

# **Town of River Bend**



**Fiscal Year 2009-2010**

**Annual Budget**

Town of River Bend, North Carolina  
45 Shoreline Drive  
River Bend, NC 28562

252-638-3870

## **Fiscal Year 2009-2010**

### **Annual Budget**

#### **Mayor**

John Kirkland

#### **Town Council**

Brenda Garvey  
Bert Linkonis  
Phil Seymour  
Charlie Sharpe  
Irving "Bud" Van Slyke\*

\*also serves as Finance Officer

#### **Prepared By:**

#### **Town Manager**

Drew Havens

#### **Finance Administrator**

Margaret Marshburn

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## Budget Message

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

May 1, 2009

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, 2009 and ending June 30, 2010 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 December of 2008:

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 expense and revenue item considered relative to the long-term goals of this community. This budget also reflects a commitment to preserve the current tax rate at \$0.28 per \$100 valuation, and maintains current water and sewer fees, while sustaining adequate funding for services and a commitment to retain an adequate fund balance in the general and enterprise funds.

The annual budget process is influenced by external factors including the state of the national, state, and local economies, the emergent and pre-emergent needs identified in our community by the elected body, staff, and/or 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	\$ 1,539,211
Water Fund	\$ 700,990
Sewer Fund	\$ 685,378
Total Operating Budget	\$ 2,925,579

These funds are balanced without the need to increase rates or fees for the fiscal year under consideration.

### 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. Expenses 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 for from that department. The total expense budget for the General Fund is \$1,539,211, representing a 3.87% decrease from the total projected expenditure in the current fiscal year.

### Expenditure Highlights by Department

While not attempting to cover specifics for all of the 18 departments within the General Fund, below are some highlights of the more significant expenditures and programs being proposed.

Police: The expenditures for the Police Department include salaries and benefits for our five full-time and one part-time officer, expenses associated with dispatching, vehicle maintenance, uniforms, fuel, equipment, and Community Watch. Two of our patrol officers, by virtue of training and length of service are eligible for promotion this year. Officer Jeff Fulk will be promoted from Patrol Officer 2 to Patrol Officer 3, and Officer Ernest Thomas will be promoted from Patrol Officer 1 to Patrol Officer 2. This year we need to replace one of our police vehicles. The 2003 Ford Crown Victoria has nearly 100,000 miles, and although it has served us well, requires replacement in order to avoid the potential for costly repairs. Using prices negotiated under a State purchasing agreement, we are able to buy a new police vehicle for under its retail price. The total cost for the new vehicle,

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2009-2010

including costs to upgrade the radio, and move all equipment from the old vehicle, is estimated to be \$25,000.

Stormwater: The Town Council renewed its commitment to continue to improve stormwater management in this community. The Public Works Advisory Board developed a list of areas of concern, the highest ranked of which was to correct a substantial problem in Lakemere. This project was completed in fiscal 2009 and, by all accounts, is functioning as planned. We continue to 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 this year and the Board deemed the current approach to be the most appropriate at this time. Due to the high cost of the Lakemere project, no capital projects are contemplated in this budget. However, 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.

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 see a continued decline in this funding. The budget being presented includes paving one item from our maintenance plan that being Plantation Drive (north lane) from Gull Pointe to Shoreline Drive. The estimated cost of this work falls

within the amount of "Powell Bill" revenue we expect to receive from the state. However, we also need to do marking on some roadways. In particular, Plantation Drive (north entrance) from Shoreline Drive to Gull Pointe needs a renewed centerline, and sidelines from Shoreline to the bridge over the canal near the Quarterdecks. Striping costs are likely to mean that state revenues will not cover all our road maintenance this year, therefore local funding will need to be used.

Public Buildings: Using funding from the Capital Improvement Program set aside for such projects, we will perform some routine maintenance on three of our buildings this year and do some minor

<b>Facilities</b>	
Enclose bay at PW office for lab/shop	\$11,000
Roofing - Storage buildings (\$9,100) and PW/Police (\$7,500)	\$16,600
New flooring for PW/Police	\$6,000
Repair gable end vents on Town Hall	\$1,250
Sidewalk Repair - Town Hall Park	\$2,800
Fenced area for Dumpster and Oil/Filter collection	\$1,000
<b>TOTAL</b>	<b>\$38,650</b>
<b>Parks</b>	
Park Benches	\$4,000
Walking Path - Town Commons	\$55,000
<b>TOTAL</b>	<b>\$59,000</b>
<b>Streets</b>	
Plantation - Gull Point to Shoreline (north side)	\$83,000
Striping	\$6,000
<b>TOTAL</b>	<b>\$89,000</b>
<b>Police</b>	
Vehicle Replacement - replace 2003 Ford	\$25,000
<b>TOTAL</b>	<b>\$25,000</b>
<b>TOTAL GENERAL FUND</b>	<b>\$211,650</b>

renovations to one to improve operational efficiency. Two of the Town owned storage buildings at Wildwood are in need of new roofing, as is the building that houses the police and public works departments. The total cost of these roofing projects is estimated to be \$16,600. Renovation work to the public works building to accommodate moving the water resources laboratory and public works/water resources shop to this building will cost approximately \$11,000. We also plan to replace the flooring in the police and public works office areas at an estimated cost of \$6,000. These are projects that fit well with our goals of maintaining our assets and providing functional workspace for our operational departments. These expenses are reflected in the Public Buildings department, as are more minor expenses for repairs to the Town Hall and to the sidewalks in Town Hall Park.

Parks and Recreation: In order to ensure we are receiving quality lawn and landscaping services, we split the two into separate contracts. Both current contractors are familiar with the Town and, under the supervision of our public works staff, will maintain the pleasant appearance of our property. This department's budget acknowledges the fact that both of these contracts will expire during the fiscal year.

We expect to complete the project to construct a walking path in our town park facilities. This project, partially funded by a state Parks and Recreation Trust Fund (PARTF) grant, will enhance the recreational appeal and utility of our facilities. The total estimated cost of this project for this fiscal year, \$55,000, is reflected in the Parks and CAC budget, and the revenue, a total of \$30,533, from PARTF is accounted for in the revenue section of the budget.

The budget being presented also includes continued funding for our other Parks and Recreation programs. Anticipating revenue from a Craven County grant, funding is included to purchase several park benches, similar to the one near the Dog Park, to be placed along the new walking path, and in other parks in Town. The Parks and Recreation Advisory Board plans to continue its effort 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.

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 expenses that while quite lean, will not be met without using some of our unrestricted fund balance.

The Council elected to forego some expenses this year in order to balance the needs of the community with the tax and fee burden placed upon its residents. This list, totaling over \$44,000 in cuts, is indicative of the Council's desire to be good stewards of public funds:

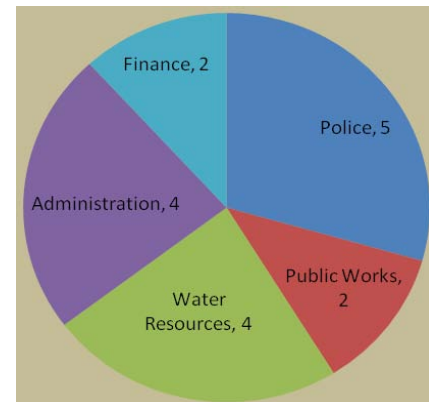
- Delayed funding a Capital Improvement Plan line item for future improvements to the Wildwood property.
- Reduced from six to three the number of Governing Body officials attending the NCLM Annual Conference
- Eliminated the purchase of a trailer for CERT

- Reduced funding for roadway striping, but still doing necessary work
- Reduced street maintenance supplies and materials, without sacrificing needed infrastructure maintenance.
- Eliminated a project to map stormwater facilities
- Reduced “wild animal mitigation”
- Reduced the number of park benches to purchase
- Eliminated a Pet Memorial project
- Reduced funding for lighted Christmas decorations

### Expenditures by Category

According to data from the North Carolina Local Government Commission, the Town of River Bend spends less per capita than other localities in our population range in Public Safety, Transportation, and General Government. Our total expenses, per capita, are over \$400 less per year than our peers.

One of the largest expenses 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. This budget proposes the transition of one part-time (32-hour) water/wastewater operator to full-time status. With this change, we will have 17 full-time employees and 2 part-time employees. Our total personnel costs account for 33% of the combined budgets of the General and Enterprise Funds. This chart shows in which departments our full time employees work. 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. A detailed allocation table is provided in the Annual Budget document.



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. In fact, according to data from the North Carolina Local Government Commission, River Bend’s per capita expenditure for personnel is over \$100 less than that of our peer group. This budget, following the guidance of the Council, reflects a total wage increase of 4%, with 3% attributable to a time-in-grade increase and 1% available for merit increases. Additionally, the cost of our medical insurance continues to rise. The quotation we received indicates a tolerable 7.1% increase in this expense.

## Sources of Revenue

Due to the uncertain economic times we are in, we have been very conservative in our estimates of the revenue we plan to receive to offset expenses noted above. General Fund revenues (not including appropriated fund balance) are budgeted at \$1,489,051, a modest 1.48% increase over the current fiscal year. The amount needed to balance revenue with expenses comes from our unrestricted fund balance. In fiscal year 2009-10, we budgeted to use \$50,160 from this fund balance, giving a total revenue of \$1,539,211, which is in balance with budgeted expenses.

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 tax rate remains at \$0.28). 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. This budget proposal contemplates no change in the Ad Valorem tax rate for the fiscal year 2010.

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 message, continue to follow our street maintenance plan.

In order to deliver a balanced budget in accordance with North Carolina General Statutes, while maintaining the current tax rate of \$0.28 per \$100 valuation, we are budgeting for \$50,160 in revenue from our unrestricted 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 2008, had a Fund Balance of over 70%, and we project a balance of slightly under 50% at the end of the current fiscal year. The target set by the Town Council is to maintain a level at or near 50%. Using funds this year to balance the budget is one of the reasons we maintain the level of funds we have in

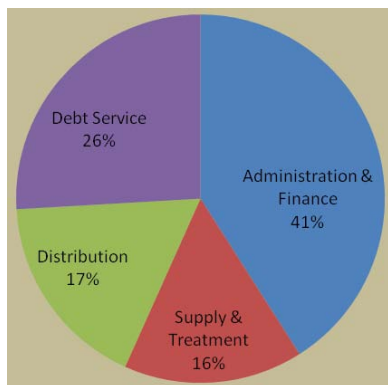
reserve, but efforts must be made, in terms of revenue increases, or further expense reductions, in subsequent years to ensure that this balance is replenished.

### 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 expenses accounted for separately from other functions of the Town and by having rates established that cover all expenses of the enterprise.

River Bend purchased these two businesses from a private company, Carolina Water Service, in 1995. As a result of this purchase, approximately one quarter of the revenue we receive is dedicated to cover the debt incurred. Other expenses cover operational costs and other projects to maintain and improve our systems.

### Water Enterprise Expenses

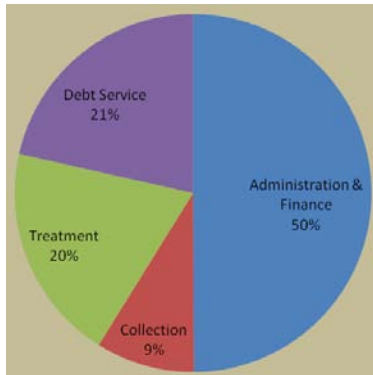


Expenses in the water fund are divided according to function. There are costs specifically associated with supply and treatment, (taking the water from the ground and treating it to make it safe to drink), and costs associated with distributing it to the customer. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and installment debt. As noted earlier, debt service is a large expense for this enterprise and is divided from the administration and finance department in the chart to illustrate its proportion to overall expenses. The total budgeted expenditure for the water enterprise in fiscal year 2010 is \$700,990, a 6.99% decrease from the current fiscal year.

Plans for the water utility include completing the three year project to install radio read meters for all our customers, making needed repairs to one of our large filters, replacing some valves in one of the well houses, adding a storage shed to the back of the garage on Shoreline Drive (shared with the sewer enterprise), and contracting for a study to aid in determining the feasibility of purchasing the water system that serves the Springdale subdivision from the City of New Bern. Our staff will also begin a multi-year project to install backflow preventers on all our water connections. These projects, along with some contingency funding, total \$122,900.

Water	
Install new valves at Well 3 filter house	\$7,000
Repair drain system for filter at Well 1	\$28,490
Back-flow preventers	\$3,000
Study, by Swartz Engineering, to determine the purchase price for the water system in Springdale (etc.) from the City of Bern	\$7,000
Storage Shed (50% of total - shared with Wastewater)	\$4,500
Radio Read Meters	\$63,000
<b>TOTAL</b>	<b>\$112,990</b>

### Sewer Enterprise Expenses



Similar to water expenses, 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 installment debt. As noted earlier, debt service is a large expense for this enterprise and is divided from the administration and finance department in the chart to illustrate its proportion to overall expenses.

In fiscal year 2010 we plan to make some needed repairs at the wastewater plant, replace the supports for the effluent discharge line that runs from the wastewater treatment plant to the Trent River, purchase a smaller camera head that will allow our operators to use the sewer camera in small lines, contract for the permitting and design of system expansion, and begin to reserve funds for the future use of the sludge press the Town owns. The total cost of these projects is \$72,000. There are other more modest projects that we will accomplish with our own staff in order to properly maintain our collection system and treatment plant that are included in the graphic below.

<b>Wastewater</b>	
Replace air valves (\$2,900) and splitter box (\$2,912) on small plant	\$5,812
Replace Federal Pacific electric panel with new panel in the blower building. Can not get parts for FP panels	\$3,000
Paving slope at WWTP	\$4,750
Small camera for Sewer Camera system	\$3,000
Design and permit a sewer collection line from the west end of Plantation Drive to the wastewater treatment facility.	\$36,500
Replace discharge line supports	\$8,500
Sludge press - Begin CIP	\$10,000
Storage Shed (50% of total - shared with Water)	\$4,500
<b>TOTAL</b>	<b>\$76,062</b>

The total budgeted expenditure for the sewer enterprise in fiscal year 2010 is \$685,378, a 3.39% increase from the current fiscal year.

### Enterprise Fund Revenue

The budget for these two enterprises received a great deal of attention in our budget workshop sessions with proposed expenses 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 expenses can be compared to revenue at various rate levels. Based upon the proposed expenses, and the revenue projected, we are not recommending

an increase in rates for either utility for fiscal year 2010. Current rates allow us to meet all expenses while maintaining adequate reserves. The rate model does show, however, that without an increase in rates in the next fiscal year, reserves will drop to a level that is less than desirable.

## **Conclusion**

In January of 2009, the Town of River Bend received notice from Standard and Poor's that our bond rating was upgraded from A to A+, one of only 19 localities in the Mid-Atlantic region to receive an upgrade. According to their report, "Public Finance", this rating agency noted, "While relative size and location are still important factors in our analysis, overall we believe that municipalities that lack heft and/or favorable location can, in fact, be as strong – or stronger in some cases – than their large urban counterparts". This report also mentioned that they "believe the Town's financial performance is solid". This type of rating upgrade, 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.

The economic times in which we all live made it more important than ever to concentrate our budgeting efforts on maintenance of current services, property, and infrastructure while avoiding the need for increases in rates and fees. The budget being presented for your consideration accomplishes these goals, but requires the sacrifice of some of the reserves accumulated for just this type of situation. Each year we are faced with different challenges and opportunities, and the next year will likely see us facing the need to adjust rates and fees 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. This Town Council accepts their responsibility with great conviction and sincerity, and remains 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 and I believe it to be worthy of your consideration and approval.

I wish to take this opportunity to thank the Mayor, Town Council, and Town Staff for their commitment to this budget process. This represents a true team effort as we all work to preserve the future of this great community.

