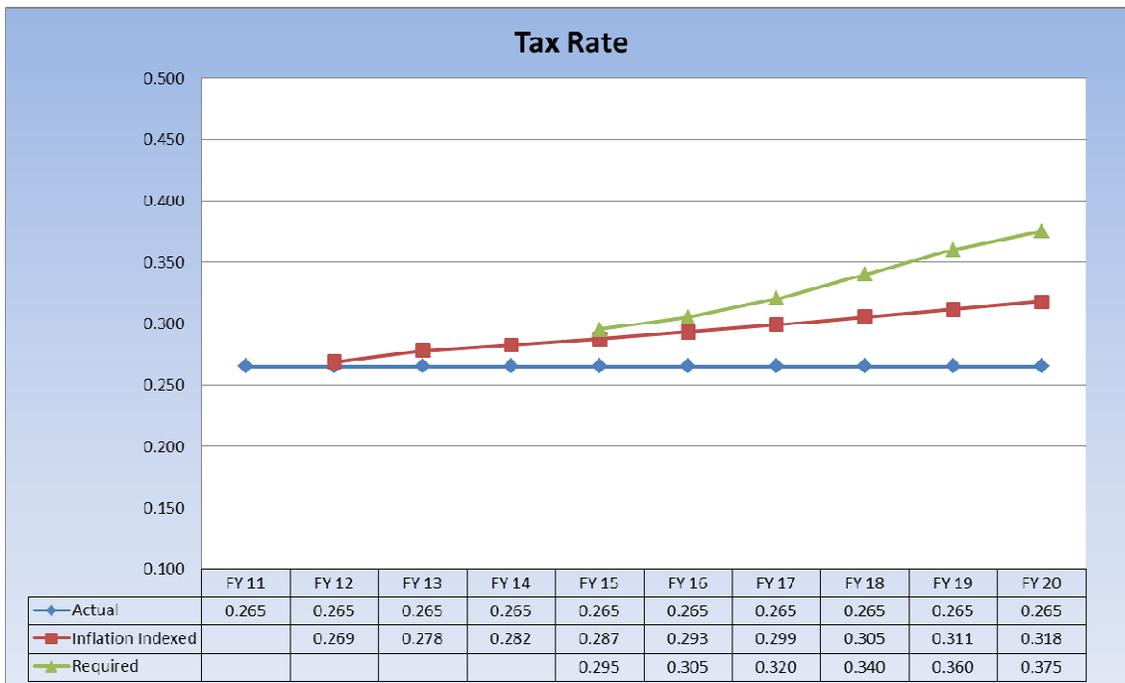


Our options to ameliorate a structural deficit are rather limited. We have, effectively, one local revenue that we can adjust to increase revenue, and a wider variety of ways to reduce expenditures. Spending reductions, in order to make a substantial change in the structural deficit, would need to come from the areas in which our expenses are highest; personnel costs, capital reserve funding, and infrastructure maintenance. Reducing any of which comes with its own set of consequences that need to be evaluated as they are considered.

Increasing revenue through an increase in the tax rate also has consequences that must be evaluated. While ours is statistically in the lower third of city tax rates in North Carolina, any increase has an effect upon our current residents and in the market as people compare River Bend to other communities in which to live. The median tax rate in the State is currently \$0.41, or \$0.145 higher than ours. There are, however, many differences in communities, the services they offer, the level of their tax base, and a host of other factors, that make comparisons to other communities imprecise.

The reader will note that, based upon the assumptions shown earlier, revenue does not cover expenditures beginning in Fiscal Year 2015. Assuming that all projections are realized, and there is no modification to services or personnel, the chart below shows the tax rates required to maintain fund balance an acceptable level. Even at the FY 20 “required” level, the Town’s tax rate remains below the state median.

The Inflation Adjusted tax rate is calculated using our current tax rate of \$0.265 as the base and increasing it by the rate of inflation in each of the years since its last increase in FY 11. From FY 15 forward the rate is increased by an inflation factor equal to the average rate of inflation over the past four years (2.33%). Simply having the tax rate keep pace with inflation, and not accounting for changes in service levels and unusual changes in costs, yields a rate 5.7 cents less than the required rate shown once the projections are carried out to FY 2020.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

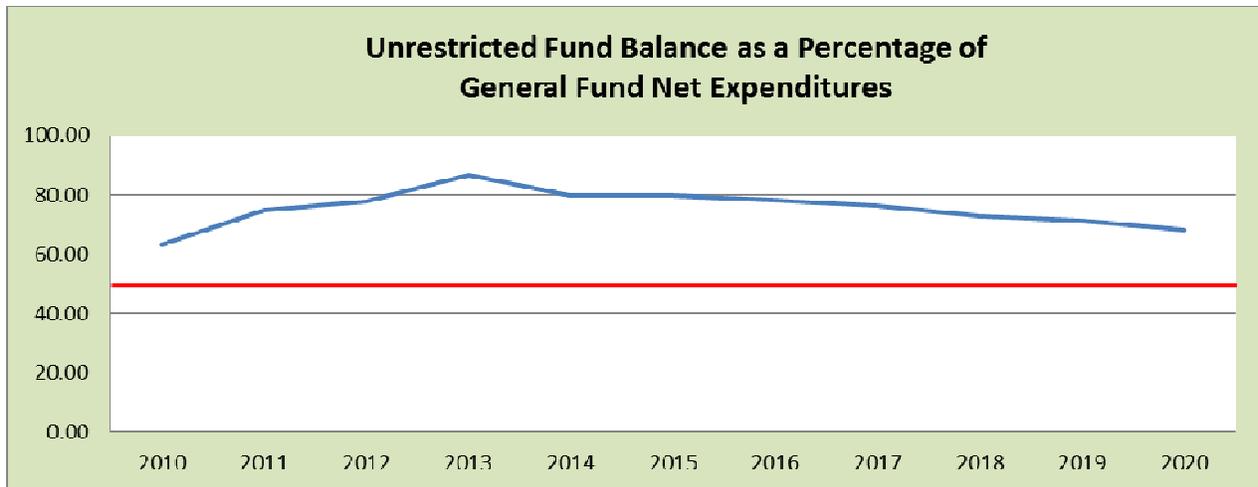
While we are not advocating a change in the tax rate, we show you this information to keep you apprised of how revenue might need to be increased in order to maintain our current level of services. As noted earlier, an increase in the tax rate affects our property owners. The table below shows the effect of charging the “required” tax rate from FY 15 – FY 20 on the amount owners pay for Town tax based upon the assessed value of their property. For each year we show the total Town tax owed and calculate the difference versus the amount paid under the current tax rate. The \$190,000 row is highlighted as this approximates the median value of taxed property in River Bend. Looking at that row, the reader will note that the property owner would pay \$209 more in taxes at the required rate in FY 20.

Assessed Value	Current Bill 0.265	FY 15		FY 16		FY 17		FY 18		FY 19		FY 20	
		0.295	Inc v. Current	0.305	Inc v. Current	0.32	Inc v. Current	0.34	Inc v. Current	0.36	Inc v. Current	0.375	Inc v. Current
95,000	252	280	29	290	38	304	52	323	71	342	90	356	105
100,000	265	295	30	305	40	320	55	340	75	360	95	375	110
150,000	398	443	45	458	60	480	83	510	113	540	143	563	165
190,000	504	561	57	580	76	608	105	646	143	684	181	713	209
200,000	530	590	60	610	80	640	110	680	150	720	190	750	220
250,000	663	738	75	763	100	800	138	850	188	900	238	938	275
300,000	795	885	90	915	120	960	165	1,020	225	1,080	285	1,125	330
350,000	928	1,033	105	1,068	140	1,120	193	1,190	263	1,260	333	1,313	385
400,000	1,060	1,180	120	1,220	160	1,280	220	1,360	300	1,440	380	1,500	440
500,000	1,325	1,475	150	1,525	200	1,600	275	1,700	375	1,800	475	1,875	550
600,000	1,590	1,770	180	1,830	240	1,920	330	2,040	450	2,160	570	2,250	660

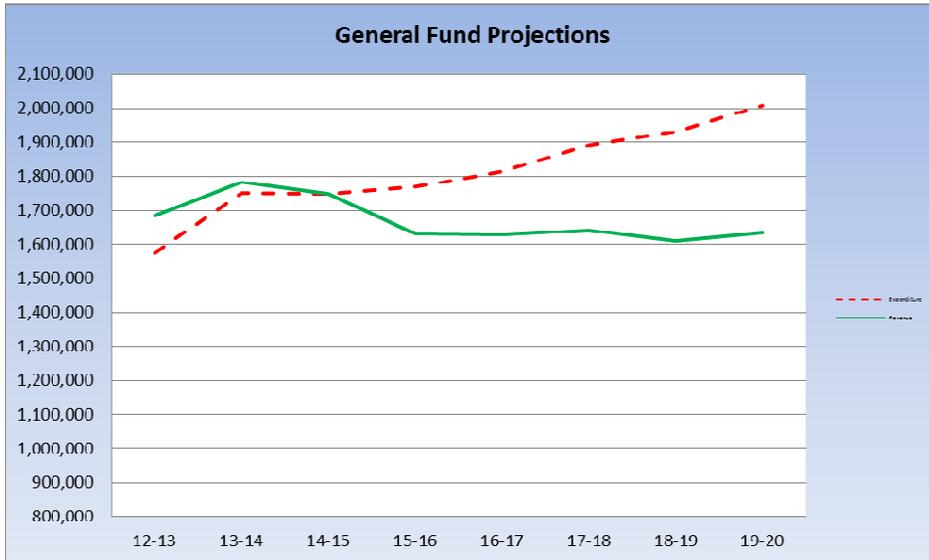
Town of River Bend, North Carolina
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The table and chart below show the effect upon fund balance assuming that the tax rate is modified to maintain service and reserves at or near current levels and in conformance to policy.

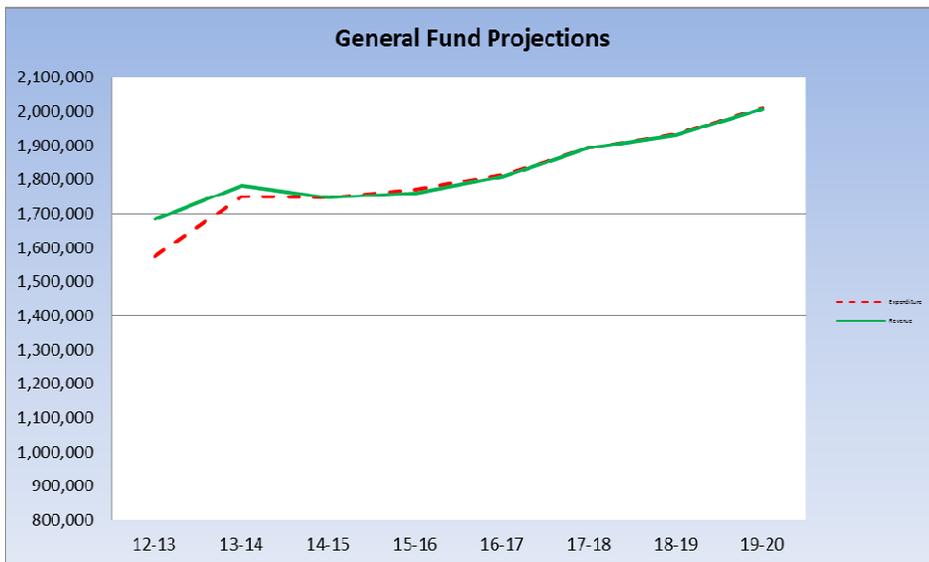
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund Balance \$	915,383	1,056,417	1,256,939	1,364,560	1,397,184	1,396,007	1,386,932	1,381,879	1,380,523	1,377,329	1,373,844
	(data from annual financial report)										
Fund Balance %	63.28	74.56	77.69	86.54	79.86	79.82	78.31	76.12	72.86	71.18	68.31
	(data from LGC)										
GF Expenditures	1,301,881	1,416,926	1,617,942	1,576,708	1,749,616	1,748,848	1,771,073	1,815,391	1,894,728	1,934,880	2,011,054
50% of Expense	650,940	708,463	808,971	788,354	874,808	874,424	885,536	907,695	947,364	967,440	1,005,527
Ad Valorem Revenue	667,826	875,263	876,974	874,300	870,999	964,735	1,003,043	1,061,342	1,137,319	1,214,548	1,276,039
All Other Revenue	747,391	713,426	941,883	810,030	911,241	782,936	758,955	748,995	756,054	717,137	731,530
Revenue	1,415,217	1,588,690	1,818,858	1,684,330	1,782,240	1,747,671	1,761,997	1,810,338	1,893,373	1,931,686	2,007,569
Revenue-Expense	113,336	171,764	200,916	107,623	32,624	-1,177	-9,075	-5,053	-1,355	-3,194	-3,485



The charts below show the historical trend and forecast for future revenues and expenditures in the General Fund based upon current and modified tax rates.



This graph shows revenue and expenses for the next five years with no increase in the tax rate.



This chart shows revenue and expenses for the next five years with the changes in the tax rate as described above.

One of the difficulties with the foregoing analysis is the ability to accurately project future revenue and expenditures. We believe that the assumptions, as noted earlier, follow the philosophy of the elected body, in that they are quite conservative in estimating revenue and realistic in predicting expenditures. This analysis will be updated annually in order to give the elected leaders a basis of understanding the future impact of current policies and services.

Law Enforcement Officer (LEO) Separation Allowance Fund

Since Fiscal Year 2008, the Town has been placing a small amount of money in a separate account with the NC Capital Management Trust for investment on behalf of this fund which is reserved for the sole purpose of funding this benefit for qualifying sworn law enforcement officers. Due to our projected needs for this fund, we have increased our annual contribution, and, in fact, made additional contributions of \$30,000 at the end of Fiscal Years 2012 and 2013 and \$10,000 at the end of Fiscal Year 2014 rather than having that excess go to General Fund Balance.

The reader will note and understand that interest additions beginning in Fiscal Year 2010 are considerably lower than in previous years. This is due to the overall performance of the investment portfolio, which is tied to the performance of the stock market. The table below shows the contributions made and the balances in this Fund since its creation. Similarly, we do not expect to receive a significant amount of interest income in FY 2014.

The benefit provided by this fund is available to all full-time law enforcement officers who have reached age 55 and have more than 5 years of creditable service. The amount of the benefit is calculated by multiplying the officer's salary by 0.0085 and multiplying that number by the total number of years of creditable service. The retiree may collect this annual amount for up to seven years (until they turn 62). As noted in the table below, there are officers who are collecting this benefit. In FY 2013 we began using this fund to cover the retirement benefits paid to two officers. Another officer is retiring in October of 2014.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
Additions								
General Fund Contributions	7,000	8,000	8,000	8,000	42,710	39,000	20,000	10,000
Interest	237	239	44	41	23	26	24	24
Total Additions	7,237	8,239	8,044	8,041	42,733	39,026	20,024	10,024
Deductions								
Retirement Benefits Payable	0	0	0	0	4,710	22,111	22,111	30,074
Total Deductions	0	0	0	0	4,710	22,111	22,111	30,074
Change in Net Assets	7,237	8,239	8,044	8,041	38,023	16,915	-2,087	-20,050
Net Assets - Beginning of Year	0	7,237	15,476	23,520	31,561	69,584	86,499	84,412
Net Assets - End of Year	7,237	15,476	23,520	31,561	69,584	86,499	84,412	64,362

Town of River Bend, North Carolina
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The table below is from our Comprehensive Annual Financial Report (CAFR) and shows the latest actuarial information on this fund. Prior to the Town's beginning to save money to fund this liability, as mentioned above, we continued to accrue a significant liability to be paid once one (or more) of our officers retire. Additional information regarding the details of the actuarial valuation is available in our CAFR which is available on our website at www.riverbendnc.org/finance.

Actuarial Valuation Date December 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability - (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / (c)
1991		10,646	10,646	0.00%	83,100	12.81%
1995		5,336	5,336	0.00%	80,984	6.59%
2005		37,284	37,284	0.00%	204,897	18.20%
2006		45,773	45,773	0.00%	211,535	21.64%
2007	7,154	54,173	47,019	13.21%	218,836	21.49%
2008	15,404	68,636	53,232	22.44%	224,084	23.76%
2009	23,520	95,895	72,375	24.53%	233,647	30.98%
2010	31,561	111,014	79,453	28.43%	239,398	33.19%
2011	39,569	141,287	101,718	28.01%	231,482	43.94%
2012	56,488	215,534	159,046	26.21%	276,170	57.59%

Enterprise Funds Overview

The Town of River Bend operates two enterprises: the water system and the sewer system. River Bend purchased these two businesses from a private company, Carolina Water Service, in 1995. These 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.

The following pages will provide an overview of the process used to establish utility rates, what the proposed rates are, and specific information regarding the operations, expenditures, and revenues of each utility.

These utilities are operated under the supervision of the Public Works Director. In addition to the Director, there are two licensed water and wastewater operators who have extensive training and experience. We have a member of the staff on duty seven days a week in order to monitor these important operations and ensure that we are providing clean drinking water and discharging only properly treated effluent from our wastewater plant. These operations require technical expertise and attention to detail and we are very fortunate to have quality operators who focus on these aspects, and have a mind for serving our customers quickly, efficiently, and equitably.

Billing for the utilities is handled by our Finance Assistant who works under the supervision of the Finance Administrator. The Finance Assistant is responsible for all aspects of billing and customer service for the utilities and is charged with applying policies and procedures adopted by the Council and Manager equitably to all customers.

