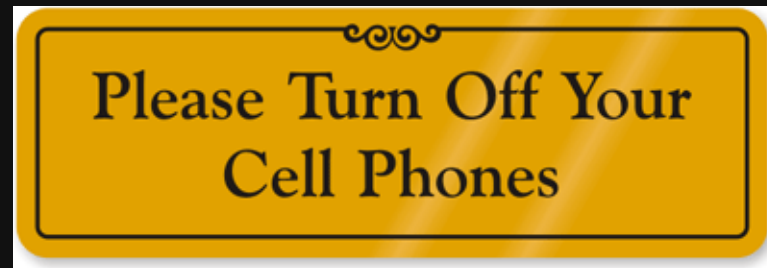




# **Town of River Bend**

**Fiscal Year  
2021-2022  
Budget Workshop**

**Session IV**

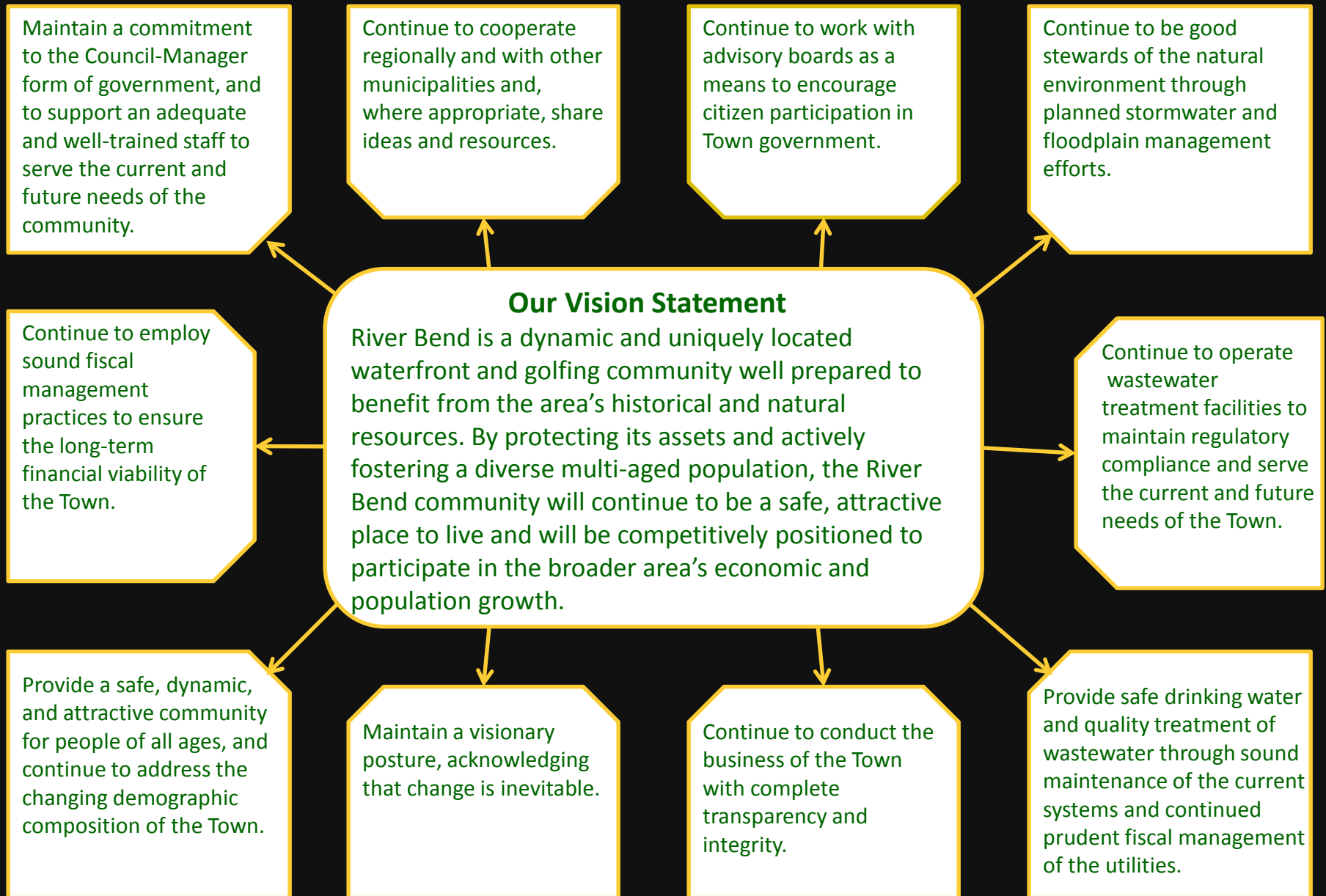


**This presentation and all of the previous  
presentations for the FY21-22 budget  
workshops are  
available on the Town's webpage at:**

**[www.riverbendnc.org](http://www.riverbendnc.org)**

# Town of River Bend

## Mayor and Town Council Priorities for Fiscal Year 2021-22



# Town of River Bend

## Fiscal Year 2021-2022 Budget Workshop

**May 13, 2021**

### **30. Five-Year Forecast**

- General Fund

### **31. Tax Rates, Utility Rates, and Other Fees**

- Ad Valorem Tax Rate
- Utility Rates and Fees
- Schedule of Rates and Fees

## Changes Since Last Meeting

## Key Parts to Ad Valorem Tax Equation

1. Tax Base = the value of taxable property (i.e. property value)
2. Tax Rate= the amount of tax that is assessed for every \$100 of property value
3. Tax Levy= the dollar amount for payment of taxes ( i.e. tax bill)  
 $\text{Levy} = \text{Base} / 100 \times \text{Rate}.$

These 3 parts to the tax equation are very closely connected. Changes to the base and/or rate will impact the levy.

### Individual Homeowner Example:

Tax value	=	\$175,000
Tax rate	=	26¢
$\$175,000 / 100 = 1750 \times .26 =$		
Tax bill of		\$455

## Tax Equation Comparison FY22 vs FY21

Our projected tax base for the town for FY21 is	\$306,522,325
-------------------------------------------------	---------------

Our tax rate last year was	26.0¢