Respectfully Submitted,

Drew Havens,  
Town Manager

## Annual Budget Ordinance

### FISCAL YEAR 2009-2010

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, 2009 and ending June 30, 2010:

#### Summary

General Fund	1,539,211
General Capital Reserve Fund	80,207
Water Fund	700,990
Water Capital Reserve Fund	41,558
Sewer Fund	685,378
Sewer Capital Reserve Fund	33,300
Parks Special Revenue Fund	21
Law Enforcement Separation Allowance Trust Fund	8,352
	<hr/>
	3,089,017

#### Section 1. General Fund

##### Anticipated Revenues

AD VALOREM Taxes 2009-2010	603,636
AD VALOREM Tax-Motor Vehicle	72,874
Animal Licenses	2,000
Local Government Sales Tax	222,303
Cable TV Franchise	3,740
Solid Waste Disposal Tax	2,000
Powell Bill Allocation	81,000
Beer and Wine Tax	13,000
Video Programming Sales Tax	42,000
Utilities Franchise Tax	71,400
Hold Harmless Tax Distribution	41,797
Telecommunications Sales Tax	24,150
Court Refunds	500
Zoning Permits	7,000
Charges to Water Fund	55,055
Charges to Sewer Fund	55,055
Interlocal Service Agreements	6,883
County Government Grants	2,000
State Government Grants	30,533
Miscellaneous	4,000
Interest- Powell Bill Investments	304
Interest-Investments	11,250
Contributions	500
Rents & Concessions	28,364
Sale of Fixed Assets	2,500
Proceeds from Debt	25,000
Transfer From Capital Reserve Fund	80,207
Appropriated Fund Balance	50,160
Total	<hr/>
	1,539,211

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

Authorized Expenditures

Governing Body	32,528
Administration	214,128
Finance [1]	135,622
Tax Listing	7,604
Legal Services	47,000
Elections	4,300
Public Buildings [2]	127,193
Police [3]	421,232
Emergency Services	5,030
Animal Control	11,503
Street Maintenance	126,450
Public Works	121,164
Leaf & Limb and Solid Waste	48,757
Stormwater Management	20,070
Wetlands and Waterways	8,500
Planning & Zoning	60,960
Recreation & Special Events	5,500
Parks & Community Appearance	82,170
Transfer To Capital Reserve Fund	51,500
Transfer To L.E.S.A. Fund	8,000
Total	1,539,211

<i>[1] Portion of department for debt service:</i>	<i>31,608</i>
<i>[2] Portion of department for debt service:</i>	<i>38,219</i>
<i>[3] Portion of department for debt service:</i>	<i>19,108</i>

**Section 2. General Capital Reserve Fund**

Anticipated Revenues

Contributions from General Fund	51,500
Interest Revenue	1,519
Appropriated Fund Balance	27,188
Total	80,207

Authorized Expenditures

Transfer to General Fund	80,207
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**Section 3. Water Fund**

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	195,012
Utility Usage Charges, Classes 3 & 4	20,648
Utility Usage Charges, Class 5	17,484
Utility Usage Charges, Class 8	2,876
Utility Customer Base Charges	282,441
Hydrant Availability Fee	36,225
Taps & Connections Fees	3,750
Disconnect/Reconnect Fees	6,335
Penalties on Utility Bills	11,046
Capital Investment Fees	2,600
Charges to General Fund	20,239
Interest Revenue	2,176
Transfer From Water Capital Reserve Fund	7,000
Transfer From Fund Balance for Capital Outlay	93,158
Total	700,990

Authorized Expenditures

Administration & Finance [4]	409,475
Operations and Maintenance	202,690
Unappropriated Contingency Fund	0
Transfer To Fund Balance for Capital Outlay	50,000
Transfer To Water Capital Reserve Fund	38,825
Total	700,990

<i>[4] Portion of department for bond debt service:</i>	<i>158,647</i>
<i>[4] Portion of department for other debt service:</i>	<i>17,366</i>

**Section 4. Water Capital Reserve Fund**

Anticipated Revenues

Contributions From Water Operations Fund	38,825
Interest Revenue	2,733
Total	41,558

Authorized Expenditures

Transfer to Water Fund	7,000
Future Expansion	34,558
Total	41,558

**Section 5. Sewer Fund**

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	209,271
Utility Usage Charges, Classes 3 & 4	30,368
Utility Usage Charges, Class 5	29,514
Utility Usage Charges, Class 8	4,563
Utility Customer Base Charges	241,723
Taps & Connection Fees	1,250
Penalties on Utility Bills	9,036
Capital Investment Fees	1,500
Charges to General Fund	20,239
Miscellaneous	2,500
Interest Revenue	3,559
Transfer from Sewer Capital Reserve	33,300
Transfer from Fund Balance for Capital Outlay	33,562
Appropriated Fund Balance	64,993
Total	685,378

Authorized Expenditures:

Administration & Finance [5]	445,591
Operations and Maintenance	178,287
Transfer to Fund Balance for Capital Outlay	60,000
Transfer to Sewer Capital Reserve Fund	1,500
Total	685,378

<i>[5] Portion of department for bond debt service:</i>	<i>136,998</i>
<i>[5] Portion of department for other debt service:</i>	<i>17,366</i>

**Section 6. Sewer Capital Reserve**

Anticipated Revenues:

Contributions From Sewer Operations Fund	1,500
Interest Revenue	0
Appropriated Fund Balance	31,800
Total	33,300

Authorized Expenditures:

Transfer to Sewer Fund	33,300
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**Section 7. Parks Special Revenue Fund**

Anticipated Revenues:

Interest Earned	<u>21</u>
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Authorized Expenditures:

Future Procurement	<u>21</u>
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**Section 8. Law Enforcement Separation Allowance Trust Fund**

Anticipated Revenues:

Contributions from General Fund	8,000
Interest Revenue	<u>352</u>
Total	8,352

Future Appropriations	<u>8,352</u>
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**Section 9. Levy of Taxes**

There is hereby levied a tax at the rate of twenty-eight cents (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2009, for the purpose of raising the revenue listed "Ad Valorem Taxes - 2009-2010" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$216,689,297 and an estimated rate of collection of 99.49%. The estimated collection rate is based on the fiscal year 2007-2008 collection rate of 99.49% by Craven County who has been contracted to collect property taxes for the Town of River Bend.

**Section 10. Fees and Charges**

There is hereby established, for Fiscal Year 2010, various fees and charges as contained in Attachment A of this document.

**Section 11. Special Authorization of the Budget Officer**

- A. The Budget Officer shall be authorized to reallocate any appropriations within departments.
- B. The Budget Officer shall be authorized to execute interfund and interdepartmental transfers in emergency situations. Notification of all such transfers shall be made to the Town Council at its next meeting following the transfer.

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

**Section 12. Classification and Pay Plan**

Across-the-board increases for all Town employees shall be 3% 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, in the amount of one percent (1%) of salary per employee.

**Section 13. 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 2009-2010 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 14. 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 18th day of June, 2009.

John R. Kirkland, Mayor

Attest:

Ann Katsuyoshi, Town Clerk

## **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. 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.

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 for 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 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. 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 then 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 Town 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 December 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. The Council also agrees, at this retreat, to a schedule of budget workshops. The chart on the following page shows how each Council priority, established for Fiscal Year 2009-10, responds to the Town's overall mission statement.

**Town Council Priorities for the 2009-2010 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 10, 2009</u></b></p> <p><b>WATER &amp; SEWER CAPITAL IMPROVEMENT PLAN</b></p> <p><b>WATER AND SEWER FUND DEPARTMENTS</b></p> <ul style="list-style-type: none"> <li>- Administration</li> <li>- Water Distribution</li> <li>- Water Supply &amp; Treatment</li> <li>- Sewer Collection &amp; Treatment</li> </ul> <p style="text-align: center;"><b><u>MARCH 17, 2009</u></b></p> <p><b>GENERAL FUND CAPITAL IMPROVEMENT PLAN</b></p> <ul style="list-style-type: none"> <li>- Buildings and Grounds</li> <li>- Parks &amp; Recreation</li> <li>- Wildwood Storage (FY09-10 Plan)</li> <li>- Police</li> <li>- Community Appearance</li> <li>- Public Works</li> <li>- Environment and Waterways</li> <li>- Stormwater Maintenance</li> <li>- Information Technology</li> <li>- Vehicles</li> </ul> <p><b>EMPLOYEE PAY PLAN</b></p> <ul style="list-style-type: none"> <li>- Health Insurance Benefits</li> <li>- Part-time, Temp., Co-op &amp; Prisoner Labor</li> <li>- Cost of Living Adjustment (COLA)</li> </ul> <p><b>LABOR ALLOCATIONS AMONG DEPARTMENTS &amp; FUNDS</b></p> <p><b>RISK MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>- Property &amp; Liability</li> <li>- Commercial Property</li> <li>- Workers' Compensation</li> <li>- Flood Insurance</li> </ul> <p><b>GRANTS – AVAILABILITY, REPORTING, MATCHING FUNDS, MANAGEMENT</b></p> <p><b>ELECTRIC UTILITIES AND FUEL PRICES</b></p> <p><b>INFORMATION TECHNOLOGY</b></p> <ul style="list-style-type: none"> <li>- Town Web Site &amp; Hosting</li> <li>- VC3, Inc. On-going Support</li> <li>- Disaster Recovery</li> <li>- Hardware Purchase</li> </ul>	<p><b>ADMINISTRATION</b></p> <ul style="list-style-type: none"> <li>- Equipment Updates</li> <li>- See Buildings &amp; Grounds for Office Work Areas</li> <li>- Public Records Storage/Vault</li> </ul> <p><b>GOVERNING BODY</b></p> <ul style="list-style-type: none"> <li>- Training</li> <li>- Association Dues</li> </ul> <p><b>LEGAL FEES</b></p> <p><b>ELECTIONS</b></p> <p><b>TAX LISTING</b></p> <ul style="list-style-type: none"> <li>- Craven County Contract</li> </ul> <p><b>POLICE PROTECTION</b></p> <ul style="list-style-type: none"> <li>- Separation Allowance</li> <li>- Community Watch</li> <li>- Criminal Reporting Updates</li> </ul> <p><b>FINANCE</b></p> <p style="text-align: center;"><b><u>MARCH 24, 2009</u></b></p> <p><b>PARKS, RECREATION, CAC, AND SPECIAL EVENTS</b></p> <ul style="list-style-type: none"> <li>- PARTF Grant Plans</li> <li>- Community Appearance Commission Projects</li> <li>- Town Commons Park Plan w/o PARTF Funds</li> <li>- July 4<sup>th</sup> Plans</li> <li>- Recreation Programs</li> </ul> <p><b>PLANNING AND ZONING</b></p> <ul style="list-style-type: none"> <li>- Contracted Professional Services</li> <li>- Projected Development</li> </ul> <p><b>PUBLIC BUILDINGS</b></p> <ul style="list-style-type: none"> <li>- Renovation of Office Work Areas</li> <li>- Wildwood Storage Facility Maintenance</li> <li>- Building Maintenance Plan</li> </ul> <p><b>ANIMAL CONTROL</b></p> <p><b>EMERGENCY SERVICES</b></p> <ul style="list-style-type: none"> <li>- Contingency Funding</li> <li>- Storm Events &amp; General</li> <li>- CERT (Community Emergency Response Team)</li> </ul> <p><b>PUBLIC WORKS</b></p> <ul style="list-style-type: none"> <li>- Mowing and Landscaping Contract</li> </ul>	<p><b>STREET MAINTENANCE</b></p> <ul style="list-style-type: none"> <li>- Roadway Improvement Plan Engineering Services – three year plan</li> <li>- Annual Appropriation from General Fund</li> </ul> <p><b>LEAF &amp; LIMB AND SOLID WASTE</b></p> <ul style="list-style-type: none"> <li>- Leaf &amp; Limb Program Funding – Six Pickups</li> </ul> <p><b>STORMWATER MAINTENANCE</b></p> <ul style="list-style-type: none"> <li>- Scheduled Maintenance</li> <li>- Mandated Monitoring</li> <li>- Prioritized Drainage Concerns</li> </ul> <p style="text-align: center;"><b><u>MARCH 31, 2009</u></b></p> <p><b>WATER AND SEWER FUND CASH LEVELS</b></p> <ul style="list-style-type: none"> <li>- Debt Servicing</li> <li>- Capital Reserve Funds</li> <li>- Cash Capital Needs</li> </ul> <p><b>UTILITY FINANCIAL MODEL AND RATES DISCUSSION</b></p> <p style="text-align: center;"><b><u>APRIL 7, 2009</u></b></p> <p><b>CONTINUATION OF WATER AND SEWER RATES DISCUSSION</b></p> <p><b>GENERAL FUND REVENUES</b></p> <p style="text-align: center;"><b><u>APRIL 14, 2009</u></b></p> <p><b>ESTABLISH RATES</b></p> <ul style="list-style-type: none"> <li>- Ad Valorem Tax Rate</li> <li>- Town-wide Schedule of Fees</li> </ul> <p style="text-align: center;"><b><u>APRIL 21, 2009</u></b></p> <p><b>OVERVIEW</b></p> <p><b>ENTERPRISE FUNDS REVIEW AND PRESENTATION</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 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, and far from the less formal opportunity citizens have for input during the workshops. Typically, this hearing is conducted at the regular Town 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.

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 gear up 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. Street paving, however, is not contracted until funds are received in September, although the bid documents are prepared in advance of the receipt of the funds so we are ready to proceed with that work as soon as the funds are received.

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/or 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 Town Council. As with all the other business this Town conducts, these changes are made in public meetings and are reported on 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 Annual Financial Report of the Town. This report, containing audited financial statements, is prepared by 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 at a public meeting.

Once our portion of the work on the annual financial report is complete, attention turns again to discussion of priorities for the budget in the next fiscal year. At their retreat in December, 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, with our Fiscal Year 2010-2011 budget, have our budget document recognized for excellence by the Government Finance Officers Association. This document represents the first step toward achieving this goal and recognizes that there are many improvements we will make for next year's document, just as this year's document represents an improvement over the last.

## **General Fund Overview**

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

What follows is a detailed description of the Capital Improvement Plan, Expenses, and Revenues associated with the General Fund. Our budget process focuses attention on all these areas beginning with an analysis of planned expenses to meet the needs of the community. Once expenses are justified, projected revenues are examined in order to determine if they will be sufficient to fund the budgeted expenses. The first topic covered is personnel costs and labor allocations. This topic touches all three fund areas, as explained below, and is a critical component of our expense budget.

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

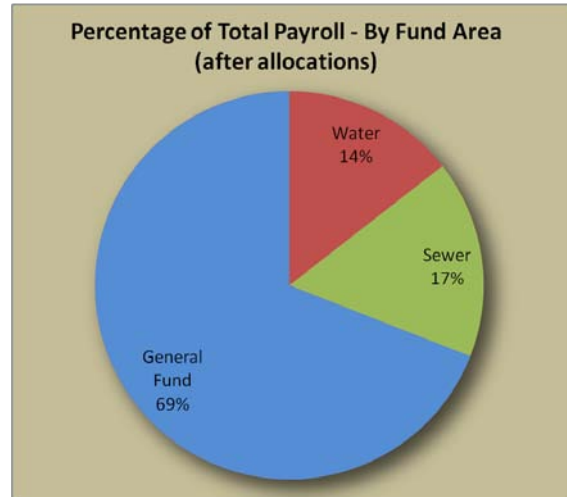
This Budget is balanced without the need for increasing Ad Valorem taxes, but rather using a portion of our unrestricted Fund Balance, and aggressive budgeting strategies aimed at reducing expenses.

## Personnel Costs and Labor Allocations

### Personnel Costs

The total of all personnel related expenses, including wages and benefits, are budgeted at \$1,019,365. This represents a total of 33% of the total combined operating budget. This budget, following the guidance of the Council, reflects a total wage increase of 4%, with 3% attributable to a time-in-grade increase and 1% available for merit increases.

By way of comparison, according to data compiled by the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel is over \$100 less than that of our peer group. Through efficient scheduling in our police department, increases in operational efficiencies in other areas due to our investment in our Municipal Management system, receiving countless hours of volunteer assistance, and other management strategies, we are able to maintain a staffing profile below that of comparable localities.



### Labor Allocations

The Town of River Bend has a total of 19 positions, 2 of which are part-time. Each year each position is analyzed in order to determine its contribution to the over-all 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 workweek, that each position spends working on tasks related to a specific fund. These estimates are examined and revised (if needed) each year during the process of preparing the budget. Absent a detailed, and costly, time study, these estimates represent, we believe, a fair and reasonable approximation of the actual time spent in each fund area by the positions listed.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2009-2010

	<b>Water</b>	<b>Sewer</b>	<b>Gen. Fund</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Town Manager	20	20	60
Finance Administrator	15	15	70
Finance Assistant	40	40	20
Town Clerk	7.5	7.5	85
Deputy Town Clerk	7.5	7.5	85
Assistant Zoning Administrator	0	0	100
Police Chief	0.5	0.5	99
Police Sergeant	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 (Part time)	0.5	0.5	99
Water / Public Works Superintendent *	37.5	37.5	25
Water Lead Operator	40	60	0
Water Operator	40	60	0
Water Operator *	36.25	36.25	27.50
Public Works - Lead	5	5	90
Public Works	5	5	90
Custodian (part-time)			100
<p>*These two 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.</p> <p>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.</p>			

## 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 linkages between community infrastructure needs and the financial capacity of the Town.

Generally defined, CIP capital expenditures are any expenditure of major value that recurs irregularly, results in the acquisition (or significant modification) of a fixed asset, and has a useful life greater than one (1) year.

The CIP is updated annually as part of the Town's regular budget process. Projects are reviewed and evaluated based on the Mayor and Town Councils' 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 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 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. Ensuring better coordination, evaluation, and planning of projects to serve the community and its 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 Town.

Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2009-2010

<b>Facilities</b>	
Enclose bay at PW office for lab/shop	\$11,000
Roofing - Storage buildings (\$9,100) and PW/Police (\$7,500)	\$16,600
New flooring for PW/Police	\$6,000
Repair gable end vents on Town Hall	\$1,250
Sidewalk Repair - Town Hall Park	\$2,800
Fenced area for Dumpster and Oil/Filter collection	\$1,000
<b>TOTAL</b>	<b>\$38,650</b>
<b>Parks</b>	
Park Benches	\$4,000
Walking Path - Town Commons	\$55,000
<b>TOTAL</b>	<b>\$59,000</b>
<b>Streets</b>	
Plantation - Gull Point to Shoreline (north side)	\$83,000
Striping	\$6,000
<b>TOTAL</b>	<b>\$89,000</b>
<b>Police</b>	
Vehicle Replacement - replace 2003 Ford	\$25,000
<b>TOTAL</b>	<b>\$25,000</b>
<b>TOTAL GENERAL FUND</b>	<b>\$211,650</b>

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

The graphic to the left provides a summary of the CIP projects for Fiscal Year 2009-10.

The table on the next page shows both funding and expenditure from the General Fund Capital Investment Plan.



### 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. The table below shows the inventory of this equipment showing its intended year of replacement.

Item - User	Year Purchased	Make/Model	Cost	Est. Year of Replacement	Est. Repl. Cost
Server	2001	Generic		N/A	
PC - Governing Body	2005	Dell		N/A	
PC - Governing Body	2005	Dell		N/A	
PC - Water Laboratory	2005	Dell		N/A	
PC - Clerk	2004	LPM -Generic		2010	1,500
PC - Superintendent	2004	LPM -Generic		2010	1,500
PC - Police (New Bern)	2002	Dell		2010	1,500
PC - Police	2003	Dell Optiplex GX 270		N/A	
MDT - Police	2004	Motorola	Grant	2011	7,500
MDT - Police	2004	Motorola	Grant	2014	7,500
PC - Manager	2008	Dell Optiplex 745	1,500	2012	1,545
PC - Deputy Clerk	2008	Dell Optiplex 745	1,500	2012	1,545
PC - Public Works	2008	Dell Optiplex 745	1,500	2012	1,545
PC - Police	2008	Dell	Gang Grant	2012	1,545
PC - Police Chief	2008	Dell	Gang Grant	2013	1,545
Laptop	2008	Dell Precision M4300	2,274	2013	2,342
Projector	2008	InFocus IN 34	934	2016	962
Network UPS	2008	Emerson	691	2013	712
Tape Back-up	2008	Quantum	1,370	2015	1,411
ASA	2008	Cisco 5505	2,447	2016	2,520
Firewall / Spam Filter	2008	Barracuda	1,100	2016	1,133
Server - Finance	2008	Dell PowerEdge 860	2,604	2016	2,682
Router	2008	Cisco Catalyst 2960	907	2016	934
Switch	2008	KVM w/Int8 Port	1,500	2016	1,545
Server - Exchange	2008	Dell PowerEdge 860	3,796	2017	3,910
Server - Disaster Recovery	2008	Dell	1,445	2018	1,488
Client UPS	2008	Emerson (17 at \$219)	3,283	PRN	3,381
Server - Radio Read Meters	2008	HP ML310	1,600	2018	1,648
PC - Finance Admin	2009	Dell Optiplex 755	1,500	2013	1,545
PC - WRD Finance	2009	Dell Optiplex 755	1,500	2013	1,545
PC - Zoning	2009	Dell Optiplex 755	1,500	2013	1,545
MDT - Police	2009	Motorola ML910	7,400	2019	7,622
<b>Printers</b>					
Clerk	1997	HP LaserJet 4000		2011	1,000
Deputy Clerk	2005	HP LaserJet 2840		2013	2,500
Finance Assistant	2009	HP LaserJet 4250		2015	1,300
Finance Administrator	2005	HP LaserJet 2420		2014	1,300
Manager	1999	HP LaserJet 5		2012	600
Governing Body	2005	HP LaserJet 4250		RTF	
Police	1997	HP LaserJet 1020		2012	600
Police	1997	HP LaserJet 2100		2011	600
Water Resources/Pub. Wk	1999	HP LaserJet 5		2011	600
Zoning	N/A			2010	600
<b>TOTAL ESTIMATED REPLACEMENT COST</b>					<b>\$73,251.53</b>

## Town of River Bend, North Carolina Annual Budget for Fiscal Year 2009-2010

This table details the expenses associated with our Information Technology system, including software, hardware, and support costs. Only hardware is funded through the CIP, the remainder of the expenses are divided, according to our allocation, between the General Fund (Department of Finance) and the Water and Sewer Enterprise Funds.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Springbrook Maintenance	11,986	9,978	10,477	11,001	11,551	12,128	12,735	13,371	14,040	14,742	15,479
VC 3 On-going support	15,366	12,120	12,120	13,332	13,332	13,332	14,665	14,665	14,665	16,131	16,131
VC 3 Disaster Recovery	5,400	5,400	5,400	5,940	5,940	5,940	6,534	6,534	6,534	7,187	7,187
Installment Purchase	66,339	66,339	49,755								
Hardware/Software		5,100	9,700	7,380	11,734	8,800	2,711	9,777	3,910	3,136	0
To CIP For IT			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>TOTAL ANNUAL EXPENSE</b>	<b>99,091</b>	<b>98,937</b>	<b>97,452</b>	<b>47,653</b>	<b>52,557</b>	<b>50,200</b>	<b>46,645</b>	<b>54,347</b>	<b>49,149</b>	<b>51,196</b>	<b>48,797</b>
<b>CIP Balance (FY end)</b>			<b>300</b>	<b>2,920</b>	<b>1,186</b>	<b>2,386</b>	<b>9,675</b>	<b>9,898</b>	<b>15,988</b>	<b>22,852</b>	<b>32,852</b>

Springbrook Maintenance costs are per our contract through FY 2012, after which they are increased by 5% per year based upon actual increases over the life of the current agreement.

VC3 On-going support and Disaster recovery are three-year agreements. Each is increased by 10% for each new three-year period. This is just an estimate; actual increases could be more or less.

Installment purchase expenses end, with lower amount, in FY 2011. This is the payment we are making on our original investment in hardware and software.

Hardware/Software expenses are for replacement of current equipment and do not reflect any additional hardware or software needs that might arise.

## **General Fund Expenditures**

### **Introduction**

The General Fund is broken down into eighteen (18) 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. Major expenses and projects are discussed in some detail to provide the reader with a thorough understanding of the rationale supporting these expenses. Minor or routine expenses are not described in detail in this document.

The notes below the TOTAL line on the worksheets provide some detail about the expenses and are referenced by the "line" in which they are included in the worksheet. The charts show end of year actual expenses (in dollars) in the past, and projected expenses for the current fiscal year as compared to the budgeted expense for the coming year.

# Town of River Bend, North Carolina Annual Budget for Fiscal Year 2009-2010

## *Governing Body*

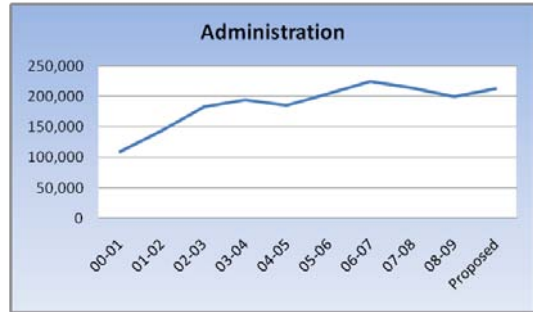
This department accounts for expenses related to the Mayor and Town Council. Each member of the Town Council is paid \$200 per month, and the Mayor \$300, for their attendance at meetings and the countless hours, local mileage, phone calls, and other expenses each devotes to their tasks.



Governing Body		06-07		07-08		Current Budget	08-09	Projected Year-End	09-10 Proposed Budget
		YR End Budget	Actual Expend	YR End Budget	Actual Expend		Expend As of 02/28/09		
<b>4110</b>									
121	Wages & Salaries	11,700	11,700	15,600	15,600	15,600	7,800	15,600	15,600
170	Board Member Expenditures	7,755	4,205	7,840	9,259	6,400	5,970	6,396	8,500
181	FICA	895	895	1,193	1,193	1,193	597	1,193	1,193
186	Workers' Compensation Ins.					67	50	67	75
171	Mayor's Representation	1,000	1,240	2,000	1,157	2,000	1,143	2,000	2,000
491	Dues & Subscriptions	3,500	3,412	3,600	3,406	3,600	3,604	3,604	3,660
499	Misc- Contributions	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	Printing	100	0	500	0				
	<b>TOTAL</b>	<b>26,450</b>	<b>22,952</b>	<b>32,233</b>	<b>32,116</b>	<b>30,360</b>	<b>20,664</b>	<b>30,360</b>	<b>32,528</b>
170	NCLM Conference in Greenville		1,200	3 participants at \$400					
			0	Lodging Commute					
	NCLM Essentials of Government		2,100	6 participants at \$350					
			2,700	Lodging 7 rooms at \$450					
	Travel and Subsistence		2,500						
			<u>8,500</u>						
491	Eastern Carolina Council	360							
	Governing	20							
	NC Coastal Federation	30							
	NC League of Municipalities	2,900		Based upon population					
	UNC School of Government	350							
		<u>3,660</u>							
499	Appropriation to Highway 17 Association			1,500					

*Administration*

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), the fee to record and televise Town Council meetings, and other supplies and materials (line 498).



This year, our Information Technology (IT) Replacement Plan calls for replacing the computer workstation used by the Town Clerk. This expense is reflected in line 260. 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 expenses based upon the exposure they create.



# Town of River Bend, North Carolina Annual Budget for Fiscal Year 2009-2010

## Finance

The Department of Finance is staffed by the Finance Administrator and is the department in which Information Technology (IT) expenses, the debt service on the loan taken to fund the initial IT purchase (lines 760 and 770), and the cost of allocated labor paid to the Water and Sewer Enterprises (line 482) are budgeted.



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.

		06-07		07-08		08-09		09-10	
<b>Finance</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected	Proposed
		Budget	Expend	Budget	Expend	Budget	As of	Year-End	Budget
<b>4130</b>							02/28/09		
121	Wages & Salaries	49,221	49,221	50,452	50,452	52,442	34,028	52,442	54,540
134	401(k) Retirement	5,173	5,173	5,303	5,302	2,622	1,699	2,622	2,727
181	FICA	3,765	3,690	3,859	3,790	4,011	2,552	4,011	4,172
182	Loc Govt Emp Retirement					2,890	1,872	2,890	3,005
183	Group Insurance	6,810	6,799	7,433	7,432	6,967	4,638	6,967	7,452
186	Workers' Compensation Ins.					224	164	224	262
310	Travel & Subsistence	1,000	424	250	146	1,000	146	550	1,000
395	Training	750	450	150	45	750	610	840	750
191	Professional Svcs- Auditing	3,934	3,895	5,383	5,238	4,200	3,867	4,200	4,200
382	Banking Services					1,500	2,446	2,614	1,200
393	Temporary Help Services					3,200	504	504	
441	Springbrook Serv. & Maint.					5,448	7,154	7,154	4,000
482	Indirect Labor Cost					9,895	6,600	9,895	10,368
299	Supplies & Materials	1,150	432	1,500	252	1,500	88	500	500
381	Computer IT Services	11,967	6,917	24,588	22,357	840	11,932	12,338	1,500
440	IT Service and Maintenance					9,000	4,023	7,303	7,100
491	Dues & Subscriptions								240
499	Miscellaneous	950	1,349	1,500	1,090	0		0	1,000
520	Capital Outlay- Equip	0	0	63,257	27,947	46,810	33,285	46,810	
760	Install. Purchase - Principle			7,540	7,540	29,863	19,827	29,863	30,613
770	Install. Purchase - Interest	0	0	362	362	1,744	1,245	1,744	995
	<b>TOTAL</b>	<b>84,721</b>	<b>78,350</b>	<b>171,577</b>	<b>131,954</b>	<b>184,906</b>	<b>136,678</b>	<b>193,471</b>	<b>135,622</b>
382	Banking Services: Estimated \$350 per month. Allocated between water/sewer/general fund								
441	Springbrook software maintenance (Total = \$12,465). [40% general fund, 30% water, 30% sewer]								
482	General Fund allocation to pay 20% of Fin. Asst.								
381	Computer Services: DSL, web site, financial/Invensys software maintenance fees								
440	tech support for hardware/software (VC3: \$12,120 support, \$5,400 disaster recovery= \$17,520) [40% general fund, 30% water, 30% sewer]								
760/770	Installation/Leasing Purchase for IT (Prin \$30,613 Int. \$995) [Total annual Prin \$30,613, Int \$995]								

# Town of River Bend, North Carolina Annual Budget for Fiscal Year 2009-2010

## Tax Listing

The Town of River Bend contracts with Craven County to bill and collect our Ad Valorem Taxes. We pay the County a 1% fee to collect Real Property Taxes and 1.5% to collect Personal Property Taxes.

This table below shows the total tax base, and the revised tax base (as required by State law). This information is what feeds the expenses shown in the worksheet.



Per the TR2-2008 report:		tax base	collection rate	revised base	tax rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		216,689,297	99.49%	215,584,182	<b>0.28</b>	<b>603,636</b>	<b>1.0%</b>
Motor vehicles		27,462,910	94.77%	26,026,600	<b>0.28</b>	<b>72,874</b>	<b>1.5%</b>

		06-07		07-08		08-09		09-10	
<b>Tax collection</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected	Proposed
		Budget	Expend	Budget	Expend	Budget	As of	Year-End	Budget
<b>4140</b>							02/28/09		
392	RE & Pers Prop Collection Fee	4,810	4,624	5,342	5,308	6,054	5,961	5,970	6,161
394	Motor Veh Collection Fee	910	1,095	1,374	1,283	1,518	917	1,133	1,443
TOTAL		5,720	5,719	6,716	6,591	7,572	6,878	7,103	7,604

*Legal Services*

The Town contracts with the law firm of Sumrell, Sugg, Carmichael, Hicks, & Hart, P.A. to provide legal services. These services include attending Town Council meetings, reviewing contracts, reviewing ordinance amendments, and offering other similar legal advice. 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 expenses.

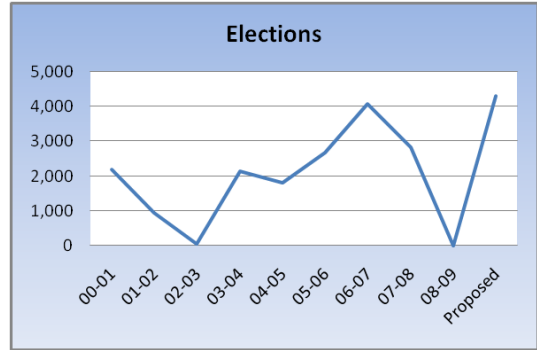


Expenses in this department are driven largely by need. Aside from the routine legal matters mentioned above, if the Town either initiates or needs to defend an action, our legal costs will increase. This is borne out by the pattern of expenses revealed in the graph shown above.

		06-07		07-08		08-09		09-10
<b>Legal Services</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected
		Budget	Expend	Budget	Expend	Budget	As of	Year-End
<b>4150</b>							02/28/09	
192	Professional Services - General	27,600	25,585	25,000	22,632	32,600	23,669	32,600
192	Prof Svcs. - FEMA Floodplain	5,000	825					
192	Prof Svcs - Lawsuits	15,700	17,591	0		8,700		8,500
192	Prof Svcs. - Personnel Policy review			0		8,700		8,500
	<b>TOTAL</b>	<b>48,300</b>	<b>44,000</b>	<b>25,000</b>	<b>22,632</b>	<b>50,000</b>	<b>23,669</b>	<b>32,600</b>
192	No change in hourly rate - per Jimmie Hicks (3/13/09)							

*Elections*

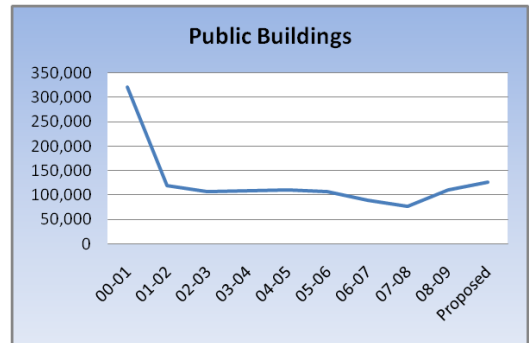
The Craven County Board of Elections maintains the voter list and conducts our municipal elections. The amount of actual expense is based upon a number of factors including ballot prices, and anticipated turnout, and are charged based upon a contractual agreement between the Town and the County.