Fiscal Year 2013-14 Highlights including Special Projects and Purchases- Water

- Installed two replacement blow-off valves
- Replaced 32 water service lines in Harbour Walk
- Continued a multi-year project to install backflow preventers on all residential connections
- Under contract, had both water towers inspected and cleaned and had one tower painted
- Purchased a new folder/stuffer to replace an aging and unreliable machine
- Replaced chlorine scales and regulators

Fiscal Year 2013-14 Highlights including Special Projects and Purchases - Sewer

- Under contract, had all three high capacity air blowers at the wastewater treatment plant tested and tuned
- Upgraded the main lift station on Gull Pointe
- Installed water hydrants at two lift stations
- Purchased a spare lift station pump
- Made repairs to treatment unit #1 including new weirs and gaskets, walkway supports, and installed a steel band to repair corrosion

Enterprise Funds Capital Improvement Plan

The purpose of the Capital Improvement Plan (CIP) is to forecast and match projected revenues and major capital needs over a five-year period. Capital planning is an important management tool that strengthens the linkage between enterprise fund infrastructure needs and the financial capacity of the utility.

Generally defined, capital expenditures are those of major value that recur irregularly, result in the acquisition (or significant modification) of a fixed asset, and have a useful life greater than one year.

The CIP is updated annually as part of the Town's regular budget process. Projects are reviewed and evaluated based on the Mayor's and Town Council's priorities, other infrastructure needs, the financial capacity of the utility and the impact the projects will create on the utilities' operating budgets.

Once the projects are evaluated, a recommended CIP is developed that identifies the selection and timing of capital projects into future fiscal years. First-year projects are incorporated into the recommended annual operating budget. The Mayor and Town Council are also presented the future planning years for their consideration, review, and endorsement so staff can proceed with planning and evaluation of potential capital projects.

The Capital Improvement Plan is simply that – a *plan*. As such, projects are subject to change based on new or shifting service needs, special financing opportunities, emergency needs, or other directives or priorities established by the Mayor and Town Council. Because priorities can change, projects included in outward planning years are not guaranteed for funding. The River Bend Enterprise Fund CIPs achieve five major objectives as a component of the utilities' budget and financial planning process:

1. Helps the Town rationally and intelligently plan for the repair, replacement, and acquisition of capital items that are necessary in providing high quality services to the customers of the utilities.
2. Assists in fiscal planning by forecasting capital demands together with future revenues and expenditures.
3. Ensures better coordination, evaluation, and planning of projects to serve the utilities and their needs.
4. The CIP, together with the annual budget and other financial plans, serves as a guide to decision-making for the Town Council, Town Manager, and staff.
5. The systematic and comprehensive analysis of capital needs increases the probability of making rational budgetary judgments since improvements are identified, prioritized, and matched to the projected fiscal resources of the utilities.

The projects funded by expenditures from the Capital Improvement Plan are detailed later in this report within the description of the operational department in which the expenditure is made. As noted earlier, these projects were reviewed in light of their impact upon the operating budgets. Due to adequate planning for such capital projects, there is no adverse effect upon the operating budgets due to their inclusion in the budgets.

The Enterprise Fund CIP projects for Fiscal Year 2014-15, while modest in scope, all help to preserve our infrastructure and continue to provide reliable service. In the water fund, we plan to replace the supports on the water filters in the well #3 treatment plant. These support are significantly corroded and in need of replacement to prevent failure.

The other project in the water fund is to interconnect our water system with that of the City of New Bern. 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.

In the sewer fund we plan to make a repair to treatment unit #2 at the wastewater treatment plant. Similar to a repair we made to unit #1 last year, we will replace the weirs, the weir gasket, and weld a steel band on the inside of the clarifier tank where there is some corrosion that potentially could go through to the other side of the tank.

The most significant project in the sewer enterprise is to contract for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve those who are currently served by the collection and treatment systems. No plans are being made to change the permitted capacity of the treatment plant, rather, the Council is attempting to remain proactive in their approach to maintaining the life of the plant and be ready for changes in nutrient limits that are likely to be part of our next permit renewal in four years. The design and permitting phase of the project, costing \$210,000, will result in the Town having a permit to allow us to renovate and upgrade that is good for five years from when it is issued. The engineer working on this project estimates that it will take upwards of twelve months to complete this work. During the fiscal year 2015, the Town Council will continue discussions relative to the most appropriate time to undertake the construction phase of this project.

The tables on the next pages shows both funding and expenditures from the Enterprise Funds Capital Improvement Plan and the Vehicle Replacement Plan (refer to page 76 in the General Fund section of this document for a description of the Vehicle Replacement Plan).

Water Fund Capital Improvement Plan

		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Appropriation: Annual		50,000	50,000	50,000	0	0	0	0	0	50,000	50,000	50,000
Appropriation: Well pump		10,000	10,000	10,000	0	0	0	0	0	10,000	10,000	10,000
Appropriation: Vehicles (50/50 W/S)		3,000	3,000	3,000	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,500
	FY Appropriation:	\$ 63,000	\$ 63,000	\$ 63,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500	\$ 63,500	\$ 63,500	\$ 63,500
Capital Projects	Project Completed											
<i>Administration:</i>												
Vehicle Replacement (split Water/Sewer)	Per schedule					14,000	8,500				11,000	
<i>Treatment</i>												
Well #1 Filter Media Rehab	09-10					20,000						
Well #1 Filter Underdrain	11-12	17,500										
Well #3 Valves	09-10											
Well #3 Filter Media Rehab	10-11						11,000					
Well #3 Pump Replacement				12,577								
Well #3 Filter Supports	14-15				12,448							
<i>Distribution</i>												
Quarterdeck Service Line Replacement	12-13		20,000									
Howell Center and Riverstone Backflow	11-12	12,000										
Harbourwalk Line Replacement	13-14			33,170								
New Bern Interconnection	14-15				42,000							
	FY Expenditures:	29,500	20,000	45,747	54,448	34,000	19,500	0	0	0	11,000	0
	Net Capital Cash:	\$ 33,500	\$ 43,000	\$ 17,254	\$ (51,448)	\$ (31,000)	\$ (16,500)	\$ 3,500	\$ 3,500	\$ 63,500	\$ 52,500	\$ 63,500

Sewer Fund Capital Improvement Plan

		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Appropriation: Annual		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Appropriation: Vehicles (50/50 W/S)		3,000	3,000	3,000	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,500
	FY Appropriations:	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500
Capital Projects												
	Project Completed											
<i>Administration:</i>												
Vehicle Replacement (split Water/Sewer)	Per schedule					14,000	8,500				11,000	
<i>Collection:</i>												
Install Piner Estates service stops			10,000									
Upgrade Main Lift Station				13,198								
<i>Treatment:</i>												
Unit #1 Clarifier Repair	13-14			22,428								
Unit #2 Clarifier Repair	14-15				36,000							
Static screen and Surge Tank Bypass	13-14			8,439								
Chlorine Building	10-11											
Restroom Addition	10-11											
Generator	11-12	43,500										
	FY Expenditures:	43,500	10,000	44,065	36,000	14,000	8,500	0	0	0	11,000	0
Net Capital Cash:												
		\$ 19,500	\$ 53,000	\$ 18,935	\$ 27,000	\$ 49,000	\$ 54,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 52,500	\$ 63,500

Enterprise Funds Vehicle Replacement Plan

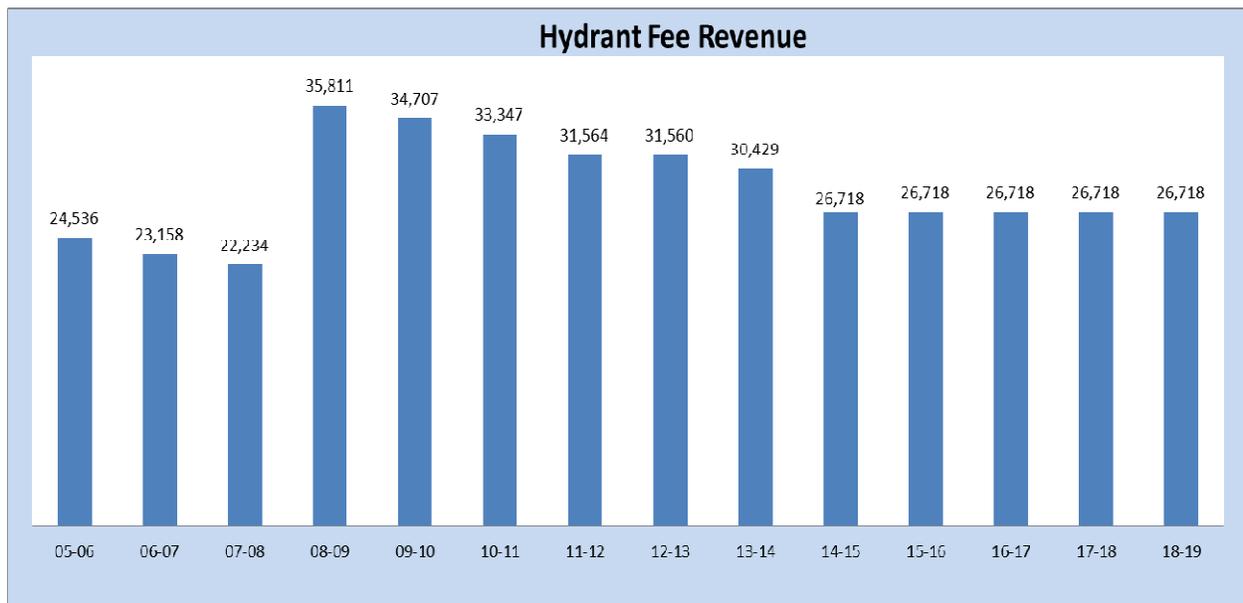
Vehicle Replacement Plan Enterprise Funds		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Reserved		6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
	Life Cycle												
	Current Vehicle												
Veh #1	12 years 2008 Chevy Van										22,000		
Veh #2	12 years 2004 F-150						17,000						
Veh #3	12 years 2003 F-250					26,000							
Total Expended		0	0	0	0	26,000	17,000	0	0	0	22,000	0	0
Balance (end of FY)		12,000	18,000	24,000	30,000	10,000	0	7,000	14,000	21,000	6,000	13,000	20,000
Purchase price inflated by 3% per year beginning with FY 2015 and using the current State contract price as the base.													
Contributions increased by 1.5% per year beginning with FY 2012.													

Water and Sewer Capital Reserve Funds

Each Enterprise Fund (water and sewer) has an associated Capital Reserve Fund. Revenue from these funds comes from the payment of a Capital Investment Fee for each new connection to the systems. Additionally, the Water Capital Reserve Fund receives revenue from the annual Hydrant Fee charged to the owner of each developed lot that is not connected to the water system. This fee, currently \$183 per year, pays for the availability of water for each of these properties, and entitles the owner to connect to the system without paying the Capital Investment Fee. Capital Investment Fees and Hydrant Fees are reviewed and updated, in accordance with our Utility Rate Model, every year. In fact, this year, the hydrant fee is reduced from \$207 per year to \$183 in order to maintain parity between this rate and the base rate paid by connected water customers.

By resolution of the Town Council, money from these Funds may be spent only for expenditures related to system expansion, or early retirement of debt. In Fiscal Year 2011, a planned budget amendment of \$18,000 allowed us to begin the engineering and permitting process for a project that included the purchase and connection of water systems currently serving the River Bend subdivisions of Springdale and Piner Estates. Residents in these two subdivisions had been served by the City of New Bern. In Fiscal year 2012 we completed the acquisition and connection using money from this fund.

The chart below shows the historical and anticipated future Hydrant Fee revenue. The Budget Ordinance reflects the anticipated Capital Investment Fee revenue to this Fund and the Sewer Capital Reserve Fund.



Utility Rates and Consumption Data

Utility Rate Model

We are fortunate to have a professionally designed rate model for each utility so the impact of proposed expenditures can be compared to revenue at various rate levels. This model allows the professional staff to adjust assumptions based upon historical data in order to obtain better projections of future costs and revenue. The model helps project expenditures and revenues for five years into the future, allowing the Town Council to see the effect rate changes, or the lack thereof, have on operational funding and the level of cash reserves.

Utility rates are made up of three components, the “customer” charge, the “demand” charge, and the “use” charge. The “customer” and “demand” components are combined and billed as the monthly base charge. This is a fixed monthly charge. The third component, the “use” charge is stated as a rate per 1,000 gallons of water that flows through the water meter.

These three components pay for different expenditures involved in operating the utilities:

Customer: Under this structure the customer component of the charges covers the indirect costs to each utility.

Demand: This represents 75% of the debt service and capital costs for each utility.

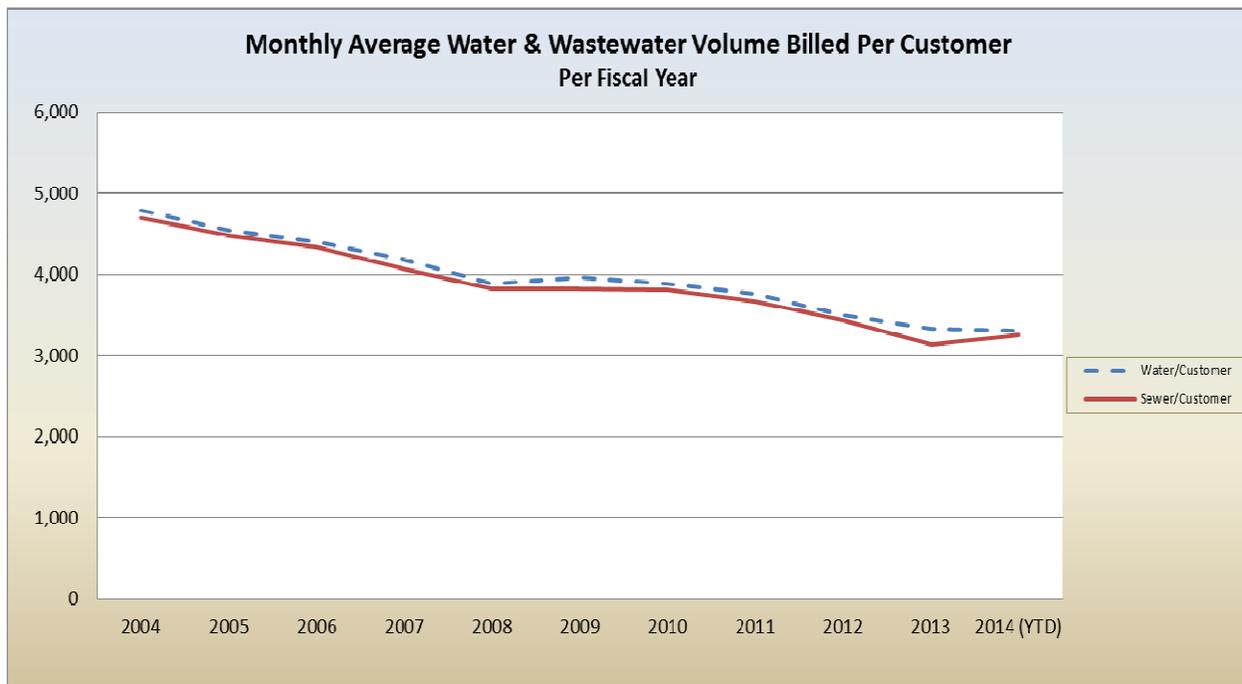
Usage: This component should be used to pay the remaining 25% of the debt service and capital costs and all direct operating costs.

Historical expenditures and revenues, taken from our audited annual financial report, are entered into this rate model, as are our proposed budgeted expenditures for the coming fiscal year. This model, designed by an engineer and economist, projects future expenditures based upon historical data and user supplied assumptions. We have more than 10 years’ worth of historical data working in this model and find that it provides an accurate representation of the trends each utility will experience.

During each annual budget process, the Town Council reviews detailed pro forma of financial operations generated for each utility by this rate model. These financial analyses allow the Council to make rational decisions regarding rates and how the revenue they generate contributes to the financial health of the utility.

Customer Water Consumption

One of the elements that feeds into our rate model is the amount of water (and wastewater removal) we assume we will sell to our customers. From 2002 through 2008, there was a steady decline in the average amount each of our customers used. This downward trend leveled off after 2008 and appeared to have stabilized. However, the recent trends are toward lower levels of consumption. In FY 2012 our average consumption per customer decreased by 7.5% and in FY 2013 it decreased another 4.95%. Through five billings in FY 2014 we are seeing a moderation in this downward trend, showing only a decrease 0.95% in average consumption. As older water fixtures are replaced with newer, more efficient ones, and more emphasis is placed upon the conservation of this resource, we expected a decline in average consumption to a certain point of minimum use. We feel that we are nearing that minimum average use this year. The chart below shows this trend.



This worksheet shows the total amount of water and wastewater we bill each month (determined by dividing the amount shown on the bi-monthly billing in half.)

	Average Monthly	
	Water Billed	Sewer Billed
2004	5,789,000	4,162,000
2005	5,688,000	4,037,000
2006	5,606,000	3,930,000
2007	5,440,000	3,725,000
2008	5,117,750	3,516,000
2009	5,207,250	3,487,000
2010	5,187,750	3,517,000
2011	5,106,833	3,434,667
2012	4,833,833	3,227,667
2013	4,716,000	2,974,833
2014 (YTD)	4,697,800	3,124,000

Approved Rates

Based upon the approved expenditures and the revenue projected, we are recommending a decrease in the base fee for the water utility. The cash balance in this utility is sufficient to respond to unknown conditions and there are no identified long term capital needs that require the continued building of cash reserves.

On the other hand, the sewer enterprise fund is not as fiscally strong. In fact, absent a rate increase, the fund will continue to show a decline in the level of cash balance. We recommended, based upon the output of our rate model, that rates be increased to account for the effect of inflation since the last increase in FY 2011. According to the Bureau of Labor Statistics, the consumer price index has increased 6.87% over these four years. By applying this to the FY 2014 rates, we arrive at the rates approved in this budget.

