

# **ANNUAL BUDGET**



**FISCAL YEAR 2013 – 2014**

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**TOWN OF RIVER BEND • NORTH CAROLINA**

**Fiscal Year 2013-2014**

**Annual Budget**

**Adopted June 20, 2013**

**Mayor**

John Kirkland

**Town Council**

Brenda Garvey

Barbara Maurer

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Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

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**Distinguished Budget Presentation Award**



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, 2011. 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, 2013

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, 2013 and ending June 30, 2014 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 2012:

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 future expansion of wastewater treatment capacity to serve the current and future needs of the Town.
4. Continue to work with advisory boards as a means to encourage citizen participation in Town government.
5. Continue to be good stewards of the natural environment through planned stormwater and floodplain management efforts.
6. Continue to cooperate regionally and with other municipalities and, where appropriate, share ideas and resources.
7. Maintain a commitment to the Council-Manager form of government, and to support an adequate and well-trained staff to serve the current and future needs of the community.
8. Continue to employ sound fiscal management practices to ensure the long-term financial viability of the Town.
9. Maintain a visionary posture, acknowledging that change is inevitable.
10. Continue to conduct the business of the Town with complete transparency and integrity.

These goals provide the foundation upon which the budget is built. Over the course of 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 increases in the tax rate or in water and sewer rates.

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	\$ 1,815,412
Water Fund	\$ 595,057
Sewer Fund	\$ 628,398
Total Operating Budget	\$ 3,038,867

### **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. This 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 \$1,815,412, representing a 15.13% increase from the total projected expenditure in the current fiscal year, and a 9.46% increase versus the current fiscal year budget. Lower than expected legal fees, lower than expected leaf and limb tonnage, and aggressive management of expenditures help explain the slight difference between budgeted and projected year-end expenses.

Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents a 9.46% increase from the current fiscal year budget, and a 9.13% increase compared to projected year-end revenue. Higher than estimated sales tax, Powell Bill, and nuisance abatement charges explain much of the difference between the budgeted amount of revenue and the projected year-end revenue level. Much of the increase in revenue in this year's budget is due to a higher level of funding from our own Capital Improvement Plan to cover scheduled expenditures that are 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 gas tax revenue, are received from the State based upon our population and number of miles of roads. This year is likely to

<b>Paving:</b>		
Barbara Drive		64,000
Mulberry Lane (North/South)		28,500
Raft Road		17,000
Sextant Court		10,500
<b>Patching:</b>		
Boatswain		5,000
Captains Cove		3,000
Lantern Lane		3,000
Massachusetts Road		3,000
New Hampshire Lane		5,000
Striping and Patching allowance		4,000
		143,000

see a continued decline in this funding as the level of funds received by the State continue to decline. We are budgeting to follow the plan developed by our engineer in the coming year, as we did in the current year. As shown in the table above, we plan to pave four streets, and do full depth patching on five others. 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 rather than, as other localities have, establishing a separate stormwater utility funded by user fees. The concept of a separate utility was examined four 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 five locations that need work to correct drainage issues. While the total cost of these five projects is greater than the annual stormwater reserve amount of \$30,000, over the past three years we have undertaken smaller projects that have not fully utilized reserve funding. All the work we do

Pirates Road (137)	15,000
Clipper Court	11,000
Plantation Drive (509-701)	26,500
Lakemere Drive (321/323)	9,500
Raft Road (102)	11,000
	73,000

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.

Public Buildings (Facilities): We plan to continue our efforts to be good custodians of our public facilities by making a few needed repairs, and some modest improvements. The single largest expense in this department is the cost to engage the architect that performed a facility needs analysis in 2011 to begin the design and permitting phase to plan for the future construction of an administrative building and the renovation of the current facilities to meet current and future needs. This project, funded with Capital Improvement Plan dollars, will allow for more detailed planning regarding future building projects. The department also funds the lawn and landscape maintenance contracts for Town property. Both of these two-year contracts expire in February of 2014 and will be put out for bid in December of 2013.

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 tree work along Shoreline Drive to improve the condition of some large trees along the roadway.

Also included in the public works budget is the purchase of a new vehicle. This is in accordance with our vehicle replacement plan so the funding will come from our Capital Improvement Plan reserves. We use the State-negotiated vehicle contract and specifications in order to get the best possible pricing for a vehicle to meet our needs.

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

Also included in Parks and Recreation is funding for the start-up of a Community Garden project. Using a parcel of Town-owned land on Wakefield Drive, a group of volunteers is working to establish a Community Garden that will allow residents, by subscription, to engage in a group effort to grow organic produce.

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. Due to an increase in activity reported through the Craven County 911 center and an overall increase in the number of crimes being reported and investigated, we have budgeted to add an additional full-time officer to our staff beginning in October. Adding this sixth full-time officer still has our department below nationally recommended staffing and state average per capita staffing, but due to the way we operate, this level of staffing should be adequate for several years while reducing overtime, allowing for adequate training, and providing adequate patrol and investigatory services.

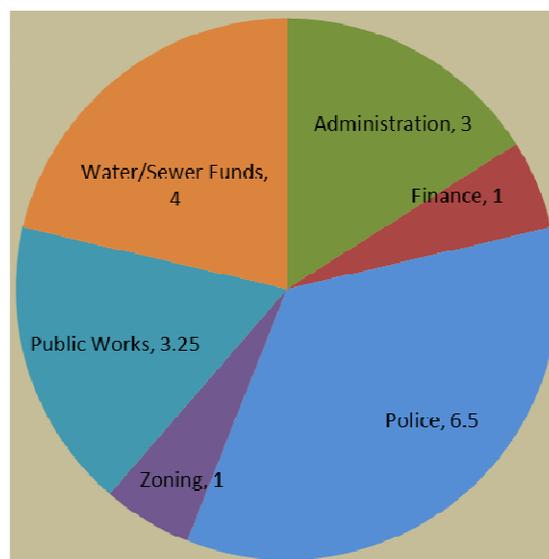
Also included in the police budget is the purchase of a new vehicle. This is in accordance with our vehicle replacement plan so the funding will come from our Capital Improvement Plan reserves. We use the State-negotiated vehicle contract and specifications in order to get the best possible pricing for a vehicle to meet our needs.

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 uses \$6,144 of our unrestricted Fund Balance.

### 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. Our total of these annual expenditures are \$646 less per capita than those of our peers.

One of the largest expenditures River Bend – and for that matter other localities – faces is the cost of personnel. Our professional staff allows the Town to continue to provide quality service to our residents. The only change in our staffing model is to increase the number of full-time police officers by one. With this change we will have 18 full-time employees and 2 part-time employees. 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, as noted earlier, these allocations were thoroughly examined and adjusted as needed 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 approval of a revised 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 \$1,815,412, a 9.13% increase compared to projected revenue in the current fiscal year. As noted above, we plan to use \$6,144 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. 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 a collection rate for real estate taxes of 99.58%.

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. 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 2012, had a General Fund Balance of 78%, and we project a balance of 85% at the end of the current

fiscal year. The policy set by the Town Council is to maintain a fund balance of at least 50% of total expenditures. The budget being presented predicts a fund balance percentage at the end of the fiscal year of 74%.

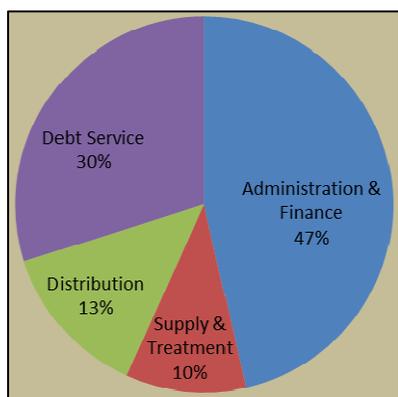
### Enterprise Funds

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 & Poor's rating to AA-, and 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. 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 2014 is \$595,057, a 3.1% decrease from the current fiscal year.

<b>Water</b>	
Back-flow preventers	4,695
Harbour Walk Service Line Replacement	22,208
Chlorine Scales	2,600
Bill folding/stuffing machine (Shared with Sewer)	2,148
Chlorine Gas Regulator	1,890
<b>TOTAL</b>	<b>\$33,541</b>

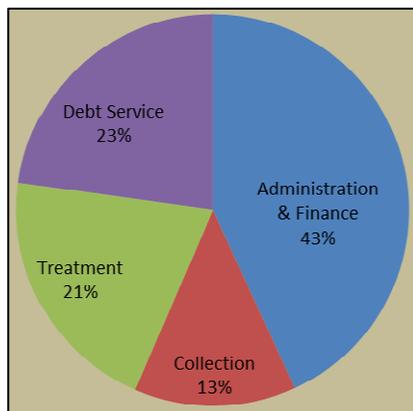
*Proposed water enterprise projects*

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 purchase new scales for our chlorine gas cylinders to replace old non-functioning ones, and to purchase a back-up chlorine gas regulator. With the total cost to be split between the water and sewer funds, we plan to purchase a new folding/stuffing machine. Our current machine is dated and is frequently in need of repairs, many of which are marginally sufficient to keep the machine operational through one cycle of folding and stuffing.

The largest project is to replace 32 service lines in Harbour Walk. These lines are the last in our system that use what we consider to be an inferior quality plastic piping. We have experienced failures of water lines in this area and want to get ahead of other surprise repairs that will likely be needed in the near future.

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 2014 is \$628,398, a 7.4%

decrease from the current fiscal year.

<b>Wastewater</b>	
Bill folding/stuffing machine (Shared with Water)	2,147
Unit 1 clarifier repair	9,220
Static Screen By-Pass	6,863
Flow Equalization Basin By-Pass	1,576
Main Lift Station Renovation	12,000
Lift station pump	5,000
Water Hydrants at Lift Stations	3,900
<b>TOTAL</b>	<b>\$40,706</b>

*Proposed sewer enterprise projects*

In fiscal year 2014 we plan to make a few improvements to the wastewater treatment plant. Specifically, we plan to make a repair to a gasket on the clarifier on plant #1, the smaller of the two plants. During our annual NC Department of Water Quality inspection, leaking under the weir of the clarifier was noted in the report from the inspector. While this does not cause a violation of our permit, it is something that needs to be addressed to ensure the plant is functioning properly. We also plan to install two by-passes, one for the screen that removes larger debris in the influent stream and one for the pumps in the surge tank, in order to improve operational and maintenance flexibility.

In the collection system, we plan to make some repairs in the main lift station off Gull Pointe. In FY2013 we made an emergent repair at this location by replacing two malfunctioning check valves. In the coming year we will complete the renovation of this lift station by installing new piping and new gate valves. We also, for the collection system, plan to purchase an additional spare lift station pump. We currently have one spare, but frequently need to place it into service while other pumps are being maintained. This leaves us with no spare pump should another in the system fail. Having a second spare on hand will help ensure we have enough pumps to keep the system functioning as designed. The last task in the collection system is to install water connections at two lift stations. There is no water available at the Starboard or Quarterdeck lift station so our operators must bring water in our mobile jetter as they clean and service the lift station. Having a water hydrant at the station will allow for easier access in order to keep the station clean.

**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. It is into this model that we are able to factor such influences as the decline in consumption of water by our customers. Based upon the proposed expenditures and the revenue projected, we are recommending no increases in rates for either utility. Keeping rates level and being conservative with expenses will still 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

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**Annual Budget Ordinance**

BE IT ORDAINED by the Council of the Town of River Bend, North Carolina that the following anticipated fund revenues and departmental expenditures, together with certain fees and schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

**Summary**

General Fund	1,815,412
General Capital Reserve Fund	233,529
Water Fund	595,057
Water Capital Reserve Fund	33,263
Sewer Fund	628,398
Sewer Capital Reserve Fund	1,910
Law Enforcement Separation Allowance Trust Fund	<u>22,111</u>
Total	3,329,680

**Section 1. General Fund**

Anticipated Revenues

AD VALOREM Taxes 2013-2014	803,399
AD VALOREM Tax-Motor Vehicle	67,599
Animal Licenses	4,000
Sales Tax 1% Article 39	132,800
Sales Tax 1/2% Article 40	77,715
Sales Tax 1/2% Article 42	67,000
Sales Tax Hold Harmless Distribution	73,260
Solid Waste Disposal Tax	2,200
Powell Bill Allocation	88,500
Beer and Wine Tax	12,485
Video Programming Sales Tax	66,935
Utilities Franchise Tax	73,529
Telecommunications Sales Tax	21,035
Court Refunds	500
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 2013-2014

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**Section 1.           General Fund (continued)**

Wildwood Storage Rents	34,000
Rents & Concessions	18,000
Sale of Fixed Assets	6,000
Appropriated Fund Balance	6,144
Transfer from Capital Reserve Fund	233,529
Transfer from Law Enforcement Separation Allowance Fund	<u>22,111</u>
 Total	 1,815,412

Authorized Expenditures

Governing Body	23,889
Administration	217,020
Finance	90,096
Tax Listing	9,523
Legal Services	30,000
Elections	7,556
Public Buildings	172,345
Police	511,140
Emergency Services	3,850
Animal Control	12,347
Street Maintenance	185,618
Public Works	178,498
Leaf & Limb and Solid Waste	43,560
Stormwater Management	105,971
Wetlands and Waterways	4,500
Planning & Zoning	46,503
Recreation & Special Events	6,650
Parks & Community Appearance	33,520
Contingency	27,826
Transfer to Capital Reserve Fund	105,000
Transfer to L.E.S.A. Fund	<u>10,000</u>
 Total	 1,815,412

**Section 2.           General Capital Reserve Fund**

Anticipated Revenues

Contributions from General Fund	105,000
Appropriated Fund Balance	128,162
Interest Revenue	<u>367</u>
 Total	 233,529

**Section 2. General Capital Reserve Fund (continued)**

Authorized Expenditures

Transfer to General Fund	233,529
Total	233,529

**Section 3. Water Fund**

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	187,065
Utility Usage Charges, Classes 3 & 4	12,156
Utility Usage Charges, Class 5	14,062
Utility Usage Charges, Class 8	2,653
Utility Customer Base Charges	320,726
Hydrant Availability Fee	30,429
Taps & Connections Fees	2,500
Nonpayment Fees	6,090
Late Payment Fees	8,569
Capital Investment Fees	2,700
Interest Revenue	849
Appropriated Fund Balance	7,258
Total	595,057

Authorized Expenditures

Administration & Finance [1]	380,618
Operations and Maintenance	118,310
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Water Capital Reserve Fund	33,129
Total	595,057

<i>[1] Portion of department for bond debt service:</i>	<i>148,803</i>
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**Section 4. Water Capital Reserve Fund**

Anticipated Revenues

Contributions from Water Operations Fund	33,129
Interest Revenue	134
Total	33,263

Authorized Expenditures

Future Expansion	33,263
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**Section 5. Sewer Fund**

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	233,417
Utility Usage Charges, Classes 3 & 4	25,704
Utility Usage Charges, Class 5	29,733
Utility Usage Charges, Class 8	5,406
Utility Customer Base Charges	268,064
Taps & Connection Fees	1,250
Late Payment Fees	8,755
Capital Investment Fees	1,900
Interest Revenue	719
Appropriated Fund Balance	53,450
Total	628,398

Authorized Expenditures:

Administration & Finance [2]	371,623
Operations and Maintenance	191,875
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	1,900
Total	628,398

<i>[2] Portion of department for bond debt service:</i>	<i>128,497</i>
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**Section 6. Sewer Capital Reserve**

Anticipated Revenues:

Contributions from Sewer Operations Fund	1,900
Interest Revenue	<u>10</u>
Total	1,910

Authorized Expenditures:

Future Expansion	1,910
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**Section 7. Law Enforcement Separation Allowance Trust Fund**

Anticipated Revenues:

Contributions from General Fund	10,000
Interest Revenue	89
Appropriated Fund Balance	<u>12,022</u>
Total	22,111

Transfer to General Fund, Separation Allowance	22,111
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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, 2013, for the purpose of raising the revenue listed Ad Valorem Taxes 2013-2014 in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$304,448,288 and an estimated rate of collection of 99.58%. The estimated collection rate is based on the fiscal year 2011-2012 collection rate of 99.58% 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 2013-2014, 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 2013-2014 fiscal year. The Budget Officer shall administer the Annual Operating Budget and shall ensure the operating staff and officials are provided with guidance and sufficient details to implement their appropriate portion of the budget.

**Section 13. Copies of this Budget Ordinance**

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

Adopted this 20th day of June, 2013.

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, 2013

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

**GENERAL FUND**

**Administrative**

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

**Public Safety**

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

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

<b>Golf Cart Registration Fee</b>	\$10.00
<b>Police Report Copies</b>	\$4.00

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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.*

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

**Wildwood Storage Rental Rates**

<u>Unit Number</u>	<u>Unit Size</u>	<u>Monthly Rent</u>
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	\$75
BB 09	10x20	\$75
BB 10	10x20	\$75
BB 11	10x20	\$75
BB 12	10x20	\$75
GB 15	10x16	\$65
GB 16	10x16	\$65
GB 17	10x16	\$65
GB 18	10x16	\$65
GB 19	10x16	\$65
GB 20	10x16	\$65
GB 21	10x16	\$65
GB 22	10x16	\$65
FB 01	12x30	\$105
FB 02	12x30	\$105
FB 03	12x30	\$105
FB 04	12x30	\$105
FB 05	12x30	Town
FB 06	12x30	\$105
FB 07	12x80	\$110
FB 08	12x30	\$105
FB 09	12x20	\$105
FB 10	12x50	Town
FB 11	12x50	\$110
FB 12	12x50	\$110
FB 13	12x30	\$105
FB 14	12x30	\$105
FB B	12x50	\$110
FBE	10 x 12	\$35
FBF	12x12	\$50
OP	Open Spaces (21)	\$25

Late Payment Charge	\$10, assessed after the 10 <sup>th</sup> of the month
Interest Charge	1.5% monthly on outstanding balances

**ENTERPRISE FUNDS**

**Water and Sewer - Rates and Fees**

	<b>Water</b>	<b>Sewer</b>
<b>Class 1 and 2 - Residential</b>		
Customer Base Charge per month*	18.24	22.63
Usage per 1,000 gallons	4.02	8.50
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	-
<b>Class 3 and 4 - Commercial</b>		
Customer Base Charge per month*	112.32	132.88
Usage per 1,000 gallons	4.02	8.50
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	-
<b>Class 5 - Industrial</b>		
Customer Base Charge per month*	354.24	416.38
Usage per 1,000 gallons	4.02	8.50
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	-
<b>Class 6 - Early Bird (No longer available)</b>		
<b>Class 7 - Fire Hydrant Charge</b>		
Availability Charge per year	\$207	
<b>Class 8 - 1" Water Service</b>		
Customer Base Charge per month*	38.40	46.26
Usage per 1,000 gallons	4.02	8.50
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**

<b>Service Call - 2 hour minimum</b>	\$35 per hour - signed by customer to initiate work outside of scheduled work hours of 7:00 a.m. - 4:00 p.m. on weekdays and 7:00 a.m. - 3:00 p.m. on weekends
<b>Meter Testing Charge</b>	\$25 - no charge if meter defective

**Special Charges (continued)**

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

\*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.

### 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 2013-14. 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.

<b>General Fund</b>				
	10-11	11-12	12-13	13-14
	Actual	Actual	Projected	Adopted
Ad Valorem Taxes	875,263	871,419	866,591	870,999
Animal Licenses & Zoning Permits	5,686	5,350	5,000	6,000
Interest	970	379	507	501
Wildwood Rents & Cable Franchise	44,187	43,122	34,000	34,000
Other Revenue & Rents	34,211	38,982	35,100	27,200
Contributions	2,354	1,500	1,615	1,000
Powell Bill (includes appropriation)	119,041	89,167	91,421	88,500
State Revenue (other than sales tax)	156,887	187,428	180,038	173,984
Sales Tax Revenue	277,994	330,377	352,216	350,775
Government Grants (State and County)	6,680	183,654	55,264	170
Fees (court refund)	117	150	470	500
Charges to Other Funds	0	0	0	0
Transfer from Capital Reserve	65,300	21,000	19,212	233,529
Transfer from LESA Fund			22,111	22,111
Transfer from Fund Balance				6,144
<b>Fund Total</b>	<b>1,588,690</b>	<b>1,772,528</b>	<b>1,663,545</b>	<b>1,815,412</b>
<b>Water</b>				
	10-11	11-12	12-13	13-14
	Actual	Actual	Projected	Adopted
Base Fee	305,874	311,672	320,906	320,726
Usage Charges	238,951	238,923	224,363	215,936
Hydrant Fee	33,347	31,564	31,590	30,429
Tap Fees	3,750	3,750	2,500	2,500
Disconnect/Reconnect	8,465	6,540	6,090	6,090
Penalty	9,289	8,045	8,285	8,569
Capital Investment Fees	2,600	2,600	2,600	2,700
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	25,950	210,742	423	849
Appropriated Fund Balance	0	0	0	7,257
<b>Fund Total</b>	<b>628,227</b>	<b>813,836</b>	<b>596,757</b>	<b>595,057</b>
<b>Sewer</b>				
	10-11	11-12	12-13	13-14
	Actual	Actual	Projected	Adopted
Base Fee	264,296	262,979	269,084	268,064
Usage Charges	332,550	330,720	301,125	294,260
Tap Fees	1,250	0	4,650	1,250
Penalty	9,885	8,088	7,342	8,755
Capital Investment Fees	1,500	0	1,500	1,900
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	24,622	272	7,277	719
Appropriated Fund Balance	0	0	0	53,450
<b>Fund Total</b>	<b>634,104</b>	<b>602,059</b>	<b>590,978</b>	<b>628,398</b>
<b>Total All Funds</b>	<b>2,851,021</b>	<b>3,188,423</b>	<b>2,851,281</b>	<b>3,038,867</b>

### 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 2013-14. 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.

<b>General Fund</b>				
	10-11	11-12	12-13	13-14
	Actual	Actual	Projected	Adopted
Governing Body	19,488	23,170	20,414	23,889
Administration	164,181	189,823	202,919	217,020
Finance	105,771	90,523	93,719	90,097
Tax Listing	9,397	9,449	9,581	9,523
Legal Services	23,305	18,235	15,000	30,000
Elections	0	4,693	0	7,556
Police	419,692	457,491	465,110	511,140
Public Buildings	93,754	70,392	74,572	172,345
Emergency Services	9,546	196,388	4,717	3,850
Animal Control	8,203	8,420	8,309	12,347
Street Maintenance	198,274	136,446	164,805	185,618
Public Works	120,965	138,437	137,977	178,498
Leaf & Limb and Solid Waste	27,422	17,764	35,684	43,560
Stormwater Management	33,531	39,926	44,768	105,971
Wetlands & Waterways	1,324	2,496	5,500	4,500
Planning & Zoning	52,092	47,369	57,847	46,503
Recreation & Special Events	4,854	4,295	6,308	6,650
Parks & CAC	36,625	51,425	121,586	33,521
Contingency (1% per policy)				27,826
Transfer to Capital Reserve	88,500	106,500	108,000	105,000
<b>Fund Total</b>	<b>1,416,926</b>	<b>1,613,242</b>	<b>1,576,816</b>	<b>1,815,412</b>
<b>Water</b>				
	10-11	11-12	12-13	13-14
	Actual	Actual	Projected	Adopted
Administration & Finance	395,929	370,808	355,724	380,618
Supply & Treatment	40,702	67,722	45,910	51,400
Distribution	35,667	253,672	66,096	66,910
Other (includes transfers and contingency)	37,376	35,513	33,236	96,129
<b>Fund Total</b>	<b>509,674</b>	<b>727,714</b>	<b>500,966</b>	<b>595,057</b>
<b>Sewer</b>				
	10-11	11-12	12-13	13-14
	Actual	Actual	Projected	Adopted
Administration & Finance	382,850	367,784	411,336	371,623
Collection	42,782	60,263	65,213	75,337
Treatment	111,915	139,647	96,470	116,538
Other (includes transfers and contingency)	1,500	1,500	1,500	64,900
<b>Fund Total</b>	<b>539,047</b>	<b>569,195</b>	<b>574,519</b>	<b>628,398</b>
<b>Total All Funds</b>	<b>2,465,647</b>	<b>2,910,151</b>	<b>2,652,301</b>	<b>3,038,867</b>

### Consolidated Fund Balance Summary

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 goal, as set forth in the Financial and Budgetary Policies adopted by the Town Council, is to maintain a General Fund Balance of at least 50% of total expenditures. Our peer group of cities and towns with populations between 2,500 and 9,999 at the end of fiscal year 2012 had an average fund balance of 69.1% with communities in proximity to the coast generally having a higher percentage.

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.

The chart shown below summarizes the fund or cash balances of each of the three major funds and shows the projected balance at the end of Fiscal Year 2014 when compared to the level projected for the end of Fiscal Year 2013. A detailed explanation of Fund Balance is included in each fund's section of this budget document.

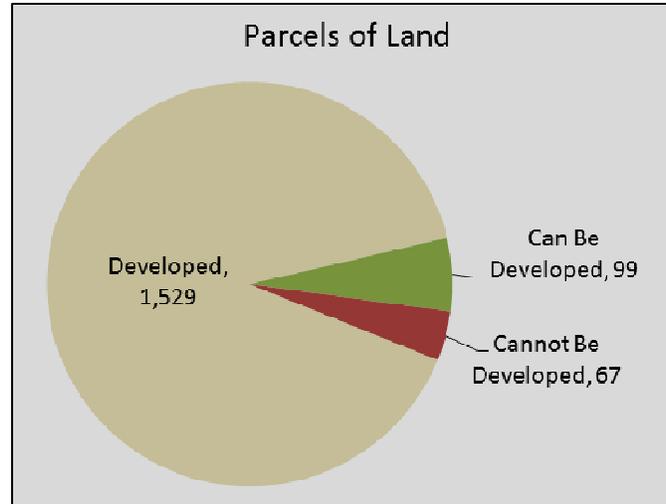
Fiscal Year Ending June 30,	2007	2008	2009	2010	2011	2012	2013 (proj)	2014 (prop)	Change vs. 2013
<b>General Fund</b>									
Fund Balance \$	749,970	911,137	802,506	915,383	1,056,417	1,256,939	1,347,668	1,341,524	(6,144)
Fund Balance %	53.57%	71.52%	46.08%	63.3%	74.6%	78.2%	85.5%	73.9%	-11.6%
<b>Water Fund</b>									
Cash Balance \$	240,993	227,515	208,316	126,512	245,475	328,695	424,488	480,231	55,743
Cash Balance %	53.1%	39.1%	33.3%	23.3%	52.0%	66.1%	80.0%	85.5%	5.5%
<b>Sewer Fund</b>									
Cash Balance \$	205,214	272,709	235,917	216,394	290,341	341,487	359,517	369,068	9,551
Cash Balance %	43.0%	56.9%	41.4%	39.8%	54.0%	60.4%	56.5%	58.9%	2.4%
<b>Total</b>									
Fund/Cash Balance \$	1,196,177	1,411,361	1,246,739	1,258,289	1,592,233	1,927,121	2,131,673	2,190,823	204,552
									9.6%

## 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.

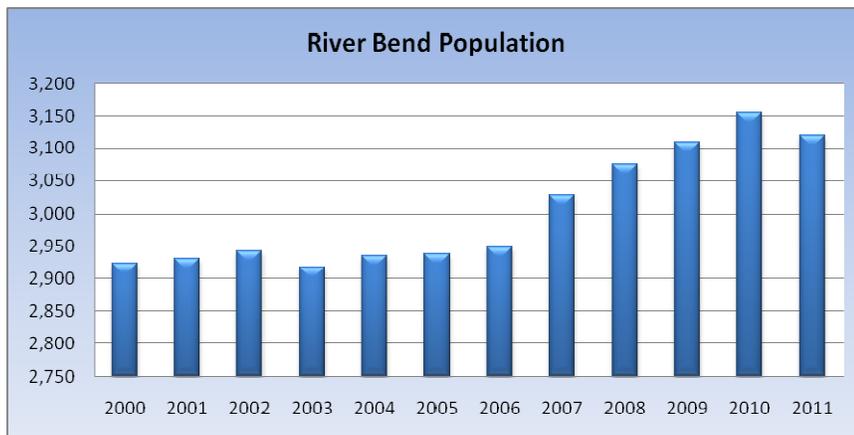
### Land Use

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.

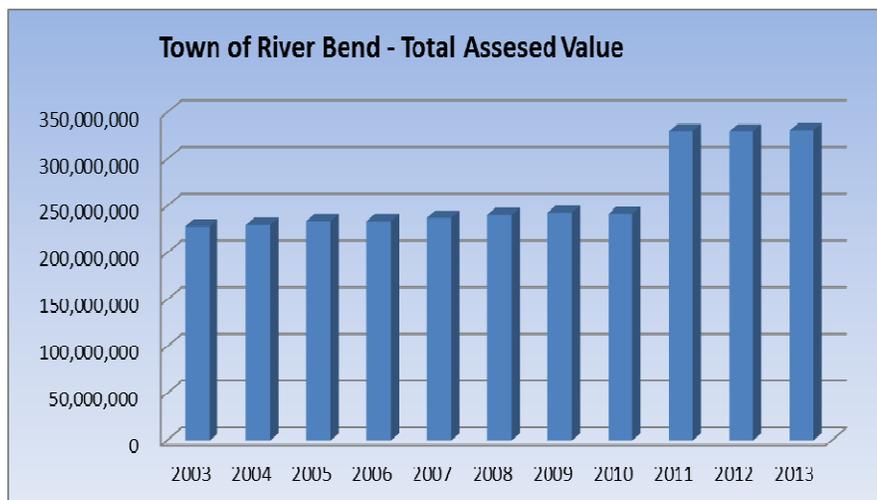


The median age in River Bend is 56.8 years old. According to the 2010 Census, veterans make up 24.1% of our population, compared to a national percentage of 9.9%.

### 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.

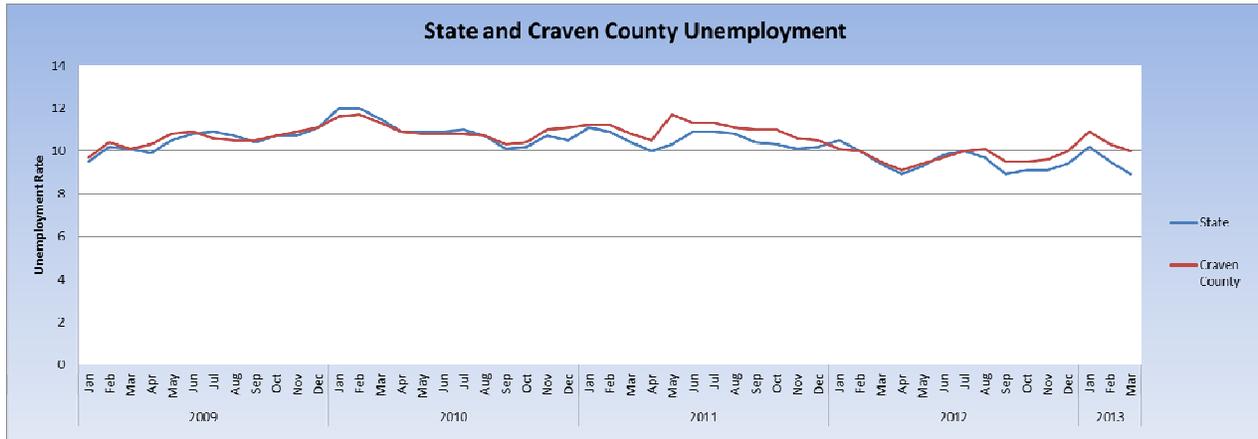
### Economy and Education

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	5,361
Carolina East Health Systems	2,035
Craven County Schools	1,912
State of North Carolina	993
BSH Home Appliances	750
Moen Corporation	630
Craven County	597
Hatteras Yachts	550
City of New Bern	476
Wal-Mart	467

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 8,724 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. The amount shown includes employees from all counties. Of these 2,859 are Craven County residents, or just over 7% of the County employment.