		06-07		07-08		08-09		09-10
<b>Elections</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected
		Budget	Expend	Budget	Expend	Budget	As of	Year-End
<b>4170</b>							02/28/09	
200	Supplies and Materials							
399	Contracted services	4,124	4,077	2,900	2,824			4,300
	<b>TOTAL</b>	<b>4,124</b>	<b>4,077</b>	<b>2,900</b>	<b>2,824</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Public Buildings*

In the public buildings department are budgeted expenses related to the maintenance and operation of the Town's public facilities. These include the Town Hall, Police/Public Works building, Wildwood (home of the Red Caboose Library), and our storage buildings. This department also budgets for the mowing and landscaping contracts and the debt service related to the purchase of the Wildwood complex and renovation to the Town Hall.



In Fiscal Year 2010 we plan to purchase a dozen more chairs for the meeting room in Town Hall and make some minor improvements in that room for meeting use (line 299). Line 351 is where we have budgeted funds to repair the gable ends of Town Hall that are showing signs of moisture damage. Also in this line is funding to repair approximately 900 square feet of concrete sidewalk in Town Hall Park. There are several sidewalk slabs that are cracked or heaved.

Planned capital improvements include replacing roofing on the police/public works building and the two storage buildings, replacing flooring in the police/public works building, and renovating the public works space to accommodate moving the water resources laboratory and public works/water resources shop to this location. This will consolidate these operations in one location for greater efficiency and supervisory oversight. The total cost of these capital projects, as shown in line 580 is \$33,600 with funds coming from the Capital Improvement Plan.



*Police*

Our police department provides service 24 hours a day, seven days a week with a staff of five full-time and one part-time officer. This staffing profile, much lower than that of other localities offering similar service, 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.



In Fiscal Year 2010 we will, by virtue of training and time in service, promote two officers, one from Patrol Officer 1 to Patrol Officer 2, and the other from Patrol Officer 2 to Patrol Officer 3. We will also replace our 2003 Ford Crown Victoria police vehicle with a 2009 Dodge Charger (V-6 engine) police vehicle. The total cost of the vehicle (including moving equipment from one to another and a new radio) is estimated to be \$25,000 (line 540). This amount will be financed over a three year term (lines 760 and 770).

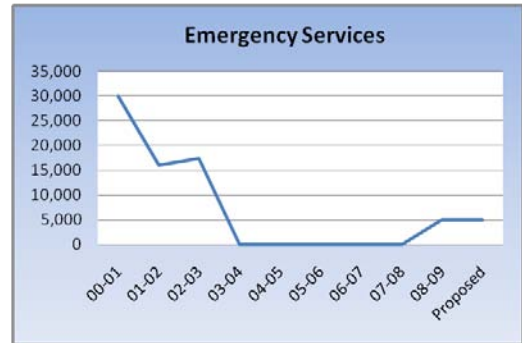
Contracted Services (line 399) is the amount the Town pays the City of New Bern to use their Criminal Record System. This system allows our officers to produce reports to be submitted to the state for inclusion in state and federal crime statistics. The Community Policing line (231) reflects the Town’s commitment to continue to support the efforts of the Community Watch program. The Supplies and Materials line (299) includes funding for the replacement of a computer in accordance with our IT replacement plan.

# Town of River Bend, North Carolina Annual Budget for Fiscal Year 2009-2010

Police Protection		06-07		07-08		Current Budget	08-09	Projected Year-End	09-10
		YR End Budget	Actual Expend	YR End Budget	Actual Expend		Expend As of 02/28/09		Proposed Budget
<b>4310</b>									
121	Wages & Salaries	215,527	215,512	227,609	227,625	236,058	157,016	238,016	249,222
122	Overtime	0	0	0	0		155	155	0
133	401(k) Retirement - LEO	22,615	22,607	23,220	23,169	11,374	7,546	11,596	12,015
181	FICA	16,515	16,485	17,444	17,431	18,059	11,976	18,096	19,065
182	Loc Govt Emp Retirement					12,670	8,406	12,906	13,385
183	Group Insurance	24,279	24,240	29,991	29,954	34,663	23,062	34,594	37,100
186	Workers' Compensation Ins.					9,449	7,232	9,411	9,695
189	Uniform Maintenance	2,400	2,400	2,640	2,520	2,640	1,320	2,640	2,640
310	Travel & Subsistence	1,500	761	1,500	860	1,500	808	900	1,500
395	Training	500	100	148	0	1,000	100	300	1,000
399	Contracted Services	4,000	3,871	4,700	3,362	4,700	3,833	4,700	4,700
212	Uniforms	5,100	1,172	2,825	2,830	4,500	1,631	4,000	4,500
231	Community Policing	1,500	465	5,136	4,557	2,500	0	2,500	1,000
251	Motor Fuel	12,055	7,755	11,123	8,777	11,753	5,853	8,053	8,103
299	Supplies & Materials	2,500	2,854	2,500	2,109	4,400	1,928	4,000	4,500
320	Telephone & Postage	2,000	1,493	2,000	1,512	2,000	857	2,000	2,000
340	Printing	0	0	0	0	0	0		
352	Maint & Repairs- Equip	1,500	1,743	2,000	388	2,000	899	2,000	2,000
353	Maint & Repairs- Auto	4,452	5,859	4,500	5,187	4,500	1,209	4,000	4,000
491	Dues & Subscriptions	700	335	700	355	700	370	600	700
540	Capital Outlay- Motor Vehicles	28,285	28,261	0	0	0	0		25,000
760	Installment Purch Principle	0	0	9,125	8,894	9,289	9,289	9,289	17,727
770	Installment Purch Interest	850	722	1,110	1,008	843	843	843	1,381
<b>9800</b>									
988	Transfer to LESA Trust Fund			7,000	7,000	8,000	8,000	8,000	8,000
TOTAL		346,278	336,637	355,271	347,539	382,598	252,333	378,599	429,232
251	Fuel - \$2.70 per gallon estimate - \$0.48 per gallon tax = \$2.22 per gallon cost US Energy Information Administration 12 month average (est) for July 09 - June 10 = \$1.99								
		2007 Dodge		2009 Dodge					
760	Principle	9,702		8,025					
770	Interest	431		950					
299	Supplies and Materials \$3,000	Computer - CRS		\$1,500					

*Emergency Services*

The department of Emergency Services contains the budget for two important services. One is our “reverse 911” system. Provided by Connect CTY, this service 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 purchase more backpacks with the basic equipment needed by its members, and for radios to enable them to communicate once activated. Also budgeted is a small amount for insurance for these volunteers. This disability coverage pays \$200 per week for 52 weeks beginning the first day of disability. The annual premium is approximately \$20 per member.

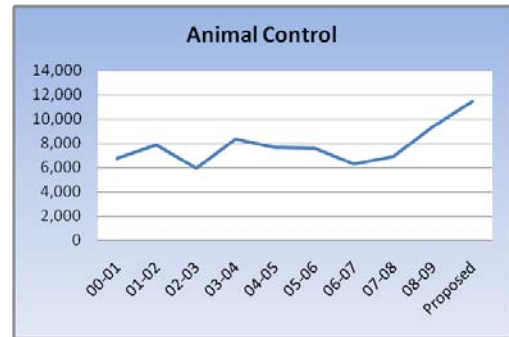


Also included in this department is \$500 to retain the services of our leaf and limb contractor for post disaster clean-up. This retainer requires him to stage his equipment in River Bend in advance of a storm so we are ready to begin clean-up as soon as the storm passes. We also budget a small (\$500) disaster contingency for any unknown small purchases needed in disaster response and/or recovery.

Emergency Services	06-07		07-08		Current Budget	08-09	Projected Year-End	09-10 Proposed Budget
	YR End Budget	Actual Expend	YR End Budget	Actual Expend		Expend As of 02/28/09		
<b>4330</b>								
121 Wages & Salaries								
122 Overtime								
133 401(k) Retirement - LEO								
181 FICA								
182 Loc Govt Emp Retirement								
183 Group Insurance								
186 Workers' Compensation Ins.								
399 Contracted Services	1,000	0	0	0	2,840	2,836	2,836	2,580
232 CERT				0	2,000	1,528	2,000	1,950
299 Supplies & Materials			1,000		500	80	200	500
<b>TOTAL</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>5,340</b>	<b>4,444</b>	<b>5,036</b>	<b>5,030</b>
399	\$2,080 for ConnectCTY "reverse 911", (\$4,000 total, \$1,360 to be paid by water and \$560 by sewer)							
	\$500 disaster mobilization							
232	<b>CERT</b>							
	Back Packs	450						
	Site Control/Supplies	600						
	Radios	450						
	Accident Insurance	450						
		<b>1,950</b>						
299	\$500 disaster contingency							

*Animal Control*

River Bend provides animal control services in support of our ordinances prohibiting animals running at large, and limited services related to assisting residents with other animal problems. We budgeted to send one of our public works staff (who perform animal control duties) to a training session to receive specific training on methods and regulations related to this function.

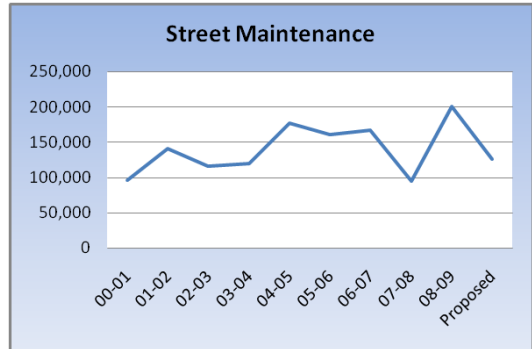


Animal Control	06-07		07-08		Current Budget	08-09		09-10 Proposed Budget
	YR End Budget	Actual Expend	YR End Budget	Actual Expend		Expend As of 02/28/09	Projected Year-End	
<b>4380</b>								
121 Wages & Salaries	4,880	4,872	5,306	5,304	5,933	3,852	5,886	6,170
122 Overtime						20	20	623
134 401(k) Retirement					297	194	295	308
181 FICA	369	365	411	407	453	290	443	472
182 Loc Govt Emp Retirement	518	513	573	569	327	213	326	340
183 Group Insurance	427	382	514	496	1,371	910	1,365	1,466
186 Workers' Compensation Ins.					546	462	597	623
310 Travel & Subsistence		0	0	0	0	0	0	475
395 Training		0			0	0	0	525
299 Supplies & Materials	500	143	170	96	500	496	496	500
<b>TOTAL</b>	<b>6,694</b>	<b>6,274</b>	<b>6,974</b>	<b>6,872</b>	<b>9,427</b>	<b>6,438</b>	<b>9,428</b>	<b>11,503</b>

310/395 One Public works employee attend the National Animal Control Academy Level I training in Raleigh.

### *Street Maintenance*

The street maintenance department contains the budget for the maintenance of the 16 miles of streets in River Bend. Each year our engineer reviews an evaluation he performed of all our streets in order to determine the priority for our paving funds.



Each year the length of the roadway we pave varies as does the cost of the work. Therefore, the overall expense 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 expenses 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 expense of this plan review and the expenses related to developing bid specifications and documents for the paving project. The engineer also monitors the work of the selected contractor to ensure it is done properly and in accordance with the specifications.

This budget includes paving one item from our maintenance plan, that being Plantation Drive (north lane) from Gull Pointe to Shoreline Drive. The estimated cost of this work falls within the amount of "Powell Bill" revenue we expect to receive from the state. However, we also need to do marking on some roadways. In particular, Plantation Drive (north entrance) from Shoreline Drive to Gull Pointe needs a renewed centerline, and sidelines from Shoreline to the bridge over the canal near the Quarterdecks. Striping costs are likely to mean that state revenues will not cover all our road maintenance this year, therefore local funding will need to be used. The paving and striping costs are reflected in line 591 on the worksheet.

The Supplies and Materials line (299) allows for the purchase of materials for our staff to make small patches, apply sealant to cracks, purchase regulatory and directional signs, and do work to the shoulders of the roadways.

# Town of River Bend, North Carolina Annual Budget for Fiscal Year 2009-2010

		06-07		07-08		Current Budget	08-09	Projected Year-End	09-10 Proposed Budget
		YR End Budget	Actual Expend	YR End Budget	Actual Expend		Expend As of 02/28/09		
<b>Street Maintenance</b>									
<b>4510</b>									
121	Wages & Salaries	12,074	11,978	12,989	12,967	14,832	9,631	14,716	15,425
122	Overtime	0	18	0	0		29	29	
134	401(k) Retirement					742	484	738	771
181	FICA	924	897	1,003	995	1,134	726	1,107	1,180
182	Loc Govt Emp Retirement	1,269	1,261	1,407	1,390	817	533	813	850
183	Group Insurance	1,218	670	1,453	1,218	3,426	2,272	3,410	3,666
186	Workers' Compensation Ins.					1,366	1,156	1,492	1,558
193	Professional Services - Engineer	6,794	6,767	9,713	1,523	9,000	4,544	9,000	9,000
299	Supplies & Materials	900	762	2,300	80	3,000	0	3,000	5,000
550	Capital Outlay - Other Equip								
591	Capital Outlay - Rdwy/Pvmt	145,475	145,475	100,000	76,895	166,508	28,256	166,508	89,000
	<b>TOTAL</b>	<b>168,654</b>	<b>167,829</b>	<b>128,865</b>	<b>95,069</b>	<b>200,825</b>	<b>47,630</b>	<b>200,814</b>	<b>126,450</b>
121	25% of PW employees salaries and benefits.								
193	Engineering and Contractor costs for paving.								
299	Town streets and right-of-way maintenance: paving, patching, drainage, regulatory signs. Need shoulder work.								
591	Paving Plantation Drive from Gull Point to Shoreline (North side)					Per Avolis = 79,550. Recommend 83,000			
	Striping and Patching allowance; \$6,000								



*Leaf & Limb and Solid Waste*

This department contains the budget for the bi-monthly leaf and limb pick-up service provided by the Town (line 396). In Fiscal Year 2008-09 we under estimated the total number of tons we would remove from Town largely as a result of moving nearly 100 tons from our staging area at the Wastewater treatment plan. Even with that large amount removed from consideration, our average is greater than the 50 tons budgeted.



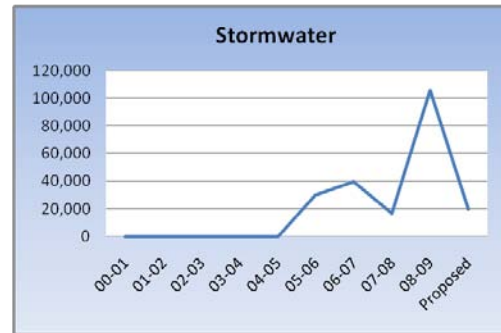
This new budget reflects 60 tons per pick-up, which is closer to the average we have been hauling this year. Also included in this budget area is funding to move the dumpster from Town Hall park and place it closer to our public works shop in an enclosed area. We also plan to begin to offer, to our residents, the ability to bring their used oil filters to a containment area, and the Town will contract for their recycling. A new state law prohibits the disposal of these filters in any landfill in the state. We will also allow residents to dispose of a reasonable amount of waste oil in a waste oil dumping station we already own.

Leaf & Limb, Solid Waste		06-07		07-08		Current Budget	08-09 Expend As of 02/28/09	Projected Year-End	09-10 Proposed Budget
		YR End Budget	Actual Expend	YR End Budget	Actual Expend				
<b>4710</b>									
396	Leaf & Limb Pick-up Services	37,851	37,845	29,990	26,149	35,035	33,197	44,867	42,937
399	Contracted Services			0	0	720	390	585	820
299	Supplies & Material								3,000
499	Miscellaneous								2,000
TOTAL		37,851	37,845	29,990	26,149	35,755	33,586	45,451	48,757
396	K.A. Jones	\$ 37,512	Tons 60	\$/ton 104.20	# of pick-ups 6				
	Landfill Tipping Fee	5,400	60	15.00	6				
	Landfill Facility Fee	25							
		42,937							
399	Oil Filter Recycling	100							
	Town Hall Dumpster	720							
		820							
299	Outdoor Recycling Bins	1,000							
	Fencing for Oil Collection and Dumpster			2,000					

Budgeted 50 tons in FY 09  
Reflects \$2.50/ton increase in FY 10

*Stormwater Management*

The Town Council renewed its commitment to continue to improve stormwater management in this community. A few years ago, the Public Works Advisory Board developed a list of areas of concern, the highest ranked of which was to correct a substantial problem in Lakemere. This project was completed in fiscal 2009 and, by all accounts, is functioning as planned. 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 this year 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.



Due to the high cost of the Lakemere project, no capital projects are contemplated in this budget. However, 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.