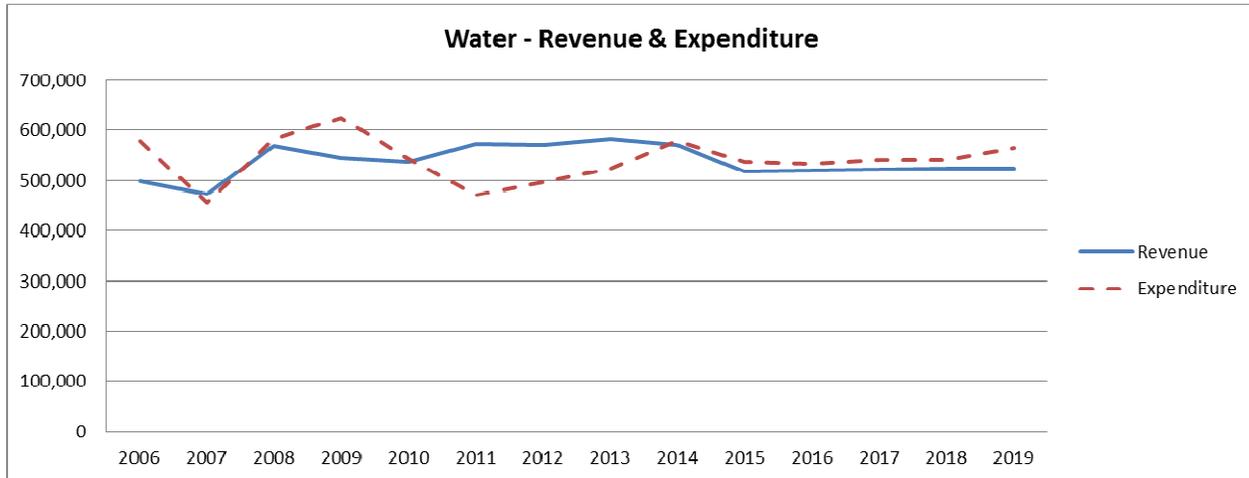
This table shows each of the components of the rate structure as described on page 160.

Approved Rates		
		Approved
Water	Base	15.24
	Use (per 1,000 gallons)	4.02
Sewer	Base	24.18
	Use (per 1,000 gallons)	9.08

Water

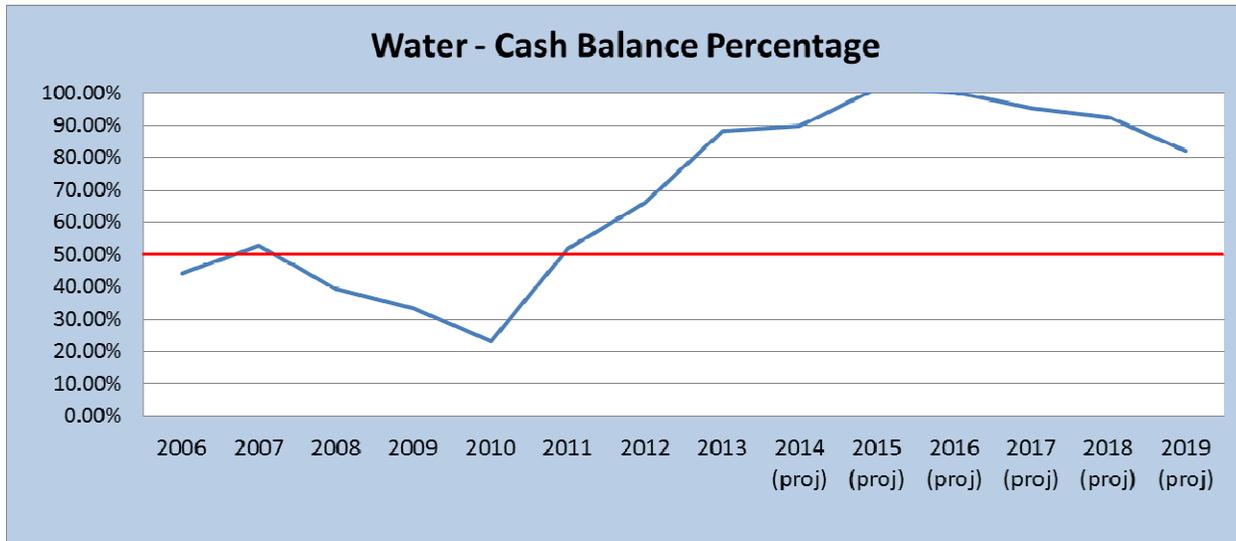
Readers will notice, from the table below and the chart at the top of the next page, that revenue falls short of expenses in FY 2014 and subsequent years. While this is not indicative of a need for a rate increase, it does mean that the CIP will not be fully funded in future years. Due to the lack of a high demand for CIP funding, Council approved reducing the contribution to the CIP to just the amount needed to fund the vehicle replacement program. Due to the high level of cash reserve, this lower level of funding into the plan is not considered detrimental to the financial health of the utility. Each year the Town Council reviews this model, makes adjustments to planned spending, and balances the need for adequate revenue with the desire to keep rates at a reasonable level. As greater demands are predicted, Council may opt to increase the level of CIP funding in the rate model and set rates accordingly.

Water														
	Current		Approved		Change	Expenditures to be paid by each rate component per model								
	Rate		Rate				2012	2013	2014	2015	2016	2017	2018	2019
	4.80	Customer	4.80		0.00%	Customer	52,894	55,533	85,567	86,444	88,020	89,580	91,115	92,622
	13.44	Demand	10.44		-22.32%	Demand	145,412	171,155	193,162	152,978	135,992	127,492	111,511	111,793
	18.24	Base	15.24		-16.45%									
	4.02	Use	4.02		0.00%	Use	299,291	297,500	299,891	298,256	309,562	325,043	339,491	360,944
	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	Projected for the Fiscal Year Ending June 30:					
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	497,897	473,592	569,017	545,123	538,101	572,695	570,196	581,324	571,431	518,800	520,088	521,583	522,987	524,338
Expenditure	578,730	455,986	581,549	625,875	543,409	471,872	497,597	524,187	578,621	537,678	533,575	542,114	542,118	565,359
Surplus (deficit)	(80,833)	17,606	(12,532)	(80,752)	(5,308)	100,823	72,598	57,136	(7,189)	(18,878)	(13,487)	(20,532)	(19,131)	(41,020)
Cash Balance	255,865	240,993	227,515	208,316	126,512	245,475	328,695	463,336	519,147	545,269	534,782	517,250	501,619	464,099



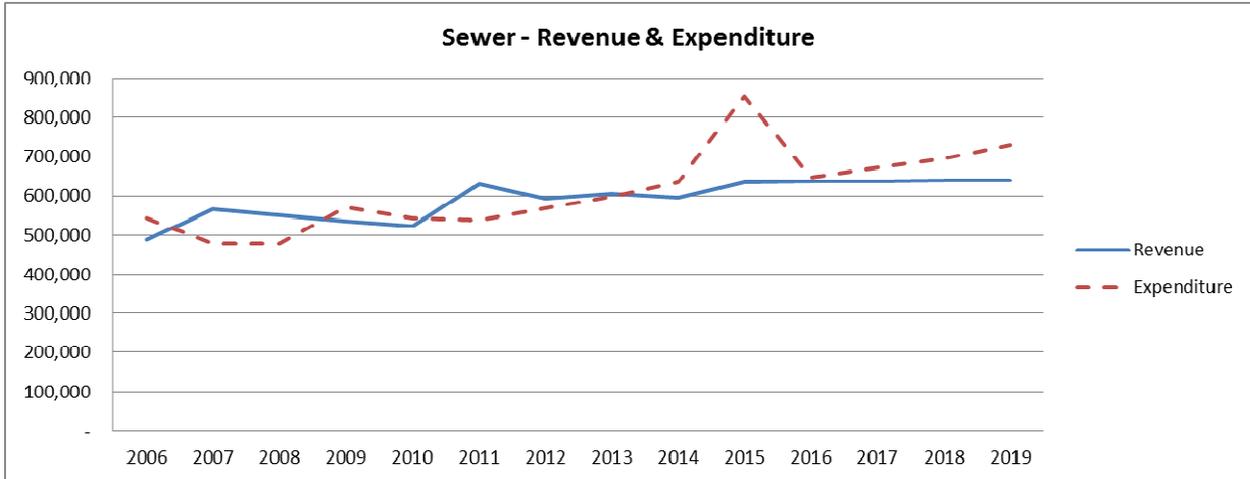
Cash Balance – Water Fund (operating fund only)

The amount of cash balance maintained by the Enterprise Funds is an important measure of their financial health. The chart and table below show the cash balance for the Water Fund. Having such a balance enables us to meet our financial obligations without interruptions due to cash flow, generates investment income, eliminates the need for short-term borrowing, and provides a reserve of funds to respond to emergencies or opportunities.



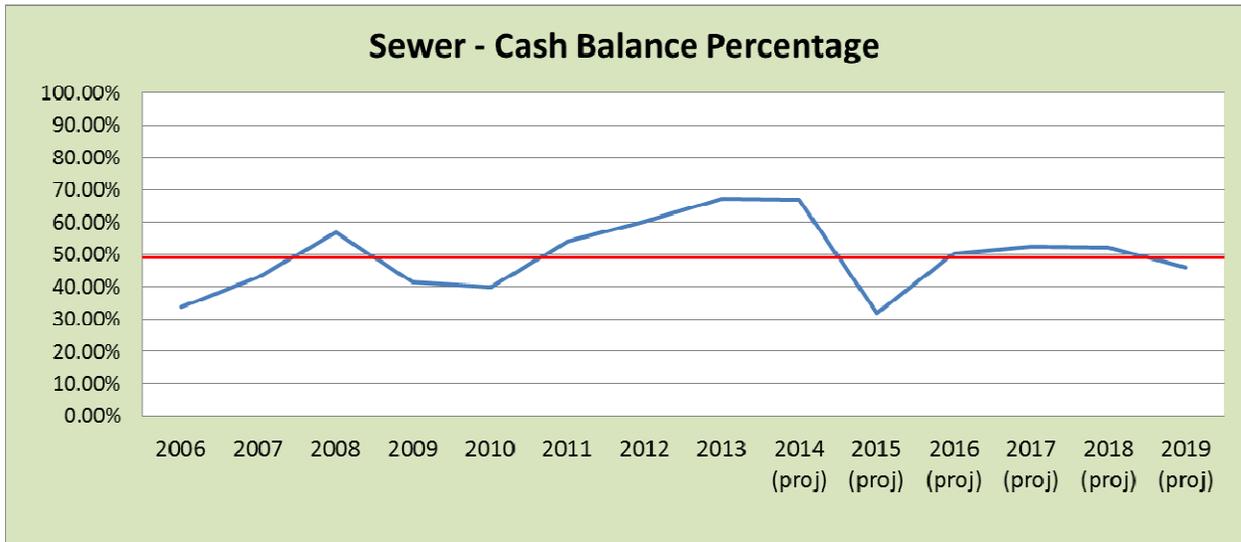
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Projected for the Fiscal Year Ending June 30:					
	2006	2007	2008	2009	2010	2011	2012	2013	2014 (proj)	2015 (proj)	2016 (proj)	2017 (proj)	2018 (proj)	2019 (proj)
Fund Bal. %	44.21%	52.85%	39.12%	33.28%	23.28%	52.02%	66.06%	88.39%	89.72%	101.41%	100.23%	95.41%	92.53%	82.09%
Cash Balance	255,865	240,993	227,515	208,316	126,512	245,475	328,695	463,336	519,147	545,269	534,782	517,250	501,619	464,099

During the preparation of the FY 2010 budget, the Town Council made a conscious and appropriate decision to use cash balance to offset rate increases with the knowledge that in FY 2011 a rate increase would be necessary and cash balance would need to be restored. The strategy worked and our cash balance was restored to an appropriate level. If all projections hold true, we anticipate that this will be the case at the end of FY 2014 and in subsequent years even with the decrease in rates approved in this budget. However, this cash balance needs to be examined annually, in order to ensure that current rates are adequate to protect the future of the utility.



Cash Balance – Sewer Fund (operating fund only)

The amount of cash balance maintained by the Enterprise Funds is an important measure of their financial health. The chart and table below show the cash balance for the Sewer Fund. Having such a balance enables us to meet our financial obligations without interruptions due to cash flow, generates investment income, eliminates the need for short-term borrowing, and provides a reserve of funds to respond to emergencies or opportunities.



	FY	Projected for the Fiscal Year Ending June 30:												
	2006	2007	2008	2009	2010	2011	2012	2013	2014 (proj)	2015 (proj)	2016 (proj)	2017 (proj)	2018 (proj)	2019 (proj)
Fund Bal. %	33.78%	42.95%	56.91%	41.35%	39.76%	54.01%	60.15%	67.28%	67.13%	31.99%	50.43%	52.62%	52.09%	46.08%
Cash Balance	183,669	205,214	272,709	235,917	216,394	290,341	341,487	403,000	426,561	272,832	325,927	354,165	361,767	336,198

During the preparation of the FY 2010 budget, the Town Council made a conscious and appropriate decision to use cash balance to offset rate increases with the knowledge that in FY 2011 a rate increase would be necessary and cash balance would need to be restored. The strategy worked and our cash balance was restored to an appropriate level. However, based upon the output of the rate model, as noted above, it was apparent that a rate increase was necessary in this budget year. If all projections hold true, we anticipate that this rate increase will be sufficient to cover expenditures as they now exist, and rebuild and maintain cash reserves. A necessary project to upgrade and renovate the treatment plant in a future year will require additional customer provided revenue to pay for new debt that will have to be issued. The form this additional revenue will take will be a subject of much discussion by the Town Council in this current fiscal year as they determine the most appropriate time for such a project.

Impact of Rates

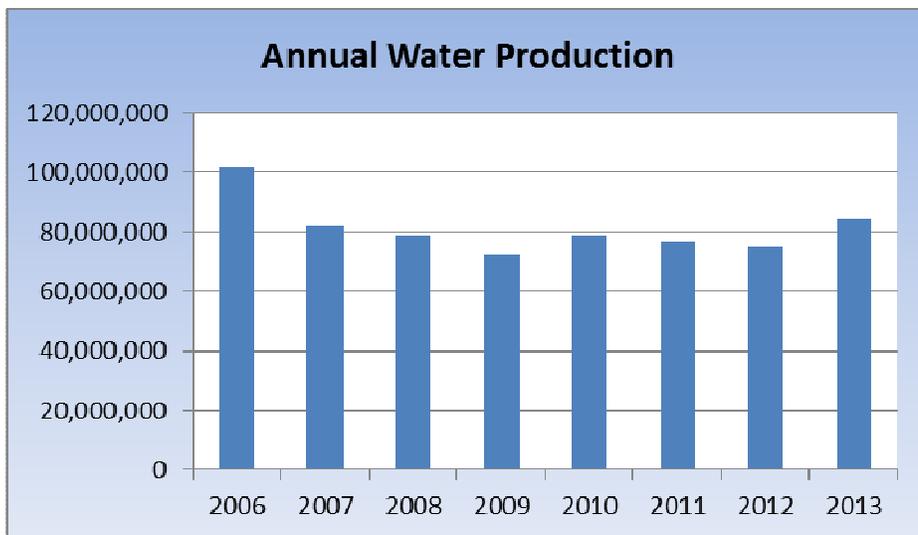
This table shows the approved water and sewer rates and their effect upon a residential customer using 3,000 gallons per month. It also shows the charges for a customer using only water.

Rate Scenarios				
		Current Rates	Approved Rates	Change vs. Current
Water	Customer	4.80	4.80	0.00
	Demand	13.44	10.44	-3.00
	Use	4.02	4.02	0.00
Sewer	Customer	6.88	7.35	0.47
	Demand	15.75	16.83	1.08
	Use	8.50	9.08	0.58
Charges for 3,000 gallons per month				
Water	Base	18.24	15.24	-3.00
	Use	12.06	12.06	0.00
Sewer	Base	22.63	24.18	1.55
	Use	25.50	27.24	1.74
Monthly		78.43	78.72	0.29
Per-Bill		156.86	157.44	0.58

(Business, commercial, and industrial base rates are determined by Equivalent Residential Units and will increase proportionally).

Our Water Utility

Our water system withdraws from the Castle Hayne aquifer through three wells with a combined capacity of 925,000 gallons per day. Two elevated storage tanks with a total rated capacity of 400,000 gallons ensure a consistent supply and adequate pressure throughout the system. In 2013 (calendar year), we treated 83,980,000 gallons with a daily average of 230,082 gallons. In 2012, we treated 74,361,000 gallons of water, an average of 203,889 per day.



The water in the Castle Hayne aquifer, while plentiful, requires treatment to remove iron and manganese. Using pH adjustment, pressure filters and adding chlorine, our operators ensure that clean water is ready for our customers to use.

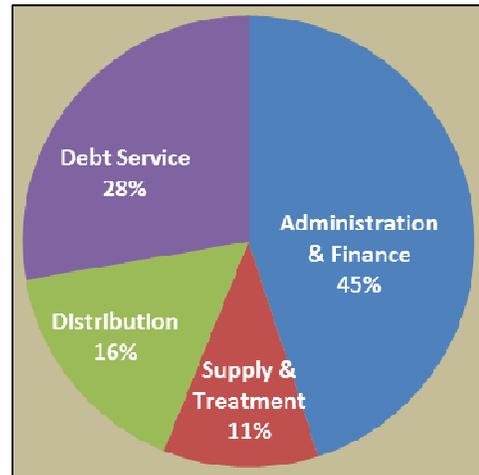
Water is transmitted to approximately 1,423 households through 18 miles of pipe ranging in size from two to eight inches in diameter. In addition to providing water for consumption, our system also stands ready in the event of fire. There are 108 hydrants located throughout the system in order to give the fire department ample access to water for their work.

Our water system is monitored and regulated by the State of North Carolina which grants us a permit to operate. In accordance with State standards, water samples are tested at an independent laboratory for bacteria and other harmful contaminants. Each customer receives a copy of our annual report showing the results of our testing.

Water Enterprise Expenditures

The total budgeted expenditure for the water enterprise in fiscal year 2015 is \$590,219, a \$28,339 decrease from the current fiscal year.

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 installment debt.



The chart to the right shows the percentage of the total expenditure for this enterprise fund attributable to the three budgeted departments within the enterprise. 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.