----------------------------	-------

Our tax levy last year (before collection fees) was	\$ 796,958
-----------------------------------------------------	------------

Our <u>estimated</u> tax base for the town for FY 22 is	\$311,000,000
---------------------------------------------------------	---------------

Our proposed tax rate next year is	26.0¢
------------------------------------	-------

Our proposed tax levy (before collection fees) next year is	\$ 808,600
-------------------------------------------------------------	------------



# General Fund Five-Year Forecast (FY 23-27)

## Revenue Assumptions

### Revenue

Real Property:	10% increase in FY 23 (revaluation), then 1% increase thereafter with 99.5% collection rate. Tax rate of \$.26 per hundred dollars of valuation.
Motor Vehicle:	1% per year increase in tax base each year with 100% collection rate.
Sales Taxes:	5% increase in FY 23 from FY 22 and 2% growth per year thereafter.
Powell Bill:	Level funding per year in the amount of \$80,000.
Beer and Wine Tax:	1% increase in FY 23 from FY 22 and 1% increase per year thereafter.
Video Programming Sales Tax:	No change from FY 22 year-end level through FY 27.
Utilities Franchise Tax:	2% increase in FY 23 from FY22 and 1% increase per year thereafter.
Telecommunication Sales Tax:	No change from FY 22 year-end level through FY 27.
Sale of Fixed Assets:	Tracks with the years that new vehicles are purchased.
Wildwood Storage Rental	98% Occupancy Rate through FY 27.

