

TOWN OF RIVER BEND

NORTH CAROLINA



ANNUAL BUDGET

FISCAL YEAR 2020-2021

Town of River Bend



Fiscal Year 2020-2021

Annual Budget

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

252-638-3870

www.riverbendnc.org

Fiscal Year 2020-2021

Annual Budget

Adopted June 18, 2020

Mayor

John Kirkland

Town Council

Donald E. Fogle

Brian Leonard

Harry "Bud" McClard

Morris "Buddy" Sheffield

Irving "Bud" Van Slyke, Jr. *

*also serves as Finance Officer and Mayor Pro Tempore

Prepared by:

Town Manager

Delane Jackson

Finance Administrator

Margaret Theis

About the cover- Pictured on the cover this year, is the recently completed River Bend Municipal Building. The building was dedicated to service on July 16, 2020. It is the new home to the River Bend Police Department and it has two activity rooms that will host the many community activities and programs that occur throughout the year. The building was the major component of the town's Building Utilization Strategy (BUS). Currently, Town Hall is being renovated as the final piece of BUS.

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Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of River Bend

North Carolina

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrell

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of River Bend, North Carolina for its annual budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. The 2019 award was our tenth consecutive award. We believe our current budget continues to conform to program

requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Budget Message

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

May 28, 2020

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, 2020 and ending June 30, 2021 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 the Council developed at the Budget Kick-Off meeting on January 9, 2020:

1. Provide a safe, dynamic, and attractive community for people of all ages, and continue to address the changing demographic composition of the Town.
2. Provide safe drinking water and quality treatment of wastewater through maintenance of the current systems and continued prudent fiscal management of the utilities.
3. Continue to operate wastewater treatment facilities to maintain regulatory compliance and serve the current and future needs of the Town.
4. Continue to work with advisory boards as a means to encourage citizen participation in Town government.
5. Continue to be good stewards of the natural environment through planned stormwater and floodplain management efforts.
6. Continue to cooperate regionally and with other municipalities and, where appropriate, share ideas and resources.
7. Maintain a commitment to the Council-Manager form of government, and to support an adequate and well-trained staff to serve the current and future needs of the community.
8. Continue to employ sound fiscal management practices to ensure the long-term financial viability of the Town.
9. Maintain a visionary posture, acknowledging that change is inevitable.
10. Continue to conduct the business of the Town with complete transparency and integrity.

These goals provide the foundation upon which the budget is built. Over the course of four budget workshops in May, following numerous hours of staff research and development, this budget was explained in detail and each expenditure and revenue item considered relative to the long-term goals of this community. This year's budget process presented an unusual and serious challenge. On March 10, 2020 Governor Roy Cooper declared a State of Emergency for North Carolina due to COVID-19. Subsequent Executive Orders from the Governor created many guidelines including limits on gatherings to no more than 10 people, social distancing and many others. All of these impacted our usual budget preparation process. In addition to upsetting the process, the nation-wide economic calamity caused by COVID-19 creates serious uncertainty for the Fiscal year 2020-21

budget. As of today, it is still unknown the severity or length of time COVID-19 will be impacting our town, state and nation. The COVID-19 crisis follows a budget year that was still impacted by Hurricane Florence. Fortunately, from a budgetary prospective, our local government has nearly fully recovered from the hurricane. However, many individuals and their homes have not yet recovered. As expected, our property value has recovered from the decreases attributable to Hurricane Florence. I am estimating a property value increase of \$19,000,000 over last year, but a decrease in some general fund revenues due to COVID-19. As always, two major considerations during budget preparation are the tax rate and utility rates. After reviewing all proposed expenditures and revenues, and considering the lingering impacts from COVID-19, I am recommending no change in the tax rate and no changes to the water or sewer rates. The proposed tax rate is 26¢.

The annual budget process is influenced by external factors including the condition of the national, state, and local economies, the emergent and pre-emergent needs identified in our community by the elected body, staff, and advisory boards, and the goals noted above. All these factors are considered in this budget, and armed with the knowledge that this document represents a significant amount of careful consideration and study, we are confident that it will allow the Town to meet its obligations, fulfill its goals, and remain fiscally strong.

Overview

The budget being presented for your consideration is balanced in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The total operating budget for the three major funds are:

General Fund	\$ 1,890,000
Water Fund	\$ 572,234
Sewer Fund	\$ 681,884
 Total Operating Budget	 \$ 3,144,118

In addition to the three operating funds noted above, the town also has four minor funds that we operate for accounting purposes. They are Capital Reserves for the General, Water and Sewer Funds, along with a Law Enforcement Separation Allowance (LESA) Fund. The total of these four funds is \$72,065 and they are listed separately in the budget ordinance.

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life. Expenditures are divided into functional departments in order to present a clear understanding of the costs of providing certain services. Personnel assigned to a specific functional area are paid from that department.

We use a labor allocation formula to more accurately reflect the work being performed by each staff member within each of the three funds.

The total expenditure budget for the General Fund, including transfers, is \$1,890,000. Overall, General Fund spending decreased \$1,249,029 as compared to FY 19-20. However, \$1,024,200 of that decrease is attributable to the Building Utilization Strategy (BUS) project. Excluding BUS costs, General Fund spending decreased by \$224,829 or 10.63%. Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget contains an appropriation from fund balance of \$222,833. Of that amount \$100,780 is from a previously received grant to fund the costs of two grant-funded positions. This is the second year of a three year funding period. Additionally, \$34,638 of the appropriated fund balance total derives from a grant that was received during FY 19-20.

Expenditure Highlights by Department

While not attempting to cover specifics for all of the nineteen (19) departments within the General Fund, what follows are some highlights of the more significant expenditures and programs being proposed for FY 20-2. Due to uncertainties related to COVID-19, this year's proposed budget keeps capital spending at a low level, following a FY 19-20 budget in which capital funding was completely eliminated.

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

This year we are budgeting \$153,000 to follow the plan developed by our engineer to maintain the integrity of our roadways. The total amount we expect to pay for contracted paving services is above the amount we expect to receive in Powell Bill funds; therefore, local revenue will be utilized to complete these projects.

Stormwater: Typically, we allocate \$30,000 of funding within the stormwater Capital Improvement Plan (CIP). This year, we anticipate completing a sizeable drainage project in the Channel Run area, which will be funded by FEMA. Once the design and bidding process is complete the Council will fund the project through a budget amendment with FEMA funds. We have budgeted \$8,000 for stormwater projects that may arise during the year.

Public Buildings (Facilities): We plan to continue our efforts to be good custodians of our public facilities by making a few needed repairs and some modest improvements. Last year, the Town Council approved the construction of the BUS Project which resulted in the construction of a new Municipal Building to house the Police Department and multi-purpose rooms for various community activities. The project also included renovations at Town Hall. The total project costs were \$1,300,000.

Public Works: The Department of Public Works pays for, among other items, the cost to operate streetlights and the cost to operate and maintain two vehicles. There are no major projects anticipated in Public Works this year.

Parks and Recreation: The budget being presented includes continued funding for our Parks and Recreation programs. In 2021, the Parks and Recreation Advisory Board plans to continue its efforts to provide craft making and other special events throughout the year, the largest of which is the annual 4th of July parade and picnic. The 2020 July 4th event is cancelled due to COVID-19. Excluded from the Parks and Recreation budget again this year is funding for the River Bend Community Organic Garden. It is an educational community garden operated and maintained by a group of volunteers but functioning as a component of a department of the Town.

Police: Expenditures for the Police Department include salaries and benefits for six full-time and one and a half part-time officers, expenditures associated with dispatching, vehicle maintenance, uniforms, fuel, equipment, and Community Watch. We provide 24/7/365 police presence within the Town. The Police Department's budget of \$579,604 is the largest in the General Fund, representing 31.9% of General Fund expenditures. Including LESA, the total Police Department-related expenditures are \$579,604.