Water	
Back-flow preventers	6,200
Supports for Filter at Well #3	12,448
Interconnection with New Bern water	42,000
TOTAL	\$60,648

Proposed Water Enterprise projects

Plans for the water utility include continuing a multi-year project to install back-flow preventers on all our water connections. We also plan to have a contractor repair and upgrade existing supports under two filters in the well #3 water treatment plant. The current supports are showing signs of significant deterioration. The third project shown is one to interconnect our water system with that of the City of New Bern. 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.

Administration and Finance

This department contains the budget for all personnel related costs including expenditures related to allocation of General Fund employees' time to the utility (line 482). Refer to the Personnel section of this document for more detail about labor allocations. Also in this department is the rent this utility pays the General Fund for use of office and shop space (line 430). As noted earlier in this document, the budget contains provisions for salary level increases totaling two and one half percent. One and one half percent is for a Cost of Living Adjustment and the other one percent is for longevity, if applicable, in accordance with the adopted compensation plan.

The Administration and Finance Department budget also contains funding for the share of the expenditures related to the acquisition and maintenance of our information technology system attributable to this enterprise (lines 381, 440, 441, 760, and 770). Other shared, and thus allocated, expenditures are for our annual financial audit (line 191), banking services (line 382) and for our reverse 911 system (line 399). We are changing reverse 911 providers this year. Although the cost is higher, this will be offset in ease of use and the ability to provide better customer service in the registration process.

Contained in line 399 is funding for work order software and in line 260, funding for mobile computers to use the software. We plan to begin to use an internet based software solution to help manage our work orders and preventative maintenance tasks. Our current system, one created in-house, is cumbersome and not responsive to the needs of the department or our goal of providing exceptional service to our citizens. The new system will allow office staff to enter work order requests from citizens and be able to track the progress on the work.

Debt service is a large expenditure for this enterprise. In fact, 28% of the total expenditure for the water enterprise is for the debt incurred to purchase the system. Lines 710 and 720 show the amount budgeted for principle and interest payments on this debt.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Water Admin & Finance		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
60-7125								
121	Wages & Salaries	94,687	92,766	95,245	100,675	79,105	82,408	84,433
122	Overtime	1,000	689	1,000	98	1,000	1,000	1,000
134	401(k) Retirement	4,734	4,612	4,762	4,985	3,955	4,120	4,169
181	FICA	7,182	6,942	7,223	7,524	6,052	6,304	6,378
182	Loc Govt Emp Retirement	6,514	6,347	6,419	6,719	5,593	5,826	5,978
183	Group Insurance	18,881	18,572	21,714	21,994	20,318	16,697	17,471
185	Unemployment Comp.	0	0	0	0	0	392	
186	Workers' Compensation Ins.	2,569	3,058	2,856	2,565	2,242	2,260	2,372
310	Travel & Subsistence	1,000	1,553	1,300	756	750	750	750
395	Training	2,500	2,262	1,300	898	1,950	1,950	2,650
191	Auditing Service	4,500	4,167	4,400	4,333	4,500	4,333	4,500
192	Professional Service - Legal	3,000	2,230	1,000	1,142	1,000	1,000	1,000
193	Engineering Services	2,000	2,720	2,000	0	1,500	1,500	1,500
381	Other IT Services	1,358	381	400	324	500	500	500
382	Banking Services	1,400	1,156	1,400	1,252	1,400	1,328	1,400
393	Temporary Help Services	0	2,804	0	0	0	0	0
399	Contracted Services	2,100	2,126	2,500	3,236	4,246	4,246	5,958
440	VC3 IT Service & Maint.	9,270	8,860	10,255	8,557	9,467	9,467	10,538
441	Springbrook Service & Maint.	3,522	3,510	3,663	3,651	3,797	3,797	3,949
482	Indirect Cost- Labor	46,396	46,396	48,343	48,342	76,822	76,822	78,241
481	Labor Allocation	-29,871	-29,871	-30,595	-30,595	-30,237	-30,237	-31,159
212	Uniforms	2,400	2,236	2,500	2,229	2,500	2,500	2,500
251	Motor Fuel	3,668	2,299	3,293	2,263	3,279	3,279	3,279
260	Office Supplies	4,000	3,287	3,500	3,221	5,600	5,600	5,880
320	Telephone & Postage	4,500	4,877	4,620	5,085	5,160	5,160	5,936
370	Advertising	300	210	0	146	0	0	0
340	Printing	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	1,024	1,500	732	1,500	1,500	1,500
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	9,000	9,000
450	Insurance: Prop/Liab	8,900	6,648	8,879	7,047	9,617	8,213	10,697
491	Dues & Subscriptions	1,400	1,137	1,200	888	1,200	1,146	1,250
492	Bad Debts	0	0	0	0	0	0	0
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0	0	0	0	0
550	Capital Outlay- Equipment	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0
710	Bond Principal Payment	85,859	85,859	88,542	88,542	107,323	107,323	110,006
720	Bond Interest Payment	72,950	72,950	69,945	82,698	41,480	41,480	36,517
750	Bond Issuance Costs	0	0	42,417	40,247			0
751	Bond Service Charge	0	0	0	0	0	0	0
753	Amort of Bond Costs	0	0	0	0	0	0	0
760	Install. Purchase - Principal	0	0	0	0	0	0	0
770	Install. Purchase - Interest	0	0	0	0	0	0	0
499	Miscellaneous	0	0	0	-200	0	0	0
	TOTAL	377,220	370,808	420,581	428,353	380,618	379,665	388,194
121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director & Field Supervisor							
310/395	Training/Travel & Sub - for professional development and higher levels of licensure (\$750 for Fin Ast)							
191	Auditing Services (\$13,500 total allocated equally to general/water/sewer funds, \$4,500 each)							
193	Engineering - general engineering services - PRN							
399	Contracted Services	Reverse 911		970	\$3,877.52 total, \$970 each by water & sewer			
		Locate Plus		150				
		Mowing Contract		2,020	10% of base lawn bid			
		Elster Support		1,250				
		Work Order Software		1,218				
		Misc Services		350				
				5,958				
381	Computer Services: DSL, web site, etc.							
440	VC3 Hosted Desktop Contract: \$27,876 + \$3,681 support = \$31,557 [40% general fund, 30% water, 30% sewer]							
441	Springbrook software maintenance (Total = \$12,656). [40% general fund, 30% water, 30% sewer]							
491	Includes \$380 for ECC (Total \$1,140, split 1/3 each with General Fund and Water Fund)							
482	Indirect Cost - General Fund labor allocations and WRD labor allocations							
251	Fuel - \$4.25 per gallon estimate - \$0.59 per gallon tax = \$3.66 per gallon cost							
260	Office Supplies - Includes \$600 for printer. Total cost of \$1,200 split with sewer. Mobile computers (\$760)							
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (FY07)							

Supply and Treatment

The supply and treatment department contains the budget for expenditures related to pump the water from the groundwater aquifer (line 330) and treat it so it is safe to consume (line 298). Also included are costs associated with routine testing of the water (line 398), the fee for the permit to withdraw water (line 496) and the maintenance of supply and treatment equipment.

There is only one unusual expenditure in this department in this budget. This is for the work to replace the supports on the filters in the well #3 treatment plant. This project is described in more detail in the beginning of this section. Line 299 contains funding to ensure we have spare chemical feed pumps and other small treatment related equipment on hand. Our goal is to minimize any downtime in either treatment plant.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Water Supply and Treatment		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
60-7132								
398	Testing	12,000	9,707	9,900	6,142	9,900	9,900	9,900
399	Contracted Services	8,500	6,576	3,000	0	3,000	3,000	3,320
298	Chemicals	11,000	8,509	9,800	11,133	9,800	9,800	9,800
299	Supplies & Materials	9,500	6,618	12,900	10,289	11,990	7,500	7,500
330	Utilities	8,800	8,697	9,100	7,341	8,500	8,500	8,500
351	Maint & Repair- Bldg	2,000	540	1,500	964	1,500	1,500	1,500
352	Maint & Repair- Equip	5,000	487	5,000	976	4,500	4,500	4,500
430	Bldg & Equip Rental	0	0	0	0	0	0	
496	Permit Fees	2,210	2,210	2,210	2,210	2,210	2,210	2,210
499	Miscellaneous	0	0	0	0	0	0	
550	Capital Outlay- Equipment	30,200	24,378	0	0	0	0	12,448
580	Capital Outlay-Grounds & Bld	0	0	0	0	0	0	
595	Capital Outlay-Wells/Pumps	0	0	0	0	12,577	12,576	
	TOTAL	89,210	67,722	53,410	39,055	63,977	59,486	59,678
399	Contracted Services - electrical, etc.			2,000				
	Grit removal from backwash tanks			900				
	Hach Spectrometer PMA (\$840 split with sewer)			420				
				3,320				
299	Small equipment purchases, chemical pumps, etc.			7,500				
330	Based upon historical costs/demand, and contemplates a 2% fuel factor increase in December							
496	Permit fees: Community Water Supply and Well Filter backwash.							
595	Provision for a Well pump, \$10,000, is included in the CIP							
550	Filter supports at well #3	12,448						

Distribution

This department contains the budget for expenditures related to the operation of the distribution system from the water towers to the customer’s water meter. Our water levels are automatically regulated using a telemetry system to turn well pumps on and off based upon the level of water in the towers (line 399). Our two water towers are maintained by Utility Services Corporation (line 442). This company performs annual inspections, frequent interior cleaning, and periodic exterior painting. This type of maintenance prolongs the effective life of these assets and ensures, through professional inspection, that they are safe and functional.

One project contained in this department’s budget is near the customer end of the distribution system. We budgeted to continue a multi-year project to install backflow prevention devices on all our water service connections (portion of line 299). Currently only required for commercial installations, these devices ensure that no water can flow back from a customer’s property into the water distribution system. This project contemplates the installation of 100 of these devices per year.

The largest project is to interconnect our water system with that of the City of New Bern. This project was explained in more detail in the beginning of this section.

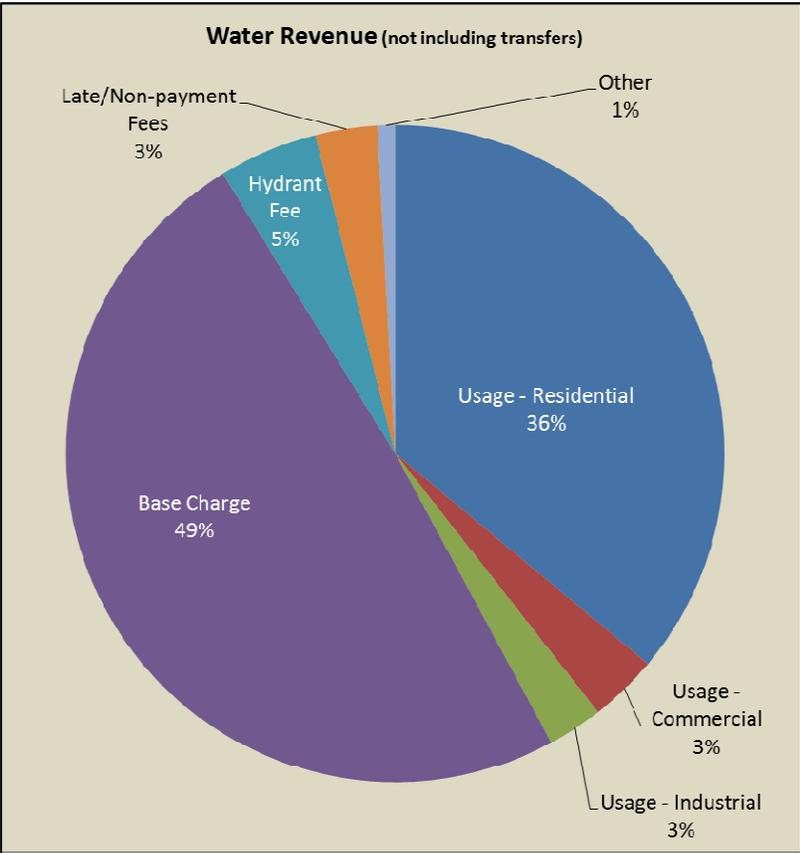
Water Distribution		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
60-7134								
399	Contracted Services	12,000	3,805	11,240	4,963	6,530	6,530	6,530
442	Water Tower Service Contract	20,790	20,790	24,477	23,077	24,477	23,077	23,077
299	Supplies & Materials	12,000	11,459	11,300	11,930	9,695	9,695	11,200
352	Maint & Repair- Equip	2,000	263	2,000	0	2,000	2,000	2,000
430	Bldg & Equip Rental	2,000	175	2,000	90	2,000	2,000	2,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0
596	Capital Outlay- Lines/Tanks	220,128	217,180	20,000	16,719	33,132	33,170	42,000
	TOTAL	268,918	253,672	71,017	56,779	77,834	76,472	86,807
Lines and meters for distribution, maintenance and repair of infrastructure.								
399	NC One Call	180						
	Alarm (well monitoring)	350						
	Leak Repair Contingency	6,000						
		6,530						
442	Base Contract \$23,077 (No change from prior year)							
299	Backflow Preventers	6,200						
	Pipe and Fittings	4,000						
	Other Small Equipment	1,000						
		11,200						
596	Interconnection with New Bern	42,000						

Water Fund Revenue

The worksheet below shows the detail of water revenues. Classes 1 & 2 are our residential customers, Classes 3 & 4 our commercial customers, Class 5 our industrial customers, and Class 8 our customers using a one-inch water supply line.

	Revenue - Water	11-12		12-13		13-14		14-15
		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Revenue	Budget	Revenue	Budget	Year-End	Budget
3710-501	Utility Usage Chg- Class 1 & 2	200,234	203,394	205,416	199,846	187,065	197,530	197,728
3710-503	Utility Usage Chg- Class 3 & 4	15,284	17,451	17,877	12,386	12,156	15,405	15,405
3710-505	Utility Usage Chg- Class 5	19,537	15,316	16,723	13,970	14,062	14,810	14,810
3710-508	Utility Usage Chg- Class 8	3,397	2,762	2,561	2,947	2,653	3,059	3,059
3710-510	Utility Customer Base Charge	308,937	311,672	320,536	320,638	320,726	322,572	269,136
3710-514	Fire Hydrant Availability Fee	32,913	31,564	30,636	31,560	30,429	30,232	26,718
3713-322	State Grants	0	0	0	0	0	0	0
3715-515	Unbilled Receivables	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	3,750	3,750	2,500	11,250	2,500	1,250	1,250
3730/31-500	Utility Billing Nonpayment Fees	6,300	6,540	6,090	7,595	6,090	7,590	7,590
3732-500	Utility Billing Late Payment Fees	8,900	8,045	8,569	8,260	8,569	9,018	9,018
3735-500	Capital Investment Fees	2,600	2,600	2,600	2,600	2,700	2,700	2,700
3737-981	Chgs to General Fund	0	0	0	0	0		0
3737-985	Chgs to Sewer Fund	0	0	0	0	0		0
3830-800	Miscellaneous	0	1,002	0	3,060	0	158	
3831-810	Interest	442	223	487	152	849	40	805
3835-865	Sale of Fixed Asset	0	0	0	250	0		0
3839-351	Sales Tax Refund Revenue	0	1389	0	46	0		0
3920-892	Proceeds from Debt	0	0	0	0	0		0
3920-895	Bond Refunding Proceeds	0	0	42,417	0	0		
3980-981	Transfer from General Fund	0	0	0	0	0		0
3980-985	Transfer from Sewer Fund	0	0	0	0	0		0
3980-986	Transfer from Water Capital Reserve	208,128	208,128	0	0	0		42,000
3991-991	Appropriated Fund Balance	23,438	0	0	0	30,759		0
	TOTALS	833,860	813,836	656,412	581,346	618,559	604,363	590,219

The chart below is a graphic depiction of the sources of revenue for the water utility. The base charge makes up the majority of this revenue.



Our Sewer Utility

The Town of River Bend owns and operates a wastewater treatment and collection system serving approximately 961 households and businesses. Wastewater is collected from our customers and transmitted via approximately 11 miles of gravity and force main pipes. Nine lift stations pressurize portions of the system so the waste is efficiently moved to our treatment facility on Gull Pointe. Seven of these lift stations, and the treatment plant itself, have backup power supplied by fixed location generators. The other two lift stations can be powered by one of our mobile generators.

In calendar 2013, we treated 32.3 million gallons of wastewater compared to 33.7 million gallons in 2012. The daily average treatment rate was 88,534 gallons in 2013 and 88,493 gallons in 2012. The State standard for waste treatment capacity is 330 gallons per day per household, which in our case translates to 310,200 gallons per day. This standard shows that we should be using 96% of our permitted capacity, while in reality we use, on average, 27% of our permitted capacity.



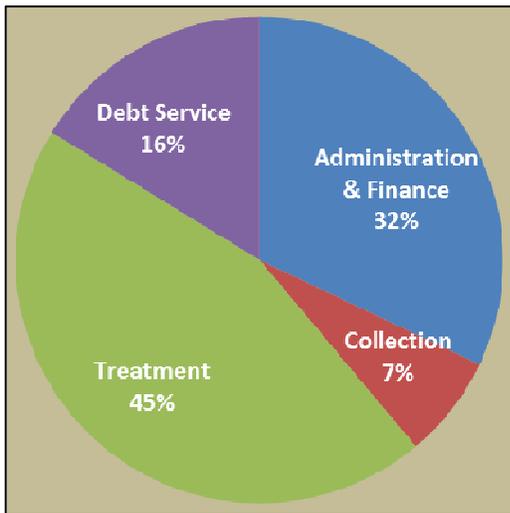
The North Carolina Department of Water Quality (DWQ) administers Federal and State regulations designed to protect the quality of the receiving waters. Part of this administration is the issuance of permits for treatment facilities like the one we have here in River Bend. Our treatment plant has a permitted capacity of 330,000 gallons per day and discharges treated effluent to the Trent River. We take weekly samples of our effluent to test for chemical and nutrient content to ensure our plant is operating effectively and we are within the limits established by DWQ. In the summer months, we also sample river water up and downstream from our discharge point to determine what, if any, impact we are having upon the Trent River.