Also includes collections at 100% of the budgeted amounts

These are reviewed and updated every year. **One factor that is hard to forecast, and is considered in these assumptions for FY 23, is the next property revaluation, which will become effective on January 1, 2022.**

# General Fund Five-Year Forecast

General Fund Revenue Summary									
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
	Actual	Actual	Proj	Prop	Proj	Proj	Proj	Proj	Proj
Ad Valorem Taxes	728,213	740,181	796,447	796,963	877,763	886,540	895,406	904,360	913,403
Animal Licenses & Zoning Permits	16,079	7,984	7,421	7,000	7,400	7,400	7,400	7,400	7,400
Interest	39,340	24,186	282	580	2,113	1,808	3,550	4,882	2,810
Wildwood Rents & Cable Franchise	26,020	15,374	18,845	18,144	18,522	18,522	18,522	18,522	18,522
Other Revenue & Rents	66,173	42,375	31,463	30,200	35,500	30,500	39,000	35,500	35,500
Contributions	879	835	421	421	500	500	500	500	500
Powell Bill (includes appropriation)	86,045	87,033	79,957	76,800	80,000	80,000	80,000	80,000	80,000
State Revenue (other than sales tax)	202,530	191,618	188,455	187,725	190,077	192,475	194,920	197,412	199,953
Sales Tax Revenue	454,923	375,874	400,257	408,111	424,214	430,976	437,875	444,912	452,089
Government Grants	1,097,855	1,131,765	191,370	76,445	0	0	0	0	0
Fees (court refund)	311	383	262	500	500	500	500	500	500
Transfer from Capital Reserve	117,470	34,800	164,663	43,850	76,000	33,504	78,300	152,500	87,000
Transfer from LESA Fund									
Transfer from Fund Balance		1,119,379	351,223	244,601	152,423	192,720	221,235	207,159	255,991
<b>TOTAL</b>	2,835,838	3,771,786	2,231,065	1,891,340	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
<i>Change from previous year</i>	60.61%	33.00%	-40.85%	-15.23%	-1.39%	0.56%	5.43%	3.87%	0.00%

These are the forecast amounts for FYE 23-27 ( which represents 5 years after FY22-23). These amounts are derived after applying the variables discussed in the previous slide, to the FY 22 proposed amounts. This is not an exact science. These are projections. They are not to be considered exact outcomes.

# General Fund Five-Year Forecast (FY 23-27)

## Expenditure Assumptions

### Expenditures

- 2% COLA for FY 23 and each year thereafter.
- Other compensation changes per the approved Pay Plan.
- No change in staffing level from year end level in FY 22.
- LGERS as shown in slide #14 for FY22, first session then 2% each year thereafter.
- 5% per year increase in medical insurance premiums.
- 1% per year increase in Workers' Compensation Insurance.
- 4% increase per year in Property & Liability Insurance.
- 2% increase per year in Electric expenditures.
- 2% per year in Telephone and Postage expenditures.
- 2% per year increase in motor fuel expenditures.
- 3% increase per year in many other routine expenditures.
- Includes all vehicle and IT replacement per plans.
- \$30,000 expenditure for stormwater in FY 23, \$30,000 per year through FY 27.
- LESA funding at \$13,500 through FY 27.
- \$20,000 per year contribution in Facility Replacement CIP.
- 5% annual increase for Springbrook financial software maintenance.
- 3% annual increase for VC3 IT contract.