Stormwater Management	06-07		07-08		Current Budget	08-09 Expend As of 02/28/09	08-09 Projected Year-End	09-10 Proposed Budget
	YR End Budget	Actual Expend	YR End Budget	Actual Expend				
<b>4730</b>								
121 Wages & Salaries	7,245	7,241	8,249	8,251	8,899	5,778	8,829	9,255
122 Overtime	100	78	0	0		49	49	0
134 401(k) Retirement	761	768	867	884	445	290	443	463
181 FICA	554	547	631	634	681	436	665	708
182 Loc Govt Emp Retirement					490	320	488	510
183 Group Insurance	631	371	897	767	2,056	1,369.56	2,052	2,200
186 Workers' Compensation Ins.					819	693	895	935
193 Professional Services - Engineer					4,200	5,500	5,500	
399 Contracted Services	29,500	29,425	7,700	6,400	0	98	98	0
299 Supplies & Material	1,209	944	47	32		0		5,000
430 Equipment Rental	1,000	402	0	0	1,000	0		1,000
590 Capital Outlay - Other Improvements					86,650	86,650	86,650	
<b>TOTAL</b>	<b>41,000</b>	<b>39,776</b>	<b>18,391</b>	<b>16,968</b>	<b>105,240</b>	<b>101,185</b>	<b>105,670</b>	<b>20,070</b>
121	15% of PW Employee salaries and benefits.							



*Planning and Zoning*

The Town enforces our own Planning and Zoning and Floodplain Management Ordinances and engages, in a cooperative manner, in regional planning efforts. This department contains the budget for the Assistant Zoning Administrator. Pursuant to an agreement with the Town of Bridgeton, our employee serves as their Zoning Administrator. She maintains office hours at the Bridgeton Town Hall one day each week, and attends their Planning Board and Board of Adjustment meetings. Revenue for this arrangement is shown under "Interlocal Agreements" in the revenue portion of this budget.



This budget also contains funding to pay for mapping support from the Eastern Carolina Council (ECC) (line 193) and for our participation in a County Hazard Mitigation Plan update (line 399).

		06-07		07-08		08-09		09-10
<b>Planning &amp; Zoning</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected
		Budget	Expend	Budget	Expend	Budget	As of	Year-End
<b>4910</b>							02/28/09	
121	Wages & Salaries			13,500	14,899	33,043	21,597	32,895
122	Overtime						0	0
134	401(k) Retirement					1,652	1,069	1,634
181	FICA			1,033	1,108	2,528	1,670	2,545
182	Loc Govt Emp Retirement			1,419	1,566	1,821	1,178	1,801
183	Group Insurance			4,048	2,223	6,869	4,564	6,846
186	Workers' Compensation Ins.					984	1,242	1,484
189	Automobile Allowance					1,260	840	1,260
310	Travel & Subsistence	2,275	504	1,500	875	750	1,273	1,273
395	Training	450	0	1,000	256	1,000	240	477
193	Engineering	4,000	640	2,000	979	2,000	0	2,000
194	Professional Services - Survey					1,000	640	640
399	Contract Services	8,355	6,495	11,000	11,822	4,000	0	4,000
299	Supplies & Materials	5,000	3,523	1,000	1,298	550	260	324
320	Telephone & Postage				247	450	540	676
	<b>TOTAL</b>	<b>20,080</b>	<b>11,162</b>	<b>36,500</b>	<b>35,272</b>	<b>57,907</b>	<b>35,114</b>	<b>57,854</b>
121	Wages-shown at full cost, offset by intergovernmental revenue from Bridgeton (approx. \$8,000)							
310	Certified Zoning Officer Class-UNC							
395	Certified Zoning Officer Class-UNC, Floodplain Administrator Certification							
193	ECC GIS Services, Engineering review							
399	Surveying, nuisance abatement, Zoning Ordinance updates, Craven County Hazard Mitigation Plan update (\$1,750)							

*Recreation and Special Events*

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. 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 expenses 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.



Recreation & Special Events		06-07		07-08		08-09		09-10	
		YR End Budget	Actual Expend	YR End Budget	Actual Expend	Current Budget	Expend As of 02/28/09	Projected Year-End	Proposed Budget
<b>6120</b>									
399	Contracted Services	14,192	10,689	4,550	4,493	2,300	1,013	2,300	2,100
299	Supplies & Materials					3,000	1,049	3,000	3,400
	<b>TOTAL</b>	<b>14,192</b>	<b>10,689</b>	<b>4,550</b>	<b>4,493</b>	<b>5,300</b>	<b>2,062</b>	<b>5,300</b>	<b>5,500</b>
<b>New Department - Formerly Combined with Parks and CAC</b>									
399	Country Aire - July 4th	1,300							
	Moore's - Volunteer Day	800							
		2,100							
299	Events	3,400							
		3,400							
<b>Detail of Expenses Per Event</b>									
	4th of July			3,500					
	Pumpkin Decorating			100					
	River Bend Day			75					
	Christmas Ornament/Party			100					
	Fairfield Harbour Chorus - Christmas Concert			100					
	Bird Care Workshop			75					
	Easter Egg Hunt			250					
	Volunteer Day			1,000					
	Arbor Day			200					
	Fairfield Harbour Chorus - Spring Concert			100					
				5,500					

*Parks and Community Appearance Commission (CAC)*

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 expenses were reported. The splitting of the departments will allow for better budgeting, and better tracking of the costs associated with the programs we run.



We expect to complete the project to construct a walking path in our town park facilities (line 590). This project, partially funded by a state Parks and Recreation Trust Fund (PARTF) grant, will enhance the recreational appeal and utility of our facilities. The total estimated cost of this project for this fiscal year, \$55,000, is reflected in the Parks and CAC budget, and the revenue, a total of \$30,533, from PARTF is accounted for in the revenue section of the budget.

Personnel costs reflect an allocated portion of the public works staff time. Anticipating revenue from a Craven County grant, funding is included to purchase several park benches (line 299), similar to the one near the Dog Park, to be placed along the new walking path, and in other parks in Town. 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 projects anticipated by the CAC (line 358). This volunteer board takes on many projects aimed at improving the appearance of the community including Christmas decorations and planting projects.

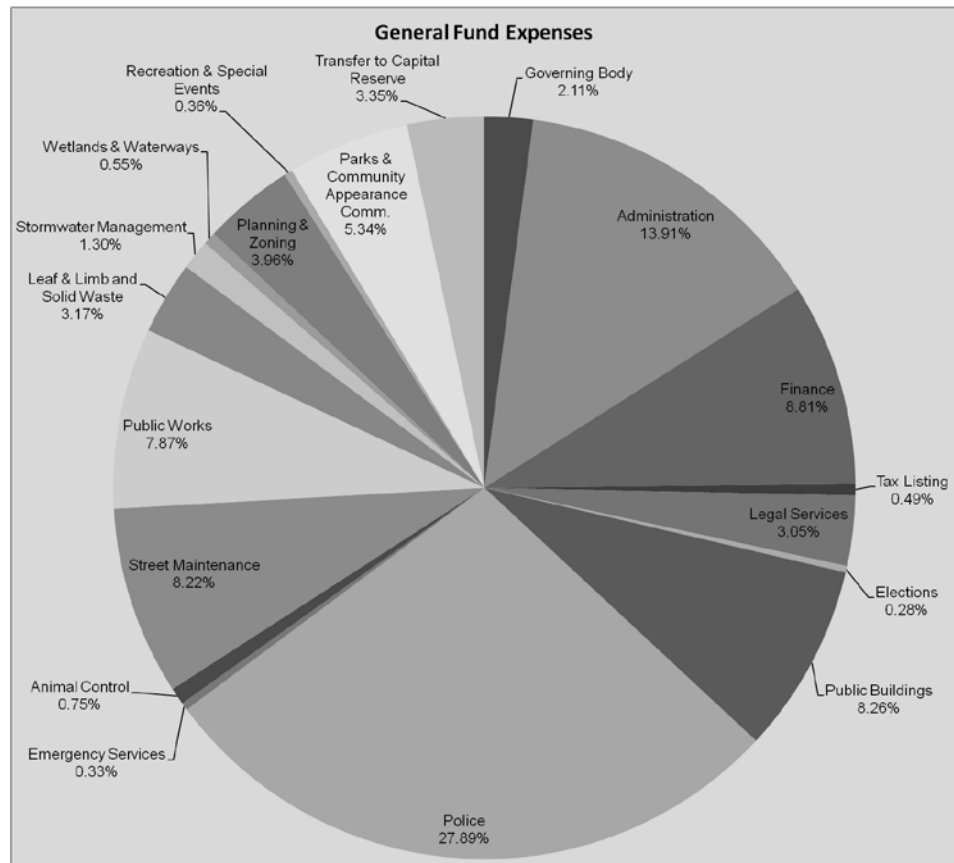


### General Fund Expenditure Summary

The total budget expenditures for the General Fund, including transfers is \$1,539,211, representing a 3.87% decrease over projected expenses in the current fiscal year. The table below shows the total for each department and the change compared to projected 2008-09 year end expenses.

General Fund Expense Summary		Actual Expense					Change v. prior year	
		05-06	06-07	07-08	08-09 (proj)	09-10 (prop)	%	\$
4110	Governing Body	20,550	22,952	32,116	30,360	32,528	7.14%	2,168
4120	Administration	204,802	224,492	213,745	199,911	214,126	7.11%	14,215
4130	Finance	78,015	78,350	131,954	193,471	135,622	-29.90%	-57,849
4140	Tax Listing	5,418	5,719	6,591	7,103	7,604	7.06%	501
4150	Legal Services	49,256	44,000	22,632	32,600	47,000	44.17%	14,400
4170	Elections	2,675	4,077	2,824	-	4,300		4,300
4190	Public Buildings	108,357	88,988	77,444	110,811	127,193	14.78%	16,383
4310	Police	304,209	336,637	347,539	378,599	429,232	13.37%	50,633
4330	Emergency Services	-	-	-	5,036	5,030	-0.12%	-6
4380	Animal Control	7,608	6,274	6,872	9,428	11,503	22.01%	2,075
4510	Street Maintenance (incl. Powell funding )	161,609	167,829	95,069	200,814	126,450	-37.03%	-74,364
4560	Public Works	96,062	92,857	101,350	105,364	121,164	15.00%	15,800
4710	Leaf & Limb and Solid Waste	33,016	37,845	26,149	45,451	48,757	7.27%	3,306
4730	Stormwater Management	30,000	39,776	16,968	105,670	20,070	-81.01%	-85,600
4760	Wetlands & Waterways	1,814	5,207	750	10,350	8,500	-17.87%	-1,850
4910	Planning & Zoning	5,391	11,162	35,272	57,854	60,960	5.37%	3,105
6120	Recreation & Special Events	2,532	10,689	4,493	5,300	5,500	3.77%	200
6130	Parks & Community Appearance Comm.	32,745	34,126	54,911	51,557	82,170	59.38%	30,613
	Transfer to Capital Reserve	65,500	70,309	62,500	51,500	51,500	0.00%	0
	<b>TOTAL</b>	<b>1,209,559</b>	<b>1,281,288</b>	<b>1,239,177</b>	<b>1,601,180</b>	<b>1,539,211</b>	<b>-3.87%</b>	<b>-61,969</b>

This chart shows what portion of the total budget each operational department has for the programs and services provided.



## General Fund Revenue

### Introduction

Just as Councilman Van Slyke has been reporting since we began this budget process in December, Fiscal Year 2009-10 is going to be a year where we are facing significant reductions in State revenues. 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)

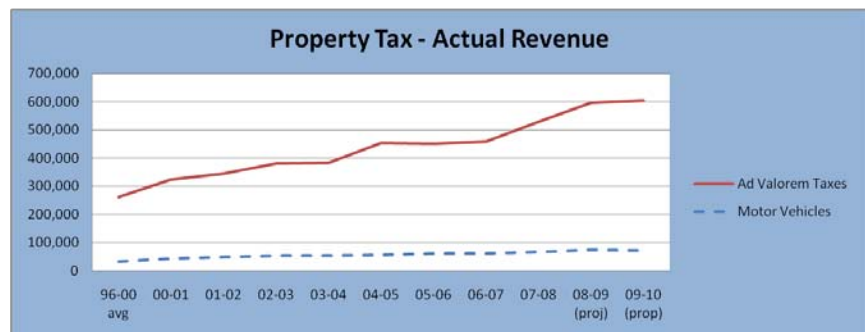
#### *Property Tax*

The property tax is levied against real and personal property tax bases. The tax base consists of real property (land, buildings, and other improvements to the land); personal property (automobiles, business equipment, etc); and the property of public service

companies (electric, telephone, railroads, etc.). State law requires that the tax rate be uniform unless the legislature grants the locality a request 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 \$0.28 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 Property Taxes and 1.5% to collect Personal Property Taxes.

Craven County will be performing a revaluation during the coming year, with the assessment to become effective on January 1, 2010. This means that when we budget for the FY 10-11 year, we will be using the new assessments for our tax base and will provide information that shows, in accordance with State law, the "revenue neutral" tax rate.



The budgeted amount for these revenues, according to state law, must reflect not only the total tax base, but also our collection rate for the previous year. The table below shows our total tax base, the base as reduced by our collection rate, our tax rate (shown as dollars per \$100 of assessed value), and the total we will budget for these revenue sources.

<b>Per the TR2-2008 report:</b>	tax base	collection rate	revised base	tax rate	<b>Budgeted</b>
Real property/Personal Property/Utility	216,689,297	99.49%	215,584,182	<b>0.28</b>	<b>603,636</b>
Motor vehicles	27,462,910	94.77%	26,026,600	<b>0.28</b>	<b>72,874</b>

*Animal Licenses*

This source has been fairly consistent over the past three years. We charge \$6.00 per pet per year. It would seem prudent to budget for FY 10 the projected amount for the current year. This is the amount shown in the budget worksheet.

*Sales / Use Tax*

Essentially two tax types; the Sales Tax on the retail sale or lease of tangible personal property and on the rental of hotel and motel rooms, and the Use Tax, an excise tax on the right to use or consume property in North Carolina or elsewhere.



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

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

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

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

- Article 42: ½% tax – originally placed in a statewide pool and allocated among the Counties on a per capita basis, this tax, effective in October of 2008, is now distributed on a point of delivery basis in a manner similar to Article 39.
- Article 44: As of October 1, 2008 the Article 44 tax was reduced to a ¼% tax (we account for this particular tax in the “Local Option Sales Tax line in the budget), with the proceeds all being returned to the County of origin. Effective October 1, 2009 we will no longer receive proceeds under this tax. However, the counties are required to hold cities harmless for these changes. Therefore, there is a new line in the revenue budget (line 3329) to reflect these “hold harmless” payments that the state department of revenue will make to us on behalf of the County.

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 units in the County.

According to a report produced by Karl Knapp of the North Carolina League of Municipalities, “total FY 08-09 statewide local sales tax distribution to local governments will be 5.5 to 6.0 percent lower than FY 07-08 (adjusting for the change in the Article 44 tax rate)”. In a map, showing changes in the Article 39 sales tax distributions over the 100 counties in the state, Craven County is shown as having growth, while Jones County and 11 others have experienced a 10 percent or higher decline in sales tax revenue.

Knapp reported that analysts in the General Assembly predict that the State sales tax base will not increase from FY 08-09 levels. Knapp stated, “We believe that this estimate may be too optimistic”. He goes on to report that “the sales tax base in North Carolina has contracted faster than the national average at a rate unprecedented in recent recessions. Much of the reduction in sales is in products related to building construction”.

Knapp suggested budgeting for a 0 to 1 percent decrease over FY 07-08 Article 40 tax receipts and adjust the Article 39 taxes and the other taxes to account for local conditions. While we are in a County that has shown growth in local sales tax revenues, given the state of the national and state economy, the most prudent course of action appears to budget no increase in any of the lines that are affected by local spending. Accordingly, all sales tax revenue lines in the Revenue budget worksheet reflect no change over the projected FY 08-09 year-end revenue, which were conservatively estimated.

#### *Cable TV Franchise*

We continue to receive a small local cable TV franchise fee (\$3,704) that is not included in the Video Programming Sales Tax pool. This franchise contract will expire in FY 2011 and will be the subject of some discussion during FY 2010.

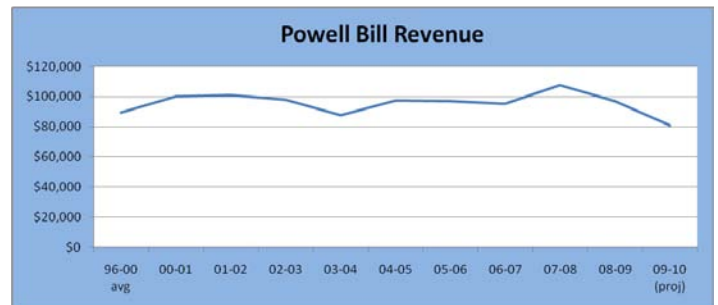
### *Solid Waste Tax*

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.

Because this is a new tax (in effect in FY 09), there is little data for an accurate estimate of the share we can expect. When we queried Allen Hardison, Executive Director of the Coastal Region Solid Waste Management Authority, he reported that “the State projected that the amount distributed to municipalities would be \$.82 per capita for 09-10 fiscal year. I think that might be a bit high, since statewide waste tonnage is down due to the economy. I would use around \$.75 per capita”. Karl Knapp, in his report, suggested multiplying the first reimbursement by four to get the estimate for FY 10. This is closer to \$0.56 per capita. Due to the state of the economy, and a report from CRSWMA that landfill tonnage is down, it would be prudent to budget toward the lower end of the spread between these two rates. The budget amount shown in the worksheet uses a per capita rate of \$0.65.