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 have experienced increases in the rate of unemployment, but a slight decreasing trend over the past two 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).

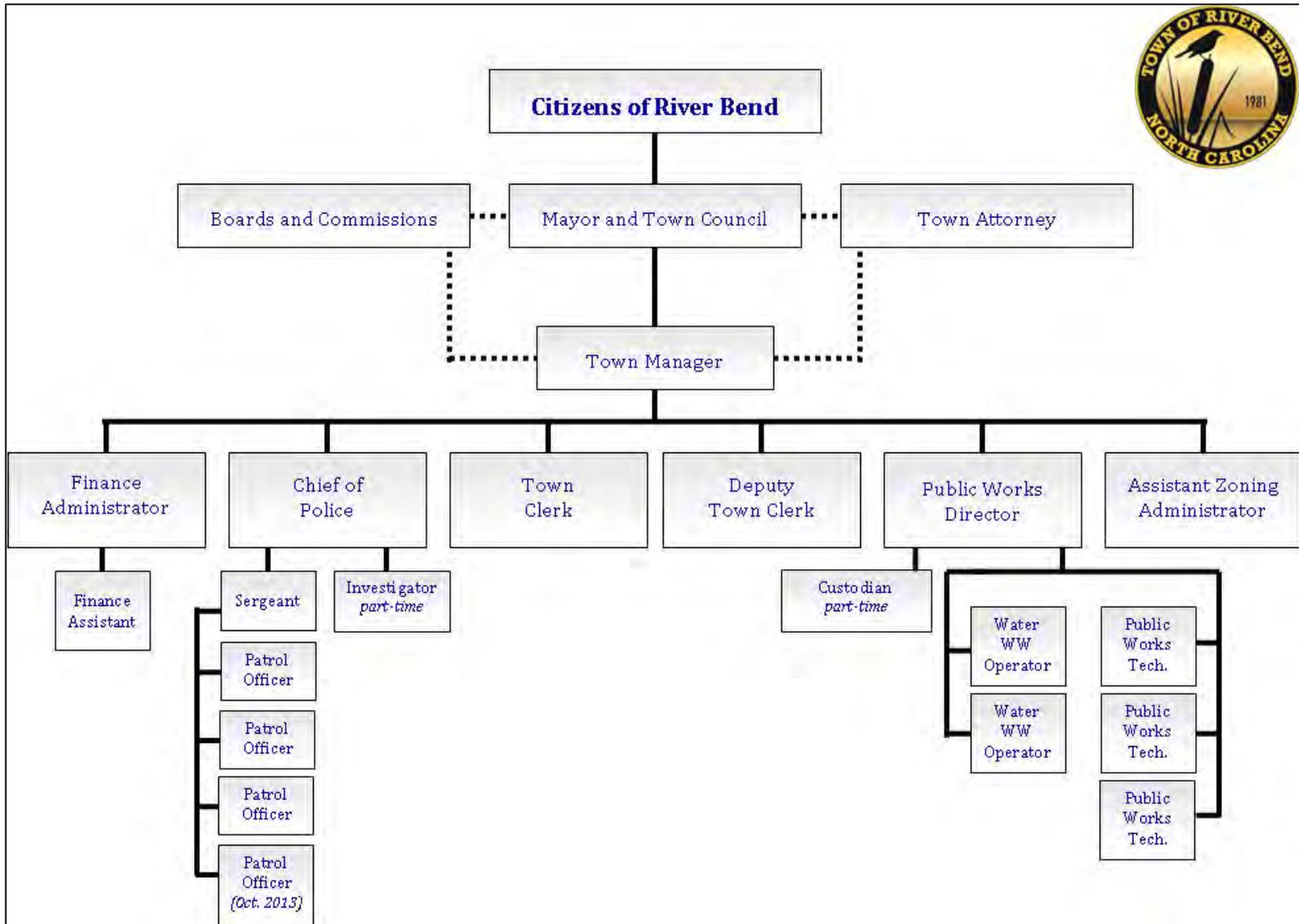
Public Works Advisory Board

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 multiyear 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 moneys 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 investments 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, 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 moneys 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 2013-14, responds to the Town's overall Mission Statement. These priorities remain unchanged from Fiscal Year 2012-13 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 2013-2014 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;"><b><u>MARCH 5, 2013</u></b></p> <p><b>EMPLOYEE COMPENSATION AND BENEFITS</b></p> <ul style="list-style-type: none"> <li>- Pay Plan Review</li> <li>- Health Insurance Benefits</li> <li>- Retirement / 401K / LESA</li> <li>- Cost of Living Adjustment (COLA)</li> </ul> <p><b>LABOR ALLOCATIONS AMONG DEPARTMENTS &amp; FUNDS</b></p> <ul style="list-style-type: none"> <li>- Staffing Projections</li> <li>- Allocation Table</li> </ul> <p><b>CAPITAL IMPROVEMENT PLANS</b></p> <ul style="list-style-type: none"> <li>- Water and Sewer Funds</li> <li>- General Fund</li> <li>- Vehicle Replacement Plan</li> <li>- Information Technology Replacement Plan</li> </ul> <p><b>INFORMATION TECHNOLOGY</b></p> <ul style="list-style-type: none"> <li>- VCS, Inc. On-going Support</li> <li>- Disaster Recovery</li> </ul> <p><b>RISK MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>- Property &amp; Liability</li> <li>- Workers' Compensation</li> </ul> <p><b>ELECTRIC UTILITIES AND FUEL PRICES</b></p> <p style="text-align: center;"><b><u>MARCH 12, 2013</u></b></p> <p style="text-align: center;"><b><u>GENERAL FUND DEPARTMENTS</u></b></p> <p><b>GOVERNING BODY</b></p> <ul style="list-style-type: none"> <li>- Training</li> <li>- Association Dues</li> </ul> <p><b>ADMINISTRATION</b></p> <ul style="list-style-type: none"> <li>- Training</li> </ul> <p><b>FINANCE</b></p> <ul style="list-style-type: none"> <li>- Audit and Financial Reporting Updates</li> <li>- Training</li> </ul> <p><b>TAX LISTING</b></p> <ul style="list-style-type: none"> <li>- Craven County Contract</li> </ul> <p><b>LEGAL SERVICES</b></p>	<p style="text-align: center;"><b><u>MARCH 19, 2013</u></b></p> <p><b>ELECTIONS</b></p> <p><b>POLICE PROTECTION</b></p> <ul style="list-style-type: none"> <li>- Community Watch</li> </ul> <p><b>STREET MAINTENANCE</b></p> <ul style="list-style-type: none"> <li>- Roadway Improvement Plan—three year plan</li> </ul> <p><b>STORMWATER MAINTENANCE</b></p> <ul style="list-style-type: none"> <li>- Prioritized Drainage Concerns</li> <li>- Scheduled Maintenance</li> </ul> <p><b>PUBLIC WORKS</b></p> <p><b>PUBLIC BUILDINGS</b></p> <ul style="list-style-type: none"> <li>- Mowing and Landscaping Contract</li> <li>- Building Maintenance</li> </ul> <p><b>LEAF &amp; LIMB AND SOLID WASTE</b></p> <p><b>RECREATION AND SPECIAL EVENTS</b></p> <ul style="list-style-type: none"> <li>- July 4<sup>th</sup> Plans</li> <li>- Recreation Programs</li> </ul> <p><b>PARKS AND CAC</b></p> <ul style="list-style-type: none"> <li>- Parks</li> <li>- Community Appearance Commission Projects</li> </ul> <p><b>EMERGENCY SERVICES</b></p> <ul style="list-style-type: none"> <li>- Contingency Funding</li> <li>- CERT (Community Emergency Response Team)</li> </ul> <p><b>ANIMAL CONTROL</b></p> <p><b>WETLANDS &amp; WATERWAYS</b></p> <ul style="list-style-type: none"> <li>- Pond and Canal Maintenance</li> <li>- Environment and Waterways Advisory Board</li> </ul> <p><b>PLANNING AND ZONING</b></p> <p><b>GENERAL FUND—REVENUE</b></p> <p><b>GENERAL FUND—FUND BALANCE</b></p>	<p style="text-align: center;"><b><u>MARCH 26, 2013</u></b></p> <p style="text-align: center;"><b><u>ENTERPRISE FUND DEPARTMENTS</u></b></p> <p><b>WATER AND SEWER FUND CASH LEVELS</b></p> <ul style="list-style-type: none"> <li>- Debt Service</li> <li>- Capital Reserve Funds</li> <li>- Cash Capital Needs—Proposed Projects</li> </ul> <p><b>WATER FUND DEPARTMENTS</b></p> <ul style="list-style-type: none"> <li>- Administration</li> <li>- Water Supply &amp; Treatment</li> <li>- Water Distribution</li> </ul> <p><b>SEWER FUND DEPARTMENTS</b></p> <ul style="list-style-type: none"> <li>- Administration</li> <li>- Sewer Collection</li> <li>- Sewer Treatment</li> </ul> <p><b>UTILITY FINANCIAL MODEL</b></p> <ul style="list-style-type: none"> <li>- Rate History</li> <li>- Consumption Trends</li> <li>- Revenue &amp; Expense—Cash Balances</li> <li>- Rate Scenarios—Part 1</li> </ul> <p style="text-align: center;"><b><u>APRIL 2, 2013</u></b></p> <p><b>UTILITY FINANCIAL MODEL</b></p> <ul style="list-style-type: none"> <li>- Rate Scenarios—Part 2</li> </ul> <p><b>GENERAL FUND—REVENUE / EXPENSE</b></p> <ul style="list-style-type: none"> <li>- Balance Budget</li> </ul> <p style="text-align: center;"><b><u>APRIL 9, 2013</u></b></p> <p><b>TAX RATES, UTILITY RATES, AND OTHER FEES</b></p> <ul style="list-style-type: none"> <li>- Ad Valorem Tax Rate</li> <li>- Utility Rates and Fees</li> <li>- Schedule of Rates and Fees</li> </ul> <p style="text-align: center;"><b><u>APRIL 16, 2013</u></b></p> <p><b>OVERVIEW</b></p> <p><b>BUDGET MESSAGE AND DRAFT ORDINANCE, SCHEDULE OF FEES</b></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 2013-14 budget.

**Town of River Bend  
Fiscal Year 2013-14 Budget Calendar**

November 6, 2012	Council Retreat to set priorities
November 9, 2012	Manager's Memo to Department Heads and Advisory Boards
January 31, 2013	Deadline for initial submissions to Manager
March 5 – April 16, 2013	Budget Workshops
May 1, 2013	Budget Message and Summary available for public review
May 16, 2013	Public Hearing
June 20, 2013	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 1<sup>st</sup>. 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, 2013 our gross debt obligation is \$2,960,000, 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, \$1,588,384, in determining the Town's legal debt margin.

Assessed Value of Real and Personal Property:	\$331,223.890
Debt Limit (8% of assessed value):	\$ 26,497,911
Debt (net) Applicable to Limit (as of 7/1/2013):	\$ 1,371,616
Legal Debt Margin:	\$ 25,126,295

### 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 2014.

### 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 2014.

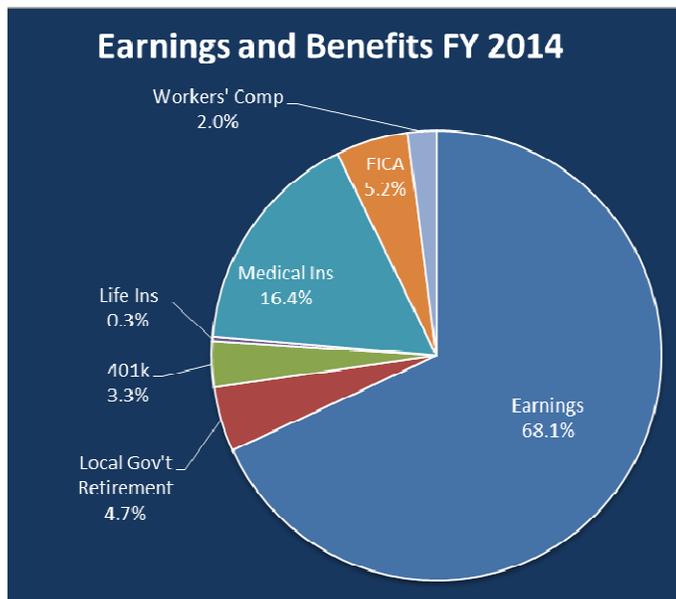
Fiscal Year 2014 Debt Obligations Summary										
Year Issued	Project	Loan Type	Amount Issued	Fiscal Year Retired	Interest Rate	Debt as of 7/1/2013	FY 2014 Principal	FY 2014 Interest	Total Payment	Debt as of 6/30/2014
<b>Water Fund</b>										
2005*	Purchase of Water System	General Obligation Bond	1,588,384	2027	2 -3 % **	1,588,384	13,415	36,785	50,200	1,574,969
	Remaining Debt at end of Fiscal Year		1,574,969							
<b>Sewer Fund</b>										
2005*	Purchase of Sewer System	General Obligation Bond	1,371,616	2027	2 -3 % **	1,371,616	11,585	31,765	43,350	1,360,031
	Remaining Debt at end of Fiscal Year		1,360,031							
* 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 \$1,134,359. 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 68% of the total cost of personnel, and medical insurance is the most costly benefit in spite of changes last fiscal year in 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 \$28 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.

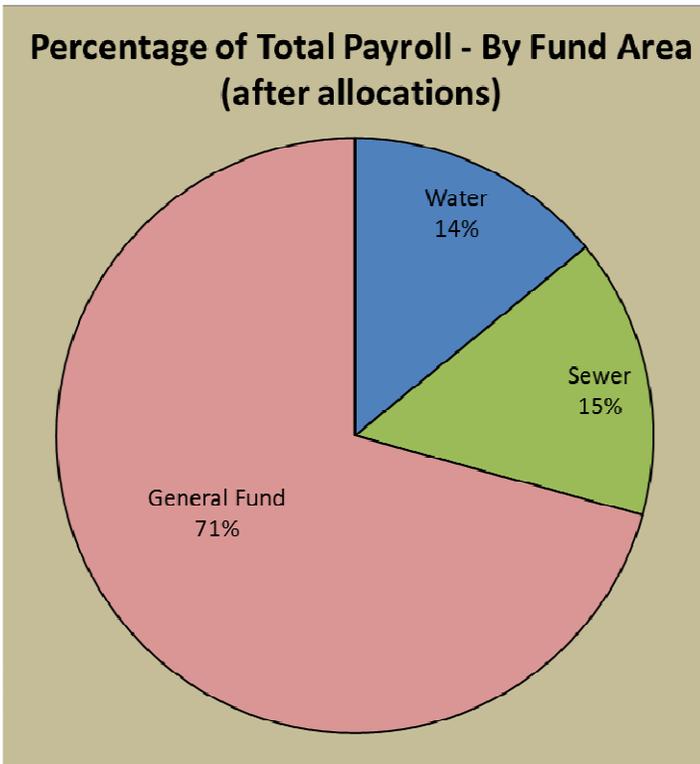
However, due to an increase in activity reported through the Craven County 911 center and an overall increase in the number of crimes being reported and investigated, we have budgeted to add an additional full-time police officer to our staff beginning in October. Adding this sixth full-time officer still has our department below national and state average per capita staffing, but due to the way we operate, this level of staffing should be adequate for several years while reducing overtime, allowing for adequate training, and providing adequate patrol and investigatory services. A detailed account of police activity is included in Appendix A of this document.

### Labor Allocations

The Town of River Bend has a total of 20 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.

Additionally, as we transition the Assistant Zoning Administrator back to forty hours per week (from 32), we will use the additional hours to have this person serve as a primary customer service contact. This change in function is reflected in the new allocations. 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.



Labor allocations are depicted in the table below:

	<b>Water</b>	<b>Sewer</b>	<b>Gen. Fund</b>
	%	%	%
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, adds one full-time position to the police department, and does not contemplate the addition or elimination of any other full or part-time positions for the foreseeable future.

Full-Time Equivalent Positions (FTE) - All Funds											
Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administration	3	3	3	3	3	3	3	3	3	3	3
Finance	1	1	1	1	1	1	1	1	1	1	1
Police	5.26	5.26	5.26	5.5	5.5	5.5	6.5	6.5	6.5	6.5	6.5
Zoning	1	1	1	1	1	1	1	1	1	1	1
Public Works	2.5	2.5	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.5	3.5
Water/Sewer Funds	4.6	4.6	5	5	5	4	4	4	4	4	4
<b>TOTAL FTE</b>	<b>17.36</b>	<b>17.36</b>	<b>17.76</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>

**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 goals and results of this revision are shown beginning on page 65.

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. The retirement system plans further increases in the employer's contribution rate over the next four years.

#### 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.

### **Compensation Plan Revision**

Recognizing the need to create a compensation plan that was easy to understand and implement, and would serve the interests of the Town and its valued employees, we undertook a project to completely revise our outdated compensation plan. The goals of this project were to:

- Create a compensation plan that recognizes the value of longevity. Our previous plan did not recognize longevity; rather it just had a pay grid that was modified each year by a cost of living increase determined by the Town Council at budget time.
- While recognizing the importance of longevity, also create a compensation plan that places a value on education by creating financial incentives to obtain certifications, licenses, and degrees. In doing so, create a plan that does not grant indefinite longevity pay increases within a given job classification.
- Create position descriptions that accurately reflect the work being done by the incumbents in a position, and what is expected of persons in those positions. This also included creating position descriptions for some positions that are currently not part of our organizational structure, but could, at some point in the future, become necessary.
- Create a compensation plan that recognizes that individual staff members may perform in an outstanding manner during a given year, and that effort should be rewarded with a one-time financial bonus.
- Create a compensation plan that will allow for the recognition, by way of financial reward, of completion of advanced licenses and certifications.
- Create and maintain a compensation plan that ensures our employees are paid wages comparable to others in their field.

The draft plan was presented to the Town Council at their retreat in November of 2010 and, after a few minor revisions, was approved for implementation effective July 1, 2011. What follows is a description of each departmental pay plan and the associated salary grid. Position descriptions are not included in this document, but are available through the Town Manager's office.

**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 1<sup>st</sup> of each year. Employees who end their probationary period on or after January 1<sup>st</sup> will not advance from the step to which their position is assigned on the subsequent July 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup>, 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.

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ADMIN.						
Step	AD 1	AD 2	AD 3	AD 4	AD 5	AD 6
1	23,117	31,523	33,100	36,409	50,437	57,793
2	23,348	31,839	33,431	36,774	50,942	58,371
3	23,582	32,157	33,765	37,141	51,451	58,954
4	23,818	32,479	34,102	37,513	51,966	59,544
5	24,056	32,803	34,444	37,888	52,485	60,139
6	24,296	33,131	34,788	38,267	53,010	60,741
7	24,539	33,463	35,136	38,649	53,540	61,348
8	24,785	33,797	35,487	39,036	54,076	61,962
9	25,033	34,135	35,842	39,426	54,616	62,581
10	25,283	34,477	36,200	39,821	55,163	63,207
11	25,536	34,821	36,562	40,219	55,714	63,839
12	25,791	35,170	36,928	40,621	56,271	64,478
13	26,049	35,521	37,297	41,027	56,834	65,122
14	26,309	35,877	37,670	41,437	57,402	65,774
15	26,573	36,235	38,047	41,852	57,976	66,431
16	26,838	36,598	38,428	42,270	58,556	67,096
17	27,107	36,964	38,812	42,693	59,142	67,767
18	27,378	37,333	39,200	43,120	59,733	68,444
19	27,651	37,707	39,592	43,551	60,331	69,129
20	27,928	38,084	39,988	43,987	60,934	69,820
21	28,207	38,464	40,388	44,426	61,543	70,518
22	28,489	38,849	40,792	44,871	62,159	71,223
23	28,774	39,238	41,200	45,319	62,780	71,936
24	29,062	39,630	41,612	45,773	63,408	72,655
25	29,353	40,026	42,028	46,230	64,042	73,382

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

Town Manager	AD6	Step 20
Finance Administrator	AD5	Step 18
Finance Assistant	AD4	Step 13
Town Clerk	AD2	Step 8
Deputy Town Clerk	AD3	Step 20
Asst. Zoning Administrator	AD3	Step 12

**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 1<sup>st</sup> of each year. Employees who end their probationary period on or after January 1<sup>st</sup> will not advance from the step to which their position is assigned on the subsequent July 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup>, 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	31,523			40,980	45,183	50,437
2	31,839			41,390	45,635	50,942
3	32,157			41,804	46,092	51,451
4	32,479	34,102		42,222	46,553	51,966
5	32,803	34,444		42,644	47,018	52,485
6		34,788		43,071	47,488	53,010
7		35,136	36,893	43,501	47,963	53,540
8		35,487	37,262	43,937	48,443	54,076
9		35,842	37,634	44,376	48,927	54,616
10		36,200	38,010	44,820	49,417	55,163
11			38,391	45,268	49,911	55,714
12			38,775	45,721	50,410	56,271
13			39,162	46,178	50,914	56,834
14			39,554	46,639	51,423	57,402
15			39,949	47,106	51,937	57,976
16			40,349	47,577	52,457	58,556
17			40,752	48,053	52,981	59,142
18			41,160	48,533	53,511	59,733
19			41,572	49,019	54,046	60,331
20			41,987	49,509	54,587	60,934
21			42,407	50,004	55,132	61,543
22			42,831	50,504	55,684	62,159
23			43,259	51,009	56,241	62,780
24			43,692	51,519	56,803	63,408
25			44,129	52,034	57,371	64,042

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

Police Chief	P06	Step 25
Sergeant	P04	Step 25
Patrol Officer	P01	Step 5
Patrol Officer	P02	Step 10
Patrol Officer	P03	Step 11

**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 Superintendent 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			WO 4 (FO Sup)	WO 5 (Director)
	PW 1	PW 2	PW 3	WO 1	WO 2	WO 3		
1	26,269			30,473			40,980	50,437
2	26,532			30,777			41,390	50,942
3	26,797	28,137		31,085			41,804	51,451
4	27,065	28,419		31,396	32,966		42,222	51,966
5	27,336	28,703	31,710	31,710	33,295		42,644	52,485
6		28,990	32,027		33,628	35,310	43,071	53,010
7		29,280	32,347		33,965	35,663	43,501	53,540
8		29,573	32,671		34,304	36,019	43,937	54,076
9		29,868	32,997		34,647	36,380	44,376	54,616
10		30,167	33,327		34,994	36,743	44,820	55,163
11		30,469	33,661		35,344	37,111	45,268	55,714
12		30,773	33,997		35,697	37,482	45,721	56,271
13		31,081	34,337		36,054	37,857	46,178	56,834
14		31,392	34,681		36,415	38,235	46,639	57,402
15		31,706	35,027		36,779	38,618	47,106	57,976
16		32,023	35,378		37,147	39,004	47,577	58,556
17		32,343	35,732		37,518	39,394	48,053	59,142
18		32,667	36,089		37,893	39,788	48,533	59,733
19		32,993	36,450		38,272	40,186	49,019	60,331
20		33,323	36,814		38,655	40,588	49,509	60,934
21		33,656	37,182		39,041	40,994	50,004	61,543
22		33,993	37,554		39,432	41,403	50,504	62,159
23		34,333	37,930		39,826	41,818	51,009	62,780
24		34,676	38,309		40,224	42,236	51,519	63,408
25		35,023	38,692		40,627	42,658	52,034	64,042

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

Director of Public Works	WO5	Step 5	
Water Operator	WO1	Out of Steps	\$32,334
Water Operator	WO2	Step 15	
Public Works Technician	PW2	Step 18	
Public Works Technician	PW2	Step 13	
Public Works Technician	PW1	Step 3	

### 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.

Vehicle Replacement Plan			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
General Fund														
<b>Reserved</b>			15,000	15,000	15,000	16,000	16,000	16,000	16,000	17,000	17,000	17,000	17,000	18,000
Life Cycle	Current Vehicle													
<b>Police Vehicles</b>														
Veh #1	6 years	2007 Dodge				22,723						26,000		
Veh #2	6 years	2010 Dodge						24,000						28,000
Veh #3	6 years	2010 Dodge	22,718							25,000				
<b>Public Works Vehicles</b>														
Veh #1	12 years	2004 F-150							17,000					
Veh #2	12 years	2000 F-250				26,266								
<b>Total Expended</b>			22,718	0	0	48,989	0	24,000	17,000	25,000	0	26,000	0	28,000
<b>Balance (end of FY)</b>			9,248	24,248	39,248	6,259	22,259	14,259	13,259	5,259	22,259	13,259	30,259	20,259
Purchase price inflated by 3% per year beginning with FY 2013 and using the current State contract price as the base.														
Contributions increased by 1.5% per year beginning with FY 2012.														

This year, the plan calls for the purchase of a police vehicle and a Public Works pick-up truck. The plan does not account for the residual value of the vehicle that the Town will recover when it sells the vehicle. This amount is reflected in the General Fund Revenues portion of this document.

### **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 new 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 are able to further reduce CIP funding to \$2,000 in FY 2014.



## Other Expenditures Common Across Major Funds

### Electric Power Costs

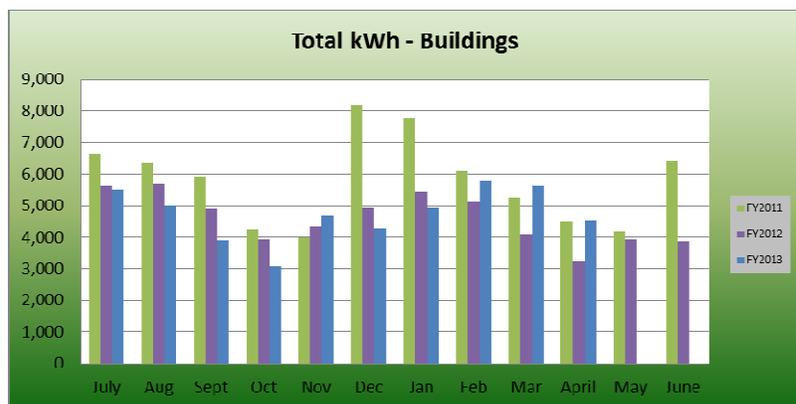
One of the larger expenditures, and one that affects all three major funds, is for electricity. Each year, during the budget process, we review information regarding our historical consumption patterns, and combine that with the outlook provided by our supplier, Progress Energy, to arrive at a reasonable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

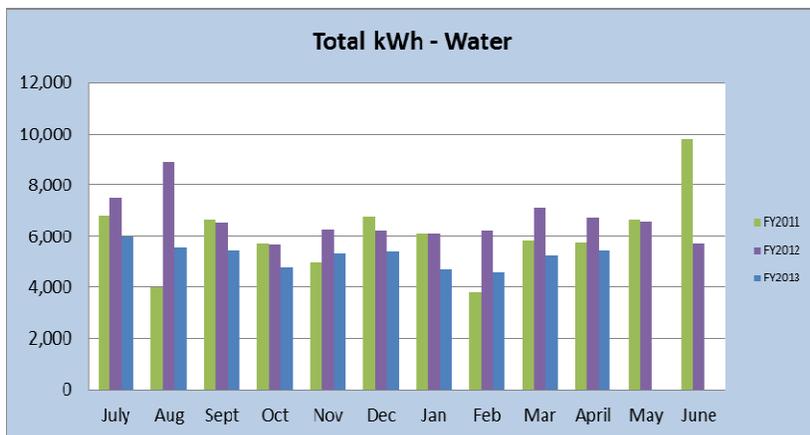
The budget uses an average of the current fiscal year (FY 2013) to date for the first six months of the new year (FY 2014), and escalates the averages in accordance with the rate increase filing Progress made to the State Public Utilities Commission. They have asked for a 9% rate increase in commercial rates and a 4.5% increase in street lighting costs. For the second six-month period we increase the monthly average by 2% to account for any fuel factor rate increase (Progress Energy makes their fuel cost adjustments on a calendar year basis). Progress Energy predicted no fuel factor increase in December of 2013, but prudent budgeting leads us to anticipate a slight increase in fuel costs, thus necessitating the increase in our budget. An additional 3% per category is included to account for unusual weather (higher heating and cooling) and other unforeseen demands for power.

	FY 2013		FY 2014
	Budget	Projected	Budget
Water Supply	9,100	7,500	8,500
Sewer Collection	7,500	6,900	8,000
Sewer Treatment	25,500	27,000	31,000
Public Buildings	9,100	8,000	9,000
Parks	5,800	5,300	6,000
Street Lights	42,000	41,500	44,000
<b>TOTAL</b>	<b>99,000</b>	<b>96,200</b>	<b>106,500</b>

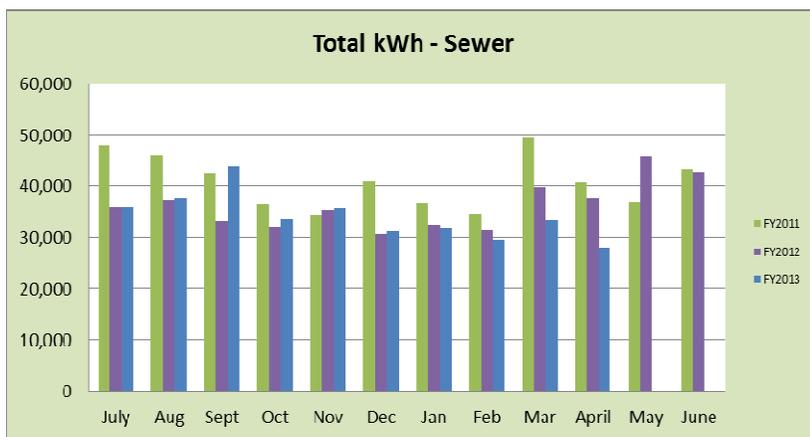
The chart to the left shows the FY 2013 budget and year-end projected expenditure in each area where electric costs appear in the budget, and what we project for FY 2014 in each of these areas.

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, 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.



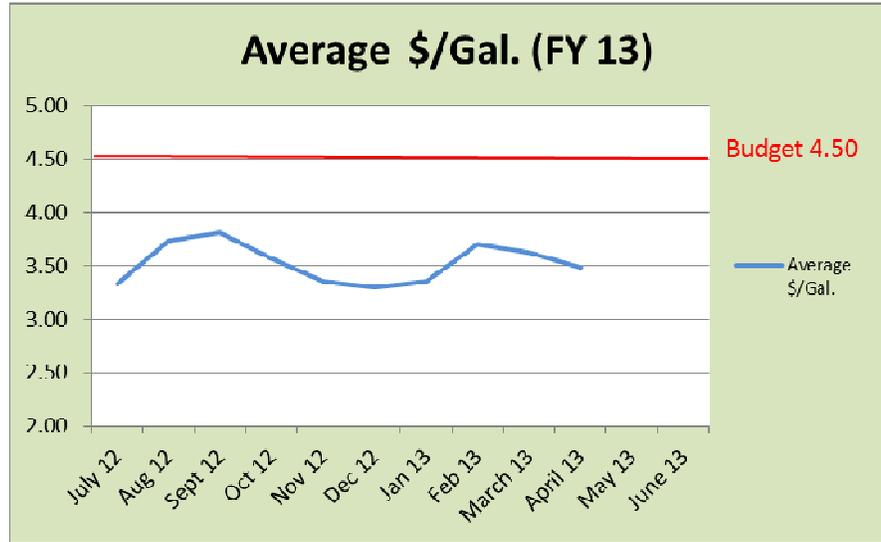
We continue to look for ways to realize savings in these areas, including examining our rate structure, exploring opportunities with Duke-Progress Energy related to efficiency incentives, and considering other best management practices related to energy cost savings.