Also includes expending 100% of the funds budgeted

These are reviewed and updated every year

# General Fund Five-Year Forecast

General Fund Expenditure Summary		18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
		Actual	Actual	Proj	Prop	Proj	Proj	Proj	Proj	Proj
4110	Governing Body	21,043	21,105	19,381	32,000	32,777	33,598	34,461	35,367	36,319
4120	Administration	242,423	243,271	259,167	262,000	270,258	278,003	286,028	294,328	272,935
4130	Finance	155,517	1,060,513	123,210	129,000	131,337	136,289	140,709	145,166	150,081
4140	Tax Listing	9,518	9,737	10,880	11,200	12,311	12,429	12,548	-	-
4150	Legal Services	21,157	14,283	12,000	24,000	24,720	25,462	26,225	27,012	27,823
4170	Elections	-	2,571	-	3,500	-	3,675	-	3,859	-
4310	Police	533,778	568,988	595,417	565,000	619,134	593,400	656,256	712,046	694,777
4190	Public Buildings	122,672	102,918	174,257	107,000	98,832	100,587	105,246	107,086	111,770
4330	Emergency Services	821,465	42,425	4,201	4,000	4,124	4,252	4,385	4,521	4,661
4380	Animal Control	12,637	11,664	11,959	11,000	11,558	11,959	12,376	12,803	13,242
4510	Street Maintenance	173,130	145,054	207,344	191,000	171,631	176,916	182,367	187,977	193,754
4560	Public Works	146,665	155,071	150,381	161,000	166,419	171,265	176,267	181,392	186,668
4710	Leaf & Limb and Solid Waste	33,854	33,163	50,503	44,000	45,320	46,680	48,080	49,522	51,008
4730	Stormwater Management	21,740	29,925	212,729	42,000	64,247	65,356	66,503	67,681	68,894
4760	Wetlands & Waterways	20,077	733	70,960	3,000	3,090	3,183	3,278	3,377	8,478
4910	Planning & Zoning	41,534	51,740	47,265	50,000	51,606	53,269	54,992	56,767	58,607
6120	Recreation & Special Events	6,125	1,998	2,600	7,500	7,725	7,957	8,195	8,441	8,695
6130	Parks & CAC	37,614	77,712	34,409	43,000	46,310	47,449	48,626	49,831	51,071
4915	NCORR Recovery Grant	42,637	86,601	98,900	76,475					
	Contingency (=1% expend)	16,639	11,509	12,000	17,667	17,614	17,717	18,665	19,472	19,388
	Transfer to Capital Reserve	124,000	-	60,000	107,000	86,000	86,000	92,000	87,000	95,500
	Transfer to BUS Capital Project Fund		1,040,100	73,500						
	<b>TOTAL</b>	2,604,223	3,711,081	2,231,065	1,891,340	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
	<i>Change from previous year</i>	64.87%	42.50%	-39.88%	-15.23%	-1.39%	0.56%	5.43%	3.87%	0.00%

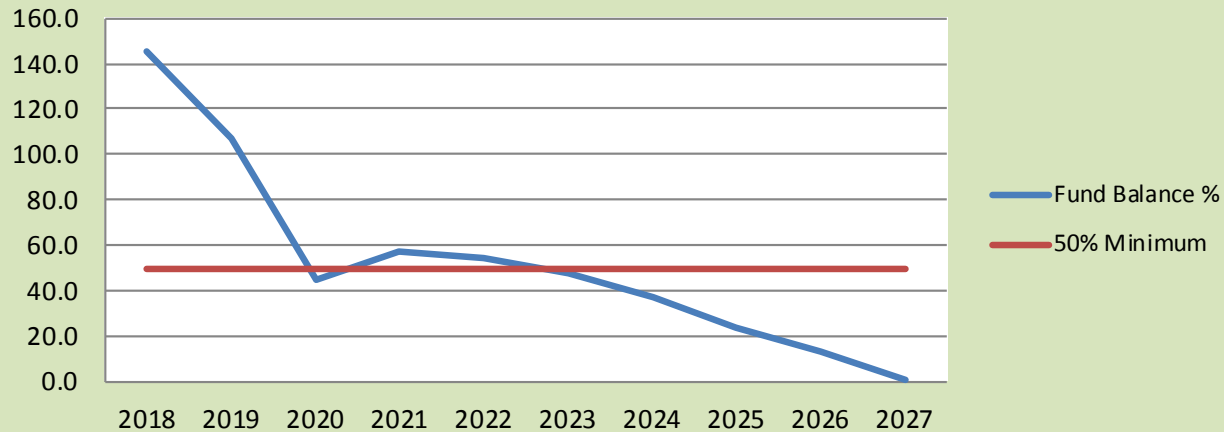
These are the forecast amounts for FYE's 23-27, after applying the variables discussed in the previous slide to the FY22 proposed amounts. Again, these are projections. They are not to be considered exact outcomes.