The Town holds three discharge permits, one for the main wastewater plant, and the other two to allow us to discharge backwash from our water treatment filters. These backwash discharge permits allow us to discharge up to 7,000 gallons per day at each site.

Sewer Enterprise Expenditures

The total budgeted expenditure for the sewer enterprise in fiscal year 2015 is \$854,881, a 33% increase from the current fiscal year.

Expenditures in the Sewer Fund are divided according to function. Costs specifically associated with collection, such as 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 installment debt.



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.

Wastewater	
Repairs to Treatment Unit 2	36,000
Design and Permitting for Renovation and Upgrade	210,000
TOTAL	\$246,000

Proposed Sewer Enterprise projects

In fiscal year 2015 we plan to make a repair to treatment unit #2 at the wastewater treatment plant. Similar to a repair we made to unit #1 last year, we will replace the weirs, the weir gasket, and weld a steel band on the inside of the clarifier tank where there is some corrosion that potentially could go through to the other side of the tank.

The most significant project in the sewer enterprise is to contract for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve those who are currently served by the collection and treatment systems. No plans are being made to change the permitted capacity of the treatment plant, rather, the Council is attempting to remain proactive in their approach to maintaining the life of the plant and be ready for changes in nutrient limits that are likely to be part of our next permit renewal

in four years. The design and permitting phase of the project, costing \$210,000, will result in the Town having a permit to allow us to renovate and upgrade that is good for five years from when it is issued. The engineer working on this project estimates that it will take upwards of twelve months to complete this work. During the fiscal year 2015, the Town Council will continue discussions relative to the most appropriate time to undertake the construction phase of this project.

Sewer - Administration and Finance

This department contains the budget for all personnel related costs including expenditures related to allocation of General Fund employees' time to the utility (line 482). Refer to the Personnel section of this document for more detail about labor allocations. Also in this department is the rent this utility pays the General Fund for use of office and shop space (line 430). As noted earlier in this document, the budget contains provisions for salary level increases totaling two and one half percent. One and one half percent is for a Cost of Living Adjustment and the other one percent is for longevity, if applicable, in accordance with the adopted compensation plan.

The Administration and Finance Department budget also contains funding for the share of the expenditures related to the acquisition and maintenance of our information technology system attributable to this enterprise (lines 381, 440, 441, 760, and 770). The three-year installment purchase loan for the purchase of the information technology system begun in FY 2007-08 was paid in full in FY 2011. Other shared, and thus allocated, expenditures are for our annual financial audit (line 191), banking services (line 382) and for our reverse 911 system (line 399). We are changing reverse 911 providers this year. Although the cost is higher, this will be offset in ease of use and the ability to provide better customer service in the registration process.

Contained in line 399 is funding for work order software and in line 260, funding for mobile computers to use the software. We plan to begin to use an internet based software solution to help manage our work orders and preventative maintenance tasks. Our current system, one created in-house, is cumbersome and not responsive to the needs of the department or our goal of providing exceptional service to our citizens. The new system will allow office staff to enter work order requests from citizens and be able to track the progress on the work.

Debt service is a large expenditure for this enterprise. In fact, 16% of the total expenditure for the sewer enterprise is for the debt incurred to purchase the system. Lines 710 and 720 show the amount budgeted for principle and interest payments on this debt.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Sewer Admin & Finance		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
61-7125								
121	Wages & Salaries	98,408	95,619	109,309	104,189	88,035	91,869	94,094
122	Overtime	1,000	1,003	1,000	655	1,000	1,000	1,000
134	401(k) Retirement	5,420	4,808	5,465	5,205	4,402	4,593	4,646
181	FICA	8,202	7,234	8,267	7,855	6,735	7,028	7,109
182	Loc Govt Emp Retirement	7,458	6,616	7,367	7,017	6,224	6,495	6,663
183	Group Insurance	22,165	19,726	25,491	23,363	21,981	18,573	19,310
185	Unemployment Comp.	0	0	0	0	0	434	
186	Workers' Compensation Ins.	3,025	3,016	3,376	2,984	2,719	2,202	2,726
310	Travel & Subsistence	1,000	869	1,500	910	300	331	300
395	Training	2,500	1,343	1,600	1,263	1,105	1,105	1,585
191	Auditing Service	4,500	4,167	4,400	4,333	4,500	4,333	4,500
192	Professional Service - Legal	500	26	3,000	10,707	1,000	1,000	1,000
193	Engineering Services	24,950	22,170	53,500	50,131	2,500	2,500	2,500
381	Other IT Services	1,358	381	400	324	500	500	500
382	Banking Services	1,400	1,096	1,400	1,186	1,400	1,258	1,400
393	Temporary Help Services	0	2,804	0	0	0	0	0
399	Contracted Services	1,000	744	5,000	4,629	2,100	2,100	3,788
440	VC3 IT Service & Maint.	9,270	8,860	10,255	8,557	9,467	9,467	10,538
441	Springbrook Service & Maint.	3,522	3,510	3,663	3,651	3,797	3,797	3,949
482	Indirect Costs- Labor	46,396	46,396	48,343	48,342	76,822	76,822	78,241
481	Labor Allocation	-29,871	-29,871	-30,595	-30,595	-30,237	-30,237	-31,159
212	Uniforms	2,400	2,236	2,500	2,229	2,500	2,500	2,500
251	Motor Fuel	3,668	2,299	3,293	2,263	3,279	3,279	3,279
260	Office Supplies	4,000	2,360	3,500	3,194	5,600	5,600	5,880
320	Telephone & Postage	3,700	3,855	3,600	5,386	4,140	4,140	4,916
340	Printing	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	1,046	1,500	715	1,500	1,500	1,500
370	Advertising	0	0	3,000	222	0	0	
391	Legal Advertising	0	0	0	1,904	0	0	
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	9,000	9,000
450	Insurance: Prop/Liab	8,600	8,565	11,008	9,063	11,959	10,587	13,359
491	Dues & Subscriptions	555	772	800	828	800	780	850
492	Bad Debts	0	0	0	0	0	0	0
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0	0	0	0	0
550	Capital Outlay- Equipment	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0
710	Bond Principal Payment	74,141	74,141	76,458	76,458	92,677	92,677	94,994
720	Bond Interest Payment	62,995	62,995	60,400	71,771	35,820	35,820	31,533
750	Bond Issuance Costs	0	0	36,630	34,754	0		
751	Bond Service Charge	0	0	0	0	0		0
753	Amort of Bond Costs	0	0	0	0	0		0
760	Interfund Loan - Principal	0	0	0	0	0		0
770	Interfund Loan - Interest	0	0	0	0	0		0
499	Miscellaneous	0	0	0	0	0		0
	TOTAL	382,762	367,784	474,430	472,492	371,623	371,053	380,501
121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director & Field Supervisor							
310/395	Training/Travel & Sub - for professional development and higher levels of licensure (\$750 for Fin Ast)							
191	Auditing Services (\$13,500 total allocated equally to general/water/sewer funds, \$4,500 each)							
193	Engineering - general engineering services - as needed							
381	Computer Services: DSL, web site, etc.							
399	Contracted Services			970	\$3,877.52 total, \$970 each by water & sewer			
				Elster Support	1,250			
				Work Order Software	1,218			
				Misc Services	350			
					3,788			
440	VC3 Hosted Desktop Contract: \$27,876 + \$3,681 support = \$31,557 [40% general fund, 30% water, 30% sewer]							
441	Springbrook software maintenance (Total = \$12,656). [40% general fund, 30% water, 30% sewer]							
491	Includes \$380 for ECC (Total \$1,140, split 1/3 each with General Fund and Water Fund)							
251	Fuel - \$4.25 per gallon estimate - \$0.59 per gallon tax = \$3.66 per gallon cost							
260	Office Supplies - Includes \$600 for printer. Total cost of \$1,200 split with water. Mobile Computers (\$720)							
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (FY07)							
482	Indirect Cost - General Fund labor allocations and WRD labor allocations							
450	Insurance Premiums: Property/Liability/Workers' Comp/allowance for deductibles							

Sewer Collection

The sewer collection department contains budget funding for the alarm systems to alert our operators to problems with the nine lift stations we operate (portion of line 399) and for the electricity to operate the pumps in these stations (line 330). Also included in line 399 is funding for emergent repairs to the collection system.

In an effort to minimize the amount of grease that flows to our treatment plant, we plan to utilize a contractor to vacuum grease out of each of our lift stations. We currently use a chemical degreaser that breaks the substance free from the components of the lift station, but it still flows to the treatment plant and must be treated.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Sewer Collection		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
61-7142								
399	Contracted Services	25,000	19,328	22,000	11,220	26,727	26,727	22,500
299	Supplies & Materials	10,000	2,639	9,800	6,330	8,800	8,800	8,800
330	Utilities	9,000	7,044	7,500	6,922	8,000	8,000	8,000
352	Maint & Repair- Equip	12,000	14,632	12,000	687	12,000	12,000	12,000
430	Equip Rental	2,000	0	2,000	0	2,000	2,000	2,000
498	Permit Fees	810	810	810	810	810	810	810
550	Capital Outlay - Equipment	0	0	0	0	0	0	0
580	Capital Outlay - Buildings	0	0	0	0	0	0	0
597	Capital Outlay - Collection Lines	24,400	15,810	10,000	10,000	0	0	0
598	Capital Outlay - Pump/Lift Sta.	0	0	5,500	5,095	17,000	13,198	0
	TOTAL	83,210	60,263	69,610	41,064	75,337	71,535	54,110
399	Contracted Services - Alarm system on 9 Lift Stations			2,800				
	Grease Removal			1,700				
	Emergent Repairs			18,000				
				22,500				
299	Generator Fuel		1,800					
	Pipe, fittings, tools, safety equip.		4,500					
	Lift Station Supplies (deodorizer, degreaser, etc)		2,500					
			8,800					
330	Based upon historical costs/demand, and contemplates a 2% fuel factor increase in December							
352	Maintenance and repair of lift station pumps and equipment							

Sewer Treatment

The treatment department contains the budget for the operation of the treatment plant including required testing of sludge and effluent (line 398) and the chemicals used in the treatment process (line 298). We also budgeted funds for the hauling of sludge from the plant for application on agricultural land (line 399). One of the largest recurring expenditures is the cost of electricity (line 330). The plant relies upon electric motors to move water through the treatment process and to provide air via compressors to aid in the process.

Line 352 contains funding for our on-going maintenance agreement that covers the three large air blowers at the treatment plant. This agreement involves an annual two-day visit from a technician who tests, monitors, and performs complete service on each of these machines. Once the service is complete, they are then covered under a full warranty.

In fiscal year 2015 we plan to make a repair to treatment unit #2 at the wastewater treatment plant. Similar to a repair we made to unit #1 last year, we will replace the weirs, the weir gasket, and weld a steel band on the inside of the clarifier tank where there is some corrosion that potentially could go through to the other side of the tank.

The most significant project in the sewer enterprise is to contract for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve those who are currently served by the collection and treatment systems. No plans are being made to change the permitted capacity of the treatment plant, rather, the Council is attempting to remain proactive in their approach to maintaining the life of the plant and be ready for changes in nutrient limits that are likely to be part of our next permit renewal in four years. The design and permitting phase of the project, costing \$210,000, will result in the Town having a permit to allow us to renovate and upgrade that is good for five years from when it is issued. The engineer working on this project estimates that it will take upwards of twelve months to complete this work. During the fiscal year 2015, the Town Council will continue discussions relative to the most appropriate time to undertake the construction phase of this project.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

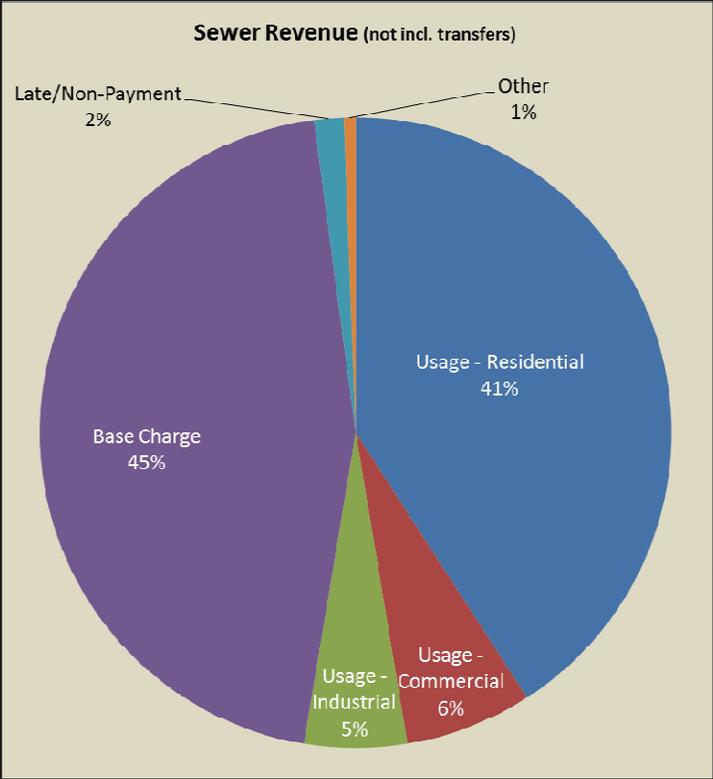
Sewage Treatment		11-12		12-13		13-14		14-15
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
61-7144								
398	Testing	17,000	16,165	16,500	12,939	16,500	16,500	16,500
399	Contracted Services	24,075	23,033	24,075	19,198	20,900	20,900	24,315
298	Chemicals	14,000	13,116	10,500	15,226	10,500	15,500	17,500
299	Supplies & Materials	10,500	4,973	8,500	2,560	8,500	3,500	8,500
330	Utilities	31,000	26,351	25,500	25,533	31,000	31,000	31,000
351	Maint & Repair- Bldg	500	12	2,000	1,350	1,000	1,000	1,000
352	Maint & Repair- Equip	14,110	13,401	9,610	7,384	9,695	9,695	9,695
430	Equip Rental	0	0	0	0	0	0	0
496	Permit Fees	860	860	860	860	860	860	860
550	Capital Outlay- Equipment	0	0	0	0	0	0	0
594	Capital Outlay- Treatment Plant	43,500	41,735	0	0	29,925	30,867	246,000
	TOTAL	155,545	139,647	97,545	85,050	128,880	129,822	355,370
399	Sludge Hauling			11,000				
	Pump digester			9,000				
	Pump grit chambers			1,800				
	Dumpster Service			1,400				
	Hach Spectrometer PMA (\$840 split with sewer)			420				
	Lift station alarms			695				
				24,315				
330	Based upon historical costs/demand, and contemplates a 2% fuel factor increase in December							
299	Supplies and Materials (generator fuel, tools, paint, etc.)							
352	Blower Maintenance Contract	4,995						
	Other Maintenance	4,700						
		9,695						
351	Routine Maintenance							
594	Treatment Unit #2 repair				36,000			
	Design and Permitting for Treatment Plant Renovation/Upgrade				210,000			
					246,000			

Sewer Fund Revenue

The worksheet below shows the detail of sewer revenues. Classes 1 & 2 are our residential customers; Classes 3& 4, our commercial customers, Class 5, our industrial customers, and Class 8, our customers using a one-inch water supply line.

Revenue - Sewer	11-12		12-13		13-14		14-15
	YR End	Actual	YR End	Actual	Current	Projected	Adopted
	Budget	Revenue	Budget	Revenue	Budget	Year-End	Budget
Utility Usage Chg- Class 1 & 2	262,898	256,057	256,664	244,806	233,417	243,698	260,847
Utility Usage Chg- Class 3 & 4	32,317	36,899	29,852	26,189	25,704	32,572	34,795
Utility Usage Chg- Class 5	41,310	32,282	42,237	29,538	29,733	31,314	33,451
Utility Usage Chg- Class 8	6,945	5,483	7,667	5,984	5,406	6,299	6,728
Utility Customer Base Charge	267,409	262,979	268,453	270,497	268,064	269,833	288,860
Unbilled Receivables	0	0	0		0		0
Tap Connection Fees	1,250	0	1,250	4,650	1,250	2,500	1,250
Utility Billing Late Payment Fees	9,400	8,088	8,755	7,611	8,755	9,661	9,661
Capital Investment Fees	1,500	0	1,500	1,500	1,900	3,800	1,900
Chgs to General Fund	0	0	0	0	0		0
Miscellaneous	0	0	0	2,011	0	52	
Interest	600	175	522	151	719	39	661
Sale of Fixed Assets	0	0	0	5,368	0		0
Sales Tax Refund Revenue	0	98	0	293	0		0
Proceeds from Debt	0	0	0	0	0		0
Bond Refunding Proceeds	0	0	36,630	0	0		
Loan from General Fund	0	0	0	0	0		
Transfer from Water Fund	0	0	0	0	0		0
Transfer from Sewer Cap. Reserve	0	0	0	0	0		
Appropriated Fund Balance	62,388		61,500		65,792		216,728
Totals	686,017	602,059	715,030	598,597	640,741	599,767	854,881

The chart to the right is a graphic depiction of the sources of revenue for the sewer utility. The base charge makes up the majority of this revenue.



Ratings and Independent Data

Bond Ratings

One of the steps in the process to refund our bond debt, as described earlier in this document, was to obtain updated ratings from the agencies and analyze and rate our debt. We made application to three agencies: Standard and Poor's, Moody's, and the North Carolina Municipal Council. The following summarizes their findings:

Standard and Poor's

In 2009 we received an upgrade from S&P from A to A+. Following their review in 2013 we received another upgrade from A+ to AA-. In November of 2013, Standard and Poor's performed a routine evaluation of many of their ratings. As a result of this evaluation, the Town of River Bend received our third rating upgrade in four years, moving from AA- to AA+.