### Gasoline Consumption

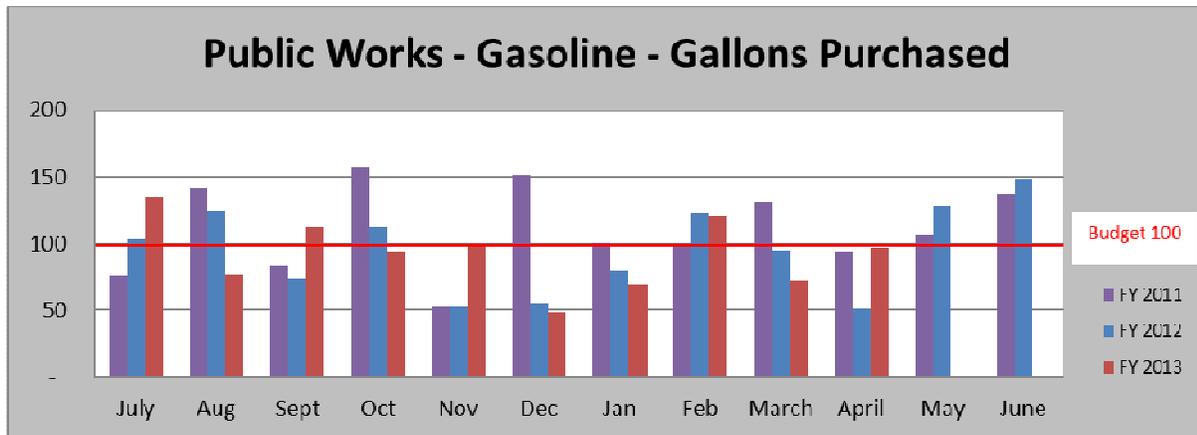
Another expenditure that affects all three funds, and several departments, is for motor fuel for our fleet. During the preparation of the budget, we look at the projections and historical data prepared by the federal Energy Information Administration (EIA) and compare that with our own experience. We 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.

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 2013 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.



Town of River Bend, North Carolina  
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	<b>Retail Price / Gallon</b>			\$4.25	
	Less Federal & State Taxes			0.59	
	<b>Budget Price / Gallon</b>			\$3.66	
<b>Police</b>					Change v FY13
Days	Miles/Day	MPG	# of Veh.	Total	
365	50	16	2	\$8,349	
240	90	16	1	\$4,941	
205	100	11	1	\$6,821	
				<b>\$20,111</b>	\$5,736
<b>Public Works</b>					
Days	Miles/Day	MPG	# of Veh.	Total	
300	22	10	2	\$4,831	\$139
<b>Water / Sewer</b>					
Days	Miles/Day	MPG	# of Veh.	Total	
365	18	11	3	\$6,558	(\$28)
			<b>TOTAL</b>	<b>\$31,501</b>	
<b>Change in total budgeted amount v. FY 2013</b>				\$5,848	
*Budget change assuming no change in budgeted fuel price					

The table to the left shows the detail of how each budgeted amount is arrived at and the change in budgeted expenditure compared to FY 2013.

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 the patrol versus doing paperwork in the office.

### 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	10-11		11-12		12-13		13-14
	YR End	Actual	YR End	Actual	Current	Projected	Adopted
	Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4110</b>							
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, and using only \$6,144 of our reserve funds.

## **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.

Facilities Design	109,040
Information Technology	2,500
Stormwater Maintenance	73,000
Police Vehicle	22,723
Public Works Truck	26,266
<b>Total</b>	<b>233,529</b>

The graphic to the left provides a summary of the CIP projects for Fiscal Year 2013-14. 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	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	TOTALS
<i>Public Bld. &amp; Grounds:</i>											
Wildwood Facility Replacement	10-11	30,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	446,000
<i>Public Works:</i>											
Stormwater Maintenance [1]	05-06	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	420,000
<i>Environmental - Waterways</i>											
Canal Maintenance (Dredging)	03-04	3,500	3,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	66,500
Front Pond/Ritter Field Silt Clean-ou	05-06										3,000
<i>Information Technology</i>											
Hardware replacement	10-11	10,000	6,000	6,000	2,000	2,000	2,000	2,000	2,000	2,000	34,000
<i>Vehicles (ref. veh repl schedule):</i>											
Public Works and Police	04-05	15,000	15,000	15,000	16,000	16,000	16,000	16,000	17,000	17,000	212,000
<b>TOTAL</b>		<b>88,500</b>	<b>106,500</b>	<b>108,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>106,000</b>	<b>106,000</b>	<b>1,236,500</b>

General Fund Capital Improvement Plan - Spending

CAPITAL RESERVE FUND	Beg. Bal.	202,716	244,101	331,227	417,183	288,654	352,379	401,664	458,027	503,027	1,236,500
<b>Adopted Capital Spending</b>		<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>TOTALS</b>
<i>Public Bld. &amp; Grounds:</i>											
Wildwood Replacement		10,800			109,040						119,840
<i>Public Works:</i>											
Stormwater Maintenance		18,600	15,000	15,000	73,000	30,000	30,000	30,000	30,000	30,000	391,600
<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		6,900	1,500	4,212	2,500	6,775	1,715	2,638	1,500	3,811	31,551
<i>Vehicles (ref. veh repl schedule):</i>											
Public Works					26,266			17,000			43,266
Police		22,000			22,723		24,000		25,000		138,990
<b>TOTAL</b>		<b>65,300</b>	<b>21,000</b>	<b>19,212</b>	<b>233,529</b>	<b>41,275</b>	<b>55,715</b>	<b>49,638</b>	<b>61,000</b>	<b>33,811</b>	<b>908,551</b>
<b>CAPITAL RESERVE FUND</b>	Interest Earned:	184	126	168							38,952
	Ending Balance:	137,601	223,227	312,183	183,654	247,379	296,664	352,027	397,027	469,216	366,901
		<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2017-2018</b>	<b>2017-2018</b>	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 2012-13 Highlights including Special Projects and Purchases

- Mayor and two Council members participated in the NCLM Annual Conference in Raleigh
- 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.

Line 170 reflects the budgeted expenses for one member of the elected body to attend the North Carolina League of Municipalities annual conference in Hickory. It



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also includes funding, as has been our practice for several years following an election, for all six members to attend the Essentials of Municipal Government Course offered by the University of North Carolina School of Government.

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	10-11		11-12		12-13		13-14
	YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>4110</b>							
121 Wages & Salaries	15,600	15,600	15,600	15,600	15,600	15,600	15,600
170 Board Member Expenditures	4,950	3,926	9,100	7,309	4,500	4,659	5,080
181 FICA	1,195	1,193	1,193	1,193	1,193	1,193	1,193
186 Workers' Compensation Ins.	110	95	110	96	110	110	110
171 Mayor's Representation	2,000	1,646	2,000	1,790	2,000	1,500	2,000
481 Indirect Cost- Labor	-8,429	-8,428	-8,444	-8,440	-8,451	-8,450	-8,451
491 Dues & Subscriptions	3,906	3,956	4,006	4,122	3,982	4,302	6,856
499 Misc- Contributions	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Printing							
<b>TOTAL</b>	<b>20,832</b>	<b>19,488</b>	<b>25,065</b>	<b>23,170</b>	<b>20,435</b>	<b>20,414</b>	<b>23,889</b>
170 NCLM Conference in Hickory	500	1 participant at \$500					
	500	Lodging for 1 at \$500					
Essentials of Municipal Gov't	2,280	6 participants at \$380					
	1,800	Lodging for 6 at \$300					
Other Travel and Subsistence	0						
	<u>5,080</u>						
491 Eastern Carolina Council		380	(Total of \$1,140 - based upon population, paid 1/3 by each Fund)				
Metropolitan Planning Organization		1,961					
Governing		20					
NB Area Chamber of Commerce		230					
NC Coastal Federation		50					
NC League of Municipalities		3,866	Based upon population				
UNC School of Government		349					
		<u>6,856</u>					
499 Appropriation to Highway 17 Association		1,500					

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:

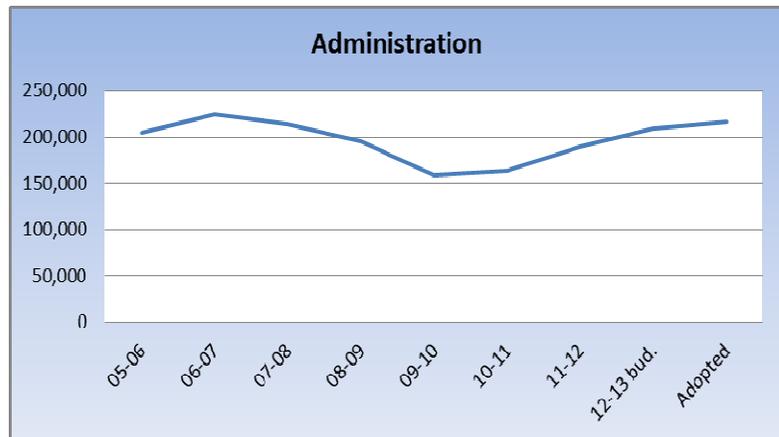
- Prepare minutes and agendas of Town Council meetings and makes these documents available electronically through the Town's website.
- Maintain Town records in accordance with applicable laws and internal policies.
- Serve as a point of contact for resident and visitor inquiries.

- 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 2012-13 Highlights including Special Projects and Purchases

- Town Manager participated in the NCLM Annual Conference in Raleigh
- Conducted the third 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
- Completed a comprehensive “rebranding” effort
- Received the third 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 2014. 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.



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.

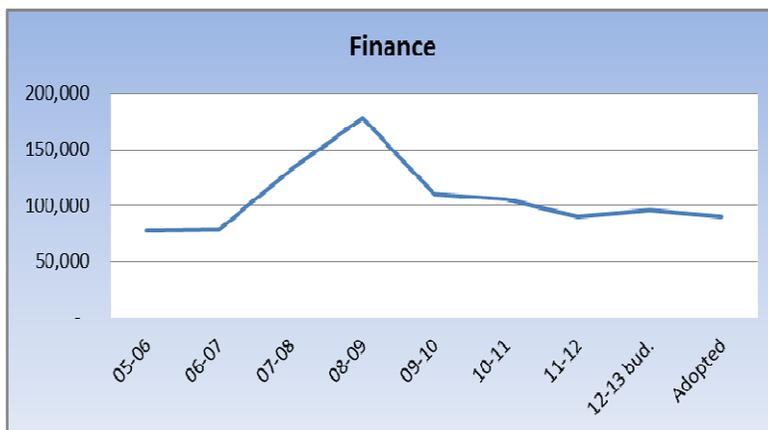
Primary Functions:

- 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 2012-13 Highlights including Special Projects and Purchases

- Received the Towns' second Excellence in Financial Reporting Award from GFOA
- Received our third consecutive Distinguished Budget Presentation Award from GFOA
- Finance Administrator completed all requirements for and was awarded designation as a NC Certified Finance Officer
- Refunded existing bond debt to save enterprise fund ratepayer nearly \$300,000 over the remaining life of the bonds
- Completed the required three year update of the Town's financial policies

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 2014.



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

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expenditures related to the maintenance of our IT system and software. It is this department that also contains the cost of allocated labor paid to the Water and Sewer Enterprises (line 482).

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.

		10-11		11-12		12-13		13-14
<b>Finance</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4130</b>								
121	Wages & Salaries	55,141	55,146	56,284	57,410	58,268	59,533	59,733
134	401(k) Retirement	2,757	2,757	2,814	2,871	2,913	2,976	2,987
181	FICA	4,218	4,174	4,306	4,348	4,457	4,511	4,570
182	Loc Govt Emp Retirement	3,501	3,502	3,872	3,950	3,927	4,013	4,223
183	Group Insurance	8,662	8,630	8,495	8,491	9,737	9,940	10,770
186	Workers' Compensation Ins.	226	174	177	181	210	167	215
310	Travel & Subsistence	1,000	654	1,000	1,014	1,000	600	1,000
395	Training	1,000	1,059	1,250	1,120	1,250	444	1,250
191	Professional Svcs- Auditing	4,500	4,100	4,500	4,167	4,400	4,333	4,500
382	Banking Services	1,200	781	1,200	791	1,200	807	1,100
393	Temporary Help Services	0	0	0		0	0	0
441	Springbrook Service & Maint.	4,500	4,500	4,695	4,680	4,883	4,868	5,062
482	Indirect Labor Cost	10,761	10,761	10,947	10,947	11,514	11,514	20,989
481	Labor Allocation	-22,352	-22,352	-22,785	-22,784	-23,854	-23,854	-41,249
299	Supplies & Materials	500	57	500	238	500	200	500
381	Other IT Services	500	495	500	507	500	384	600
440	VC3 IT Service & Maint.	9,510	7,071	12,360	11,813	13,673	12,058	12,623
491	Dues & Subscriptions	240	185	240	225	240	225	225
499	Miscellaneous	1,000	370	1,000	555	1,000	1,000	1,000
520	Capital Outlay- Equip	0	0	0	0	0	0	0
760	Install. Purchase - Principal	23,462	23,462	0	0	0	0	
770	Install. Purchase - Interest	243	242	0	0	0	0	
	<b>TOTAL</b>	<b>110,570</b>	<b>105,771</b>	<b>91,356</b>	<b>90,523</b>	<b>95,818</b>	<b>93,719</b>	<b>90,097</b>
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 = \$12,656). [40% general fund, 30% water, 30% sewer]							
482	General Fund pays 35% of Fin. Asst. W/S is charged 50% of Finance Administrator labor cost							
381	Computer Services: Internet, web site, etc.							
440	VC3 Hosted Desktop Contract: \$27,876 + \$3,681 support = \$31,557 [40% general fund, 30% water, 30% sewer]							
499	Miscellaneous, includes submittal fees for GFOA Budget (\$185) and CAFR (\$370) awards							
491	GFOA	160						
	NCGFOA	25						
	Springbrook Nat. User Group	40						
		225						

*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 who, by contract, bills and collects ad valorem tax revenue and liens on behalf of the Town.

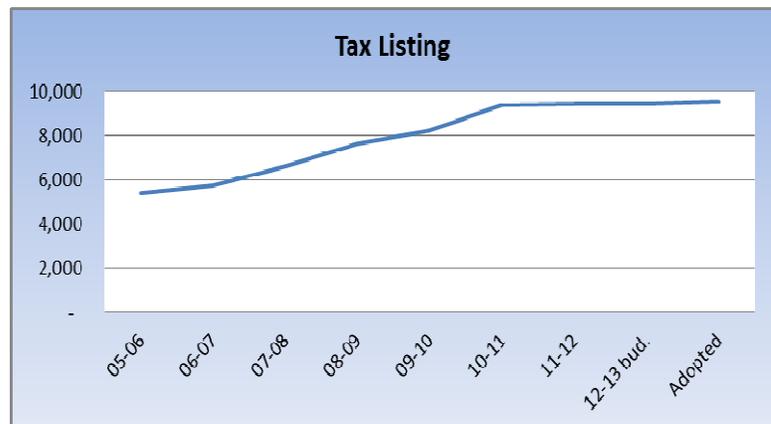
Primary Functions

- 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 2012-13 Highlights including Special Projects and Purchases

- Under contract with Craven County, collected 99.6% of real property tax and 95.3% 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 collect motor vehicle taxes. Due to a recent change the procedure to collect motor vehicle taxes, the Town and the County will renegotiate an interlocal agreement during FY2014. The budget is based upon a collection fee of 1.5%, which is the amount charged under the existing agreement.



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.

		10-11		11-12		12-13		13-14
<b>Tax collection</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4140</b>								
392	RE & Pers Prop Collection Fee	8,270	8,080	8,239	8,115	8,152	8,272	8,159
394	Motor Veh Collection Fee	1,377	1,317	1,420	1,334	1,309	1,309	1,364
	<b>TOTAL</b>	<b>9,647</b>	<b>9,397</b>	<b>9,659</b>	<b>9,449</b>	<b>9,460</b>	<b>9,581</b>	<b>9,523</b>

Per the TR2-2012 report:		tax base	tax rate	total levy	collection rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		304,448,288	0.265	806,788	99.58%	803,399	1.0%
Motor vehicles		26,775,602	0.265	70,955	95.27%	67,599	1.5%
<b>TOTAL</b>		<b>331,223,890</b>					

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 2012-13 Highlights including Special Projects and Purchases

- Assisted with the development and review of several ordinance revisions
- Assisted with legal documents relative to bond refunding
- Assisted with legal requirements for a proposed Special Assessment

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. We are charged an hourly rate of \$175 per hour for associates and \$200 per hour for partners.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

		10-11		11-12		12-13		13-14
<b>Legal Services</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4150</b>								
192	Professional Services - General	30,000	23,305	30,000	11,781	30,000	15,000	24,000
192	Prof Svcs. - FEMA Floodplain							
192	Prof Svcs - Lawsuits	8,500	0	8,500	350	8,500		6,000
192	Prof Svcs. - Personnel Policy review	8,500	0	8,500	6,104			
	<b>TOTAL</b>	<b>47,000</b>	<b>23,305</b>	<b>47,000</b>	<b>18,235</b>	<b>38,500</b>	<b>15,000</b>	<b>30,000</b>

*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.

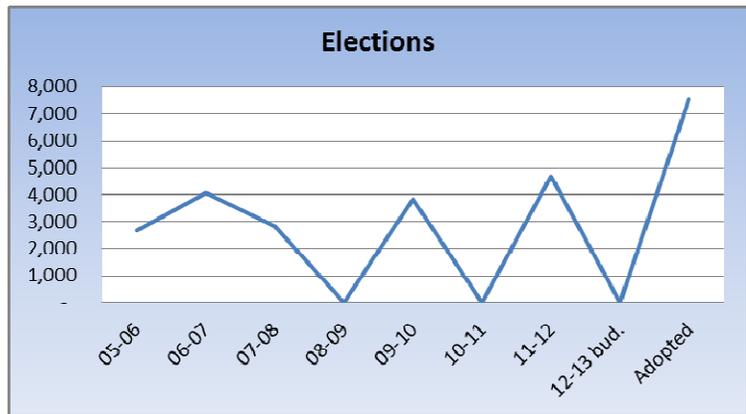
Primary Functions:

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

Fiscal Year 2012-13 Highlights including Special Projects and Purchases

- No elections were held and no referenda were filed

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 2014 we will have a local election for three members of the Town Council.

		10-11		11-12		12-13		13-14
<b>Elections</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4170</b>								
200	Supplies and Materials							
399	Contracted services	0	0	5,700	4,693	0	0	7,556
	<b>TOTAL</b>	0	0	5,700	4,693	0	0	7,556

*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 contracts with private providers.

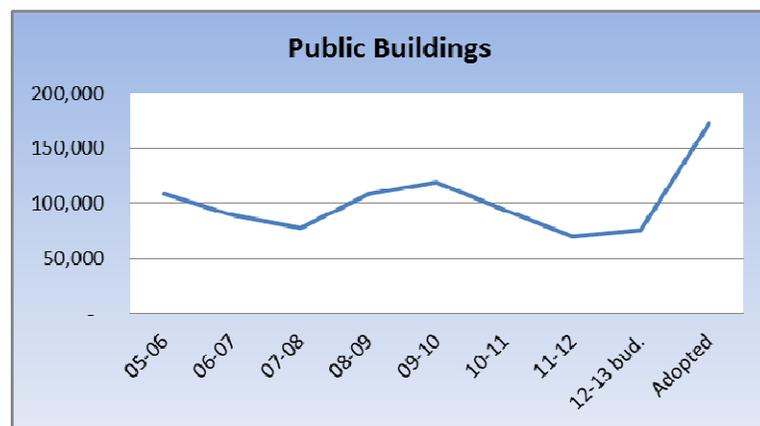
Primary Functions:

- 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 2012-13 Highlights including Special Projects and Purchases

- Painted the Town Hall building exterior and picnic shelter
- Replaced all exit signs and emergency lighting with more reliable and efficient LED fixtures
- Upgraded some office lighting to use LED bulbs rather than florescent
- Purchased and installed two flammable liquid storage cabinets in our Public Works facilities to allow for safer storage

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 2014, so a potential cost increase is factored into the budgeted amount. These contracts do not follow the fiscal year as we allow them to follow, more closely, the growing season.

We anticipate no change in staffing levels or hours for this department in Fiscal Year 2014. In Fiscal Year 2014, we plan to continue our efforts to be good custodians of our public facilities by making a few needed repairs. A need to be austere in this year's budget forced us to forgo some facility improvements, none of which were critical enough to be considered emergent needs.

The largest single expense in this department is the cost to engage the architect that performed a facility needs analysis in 2011 to begin the design and permitting phase to plan for the future construction of an administrative building and the renovation of the existing facilities to meet current and future needs. This project, funded with Capital Improvement Plan dollars, will allow for more detailed planning regarding future building projects.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

Public Buildings	10-11		11-12		12-13		13-14	
	YR End Budget	Actual Budget	YR End Budget	Actual Budget	Current Budget	Projected Year-End	Adopted Budget	
<b>4190</b>								
121	Wages & Salaries	12,664	11,045	12,665	11,720	13,108	12,330	13,305
181	FICA	969	845	969	896	1,003	945	1,018
186	Workers' Compensation Ins.	543	477	477	485	564	449	572
195	Wildwood Property Mgmt Fees	0	0	0	0	0	0	0
354	Grounds & Landscp Contracts	16,000	16,000	18,400	19,493	25,500	25,281	26,796
355	Wildwood Storage Facility Maint.	3,000	1,750	3,000	3,004	3,000	3,000	3,000
399	Contracted Services	12,878	14,449	9,696	10,773	3,614	3,730	112,654
211	Janitorial Supplies	2,000	1,677	2,000	1,427	2,000	2,000	2,000
299	Supplies & Materials	6,450	5,587	2,500	2,844	9,600	9,600	2,000
330	Utilities	9,000	8,321	9,900	7,178	9,100	8,000	9,000
351	Maint & Repair Bldg & Grnds	1,250	4,151	7,800	9,356	7,800	8,737	1,500
352	Maint & Repairs- Equipment	250	351	500	600	500	500	500
550	Capital Outlay- Equipment	16,100	15,151	0	0	0	0	
580	Capital Outlay- Grounds/Bldg	5,000		3,200	2,616	0	0	
760	Install. Purchase - Principal	13,667	13,667	0	0	0	0	
770	Install. Purchase - Interest	282	283	0	0	0	0	
	<b>TOTAL</b>	<b>100,053</b>	<b>93,754</b>	<b>71,107</b>	<b>70,392</b>	<b>75,788</b>	<b>74,572</b>	<b>172,345</b>
399	Pest control (consolidated service for all buildings)			1,660		Pest = 560, Termite = 1,100		
	Preventative Maintenance Agreement for HVAC			700				
	Alarm System Line, Monitoring, and Testing			1,254				
	Architectural Services			109,040				
				<b>112,654</b>				
299	Other Supplies & Materials		2,000					
354	Lawn & Landscape Contracts	FY 2014	Lawn Base	Additional Item <sup>1</sup>	Water <sup>2</sup>	Total GF Lawn	Landscape	
		July	2,250	275	225	2,300	0	
	Current Contracts	Aug	2,250	275	225	2,300	3,550	
	Expire Feb. 29, 2014	Sept	2,250	275	225	2,300	0	
		Oct	2,250	275	225	2,300	0	
		Nov	2,250	275	225	2,300	0	
		Dec	0	0	0	0	0	
		Jan	0	0	0	0	0	
		Feb	0	0	0	0	0	
	Estimated increase	Mar	0	0	0	0	3,905	
	15% for lawn	Apr	2,904	316	290	2,614	0	
	10% for landscape	May	2,904	316	290	2,614	0	
		June	2,904	316	290	2,614	0	
		<b>TOTAL</b>	<b>19,962</b>	<b>2,323</b>	<b>1,996</b>	<b>19,341</b>	<b>7,455</b>	
	<sup>1</sup> Additional expense to mow Highway 17 median							
	<sup>2</sup> Water pays 10% of the water base contract							
330	Based upon historical costs/demand, and contemplates a 9% base rate increase by July 1, plus a 2% fuel factor increase in December Includes water service paid to the Water Fund							

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, three 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 2012-13 Highlights including Special Projects and Purchases

- Refer to Appendix A for statistical information related to service levels
- Upon the retirement of a sergeant, replaced the position with a patrol officer
- Hired an experienced investigator into the existing part-time position
- Brought on an experienced reserve officer and transitioned a part-time offer to reserve status at her request. Also, brought on two new reserve officers near the end of the fiscal year, one with nearly a year of experience and one new to law enforcement
- Completed an effort to issue new uniforms to all officers
- Purchased and installed an evidence locker to properly secure evidence
- Installed passenger restraint cages in two vehicle to improve safety while transporting detainees
- Installed warning lighting enhancements on two vehicles to increase officer safety
- Replaced two base radio units to comply with new federal standards

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.

While, over the past several years, we actively worked to avoid the need to hire additional full-time staff, the level of activity and demand for services made it necessary to recommend that we add an additional full-time officer this year beginning in October. With more adequate staffing, the Department will be able to be more proactive in policing and better able to conduct professional investigations in an attempt to close cases by arrest. Appendix A contains a memorandum from the Chief of Police that provides a greater level of detail regarding the need to add this position.

The Department tracks its level of activity in several broad categories in order to keep abreast of trends in demands for service and the level of crime. This data is reported to the Town Council on a monthly basis and is shown in Appendix A to give the reader information relative to the utilization of police services in Town.

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) is the amount the Town pays the City of New Bern to use their Criminal Records System. This system allows our officers to produce reports to be submitted to the State for inclusion in state and federal crime statistics.

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 an evidence locker to help the officers handle evidence appropriately. We also propose to outfit two of the vehicles with some additional lighting, and passenger restraint cages to protect the officer and anyone they have in custody.

This Department also budgets for the operation, maintenance, and eventual replacement of three vehicles. Vehicle replacement is in accordance with the plan shown on Page 76 and calls this year for the purchase of a new vehicle. Rather than dispose of the vehicle being replaced, we will add the new vehicle to the fleet and dispose of one car in two years when the next replacement is due according to the replacement plan. If one of the older vehicles, over the next two years, becomes maintenance intensive, it will be declared surplus and auctioned and the department will operate with the remaining three cars.

Town of River Bend, North Carolina  
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Police	10-11		11-12		12-13		13-14	
	YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget	
<b>4310</b>								
121	Wages & Salaries	256,434	258,000	265,422	268,503	251,361	269,630	273,147
122	Overtime	0	0	0	117	0	4,711	0
131	Separation Allowance	0	0	4,700	4,700	20,540	20,540	20,540
133	401(k) Retirement - LEO	12,057	12,080	12,202	12,752	11,804	12,934	12,858
181	FICA	19,618	19,775	19,839	20,941	20,800	22,198	22,467
182	Loc Govt Emp Retirement	15,458	15,486	17,180	17,974	14,920	17,095	18,722
183	Group Insurance	43,139	42,954	42,282	42,491	48,401	50,197	62,469
186	Workers' Compensation Ins.	9,026	8,309	8,402	8,634	9,300	7,296	10,643
189	Uniform Maintenance	2,640	2,640	2,640	2,760	2,640	2,640	3,120
310	Travel & Subsistence	2,000	810	1,500	750	3,200	155	2,000
395	Training	1,200	510	1,200	100	0	300	0
399	Contracted Services	4,700	4,766	21,075	20,946	4,700	4,700	6,000
212	Uniforms	4,500	2,532	3,500	3,313	6,000	6,000	3,225
231	Community Policing	1,250	178	1,000	400	1,500	1,500	450
251	Motor Fuel	8,623	7,340	12,947	10,423	14,375	14,375	18,682
299	Supplies & Materials	8,100	4,545	6,555	7,089	8,829	10,000	15,696
320	Telephone & Postage	2,500	1,611	2,500	1,895	2,500	2,020	4,615
340	Printing	0	0	0	0	0	0	0
352	Maint & Repairs- Equip	2,000	322	9,000	348	9,000	9,000	2,000
353	Maint & Repairs- Auto	8,893	10,104	3,000	3,398	3,000	3,668	5,000
481	Indirect Cost- Labor	-3,557	-3,558	-3,592	-3,592	-3,550	-3,550	-3,917
491	Dues & Subscriptions	700	570	700	250	700	700	700
540	Capital Outlay- Motor Vehicles	22,000	22,718	0	0	0	0	22,723
760	Installment Purch Principal	0	0	0	0	0	0	0
770	Installment Purch Interest	0	0	0	0	0	0	0
<b>9800</b>			0					
988	Transfer to LESA Trust Fund	8,000	8,000	38,000	38,000	9,000	9,000	10,000
	<b>TOTAL</b>	<b>429,281</b>	<b>419,692</b>	<b>470,051</b>	<b>462,191</b>	<b>439,021</b>	<b>465,110</b>	<b>511,140</b>
310	Travel and Subsistence							
	Per Training Plan	1,500						
	Mileage Reimbursement	500						
		2,000						
399	Records Management (\$3,090), DCI (\$732), LESA Actuarial Valuation (\$160), Mobile RMS (\$1,300)							
212	Uniforms							
	New Officer (uniform, leather, BPV)	1,800						
	Replacement Uniforms	625						
	Replacement Holsters	300						
	Miscellaneous	500						
		3,225						
231	Community Watch - Supplies and consumables, i.e. shirts, vests, signs, etc. (\$450)							
251	Fuel - \$4.25 per gallon estimate - \$0.59 per gallon tax = \$3.66 per gallon cost							
299	Vehicle 1 (2007 Charger)							
	Move prisoner cage, new light bar and warning lights, new console, printer mount, a					2,100		
	Vehicle 2 (2010 Charger)							
	Printer mount, graphics					250		
	Vehicle 3 (2010 Charger)							
	New interior warning lights, graphics					1,350		
	Vehicle 4 (2013 Charger)							
	Light bar, cage, MDT mount, printer mount, Radio, Decals, Console					5,485		
	Other Supplies					2,000		
	Training supplies (ammo)					1,350		
	Weapons Upgrade					661		
	Mobile Data Terminal per IT Replacement Plan					2,500		
						15,696		
540	Purchase of Dodge Charger (V-6) on State Contract (CIP Funded)				Car	22,061		
					Tax	662		
						22,723		

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.

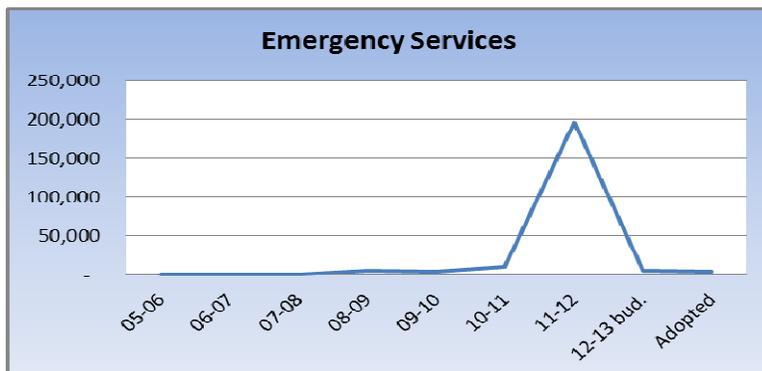
Primary Functions

- 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 2012-13 Highlights including Special Projects and Purchases

- The Community Emergency Response Team (CERT) held its third annual Hurricane 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 Code Red 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 \$250 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 passes. We also budget a small (\$500) disaster contingency for any unknown small purchases needed in disaster response and recovery.

Town of River Bend, North Carolina  
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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.

		10-11		11-12		12-13		13-14	
<b>Emergency Services</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted	
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget	
<b>4330</b>									
121	Wages & Salaries								
122	Overtime	516	516	1,560	1,533	0	0		
133	401(k) Retirement - LEO	26	26	100	77	0	0		
181	FICA	39	39	125	116	0	0		
182	Loc Govt Emp Retirement	33	33	115	105	0	0		
183	Group Insurance	266	266	600	588	0	0		
186	Workers' Compensation Ins.	0	0	0	0	0	0		
399	Contracted Services	5,707	5,828	179,200	179,196	1,250	1,250	1,250	
232	CERT	3,070	2,158	2,650	1,035	2,650	2,650	1,750	
299	Supplies & Materials	500	364	17,513	13,421	500	500	500	
450	Property & Liability Ins.	320	317	350	317	350	317	350	
	<b>TOTAL</b>	<b>10,477</b>	<b>9,546</b>	<b>202,213</b>	<b>196,388</b>	<b>4,750</b>	<b>4,717</b>	<b>3,850</b>	
399	\$1,000 for Code Red "reverse 911", (\$2,000 total, \$500 to be paid by water and \$500 by sewer) \$250 disaster mobilization								
232	<b>CERT</b>								
	First Aid Supplies	300							
	Operating Supplies/Consumables	300							
	Individual Supplies	700							
	Training	450							
	Equipment	0							
		<u>1,750</u>							
450	Accident Insurance	350							
299	\$500 disaster contingency								

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 63 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. 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 2012-13 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
- A group of volunteers arranged a pet license, vaccination, and micro chip day
- We placed in service a universal microchip scanner

We anticipate no change in staffing levels or hours for this department in FY 2014. Personnel costs have increased due to the allocation of labor in accordance with the revised table on page 63.



Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

		10-11		11-12		12-13		13-14
<b>Animal Control</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4380</b>								
121	Wages & Salaries	5,860	5,834	6,007	6,069	6,218	5,575	9,268
122	Overtime	0		0		0		0
134	401(k) Retirement	293	292	300	304	311	280	463
181	FICA	448	437	460	456	476	424	709
182	Loc Govt Emp Retirement	372	370	413	418	419	382	655
183	Group Insurance	1,707	1,689	1,672	1,642	1,920	1,788	3,194
186	Workers' Compensation Ins.	573	359	368	362	420	336	519
310	Travel & Subsistence	475	0	475	0		0	
395	Training	525	0	525	0		0	
299	Supplies & Materials	500	147	500	92	500	500	500
481	Indirect Costs- Labor	(925)	(926)	(922)	(922)	(976)	(976)	(2,962)
<b>TOTAL</b>		<b>9,827</b>	<b>8,203</b>	<b>9,798</b>	<b>8,420</b>	<b>9,287</b>	<b>8,309</b>	<b>12,347</b>

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.

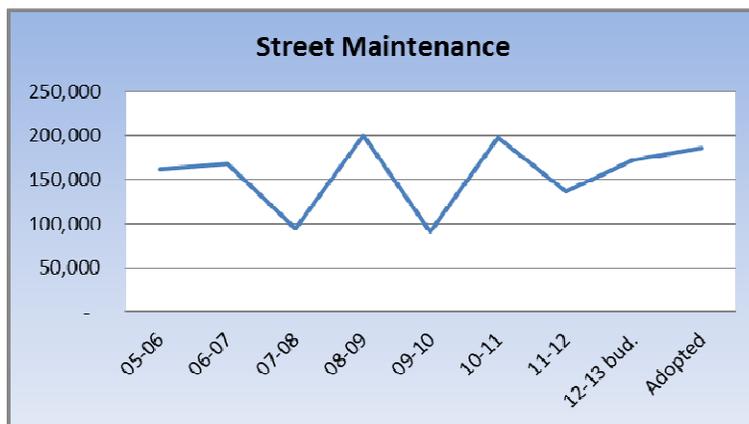
Primary Functions:

- 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 2012-13 Highlights including Special Projects and Purchases

- Patched and paved four streets in compliance with the paving plan
- Performed full-depth patching on three streets
- Used our sealant melter/applicator to seal cracking asphalt on many streets
- 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 reserved 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.

In accordance with our plan, four projects have been identified for completion in FY 2014. These include Barbara Drive, Mulberry Lane, Raft Road, and Sextant Court. We will also do some patching on Boatswain, Captains Cove, Lantern Lane, Massachusetts Road, and New Hampshire Lane. We also include some funding for small patches and some striping to be identified as the contractor is working on the other projects. These 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. We anticipate no change in staffing levels or hours for this department in FY 2014. Personnel costs have increased due to the allocation of labor in accordance with the table on page 63.

Town of River Bend, North Carolina  
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<b>Street Maintenance</b>		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>4510</b>								
121	Wages & Salaries	14,649	14,588	15,017	15,175	15,546	13,945	23,170
122	Overtime						0	
134	401(k) Retirement	732	729	751	759	777	696	1,158
181	FICA	1,121	1,094	1,149	1,139	1,189	1,027	1,772
182	Loc Govt Emp Retirement	930	926	1,033	1,044	1,048	333	1,638
183	Group Insurance	4,266	4,226	4,181	4,105	4,799	4,475	7,985
186	Workers' Compensation Ins.	1,431	898	921	904	1,049	840	1,299
193	Professional Services - Engineer	9,000	5,400	9,000	5,200	5,600	5,600	7,000
399	Contracted Services		253	0	0	0	257	
299	Supplies & Materials	5,000	4,284	6,000	4,207	6,000	6,000	6,000
481	Indirect Cost- Labor	-2,313	-2,314	-2,305	-2,306	-2,441	-2,441	-7,404
550	Capital Outlay - Other Equip							
591	Capital Outlay - Rdwy/Pvmt	170,000	168,187	108,500	106,218	139,600	134,074	143,000
	<b>TOTAL</b>	<b>204,817</b>	<b>198,274</b>	<b>144,246</b>	<b>136,446</b>	<b>173,168</b>	<b>164,805</b>	<b>185,618</b>
121	25% of PW employees salaries and benefits.							
193	Engineering and Contractor costs for paving.							
299	Cold Patch	1,500						
	Sealer	1,000						
	Regulatory Signs	1,000						
	Gravel for shoulders	700						
	Powell Bill Map	150						
	Other Supplies and Materials	1,000						
		5,350						
591	<b>Paving:</b>							
	Barbara Drive		64,000					
	Mulberry Lane (North/South)		28,500					
	Raft Road		17,000					
	Sextant Court		10,500					
	<b>Patching:</b>							
	Boatswain		5,000					
	Captains Cove		3,000					
	Lantern Lane		3,000					
	Massachusetts Road		3,000					
	New Hampshire Lane		5,000					
	Striping and Patching allowance		4,000					
			143,000					

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.

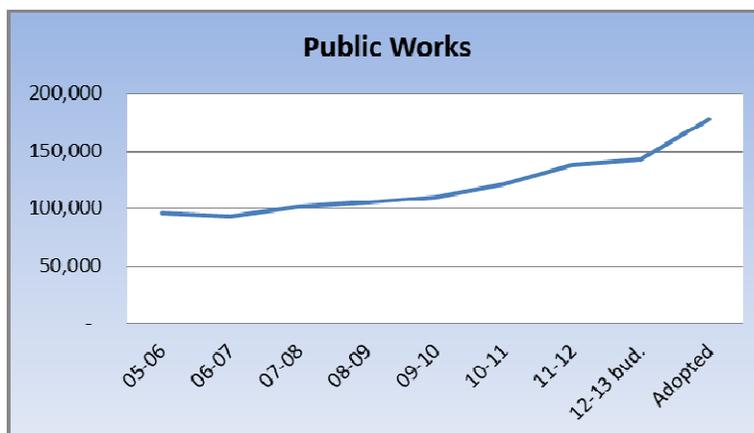
Primary Functions:

- 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 2012-13 Highlights including Special Projects and Purchases

- Replaced a mobile radio and a portable radio to comply with new FCC standards
- 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 63 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). This year the plan calls for replacing the four-wheel drive three-quarter ton pick-up truck. A new truck, with a lift gate similar to the one being replaced, will be ordered from the vendor that was awarded the State vehicle contract. The truck being replaced will be declared surplus and advertised for sale on the government auction site, "Gov Deals".

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



*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.

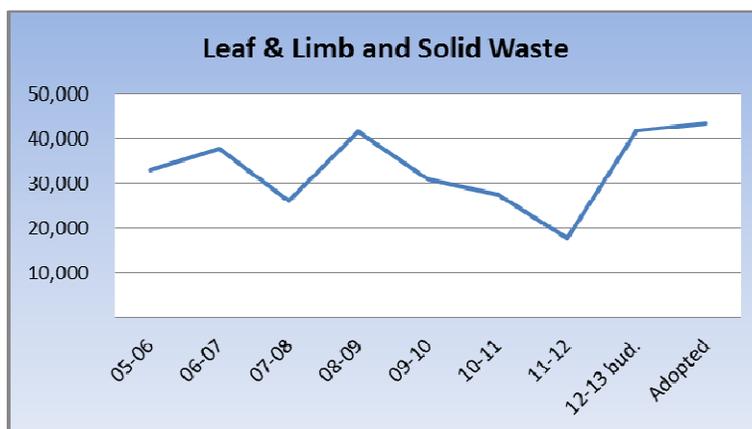
Primary Functions:

- 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.

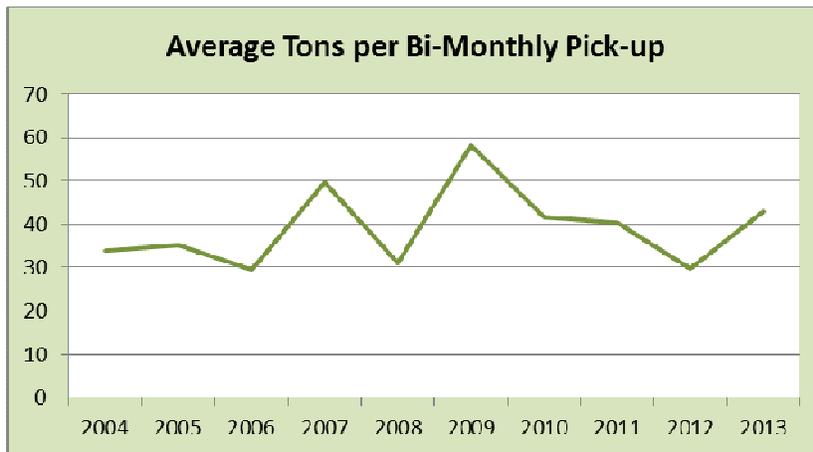
Fiscal Year 2012-13 Highlights including Special Projects and Purchases

- Continued to provide used motor oil and oil filter recycling programs.
- The Town's contractor removed 257.5 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.



For our leaf and limb contract, this budget reflects 60 tons per pick-up, which is the same as we budgeted in FY 2013. 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 second 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. The budget, as adopted, assumed a rate of \$22 per ton for the landfill fee based upon proposed rate increases. However, the rate increase, in the end, did not apply to this classification of waste.



		10-11		11-12		12-13		13-14
<b>Leaf &amp; Limb / Solid Waste</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4710</b>								
396	Leaf & Limb Pick-up Services	39,625	26,625	40,345	16,974	40,345	34,364	42,145
399	Contracted Services	820	685	820	790	820	820	915
299	Supplies & Material	1,800	88	500	0	500	500	500
499	Miscellaneous	0	24	0	0	0	0	0
	<b>TOTAL</b>	<b>42,245</b>	<b>27,422</b>	<b>41,665</b>	<b>17,764</b>	<b>41,665</b>	<b>35,684</b>	<b>43,560</b>
		\$	Tons	\$/ton	# of pick-ups			
396	K.A. Jones (contractor)	34,200	60	95.00	6			
	Landfill Tipping Fee	7,920	60	22.00	6			
	Landfill Facility Fee	25						
		<u>42,145</u>						
399	Oil Filter Recycling	100						
	Town Hall Dumpster	815						
		<u>915</u>						

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 63 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.

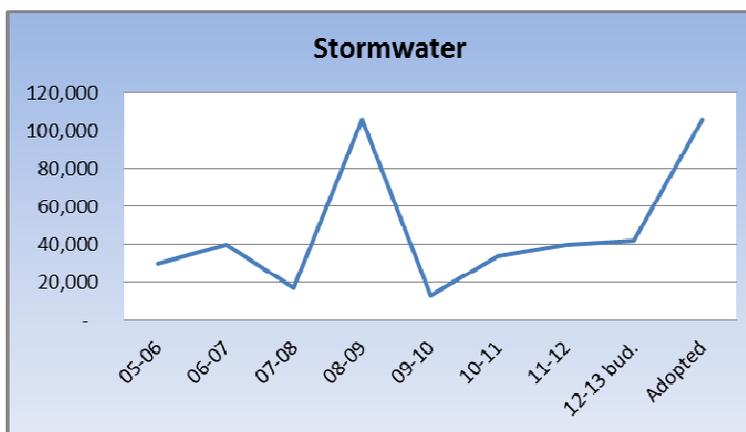
Primary Functions

- 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 2012-13 Highlights including Special Projects and Purchases

- Completed a \$15,000 stormwater improvement project on Shoreline Drive
- Using in-house talent, repaired a defective stormwater pipe on North Carolina Drive, and made several minor stormwater improvements along Shoreline Drive
- 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, five stormwater problems that require our attention. These five projects shown in the table to the right, total more than the \$30,000 reserved in the CIP each year for stormwater work. However, over the past three years, we have used substantially less than \$30,000, so there is sufficient money in the CIP to complete all these projects in FY 2013-14. The projects are described as follows:

<b>Stormwater</b> (all projects CIP Funded)	
Clipper Court	11,000
137 Pirates Road	15,000
Plantation Drive 509-701	26,500
102 Raft Road	11,000
321/323 Lakemere	9,500
<b>TOTAL</b>	<b>\$73,000</b>

- The Clipper Court project will improve drainage for three lots that suffer from inadequate flow following rain events. Water stands on one parcel for a couple of days following a heavy rain.
- The Pirates Road project will provide a solution to stormwater that overflows a small swale and pipe and re-directs itself toward a home. While we were able to make some suggestions to the homeowner to keep the water out of his crawlspace, we need to make changes to alleviate the problem.
- The Plantation Drive project will improve stormwater flow in this area to help reduce the amount of water that stands on this portion of roadway during heavy rain events.
- We simply need to replace a pipe that runs from Channel Run, through a bulkhead, and into the canal.
- The Lakemere project calls for replacing a pipe that runs from the roadway to the lake. The problem here is due to poor installation by the developer that left the pipe well short of the lake. We will examine other options to fix this problem that might save money, and still have the desired effect. One of the circumstances that gets in our way here is the fact that Lakemere is part of a “blue line stream” and thus subject to fairly stringent regulations when working near the water.

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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		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>Stormwater Management</b>								
<b>4730</b>								
121	Wages & Salaries	8,790	8,753	9,010	9,106	9,328	8,368	13,902
122	Overtime	0	0	0	0	0	0	0
134	401(k) Retirement	439	438	450	455	466	144	695
181	FICA	672	656	689	683	714	623	1,063
182	Loc Govt Emp Retirement	558	556	620	626	629	567	983
183	Group Insurance	2,560	2,535	2,509	2,463	2,880	2,686	4,791
186	Workers' Compensation Ins.	859	539	552	542	630	504	779
193	Professional Services - Engineer	0	0	4,450	4,450	6,200	11,300	8,200
399	Contracted Services	7,600	7,706	5,000	4,254	2,500	2,500	2,500
299	Supplies & Materials	4,000	2,629	4,000	2,850	3,500	3,000	3,000
430	Equipment Rental	1,000	130	1,000	922	1,500	750	1,500
481	Indirect Cost- Labor	-1,388	-1,388	-1,383	-1,384	-1,465	-1,465	-4,443
590	Capital Outlay - Other Structures	12,000	10,978	15,000	14,959	15,000	15,792	73,000
	<b>TOTAL</b>	<b>37,090</b>	<b>33,531</b>	<b>41,897</b>	<b>39,926</b>	<b>41,881</b>	<b>44,768</b>	<b>105,971</b>
121	15% of PW Employee salaries and benefits.							
193	Engineering for current project and following year project preparation							
399	Minor repairs - PRN							
590	Pirates Road (137)	15,000						
	Clipper Court	11,000						
	Plantation Drive (509-701)	26,500						
	Lakemere Drive (321/323)	9,500						
	Raft Road (102)	11,000						
		73,000						

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.

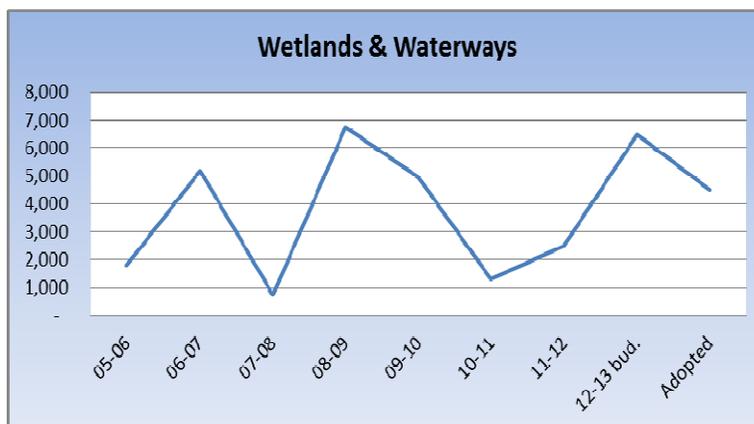
Fiscal Year 2012-13 Highlights including Special Projects and Purchases

- 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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		10-11		11-12		12-13		13-14
<b>Wetlands and Waterways</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4760</b>								
399	Contracted Services	500	0	5,000	0	0	0	
310	Travel & Subsistence	300	0	500	0	500	0	500
395	Training	300	0	500	0	500	0	1,000
299	Supplies & Materials	5,000	1,324	4,500	2,496	4,000	4,000	1,500
359	Maintenance & Repairs	3,000	0	3,000	0	1,500	1,500	1,500
	<b>TOTAL</b>	<b>9,100</b>	<b>1,324</b>	<b>13,500</b>	<b>2,496</b>	<b>6,500</b>	<b>5,500</b>	<b>4,500</b>
310/395	Travel and Training for EWAB Members							
299	Navigational signs	500						
	Algae and weed control	1,000						
		1,500						
359	Waterways maintenance, aeration, boat maintenance							

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.

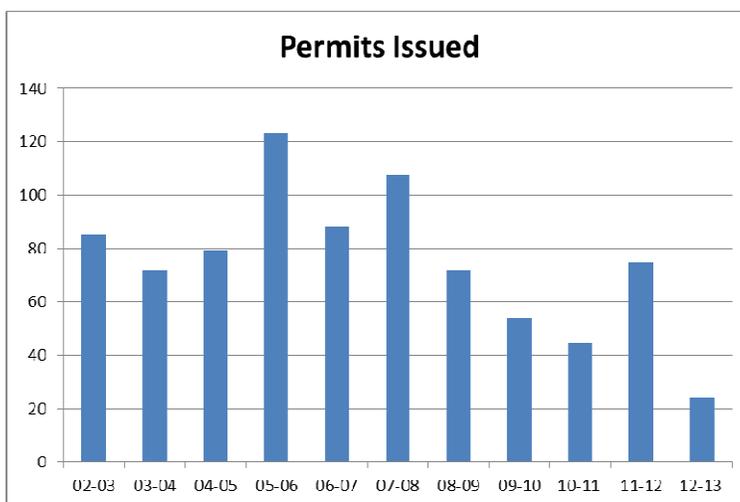
Primary Functions:

- 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 2012-13 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 abatements totaling over \$8,000.
- Assistant Zoning Administrator earned 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. Due to a downward trend in the level of permitting activity as shown on the graph to the right, the hours for the Assistant Zoning Administrator were reduced from 40 to 32 hours per week in FY 2012. The hours for this position will go back to 40 per week and the position will be allocated appropriately to reflect the use of the person in this position to fulfill customer service duties, at the service window in Town Hall, related to general and enterprise fund activities. The allocation for the position is shown in the labor allocation table on page 63.



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 \$3,000 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.



		10-11		11-12		12-13		13-14
<b>Planning and Zoning</b>		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Expend	Budget	Year-End	Budget
<b>4910</b>								
121	Wages & Salaries	34,289	33,954	27,837	27,921	28,818	28,754	36,928
122	Overtime	0	0	0	0	0	0	
134	401(k) Retirement	1,714	1,698	1,392	1,396	1,441	1,434	1,846
181	FICA	2,625	2,617	2,130	2,159	2,204	2,220	2,825
182	Loc Govt Emp Retirement	2,177	2,156	1,915	1,921	1,942	1,941	2,611
183	Group Insurance	8,558	8,526	8,350	8,384	9,589	9,581	10,669
186	Workers' Compensation Ins.	995	766	600	544	605	500	775
189	Automobile Allowance	1,260	1,212	1,260	1,260	1,260	1,260	1,260
310	Travel & Subsistence	600	259	300	90	1,250	1,250	1,000
395	Training	410	0	250	285	1,250	1,250	1,000
193	Engineering	1,000	0	500	0	500	500	500
194	Professional Services - Survey	1,000	0	500	0	500	500	500
399	Contract Services	2,500	413	2,000	3,000	4,000	7,878	8,000
299	Supplies & Materials	750	492	750	393	750	600	750
320	Telephone & Postage	100	0	100	16	100	180	100
481	Indirect Cost- Labor	0	0	0	0	0	0	-22,262
	<b>TOTAL</b>	<b>57,978</b>	<b>52,092</b>	<b>47,883</b>	<b>47,369</b>	<b>54,209</b>	<b>57,847</b>	<b>46,503</b>
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 4<sup>th</sup> 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 2012-13 Highlights including Special Projects and Purchases

- Conducted two craft events
- Conducted three community game nights
- Conducted a workshop for new Facebook 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 4<sup>th</sup> 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 4<sup>th</sup> 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, and karate.



This department was formerly combined with Parks and CAC, so the graph shown may not be as accurate as we would like due to the way historical expenditures were reported. In fact, a portion of the lawn mowing contract (now in Public Buildings) was formerly reported in this department. The splitting of the departments will allow for better budgeting, and better tracking of the costs associated with the programs we run.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

Recreation & Special Events		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>6120</b>								
399	Contracted Services	2,200	2,251	2,350	1,532	2,700	2,400	2,400
299	Supplies & Materials	4,075	2,604	5,275	2,762	4,700	3,908	4,250
	<b>TOTAL</b>	<b>6,275</b>	<b>4,854</b>	<b>7,625</b>	<b>4,295</b>	<b>7,400</b>	<b>6,308</b>	<b>6,650</b>
399	Country Aire - July 4th	1,600						
	Food - Volunteer Day	800						
		2,400						
299	Events	4,250						
		4,250						
<b>Detail of Activities and Expenses Per Event</b>								
Date	Activity	Item			Cost			
July	4th of July	Rentals, Food & Supplies			4,000			
Oct	Game Night	Snacks, drinks, cups			25			
Spt/Oct	Halloween craft workshop	Supplies, refreshments			150			
Nov	Game Event	Supplies, refreshments			25			
Nov	Craft workshop for adults	Supplies, refreshments			200			
Dec	Lighting Ceremony	Refreshments			100			
Dec	Fairfield Harbor Chorus	Supplies, refreshments			75			
Jan	Craft workshop for adults	Supplies			250			
Feb	Valentine Workshop	Supplies, refreshments			100			
Feb	Game Night	Supplies, refreshments			25			
Mar	Game Night	Supplies, refreshments			25			
April	Easter Egg Hunt	Candy and Prizes			200			
April	Volunteer Recognition Day	Food and supplies			1,000			
May	Fairfield Harbor Chorus	Supplies, refreshments			75			
May	Pre-schooler field day	Supplies			100			
TBA	Band Concert	Supplies, refreshments			300			
					6,650			

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.

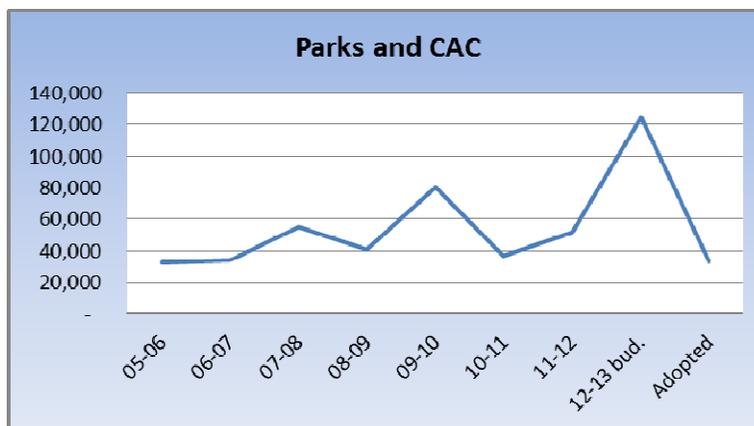
Fiscal Year 2012-13 Highlights including Special Projects and Purchases

- Installed a new sign marking Channel Run Park
- Completed a kayak and canoe launch to provide direct access to the Trent River
- Installed an irrigation system for plantings around Town Hall
- Purchased and installed border stone around the Memorial Garden and Playground
- Installed a raised planting bed and new plantings by the caboose
- Installed some new plantings on the median on Plantation Drive
- Maintained compliance with the Tree City USA program.
- NC Forestry Department performed a professional evaluation of trees in the Plantation Drive median.

This department was formerly combined with Recreation and Special Events, so the graph shown may not be as accurate as we would like due to the way historical expenditures were reported. The splitting of the departments will allow for better budgeting, and better tracking of the costs associated with the programs we run.

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



Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

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.

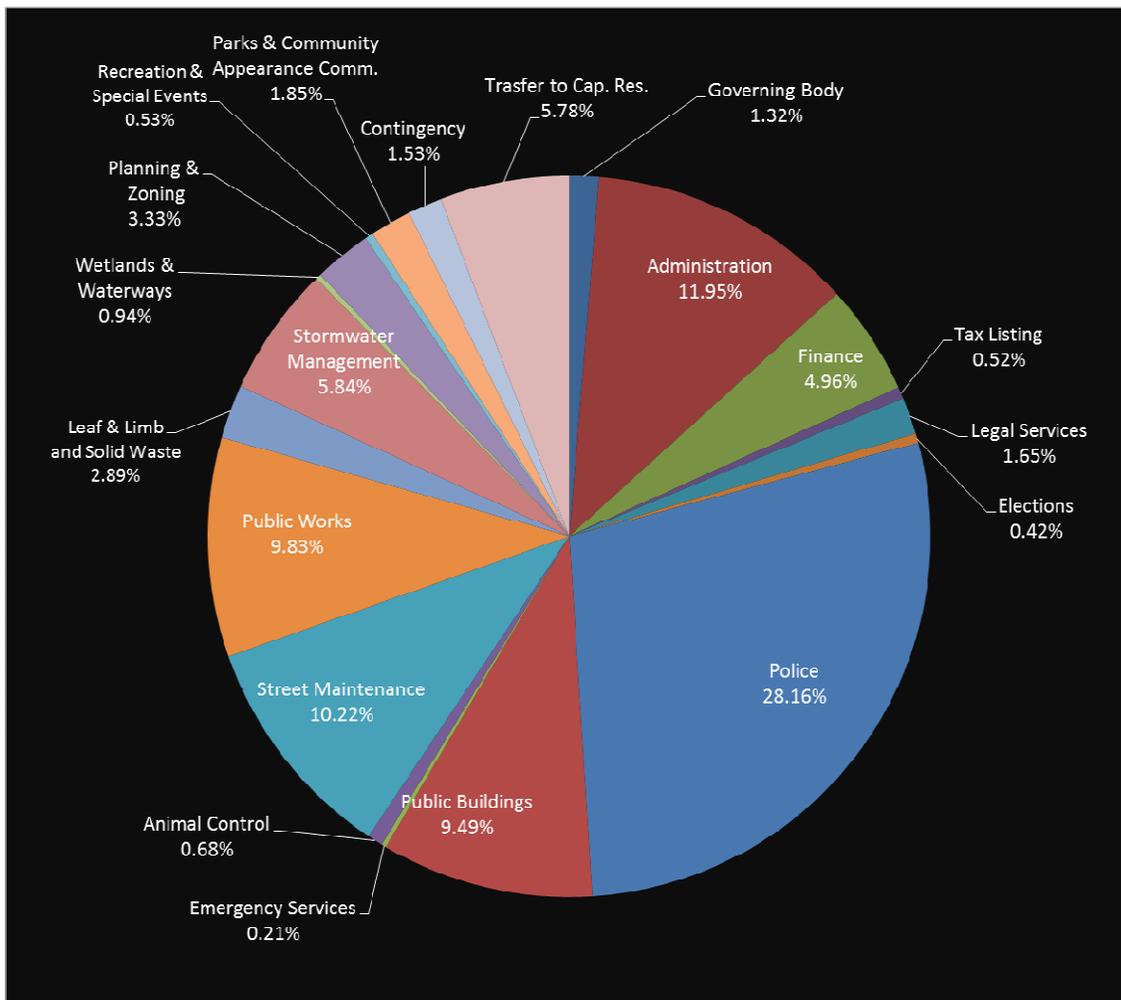
Parks & CAC		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>6130</b>								
121	Wages & Salaries	8,790	8,753	9,010	9,405	9,328	8,788	13,902
122	Overtime	0	0	0		0	0	0
134	401(k) Retirement	439	438	450	455	466	416	695
181	FICA	672	656	689	707	714	655	1,063
182	Loc Govt Emp Retirement	558	556	620	627	629	567	983
183	Group Insurance	2,560	2,536	2,509	2,464	2,880	2,687	4,791
186	Workers' Compensation Ins.	859	539	552	542	630	495	779
310	Travel & Subsistence	0	0	0	0	0	0	0
399	Contracted Services	2,000	2,207	6,000	6,012	6,100	5,718	3,900
299	Supplies & Materials	8,000	7,072	5,000	4,856	7,500	6,116	4,500
358	CAC	3,300	2,483	2,875	2,138	2,875	2,875	850
330	Utilities	7,600	6,152	6,800	5,393	5,800	5,300	6,000
351	Maint & Repairs- Bldg & Grnds	0	0	0	0	0	10	0
352	Maint & Repairs- Equipment	500	0	500	0	500	500	500
481	Indirect Cost- Labor	-1,388	-1,388	-1,383	-1,384	-1,465	-1,465	-4,443
550	Capital Outlay - Other Equip	0	0	0	0	0	0	0
572	Land Improvements	0	0	0	0	0	0	
580	Buildings, Strctrs & Improvements	0	0	0	0	0	0	
590	Other Strctrs & Improvement	7,000	6,622	28,600	20,210	88,926	88,926	0
593	Landscaping	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>40,890</b>	<b>36,625</b>	<b>62,222</b>	<b>51,425</b>	<b>124,882</b>	<b>121,586</b>	<b>33,521</b>
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:							
	Plantation median - shrubs			500				
	Landscaping and Replacement Shrubs			350				
				850				
330	Based upon historical costs/demand, and contemplates a 9% base rate increase by July 1, plus a 2% fuel factor increase in December							

### General Fund Expenditure Summary

The total budgeted expenditures for the General Fund, including transfers, is \$1,815,413 which represents a 9.46% increase over budget expenditures in the current fiscal year and a 15.13% increase compared to projected 2012-13 year end expenditures. The table below shows the total for each department and the change compared to the budget for 2012-13. If excluding CIP funded expenditures for vehicles and facilities planning, the adopted budget is nearly equal to the FY 2012-13 budget which indicates operational expenditures are not increasing dramatically.