# General Fund Five-Year Forecast at 26¢ Tax Rate

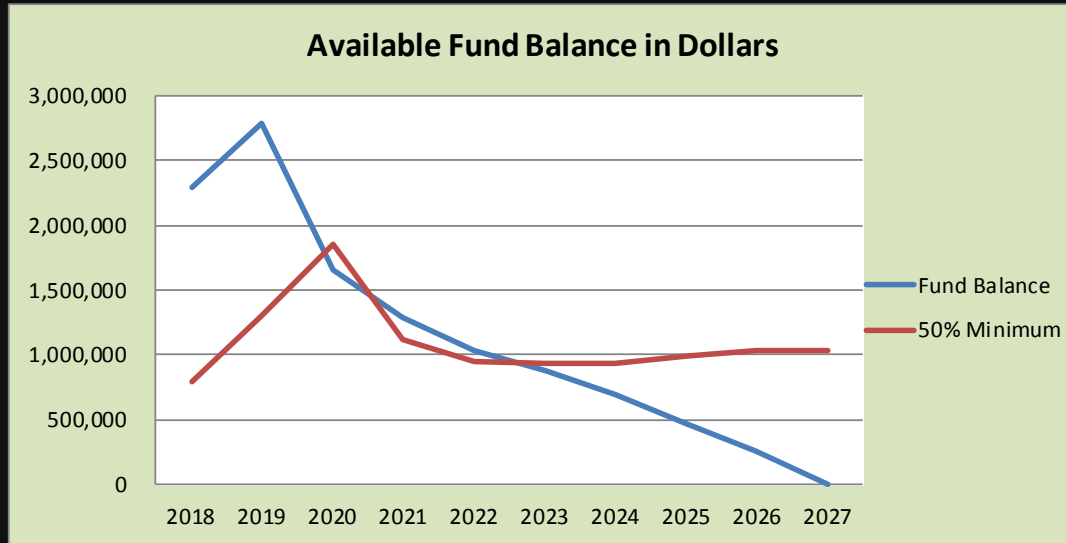
## Proforma Of General Fund Balance (less Capital Reserve)

	.29 tax rate	.24 tax rate	.26 tax rate	.26 tax rate						
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Available										
Fund Balance \$	2,294,498	2,787,506	1,649,910	1,280,926	1,036,324	883,864	691,109	469,784	262,446	6,273
(annual financial report data)	ACTUAL			Projected	Proposed	FORECAST				
Available	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Fund Balance %	145.3	107.0	44.5	57.4	54.8	47.4	36.9	23.8	12.8	0.3