Throughout the budget process, Council and staff were mindful of the need to control costs while continuing to provide necessary services and maintain our infrastructure. Our efforts resulted in budgeted expenditures that are quite lean while maintaining the current level of services. Last year, the Council approved a 2¢ increase to the tax rate. That rate will remain in place for FY 20-21.

Requested projects and expenditures were kept to a minimum in order to develop a balanced budget. Prior to transfers, contingencies and appropriated fund balance, expenditures are projected to exceed revenues by \$144,865 in FY 20-21. The revenues from some of the transfers are budgeted to be allocated in various CIPs and the Law Enforcement Separation Allowance Fund in the General Fund in order to provide more long-term stability to those plans.

Recovery Grant: This is a temporary department which is being funded by a \$300,000 grant from the North Carolina Office of Recovery and Resiliency. The grant provided most, but not all, of the funding to hire two new employees and purchase a new vehicle during FY 19-20. The grant is for a 3-year period. FY 20-21 will be the second of three years for funding expenses associated with the grant. The Town was also fortunate to receive another grant from the same agency in the amount of \$363,000. The majority of that grant will be used to pay for debt service in the Enterprise Funds but nearly \$92,000 will be used for General Fund expenses.

Expenditures by Category

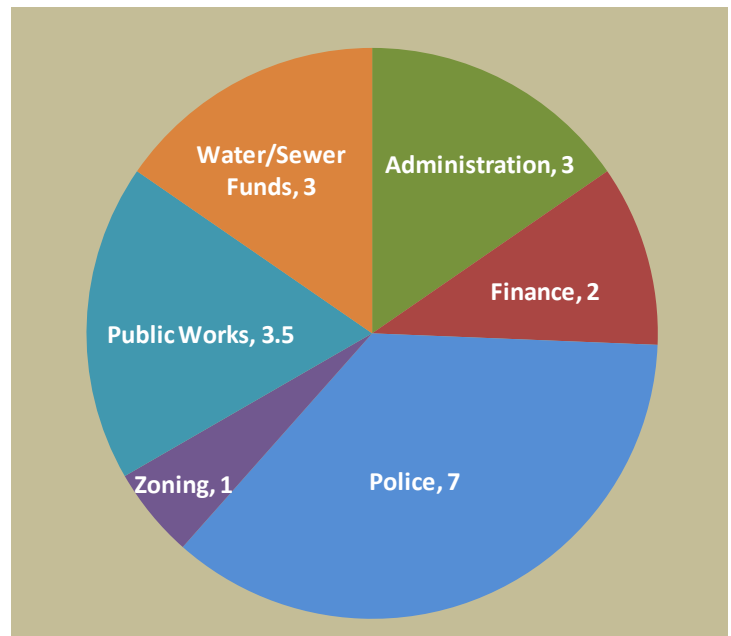
The North Carolina Local Government Commission (LGC) collects, maintains and compares financial data from all municipal governments in North Carolina. For fair comparison purposes, they have several population groups. This prevents small towns, such as River Bend, from being compared to large towns, such as Raleigh and Charlotte. They also separate towns that do own electrical distribution systems, such as New Bern, from those that do not own electrical distribution systems, such as River Bend.

We fall into the group of towns with a population between 2,500 and 9,999 that do not operate an electrical distribution system. There are 121 towns

Function	Average Per Capita Expenditure of Group	River Bend Per Capita Expenditure
Utility	\$322	\$244
Debt Service	\$98	\$106
Transportation	\$131	\$107
General Government	\$283	\$174
Public Safety	\$428	\$475
Other	\$297	\$54

in our group. The LGC compares the per capita expenditure for six functions for each town. Those six functions are: Utility, Debt Service, Transportation, General Government, Public Safety and Other. The data for 2019, (the most recent data from the LGC) is shown in the chart above.

One of the largest expenditures for River Bend and for most localities is the cost of personnel. Our professional staff allows the Town to continue to provide quality service to our residents. Excluding 2 grant funded positions, we currently have 18 full-time employees and 3 part-time employees, or 19.5 full time equivalents. Our projections indicate no need for additional staffing for at least the next five years. Our total personnel costs account for 47.75% of the combined operating budgets of the General and Enterprise Funds. This chart shows the number of full-time employees working in each department. It does not, however, show the allocation of labor between the General Fund and Enterprise Funds that we use to account for work done outside of an employee's primary department. We use allocations in order to arrive at a more accurate cost of providing certain services and these allocations were thoroughly examined as this



budget was prepared. A detailed allocation table is provided in the Annual Budget document.

Through operational efficiencies in the utilization of personnel, leveraging technology to mitigate staffing increases, receiving countless hours of volunteer assistance, and other management strategies, we are able to maintain a staffing profile below that of comparable localities. In fact, according to 2019 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel was \$332, which is \$97 less than the \$429 average of our peer group.

This budget, following the guidance of the Council, by their continued support of our compensation plan, includes a 3.1% cost of living allowance. There was also a 1% longevity increase for eligible employees in accordance with the plan. An additional merit pool is available to be used to recognize outstanding performance of individual employees.

Sources of Revenue

Before the arrival of COVID-19, the local and national economy were growing. However, due to COVID-19 we reduced the revenue that we expect to receive in FY21. General Fund revenues are budgeted at \$1,890,000, a 40.61% decrease compared to projected revenue in the current budget. Fund Balance appropriation in the General Fund is \$222,833. A substantial reduction compared to last year's approved amount of \$527,400. However, a large portion of this reduction is attributable to grants received in FY20.

The General Fund receives revenue from several sources, the largest of which is Ad Valorem taxes. Ad Valorem, from the Latin phrase meaning "according to value," is levied upon the property, and measured by the value of the property, not the owner's ability to pay. While important, Ad Valorem tax revenue generates \$796,446 or only 42.16% of the revenue for our General Fund in FY21. Of that amount, \$83,200 is attributable to taxes on motor vehicles. That means that more than half of the services that we provide in the General Fund are paid for with sources other than local property tax revenue. State law limits the rate a locality may charge for this tax to \$1.50 per \$100 of valuation. Our proposed tax rate is 26¢, which is unchanged from last year. The property value is expected to increase by \$19,278,697 due mainly to continued recovery from Hurricane Florence.

According to the North Carolina Local Government Commission, the average effective tax rate among all reporting municipal governments in North Carolina as of June 30, 2018 (the latest available data) was \$0.4253 per hundred. River Bend contracts with the Craven County tax office to collect our taxes. This enables our residents to receive one tax bill and remit payment to one place. It also allows us to enjoy an excellent collection rate for real and personal property taxes. In FY 20-21, we have budgeted for a collection rate of 99.61%.

The next largest source of revenue comes from our share of the sales tax that we all pay. These are essentially two tax types: the Sales Tax on the retail sale or lease of tangible personal property, services, the rental of hotel rooms, and the Use Tax, which is an excise tax on the right to use or consume property in North Carolina or elsewhere. All taxes are

pooled by the State and shared, in accordance with statutory formulas, by all 100 counties. Each county, in turn, shares their portion of the sales tax proceeds with the incorporated cities and towns in the county.

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

Fund Balance

The North Carolina Local Government Commission (LGC) monitors the level of fund balance each locality maintains as a sign of their relative financial strength. Sufficient fund balance is essential to ensure a unit of local government has ample funds to respond to emergencies and opportunities. The benchmark for fund balance that the LGC uses is 8% of total expenditures. If a unit falls below that level, the LGC may express concern to the locality and direct action to increase the balance. Due to the \$1,300,000 costs associated with the BUS project, we project a fund balance of approximately 80% at the end of the current fiscal year. The policy set by the Town Council is to maintain a fund balance of at least 50% of total expenditures. We project that fund balance will rebound by the end of FY 20-21 to a level of approximately 118%. According to June 30, 2018 LGC data, the average fund balance for our peer group was \$3,646,498, or stated as a percentage, 81.60%. The fund balance for River Bend for that same period was \$2,563,358 or 175.08%. While our fund balance percentage is considerably higher than our peer group average, our fund balance dollar amount is slightly more than \$1,000,000 below our peer group average. I believe the dollar amount of fund balance is more important than the percentage of fund balance. I often say, "Percentages do not pay the bills, dollars do."