Here is an excerpt from their rating rationale: *"The upgrade reflects our assessment of, what we consider, the town's historically strong financial performance due, in part, to, what we regard as, conservative budgeting practices that have helped the town historically maintain, in our view, extremely strong available general fund reserves."*

Moody's

Following their review in 2013 we received a confirmation of their A1 rating.

Here is an excerpt from their rating rationale: *"Moody's expects the town's financial position will remain favorable, supported by a diverse revenue stream and conservative budgeting"*

"The A1 rating reflects the town's stable, modest tax base; healthy financial performance with ample reserves; and manageable debt position with no future borrowing planned."

North Carolina Municipal Council

Following their review in 2013 we received an upgrade from 79 to 81.

Here is an excerpt from their rating rationale: *"We certainly commend the Town and management for increasing the unassigned fund balance, unrestricted cash and investments, for taking measures to reduce costs (especially in the utilities funds), retiring the installment debt and appropriating funds for capital maintenance in the CIP."*

"The Town tax rate is low and tax collections are highly commendable."

"River Bend has a stable management team, which we recognize."

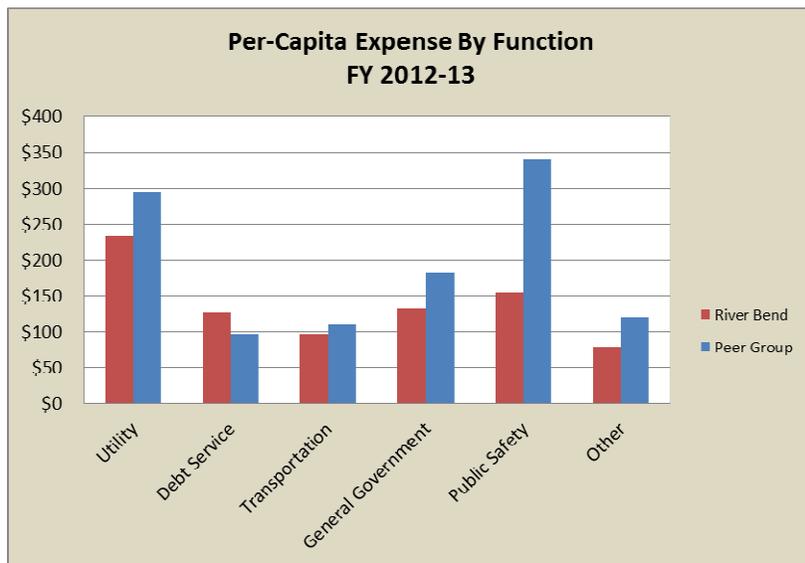
These favorable reviews, especially in the current economy, are a testimony to the financial strength of this Town. Through good planning and making difficult decisions, River Bend will remain viable and strong for many years to come.

North Carolina Local Government Commission – Expenditure and Revenue Per Capita Data

The North Carolina Local Government Commission (LGC) compiles data based upon a required independent audit and other reports submitted to them for review and approval. This data is retrieved for all counties, cities, and towns in the State and is reported by locality, and offers comparisons for per capita expenditures and revenue with other similar localities.

Our peer group is localities with a population between 2,500 and 9,999 residents that do not operate an electric utility. In the fiscal year ending June 30, 2013, there were 112 localities in our peer group.

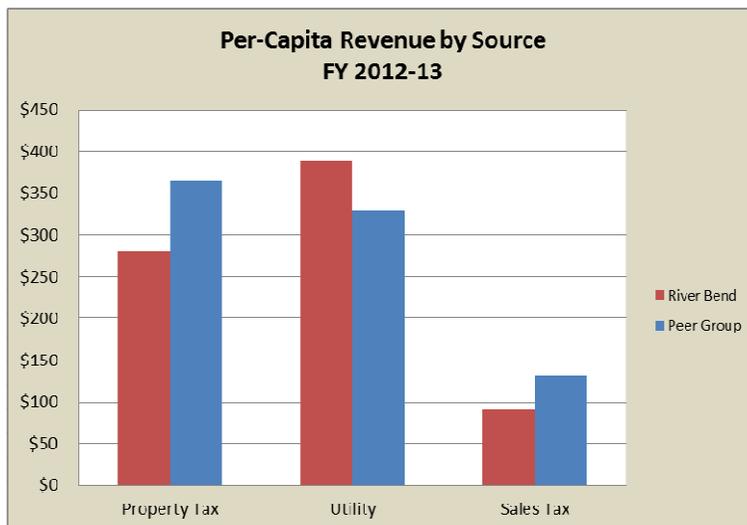
Data from the LGC show that River Bend's per-capita expenditures in 2013 were \$824 compared to \$1,237 for localities in our peer group. The chart to the right shows some of the significant expenditures (by function or object) and how our expenditures compared with those of our peers. The reader will note that our debt service per capita is higher than that of our peers. This is due to the debt



incurred to purchase the water and sewer systems. Our peers do not have this type of recent debt, so their obligations are likely for upgrades, expansions, and other similar expenditures, rather than for the outright purchase of operating utilities. The other categories show that River Bend spends less per capita than that of our peers.

Data from the LGC also indicate how we compared with our peer group in fiscal year 2013 in terms of per-capita revenue. The data show that our per-capita revenue was \$915 compared to \$1,275 for our peers.

This chart shows three major revenue categories and how we compare with our peers. The reader will note that our utility revenue is higher than that of our peers. Again, this is largely due to the need to recover the cost of the debt service from our customers.



John Locke Foundation

One of the factors that is a credit to this community is the comparatively low tax burden we place upon our residents. Each year the John Locke Foundation – Center for Local Innovation publishes a report entitled “By The Numbers: What Government Costs in North Carolina Cities and Counties.” This report considers “total local government collection of all taxes and fees for counties and municipalities” (the report provides no definition for the fees component of their data) and reports this as the amount of tax revenue received, per capita, from all sources. It also reports the amount, per capita, each locality’s residents pay for property tax and sales tax. Their rankings reflect an aggregate of the County and Town tax, so our ranking takes into consideration the entire tax burden borne by a resident of River Bend compared to that of residents of other incorporated municipalities throughout the State.

They divide their findings into quartiles and report these as follows:

- “High Burden” – Upper Quartile
- “Average Burden” – Second and Third Quartile
- “Low Burden” – Lower Quartile

Out of 180 communities ranked in our population band (1,000- 4,999) we rank as follows:

Local Revenue Per Capita:	Low Burden	139 th
Property Tax Burden Per Capita:	Low Burden	130 th
Sales Tax Burden Per Capita:	Low Burden	130 th

Through sound fiscal practices and good planning, we should be able to maintain this type of rating while continuing to provide quality services, facilities, and infrastructure to benefit all our residents.

Glossary

Account – A separate financial reporting unit for budgeting, management, or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts.

Accounts Payable – A short term liability account reflecting amounts owed to private persons or organizations for goods and services received by the Town.

Accounts Receivable – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by the Town.

Accrual Basis – The recording of the financial effects on an entity of cash transactions in the periods in which they occur rather than the periods in which the cash is received or expended.

Ad Valorem Taxes – Commonly referred to as property taxes, are levied on the value of real, certain personal, and public utility property according to the property's valuation and tax rate.

Adopted Budget – The budget approved by the Town Council and enacted through a budget ordinance adopted on or before June 30 of each year.

Appropriated Fund Balance - The amount of fund balance budgeted as revenue to offset expenditures that exceed current revenue.

Appropriation – This the legal authorization granted by the Town Council to expend or obligate funds for specific purposes. An appropriation usually is limited in the amount and time that it may be expended. The Board appropriates annually, at the beginning of each fiscal year, by department, based upon the adopted Budget. Additional appropriations may be approved by the Board during the fiscal year by amending the Budget and appropriating the funds for expenditure.

Assessed Value – The value of real estate or personal property as determined by the Craven County Tax Assessor as a basis for levying property taxes.

Asset – A probable future economic benefit obtained or controlled by the Town as a result of past transactions or events.

Audit – An examination, usually by an official or private accounting firm retained by the Board that reports on the accuracy of the annual financial report.

Authorized Positions - Employee positions that are authorized in the adopted budget to be filled during the fiscal year.

Balanced Budget – Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the Town Council be balanced.

Basis of Accounting & Basis of Budgeting – The system under which revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in accounts and reported in financial statements. It specifically relates to the timing of the measurements made.

Bond – a written promise to pay a designated sum of money (the principal) at a specific date in the future, along with periodic interest at a specified rate. The payment on bonds is identified as Debt Service. Bonds are generally used to obtain long-term financing for capital improvements.

Bond Rating – A grade indicating a governmental unit's investment qualities. Generally speaking, the higher the bond rating, the more favorable the interest rate and the lower the cost of financing of capital projects funded by bonds. A high rating is indicative of the government's strong financial position.

Bond Referendum – An election in which registered voters vote on whether the Town will be allowed to issue debt in the form of interest-bearing bonds.

Budget – A financial plan containing estimated expenditures and resources covering a fiscal year.

Budget Adjustment Transfer – the transfer of funds between line accounts within a function or across functional areas in accordance with policy. Authority is granted by the Town Council to Budget Officer/Designee.

Budget Amendment – A revision of the adopted budget that, when approved by the Town Council, replaces the original provision. Budget amendments occur throughout the fiscal year as spending priorities shift.

Budget Calendar – The schedule of key dates which the Town follows in the preparation and adoption of the budget.

Budget Document – The official written statement prepared by the Town's staff and presented to the Town Council containing the proposed financial plan for the fiscal year.

Budget Message – A written summary of the proposed budget to the Town Council which discusses major budget issues and recommendations.

Budget Ordinance – The official enactment by the Board establishing the legal authority for staff to obligate and expend funds.

CAFR – Comprehensive Annual Financial Report. The official annual report of a government.

Capital Improvement Plan (CIP) – A plan of proposed capital outlay to be incurred each year over a fixed number of years to meet capital needs.

Capital Outlay – Outlays which result in the acquisition (either new or replacement) or additions to fixed assets having a significant value (\$5,000 or more) and possessing a useful life of more than one year.

Capital Project – Major construction, acquisition, or renovation activities which add value to physical assets or significantly increase their useful life.

Capital Project Fund – A fund used to account for financial resources accumulated for the acquisition or construction of major capital facilities.

Capital Reserve Fund - A type of account on a municipality's balance sheet that is reserved for long-term capital investment projects or any other large and anticipated expenditure(s) that will be incurred in the future. This type of reserve fund is set aside to ensure that the company or municipality has adequate funding to at least partially finance the project.

Chart of Accounts – A chart that assigns a unique number and classification to each type of transaction and to each budgetary unit in the organization.

COLA – A Cost-of-Living Adjustment is an increase in salaries to offset the adverse effect of inflation on compensation.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (economic inflation).

Contingency Account – Account in which funds are set aside for emergency and exceptional expenditures that may become necessary during the year and which have not otherwise been provided for in the context of the annual operating budget.

Debt Service – Payment of interest and repayment of principal on Town debt.

Deficit – The amount by which expenditures exceed revenues during an accounting period.

Department – An organizational unit within the Town which is functionally unique in its delivery of services or activities.

Depreciation – Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. The portion of the cost of a fixed asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of the cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Committed Fund Balance – Monies over the years that remain unspent after all budgeted expenditures have been made, but which are committed by a majority vote of the Town Council for specific purposes and are unavailable for appropriation.

Encumbrance – The commitment of appropriated funds to purchase an item or service.

Enterprise Fund – A fund that accounts for operations that are financed and operated in a manner similar to private business enterprises. Operations are financed from charges to users for services provided.

Expenditure – The cost of goods or services whether payment has been made or not.

Fees – A general term used for any charge levied by the Town associated with providing a service or permitting an activity.

Fiduciary Fund – A special classification fund used to account for assets held by the Town in a trustee capacity on behalf of outside parties, including other governments.

Fiscal Year (FY) – A twelve-month period which determines the time frame for financial reporting, budgeting, and accounting.

Fixed Assets – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances.

Fund – A fiscal entity with revenues and expenses that are segregated for the purpose of accounting for an activity(s) with common objectives.

Fund Balance – The excess of the assets of a fund over its liabilities.

GAAP – Generally accepted accounting principles. A uniform minimum standard used by state and local governments for financial recording and reporting; established by the accounting profession through the Governmental Accounting Standards Board.

General Fund – A fund that accounts for most of the basic government services such as public safety, streets and highways, sanitation, parks and recreation, and general government services.

General Obligation Bonds – Bonds issued by a government entity which are backed by its full faith, credit and unlimited taxing authority.

Goal – A statement of Council direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Grants – Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity or facility.

Interest – Compensation for the use of borrowed money, generally expressed as an annual percentage of the principal amount.

Interfund Transfers – The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue – Revenue received from another government for general purposes or special intent.

Law Enforcement Officer's (LEO) Special Separation Allowance – A single-employer defined benefit plan that provides retirement benefits to the Town's qualified sworn law enforcement officers.

Lease – A contract for temporary use of equipment or facilities at a negotiated price.

Levy – To impose taxes for the support of government services and activities.

Liabilities – Probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Local Government Budget and Fiscal Control Act – General Statute of the State of North Carolina governing budgetary and fiscal affairs of local governments.

Modified Accrual Basis – A method for accounting for the receipt and expenditure of funds whereby revenues are recorded when they become measurable and available and expenditures are recorded when the liability is incurred.

Net Bonded Debt – The amount calculated as gross bonded debt less debt service monies available at year-end less debt payable from Enterprise Revenues, which ultimately equates to amounts to be repaid through property taxes.

Objective – A statement of specific direction, purpose or intent to be accomplished by staff within a program.

Operating Budget – Includes all funds except those accounted for in the capital budget. The Operating Budget is adopted by the Town Council by budget ordinance amendment on a fiscal year basis.

Operating Expenses – The cost of contractual services, materials, supplies and other expenses not related to personnel expenses and capital projects.

Per Capita Debt – The amount of the Town's debt divided by the population. It is used as an indication of credit position by reference to the proportionate debt borne per resident.

Personnel Expenses – Cost of salaries, wages, and fringe benefits such as employer’s share of social security contributions, retirement expenses, and health and life insurance payments.

Powell Bill Funds – Revenue from State-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Resources – Assets that can be used to fund expenditures such as property taxes, charges for services, beginning fund balances, or working capital.

Revenue – A term used to represent actual or expected income to a specific fund.

Special Revenue Fund – Funds that are set aside to pay for large expenditure items. The fund provides a means to provide consistent funding from General Fund without competition with other community investment projects or increasing debt.

Standard & Poor’s Corporation – A recognized bond rating agency.

Surplus – The amount by which revenues exceed expenditures.

Tax Base – The total assessed valuation of real property within the Town.

Tax Levy – The product when the tax rate is multiplied by assessed values.

Tax Rate – The amount per \$100 of property valuation that is levied for the support of government services or activities.

Transfer – An appropriation to or from another fund. A transfer is the movement of money from one fund to another to wholly or partially support the functions of the receiving fund.

Unencumbered Balance – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future expenditures.

Unassigned Fund Balance – That portion of resources, which at year’s end, exceeded requirements and has not been committed or assigned for some future time for a specific project or use. Money in the unassigned fund balance is not in the Budget and therefore has not been appropriated for expenditure. However, those funds are available for use if the need arises.

Appendix A

February 26, 2014

To: Mayor Kirkland and Members of Town Council

From: Ryland E. Matthews, Jr., Chief of Police

Re: Police Department Budget for FY 2014-15

The purpose of this document is to provide you some background information and a deeper understanding of the progress your police department is making. It will also provide some details relative to our budget proposal for the coming year. I apologize for the length of this document, but I wanted to be sure to give you as many details as possible in advance of your meeting to give you time to give consideration to the proposals being made. I realize that this is a lot of information to digest. Most of this will be covered, in summary form, during your budget meeting on March 11th. If you have any questions about the content of this document I will be able to provide answers when we meet next week.

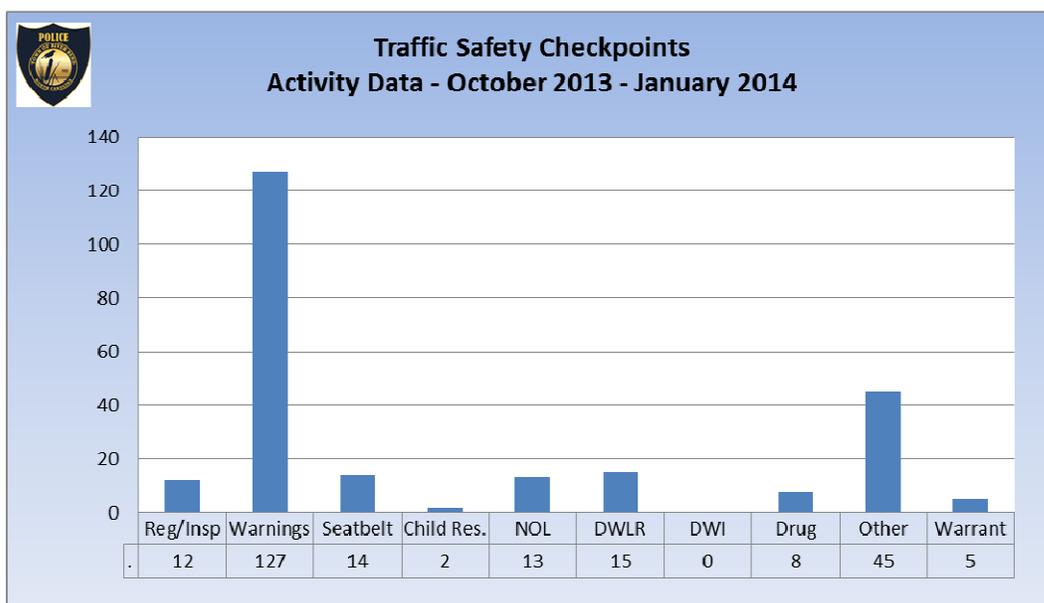
To begin, I want to reiterate the focus of your police department. These are in no particular order, but are how we approach our work, balancing the competing demands of traditional policing with those of community policing and quality of life issues.