General Fund Expenditure Summary	10-11	11-12	12-13	13-14	Change v. prior year	
	Actual	Actual	Budget	Adopted	%	\$
Governing Body	19,488	23,170	20,435	23,889	16.90%	3,454
Administration	164,181	189,823	209,651	217,020	3.52%	7,369
Finance	105,771	90,523	95,818	90,096	-5.97%	-5,722
Tax Listing	9,397	9,449	9,460	9,523	0.66%	62
Legal Services	23,305	18,235	38,500	30,000	-22.08%	-8,500
Elections	-	4,693	-	7,556		7,556
Police	419,692	462,191	439,021	511,140	16.43%	72,118
Public Buildings	93,754	70,392	75,788	172,345	127.40%	96,556
Emergency Services	9,546	196,388	4,750	3,850	-18.95%	-900
Animal Control	8,203	8,420	9,287	12,347	32.95%	3,060
Street Maintenance	198,274	136,446	173,168	185,618	7.19%	12,450
Public Works	120,965	138,437	143,148	178,498	24.69%	35,350
Leaf & Limb and Solid Waste	27,422	17,764	41,665	43,560	4.55%	1,895
Stormwater Management	33,531	39,926	41,881	105,971	153.03%	64,090
Wetlands & Waterways	1,324	2,496	6,500	4,500	-30.77%	-2,000
Planning & Zoning	52,092	47,369	54,209	46,503	-14.22%	-7,707
Recreation & Special Events	4,854	4,295	7,400	6,650	-10.14%	-750
Parks & CAC	36,625	51,425	124,882	33,521	-73.16%	-91,361
Contingency (1% per policy) + Merit Pool			54,978	27,826	-49.39%	-27,152
Transfer to Capital Reserve	88,500	106,500	108,000	105,000	-2.78%	-3,000
<b>TOTAL</b>	<b>1,416,926</b>	<b>1,617,942</b>	<b>1,658,543</b>	<b>1,815,412</b>	<b>9.46%</b>	<b>156,870</b>

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	0.35
Administration	3.17
Finance	1.32
Tax Listing	0.14
Legal	0.44
Elections	0.11
Police	7.46
Public Buildings	2.52
Emergency Services	0.06
Animal Control	0.18
Street Maintenance	2.71
Public Works	2.61
Leaf and Limb/Solid Waste	0.64
Stormwater Management	1.55
Wetlands and Waterways	0.07
Planning and Zoning	0.68
Recreation and Special Events	0.10
Parks and CAC	0.49
Contingency + Merit	0.41
Transfer to Cap. Res.	1.53
<b>Total</b>	<b>26.5</b>

## 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*

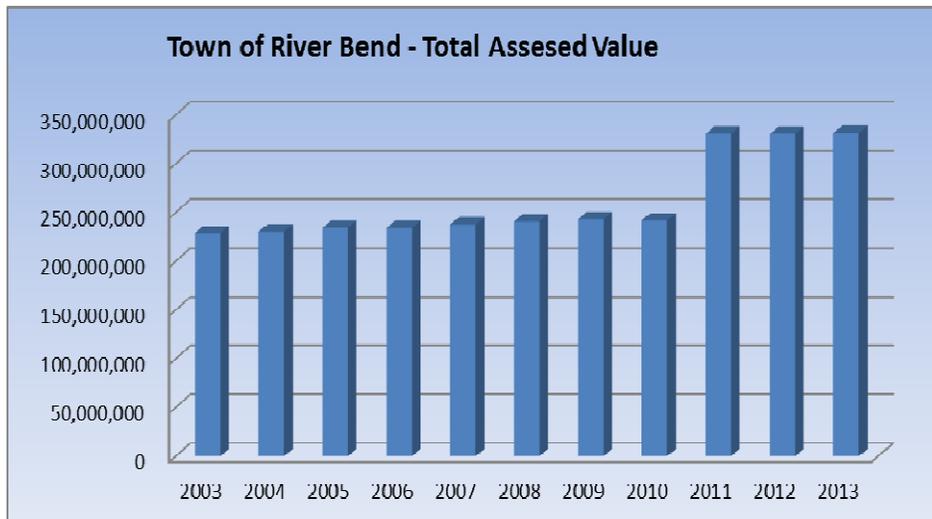
The property tax is levied against the real and personal property and motor vehicle tax bases. The tax base consists of real property (land, buildings, and other improvements to the land); personal property (boats, business equipment, etc.); and the property of public service companies (electric, telephone, railroads, etc.) and motor vehicles. 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 budgeted 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.

Per the TR2-2012 report:		tax base	tax rate	total levy	collection rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		304,448,288	0.265	806,788	99.58%	803,399	1.0%
Motor vehicles		26,775,602	0.265	70,955	95.27%	67,599	1.5%
<b>TOTAL</b>		<b>331,223,890</b>					

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.

Fiscal Year	Total
2003	228,807,368
2004	230,108,421
2005	234,104,163
2006	234,015,909
2007	237,426,818
2008	240,569,600
2009	243,050,000
2010	241,663,929
2011	330,388,310
2012	330,257,559
2013	331,223,890



### *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 2014 a conservative estimate of selling 400 licenses. This is the amount shown in the budget worksheet.

### *Sales and 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 its 4.25% sales tax and the 2% 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.

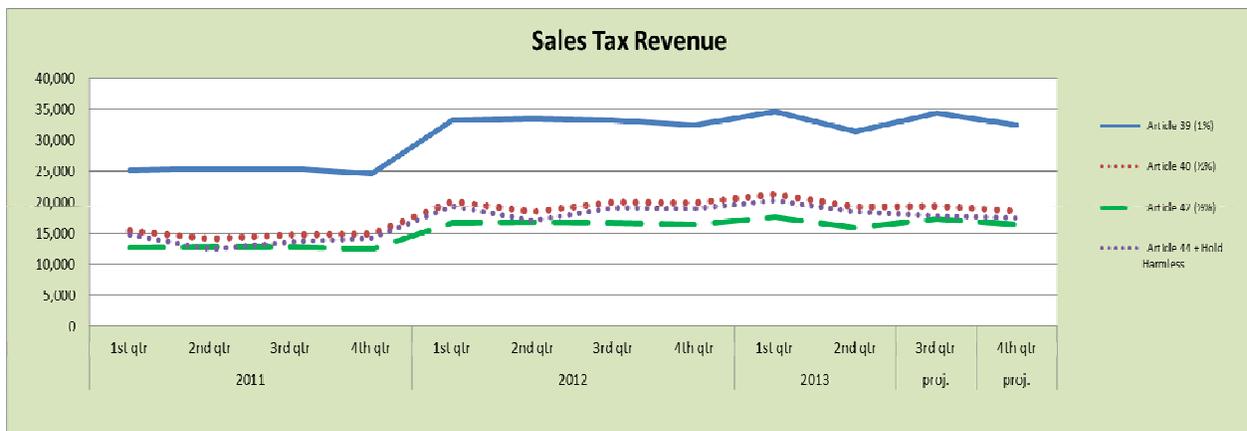
Article 44: As of October 1, 2008 the Article 44 tax was reduced to a ¼% tax (we account for this particular tax in the “Local Option Sales Tax line in the budget), with the proceeds all being returned to the County of origin. Effective October 1, 2009 we no longer receive proceeds under this tax. However, 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 two 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 should hold close to this level through fiscal year 2013 and into 2014.



The revenue under articles 39 and 42, the locally driven revenues, has fluctuated quarterly but has been performing better than our conservative budget estimates for the fiscal year 2013. While trends are, in general, showing a slight upward movement, and our area generally outperforms other parts of the state in this revenue, the effects of federal budget issues on workers in this area could affect the trends in the coming year. For this reason,

we are projecting no increase in revenue in the local components of sales tax when compared to our year-end projections for fiscal year 2013.

Article 40, however, because it reflects statewide trends and is distributed based upon population, does not look as promising. Accordingly, we are budgeting for a 1% decrease in total revenue received from this tax. Because the hold harmless tax revenue is at least partially driven by what we receive from article 40, we are also budgeting a 1% decrease in this line.

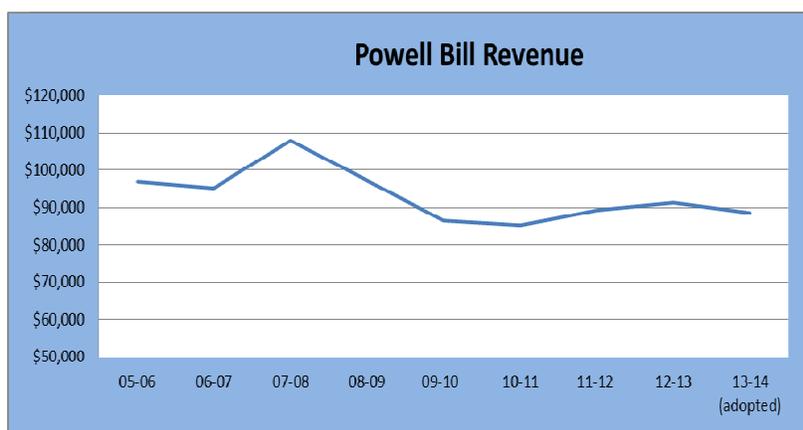
We may end fiscal year 2013 pleasantly surprised by sales tax revenues, but there are many factors that could slow the current economic recovery, and accordingly reduce the revenues we receive. We remain confident that conservative budgeting in this area is prudent to mitigate against unpredicted economic 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. These funds are restricted in their use to fund solid waste programs within a locality. Our current programs will more than use 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 (16.48 total) of road enter into this part of the formula.

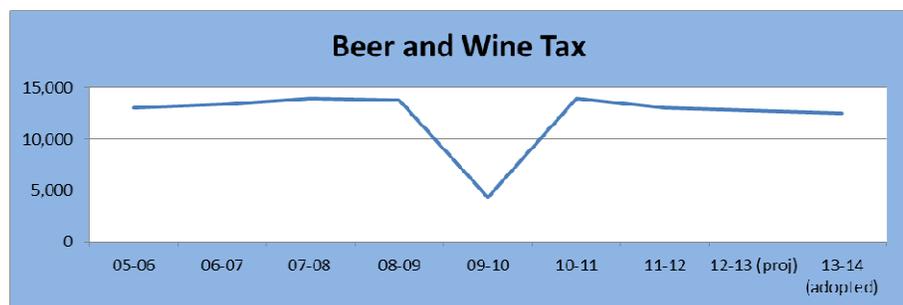
The funds, unlike property tax and sales tax, are restricted in their use. We may only use this revenue for maintaining, repairing, and constructing streets (and appurtenances such as sidewalks, drainage structures, etc.). The Council's recent philosophy has been to use these funds strictly for paving,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

In the current fiscal year the population based portion of this revenue was \$20.43 per capita, up from \$20.20 the prior year (2% increase). Similarly, the mileage-based portion of the formula was \$1,610.94 per mile, up from \$1,570.78 in the prior year (2% increase). Each of these components increased 6% from FY 2012 to FY 2013.

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 2.23% from 2011 to 2012. However, we are not overly optimistic that the upward trend will continue. In a desire to remain conservative in our estimates, we are budgeting for a 2% decrease in both the per-capita rate and mileage rate. Therefore our budget will be based upon a population rate of at \$20.02 and the mileage rate of \$1,578.72. This results in revenue of \$62,447 and \$26,017 respectively and allows us to round down to budget a total of \$88,500 for this revenue source. This is down from the \$91,221 we received this year.

### *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

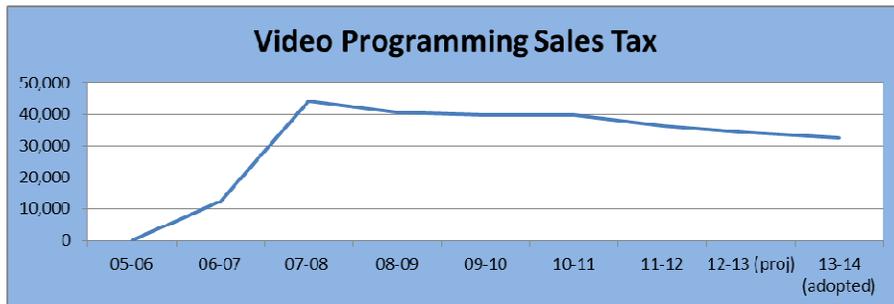


wine is shared by all cities and counties that permit the sale of these beverages within their limits.

The State retained two thirds of the distribution due to local governments in fiscal 2009-10. In the proposed budget, this line reflects no growth; and, we have been warned that this particular revenue could once again become a target as the State continues to deal with their budgetary difficulties. 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 would have 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.

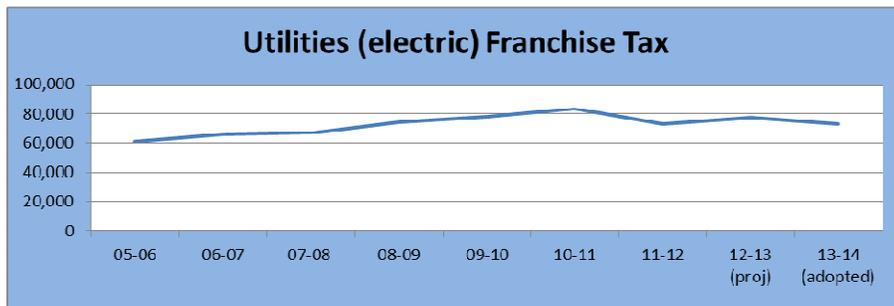
This “pool” was enhanced by receiving new money from carriers who were not charged franchise fees in some localities. This is part of the reason we saw more money come in when this tax was enacted. In our case, and in many other localities, no franchise fees were collected from satellite providers. This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

Our current trend reveals that this revenue will be down approximately 5.9% in the current year compared to the prior year. We do not have any evidence to support a prediction that this trend will not continue. We are proposing, therefore, a 5% 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 receive 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

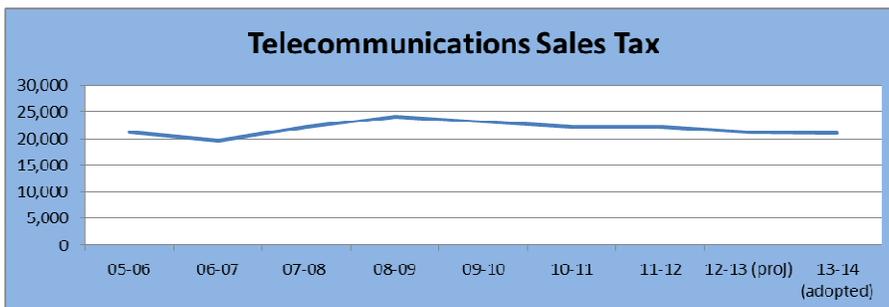


the regular State sales tax. The state distributes an amount equal to 3 percent of gross receipts to each city for service sold within their boundaries. Gross receipts for electricity tend to fluctuate based upon temperature and other factors.

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 2013 as the base. This projection shows that we will fall 4% short of our budgeted amount.

*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 1% decrease from the projected revenue in the current fiscal 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 2014. 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.

*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.

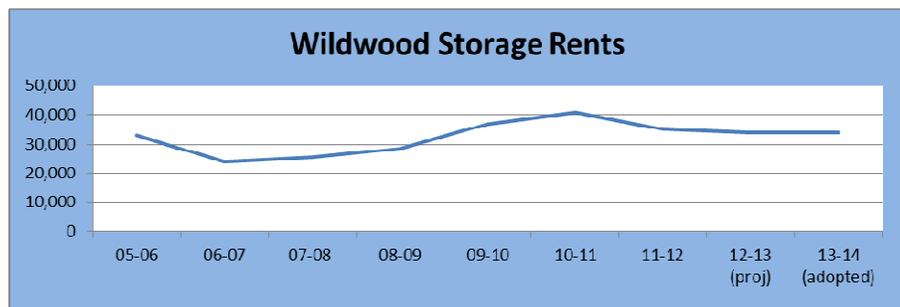
*Rents and Concessions:*

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:*

This 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.



		Revenue
Enclosed Units	37	\$2,910
Open Spaces	21	\$515
<b>Total Units on Property</b>	<b>58</b>	<b>\$3,425</b>
less		
Town Occupied Units	4	\$270
<b>Net Units Available for Rental</b>	<b>54</b>	<b>\$3,155</b>
Units Available for Rent	0	\$0
Units Past Due or Over-locked	0	\$0
<b>Total Loss</b>	<b>0</b>	<b>\$0</b>
<b>Total Occupied and Paid</b>	<b>54</b>	<b>\$3,155</b>
<b>Rate of Paid Occupancy</b>	<b>100.0%</b>	

### **General Fund Revenue Summary**

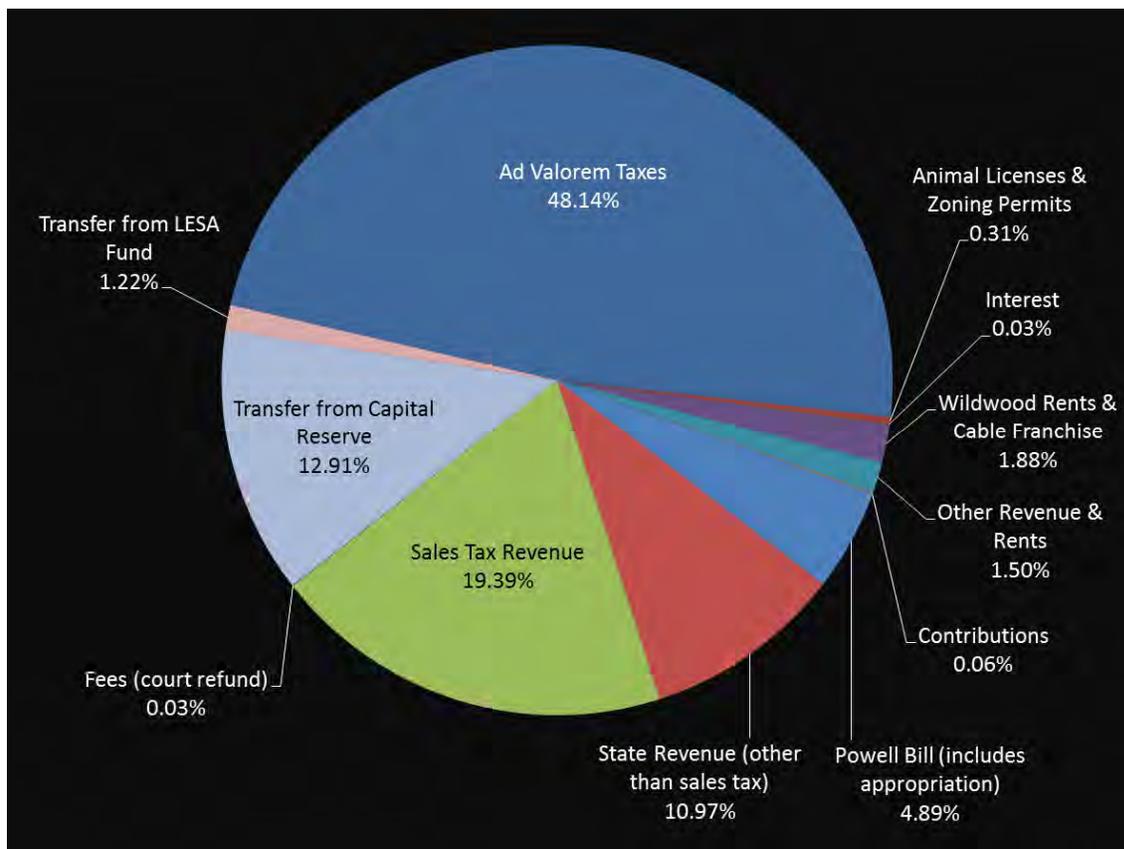
Due to the uncertain economic times we are in, we have been very conservative in our estimates of revenue. Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents a 9.5% increase from the current fiscal year budget, but a 9.1% increase compared to projected year-end revenue. Higher than estimated property tax, sales tax, Powell Bill, nuisance abatement charges, 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 2013-2014

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					Change v. prior year	
	10-11	11-12	12-13	13-14	%	\$
	Actual	Actual	Budget	Adopted		
Ad Valorem Taxes	875,263	876,974	866,591	870,999	0.51%	4,408
Animal Licenses & Zoning Permits	5,686	8,609	5,000	6,000	20.00%	1,000
Interest	970	555	1,496	501	-66.51%	-995
Wildwood Rents & Cable Franchise	44,187	36,054	34,000	34,000	0.00%	0
Other Revenue & Rents	34,211	50,553	21,840	27,200	24.54%	5,360
Contributions	2,354	1,572	1,000	1,000	0.00%	0
Powell Bill (includes appropriation)	119,041	90,479	83,500	88,500	5.99%	5,000
State Revenue (other than sales tax)	156,887	201,220	182,294	173,984	-4.56%	-8,310
Sales Tax Revenue	277,994	347,390	328,467	350,775	6.79%	22,308
Government Grants (Fed, State & County)	6,680	183,832	55,732	170	-99.69%	-55,562
Fees (court refund)	117	234	300	500	66.67%	200
Charges to Other Funds	0	0	0	0		0
Transfer from Capital Reserve	65,300	21,000	19,212	233,529	1115.54%	214,317
Transfer from LESA Fund			22,111	22,111	0.00%	0
Transfer from Fund Balance			37,000	6,144		
<b>TOTAL</b>	<b>1,588,690</b>	<b>1,818,472</b>	<b>1,658,542</b>	<b>1,815,412</b>	<b>9.46%</b>	<b>156,870</b>



Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

Revenue	10-11		11-12		12-13		13-14
	YR End Budget	Actual Revenue	YR End Budget	Actual Revenue	Current Budget	Projected Year-End	Adopted Budget
AD VALOREM Taxes	779,483	813,141	801,387	809,907	802,675	802,675	803,399
Tax Penalties	0	0	0	0	0	0	0
AD VALOREM Tax-Motor Veh.	58,475	62,123	58,018	67,068	63,916	63,916	67,599
Animal Licenses	2,000	2,041	2,000	3,410	3,000	3,000	4,000
Sales Tax - Art. 39 1%	106,300	104,821	127,479	130,483	127,615	132,800	132,800
Sales Tax - Art. 40 1/2%	60,400	61,105	71,715	77,502	71,064	78,500	77,715
Sales Tax - Art. 42 1/2%	59,200	52,839	64,183	65,649	64,183	67,000	67,000
Sales Tax (Local Opt)- Art. 44 1/2%	0	631	0	550	0	-84	0
Hold Harmless Tax Distribution	46,700	55,633	66,240	72,821	65,604	74,000	73,260
Cable TV Franchise	550	3,291	550	992	0	0	0
Solid Waste Disposal Tax	2,200	0	2,200	2,147	2,200	2,100	2,200
Powell Bill Appropriation	31,187	31,187	0	0	0	0	0
Powell Bill Allocation	90,484	87,854	89,167	90,479	83,500	91,421	88,500
Beer and Wine Tax	13,945	13,936	13,945	13,561	12,740	12,740	12,485
Video Programming Sales Tax	39,000	38,137	68,335	71,729	68,344	68,652	66,935
Utilities Franchise Tax	74,700	83,651	74,000	87,957	80,791	77,399	73,529
Telecomm Sales Tax	22,785	21,163	19,995	27,973	20,419	21,247	21,035
Court Refunds	300	117	300	234	300	470	500
Zoning Permits	5,000	3,645	2,000	5,199	2,000	2,000	2,000
Federal Grant- BVP Program	0	680	0	178	640	172	170
Federal Disaster Assistance	0	0	137,741	137,741	0	0	0
State Disaster Assistance	0	0	45,913	45,913	0	0	0
Interlocal Service Agreements	0	0	0	0	0	0	0
County Government Grants	6,000	6,000	0	0	0	0	0
State Government Grants	0		0	0	55,092	55,092	0
Miscellaneous	6,893	9,516	4,000	14,497	1,640	15,000	1,000
Insurance Settlements	0	0	13,809	15,820	0	0	0
Interest- Powell Bill	102	44	101	1	1	1	1
Interest- General Fund	3,250	927	3,250	554	1,495	506	500
Recreation Land Fees	0	0	0	0	0	0	0
Contributions	1,000	2,354	1,000	1,572	1,000	1,615	1,000
Wildwood Storage Rentals	28,800	40,895	32,000	35,062	34,000	34,000	34,000
Rents & Concessions	18,000	18,145	18,000	18,090	18,000	18,000	18,000
Sale of Fixed Assets	6,550	6,550	0	0	0	0	6,000
Sales Tax Refund Revenue	0	2,965	0	386	0	0	0
Proceeds from Debt	0		0	0	0	0	0
Transfer - Capital Res Fund	65,300	65,300	21,000	21,000	19,212	19,212	233,529
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	0	0	22,111	22,111	22,111
Appropriated Fund Balance	0	0	13,600	0	37,000		6,144
<b>TOTAL REVENUES</b>	<b>1,528,604</b>	<b>1,588,690</b>	<b>1,751,928</b>	<b>1,818,472</b>	<b>1,658,542</b>	<b>1,663,545</b>	<b>1,815,412</b>

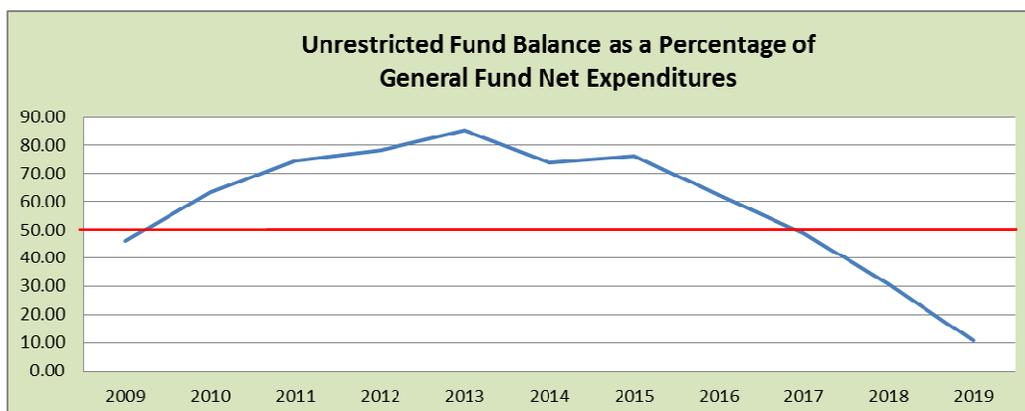
### General Fund Balance

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 2012 had a Fund Balance of 78.2%, and we project a Fund Balance of 85.5% 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 \$6,144 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 2016 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.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund Balance \$	802,506	915,383	1,056,417	1,256,939	1,347,668	1,341,524	1,281,801	1,118,929	893,437	592,477	215,444
	(data from annual financial report)				projected						
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund Balance %	46.08	63.28	74.56	78.21	85.47	73.90	76.40	62.11	48.77	30.80	10.90
	(data from LGC)				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**

- Compensation changes per the approved Pay Plan.
- No increase in staffing level from FY 2014 proposed levels.
- Predicted increases in Local Government Employees Retirement System.
- 15% per year increase in medical insurance premiums.
- Continued funding of Healthcare Reimbursement Accounts for employees.
- 1% increase per year in Workers' Compensation Insurance.
- 5% increase per year in Property & Liability Insurance.
- 3% increase per year in Electric expenditures.
- 2% increase per year in Telephone and Postage expenditures.
- 10% increase per year 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 per year. Absent the infusion of capital, the fund goes negative in FY 2016. From there forward funding will come entirely from general fund revenue sources.
- 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 2012 level
Powell Bill:	2% per year decrease in funding
Beer and Wine Tax:	1% per year decrease from FY 2012 level
Video Programming Sales Tax:	4% per year decrease from FY 2012 level
Utilities Franchise Tax:	3% per year decrease from FY 2012 level
Telecommunication Sales Tax:	2% per year decrease from FY 2012 level
Sale of Fixed Assets:	Tracks with years new vehicles are purchased
Wildwood Storage Rental	90% Occupancy Rate

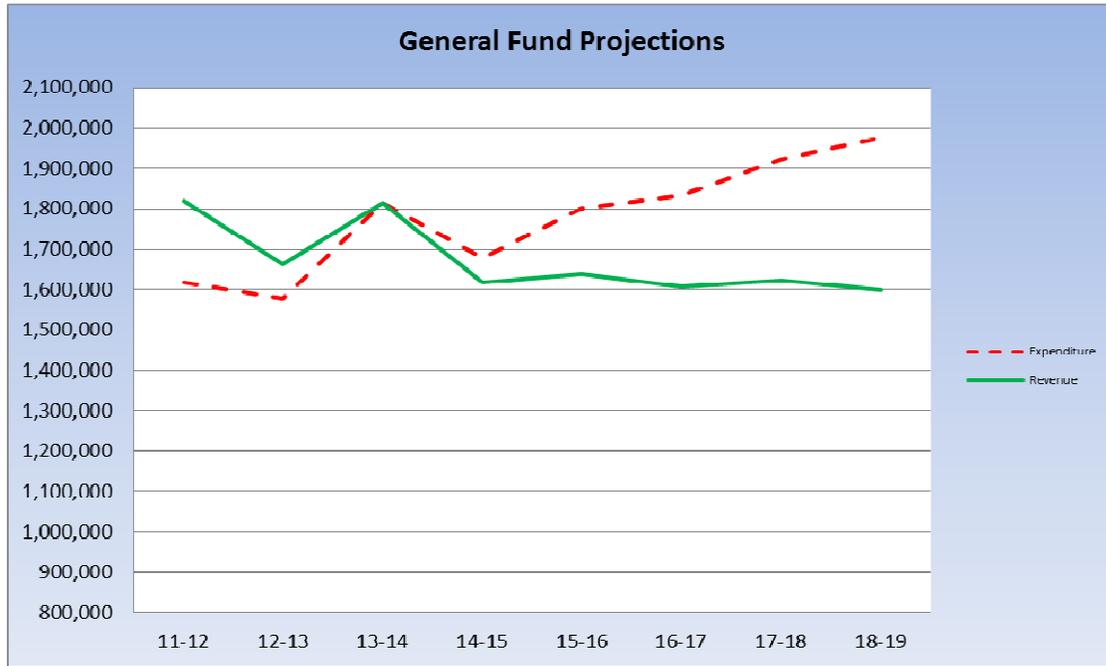
This worksheet shows the General Fund expenditure summary, by department, based upon the assumptions noted above.

<b>General Fund Expenditure Summary</b>	<b>11-12</b>	<b>12-13</b>	<b>13-14</b>	<b>14-15</b>	<b>15-16</b>	<b>16-17</b>	<b>17-18</b>	<b>18-19</b>
	Actual	Projected	Adopted					
Governing Body	23,170	20,414	23,889	24,362	28,936	24,751	29,597	25,157
Administration	189,823	202,919	217,020	231,963	245,455	252,516	264,499	276,050
Finance	90,523	93,719	90,097	94,654	99,445	102,741	108,191	115,897
Tax Listing	9,449	9,581	9,523	9,543	9,614	9,685	9,758	9,831
Legal Services	18,235	15,000	30,000	32,000	32,000	32,000	32,000	32,000
Elections	4,693	-	7,556	-	9,067	-	10,881	-
Police	462,191	465,110	511,140	538,322	574,557	571,447	626,712	634,628
Public Buildings	70,392	74,572	172,345	71,574	75,644	80,040	84,795	89,941
Emergency Services	196,388	4,717	3,850	3,966	4,084	4,207	4,333	4,463
Animal Control	8,420	8,309	12,347	13,274	14,236	15,116	16,091	17,154
Street Maintenance	136,446	164,805	185,618	167,343	206,522	204,431	196,046	216,846
Public Works	138,437	137,977	178,498	157,661	165,623	190,795	182,964	192,289
Leaf & Limb and Solid Waste	17,764	35,684	43,560	45,710	45,753	48,011	48,058	50,429
Stormwater Management	39,926	44,768	105,971	64,249	66,093	67,825	69,712	71,744
Wetlands & Waterways	2,496	5,500	4,500	8,590	4,183	4,278	8,877	4,478
Planning & Zoning	47,369	57,847	46,503	49,103	51,358	52,792	55,448	57,958
Recreation & Special Events	4,295	6,308	6,650	6,850	7,055	7,267	7,485	7,709
Parks & CAC	51,425	121,586	33,521	38,090	40,079	41,961	44,002	46,192
Contingency (1% per policy)	-		27,826	15,573	16,797	17,099	17,994	18,528
Transfer to Capital Reserve	106,500	108,000	105,000	105,000	105,000	105,000	106,000	106,000
	-							
<b>TOTAL</b>	1,617,942	1,576,816	1,815,413	1,677,825	1,801,501	1,831,963	1,923,440	1,977,294
	<i>Change</i>	-2.54%	15.13%	-7.58%	7.37%	1.69%	4.99%	2.80%

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

General Fund Revenue Summary	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
	Actual	Projected	Adopted					
Ad Valorem Taxes	876,974	866,591	870,999	873,441	880,841	888,328	895,903	903,567
Animal Licenses & Zoning Permits	8,609	5,000	6,000	6,000	6,000	6,000	6,000	6,000
Interest	555	507	501	500	500	500	500	500
Wildwood Rents & Cable Franchise	36,054	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Other Revenue & Rents	50,939	35,100	27,200	21,722	23,744	23,767	23,789	23,812
Contributions	1,572	1,615	1,000	1,000	1,000	1,000	1,000	1,000
Powell Bill (includes appropriation)	90,479	91,421	88,500	86,730	84,995	83,295	81,630	79,997
State Revenue (other than sales tax)	201,220	180,038	173,984	168,555	163,309	158,239	153,340	148,606
Sales Tax Revenue	347,390	352,216	350,775	354,283	358,974	361,404	365,018	368,668
Government Grants (Fed, State & County)	183,832	55,264	170	0	0	0	0	0
Fees (court refund)	234	470	500	300	300	300	300	300
Charges to Other Funds	0	0	0	0	0	0	0	0
Transfer from Capital Reserve	21,000	19,212	233,529	41,275	55,715	49,638	61,000	33,811
Transfer from LESA Fund		22,111	22,111	30,297	29,251	0	0	0
Transfer from Fund Balance	0	0	6,144	0	0	0	0	0
<b>TOTAL</b>	<b>1,818,858</b>	<b>1,663,545</b>	<b>1,815,412</b>	<b>1,618,102</b>	<b>1,638,629</b>	<b>1,606,471</b>	<b>1,622,480</b>	<b>1,600,261</b>
	<i>Change</i>	<i>-8.54%</i>	<i>9.13%</i>	<i>-10.87%</i>	<i>1.27%</i>	<i>-1.96%</i>	<i>1.00%</i>	<i>-1.37%</i>

This chart shows the projected trends in revenue and expenditures as shown on the preceding tables.