### *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 that 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.

According to Karl Knapp's report, "The current recession has caused a dramatic slowdown in vehicle purchases and decreased demand for gasoline, resulting in a lower expected allocation for 2009-10. Current forecasts suggest that the Powell Bill distribution may be even lower in FY 10-11, before growing slowly thereafter"

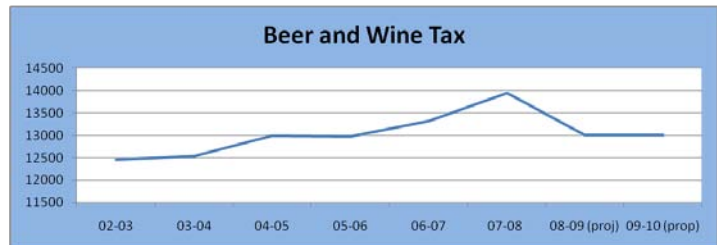
Mr. Knapp estimated the **population-based portion** of the distribution to be between **\$18.53** and **\$19.09 per capita** (down from \$22.29 this year). Our population figure, according to our previous certifications, is 3,075. Using the conservative lower end of the projected distribution results in \$57,000 in revenue for us from this component.

He went on to estimate that the **mileage-based portion** of the distribution will be between **\$1,453** and **\$1,497 per mile** (down from \$1,700 this year). Based upon our road inventory of 16.48 miles, and using the conservative lower end of the projected distribution results in \$24,000 revenue for us from this component.

The total, then, we can expect, based upon the most conservative distribution estimate, is \$81,000 (down from \$97,000 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 who permit the sale of these beverages within their limits. This distribution, made on a per capita basis, expected to increase between 2.5 and 3 percent over last year's distribution (according Knapp). However, if the legislature passes a 5 percent surcharge that has been proposed by the Governor, Mr. Knapp predicted that any local revenue increase would be negated due to decreasing demand. In the proposed budget, this line reflects no growth pending legislative action on the Governor's proposal.



#### *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.

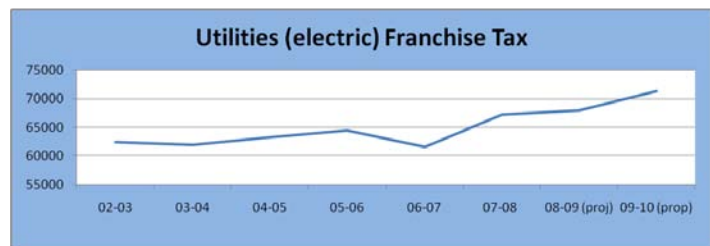
After the first \$2 million of this pool is parsed out to localities to support PEG services, the remainder is divided, in our case, based upon the “base rate” established in a filing we would have made in March of 2007 to the Secretary of State. This base amount is the proportionate share our franchise 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 relatively new “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.

According to Karl Knapp’s report, we can expect a 5.5 to 6.5 percent increase in revenue from this source for FY 10. A conservative 5 percent growth over FY 09 projected revenue is used in the budget worksheet.

### *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. We receive this money quarterly.



According to Karl Knapp’s report, we can expect a .5 to 1 percent increase in our Electric Franchise tax revenue. The relatively moderate growth prediction is due, according to Mr. Knapp, to decreased industrial demand. Due to our lack of industrial users, and the fact that our commercial and residential population is relatively stable, is likely to cause our revenue to grow at a higher rate than the statewide prediction. In the proposed budget, we show a conservative 0.5% growth in this revenue

### *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. According to a report produced by Karl Knapp, revenues from this source are expected to increase between 5 and 6 percent. It would seem prudent to budget on the lower end of each of these estimates, so a conservative 5% growth in Telecommunications Tax revenue is reflected in the budget worksheet.

#### *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. The amount shown in the budget worksheet is based upon an estimate that we will see no in revenue in this line from the projected year end for the current year

#### *Zoning Permits*

This line is driven by the level of construction activity in Town. As noted earlier, 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.

#### *Charges to Water and Sewer Funds*

This line reflects revenue from our enterprise funds for rental of office space, and for the labor allocation of General Fund employees in accordance with the allocations we established and review each year.

#### *Interlocal Service Agreements*

This revenue is the result of our sharing the assistant zoning administrator with the Town of Bridgeton. The contract states that she will be there one day per week with any missed days being made up upon agreement between the two towns. Bridgeton also is charged a portion of training and travel/sustenance when the administrator is receiving training relevant to both localities. The amount charged is based upon the full cost of the employee (wages, benefits, worker’s compensation, auto allowance, etc.).

#### *County Government Grants*

We applied for a \$10,000 grant for park benches and assistance with expenses related to the walking trail. The nature of the economy, and the reduction in state revenue flowing to Counties, makes it unlikely that we will see our request funded fully. In fact, in a

conversation with Commissioner Sisk, she indicated that this type of funding would be severely reduced for FY 2010.

*State Government Grants*

This is the revenue we expect to receive for the State match under our PARTF grant for the development of the walking trail in Town Commons. We expect to move to the construction phase of the project and request reimbursement for the remaining grant amount during FY 10. The revenue shown reflects the amount we expect to realize from this grant and contemplates the actual and anticipated expenses/reimbursement in FY 09.

*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 1.5% interest rate. Currently our funds in BB&T are returning slightly over one-half of one percent and those with the North Carolina Capital Management Trust are returning slightly over one percent. Using a more proactive and aggressive investment strategy will allow us to keep more money in the trust, thus benefiting from their higher rates while not sacrificing cash flow, or high bank fees associated with lower balances.

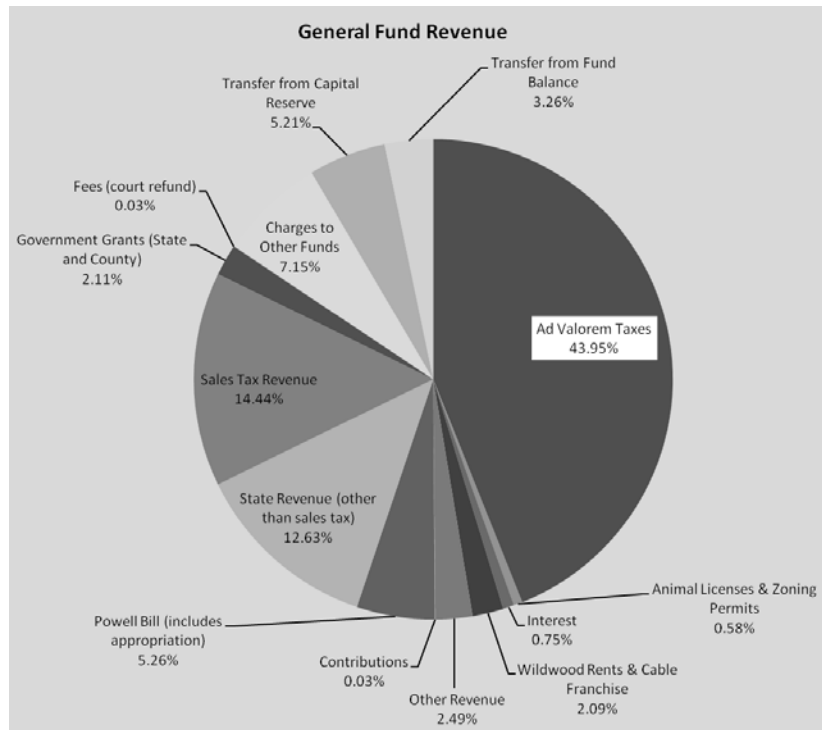
*Rents and Concessions*

The line reflects our revenue from the rental of the units in Wildwood. According to our contract with Southeast Property Management, LLC, we receive 94 percent of the gross receipts from the rental of these units. Six percent is retained by the management company as their fee under the contract we have with them.

This chart shows the percentage of total General Fund revenue represented by each of the sources described in this section.

### General Fund Revenue Summary

Total budgeted revenue for the General Fund, exclusive of the use of Fund Balance is \$1,489,051, a 1.48% increase over projected revenues for the current fiscal year. As predicted early in our budget planning process, state revenues are down in several key areas, most notably Powell Bill and Sales Tax. Unfortunately, with declining state revenues, we are left with few options other than using locally initiated taxes.



While we have been able to avoid any increase in our Ad Valorem rate this year through conservative

budgeting, and a Council directed focus upon not engaging in any new programs for the upcoming year, the use of fund balance was nevertheless, necessary in FY 10 in order to balance the budget. We budgeted to use \$50,160 of this fund. Knowing that next year at this time we will be working with a revaluation of our tax base, we will need to look hard at where the tax rate needs to be set in order to continue to maintain our infrastructure, and maintain the current levels of service while looking at the future needs of the community. This process will also need to give attention to replenishing any fund balance used in FY 10 in order to maintain the level of reserves needed to maintain a solid financial foundation, which has a direct impact upon our bond rating and overall creditworthiness. We will also need to be aware of any other sources of revenue whether through grants (as unlikely as these are for us) or other taxes as deemed appropriate.

General Fund Revenue Summary	Actual Revenue					Change v. prior year	
	05-06	06-07	07-08	08-09 (proj)	09-10 (prop)	%	\$
Ad Valorem Taxes	513,142	520,527	595,725	672,539	676,510	0.59%	3,971
Animal Licenses & Zoning Permits	16,513	14,190	7,156	9,000	9,000	0.00%	0
Interest	26,199	35,209	22,467	10,404	11,554	11.05%	1,150
Wildwood Rents & Cable Franchise	58,486	53,064	28,917	32,104	32,104	0.00%	0
Other Revenue	5,943	40,519	98,423	9,702	38,383	295.62%	28,681
Contributions	3,133	1,138	4,367	1,500	500	-66.67%	-1,000
Powell Bill (includes appropriation)	159,970	95,154	107,886	135,140	81,000	-40.06%	-54,140
State Revenue (other than sales tax)	94,304	110,005	147,834	160,847	194,347	20.83%	33,500
Sales Tax Revenue	270,657	268,184	261,467	247,473	222,303	-10.17%	-25,170
Government Grants (State and County)	33,318	10,000	12,886	14,500	32,533	124.37%	18,033
Fees (court refund)	540	558	395	400	500	25.00%	100
Charges to Other Funds	74,916	84,576	88,488	102,254	110,110	7.68%	7,856
Transfer from Capital Reserve	30,587	43,465	62,500	71,435	80,207	12.28%	8,772
Transfer from Fund Balance					50,160		
<b>TOTAL</b>	<b>1,287,708</b>	<b>1,276,589</b>	<b>1,438,511</b>	<b>1,467,297</b>	<b>1,539,211</b>	<b>4.90%</b>	<b>71,914</b>

**Town of River Bend, North Carolina**  
**Annual Budget for Fiscal Year 2009-2010**

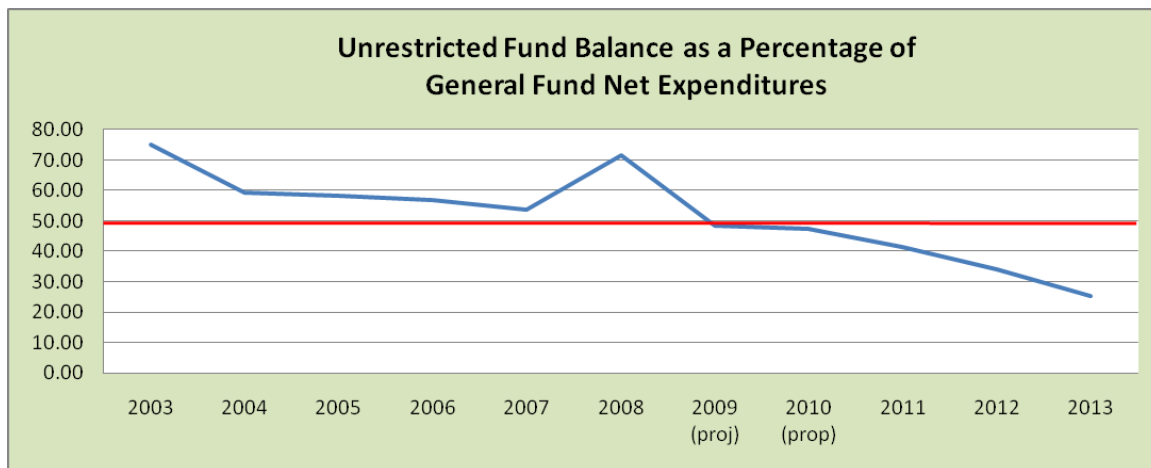
This table shows the detail of the General Fund Revenue budget. The summary table on the proceeding page combines like sources and is used for the categories shown in the budget ordinance.

Revenue	06-07		07-08		Current Budget	08-09	Projected Year-End	09-10
	YR End	Actual	YR End	Actual		Revenue		Proposed
	Budget	Revenue	Budget	Revenue		As of 02/28/09		Budget
3100-108 AD VALOREM Taxes	455,907	457,570	529,205	528,135	592,878	595,487	597,000	603,636
3100-180 Tax Penalties		1,185	0	0				
3110-108 AD VALOREM Tax-Motor Veh.	60,662	62,958	65,759	67,590	77,875	47,270	75,539	72,874
3210-851 Animal Licenses	1,750	2,270	2,000	2,082	2,100	810	2,000	2,000
3231-010 Sales Tax - Art. 39 1%	218,040	99,959	216,850	96,455	99,044	67,453	100,759	100,700
3231-020 Sales Tax - Art. 40 1/2%		59,899		58,979	60,316	39,609	57,930	57,900
3231-030 Sales Tax - Art. 42 1/2%		59,420		58,511	59,659	39,245	57,405	57,400
3231-040 Sales Tax (Local Opt)- Art. 44 1/2%	48,032	48,905	48,164	47,522	31,808	27,914	31,379	6,303
3329-200 Hold Harmless Tax Distribution					16,847	1,902	16,847	41,797
3261-100 Cable TV Franchise	31,067	29,010	3,500	3,536	3,740	2,822	3,740	3,740
3278-300 Solid Waste Disposal Tax					0	437	2,000	2,000
3316-099 Powell Bill Appropriation	26,500		0	0	37,925	37,925	37,925	0
3316-370 Powell Bill Allocation	95,154	95,154	107,886	107,886	97,214	97,215	97,215	81,000
3322-200 Beer and Wine Tax	12,500	13,321	12,500	13,948	12,875	0	13,000	13,000
3323-200 Video Programming Sales Tax	0	12,331	43,000	44,383	36,700	21,552	40,000	42,000
3324-200 Utilities Franchise Tax	59,300	61,539	66,000	67,318	66,660	33,161	68,000	71,400
3332-200 Telecomm Sales Tax	23,000	22,814	21,000	22,185	21,321	12,043	23,000	24,150
3340-853 Court Refunds	500	558	500	395	500	145	400	500
3343-850 Zoning Permits	11,000	11,920	7,000	5,074	8,000	3,758	7,000	7,000
3410-984 Charges to Water Fund	42,290	42,288	44,242	44,244	51,127	34,559	51,127	55,055
3410-985 Charges to Sewer Fund	42,290	42,288	44,242	44,244	51,127	34,559	51,127	55,055
3490-400 Interlocal Service Agreements			3,445	3,489	8,000	4,784	6,877	6,883
3613-360 County Government Grants	10,000	10,000	12,886	12,886	10,000	0	10,000	2,000
3613-760 State Government Grants	0	0	3,000	0	4,500	0	4,500	30,533
3830-800 Miscellaneous	8,822	8,254	2,800	3,456	2,000	825	825	4,000
3831-370 Interest- Powell Bill	3,180	3,210	2,324	2,253	750	783	861	304
3831-810 Interest- General Fund	30,000	31,999	21,850	20,214	17,000	6,926	9,543	11,250
3832-605 Recreation Land Fees	1,809	1,809	0	0				0
3833-820 Contributions	500	1,138	4,400	4,367	500	1,330	1,500	500
3834-852 Rents & Concessions	26,000	24,054	28,650	25,381	33,560	16,546	28,364	28,364
3835-865 Sale of Fixed Assets	3,000	2,571	0	0				2,500
3920-892 Proceeds from Debt	27,885	27,885	91,478	91,478				25,000
3980-982 Transfer - Capital Res Fund	per schedule		23,835	23,835	71,435	71,435	71,435	80,207
3980-983 Transfer from Parks Fund								
3980-984 Transfer from Water Fund								
3980-985 Transfer from Sewer Fund								
3980-988 Transfer from LESA Fund								
3991-991 Appropriated Fund Balance			1,700	0	131,515		131,515	50,160
<b>TOTAL REVENUES</b>	<b>1,239,188</b>	<b>1,234,310</b>	<b>1,408,216</b>	<b>1,399,846</b>	<b>1,606,976</b>	<b>1,200,496</b>	<b>1,598,812</b>	<b>1,539,211</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 unreserved Fund Balance of 50%. Having such a balance enables us to meet our financial obligations without interruptions in cash flow, allows us to generate some 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 2008, had a Fund Balance of over 70%, and we project a balance of slightly under 50% at the end of the current fiscal year. In order to deliver a balanced budget in accordance with North Carolina General Statutes, while maintaining the current tax rate of \$0.28 per \$100 valuation, we are budgeting, as noted earlier, for \$50,160 in revenue from our unrestricted Fund Balance. Using fund balance this year to balance the budget is one of the reasons we maintain the level of funds we have in reserve, but efforts must be made, in terms of revenue increases, or further expense reductions, in subsequent years to ensure that this balance is replenished.