- Proactive presence
- Teamwork with the residents and volunteer groups for a safer Community
- Complete Investigations
- Comprehensive Training
- Partnership with surrounding agencies
- Continuing to improve the quality of life through equitable enforcement of local ordinances

What have we accomplished in the past year (by June 30)?

- All Officers are trained in basic forensic evidence collection
- 5 of the 6 officers are RADAR certified (three were prior)
- 4 of the 6 officers are Intoximeter certified(two were prior)
- Officers attended 1,020 hours of non state mandated (no cost) training by June 2014
- The Department now has two state certified instructors for training purposes

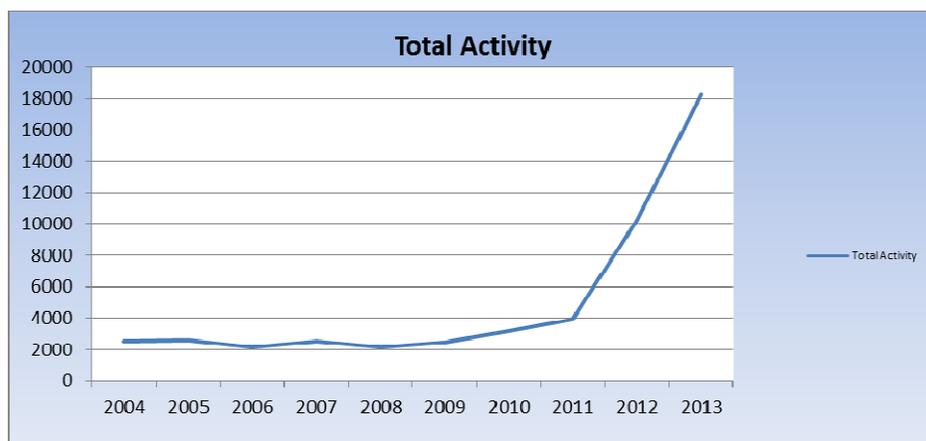
- One Taser instructor
- All patrol vehicles now are equipped with evidence kits and evidence cameras
- Implemented in-car report writing, keeping the officer on the road and not in the office. Added three computer programs to the mobile units to improve information availability and officer productivity.
- Moved the part-time officer position to a part-time detective position to handle more significant cases then had to move the part time back to patrol due to the demands placed on patrol during prolonged absence.
- Better tracking of officer activity and time spent on the job. More focus put on time spent on investigation, obtaining warrants, and doing follow-up investigation
- The Department has purchased over \$28,500 of equipment with non-matching grants: 1 Radar, 2 Cameras, Traffic Trailer, Cones, Signs, and Printers
- Partnered with all Craven County Law Enforcement in the Governor’s Highway Safety Program County Task Force
- Partnered with several agencies over three counties in a Drug Task Force
- Worked in concert with the Assistant Zoning Administrator to enforce violations of local ordinances and track enforcement efforts more thoroughly
- Continued the use of driver’s license check points to enhance traffic safety and identify late night criminal activity by non-resident visitors. We are not using checkpoints as a way to write tickets or to inconvenience residents. As an example of how these are used, we conducted 36 checkpoints between October 2013 and January 2014. Of these, 15 were at night, and 21 were during the day and six involved assistance from at least one other agency. From these checkpoints we gained a greater presence in the community and issued the charges shown on the chart below.



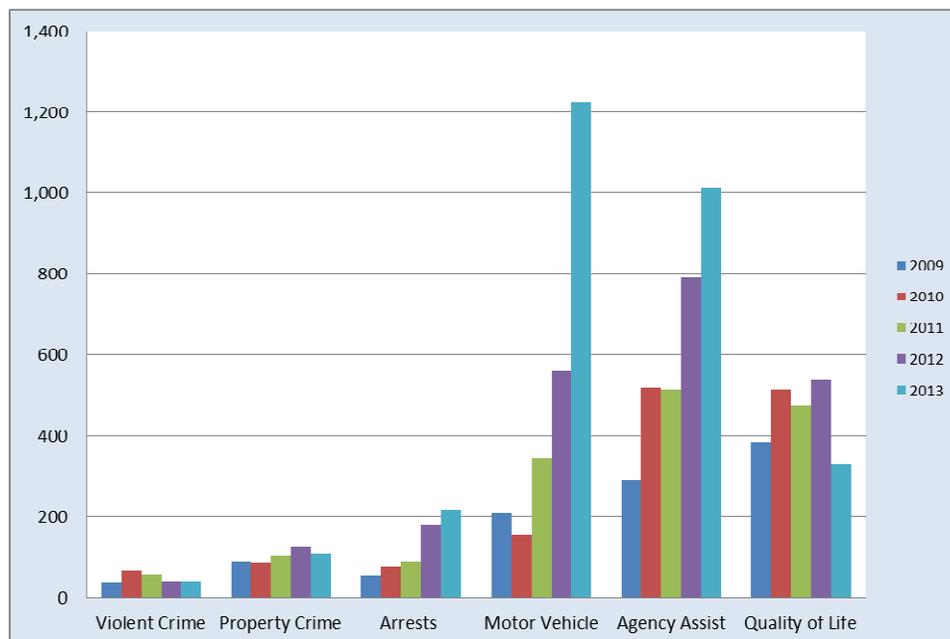
How busy are we?

- The data you review quarterly as provided by the Town Manager shows a marked increase in the total activity of the Department. Much of the increase is in the area of Community Policing as we are being more aggressive in doing business checks and vacation house checks and being more diligent about documenting activity.

This chart shows the total activity of the department, including Community Policing.



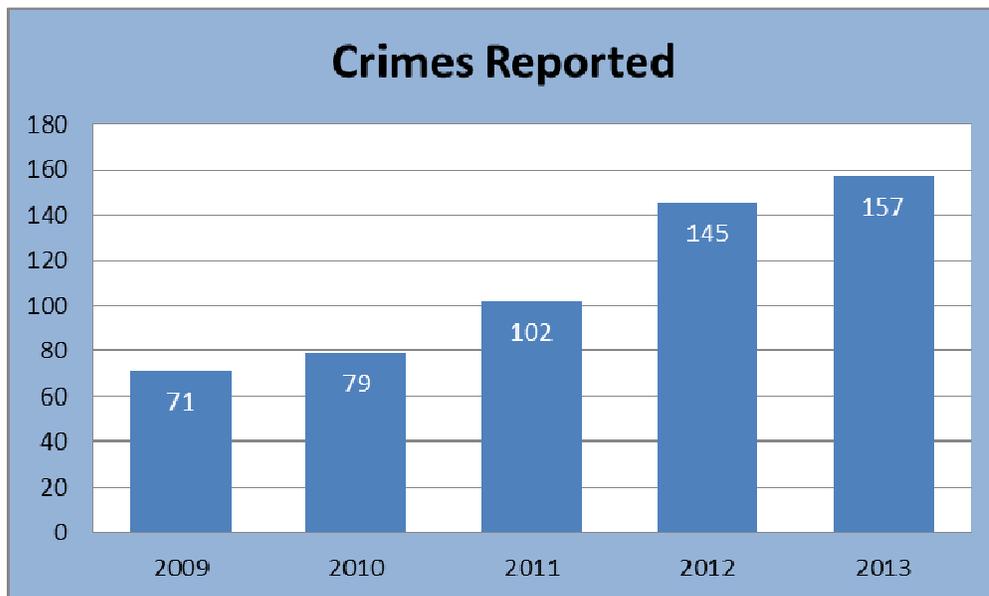
Taking out Community Policing, you are better able to see the trends in other areas of activity.



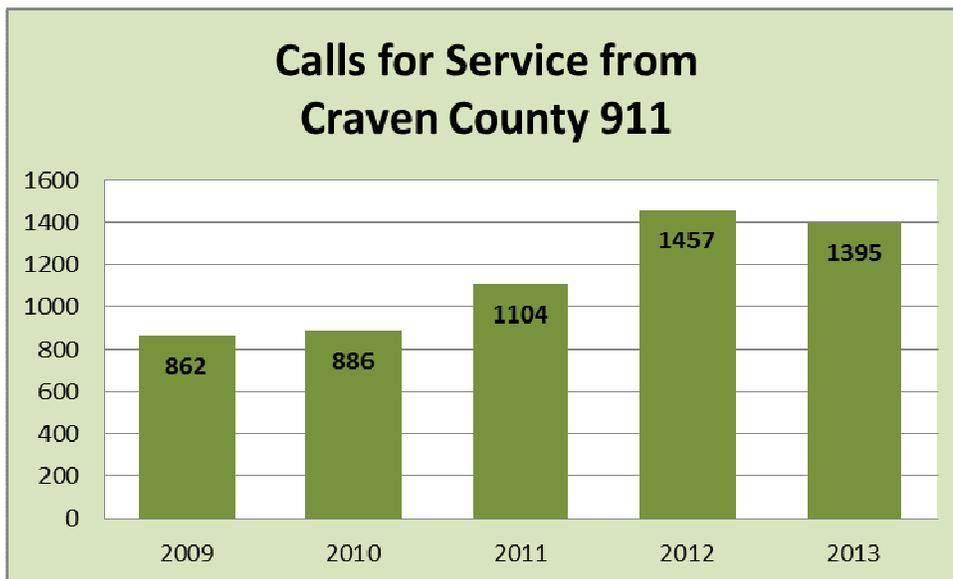
Violent Crime: Includes Assault, Robbery, and Domestic
Property Crime: Includes B&E, Identity Theft, Larcenies, Property Damage
Arrests: Includes Summonses, Subpoena, and Involuntary Commitments.
Motor Vehicle: Includes Crashes, Warnings, Citations, and Complaints.
Agency Assist: Includes other Law Enforcement, EMS / First Responders, and Fire and Internal Case Assists and Follow-up
Quality of Life: Animal Complaints, Littering, Loud music/noise, Soliciting, Town Ordinance Citations and Warnings.
Community Policing: Includes Alarms, Assist Citizens, Assist Motorists, Juvenile Complaints, Missing Persons, Residential Checks, Roadway debris, Suspicious Persons, Trespassing, Hunting violations, Welfare Checks.

To go a little deeper into these numbers, it is good to look at two more statistics.

The first is how many crimes are reported each year. This number reflects only those incidents that are investigated and found to be criminal in nature.



Another indicator of the workload is the number of calls handled and dispatched by Craven County 911. These are not all criminal in nature, but do reflect the demands placed upon the department to provide police services.

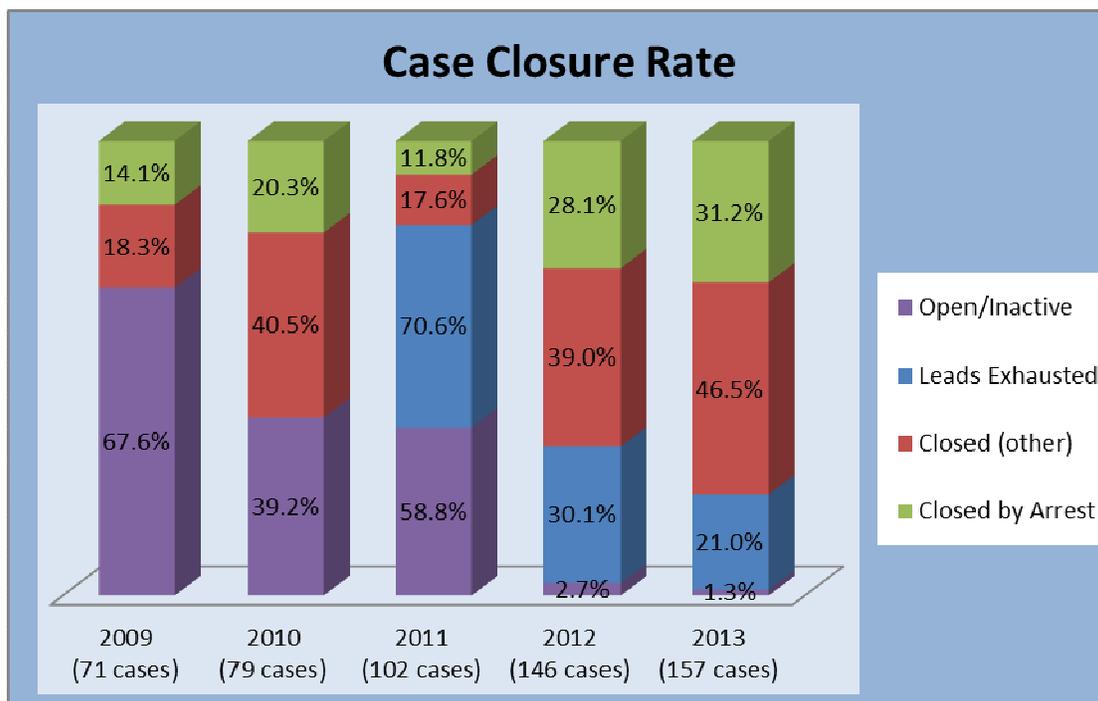


As the data reveal, our workload in terms of crimes reported has more than doubled in four years and calls for service through 911 has increased 62%.

Looking only at reportable property crime, we have seen an increase of 80% over the last four years. The good news is that we are solving more of these cases now and trying to drive the incidence of these crimes back down.

This is not to say that the community is unsafe. It is still a very safe community both in terms of statistics and perception. Our goal is to make it even more so through the appropriate use of resources and by providing professional police service.

More effective case management, assignment, and maintaining a mindset geared to solving crimes, led to a further increase in the case clearance rate as shown on the chart below.



What changes/improvements would we recommend for Fiscal Year 2014-15?

1. While we have had limited actual experience to evaluate the effect of the sixth full-time officer we added this year, just the fact that we had this officer on the team since October allowed us to respond to a prolonged absence of one officer and to be able to cover effectively, with only some overtime, for vacation leave and training.

Our goal is to have two officers on duty during the busier times (9 a.m. until 2 a.m.), and we have been able to do that when all were available.

2. Purchase an additional evidence storage locker. Because the department is actively working criminal cases, we need to maintain a larger amount of evidence. In FY2013 we purchased an appropriate evidence locker, but we are out of proper storage space. **(Cost: \$3,316)** .
3. Upgrade emergency lighting and other selected vehicle equipment. **(Cost: \$2,100)**
 - Additional emergency lighting to improve visibility of patrol vehicles when they are operating in heavy traffic areas in conformance with best practices.
 - Replace graphics on one of the remaining patrol cars to make the fleet uniform.
4. Purchase stop sticks for the two primary patrol cars. **(Cost: \$1,000)**
 - Stop sticks are a useful tool to end vehicle pursuits.
5. Purchase two additional laptop computers and vehicle mounts **(Cost: \$2,780)**
 - This purchase would put a laptop in the car driven by the Chief and the one driven by the Sergeant. We have had good luck using lower priced laptops in the two patrol vehicles rather than using ruggedized computers that cost upwards of \$4,000 each.
 - This would allow these two cars to be used as fully functional patrol vehicles and not require the Chief or Sergeant to be in the office to do patrol and investigative paperwork.
6. Purchase one Taser (with camera) and 5 Taser holsters **(Cost: \$1,911)**
 - The Taser would be carried by the primary patrol officer on the shift. This device will allow the officer to employ a non-lethal method of controlling a non-compliant, violent offender.
 - The holsters would be issued to the Sergeant and each patrol officer.
7. Purchase one portable radio **(Cost: \$525)**
 - As part of our effort to maintain a sufficient number of quality portable radios, this purchase would allow us to relegate to “spare” status an older less reliable radio.
8. Continue a phased replacement of duty weapons **(Cost: Weapons \$553)**
 - Current Sig Sauer pistols are 10-12 years old
 - The cost of a new Sig is \$660
 - The cost of a new Glock of the same caliber is \$553
 - Under State law, an officer who retires from active duty is entitled to keep their weapon.
 - As we purchase new weapons to replace those for retiring officers, we will purchase these Glocks
 - We propose to trade in two other Sig pistols that are not used by officers close to retirement. We can get up to \$275 for each Sig we trade in.

-
- While we are still operating with mismatched department weapons, we do not want to trade in those carried by officers nearing retirement and having them retain a new weapon when they retire.
9. Purchase frame mounted lights for duty weapons **(Cost: \$560)**
- These lights afford the officer some tactical advantage by not having to hold both a weapon and a light.
10. Transition to using Craven County for Records Management **(Total Cost: \$5,608)**
- Current cost with New Bern is \$3,090
 - Two mobile licenses plus one desktop and data storage/submission
 - Second and future years will be \$1,768 per year
 - Four mobile licenses and data storage/submission
 - Will allow Craven County to enter 911 call information and have our officers access it, thus reducing data entry by our officers
11. Increase training locally (Pitt, Craven, Lenoir, Onslow, Wilson) **(Training Cost: \$2,000)**
- Local Community Colleges are offering many of the same courses as taught on campus at the NC Justice Academy
 - Using local venues saves meal and transportation costs
 - Will allow us to provide a good level of training for all staff at a lower cost than sending them to the Academy.
 - If courses are not available at local venues, we have budgeted for, and would send staff to, the Academy, in order to fulfill our training plan.
 - Here is our training plan for the coming year for courses in addition to the State mandated training:
 - Chief Matthews**
 - Intoxilizer
 - Police Management
 - Sgt. Riegelsperger**
 - None planned due to retirement
 - Joll**
 - New Sergeant's Class (1 week- NCJA- \$250 travel/sustenance)
 - Firearms Instructor Course (1 week- NCJA- \$250 travel/sustenance plus Ammo)
 - Hazardous Materials Instructor's Course
 - Detwiler**
 - Advanced Crash Investigation Course (2 weeks- NCJA- \$500 travel/sustenance)
 - Thomas**
 - Radar school
 - Basic Investigation Course
 - Preslar**
 - Basic Narcotics Investigations
 - Drug enforcement for patrol officers

Replacement Officer

- Radar school
- Basic Investigation Course
- Intoxilizer

What's ahead in future fiscal years?