**Available Fund Balance as a Percentage of  
General Fund Net Expenditures**



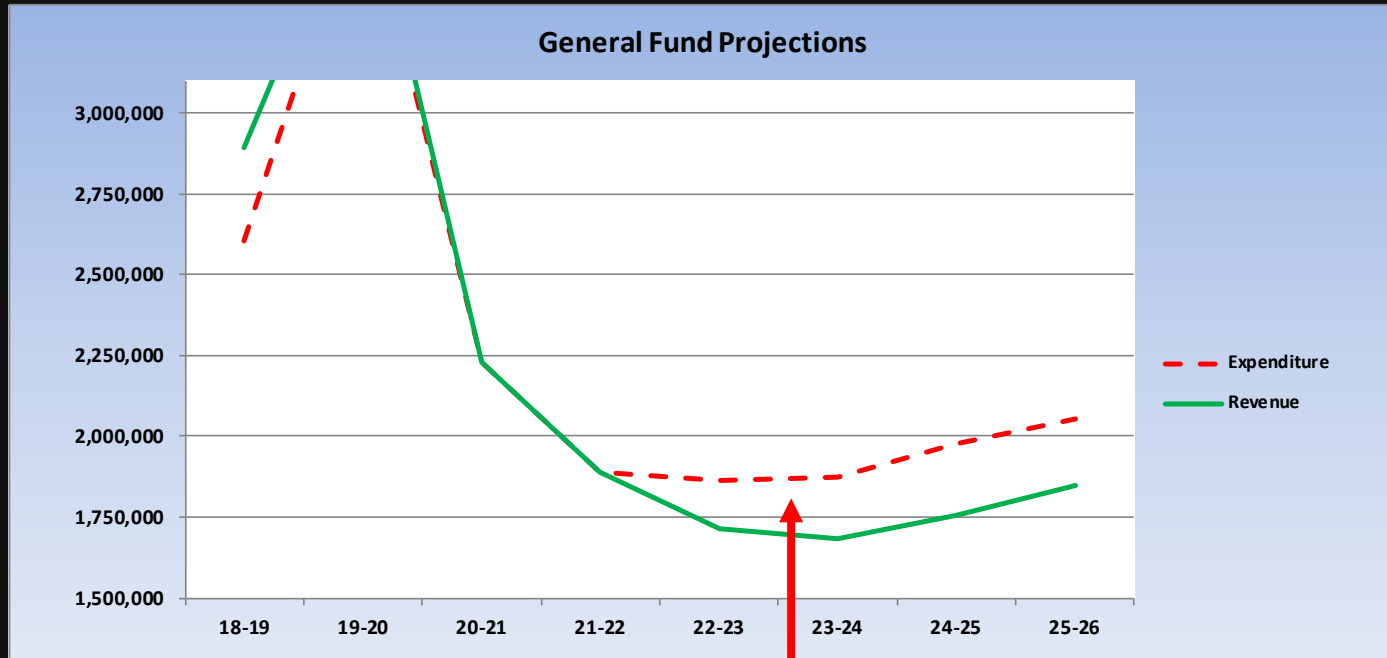
# General Fund Five-Year Forecast



## Fund Balance stays above or within 3% of 50% through 2023

Available Fund Balance \$	2,294,498	2,787,506	1,649,910	1,280,926	1,036,324	883,864	691,109	469,784	262,446	6,273
(annual financial report data)	ACTUAL			Projected	Proposed	FORECAST				
Available Fund Balance %	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	145.3	107.0	44.5	57.4	54.8	47.4	36.9	23.8	12.8	0.3
GF Expenditures	1,579,598	2,604,223	3,711,081	2,231,065	1,891,341	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
50% of Expense	789,799	1,302,112	1,855,541	1,115,532	945,671	932,506	937,723	988,604	1,026,823	1,026,834
% Fund Balance Goal	50	50	50	50	50	50	50	50	50	50
Ad Valorem Revenue	870,529	728,213	740,181	796,447	796,963	877,763	886,540	895,406	904,360	913,403
All Other Revenue	895,156	2,164,608	1,823,204	1,083,395	849,776	834,790	796,150	860,477	941,949	884,093
Revenue	1,765,685	2,892,821	2,563,385	1,879,842	1,646,739	1,712,553	1,682,690	1,755,883	1,846,308	1,797,496
Revenue-Expense	186,087	288,598	-1,147,696	-351,222	-244,602	-152,459	-192,756	-221,325	-207,339	-256,172

# General Fund Five-Year Forecast



**Fund Balance is required when there is a deficit between Revenue & Expenditures**

	Actual	Actual	Proj	If tax rate remains at 26.0¢					
<b>General Fund</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>
Total Revenue (without fund balance)	2,835,838	3,771,786	1,879,842	1,646,739	1,712,553	1,682,690	1,755,883	1,846,308	1,797,496
Total Expenditure	2,604,223	3,711,081	2,231,065	1,891,340	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
Revenue - Expenditures =	231,616	60,705	-351,223	-244,601	-152,459	-192,756	-221,325	-207,339	-256,172