Enterprise Funds

In addition to the General Fund, covering all typical government operations, the Town of River Bend operates two enterprises: the water system and the sewer system. These two enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of the Town and by having rates established that cover all expenditures of the enterprise. River Bend purchased these two businesses from a private company, Carolina Water Service, in 1995. As a result of this purchase, a significant portion of the revenue we receive is dedicated to cover the debt incurred, and amortized with annual payments through fiscal year 2027.

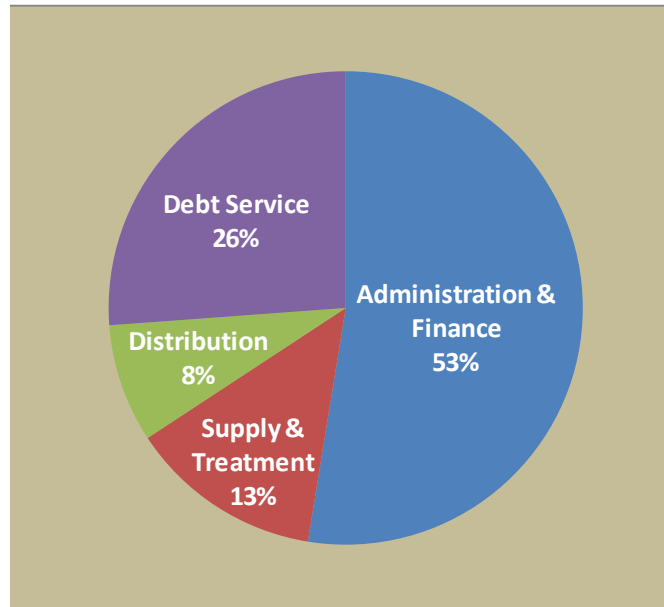
In FY2013, we refinanced the debt in order to take advantage of interest rates that were more favorable than we had in our prior debt structure. The result of this effort was a savings of nearly \$300,000 over the remaining life of the debt. In the process of this bond

refunding we received an upgrade in our Standard & Poor's rating to AA- (subsequently upgraded again in November of 2013 to AA+), and a Moody's A1 stable rating. Both ratings remain the same today. These ratings are further evidence of good financial performance.

Water Enterprise Expenditures

Expenditures in the Water Fund are divided according to function. There are costs specifically associated with supply and treatment (taking the water from the ground and treating it to make it safe to drink) and costs associated with distributing it to the customer. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and bond debt service.

As noted earlier, debt service is a large expenditure for this enterprise and is divided from the Administration and Finance department in the chart to illustrate its proportion to overall expenditures. The total budgeted expenditure for the water enterprise in FY20-21 is \$568,734, an increase of \$35,750 or 6.71% from the current fiscal year budget. The graph to the right, shows the percentage of the expenditures that each department represents within the Water Fund.



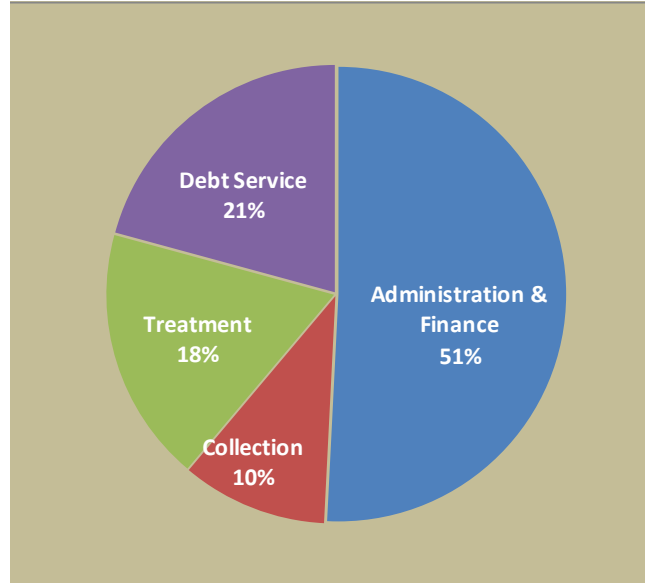
The chart below shows the comparison of the current budget vs. the proposed budget.

	Water	19-20	20-21	Change v. prior year	
		Budget	Proposed	%	\$
60-7125	Administration & Finance	424,432	447,734	5.49%	23,302
60-7132	Supply & Treatment	63,143	75,000	18.78%	11,857
60-7134	Distribution	45,409	46,000	1.30%	591
	TOTAL (less transfers and contingency)	532,984	568,734	6.71%	35,750

The chart above does not include transfers, which in the Water Fund this year, are \$3,500 into the CIP for future vehicle purchases. Including transfers, the total Water Fund expenditures for FY21 are \$572,234 as noted on page 3.

Sewer Enterprise Expenditures

Similar to water expenditures, those for the sewer enterprise are also divided according to function. Costs specifically associated with collection (pipes and lift stations) are separated from those associated with operating the wastewater treatment plant. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and bond debt. As noted earlier, debt service is a large expenditure for this enterprise and is divided from the Administration and Finance department in the chart to illustrate its proportion to overall expenditures. Excluding, transfers, the total budgeted expenditure for the sewer enterprise in FY20-21 is \$618,884, a \$3,025 or 0.49% increase from the current fiscal year. The graph to the right, shows the percentage of the expenditures that each department represents within the Sewer Fund.



The chart below shows the comparison of the current budget vs. the proposed budget.

	Sewer	19-20	20-21	Change v. prior year	
		Budget	Proposed	%	\$
61-7125	Administration & Finance	418,575	442,884	10.71%	24,309
61-7142	Collection	75,845	64,000	69.45%	-11,845
61-7144	Treatment	121,439	112,000	25.17%	-9,439
	TOTAL(Less transfers & contingency)	615,859	618,884	0.49%	3,025

The chart above does not includes transfers, which in the Sewer Fund this year, are \$63,000 into the CIP for future vehicle purchases and system improvements. Including transfers, the total Sewer Fund expenditures for FY21 are \$681,884, as noted on page 3.

Enterprise Fund Revenue

The budget for these two enterprises received attention in our budget workshop sessions with proposed revenues for current and future years being scrutinized in light of anticipated expenditures. We are fortunate to have a professionally designed rate model for each utility so the impact of the proposed expenditures can be compared to revenue at various rate levels. Based upon the proposed expenditures, proposed revenues from user fees and cash balance, the water utility rates will not change for FY 20-21. However, the base rate was recently increased by \$3.00 in April, 2020. The cash balance in this utility is

sufficient to respond to many unknown conditions, and there are no identified long-term capital needs that require the continued building of cash reserves.

Likewise, both current and future revenues and expenditures for sewer were considered during the budget work sessions. The sewer utility rates will not change in FY 20-21. The current rate structure, combined with conservative expenditures, will allow the utilities to maintain an adequate level of reserves to respond to emergent needs if they arise during the year and for the next few years. Each year, the Council looks at current and long-range needs of both systems. Next year, the Council will do the same and will consider any necessary rate changes to keep the funds sound.

Conclusion

It is important to concentrate our annual budgeting efforts on maintaining current levels of services and maintenance of Town-owned property and infrastructure, while attempting to avoid any large increase in rates and fees. The budget being presented for your consideration accomplishes these goals. Each year we are faced with different challenges and opportunities. Last year, it was the on-going recovery from Hurricane Florence, which still continues. This year's challenge was the COVID-19 Pandemic. As of today, there are still many unknowns related to the effects of COVID-19 on our national, state and local economies and budgets. A considerable amount of discussion was devoted to the difficulty of predicting such effects on the town's FY 20-21 budget. Next year will likely see us facing more challenges, some of which will be related to on-going recovery from COVID-19.