	2003	2004	2005	2006	2007	2008	2009 (proj)	2010 (prop)	2011	2012	2013
Fund Balance \$	729,890	708,628	722,441	753,676	749,970	911,137	777,254	727,094	651,068	548,139	417,238
	(data from annual financial report)						projected				
Fund Balance %	75.08	59.35	58.19	56.68	53.57	71.52	48.54	47.24	41.07	33.57	24.81
	(data from LGC)						projected				

## **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 two 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 text that follows provides some basic information about these two utilities and details about the budgets expenses and revenue.

## 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 capacity of 400,000 ensure a consistent supply and adequate pressure throughout the system. In 2007, we treated 81,933,000 gallons with a daily average of 224,337 gallons. In 2008, we treated 78,785,000 gallons of water (average of 215,495 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 nearly 1500 households through 18 miles of pipe ranging in size from two to 8 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.

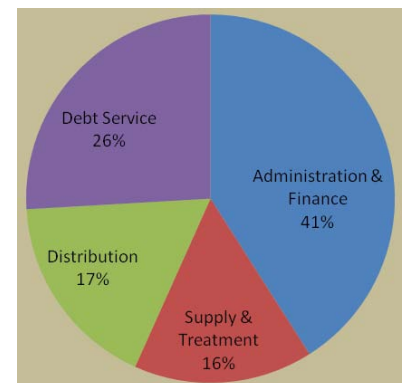
Our water system is monitored and regulated by the State of North Carolina who grants us a permit to operate. In accordance with state standards, water samples are tested at an independent laboratory for bacteria and other harmful contaminants. Each customer receives a copy of our annual report showing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

## Water Enterprise Expenses

The total budgeted expenditure for the water enterprise in fiscal year 2010 is \$700,990, a 6.99% decrease from the current fiscal year.

Expenses 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 expense for this enterprise fund attributable to the three budgeted departments within the enterprise. Debt service is a large expense for this enterprise and is divided from the administration and finance department in the chart to illustrate its proportion to overall expenses.



<b>Water</b>	
Install new valves at Well 3 filter house	\$7,000
Repair drain system for filter at Well 1	\$28,490
Back-flow preventers	\$3,000
Study, by Swartz Engineering, to determine the purchase price for the water system in Springdale (etc.) from the City of Bern	\$7,000
Storage Shed (50% of total - shared with Wastewater)	\$4,500
Radio Read Meters	\$63,000
<b>TOTAL</b>	<b>\$112,990</b>

There are several projects planned for the water utility in fiscal year 2009-10. These projects 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 expenses 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).

In the area of personnel, we budgeted to convert our current part-time water/sewer operator (student) to a full-time position. Originally budgeted for 24 hours per week, we have needed to use this position (most weeks) for 32 hours. Converting this to a full-time position will enable us to keep coverage seven days a week for water, sewer, and public works and will enable us to realize greater efficiency in our utility operations by allowing our staff to perform some of the work formerly done by contractors.

There are only two unusual budgeted expenses in this department for fiscal year 2009-10. The first is \$7,000 to fund a study to aid in determining the feasibility of purchasing the water system that serves the Springdale subdivision from the City of New Bern (a portion of line 193). This project was evaluated by, and received a positive recommendation from, the Planning Board, the Public Works Advisory Board and the Environment and Waterways Advisory Board. Springdale is the only subdivision (and residents) of the incorporated Town that are not served by our water system. The other item is a shared (with the sewer enterprise) project to construct a storage area attached to the rear of the garage on Shoreline Drive (line 580). This improvement will allow our staff to move pipe and other large items into an outdoor, but secured, storage area, thus freeing up needed indoor storage space.

The administration and finance department budget also contains funding for the share of the expenses related to the acquisition and maintenance of our information technology system attributable to this enterprise (lines 381, 440, 441, 760, and 770). Another shared, and thus allocated, expense is for our annual financial audit (line 191).



## Supply and Treatment

The supply and treatment department contains the budget for expenses 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 significant projects budgeted for fiscal year 2009-10 in this department. The first is work to repair a problem in one of the six large pressure vessels that function as the filters for our water. These filters contain media that removes iron and manganese from the water as part of the treatment process. A small amount of filter media has been detected by our alert operators in portions of the treatment process. This may be an indication of a problem with the under-drain in the filter, or a problem with the media itself (or both). Based upon advice from a contractor familiar with this type of filter, we plan to clean the media in two filters using a chemical process and then evaluate the process to see if we are still seeing media where it should not be before taking more aggressive action.

The second project is the installation of new valves at the Well 3 well house. The current valves have aged to the point where our operators need to use significant mechanical advantage just to operate them. This raises safety concerns, and also results in the backwashing process taking longer than necessary. This project is an example of one that we formerly would have contracted, but will do with in-house staff in order to reduce the total project cost.

Also included in this department (line 595) is a reserve amount for the eventual replacement of the pump for Well 3. This is our oldest pump, and one the one most likely to fail. Having the replacement budgeted will allow us to respond quickly should we encounter a failure of this piece of equipment.



**Distribution**

This department contains the budget for expenses related to the operation of the distribution system from the 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.

The two projects contained in this department’s budget are both at the customer end of the distribution system. We budgeted to begin 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 other project is the completion of a three-year project to replace all water meters on our system with radio read meters (line 550). This technology will enable our office staff to read all meters on the system from the office. It will also allow us to detect leaks more quickly for our customers. We anticipate, in the fiscal year 2010-2011 budget that there will be a recommendation to move to monthly billing due to the expected efficiencies of this new system

		06-07		07-08			08-09		09-10
<b>Water Distribution</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected	Proposed
		Budget	Expend	Budget	Expend	Budget	As of	Year-End	Budget
<b>60-7134</b>							02/28/09		
399	Contracted Services	22,000	21,798	22,000	23,154	5,139	2,946	5,139	8,000
442	Water Tower Service Contract					16,861	16,861	16,861	19,390
299	Supplies & Materials	25,000	14,753	15,000	8,945	20,000	2,322	10,000	12,000
352	Maint & Repair- Equip	2,000	102	2,000	432	2,000	-	2,000	2,000
430	Bldg & Equip Rental	1,000	171	1,000	210	2,000	-	2,000	2,000
550	Capital Outlay- Equipment	46,940	45,340	202,000	136,200	128,000	-	128,000	63,000
596	Capital Outlay- Lines/Tanks					20,000	12,353	12,353	
	<b>TOTAL</b>	<b>96,940</b>	<b>82,163</b>	<b>242,000</b>	<b>168,941</b>	<b>194,000</b>	<b>34,481</b>	<b>176,353</b>	<b>106,390</b>
<b>Lines and meters for distribution, maintenance and repair of infrastructure.</b>									
399	Contracted Services - NC One-Call, telemetry service								
299	Supplies & Materials - Backflow preventers (\$3,000) and Includes small equipment purchases								
550	Radio read meters \$63,000.								

## Water Fund Revenue

We are fortunate to have a professionally designed rate model for each utility so the impact of proposed expenses 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 expenses and revenues for five years into the future, allowing the Town Council to see the effect rate changes, or the lack thereof, has on operational funding and the level of fund balance.

Based upon the proposed expenses, and the revenue projected at our current rates, we do not see the need to increase any rates for fiscal year 2010. Revenues in the water fund, according to the rate model, while not meeting all expenses, are sufficient in that they do not diminish fund balance below a tolerable level.

The worksheet below shows the detail of water revenues, exclusive of capital investment/reserve fund and fund balance revenue sources. 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 1" water supply line.

Revenue - Water	06-07		07-08		Current Budget	08-09	Projected Year-End	09-10	
	YR End Budget	Actual Revenue	YR End Budget	Actual Revenue		Collected As of 02/28/09		Proposed Budget	
3710-501	Utility Usage Chg- Class 1 & 2	163,281	167,679	181,614	178,220	186,251	127,030	196,356	195,012
3710-503	Utility Usage Chg- Class 3 & 4	14,265	13,008	18,219	16,945	18,297	14,983	20,772	20,648
3710-505	Utility Usage Chg- Class 5	14,130	14,235	15,036	16,345	15,695	12,848	17,651	17,484
3710-508	Utility Usage Chg- Class 8	1,800	1,891	3,086	2,890	3,152	1,964	2,894	2,876
3710-510	Utility Customer Base Charge	216,707	219,032	267,198	270,623	282,046	189,015	281,418	282,441
3710-514	Fire Hydrant Availability Fee	23,302	23,158	23,180	22,234	36,285	36,285	36,285	36,225
3715-515	Unbilled Receivables								
3720-520	Tap Connection Fees	21,750	21,750	7,750	9,000	2,500	3,750	3,750	3,750
3730/31-500	Disconnect/Recon Fees	3,500	5,180	6,122	6,720	5,770	4,445	6,335	6,335
3732-500	Penalty on Utility Billings	6,500	6,907	5,800	9,229	5,980	7,364	11,046	11,046
3735-500	Capital Investment Fees	23,100	37,400	2,200	2,200	2,500	2,600	2,600	2,600
3737-981	Chgs to General Fund	8,984	9,060	9,398	9,393	13,103	8,736	13,103	20,239
3737-985	Chgs to Sewer Fund								
3830-800	Miscellaneous	50	46	2,465	2,468	0	15		
3831-810	Interest	15,275	14,804	8,730	8,842	1,852	1,444	1,962	2,176
3835-865	Sale of Fixed Asset					3,000	2,138	2,138	-
3920-892	Proceeds from Debt			50,261	50,261	0			
3980-981	Transfer from General Fund								
3980-985	Transfer from Sewer Fund								
3980-986	Transfer from Water Capital Reserve	5,150	5,150						7,000
3991-991	Appropriated Fund Balance			202,000		110,607		95,388	
	<b>TOTALS</b>	<b>517,794</b>	<b>539,300</b>	<b>803,059</b>	<b>605,371</b>	<b>687,038</b>	<b>412,617</b>	<b>691,696</b>	<b>607,832</b>

## **Our Sewer Utility**

The Town of River Bend owns and operates a Wastewater Treatment and Collection system serving approximately 915 households and businesses. Wastewater is collected from our customers and transmitted via approximately 11 miles gravity and force main pipes. Eight lift stations pressurize portions of the system so the waste is efficiently moved to our treatment facility on Gull Pointe Drive.

In 2007, we treated 56.6 million gallons of wastewater and in 2008, we treated 54.2 million gallons. The daily average treatment rate was 155,083 gallons in 2007 and 148,083 gallons in 2008. The State standard for waste treatment capacity is 330 gallons per day per household, which in our case translates to 287,100 gallons per day. This standard shows that we are using 87% of our permitted capacity, while in reality we use, at peak flow, 52% of our permitted capacity.

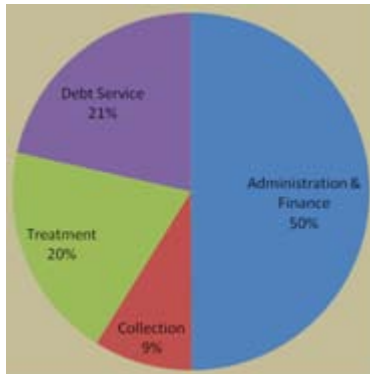
The North Carolina Department of Water Quality (DWQ) administers federal and state regulations designed to protect the quality of the receiving waters. Part of this administration is the issuance of permits for treatment facilities like the one we have here in River Bend. Our treatment plant has a permitted 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 for our water treatment filters. These backwash discharge permits allow us to discharge up to 7,000 per day at each site.

## **Sewer Enterprise Expenses**

The total budgeted expenditure for the sewer enterprise in fiscal year 2010 is \$685,378, a 3.39% increase from the current fiscal year.

Expenses in the sewer fund are 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 installment debt.



The chart to the left shows the percentage of the total expense for this enterprise fund attributable to the three budgeted departments within the enterprise. Debt service is a large expense for this enterprise and is divided from the administration and finance department in the chart to illustrate its proportion to overall expenses.

There are several projects planned for the sewer utility in fiscal year 2009-10. These projects will be detailed under the department through which they are funded.

<b>Wastewater</b>	
Replace air valves (\$2,900) and splitter box (\$2,912) on small plant	\$5,812
Replace Federal Pacific electric panel with new panel in the blower building. Can not get parts for FP panels	\$3,000
Paving slope at WWTP	\$4,750
Small camera for Sewer Camera system	\$3,000
Design and permit a sewer collection line from the west end of Plantation Drive to the wastewater treatment facility.	\$36,500
Replace discharge line supports	\$8,500
Sludge press - Begin CIP	\$10,000
Storage Shed (50% of total - shared with Water)	\$4,500
<b>TOTAL</b>	<b>\$76,062</b>

### Sewer - Administration and Finance

This department contains the budget for all personnel related costs including expenses 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).

In the area of personnel, we budgeted to convert our current part-time water/sewer operator (student) to a full-time position. Originally budgeted for 24 hours per week, we have needed to use this position (most weeks) for 32 hours. Converting this to a full-time position will enable us to keep coverage seven days a week for water, sewer, and public works and will enable us to realize greater efficiency in our utility operations by allowing our staff to perform some of the work formerly done by contractors.

There are only two unusual budgeted expenses in this department for fiscal year 2009-10. The first is \$36,500 to fund the design and permitting of the expansion of the sewer system to serve the currently unsewered portion of Town and/or the Northwest Quadrant (a portion of line 193). This project was evaluated by, and received a positive recommendation from, the Planning Board, the Public Works Advisory Board and the

Environment and Waterways Advisory Board. This project reflects the proactive stance the Town takes in anticipating the need for expanding our system and puts the Town in a position to work with a potential developer or respond to the need to provide sewer service to the developed areas of Town not currently connected to this system.

The other item is a shared (with the water enterprise) project to construct a storage area attached to the rear of the garage on Shoreline Drive (line 580). This improvement will allow our staff to move pipe and other large items into an outdoor, but secured, storage area, thus freeing up needed indoor storage space.

The administration and finance department budget also contains funding for the share of the expenses related to the acquisition and maintenance of our information technology system attributable to this enterprise (lines 381, 440, 441, 760, and 770). Another shared, and thus allocated, expense is for our annual financial audit (line 191).