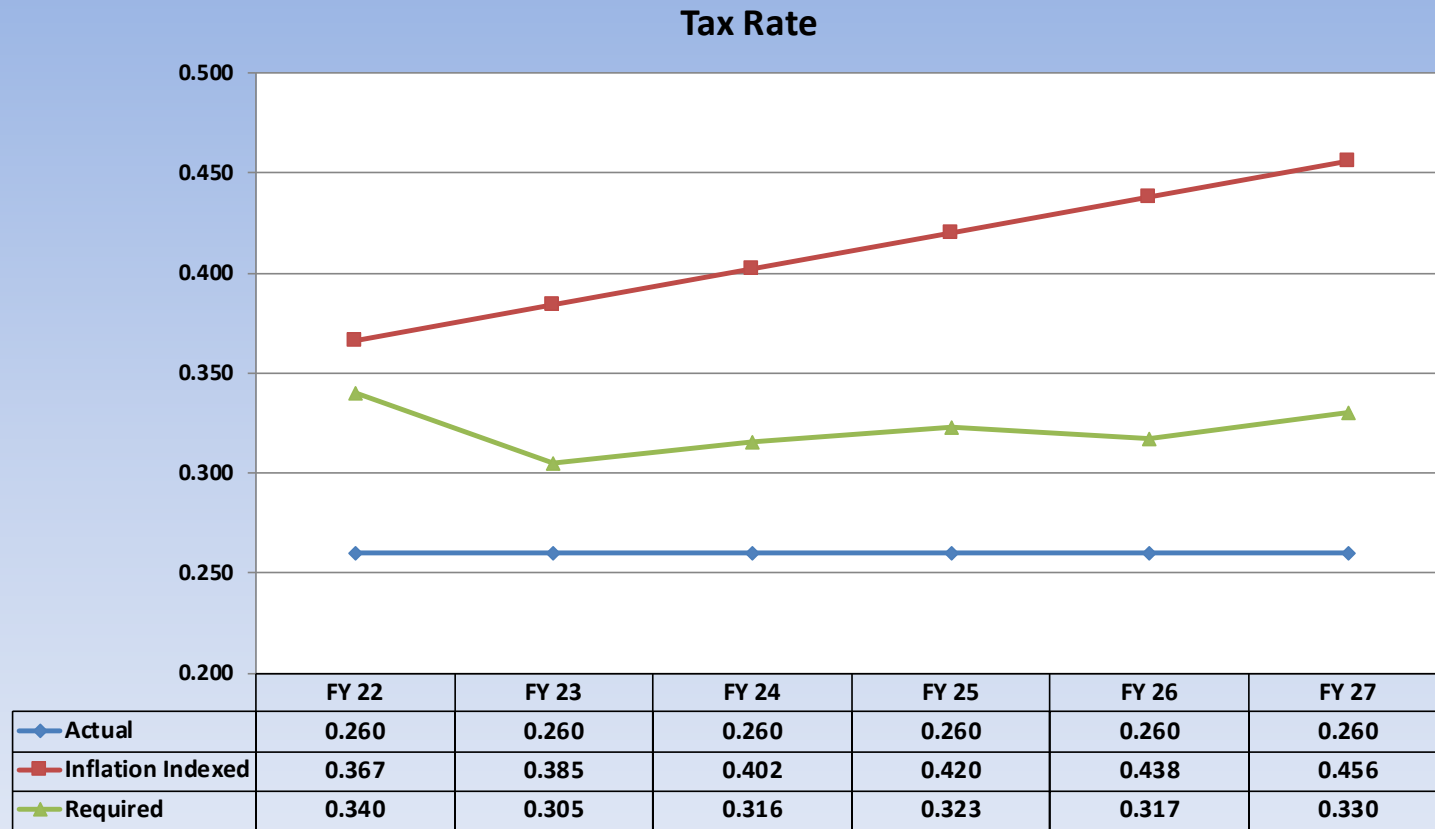
# General Fund Five-Year Forecast Using 26¢ Tax Rate in FY 23-27