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 extreme economic uncertainty. National, state and local economies that were growing prior to COVID-19, have all taken a turn for the worse. Town Council members accept their responsibility with great conviction and sincerity and strive to be well informed and engaged in the operation of this government. This budget reflects the Council's commitment to maintaining and improving this community and positioning it to be financially sound in the future. I believe it to be worthy of your consideration and approval.

I thank the Mayor, Town Council, and Town staff for their commitment to and participation in this budget process. I want to recognize the considerable contribution of Margaret Theis, Finance Administrator, in the development of this year's budget. However, every member of the staff at Town Hall, along with the Department Heads contributed in some degree to the budget recommendation process. This annual budget represents a true team effort as we all work to preserve the future of this great community.

Respectfully Submitted,

Delane Jackson,
Town Manager

Our location

River Bend is located in Eastern North Carolina on the Atlantic Coast. We are located half way between Virginia and South Carolina. It is 110 miles to Raleigh, our State Capital. Myrtle Beach, SC, a national tourist destination, is only 162 miles away from River Bend.

RIVER BEND, NORTH CAROLINA



Annual Budget Ordinance

BE IT ORDAINED by the Council of the Town of River Bend, North Carolina that the following anticipated fund revenues and departmental expenditures, together with certain fees and schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Summary

General Fund	1,890,000
General Capital Reserve Fund	61,248
Law Enforcement Separation Allowance Fund	7,888
Water Fund	572,234
Water Capital Reserve Fund	2,800
Sewer Fund	681,884
Sewer Capital Reserve Fund	250
Total	<hr/> 3,216,183

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2020-2021	713,246
AD VALOREM Taxes-Motor Vehicle	83,200
Animal Licenses	2,400
Sales Tax 1% Article 39	136,448
Sales Tax 1/2% Article 40	81,430
Sales Tax 1/2% Article 42	68,324
Sales Tax Article 44	9,549
Sales Tax Hold Harmless Distribution	90,202
Solid Waste Disposal Tax	2,500
Powell Bill Allocation	84,500
Beer and Wine Tax	13,500
Video Programming Sales Tax	53,680
Utilities Franchise Tax	114,261
Telecommunications Sales Tax	10,330
Court Refunds	500
Zoning Permits	5,000
Recovery Grant NCORR-FDLG-004	99,568
Miscellaneous	8,000
Interest-NCORR-FDLG-004	1,212
Interest-Powell Bill Investments	50
Interest-Gen. Investments	9,755
Contributions	421
Wildwood Storage Rents	18,120
Rents & Concessions	18,000
Transfer from Capital Reserve Fund	42,970
Appropriated Fund Balance	222,833
Total	<hr/> 1,890,000

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Authorized Expenditures

Governing Body	28,700
Administration	268,691
Finance	120,181
Tax Listing	10,880
Legal Services	24,000
Elections	0
Police	573,245
Public Buildings	84,200
Emergency Services	4,000
Animal Control	14,366
Street Maintenance	221,686
Public Works	167,240
Leaf & Limb and Solid Waste	43,500
Stormwater Management	34,971
Wetlands and Waterways	3,000
Planning & Zoning	48,363
Recovery Grant NCORR-FDLG-004	100,780
Recreation & Special Events	7,500
Parks & Community Appearance	50,370
Contingency	17,968
Transfer to Capital Reserve Fund	60,000
Transfer to L.E.S.A. Fund	6,359
	<hr/>
Total	1,890,000

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	60,000
Interest Revenue	1,248
	<hr/>
Total	61,248

Authorized Expenditures

Transfer to General Fund	42,970
Future Procurement	18,278
	<hr/>
Total	61,248

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Section 3. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

Contributions from General Fund	6,359
Interest Revenue	100
Appropriated Fund Balance	<u>1,429</u>
Total	7,888

Authorized Expenditures:

Separation Allowance	7,888
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Section 4. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	188,595
Utility Usage Charges, Classes 3 & 4	8,534
Utility Usage Charges, Class 5	13,226
Utility Usage Charges, Class 8	2,971
Utility Customer Base Charges	234,862
Hydrant Availability Fee	21,411
Taps & Connections Fees	1,250
Nonpayment Fees	10,500
Late Payment Fees	6,723
Interest Revenue	6,794
Sale of Capital Asset	1,501
Appropriated Fund Balance	<u>75,867</u>
Total	572,234

Authorized Expenditures

Administration & Finance [1]	447,734
Operations and Maintenance	121,000
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	<u>0</u>
Total	572,234

<i>[1] Portion of department for bond debt service:</i>	<i>148,830</i>
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Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Section 5. Water Capital Reserve Fund

Anticipated Revenues

Contributions from Water Operations Fund	0
Interest Revenue	2,800
	<hr/>
Total	2,800

Authorized Expenditures

Future Expansion	2,800
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Section 6. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	249,338
Utility Usage Charges, Classes 3 & 4	17,688
Utility Usage Charges, Class 5	29,873
Utility Usage Charges, Class 8	6,202
Utility Customer Base Charges	292,304
Taps & Connection Fees	1,250
Late Payment Fees	7,740
Interest Revenue	9,372
Sale of Capital Asset	1,500
Appropriated Fund Balance	66,617
	<hr/>
Total	681,884

Authorized Expenditures:

Administration & Finance [2]	442,884
Operations and Maintenance	176,000
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	0
	<hr/>
Total	681,884

<i>[2] Portion of department for bond debt service:</i>	<i>128,520</i>
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Section 7. Sewer Capital Reserve

Anticipated Revenues:

Interest Revenue	129
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Authorized Expenditures:

Future Expansion	129
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of twenty-six cents (\$0.26) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2020, for the purpose of raising the revenue listed "Ad Valorem Taxes 2020-2021" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$275,400,000 and an estimated rate of collection of 99.61%. The estimated collection rate is based on the fiscal year 2018-2018 collection rate of 99.61% by Craven County who has been contracted to collect property taxes for the Town of River Bend. Also included in this rate is a valuation of \$32,000,000 for purposes of taxation of motor vehicles with a collection rate of 100% by the North Carolina Vehicle Tax System.

Section 9. Fees and Charges

There is hereby established, for Fiscal Year 2020-2021 various fees and charges as contained in Attachment A of this document.

Section 10. Special Authorization of the Budget Officer

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

Section 11. Classification and Pay Plan

Cost of Living Adjustment (COLA) for all Town employees shall be 3.1% and shall begin the first payroll in the new fiscal year.

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

Section 12. Utilization of the Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of River Bend municipal government during the 2020-2021 fiscal year. The Budget Officer shall administer the Annual Operating Budget and shall ensure the operating staff and officials are provided with guidance and sufficient details to implement their appropriate portion of the budget.

Section 13. Copies of this Budget Ordinance

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

Adopted this 18th day of June, 2020.