- We see no need for increased staffing in the foreseeable future beyond the addition of the full-time officer we added in fiscal year 2014.
- In FY2015 we will use our Governor's Highway Safety Program (GHSP) points to fund the purchase of two in-car camera systems to replace the outdated ones in our cars and one replacement radar unit. These purchases require no local match.
- Within the next couple of years we would like to replace the long guns (shotguns) we currently have in the patrol cars. New weapons would allow for less than lethal rounds to be used. Also will include the purchase of a patrol rifle to give properly trained officers the option of weapons to have in their patrol car.
- In FY 2015-16, we plan to request the purchase of another portable radio for patrol.
- In FY 2016 -17 we will evaluate the need to replace one of our patrol bicycles. The Town purchased one bicycle nearly 10 years ago and received a donation of two other used bicycles from New Bern PD. We continue to use bicycles for proactive patrol and suggest replacing at least one in FY 16-17.

Appendix B

Public Works and Water Resources Work Orders

Our Public Works and Water Resources field operations staff performs a variety of routine maintenance work on our buildings, parks, streets, stormwater system, water system, and wastewater system. In order to capture the non-routine work they do, and some of the higher volume routine work, we developed a system to record and report this activity for the benefit of the Town Council.

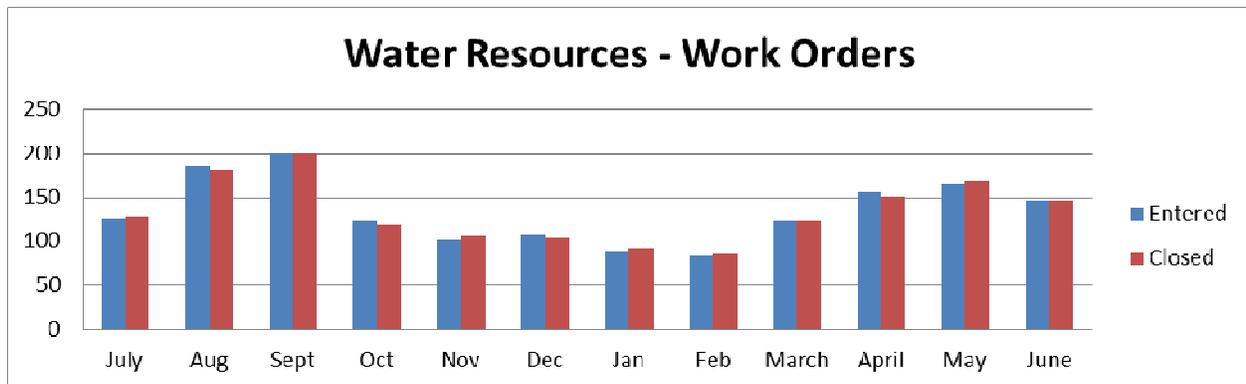
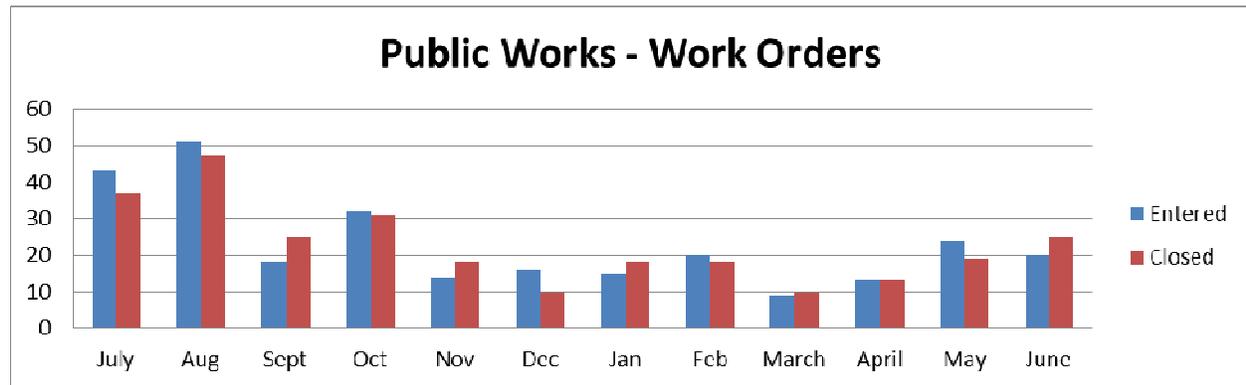
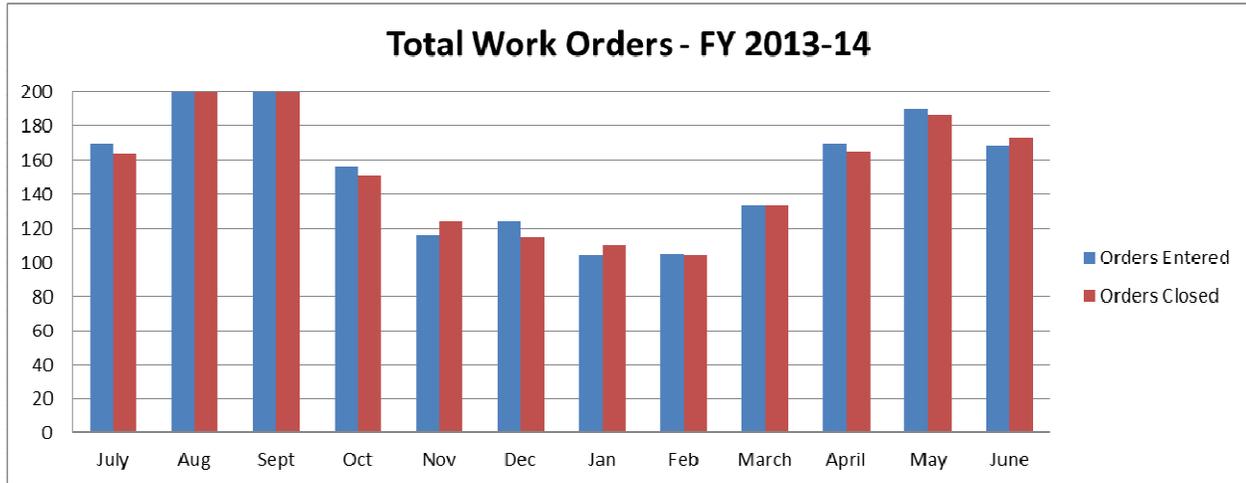
A monthly report using tabular and graphical formats is provided to the Council in their monthly meeting agenda books. Tracking this data year-to-year allows us to determine if there is a sustained increase in activity that might indicate the need for additional personnel resources.

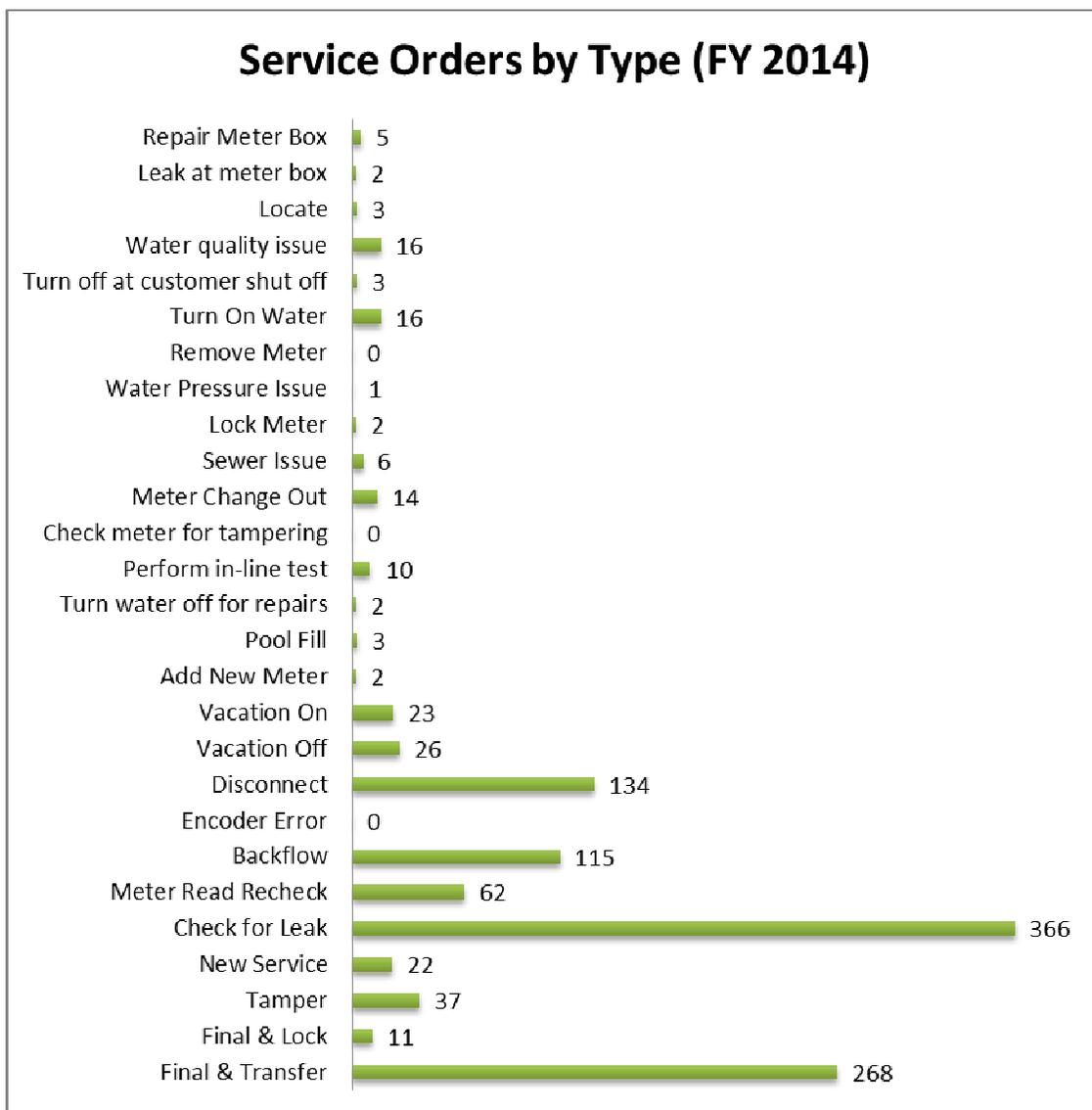
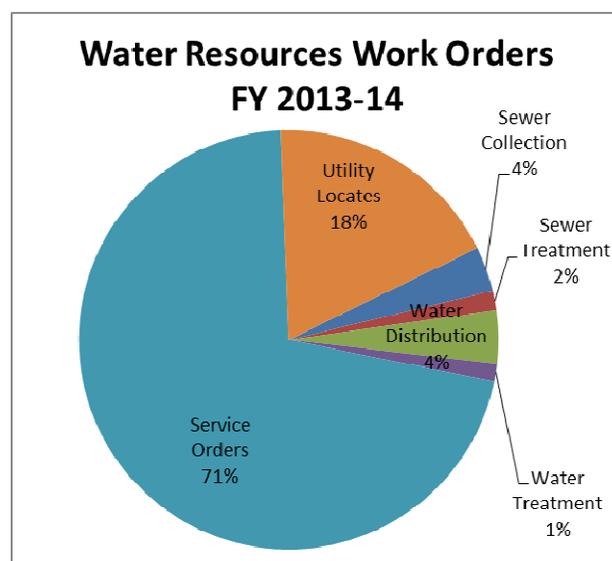
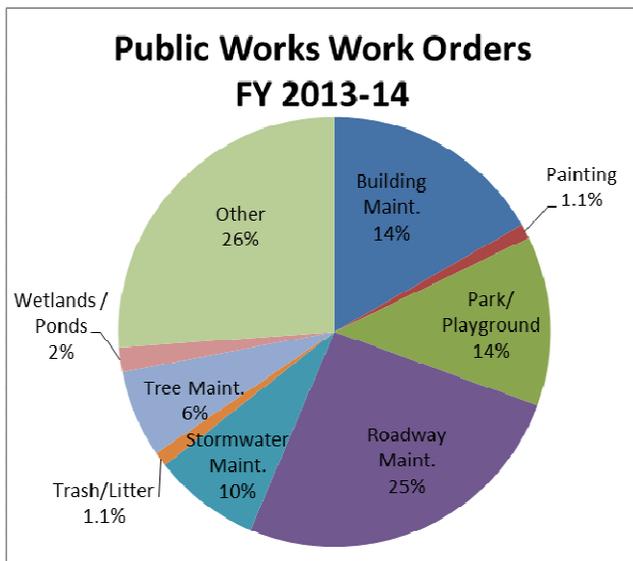
What follows is a brief description of the categories of work orders we track and report:

Building Maintenance	Interior and exterior repairs including plumbing and electrical.
Painting	Miscellaneous painting including bridge railings, buildings, etc.
Park/Playground	Maintenance of grounds and fixtures
Roadway Maintenance	Pothole and shoulder repair, regulatory and street sign replacement, and street crack sealing.
Stormwater Maintenance	Investigation and repair of problems with drainage structures and swales
Trash/Litter	Non-routine litter pick-up
Tree Maintenance	Trimming, removal, and replacement of trees on public land
Wetlands / Ponds	Weed and algae abatement, aeration equipment maintenance, shoreline trimming
Other	Tasks not included above
Sewer Collection	Non-routine inspection or maintenance of collection system
Sewer Treatment	Non-routine maintenance or repairs at the wastewater treatment plant
Water Distribution	Non-routine maintenance, repair, or improvement of the water distribution system
Water Treatment	Non-routine maintenance, repair, or improvement of the water treatment system
Service Orders	Customer initiated requests taken by the Finance Assistant. See the breakdown of the type of requests in the chart on page 199
Utility Locates	Requests, from NC One-Call, for us to locate our utility lines before a contractor begins excavation

Monthly Work Order Summary Report

Public Works															
														YTD	Pending
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June			
Building Maintenance	7	13	1	3	1	2	3	1	4		9	2		46	5
Painting	0	2	0							1				3	1
Park/Playground	7	2	2	6	2	1		1		1	5	8		35	4
Roadway Maintenance	8	18	3	13	6	1	5	9	3	2	1	2		71	2
Stormwater Maintenance	4	4	2	3		3	1	1	1	1		2		22	3
Trash/Litter	1	0	0								2			3	0
Tree Maintenance	5	2	1	3		3		3		1				18	0
Wetlands / Ponds	0	1	0		1					1	1	1		5	1
Other	11	9	9	4	4	6	6	5	1	6	6	5		72	2
TOTAL	43	51	18	32	14	16	15	20	9	13	24	20		275	18
Orders Closed	37	47	25	31	18	10	18	18	10	13	19	25		271	
Water Resources															
														YTD	Pending
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June			
Sewer Collection	1	4	9	3	1	2	5	3	14	3	8	3		56	4
Sewer Treatment	2	0	3	4		2	6	1	1	2	3			24	0
Water Distribution	11	13	7	2	6	4	4	5	4	3	2	5		66	2
Water Treatment	1	0	7	2		1	1	1	1	3	3	2		22	2
Service Orders	95	148	146	75	80	80	61	53	66	108	121	116		1149	0
Utility Locates	16	21	28	38	15	19	12	22	38	37	29	22		297	0
TOTAL	126	186	200	124	102	108	89	85	124	156	166	148		1614	8
Orders Closed	127	182	201	120	106	105	92	86	123	152	168	148		1610	
TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD		
Orders Entered	169	237	218	156	116	124	104	105	133	169	190	168	1889		
Orders Closed	164	229	226	151	124	115	110	104	133	165	187	173	1881		





Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2014-2015

Appendix C

TOWN OF RIVER BEND BUDGET REQUEST FORM FISCAL YEAR 2014-2015							
Project or Item:	Outdoor Storage Spaces - Rental				Priority:		
Description of item or project:							
<p>This project will enclose a space approximately 90 feet by 150 feet in the field near the kayak launch to allow us to add approximately 24 additional outdoor storage spaces. This project includes leveling the site with gravel and grading as necessary and the installation of commercial grade chain link fence with barbed wire topper. The fence height, in order to comply with our ordinance cannot exceed seven feet. We propose to use a combination lock to allow renters to access the site 24 hours per day. We propose to install two new streetlights on the site and include them on our lighting grid with Duke-Progress.</p>							
Operating Budget Impact Narrative (i.e., is this a new program or item type, how does it impact other services):							
<p>The first year costs are for the fence, lock, gravel/grading and any other incidentals. Recurring costs are for lighting and electricity. Unaccounted costs include the need for increased police patrols and the need for maintenance to keep the gravel driving surface in good repair.</p> <p>Anticipated revenue is calculated at \$25 per space per month. In the current fiscal year, we plan to have the spaces filled for nine months, allowing for a three month construction and rental window. We currently have 23 people on the waiting list for outdoor spaces, so it is likely we will see 100% occupancy of this area. Future year revenues are based upon 100% occupancy.</p>							
Anticipated effect if the project or item is not funded:							
<p>If this project is not funded, we will continue to rent spaces at the current Wildwood location and maintain a waiting list for units.</p>							
Request for Appropriation:							
		FY	FY	FY	FY	FY	
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	TOTAL
Expenditures:							
Cost		\$10,500					\$10,500
Recurring Costs		\$500	\$650	\$650	\$650	\$650	\$3,100
TOTAL		\$11,000	\$650	\$650	\$650	\$650	\$13,600
Revenue Sources:							
Local Revenue		\$5,600					\$5,600
Fees							\$0
Federal Grant							\$0
State Grant							\$0
Local Grant							\$0
Other (rental fees)		\$5,400	\$7,200	\$7,200	\$7,200	\$7,200	\$34,200
TOTAL		\$11,000	\$7,200	\$7,200	\$7,200	\$7,200	\$39,800
Expend-Revenues		\$0	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$26,200)
Attachments: NO/ YES (formal proposals or quotes)							
		Submitted By: Drew Havens					
		Date: 13-Feb-14					
TRB Form #57 (11/13)							