The worksheet shown below summarizes 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.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund Balance \$	802,506	915,383	1,056,417	1,256,939	1,347,668	1,341,524	1,281,801	1,118,929	893,437	592,477	215,444
	(data from annual financial report)				projected						
Fund Balance %	46.08	63.28	74.56	78.21	85.47	73.90	76.40	62.11	48.77	30.80	10.90
	(data from LGC)				projected						
GF Expenditures	1,545,656	1,301,881	1,416,926	1,617,942	1,576,816	1,815,413	1,677,825	1,801,501	1,831,963	1,923,440	1,977,294
50% of Expense	772,828	650,940	708,463	808,971	788,408	907,706	838,913	900,750	915,982	961,720	988,647
Ad Valorem Revenue	681,014	667,826	875,263	876,974	866,591	870,999	873,441	880,841	888,328	895,903	903,567
All Other Revenue	794,069	747,391	713,426	941,883	796,954	944,414	744,662	757,788	718,143	726,577	696,694
Revenue	1,475,083	1,415,217	1,588,690	1,818,858	1,663,545	1,815,412	1,618,102	1,638,629	1,606,471	1,622,480	1,600,261
Revenue-Expense	-70,573	113,336	171,764	200,530	90,729	0	-59,723	-162,872	-225,492	-300,960	-377,033

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 \$0.40, or \$0.135 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 2014. Assuming that all projections are realized, and there is no modification to services or personnel, the table to the right shows the tax rates necessary to maintain fund balance at an acceptable level and the change versus the prior year. Even at the FY 19 level, the Town's tax rate remains below the state median.

	Tax Rate	Change	Inflation Adjusted
FY 14	0.265		0.282
FY 15	0.280	5.7%	0.289
FY 16	0.315	12.5%	0.296
FY 17	0.330	4.8%	0.302
FY 18	0.355	7.6%	0.310
FY 19	0.365	2.8%	0.317

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 4.8 cents less than the required rate shown in the second column.

### 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 a \$30,000 contribution to the fund at the end of Fiscal Year 2012 rather than having that excess go to General Fund Balance.

The reader will note and understand that interest additions in Fiscal Year 2010 and FY 2011 and projected for 2012 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 2013.

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.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
<b>Additions</b>							
General Fund Contributions	7,000	8,000	8,000	8,000	42,710	9,000	10,000
Interest	237	239	44	41	23	24	24
<b>Total Additions</b>	<b>7,237</b>	<b>8,239</b>	<b>8,044</b>	<b>8,041</b>	<b>42,733</b>	<b>9,024</b>	<b>10,024</b>
<b>Deductions</b>							
Retirement Benefits Payable	0	0	0	0	4,710	20,540	20,540
<b>Total Deductions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,710</b>	<b>20,540</b>	<b>20,540</b>
<b>Change in Net Assets</b>	<b>7,237</b>	<b>8,239</b>	<b>8,044</b>	<b>8,041</b>	<b>38,023</b>	<b>-11,516</b>	<b>-10,516</b>
<b>Net Assets - Beginning of Year</b>	<b>0</b>	<b>7,237</b>	<b>15,476</b>	<b>23,520</b>	<b>31,561</b>	<b>69,584</b>	<b>58,068</b>
<b>Net Assets - End of Year</b>	<b>7,237</b>	<b>15,476</b>	<b>23,520</b>	<b>31,561</b>	<b>69,584</b>	<b>58,068</b>	<b>47,552</b>

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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.

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%

## 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 2012-13 Highlights including Special Projects and Purchases- Water

- Added six new water sampling stations
- Installed two new blow-off valves
- Installed a backwash meter for wells 1 and 2
- Replaced 15 water service lines in Quarterdeck I
- Replaced a service line under Plantation Drive
- 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

### Fiscal Year 2012-13 Highlights including Special Projects and Purchases - Sewer

- Under contract, had all three high capacity air blowers at the wastewater treatment plant tested and tuned
- Had an epoxy coating put on the floor of the building housing the air blowers
- Purchased a spare lift station pump
- Replaced two deteriorating valves in the main lift station
- Removed trees to prevent root intrusion into manholes between Efir Boulevard and Mulberry Lane

## **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 2013-14, while modest in scope, all help to preserve our infrastructure and continue to provide reliable service. In the water fund, we plan to replace 32 water service lines that serve the Harbour Walk development. These lines are the last in our system that use what we consider to be an inferior quality plastic piping. We have experienced failures in these lines that are costly and time consuming to repair. This project will help us get ahead of other surprise repairs that will likely be needed in the near future.

In the sewer fund we plan to upgrade the main lift station off Gull Pointe. In FY2013 we made an emergent repair at this location by replacing two malfunctioning check valves. In the coming year we will complete the renovation of this lift station by installing new piping and new gate valves. We also plan to make a few improvements to the wastewater treatment plant. Specifically, we plan to make a repair to a gasket on the clarifier on plant #1, the smaller of the two plants. During our annual NC Department of Water Quality inspection, leaking under the weir of the clarifier was noted in the report from the inspector. While this does not cause a violation of our permit, it is something that needs to be addressed to ensure the plant is functioning properly. We also plan to install two by-passes, one for the screen that removes larger debris in the influent stream and one for the pumps in the surge tank, in order to improve operational and maintenance flexibility.

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

		2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Appropriation: Annual</b>		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Appropriation: Well pump</b>		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Appropriation: Vehicles (50/50 W/S)</b>		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,500	3,500	3,500	3,500
	<b>FY Appropriation:</b>	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500
<b>Capital Projects</b>	<b>Project Completed</b>											
<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	10,000						11,000				
<i>Distribution</i>												
Quarterdeck Service Line Replacement	12-13			20,000								
Howell Center and Riverstone Backflow	11-12		12,000									
Harbourwalk Line Replacement					22,208							
New Bern Interconnection						42,000						
	<b>FY Expenditures:</b>	10,000	29,500	20,000	22,208	42,000	34,000	19,500	0	0	0	11,000
	<b>Net Capital Cash:</b>	\$ 53,000	\$ 33,500	\$ 43,000	\$ 40,792	\$ 21,000	\$ 29,000	\$ 43,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 52,500

## Sewer Fund Capital Improvement Plan

		2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Appropriation: Annual</b>		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
<b>Appropriation: Vehicles (50/50 W/S)</b>		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,500	3,500	3,500	3,500
	<b>FY Appropriations:</b>	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500
<b>Capital Projects</b>	<b>Project Completed</b>											
<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					12,000							
<i>Treatment:</i>												
Unit #1 Clarifier Repair					9,300							
Static screen and Surge Tank Bypass					8,363							
Chlorine Building	10-11	13,200										
Restroom Addition	10-11	17,000										
Generator	11-12		43,500									
	<b>FY Expenditures:</b>	30,200	43,500	10,000	29,663	0	14,000	8,500	0	0	0	11,000
	<b>Net Capital Cash:</b>	\$ 32,800	\$ 19,500	\$ 53,000	\$ 33,337	\$ 63,000	\$ 49,000	\$ 54,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 52,500

## Enterprise Funds Vehicle Replacement Plan

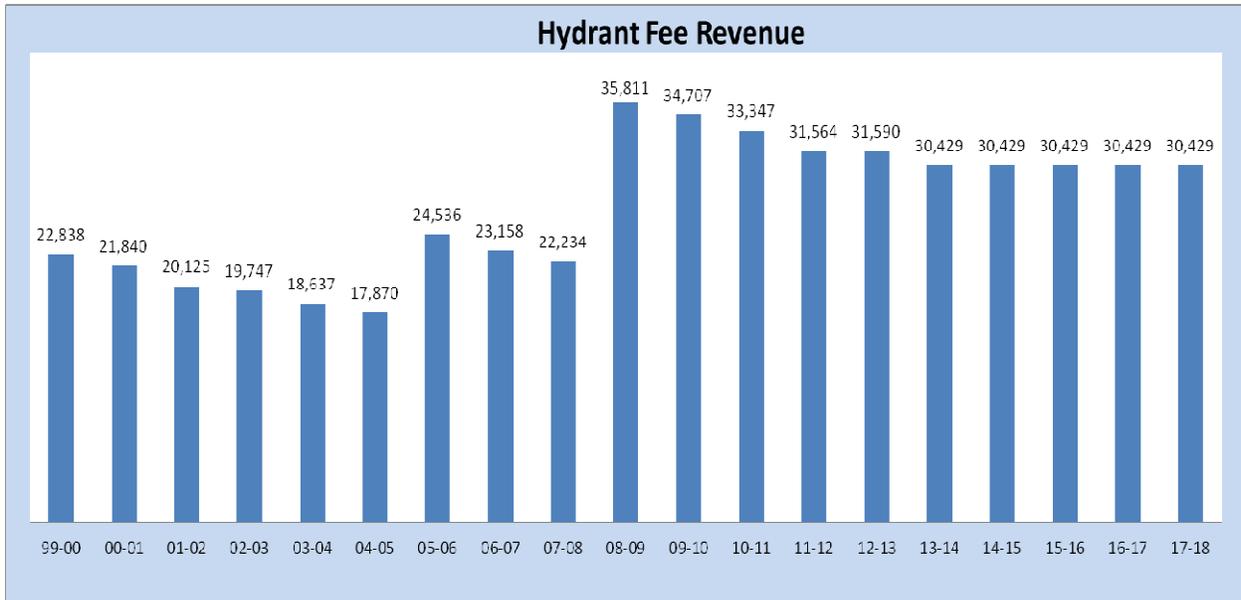
Vehicle Replacement Plan Enterprise Funds			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<b>Reserved</b>			6,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000
	Life Cycle	Current Vehicle												
Veh #1	12 years	2008 Chevy Van											22,000	
Veh #2	12 years	2004 F-150							17,000					
Veh #3	12 years	2003 F-250						28,000						
<b>Total Expended</b>			0	0	0	0	0	28,000	17,000	0	0	0	22,000	0
<b>Balance (end of FY)</b>			6,000	12,000	18,000	24,000	30,000	8,000	-2,000	5,000	12,000	19,000	4,000	11,000
Purchase price inflated by 3% per year beginning with FY 2013 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 \$207 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.

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.

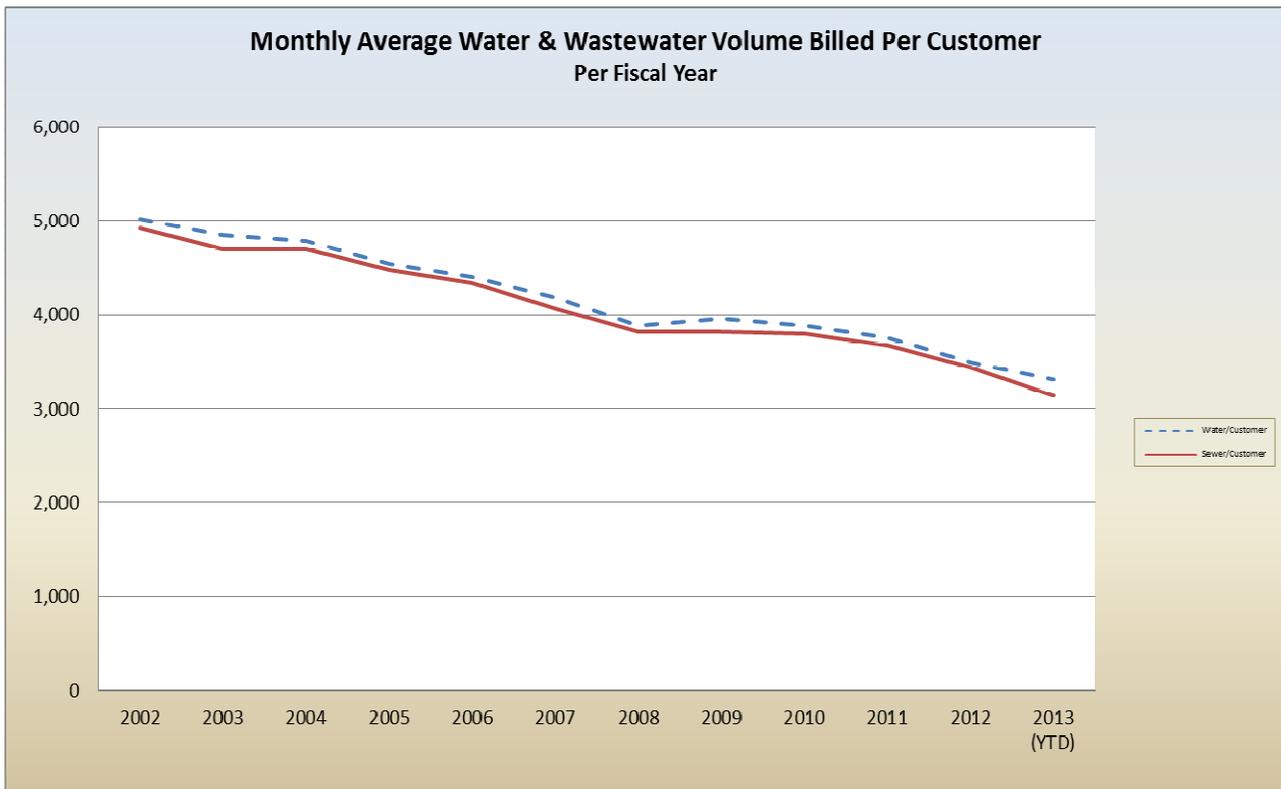
**Usage:** This component should be used to pay the remaining 25% of the debt service and capital costs and all direct operating costs.

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 through five billings in FY 2013 we are seeing a decrease of over 5.5% 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 expect a further decline in average consumption. 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
2002	5,904,000	4,291,000
2003	5,769,000	4,102,000
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 (YTD)	4,689,700	2,964,700

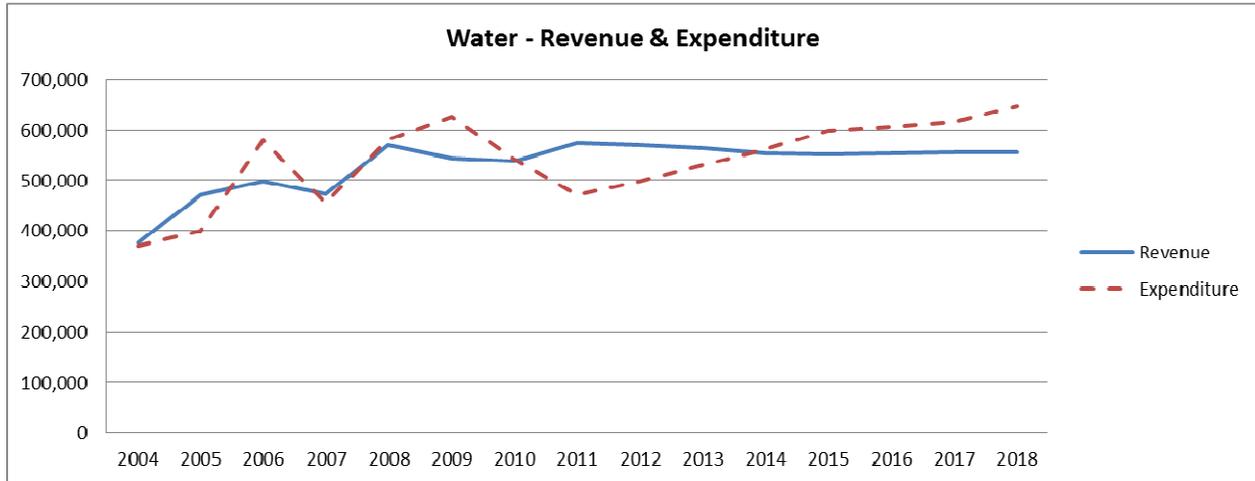
**Approved Rates**

Based upon approved expenditures and the revenue projected at our current rates, the rate model shows that there is no pressing need to increase rates for FY 2014. Our current rates for both utilities will produce revenue that is in excess of planned expenditures. Planned expenditures includes funding the Capital Improvement Plan as discussed earlier so not only are we meeting our current obligations, we are saving appropriately for unplanned occurrences and future projects.

This table shows each of the components of the rate structure as described on page 158.

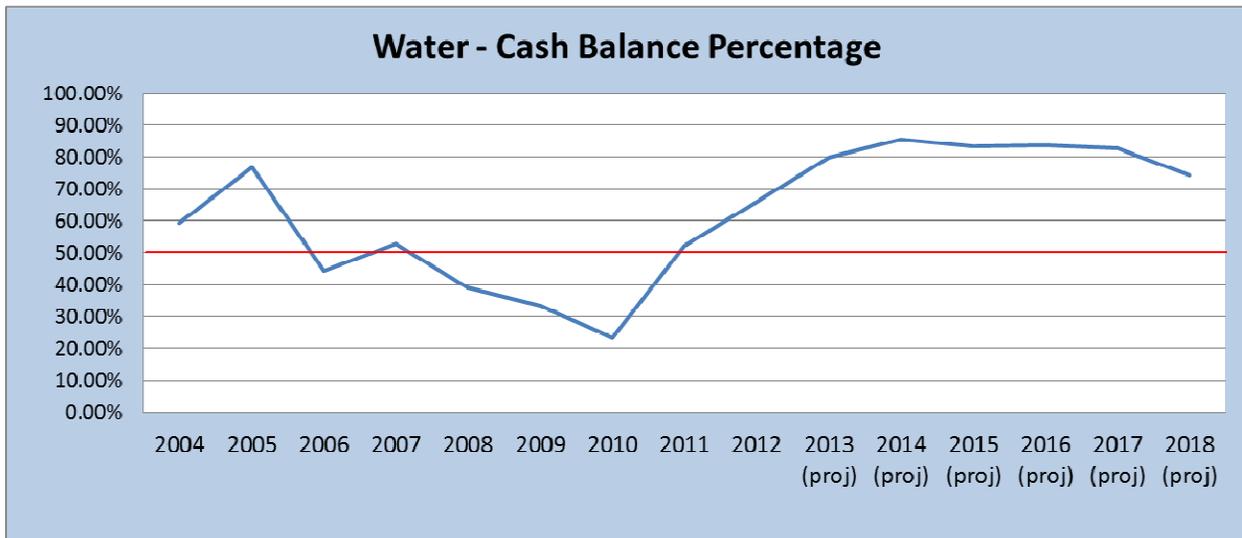
		<b>Approved Rates</b>
<b>Water</b>	Customer	4.80
	Demand	13.44
	Use	4.02
<b>Sewer</b>	Customer	6.88
	Demand	15.75
	Use	8.50





Cash Balance – Water Fund (operating fund only)

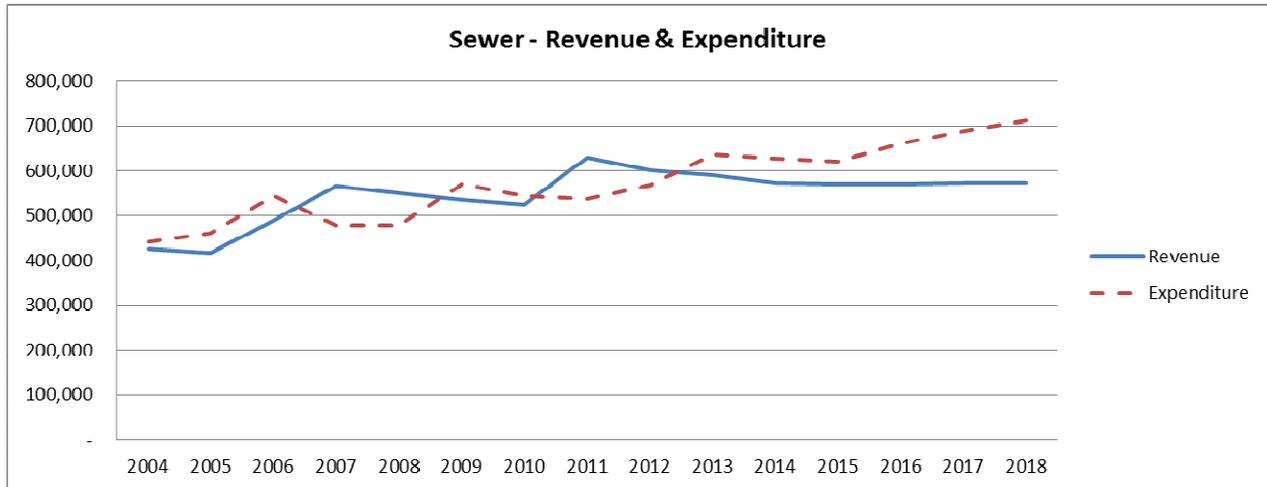
The amount of cash balance maintained by the Enterprise Funds is an important measure of their financial health. The chart and table below show the cash balance for the Water Fund. Having such a balance enables us to meet our financial obligations without interruptions due to cash flow, generates investment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



	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Projected for the Fiscal Year Ending June 30:					
										2013 (proj)	2014 (proj)	2015 (proj)	2016 (proj)	2017 (proj)	2018 (proj)
Fund Bal. %	59.40%	76.99%	44.21%	52.85%	39.12%	33.28%	23.28%	52.02%	66.06%	79.98%	85.46%	83.29%	83.64%	82.66%	74.28%
Cash Balance	220,612	307,010	255,865	240,993	227,515	208,316	126,512	245,475	328,695	424,488	480,231	497,690	507,484	509,367	480,754

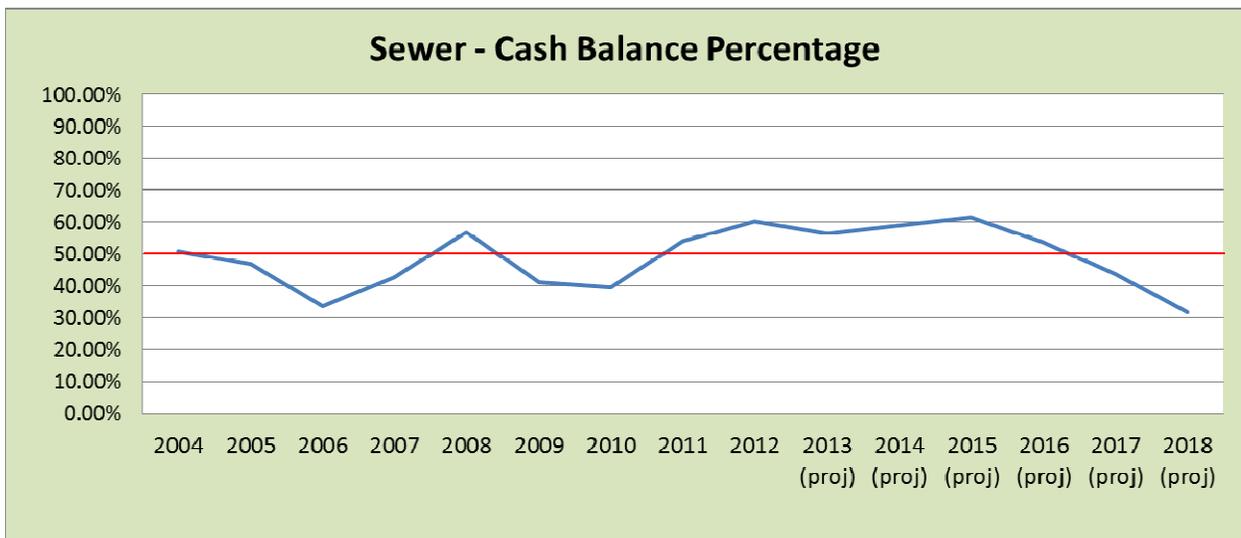
During the preparation of the FY 2010 budget, the Town Council made a conscious and appropriate decision to use cash balance to offset rate increases with the knowledge that in FY 2011 a rate increase would be necessary and cash balance would need to be restored. The strategy worked and our cash balance was restored to an appropriate level. If all projections hold true, we anticipate that this will be the case at the end of FY 2013 and in subsequent years even if rates are not changed. 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 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Projected for the Fiscal Year Ending June 30:					
										2013 (proj)	2014 (proj)	2015 (proj)	2016 (proj)	2017 (proj)	2018 (proj)
Fund Bal. %	50.95%	46.83%	33.78%	42.95%	56.91%	41.35%	39.76%	54.01%	60.43%	56.53%	58.91%	61.40%	53.58%	43.76%	31.77%
Cash Balance	224,898	215,711	183,669	205,214	272,709	235,917	216,394	290,341	343,060	359,517	369,068	381,101	353,987	301,046	225,597

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 2013 and in subsequent years, through the end of FY 2016, even if rates are not changed. 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.

**Impact of Rates**

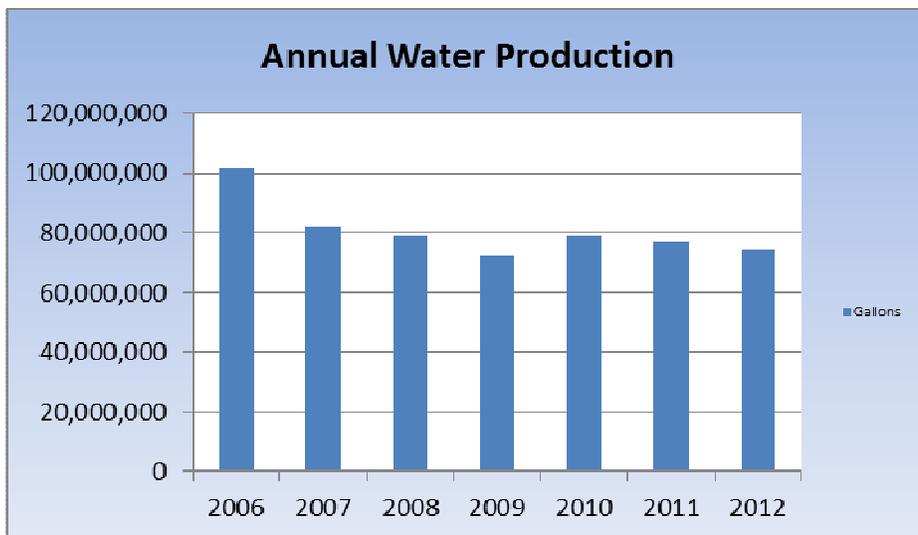
This table shows the approved water and sewer rates and their effect upon a residential customer using 3,000 gallons per month. It also shows the charges for a customer using only water.

<b>Approved Rates</b>		
<b>Water</b>		<b>Approved</b>
	Base	18.24
	Use (per 1,000 gallons)	4.02
<b>Sewer</b>		
	Base	22.63
	Use (per 1,000 gallons)	8.50
<b>Charges for 3,000 gallons per month - Water and Sewer</b>		
<b>Water</b>	Base	18.24
	Use	12.06
<b>Sewer</b>	Base	22.63
	Use	25.50
<b>Monthly</b>		<b>78.43</b>
<b>Per bi-monthly Bill</b>		<b>156.86</b>
<b>Charges for 3,000 gallons per month - Water Only</b>		
<b>Water</b>	Base	18.24
	Use	12.06
<b>Monthly</b>		<b>30.30</b>
<b>Per bi-monthly Bill</b>		<b>60.60</b>

(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 2012 (calendar year), we treated 74,631,000 gallons with a daily average of 203,889 gallons. In 2011, we treated 76,174,000 gallons of water, an average of 209,533 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 1,415 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.

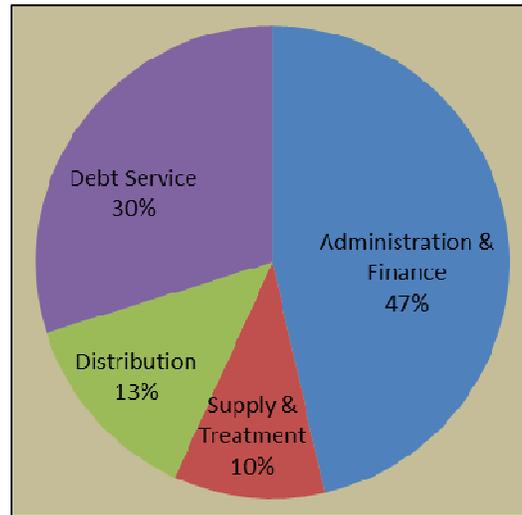
Our water system is monitored and regulated by the State of North Carolina which grants us a permit to operate. In accordance with State standards, water samples are tested at an independent laboratory for bacteria and other harmful contaminants. Each customer receives a copy of our annual report showing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

### Water Enterprise Expenditures

The total budgeted expenditure for the water enterprise in fiscal year 2014 is \$595,057, a 3.1% 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.



<b>Water</b>	
Back-flow preventers	4,695
Harbour Walk Service Line Replacement	22,208
Chlorine Scales	2,600
Bill folding/stuffing machine (Shared with Sewer)	2,148
Chlorine Gas Regulator	1,890
<b>TOTAL</b>	<b>\$33,541</b>

*Proposed Water Enterprise projects*

Plans for the water utility include continuing a multi-year project to install backflow preventers on all our water connections, replacing service lines, purchasing appropriate equipment for chlorine handling, and replacing an outdated folding/stuffing machine. These projects, comparatively small in scope and expense, will be detailed under the department through which they are funded.

### **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).

The increase in the Office Supplies line (260) is to purchase a new folding and stuffing machine and split the cost with the sewer utility. Our current machine is over 10 years old and requires frequent adjustment and repair to make it through a single billing cycle. Options for more sustained repair are limited due to the age of the machine.