John R. Kirkland, Mayor

Attest:

Ann Katsuyoshi, Town Clerk

**Town of River Bend
Schedule of Rates and Fees
(Attachment A to Budget Ordinance)
Effective July 1, 2020**

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

GENERAL FUND

Administrative

Ad Valorem Tax	\$.26 per \$100 assessed valuation
Copies of Public Information	as specified by State Statute
Town Code, entire copy	\$75.00
Notary Fee	\$5.00 per signature after the first
Meeting Rooms	
Four hours or less	\$35.00
Over four hours	\$60.00
Returned Check Processing Charge	\$25, as allowed by G.S. §25-3-506
Administrative Fee for returned bank drafts	\$25.00

Public Safety

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

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

Golf Cart Registration Fee	\$10.00
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Nuisance Abatement Administrative Fee

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

Parks

Town Hall Pavilion Use

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

Planning and Zoning

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

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

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

Residential Application Based on amount of project as follows:

Base Fee \$30

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

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

Residential Flood Plain Application with Zoning Permit

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

Commercial Application

Based on amount of project as follows:

Base Fee \$50

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

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

Commercial Flood Plain Application with Zoning Permit

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

Residential Flood Plain Application without Zoning Permit

Based on amount of project as follows:

Base Fee \$30

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

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

Commercial Flood Plain Application without Zoning Permit

Based on amount of project as follows:

Base Fee \$50

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

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

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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Wildwood Storage Rental Rates

Unit Number	Unit Size	Monthly Rent
BB 01	5x20	\$35
BB 02	5x20	\$35
BB 03	5x20	\$35
BB 04	5x20	\$35
BB 05	10x20	\$75
BB 06	10x20	\$75
BB 07	10x20	\$75
BB 08	10x20	Town Occupied (TO)
BB 09	10x20	TO
BB 10	10x20	TO
BB 11	10x20	TO
BB 12	10x20	TO
GB 15	10x16	\$65
GB 16	10x16	\$65
GB 17	10x16	\$65
GB 18	10x16	\$65
GB 19	10x16	\$65
GB 20	10x16	TO
GB 21	10x16	TO
GB 22	10x16	TO
OP	Open Spaces (40)	\$25
Late Payment Charge	\$10, assessed after the 10 th of the month	
Interest Charge	1.5% monthly on outstanding balances	

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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ENTERPRISE FUNDS

Water and Sewer - Rates and Fees

	Water	Sewer
Class 1 and 2 - Residential ⁽¹⁾		
Customer Base Charge per month ⁽²⁾	13.24	24.18
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽³⁾	1,250.00	1,250.00
Nonpayment Fee	70.00	-
Class 3 and 4 - Commercial		
Customer Base Charge per month ⁽²⁾	48.32	141.99
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	3,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 5 - Industrial		
Customer Base Charge per month ⁽²⁾	146.24	444.93
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	5,000.00	1,250.00
Nonpayment Fee	200.00	-
Class 6 - Early Bird (No longer available)		
Class 7 - Fire Hydrant Charge		
Availability Charge per year	183.00	-
Class 8 - 1" Water Service		
Customer Base Charge per month ⁽²⁾	18.40	49.43
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	1,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 9 - Vacant /Out of Use Non-residential Property		
Customer Base Charge per month ⁽²⁾	10.24	24.18
Usage per 1,000 gallons	4.02	9.08
Nonpayment Fee	70.00	-
Class 10 - Vacant Residences		
Customer Base Charge per month ⁽²⁾	13.24	-
Nonpayment Fee	70.00	-

Special Charges

Service Call - 2 hour minimum

\$35 per hour - signed by customer to initiate work outside of scheduled work hours of 7:00 a.m. - 4:00 p.m. on weekdays and 7:00 a.m. - 3:00 p.m. on weekends

Meter Testing Charge

\$25 - no charge if meter defective

Special Charges (continued)

Returned Check Processing Charge

\$25, as allowed by G.S. §25-3-506

Late Payment Charge

10% of amount overdue per month or part of month beginning 30 days after billing date

Irrigation Connection Inspection

\$20

(1) Residential customer deposit may apply. Please refer to Water Resources Department Policy Manual.

(2) Base charges do not include any usage.

(3) The published Initial Connection (Tap) charges are based on the historic River Bend average cost that has been experienced in making connections. There will be cases when, because of the local depth of the service main pipe to which the connection is to be made, or other site specific differences from the norm, the published connection fee will not cover the actual cost of the tap. When the Water Resources Superintendent encounters such conditions, he shall notify the applicant requesting the tap that the cost may exceed the published fee. In those cases, a record of cost associated with the specific tap will be accounted for and if the total cost exceeds the published fee, then the applicant shall pay a fee equal to the actual cost.

(4) The necessary equipment will be provided to the resident at cost. The resident is responsible for installing the irrigation meter on the resident's side of the regular water meter. After installation, the work will be inspected by a Water Resources Department employee.

Consolidated Revenue Budget Summary

This summary provides the reader a broad overview of the revenue budgets for the three major funds over several fiscal years and the adopted FY 20-21 budget.

General Fund				
	17-18	18-19	19-20	20-21
	Actual	Actual	Projected	Adopted
Ad Valorem Taxes	870,529	720,856	716,087	796,446
Animal Licenses & Zoning Permits	7,178	12,400	6,500	7,400
Interest	20,777	35,225	20,713	9,805
Wildwood Rents & Cable Franchise	30,728	19,170	18,120	18,120
Other Revenue & Rents	33,157	66,570	32,390	28,500
Contributions	1,125	1,200	1,200	421
Powell Bill (includes appropriation)	89,226	86,040	84,892	84,500
State Revenue (other than sales tax)	204,647	203,440	194,015	191,771
Sales Tax Revenue	438,300	449,855	401,519	385,953
Government Grants (State and County)	0	6,830	1,115,372	100,780
Fees (court refund)	410	500	450	500
Charges to Other Funds	0	0	0	0
Transfer from Capital Reserve	60,693	59,142	63,800	42,970
Transfer from Fund Balance	0	1,200,628	527,400	222,833
Fund Total	1,756,770	2,861,856	3,182,458	1,890,000
Water				
	17-18	18-19	19-20	20-21
	Actual	Actual	Projected	Adopted
Base Fee	269,422	180,742	182,824	234,862
Usage Charges	227,674	204,671	207,930	213,326
Hydrant Fee	23,331	22,384	21,672	21,411
Tap Fees	2,500	2,800	1,250	1,250
Non Payment Fees	10,850	11,830	7,350	10,500
Late Payment Fees	7,245	5,974	4,325	6,723
Capital Investment Fees	0	0	0	0
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	10,538	15,881	11,016	8,295
Appropriated Fund Balance	0	0	89,071	75,867
Fund Total	551,560	444,281	525,438	572,234
Sewer				
	17-18	18-19	19-20	20-21
	Actual	Actual	Projected	Adopted
Base Fee	290,819	288,921	292,028	292,304
Usage Charges	341,133	293,375	286,178	303,101
Tap Fees	2,500	1,250	1,250	1,250
Late Payment Fees	8,253	6,821	5,640	7,740
Capital Investment Fees	0	0	0	0
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	9,417	14,920	12,818	10,872
Appropriated Fund Balance	0	30,695	0	66,617
Fund Total	652,122	635,982	597,914	681,884
Total All Funds	2,960,452	3,942,119	4,305,810	3,144,118

Consolidated Expenditure Budget Summary

This summary provides the reader a broad overview of the expenditure budgets for the three major funds over several fiscal years and the adopted FY 20-21 budget.