Proforma Of General Fund Balance (less Capital Reserve)										
	.29 tax rate	.24 tax rate	.26 tax rate	.26 tax rate						
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Available										
Fund Balance \$	2,294,498	2,787,506	1,649,910	1,280,926	1,036,324	883,864	691,109	469,784	262,446	6,273
(annual financial report data)	ACTUAL			Projected	Proposed	FORECAST				
Available	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Fund Balance %	145.3	107.0	44.5	57.4	54.8	47.4	36.9	23.8	12.8	0.3
GF Expenditures	1,579,598	2,604,223	3,711,081	2,231,065	1,891,341	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
50% of Expense	789,799	1,302,112	1,855,541	1,115,532	945,671	932,506	937,723	988,604	1,026,823	1,026,834
% Fund Balance Goal	50	50	50	50	50	50	50	50	50	50
Ad Valorem Revenue	870,529	728,213	740,181	796,447	796,963	877,763	886,540	895,406	904,360	913,403
All Other Revenue	895,156	2,164,608	1,823,204	1,083,395	849,776	834,790	796,150	860,477	941,949	884,093
Revenue	1,765,685	2,892,821	2,563,385	1,879,842	1,646,739	1,712,553	1,682,690	1,755,883	1,846,308	1,797,496
Revenue-Expense	186,087	288,598	-1,147,696	-351,222	-244,602	-152,459	-192,756	-221,325	-207,339	-256,172

The average Fund balance in our LGC Peer Group level (pop. 2500-9999) as of June 30 2019, which is the latest data, was 77.89%.



# Tax Rate Comparisons



Blue Line= current, proposed and projected rate

Green Line= rate required to maintain revenue vs. expenditures within \$1,300

Red Line= rate necessary to keep pace with projected inflation

## Proposed Rate vs. Inflation Rate vs. Required Rate

	Actual	Actual	Proj	If tax rate remains at 26.0¢					
<b>General Fund</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>
Total Revenue (without fund balance)	2,835,838	3,771,786	1,879,842	1,646,739	1,712,553	1,682,690	1,755,883	1,846,308	1,797,496
Total Expenditure	2,604,223	3,711,081	2,231,065	1,891,340	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
Revenue - Expenditures =	231,616	60,705	-351,223	-244,601	-152,459	-192,756	-221,325	-207,339	-256,172

	Actual	Actual	Proj	If tax rate increases at inflation rate					
<b>General Fund</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>
Total Revenue (without fund balance)	2,835,838	3,771,786	1,879,842	1,974,720	2,135,246	2,168,403	2,313,111	2,483,362	2,510,347
Total Expenditure	2,604,223	3,711,081	2,231,065	1,891,340	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
Revenue - Expenditures =	231,615	60,705	-351,223	83,380	270,234	292,957	335,904	429,715	456,679

	Actual	Actual	Proj	If tax rate remains at required rate*					
<b>General Fund</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>	<b>26-27</b>
Total Revenue	2,835,838	3,771,786	1,879,842	1,891,958	1,864,999	1,874,471	1,975,909	2,052,868	2,053,704
Total Expenditure	2,604,223	3,711,081	2,231,065	1,891,340	1,865,012	1,875,446	1,977,207	2,053,647	2,053,668
Revenue - Expenditures =	231,615	60,705	-351,223	618	-13	-975	-1,298	-779	36

\*Required = within +/- \$1,300 of balanced revenues and expenditures without fund balance appropriation

These are the figures associated with the previous graph

## **Schedule of Fees for FY 21-22**

**See attached handout for list of fees**

**No change in fees**

**No change in tax rate**

**\* No change in utility rates**

*\*Except for non-residential EU's returning to pre- water rate increase level.  
That only effects 14 current customers. They received an exclusion from the  
water rate increase of April 9, 2020.*

# Utility Rates for FY 21-22

Proposed Rate		
Water		
	Customer	4.80
	Demand	8.44
	Use	4.02
Sewer		
	Customer	7.35
	Demand	16.83
	Use	9.08

# **Town of River Bend**

**Fiscal Year 2021-2022 Budget Workshop**

**May 20, 2021**

## **32. Overview**

- **Draft Budget Message**