Debt service is a large expenditure for this enterprise. In fact, 30% 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 2013-2014

Water Admin & Finance		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>60-7125</b>								
121	Wages & Salaries	87,414	86,870	94,687	92,766	95,244	99,604	79,105
122	Overtime	1,000	180	1,000	689	1,000	500	1,000
134	401(k) Retirement	4,371	4,320	4,734	4,612	4,762	4,982	3,955
181	FICA	6,685	6,485	7,182	6,942	7,223	7,516	6,052
182	Loc Govt Emp Retirement	5,551	5,488	6,514	6,347	6,419	6,717	5,593
183	Group Insurance	18,443	18,755	18,881	18,572	21,714	23,802	20,318
186	Workers' Compensation Ins.	2,721	2,338	2,569	3,058	2,856	2,565	2,242
310	Travel & Subsistence	1,000	474	1,000	1,553	1,300	608	750
395	Training	2,500	932	2,500	2,262	1,300	898	1,950
191	Auditing Service	4,500	4,100	4,500	4,167	4,400	4,333	4,500
192	Professional Service - Legal	1,000	4,640	3,000	2,230	1,000	1,000	1,000
193	Engineering Services	20,000	17,000	2,000	2,720	2,000	1,500	1,500
381	Other IT Services	1,358	372	1,358	381	400	400	500
382	Banking Services	1,400	1,142	1,400	1,156	1,400	1,177	1,400
393	Temporary Help Services	0		0	2,804	0	0	0
399	Contracted Services	2,360	2,899	2,100	2,126	2,500	3,002	4,246
440	VC3 IT Service & Maint.	7,130	5,304	9,270	8,860	10,255	7,666	9,467
441	Springbrook Service & Maint.	3,400	3,375	3,522	3,510	3,663	3,651	3,797
482	Indirect Cost- Labor	46,582	46,853	46,396	46,396	48,343	48,343	76,822
481	Labor Allocation	-20,904	-20,904	-29,871	-29,871	-30,595	-30,595	-30,237
212	Uniforms	2,100	2,184	2,400	2,236	2,500	2,268	2,500
251	Motor Fuel	3,024	3,292	3,668	2,299	3,293	2,232	3,279
260	Office Supplies	5,000	2,398	4,000	3,287	3,500	3,500	5,600
320	Telephone & Postage	4,500	4,074	4,500	4,877	4,620	4,845	5,160
370	Advertising	300		300	210	0	346	0
340	Printing	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	915	1,500	1,024	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	7,427	8,900	6,648	8,879	7,017	9,617
491	Dues & Subscriptions	1,000	1,394	1,400	1,137	1,200	1,200	1,200
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	85,859	85,859	88,542	88,542	107,323
720	Bond Interest Payment	75,741	75,741	72,950	72,950	69,945	47,606	41,480
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	12,891	12,891	0	0	0	0	0
770	Install. Purchase - Interest	134	133	0	0	0	0	0
499	Miscellaneous	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>406,460</b>	<b>395,929</b>	<b>377,220</b>	<b>370,808</b>	<b>378,164</b>	<b>355,724</b>	<b>380,618</b>
121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director							
310/395	Training/Travel & Sub - to encourage professional development and higher levels of licensure Includes \$800 for Finance Assistant training and travel							
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		500	(\$2,000 total: 500 wat, 500 sew, 1,000 gen)			
		Locate Plus		150				
		Mowing Contract		1,996	10% of base lawn bid			
		Elster Support		1,250				
		Misc Services		350				
				<u>4,246</u>				
381	Computer Services: DSL, web site, etc. VC3 Hosted Desktop Contract: \$27,876 + \$3,681 support = \$31,557 [40% general fund, 30% water, 440 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 \$2,148 for folding/stuffing machine. Total cost of \$4,296 split with water.							
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (FY07)							
450	Insurance Premiums: Property/Liability/Workers' Comp/allowance for deductibles							

### **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 are two minor purchases proposed in this department. One is to purchase new scales of chlorine cylinders to accurately measure the amount of gas left in order to get full utilization of a cylinder while avoiding having it run out. The scales also help operators ensure dosages are correct. The other purchase is to acquire a back-up chlorine gas regulator. We have enough regulators to operate the system and have an old, outdated regulator we can use if one of the primary ones is being serviced. Due to the critical nature of working with this gas, it is important to have accurate and dependable equipment in place. Our operators are trained to service the regulators, but sufficient time is needed to do a proper job. Having a spare regulator of the same type and quality will enable the operators to perform required maintenance in a safe and appropriate manner.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

Water Supply and Treatment		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>60-7132</b>								
398	Testing	12,000	8,521	12,000	9,707	9,900	9,900	9,900
399	Contracted Services	3,500	1,525	8,500	6,576	3,000	3,000	3,000
298	Chemicals	11,000	8,323	11,000	8,509	9,800	9,800	9,800
299	Supplies & Materials	8,500	3,100	9,500	6,618	12,900	9,000	11,990
330	Utilities	9,100	8,390	8,800	8,697	9,100	7,500	8,500
351	Maint & Repair- Bldg	2,000	134	2,000	540	1,500	1,500	1,500
352	Maint & Repair- Equip	5,000	8,500	5,000	487	5,000	3,000	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	10,000	0	30,200	24,378	0	0	0
580	Capital Outlay-Grounds & Bld	0	0	0	0	0	0	
595	Capital Outlay-Wells/Pumps	0	0	0	0	0	0	
	<b>TOTAL</b>	<b>63,310</b>	<b>40,702</b>	<b>89,210</b>	<b>67,722</b>	<b>53,410</b>	<b>45,910</b>	<b>51,400</b>
399	Contracted Services - electrical, etc.							
299	Small equipment purchases, chemical pumps, etc.			7,500				
	Chlorine Regulator			1,890				
	Chlorine Scales			2,600				
				11,990				
330	Based upon historical costs/demand, and contemplates a 9% base rate increase by July 1, plus a 2% fuel factor increase in December							
496	Permit fees: Community Water Supply and Well Filter backwash Backwash discharge permit fee \$860							
595	Provision for a Well pump, \$10,000, is included in the CIP							

## **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. The tower on Shoreline Drive was painted in Fiscal Year 2008-09. This type of maintenance prolongs the effective life of these assets and ensures, through professional inspection, that they are safe and functional.

We added in FY 2011, to our annual water tower maintenance agreement, funding for the application of "bio-film" to the inside of our water tanks. This process helps reduce the typical build-up of biological residue on the interior surface, thus reducing the demand for treatment chemicals.

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 replace 32 service lines that serve the units in the Harbour Walk development. These lines are some of the last in our system that use what we consider to be an inferior quality plastic piping. This project, funded by the water CIP, will help us get ahead of surprise repairs that will likely be needed in the near future.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

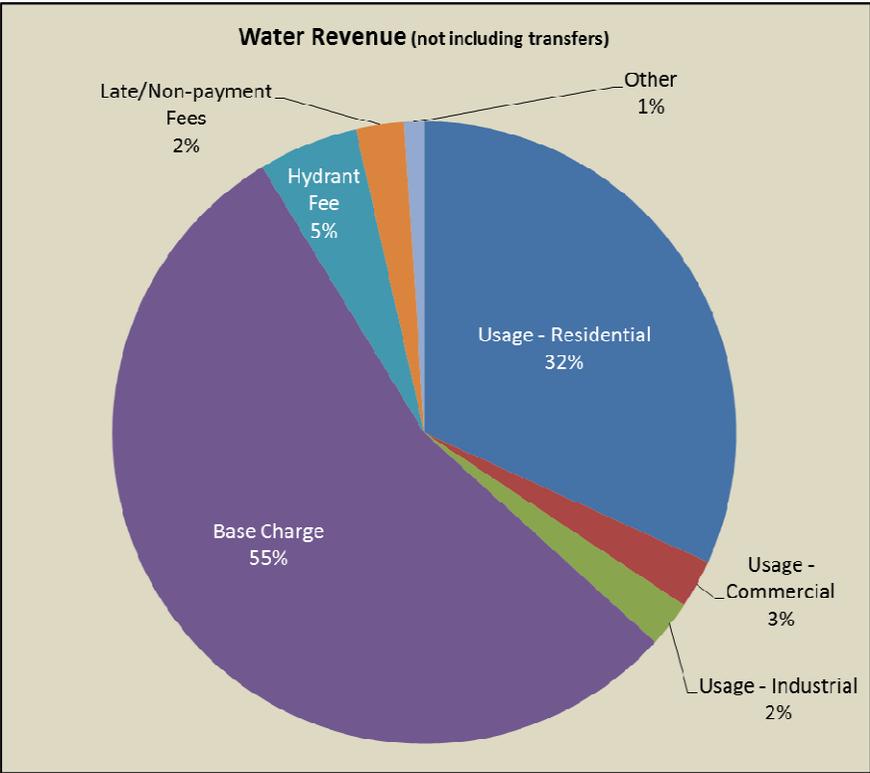
Water Distribution		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>60-7134</b>								
399	Contracted Services	12,000	4,266	12,000	3,805	11,240	11,000	6,530
442	Water Tower Service Contract	20,790	19,390	20,790	20,790	24,477	23,077	24,477
299	Supplies & Materials	15,500	11,882	12,000	11,459	11,300	11,300	9,695
352	Maint & Repair- Equip	2,000		2,000	263	2,000	2,000	2,000
430	Bldg & Equip Rental	2,000	130	2,000	175	2,000	2,000	2,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	
596	Capital Outlay- Lines/Tanks	0	0	220,128	217,180	20,000	16,719	22,208
	<b>TOTAL</b>	<b>52,290</b>	<b>35,667</b>	<b>268,918</b>	<b>253,672</b>	<b>71,017</b>	<b>66,096</b>	<b>66,910</b>
<b>Lines and meters for distribution, maintenance and repair of infrastructure.</b>								
399	NC One Call	180						
	Alarm (well monitoring)	350						
	Leak Repair Contingency	6,000						
		6,530						
442	Base Contract \$23,077+ \$1,400 for bio-film application (No change from prior year)							
299	Backflow Preventers	4,695						
	Pipe and Fittings	4,000						
	Other Small Equipment	1,000						
		9,695						
596	Harbour Walk Service Line Replacement							
	Replace 32 service lines		17,208					
	Asphalt Patching Allowance		5,000					
			22,208					

### 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	10-11		11-12		12-13		13-14
	YR End	Actual	YR End	Actual	Current	Projected	Proposed
	Budget	Revenue	Budget	Revenue	Budget	Year-End	Budget
Utility Usage Chg- Class 1 & 2	209,146	205,339	200,234	203,394	205,416	195,489	187,065
Utility Usage Chg- Class 3 & 4	12,989	15,336	15,284	17,451	17,877	12,160	12,156
Utility Usage Chg- Class 5	19,135	18,974	19,537	15,316	16,723	14,059	14,062
Utility Usage Chg- Class 8	3,944	3,308	3,397	2,762	2,561	2,655	2,653
Utility Customer Base Charge	307,688	308,642	308,937	311,672	320,536	320,906	320,726
Fire Hydrant Availability Fee	34,776	33,347	32,913	31,564	30,636	31,590	30,429
State Grants	0	0	0	0	0	0	0
Unbilled Receivables	0	0	0	0	0	0	0
Tap Connection Fees	3,750	3,750	3,750	3,750	2,500	2,500	2,500
Utility Billing Nonpayment Fees	5,040	8,465	6,300	6,540	6,090	6,090	6,090
Utility Billing Late Payment Fees	8,415	9,289	8,900	8,045	8,569	8,285	8,569
Capital Investment Fees	2,600	2,600	2,600	2,600	2,600	2,600	2,700
Chgs to General Fund	0	0	0	0	0	0	0
Chgs to Sewer Fund	0	0	0	0	0	0	0
Miscellaneous	0	894	0	1,002	0	0	0
Interest	1,859	169	442	223	487	173	849
Sale of Fixed Asset	0	114	0	0	0	250	0
Sales Tax Refund Revenue	0	0	0	1389	0	0	0
Proceeds from Debt	0	0	0	0	0	0	0
Transfer from General Fund	0	0	0	0	0	0	0
Transfer from Sewer Fund	0	0	0	0	0	0	0
Transfer from Water Capital Reserve	18,000	18,000	208,128	208,128	0	0	0
Appropriated Fund Balance	0	0	23,438	0	0	0	7257
<b>TOTALS</b>	<b>627,342</b>	<b>628,227</b>	<b>833,860</b>	<b>813,836</b>	<b>613,995</b>	<b>596,757</b>	<b>595,057</b>

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 940 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 2012, we treated 33.7 million gallons of wastewater compared to 42 million gallons in 2011. The daily average treatment rate was 92,116 gallons in 2012 and 115,000 gallons in 2011. 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 94% of our permitted capacity, while in reality we use, on average, 30% of our permitted capacity.



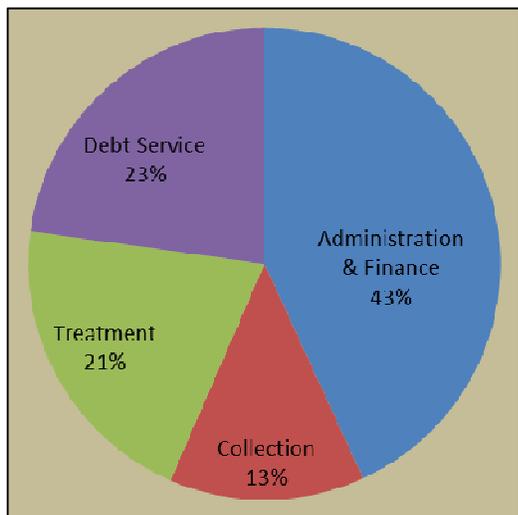
The North Carolina Department of Water Quality (DWQ) administers federal and state regulations designed to protect the quality of the receiving waters. Part of this administration is the issuance of permits for treatment facilities like the one we have here in River Bend. Our treatment plant has a permitted 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 2014 is \$628,398, a 7.4% decrease 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.

<b>Wastewater</b>	
Bill folding/stuffing machine (Shared with Water)	2,147
Unit 1 clarifier repair	9,220
Static Screen By-Pass	6,863
Flow Equalization Basin By-Pass	1,576
Main Lift Station Renovation	12,000
Lift station pump	5,000
Water Hydrants at Lift Stations	3,900
<b>TOTAL</b>	<b>\$40,706</b>

#### *Proposed Sewer Enterprise projects*

In fiscal year 2014 we plan to, as noted in the water fund description, replace our folding and stuffing machine. We also plan to make two minor improvements at the wastewater treatment plant, and make a required repair to one of the treatment units. We also plan to renovate the main lift station, purchase a spare lift station pump, and install water access at two lift stations. These projects, comparatively small in scope and expense, will be detailed under the department through which they are funded.

### **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).

The increase in the Office Supplies line (260) is to purchase a new folding and stuffing machine and split the cost with the water utility. This purchase is fully explained on page 170.

Debt service is a large expenditure for this enterprise. In fact, 23% 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 2013-2014

Sewer Admin & Finance		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>61-7125</b>								
121	Wages & Salaries	108,624	108,625	98,408	95,619	109,309	103,459	88,035
122	Overtime	1,000	410	1,000	1,003	1,000	1,000	1,000
134	401(k) Retirement	5,431	5,402	5,420	4,808	5,465	5,188	4,402
181	FICA	8,309	8,121	8,202	7,234	8,267	7,821	6,735
182	Loc Govt Emp Retirement	6,898	6,860	7,458	6,616	7,367	6,992	6,224
183	Group Insurance	23,473	23,628	22,165	19,726	25,491	24,914	21,981
186	Workers' Compensation Ins.	3,540	3,044	3,025	3,016	3,376	2,984	2,719
310	Travel & Subsistence	1,000	474	1,000	869	1,500	953	300
395	Training	2,500	872	2,500	1,343	1,600	1,178	1,105
191	Auditing Service	4,500	4,100	4,500	4,167	4,400	4,333	4,500
192	Professional Service - Legal	500	150	500	26	3,000	11,000	1,000
193	Engineering Services	3,000	1,625	24,950	22,170	53,500	53,500	2,500
381	Other IT Services	1,358	372	1,358	381	400	400	500
382	Banking Services	1400	1082	1400	1096	1,400	1,124	1,400
393	Temporary Help Services	0		0	2,804	0	0	0
399	Contracted Services	1,000	1,345	1,000	744	5,000	4,207	2,100
440	VC3 IT Service & Maint.	7,130	5,304	9,270	8,860	10,255	7,666	9,467
441	Springbrook Service & Maint.	3,400	3,375	3,522	3,510	3,663	3,651	3,797
482	Indirect Costs- Labor	46,582	46,583	46,396	46,396	48,343	48,343	76,822
481	Labor Allocation	-20,904	-20,904	-29,871	-29,871	-30,595	-30,595	-30,237
212	Uniforms	2,100	2,184	2,400	2,236	2,500	2,269	2,500
251	Motor Fuel	3,024	3,292	3,668	2,299	3,293	2,232	3,279
260	Office Supplies	5,000	3,209	4,000	2,360	3,500	3,500	5,600
320	Telephone & Postage	3,250	3,744	3,700	3,855	3,600	4,987	4,140
340	Printing	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	915	1,500	1,046	1,500	1,500	1,500
370	Advertising	0	0	0	0	3,000	422	
391	Legal Advertising	0	0	0	0	0	1,904	
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	9,000	9,000
450	Insurance: Prop/Liab	8,600	6,932	8,600	8,565	11,008	9,063	11,959
491	Dues & Subscriptions	1,000	539	555	772	800	776	800
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	74,141	74,141	76,458	76,458	92,677
720	Bond Interest Payment	65,404	65,404	62,995	62,995	60,400	41,109	35,820
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	12,891	12,891	0	0	0	0	0
770	Install. Purchase - Interest	134	133	0	0	0	0	0
499	Miscellaneous	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>394,785</b>	<b>382,850</b>	<b>382,762</b>	<b>367,784</b>	<b>437,800</b>	<b>411,336</b>	<b>371,623</b>
121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director							
310/395	Training/Travel & Sub - to encourage professional development and higher levels of licensure Includes \$800 for Finance Assistant training and travel							
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	Reverse 911		500	(\$2,000 total: 500 wat, 500 sew, 1,000 gen)			
		Elster Support		1,250				
		Misc Services		350				
				2,100				
440	VC3 Hosted Desktop Contract: \$27,876 + \$3,681 support = \$31,557 [40% general fund, 30% water, 30%							
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 \$2,148 for folding/stuffing machine. Total cost of \$4,296 split with water.							
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 the collection system, we plan to make some repairs in the main lift station off Gull Pointe. In FY 2013 we made an emergent repair at this location by replacing two malfunctioning check valves. In the coming year we will complete the renovation of this lift station by installing new piping and new gate valves. We also, for the collection system, plan to purchase an additional spare lift station pump. We currently have one spare, but frequently need to place it into service while other pumps are being maintained. This leaves us with no spare pump should another in the system fail. Having a second spare on hand will help ensure we have enough pumps to keep the system functioning as designed.

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.

The last task in the collection system is to install water connections at two lift stations. There is no water available at the Starboard or Quarterdeck lift stations so our operators must bring water in our mobile jetter as they clean and service the lift stations. Having a water hydrant at the station will allow for easier access in order to keep the station clean.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

Sewer Collection		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>61-7142</b>								
399	Contracted Services	22,000	22,502	25,000	19,328	22,000	18,873	26,727
299	Supplies & Materials	10,000	6,937	10,000	2,639	9,800	9,800	8,800
330	Utilities	10,000	8,243	9,000	7,044	7,500	6,900	8,000
352	Maint & Repair- Equip	9,000	4,290	12,000	14,632	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	0	0	24,400	15,810	10,000	10000	0
598	Capital Outlay - Pump/Lift Sta.	0	0	0	0	5,500	4830	17,000
	<b>TOTAL</b>	<b>53,810</b>	<b>42,782</b>	<b>83,210</b>	<b>60,263</b>	<b>69,610</b>	<b>65,213</b>	<b>75,337</b>
399	Contracted Services - Alarm system on 9 Lift Stations				3,127			
	Yard Hydrants - Starboard (\$2,200) and Quarterdeck (\$1,700)				3,900			
	Grease Removal				1,700			
	Emergent Repairs				18,000			
					26,727			
299	Generator Fuel	1,800						
	Pipe, fittings, tools, safety equip.	4,500						
	Lift Station Supplies (deodorizer, de	2,500						
		8,800						
330	Based upon historical costs/demand, and contemplates a 9% base rate increase by July 1, plus a 2% fuel factor increase in December							
352	Maintenance and repair of lift station pumps and equipment							
598	Purchase back up lift station pump		5,000					
	Main Lift Station - Upgrade		12,000					
			17,000					

## **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 2014 we plan to make a few improvements to the wastewater treatment plant. Specifically, we plan to make a repair to a gasket on the clarifier on plant #1, the smaller of the two plants. During our annual NC Department of Water Quality inspection, leaking under the weir of the clarifier was noted in the report from the inspector. While this does not cause a violation of our permit, it is something that needs to be addressed to ensure the plant is functioning properly. We also plan to install two by-passes, one for the screen that removes larger debris in the influent stream and one for the pumps in the surge tank, in order to improve operational and maintenance flexibility.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

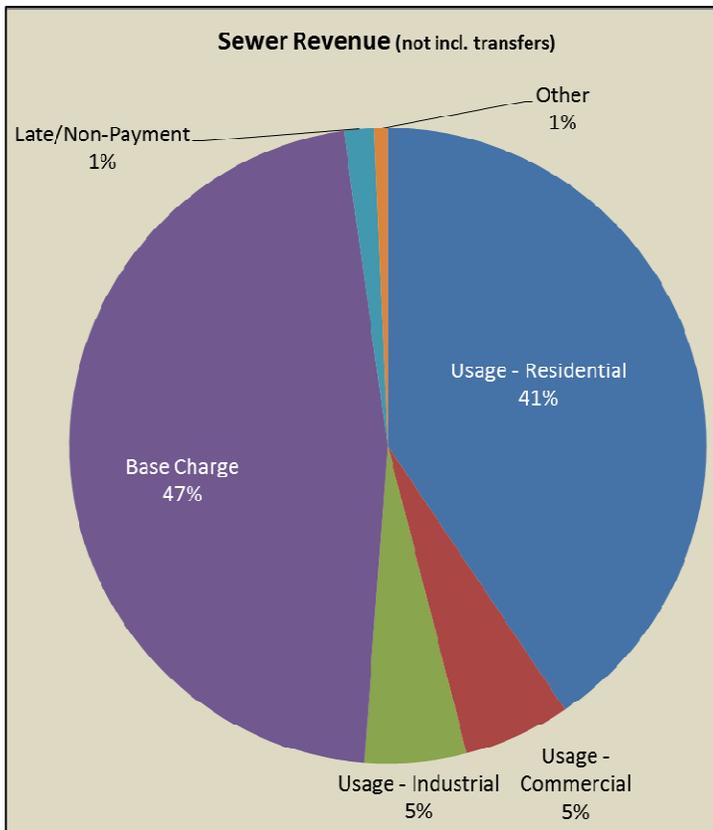
Sewage Treatment		10-11		11-12		12-13		13-14
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Projected Year-End	Adopted Budget
<b>61-7144</b>								
398	Testing	16,000	12,925	17,000	16,165	16,500	16,500	16,500
399	Contracted Services	21,200	21,219	24,075	23,033	24,075	24,000	20,900
298	Chemicals	14,000	10,878	14,000	13,116	10,500	10,500	10,500
299	Supplies & Materials	9,200	4,312	10,500	4,973	8,500	6,000	8,500
330	Utilities	31,000	28,635	31,000	26,351	25,500	27,000	31,000
351	Maint & Repair- Bldg	500	0	500	12	2,000	2,000	1,000
352	Maint & Repair- Equip	10,000	4,842	14,110	13,401	9,610	9,610	9,695
430	Equip Rental	0	0	0	0	0	0	0
496	Permit Fees	860	901	860	860	860	860	860
550	Capital Outlay- Equipment	0	0	0	0	0	0	0
594	Capital Outlay- Treatment Plant	30,200	28,202	43,500	41,735	0	0	17,583
	<b>TOTAL</b>	<b>132,960</b>	<b>111,915</b>	<b>155,545</b>	<b>139,647</b>	<b>97,545</b>	<b>96,470</b>	<b>116,538</b>
399	Sludge Hauling	11,000						
	Pump digester	4,000						
	Pump grit chambers	4,000						
	Dumpster Service	1,205						
	Lift station alarms	695						
		20,900						
330	Based upon historical costs/demand, and contemplates a 9% base rate increase by July 1, plus 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	Unit 1 clarifier repair	9,220						
	Bar Screen By-Pass	6,863						
	Flow Equalization Basin By-Pa:	1,500						
		17,583						

**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	10-11		11-12		12-13		13-14
	YR End	Actual	YR End	Actual	Current	Projected	Adopted
	Budget	Revenue	Budget	Revenue	Budget	Year-End	Budget
Utility Usage Chg- Class 1 & 2	280,874	268,822	262,898	256,057	256,664	240,278	233,417
Utility Usage Chg- Class 3 & 4	27,464	32,428	32,317	36,899	29,852	25,710	25,704
Utility Usage Chg- Class 5	40,460	40,120	41,310	32,282	42,237	29,726	29,733
Utility Usage Chg- Class 8	8,092	6,715	6,945	5,483	7,667	5,411	5,406
Utility Customer Base Charge	269,098	267,794	267,409	262,979	268,453	269,084	268,064
Unbilled Receivables	0	0	0		0	0	0
Tap Connection Fees	1,250	1,250	1,250	0	1,250	4,650	1,250
Utility Billing Late Payment Fees	10,090	9,885	9,400	8,088	8,755	7,342	8,755
Capital Investment Fees	1,500	1,500	1,500	0	1,500	1,500	1,900
Chgs to General Fund	0	0	0	0	0	0	0
Miscellaneous	0	255	0	0	0	1,743	0
Interest	2,146	261	600	175	522	166	719
Sale of Fixed Asset	0	1,734	0		0	5,368	0
Sales Tax Refund Revenue	0	340	0	98	0	0	0
Proceeds from Debt	0	0	0	0	0	0	0
Transfer from General Fund	0	0	0	0	0	0	0
Transfer from Water Fund	0	0	0	0	0	0	0
Transfer from Sewer Cap. Reserve	3,000	3,000	0		0	0	
Appropriated Fund Balance	12,081	0	62,388		61,500		53,450
<b>Totals</b>	<b>656,055</b>	<b>634,104</b>	<b>686,017</b>	<b>602,059</b>	<b>678,400</b>	<b>590,978</b>	<b>628,399</b>

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.



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## 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-.

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."*

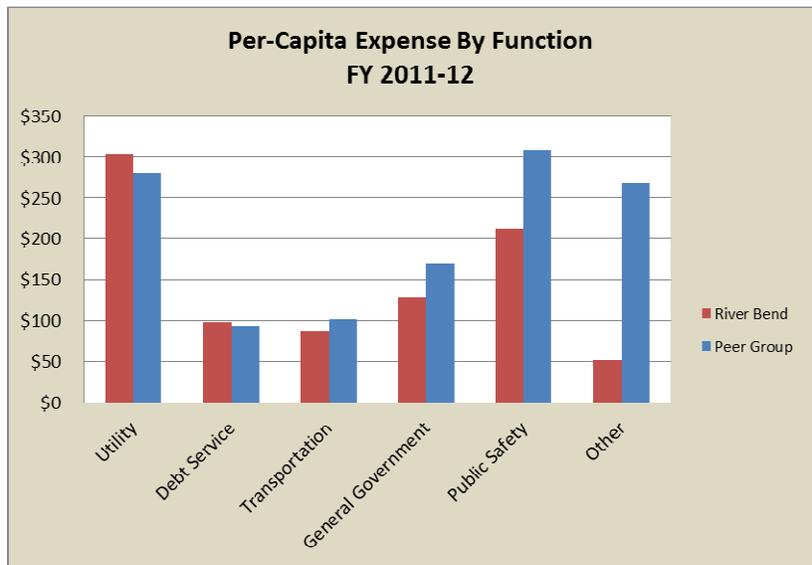
These favorable reviews, especially in the current economy, is a testimony to the financial strength of this Town. Through good planning and making difficult decisions, River Bend will remain viable and strong for many years to come.

**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.

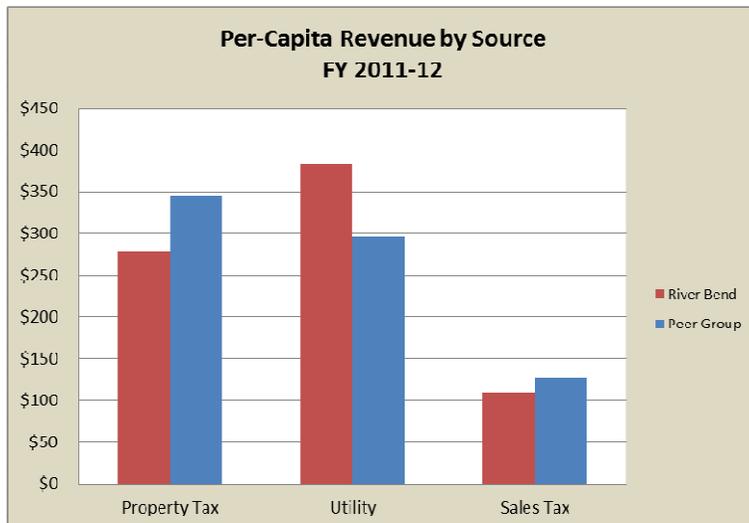
Our peer group is localities with a population between 2,500 and 9,999 residents that do not operate an electric utility. In the fiscal year ending June 30, 2012, there were 105 localities in our peer group.

Data from the LGC show that River Bend’s per-capita expenditures in 2012 were \$881 compared to \$1,221 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. We also, as a result of the amount we spent to maintain our roadway infrastructure in FY 2012, outspent our peers in the Transportation category. 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 2012 in terms of per-capita revenue. The data show that our per-capita revenue was \$955 compared to \$1,227 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 <sup>th</sup>
Property Tax Burden Per Capita:	Low Burden	130 <sup>th</sup>
Sales Tax Burden Per Capita:	Low Burden	130 <sup>th</sup>

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.

**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 expenses 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 expense(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 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.

**Designated Fund Balance** – Monies over the years that remain unspent after all budgeted expenditures have been made, but which are reserved 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 Atate-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.

**Undesignated Fund Balance** – That portion of resources, which at year’s end, exceeded requirements and has not been designated at some future time for a specific project or use. Money in the undesignated 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

March 6, 2013

**To:** Mayor Kirkland and Members of Town Council

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

**Re:** Police Department Budget for FY 2013-14

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 begin 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 Tuesday. 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.

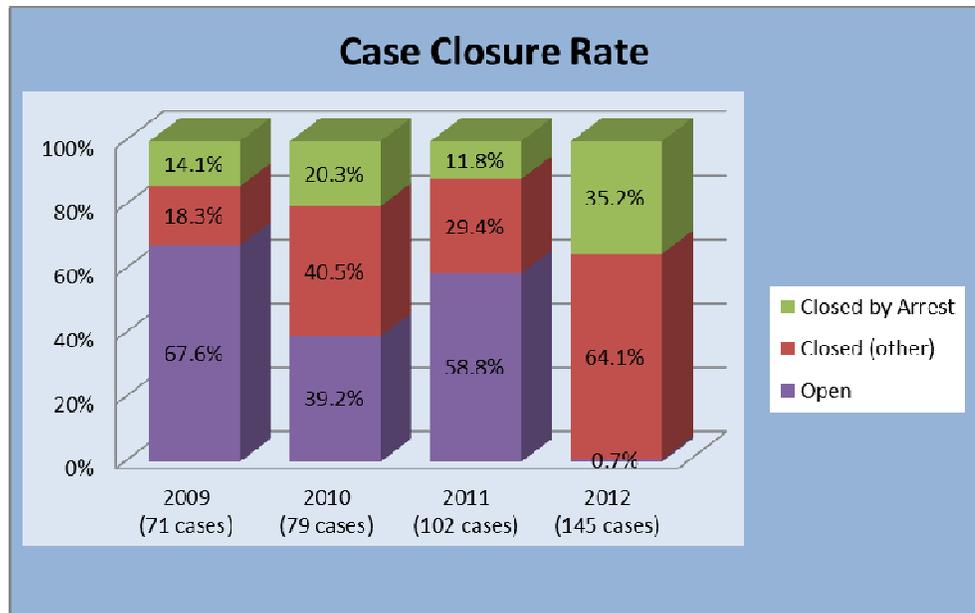
- Proactive presence
- Teamwork with the residents and volunteer groups for a safer Community
- Complete Investigations
- Comprehensive Training
- Partnership with surrounding agencies
- Continuing to improve the quality of life through equitable enforcement of local ordinances

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

- All Officers are trained in basic forensic evidence collection
- 3 of the 5 officers are RADAR certified (1 was prior)
- 2 of the 5 officers are Intoximeter certified(1 was prior)
- Officers attended 384 hours of non state mandated (no cost) training by June 2013
- The Department now has two state certified instructors for training purposes
- 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.