General Fund				
	17-18	18-19	19-20	20-21
	Actual	Actual	Projected	Adopted
Governing Body	24,112	21,043	31,491	28,700
Administration	231,314	242,423	244,839	268,691
Finance	100,871	155,517	114,372	120,181
Tax Listing	11,191	9,518	10,883	10,880
Legal Services	28,710	21,157	12,000	24,000
Elections	4,631	0	2,571	-
Police	432,336	533,778	612,891	579,604
Public Buildings	151,306	122,672	170,273	84,200
Emergency Services	3,363	821,465	57,294	4,000
Animal Control	11,638	12,637	12,151	14,366
Street Maintenance	145,711	173,130	155,529	221,686
Public Works	162,845	146,665	154,301	167,240
Leaf & Limb and Solid Waste	31,325	33,854	32,750	43,500
Stormwater Management	24,346	21,740	175,664	34,971
Wetlands & Waterways	11,577	20,077	1,500	3,000
Planning & Zoning	33,949	41,534	56,162	48,363
Recreation & Special Events	4,921	6,125	5,000	7,500
Parks & CAC	40,964	37,614	84,782	50,370
Recovery Grant		42,637	87,365	100,780
Contingency (1% per policy)	10,379	16,639	11,509	17,968
Transfer to Capital Reserve	114,110	124,000	1,024,200	60,000
Fund Total	1,579,598	2,604,225	3,057,527	1,890,000
Water				
	17-18	18-19	19-20	20-21
	Actual	Actual	Projected	Adopted
Administration & Finance	400,580	406,910	419,603	447,734
Supply & Treatment	34,159	43,214	60,426	75,000
Distribution	30,156	40,139	45,409	46,000
Other (includes transfers and contingency)	27,290	26,558	3,500	3,500
Fund Total	492,185	516,821	528,938	572,234
Sewer				
	17-18	18-19	19-20	20-21
	Actual	Actual	Projected	Adopted
Administration & Finance	392,908	400,025	412,184	442,884
Collection	24,014	37,769	74,637	64,000
Treatment	76,958	89,481	121,439	112,000
Other (includes transfers and contingency)	63,000	63,000	63,000	63,000
Fund Total	556,880	590,275	671,260	681,884
Total All Funds	2,628,663	3,711,321	4,257,725	3,144,118

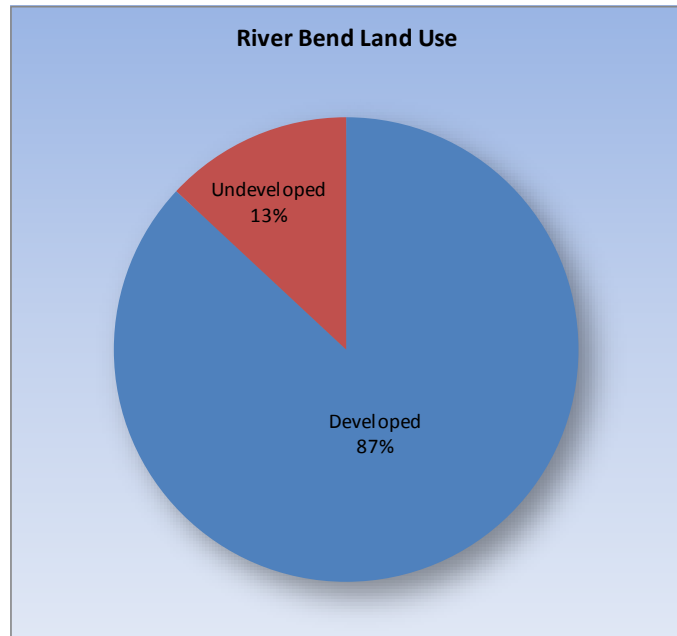
Fiscal Year Ending June 30,	2015	2016	2017	2018	2019	2020(proj)	2021(proj)	*Change vs. 2020
General Fund								
Fund Balance \$	1,654,436	1,863,336	2,106,518	2,294,498	2,787,506	2,460,065	2,237,232	(222,833)
Fund Balance %	101.8%	105.5%	130.0%	131.1%	107.0%	80.5%	118.4%	37.9%
Water Fund								
Cash Balance \$	619,568	689,943	738,400	801,435	760,755	671,683	599,294	(72,389)
Cash Balance %	137.1%	156.3%	155.2%	172.3%	155.2%	127.0%	104.7%	-22.3%
Sewer Fund								
Cash Balance \$	426,611	505,161	636,591	799,634	899,395	889,048	885,087	(3,961)
Cash Balance %	60.3%	92.7%	122.9%	161.9%	148.2%	132.4%	129.7%	-2.7%
Total								
Fund/Cash Balance \$	2,700,615	3,058,440	3,481,509	3,895,567	4,447,656	4,020,796	3,721,613	(299,183)
* represents the difference in dollar and percentage amounts compared to previous year								

Community Profile

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

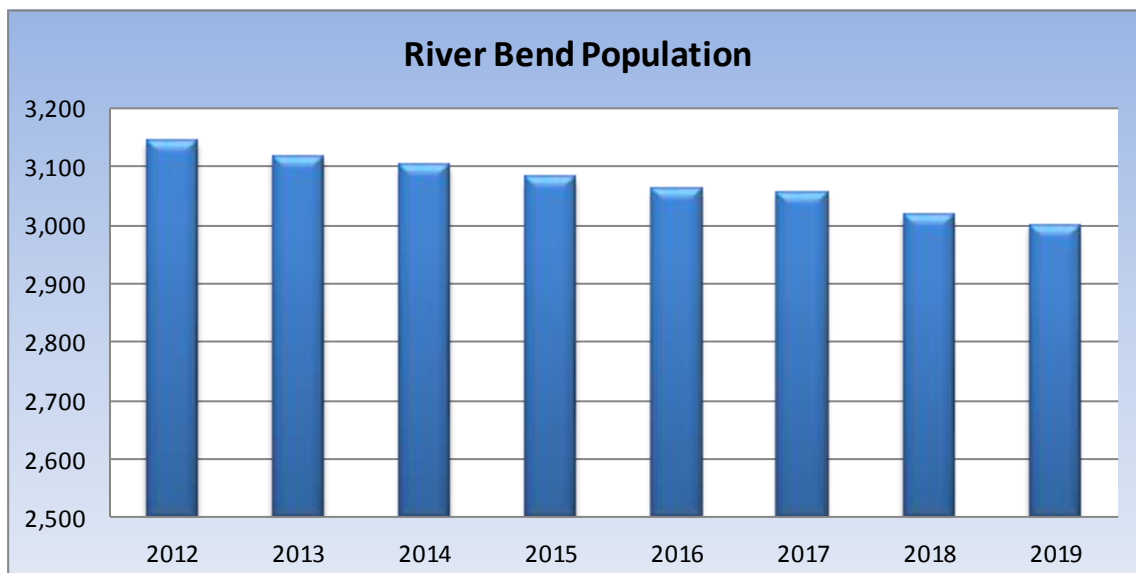
Land Use

According to the US Census Bureau, the town has a total area of 2.8 square miles, of which 2.6 square miles is land and 0.2 square miles is water. The latest Craven County GIS data indicates land is divided into 1,754 parcels, of which 1,525 are developed and 229 are undeveloped. The Town owns 103 acres that are currently designated as a Wildlife Preserve and are thus not available for development. The chart to the right shows that nearly 90% of our lots are developed.



Population

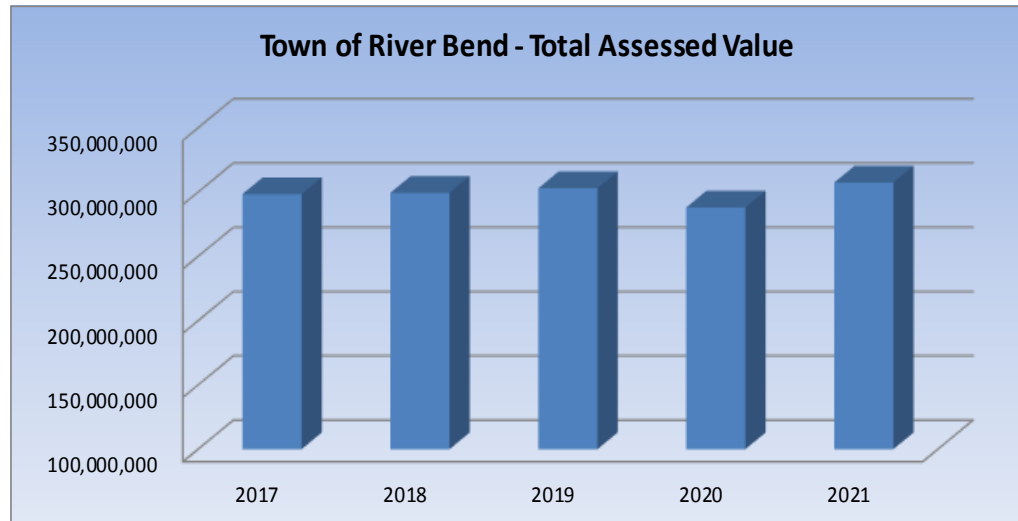
The population of River Bend as reported in the 2010 Census was 3,119. All other data is the latest available data from the LGC. The chart below shows the population since 2012 as of June 30 of that year. The June 30, 2019 population is 3,000. The 2020 census is underway and we are awaiting the latest data.