Debt service is a large expense for this enterprise. In fact, 22% of the total expense 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 2009-2010

		06-07		07-08			08-09		09-10
<b>Sewer Admin &amp; Finance</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected	Proposed
		Budget	Expend	Budget	Expend	Budget	As of	Year-End	Budget
<b>61-7125</b>							02/28/09		
121	Wages & Salaries	86,652	84,519	89,707	85,098	92,386	60,989	94,244	107,489
122	Overtime	1,000	199	1,000	818	1,000	227	1,000	1,000
134	401(k) Retirement					4,249	2,700	4,185	5,374
181	FICA	6,629	6,055	6,862	5,530	7,068	4,629	7,131	8,223
182	Loc Govt Emp Retirement	9,107	9,139	9,428	7,580	4,683	2,976	4,605	5,923
183	Group Insurance	11,260	11,157	12,481	10,987	15,164	10,073	15,109	20,093
186	Workers' Compensation Ins.					3,000	1,966	2,656	3,693
310	Travel & Subsistence	1,400	130	1,000	19	1,000	0	250	1,000
395	Training	390	107	1,000	158	1,500	300	750	1,000
191	Auditing Service	10,000	10,263	10,000	3,854	4,200	3,867	4,200	4,200
192	Professional Service - Legal				1,826		490	1,000	500
193	Engineering Services				2,253	5,800	0		38,000
382	Banking Services				30	0	-	648	1,400
381	Computer IT Services	11,667	5,696	10,924	8,712	1,616	7,759	7,865	1,700
393	Temporary Help Services				1,214	1,000	764	764	
399	Contracted Services	1,000	30		363	918	815	918	1,000
440	IT Service and Maintenance					6,750	3,017	5,432	5,300
441	Springbrook Serv. & Maint.					3,600	5,366	5,456	3,000
482	Indirect Costs - Labor	33,290	33,288	37,335	35,244	42,839	28,559	42,839	46,055
212	Uniforms	1,500	1,353	1,600	1,519	1,800	1,148	1,800	1,900
251	Motor Fuel	4,000	2,721	4,400	2,739	2,898	2,322	2,946	2,664
260	Office Supplies	3,000	2,994	3,500	3,684	3,500	2,824	3,500	3,863
320	Telephone & Postage	3,100	3,281	3,400	2,711	3,400	1,510	2,596	4,000
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,100	787	1,100	101	1,100	278	1,100	1,500
370	Advertising	300			91	100	160	160	100
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	6,000	9,000	9,000
450	Insurance: Prop/Liab	8,500	6,835	9,193	9,456	6,938	6,810	6,810	8,000
491	Dues & Subscriptions	750	656	750	656	750	684	684	750
492	Bad Debts								
520	Capital Outlay - Comp. Eq.			46,608	27,908	19,442	19,763	19,763	
540	Capital Outlay - Mot Veh					8,165	8,436	8,436	
550	Capital Outlay- Equipment	0	0						
580	Capital Outlay- Buildings								4,500
710	Bond Principal Payment	62,557	62,557	67,191	67,191	69,508	0	69,508	69,508
720	Bond Interest Payment	74,478	74,477	71,590	71,591	69,575	34,787	69,575	67,490
751	Bond Service Charge								
753	Amort of Bond Costs								
760	Install. Purchase - Principal	0	0	4,143	4,143	16,408	10,893	16,408	16,820
770	Install. Purchase - Interest			200	199	959	684	959	546
499	Miscellaneous	0	0	0	286				
	<b>TOTAL</b>	<b>340,680</b>	<b>325,245</b>	<b>402,412</b>	<b>364,959</b>	<b>410,316</b>	<b>230,796</b>	<b>412,297</b>	<b>445,591</b>
121	Wages & Salaries: 60% Utility Operators, 50% Finance & Supt.								
310/395	Training/Travel & Sub Continuing education/competency & increased qualification levels;								
193	Engineering - \$36,500 for Avolis design & permit for collection system + \$1,500 general engineering services - PRN								
381	Computer Services: DSL, web site, financial/Invensys software maintenance fees, (\$860)								
399	Contracted Services \$560 - Reverse 911 (\$4,000 total: 1,360 water, 560 sewer, 2,080 general fund)								
440	tech support for hardware/software (VC3: \$12,120 support, \$5,400 disaster recovery= \$17,520) [40% general fund, 30% water, 30% sewer]								
441	Springbrook software maintenance (Total = \$12,465). [40% general fund, 30% water, 30% sewer]								
251	Fuel - \$2.70 per gallon estimate - \$0.48 per gallon tax = \$2.22 per gallon cost US Energy Information Administration 12 month average (est) for July 09 - June 10 = \$1.99								
260	Office Supplies \$3,500 Sup't Computer \$750 (\$1,500 total - 50/50 split btwn wat/sew)								
430	Bldg & Equip Rental Town hall & annex building & equipment use, \$750 (FY07)								
482	Indirect Costs - General Fund labor allocations								
450	Insurance Premiums: Property/Liability/Workers' Comp/allowance for deductibles								
580	Storage shed at Shoreline garage (total \$9,000 split 50/50 with sewer)								
760/770	Installment/Leasing Purchase for IT (Prin \$16,820 Int. \$546) [Total annual Prin \$64,252, Int \$2,088]								



## 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 expenses 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 594 contains budgeted funding for four projects at the treatment plant. We need to replace several air valves and a splitter box on the smaller of the two plants. Currently our operators are unable to adequately regulate the flow of air to portions of this plant, which could have an effect upon the quality of the treatment process. A splitter box is also in need of repair that enables the operators to move sludge to the digester from the small plant. Currently this is being accomplished by a pipe laid on top of the ground.

Our operators, in a routine inspection, noted that several of the support posts that elevate the pipe that moves the effluent from the plant to the discharge point in the Trent River are rotten. Many of these posts, in fact, are severely deteriorated and in need of immediate replacement. We also budgeted funds to pave a sloped area within the plant to allow vehicles to deliver heavy items to the top of the incline. Currently, we can back up this grassed slope, but often spin tires, which leads to erosion.

The other item in this line is a commitment to begin to reserve funds for the future installation of the sludge press the Town owns. This piece of equipment, acquired at no cost from the City of Havelock several years ago, would enable us to “dewater” our sludge for disposal as a semi-solid, rather than as a liquid. Savings would likely be realized in transportation costs and other efficiencies. This is a project that will undergo a thorough evaluation during the coming fiscal year.

**Town of River Bend, North Carolina  
Annual Budget for Fiscal Year 2009-2010**

		06-07		07-08			08-09		09-10
<b>Sewage Treatment</b>		YR End	Actual	YR End	Actual	Current	Expend	Projected	Proposed
		Budget	Expend	Budget	Expend	Budget	As of	Year-End	Budget
<b>61-7144</b>							02/28/09		
398	Testing	13,000	12,638	13,000	14,595	15,000	9,533	15,000	15,000
399	Contracted Services	18,000	13,864	18,000	18,524	24,000	11,721	24,000	16,700
298	Chemicals	7,500	7,554	8,000	8,348	12,000	5,965	12,000	12,000
299	Supplies & Materials	5,500	5,739	5,000	2,184	7,000	3,346	7,000	10,000
330	Utilities	26,450	26,422	28,455	24,340	29,593	17,739	27,339	29,500
351	Maint & Repair- Bldg	500	489	500		500	259	500	500
352	Maint & Repair- Equip	5,000	7,546	8,000	12,889	9,000	6,388	9,000	9,200
430	Equip Rental		97	200			0		
496	Permit Fees	715	2,283	715	860	715	0	715	715
550	Capital Outlay- Equipment	26,300	0	15,000		0	0		
594	Capital Outlay- Treatment Plant					8,000	1,702	1702	29,062
	<b>TOTAL</b>	<b>102,965</b>	<b>76,632</b>	<b>96,870</b>	<b>81,741</b>	<b>105,808</b>	<b>56,652</b>	<b>97,256</b>	<b>122,677</b>
<b>Operation and maintenance of the wastewater treatment plant</b>									
399	Sludge Hauling (11,400), pump down of digester (4,400) and dumpster service (900)								
299	Supplies and Materials (\$8,000) and Lighting and grounds upgrades (\$2,000)								
330	Average cost in FY 08 \$2,028 per month. Average cost for the first 7 months of FY 09 \$2,240 per month. Anticipate 4% increase in December per Progress.								
352	Electrical Work (\$3,000) and Blower maintenance contract (\$6,200)								
594	Splitter box/Air Valves	5,812							
	Discharge line support	8,500							
	Sludge Press (CIP)	10,000							
	Paving	4,750							
		<b>\$29,062</b>							

### Sewer Fund Revenue

We are fortunate to have a professionally designed rate model for each utility so the impact of proposed expenses 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 expenses and revenues for five years into the future, allowing the Town Council to see the effect rate changes, or the lack thereof, has on operational funding and the level of fund balance.

Based upon the proposed expenses, and the revenue projected at our current rates, we do not see the need to increase any rates for fiscal year 2010. Revenues in the sewer fund, according to the rate model, while not meeting all expenses, are sufficient in that they do not diminish fund balance below a tolerable level in the fiscal year 2009-10. However, without an increase in sewer rates in fiscal year 2010-11, the model shows a drop in sewer fund balance below a level that would afford adequate reserves. This rate model will be closely examined again next year in order to determine how to best solve the challenge of the declining level of fund balance in this enterprise area.

The worksheet below shows the detail of sewer revenues, exclusive of capital investment/reserve fund and fund balance revenue sources. 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 1" water supply line.

		06-07		07-08			08-09		09-10
<b>Revenue - Sewer</b>		YR End	Actual	YR End	Actual	Current	Collected	Projected	Proposed
		Budget	Revenue	Budget	Revenue	Budget	As of	Year-End	Budget
							02/28/09		
3710-501	Utility Usage Chg- Class 1 & 2	198,900	205,938	190,416	187,772	205,033	133,281	210,525	209,271
3710-503	Utility Usage Chg- Class 3 & 4	26,400	25,583	30,554	28,349	31,682	21,544	31,701	30,368
3710-505	Utility Usage Chg- Class 5	26,063	27,996	25,368	27,553	27,176	22,246	30,739	29,514
3710-508	Utility Usage Chg- Class 8	3,540	3,717	4,656	4,260	4,639	1,125	4,861	4,563
3710-510	Utility Customer Base Charge	222,133	224,004	221,321	224,926	240,631	160,412	239,266	241,723
3715-515	Unbilled Receivables								
3720-520	Tap Connection Fees	12,500	12,500	1,250	1,250	1,250	1,250	1,250	1,250
3732-500	Penalty on Utility Billings	8,000	8,159	4,000	7,648	4,395	6,007	9,011	9,036
3735-500	Capital Investment Fees	12,350	16,900	1,300	1,300	1,500	1,500	1,500	1,500
3737-981	Chgs to General Fund	8,984	9,060	9,398	9,393	13,103	8,736	13,103	20,239
3830-800	Miscellaneous	1,000	1,875	0	37		2,525	2,525	2,500
3831-810	Interest	10,200	10,459	7,450	7,464	4,449	2,234	2,751	3,559
3835-865	Sale of Fixed Asset					3,000	2,138	2,138	0
3920-892	Proceeds from Debt			50,261	50,261				
3980-981	Transfer from General Fund								
3980-985	Transfer from Water Fund								
3980-986	Transfer from Sewer Cap. Reserve								36,500
3991-991	Appropriated Fund Balance			52,811		125,987		65,507	
	<b>Totals</b>	<b>530,070</b>	<b>546,191</b>	<b>598,785</b>	<b>550,213</b>	<b>662,845</b>	<b>362,998</b>	<b>614,878</b>	<b>590,023</b>

## Ratings and Independent Data

### Standard and Poor's

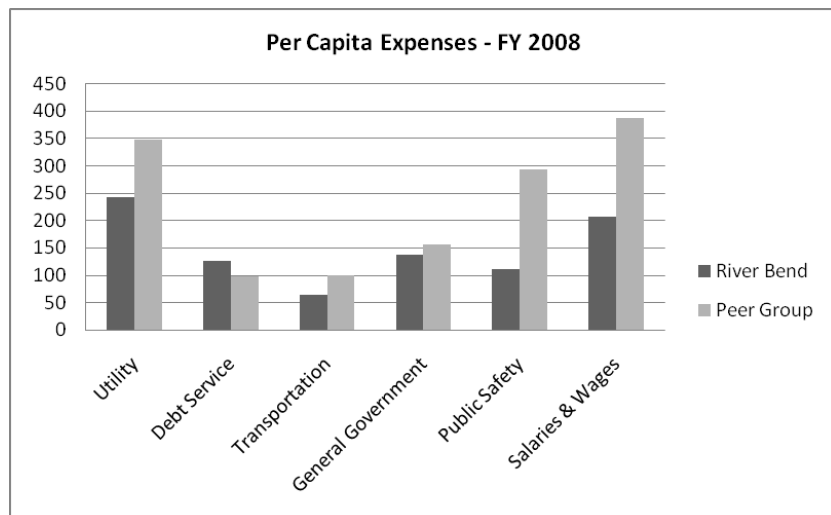
In January of 2009, the Town of River Bend received notice from Standard and Poor's that our bond rating was upgraded from A to A+, one of only 19 localities in the Mid-Atlantic region to receive an upgrade. According to their report, "Public Finance", this rating agency noted, "While relative size and location are still important factors in our analysis, overall we believe that municipalities that lack heft and/or favorable location can, in fact, be as strong – or stronger in some cases – than their large urban counterparts". This report also mentioned that they "believe the Town's financial performance is solid". This type of rating upgrade, 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 – Expense and Revenue Per Capita Data

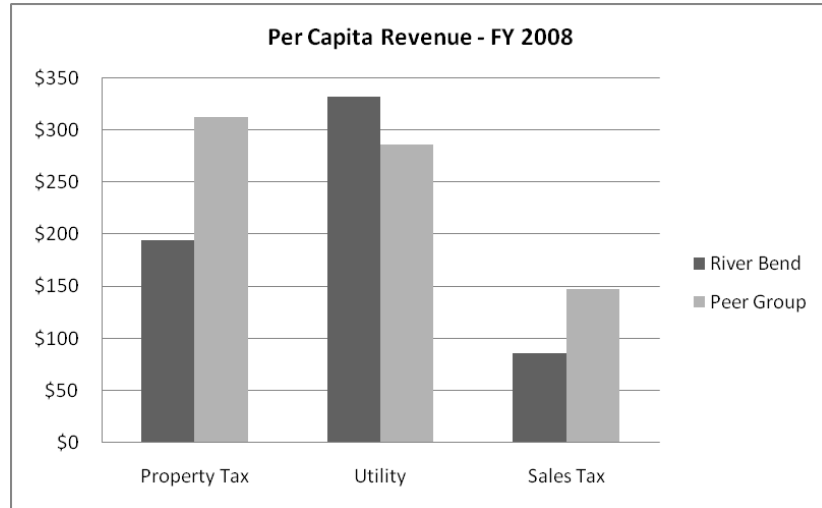
The North Carolina Local Government Commission (LGC) compiles data based upon a required independent audit and other reports submitted to them for review and approval. This data is retrieved for all counties, cities, and towns in the State and is reported by locality, and offers comparisons for per capita expenses 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, 2008, there were 116 localities in our peer group.

Data from the LGC show that River Bend's per capita expenses in 2008 were \$727 compared to \$1,208 for localities in our peer group. The chart to the right shows some of the significant expenses (by function or object) and how our expenses compared 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. The other categories show that River Bend spends less per capita than that of our peers.



Data from the LGC also indicates how we compared with our peer group in fiscal year 2008 in terms of per capita revenue. The data shows that our per capita revenue was \$826 compared to \$1,267 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 for our system 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 City/Town tax, so our ranking takes into consideration the entire tax burden borne by a resident of River Bend compared to 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 194 communities in our population band (1,000- 4,999) we rank as follows:

Local Revenue Per Capita:	Low Burden	163 <sup>rd</sup>
Property Tax Burden Per Capita:	Low Burden	169 <sup>st</sup>
Sales Tax Burden Per Capita:	Low Burden	163 <sup>th</sup>

The report goes on to note that, on average, “the typical resident of the median county in North Carolina paid \$1,275 in taxes and fees to county and municipal governments. This accounted for 4.71 percent of personal income”.

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.

## Rates and Fees

**Town of River Bend  
Schedule of Rates and Fees  
(Attachment A to Budget Ordinance)  
Effective July 1, 2009**

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>	\$ .28 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>	\$6.00
<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>Police Report Copies</b>	\$4.00
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**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

**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

**Residential Flood Plain Application**

**without Zoning Permit**

Based on amount of project as follows:

Base Fee      \$30

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

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

**Commercial Flood Plain Application**

**without Zoning Permit**

Based on amount of project as follows:

Base Fee      \$50

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

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

**Engineering Review**      \$100

**Zoning Amendment Request (Map or Text)**      \$200 plus cost of required legal advertisement and postage to notify abutting land owners

**Sign Permit**      \$30

**Tree Harvest Permit**      \$50

**Zoning and Subdivision Ordinances**      \$25 per set

**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	17.23	20.76
Usage per 1,000 gallons	3.65	6.32
New Customer Capital Investment Fee (CIF)	2,600.00	1,500.00
Initial Connection (Tap) charge**	1,250.00	1,250.00
Disconnect for non-payment	35.00	-
Reconnect following non-payment	35.00	-
<b>Class 3 and 4 - Commercial</b>		
Customer Base Charge per month	108.58	130.80
Usage per 1,000 gallons	3.65	6.32
New Customer Capital Investment Fee (CIF)	20,800.00	12,000.00
Initial Connection (Tap) charge**	3,500.00	1,250.00
Disconnect for non-payment	50.00	-
Reconnect following non-payment	50.00	-
<b>Class 5 - Industrial</b>		
Customer Base Charge per month	343.48	406.11
Usage per 1,000 gallons	3.65	6.32
New Customer Capital Investment Fee (CIF)	67,600.00	39,000.00
Initial Connection (Tap) charge**	5,000.00	1,250.00
Disconnect for non-payment	100.00	-
Reconnect following non-payment	100.00	-
<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	36.80	43.35
Usage per 1,000 gallons	3.65	6.32
New Customer Capital Investment Fee (CIF)	6,500.00	3,750.00
Initial Connection (Tap) charge**	1,500.00	1,250.00
Disconnect for non-payment	50.00	-
Reconnect following non-payment	50.00	-

**Special Charges**

<b>Service Call - 2 hour minimum</b>	\$35 per hour - signed by customer to initiate work outside of scheduled work hours (8:00 a.m. - 5:00 p.m., 7 days per week.)
<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

\*\* The published Initial Connection (Tap) charges are based on the historic River Bend average costs that have 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.