- Moved to a 12 hours shift schedule
- Right sized Department leadership by having only one sergeant
- Moved the part time officer position to a part time detective position to handle more significant cases
- 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

***More effective case management and assignment and change in mindset lead to an increased case clearance rate as shown on the chart shown to the right***



- The Department has purchased over \$4,200 of equipment with non matching grants (RADAR, Tint Meters, Patrol Flashlights)
- Partnered with all Craven County Law Enforcement in the Governors 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

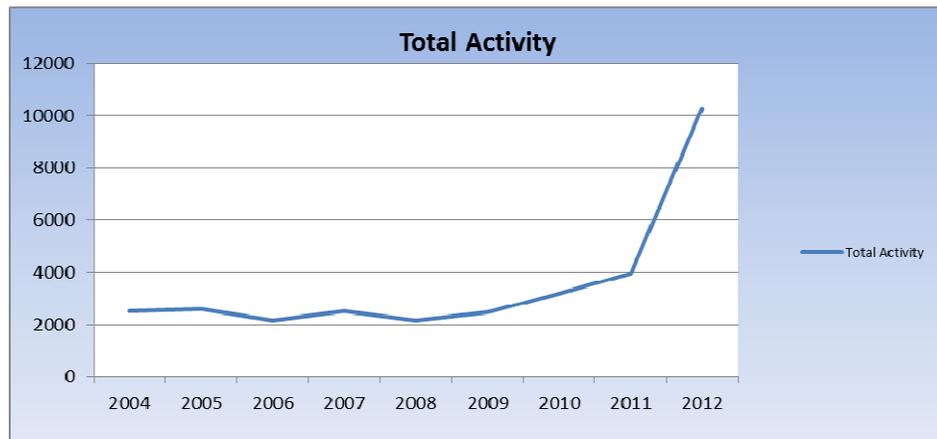
- Use of driver's license check points to enhance traffic safety and identify late night criminal activity by non-resident visitors. We are not using checkpoints as a way to write tickets or to inconvenience residents. As an example of how these are used, we conducted 5 checkpoints between October 2012 and January 2013. Three were at night, and two were during the day. From these checkpoints we gained a greater presence in the community and issued the following charges:

Driving with License Revoked / Driving with No License	6
No Insurance	3
Arrests on Warrants	3
Drug Offenses	4
Seat Belt Violations	1
Other	3

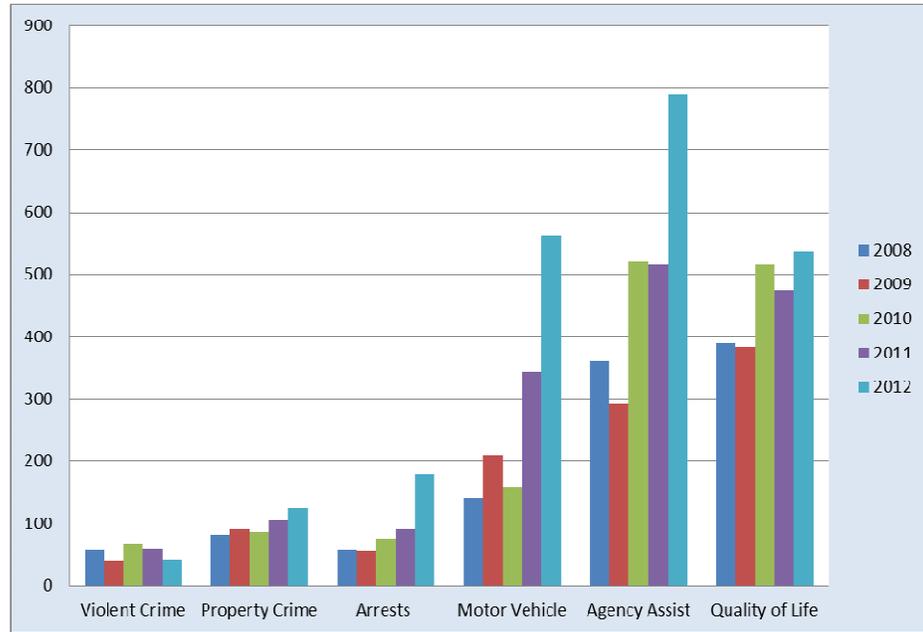
**How busy are we?**

- 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.

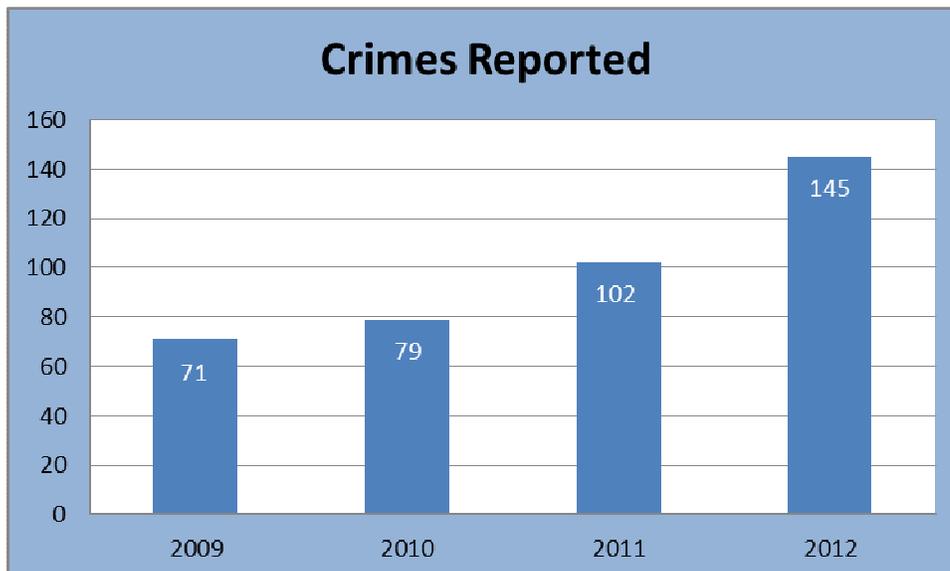
Motor Vehicle: Includes Crashes, Warnings, Citations, and Complaints.

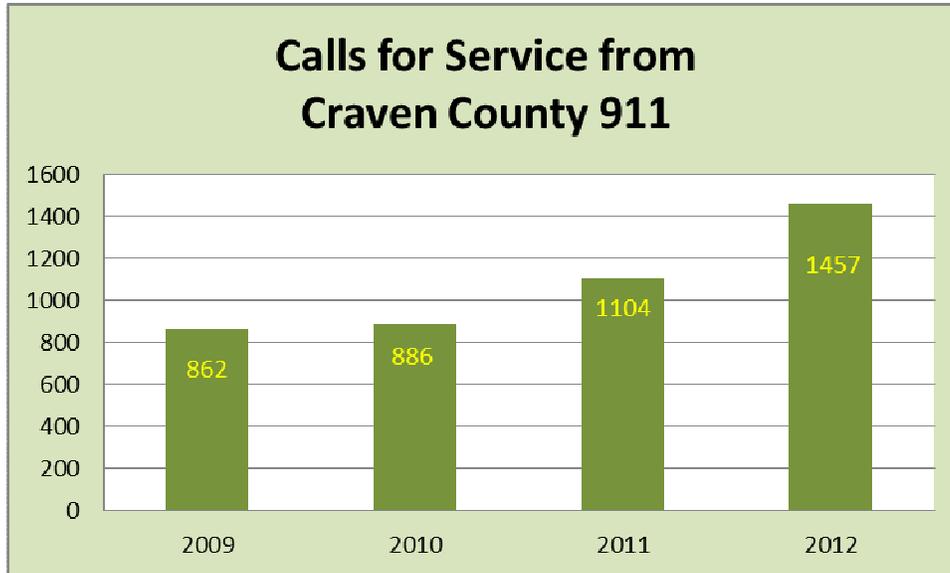
Agency Assist: Includes other Law Enforcement, EMS / First Responders, and Fire and Internal Case Assists and Follow-up

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 doubled in four years and calls for service through 911 has increased 60%.
- 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.

**What changes/improvements would we recommend for Fiscal Year 2013-14?**

1. Add an additional full-time patrol officer. As you know, we have applied for a grant to attempt to cover some of the costs associated with this addition. **(Personnel Cost: \$38,770. Uniform, etc. \$1,800)**

A: Here are the benefits of adding another officer:

- Additional coverage at night time.
- Back up officer on two officer calls. Officers are more apt to get out with suspicious persons when back up is readily there.
- Allow for a second supervisor with flexible hours by moving the one remaining Sergeant to work primarily night shifts. Having a supervisor on each shift reduces liability exposure.
- Assures continuation of services when the other officer is busy on long calls, arrests, and doing paperwork.

- If the night shift officer is sick, on leave, or training, the Sergeant will be the primary officer, thus reducing the need for overtime.
- Increase productivity and ensure needed activities are being performed.
- Reserve officers are good, but normally can only work weekends.
- Currently there is a delay in report entry from a few days to weeks. A new officer will allow for proper and timely entry.

B: Staffing models show we are understaffed for the services provided.

- International Association of Chiefs of Police (IACP) recommends a 2.2 ratio of officers per 1,000 residents. Under this model we would need to have 6.9 (7) full-time officers.
- Under our proposal we would have six full-time and one part-time officer. This would put us close to the recommended staffing.
- Our model still assumes that the Chief is working patrol and investigations, and assumes that the Chief remains flexible in his schedule to accommodate workflow and special circumstances.
- In 2005, we went to 5 full time officers for 24/7 protection. Now in 2013 we need to ask for 6 full time officers to provide complete police protection and investigation.
- A sample schedule is included on the next page to show how personnel would be deployed.

01 502-0600-1800 500- OFF 501-OFF 504-1800-0600 RES-1200-2000	02 - payroll 505-0600-1800 500-0800-1600 501-1600-0200 503-1800-0600	03 505-0600-1800 500-1200-2200 501-OFF 503-1800-0600 RES-1800-2200	04 502-0600-1800 500-OFF 501-1600-0200 504-1800-0600	05 502-0600-1800 500-0900-1800 501-1600-0200 504-1800-0600	06 505-0600-1800 500-0900-1800 501-1600-0300 503-1800-0600	07 505-0600-1800 500-1600-0100 501- OFF 503-1800-0600 RES-1800-0200
08 505-0600-1800 500-OFF 501-OFF 503-1800-0600 RES-1200-2000	09 502-0600-1800 500-0900-1800 501-1600-0200 504-1800-0600	10 502-0600-1800 500-0900-1800 501-1600-0200 504-1800-0600	11 505-0600-1800 500-0900-1800 501-1600-0300 503-1800-0600	12 Board Meet 505-0600-1800 500-1300-2200 501-OFF 503-1800-0600 RES-1800-2200	13 502-0600-1800 500-1600-0200 501-OFF 504-1800-0600 RES-1800-0200	14 502-0600-1800 500-OFF 501-1400-0200 504-1800-0600
15 502-0600-1800 500-OFF 501-1300-0100 504-1800-0600	16 – payroll 505-0600-1800 500-0800-1600 501-1600-0200 503-1800-0600	17 505-0600-1800 500-1200-2200 501-OFF 503-1800-0600 RES-1800-2200	18 502-0600-1800 500-1300-2200 501-OFF 504-1800-0600	19 Board Meet 502-0600-1800 500-1300-2200 501-1600-0200 504-1800-0600 RES-1800-2200	20 505-0600-1800 500-1000-1800 501-1600-0200 503-1800-0600	21 505-0600-1800 500-OFF 501-1400-0200 503-1800-0600 RES-1800-0200
22 505-0600-1800 500-OFF 501-OFF 503-1800-0600 RES-1200-2000	23 502-0600-1800 500-1200-2200 501-OFF 504-1800-0600	24 502-0600-1800 500-1000-1800 501-1600-0200 504-1800-0600	25 505-0600-1800 500-OFF 501-1600-0200 503-1800-0600	26 505-0600-1800 500-1000-2100 501-1600-0200 503-1800-0600	27 502-0600-1800 500-1600-0200 501-OFF 504-1800-0600	28 502-0600-1800 500-1600-0100 501-OFF 504-1800-0600

500: Chief Matthews  
501: Sgt. Riegelsperger  
502: Officer Joll  
503: Officer Detwiler  
504: Officer Thomas  
505: New Officer

- 
2. Expand the vehicle fleet to 4 patrol cars by delaying the sale of the car being replaced under the vehicle replacement plan until the next scheduled replacement.  
**(Cost: \$1,500 additional maintenance budgeted)**
    - This moves the life cycle of a police vehicle from six years to eight years.
    - Spreads mileage out over a larger number of cars, thus keep mileage lower at the time of sale.
    - Newest car would be used in patrol
    - One of the 2010 cars with the V-6 engine would be used by the Chief
    - The oldest car, with the V-8, would be primarily used by the Sergeant and thus have fewer miles put on it than if it were used in patrol rotation.
    - If one of the older cars gets to be maintenance intensive, we will suggest disposal via Gov Deals and manage with three cars until the next scheduled replacement.
  
  3. Upgrade emergency lighting and other selected vehicle equipment.
    - Current light bars are 13 years old and replacement parts are becoming scarce.
    - New vehicle will be fully outfitted with appropriate lighting.
    - The car being used by the Sergeant (vehicle #1) would get a new LED light bar, a prisoner cage, radio/switch console appropriate for patrol use, and a printer mount for the in-car printer. Formerly used by the past Chief, this car is not well set-up for patrol and incident response. **(Cost: \$2,100)**
    - Vehicle 2, the older of the 2010 V-6 Chargers would only need a printer mount. We would use the current older light bar on this car and use parts from the two we take out of service to keep it functioning until this car is replaced in FY2016.  
**(Cost: \$250)**
    - Vehicle 3, the newer of the 2010 V-6 Chargers, would have its light bar removed and would have interior mounted warning lights installed. This is the car the Chief would be assigned to use. **(Cost \$1,350)**
  
  4. Increase training locally (Pitt, Craven, Lenoir, Onslow) **(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**
      - Intoxilyzer school (1 week- Local)
      - Other management course

**Sgt. Riegelsperger**

- Basic Crash Investigation (2 weeks- Local or NCJA - \$250 travel/sustenance)
- Death Investigation Course (1 week-Local)

**Joll**

- Basic Crash Investigation (2 weeks-Local or NCJA- \$250 travel/sustenance)
- Firearms Instructor Course(1 week- NCJA- \$250 travel/sustenance plus Ammo)

**Detwiler**

- Basic Crash Investigation Course ( 2 weeks- Local or NCJA- \$250 travel/sustenance)
- Death Investigation course ( 1 week – Local)
- Basic Radar Operator ( 1 week – Local)

**Thomas**

- Basic Crash Investigation Course (2 weeks- Local or NCJA- \$250 travel/sustenance)
- Death Investigation Course (1 week- local)
- Basic Radar Operator ( 1 week – Local)

**New Officer (October)**

- Basic Crash Investigation Course (2 weeks-Local on NCJA- \$250 travel/sustenance)
- Death Investigation Course (1 week - Local)
- Basic Radar Operator Course ( 1 week – Local)

5. Begin a phased replacement of duty weapons (**Cost: Weapons \$661, Holsters \$300**)
  - Current Sig Sauer pistols are 10-12 years old
  - The cost of a new Sig is \$644
  - The cost of a new Glock of the same caliber is \$409
  - 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 officer, we will purchase Glocks
  - We propose to trade in the other Sig pistols that are not used by officers close to retirement, for new Glocks. This will mean trading in 3 Sig pistols and paying \$84 each for the new Glocks.
  - There will be a few years of mismatched department weapons, but we do not want to trade in those carried by officers nearing retirement and having them retain a new weapon when they retire.

**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 in fiscal year 2014.
- As we purchase new cars, the graphics on them will change. We may propose, in FY2015 to update the graphics on the car that will remain in our fleet the longest.

- In FY 2015 we will propose to add in-car reporting to the vehicle used by the Chief. Under our proposed FY 2014 set-up, this car would not have a mobile computer. Approximate cost for this is \$2,502.
- 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. In FY2015, we would like to purchase an additional locker for permanent storage at a cost of \$2,500.
- In FY2015 we will actively pursue a Governor's Highway Safety Program (GHSP) grant to fund the purchase of an in-car camera system to replace the oldest in our inventory. The grant would pay half of the \$5,000 total cost. We are currently looking for other, more financially feasible, ways to update this older equipment.

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## 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.

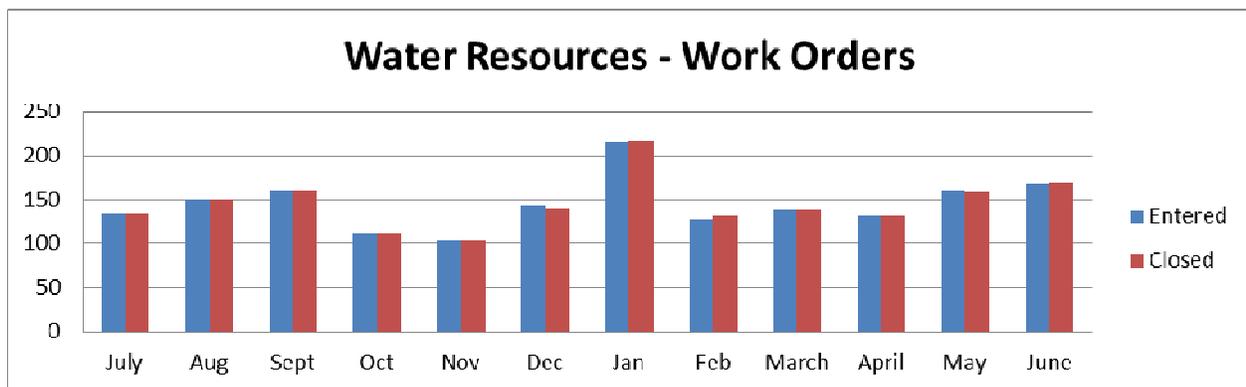
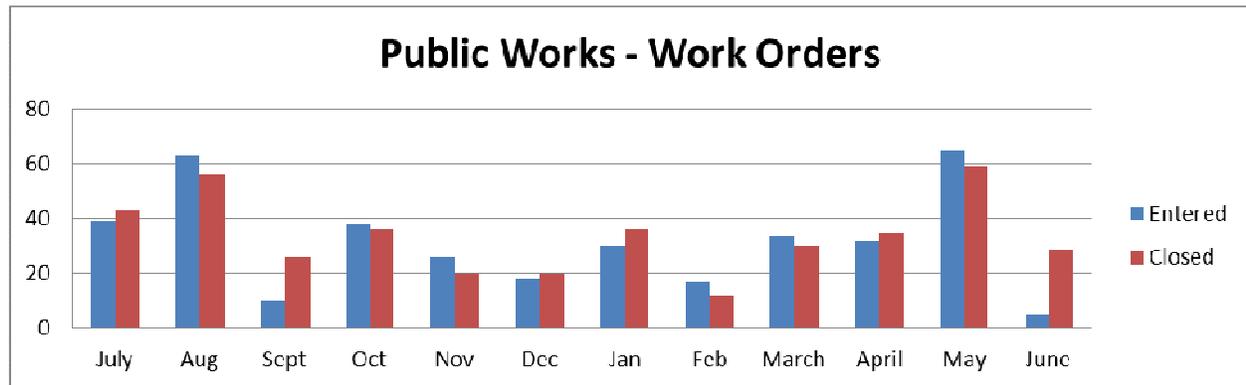
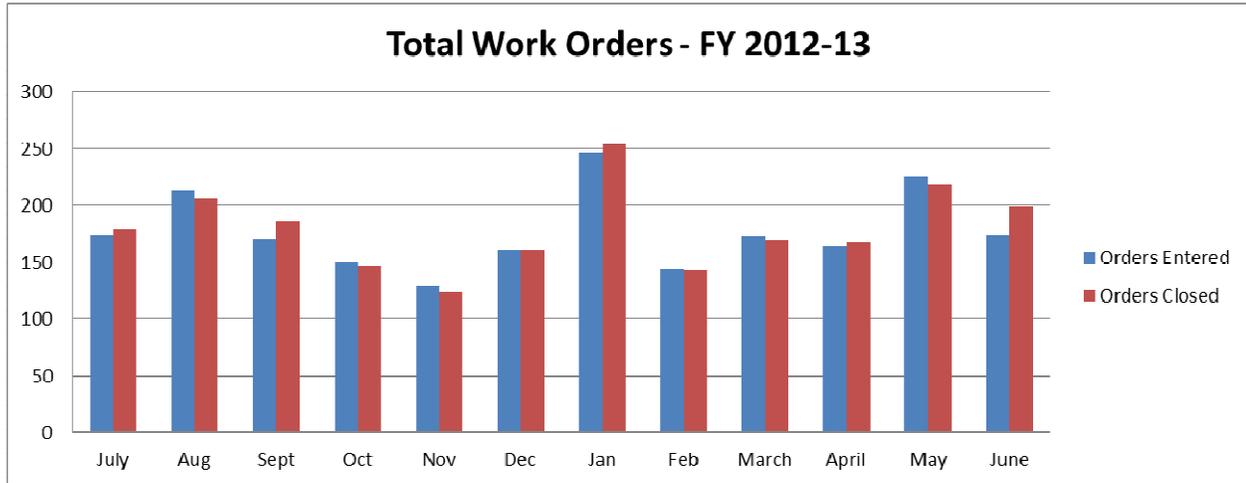
A monthly report using tabular and graphical formats is provided to the Council in their monthly meeting agenda books. Tracking this data year to year allows us to determine if there is a sustained increase in activity that might indicate the need for additional personnel resources.

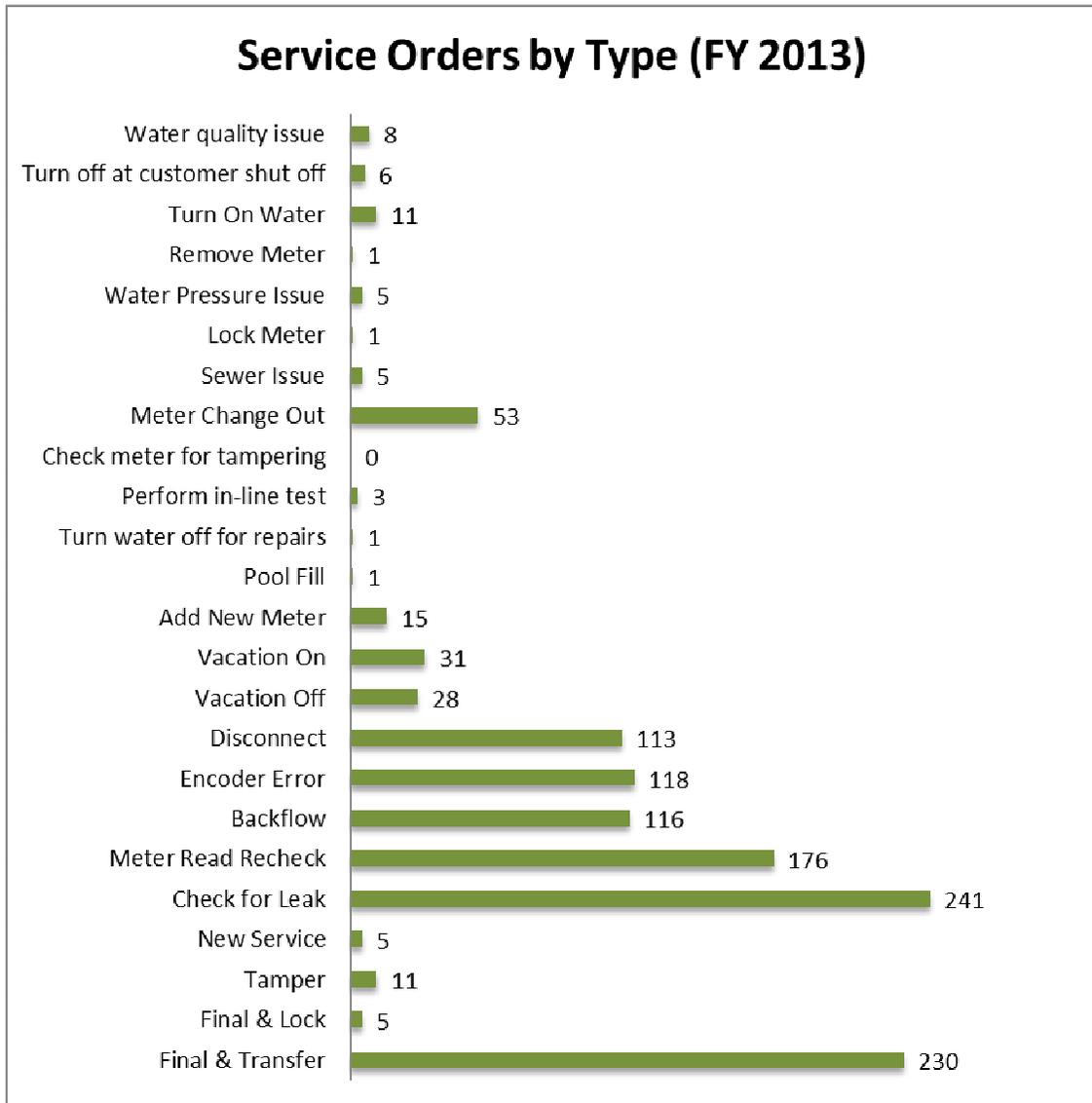
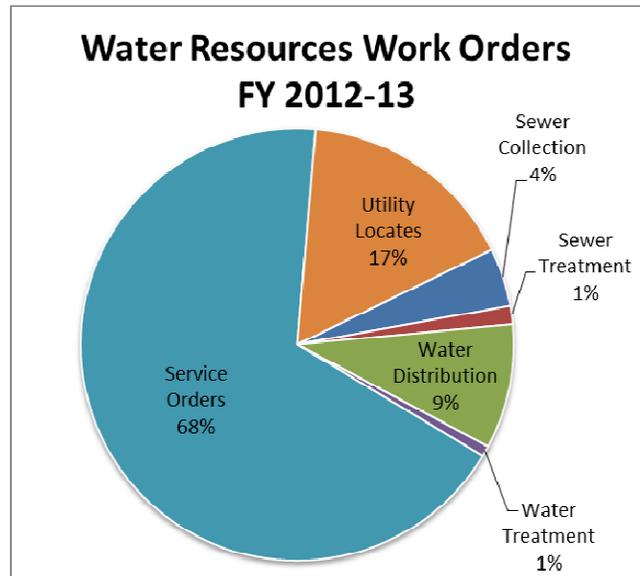
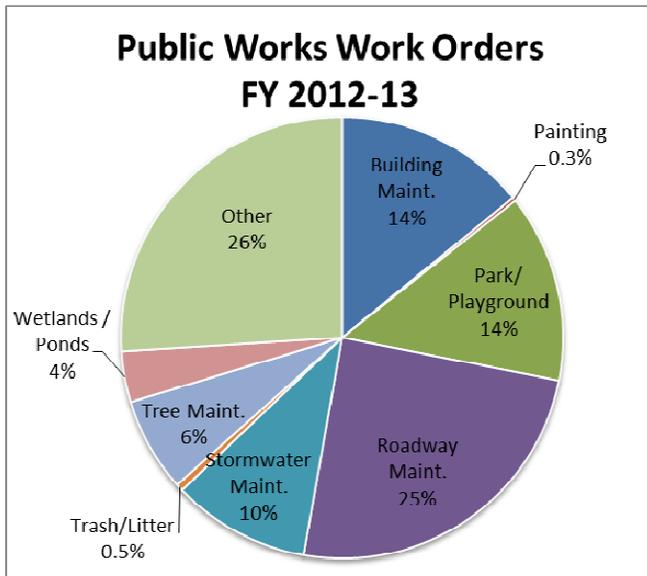
What follows is a brief description of the categories of work orders we track and report:

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

<b>Public Works</b>															
														YTD	Pending
<b>Orders Entered</b>	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June			
Building Maintenance	8	4	1	3	6	4	7	2	6	7	5			53	2
Painting			1											1	0
Park/Playground	2	6	2	2	6	3	4	1	5	6	14	1		52	5
Roadway Maintenance	5	38	1	10		3	3	7	4	5	16	1		93	10
Stormwater Maintenance	8	4	3	4	2				3	2	12			38	7
Trash/Litter				1				1						2	0
Tree Maintenance	7	2	2	3		3	2				4	3		26	2
Wetlands / Ponds	1			2	4		1		4		2			14	0
Other	8	9		13	8	5	13	6	12	12	12			98	5
<b>TOTAL</b>	<b>39</b>	<b>63</b>	<b>10</b>	<b>38</b>	<b>26</b>	<b>18</b>	<b>30</b>	<b>17</b>	<b>34</b>	<b>32</b>	<b>65</b>	<b>5</b>		<b>377</b>	<b>31</b>
<b>Orders Closed</b>	<b>43</b>	<b>56</b>	<b>26</b>	<b>36</b>	<b>20</b>	<b>20</b>	<b>36</b>	<b>12</b>	<b>30</b>	<b>35</b>	<b>59</b>	<b>29</b>		<b>402</b>	
<b>Water Resources</b>															
														YTD	Pending
<b>Orders Entered</b>	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June			
Sewer Collection	8	5	2	4	1	5		8	12	3	2	26		76	3
Sewer Treatment	3	2	4		1	4	2	1	6		1			24	2
Water Distribution	4	15	6	40	11	28	9	14	6	11	7	12		163	1
Water Treatment	3	1	6	1							2	1		14	0
Service Orders	90	84	122	53	70	89	166	70	89	95	133	123		1184	0
Utility Locates	27	44	20	13	21	17	40	34	26	23	15	7		287	0
<b>TOTAL</b>	<b>135</b>	<b>151</b>	<b>160</b>	<b>111</b>	<b>104</b>	<b>143</b>	<b>217</b>	<b>127</b>	<b>139</b>	<b>132</b>	<b>160</b>	<b>169</b>		<b>1748</b>	<b>6</b>
<b>Orders Closed</b>	<b>136</b>	<b>150</b>	<b>160</b>	<b>111</b>	<b>104</b>	<b>141</b>	<b>218</b>	<b>131</b>	<b>139</b>	<b>132</b>	<b>159</b>	<b>170</b>		<b>1751</b>	
<b>TOTAL</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>YTD</b>		
Orders Entered	174	214	170	149	130	161	247	144	173	164	225	174	2125		
Orders Closed	179	206	186	147	124	161	254	143	169	167	218	199	2153		





Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2013-2014

**Appendix C**

TOWN OF RIVER BEND BUDGET REQUEST FORM FISCAL YEAR 2013-2014							
<b>Project or Item:</b>		Lighting for Basketball Court			<b>Priority:</b>		
<b>Description of item or project:</b>							
<p>The basketball court on Town Commons, one of the most used of our recreational facilities, would benefit from lighting to allow for evening play. This project would install four 78 Watt LED lights on 20 foot poles and includes wiring, timer switch, and other necessities.</p>							
<b>Operating Budget Impact Narrative (i.e., is this a new program or item type, how does it impact other services):</b>							
<p>This is an expense that is included in our Parks budget proposal. There would likely be a small increase in power consumption as the lights get used, but those specified are highly efficient LED fixtures.</p>							
<b>Anticipated effect if the project or item is not funded:</b>							
<p>If not funded, the court will continue to be used during daylight hours only.</p>							
<b>Request for Appropriation:</b>							
		FY	FY	FY	FY	FY	
		2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	TOTAL
<b>Expenditures:</b>							
Cost		\$6,404					\$6,404
Recurring Costs							\$0
TOTAL		\$6,404	\$0	\$0	\$0	\$0	\$6,404
<b>Revenue Sources:</b>							
Local Revenue		6,404					\$6,404
Fees							\$0
Federal Grant							\$0
State Grant							\$0
Local Grant							\$0
Other							\$0
TOTAL		\$6,404	\$0	\$0	\$0	\$0	\$6,404
Expend-Revenues		\$0	\$0	\$0	\$0	\$0	\$0
<b>Attachments: NO/ YES (formal proposals or quotes)</b>							
		Submitted By: Drew Havens					
		Date: 21-Jan-13					
TRB Form #57 (11/12)							