Housing

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

Housing values, particularly assessed values, in River Bend decreased in 2019 after Hurricane Florence. They have now recovered and are higher now than pre-hurricane values. The next valuation is scheduled for 2022.



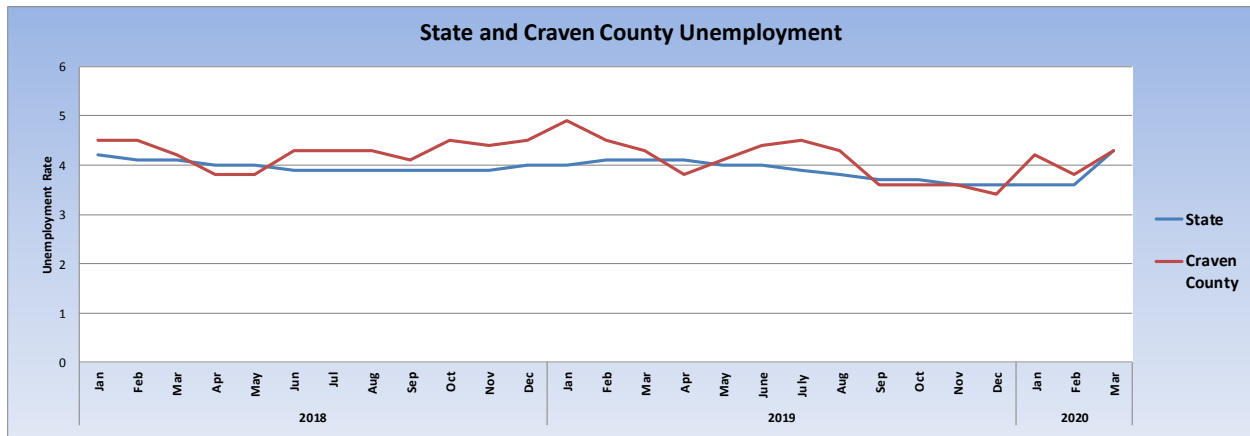
Economy and Education

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

Employer	Employees
Department of Defense	5,164
Carolina East Health Systems	2,342
Craven County Schools	1,714
BSH Home Appliances	1,200
Moen Inc.	820
State of North Carolina	781
Craven County	661
Wal-Mart	643
Craven Community College	547
City of New Bern	482
TOTAL of Top 10 Employers	14,354

The table to the left shows the top ten employers in Craven County, as published by the Craven County Finance Department (CAFR 2018). Department of Defense excludes 9,061 active military personnel based in Craven County. It includes civilian employment at the Fleet Readiness Center, Naval Health Clinic, 2nd MAW, and MCAS Cherry Point. Craven County unemployment, despite being boosted by the effect of local military and related employment, currently is higher than the statewide unemployment rate.

As with other areas, Craven County and North Carolina experienced low rates of unemployment prior to the COVID-19 pandemic. The chart below tracks unemployment since January, 2018 comparing the State and County rates. The March, 2020 data shows the Craven County and statewide rate at 4.3%. A sharp increase in unemployment is expected in the following months.



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

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

Town Government

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

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

The Council appoints a Town Manager to direct the administrative and day-to-day affairs of the Town. The Manager works for the Town Council as a whole and is an at-will employee of the Council. The Manager is the supervisor of Town staff and, by law, the Town's Budget Officer. The Manager provides the Council with regular reports regarding the operational and financial condition of the Town and works with the Council to establish and implement long-range plans. His other duties are prescribed as a matter of law in Chapter 160A-148 of

the North Carolina General Statutes. In River Bend, the Manager also serves as the Zoning Administrator and is therefore responsible for interpretation and enforcement of the Town's Code of Ordinances.

The Council appoints six volunteer boards to serve in advisory, planning and quasi-judicial capacities in accordance with their duties. Following is a brief description of each advisory board.

Planning Board

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

Parks & Recreation Board

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

Environmental/Waterways Advisory Board

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

Community Appearance Commission

The purpose of the Commission is to advise the Council and Manager on community appearance issues to include, but not be limited to, enhancing the appearance of the municipality and its surroundings, making recommendations for planting of trees, shrubs or other planting materials to Town property including Town rights-of-way, and any other matter that affects the overall appearance of the Town. The Commission shall work on

other issues assigned by the Council or Manager. The Commission shall propose principles, goals, and methods, and offer guidance to the Council and Manager on community appearance issues (River Bend Code of Ordinances 3.05.056).

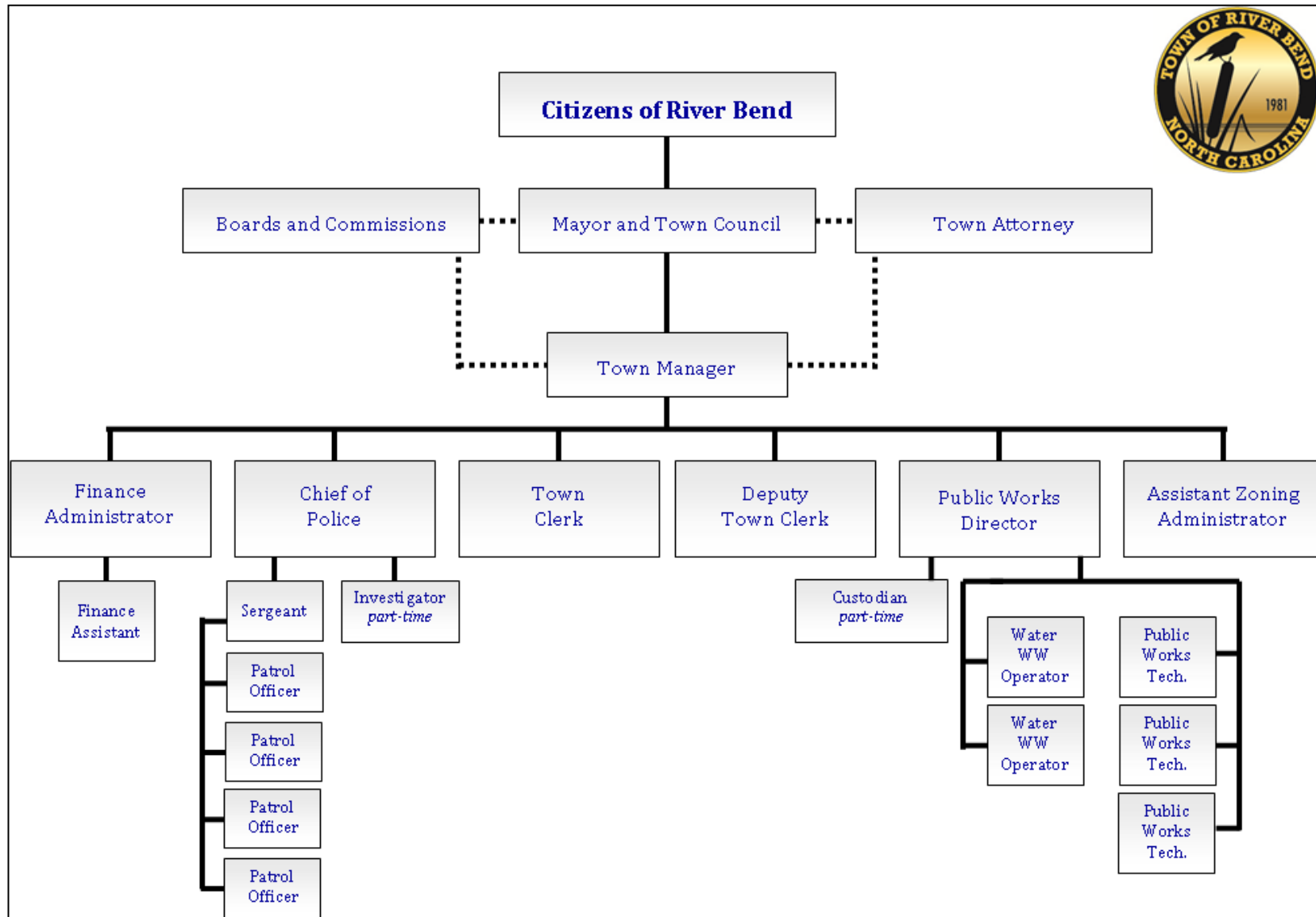
Public Works Advisory Board

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

Board of Adjustment

The Board of Adjustment shall have the following powers and duties: (a) *Administrative Review*. To hear and decide appeals from and review and order, requirement, decision or determination made by an administrative official charged with enforcement of this Chapter. (b) *Interpretation*. To interpret the terms of this chapter and zoning maps and to pass upon disputed questions of lot lines or district boundary lines and similar questions as they arise in the administration of this chapter. (c) *Special Exception Permits*. To hear and decide special and conditional use permits in accordance with standards and procedures specified in the Chapter. Reasonable and appropriate conditions may be imposed upon these terms. (d) *Exceptions from the application requirements for business district areas*. To hear and decide on requests for exceptions from the design guidelines and performance standards required under §15.02.048. (e) *Subpoena*. To subpoena witnesses and compel the production of evidence. (f) *Oath*. To administer Oaths to witnesses in any manner coming before the Board. (g) *Variance*. When unnecessary hardships would result from carrying out the strict letter of this Chapter, the Board may vary any of the provisions herein upon certain conditions. (River Bend Code of Ordinances 15.02.175)

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



Financial and Budgetary Policies

I. Introduction

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

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

II. Operating Budget

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

III. Revenue Policy

1. Ad Valorem Tax – As provided by the North Carolina Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:
 - a. Assessed valuation will be provided by the Craven County Tax Assessor.
 - b. The estimated percentage of collection will not exceed the actual collection percentage of the preceding fiscal year, in accordance with State law.

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

6. Appropriation of Fund Balance – Assigned fund balance originally appropriated with adoption of the General Fund annual operating budget shall not exceed 3% of the prior fiscal year's budgeted expenditures, unless done per Section 2b of the Reserve/Fund Balance section of this policy. Any further commitment of fund balance in the General Fund during the fiscal year shall require four "yes" votes from the five members of Council.
7. Budgetary Responsibilities – The Town Manager shall develop initial budget estimates of applicable revenues. Those estimates are to be supported by variables (base, rate, etc.) that comprise such revenue. Monitoring of the revenue budget shall be performed by the Finance Administrator in a timely manner throughout the fiscal year and shall include an analysis of actual versus budgeted variances. Compliance of revenue with all laws and/or regulations is primarily the responsibility of the revenue-initiating department.

Revenue Spending Policy

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

IV. Expenditure Policy

1. Expenditure budgets shall be monitored throughout the fiscal year by department heads, the Finance Administrator and the Town Manager. Budget compliance, which includes electronic obligations, is the responsibility of the department head and the Town Manager.
2. Budgeted funds will only be spent for categorical purposes for which they are intended. Budget amendments may be made to reflect unexpected expenses and must be approved by vote of the Council. Appropriations of debt proceeds will be made only for the purpose for which such debt instrument was issued or for the payment of debt principal and interest.
3. Budgeted expenditures for debt service for any variable rate debt or synthetic variable rate debt will be set to at least the average of the prior five years.
4. For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.
5. Payroll will be processed in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefit payments will be made in accordance with the Town's Personnel Policy.
6. The Town may utilize non-capital operating leases or installment purchase loans for the procurement of copiers, multifunction copiers/printer type machines and for personal computers.

7. The Town will fund current expenditures with current resources and will strive to avoid balancing budgets utilizing one-time revenues.
8. The Town will employ the use of the carryover method for reappropriation of outstanding purchase orders and contracts as of the end of each fiscal year into the new fiscal year. The process shall be explained in each year's budget process.

V. Reserve/Fund Balance Policy

1. In accordance with State statute, appropriated fund balance in any fund will not exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those figures stand at the close of the fiscal year next preceding the budget year.
2. The Town will strive to maintain a General Fund unassigned fund balance that significantly exceeds the minimum eight percent (8%) as recommended by the LGC. Unassigned fund balance is defined as the portion of fund balance that remains available for appropriation by the Town Council after all commitments for future expenditures, required reserves defined by State statutes, and Council-established assignments have been calculated. The percentage is to be determined by dividing the unassigned fund balance amount by actual expenditures of the then completed fiscal year. The goal is to maintain a fund balance of no less than 50%.
 - a. Purpose of Reserve: These funds will be utilized to avoid cash flow interruptions, generate interest income, eliminate the need for short-term borrowing, and maintain the Town's credit ratings.
 - b. Reserve Drawdown: The available fund balance may be purposefully drawn down below the target percentage for emergencies, economic influences, nonrecurring expenditures, or major capital projects.
 - c. Reserve Replenishment: If the available fund balance falls below the target percentage for two consecutive fiscal years, the Town will replenish funds by direct appropriation in the next budget developed for the fiscal year after the occurrence is known. In that instance, the Town will annually appropriate 25% of the difference between the target percentage level and the actual balance until the target level is met. In the event appropriating 25% is not feasible, the Town will appropriate a lesser amount and shall reaffirm by Council resolution its commitment to fully replenish the fund balance over a longer period of time.
 - d. Any General Fund unassigned fund balance that exceeds the target goal range may be used to reduce general fund debt.
3. The Town will appropriate within the annual budget a contingency appropriation each fiscal year. The minimum level of contingency is 1% of budgeted general fund expenditures and the maximum is an amount equal to the revenue generated by a \$.01 ad valorem tax rate plus the approved provision for personnel merit bonuses.

4. The Town's goal will be to maintain a minimum cash balance in both the water and sewer operating funds (separately) of 50% of actual expenditures of the then completed fiscal year. These funds will be utilized to avoid cash flow interruptions, generate interest income, fund capital expenditures, eliminate the need for short-term borrowing and maintain the Town's credit ratings.

VI. Asset-Liability Management

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

VII. Capital Improvements Policy

1. Capital Improvements Plan
 - a. The Town will update and re-adopt annually a five-year capital improvements plan (CIP) which projects capital needs and details the estimated costs, description and anticipated funding sources for capital projects. A separate CIP will be developed for the General Fund, Water Fund, and Sewer Fund.
 - b. The annual update of the CIP will be conducted in conjunction with the annual operating budget process.

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

2. Capital Formation

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

3. Fixed Assets

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

VIII. Debt Policy

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

2. The Town will seek to structure debt and to determine the best type of financing for each financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate payer equity, and the structure that will provide the lowest interest cost in the circumstances.
3. Debt financing will be considered in conjunction with the approval by the Council of the Town's CIP.
4. Capital projects financed through the issuance of bonds, installment financings or lease financings will be financed for a period not to exceed the expected useful life of the project.
 - a. General fund debt will normally have a term of 20 years or less. When practical, the term of non-Utility debt will not exceed 30 years.
 - b. Enterprise fund (water and sewer) debt will normally have a term of 30 years or less. When practical, the term of Utility debt will not exceed 40 years.
5. The Town will strive to maintain a high level of pay-as-you-go financing for its capital improvements.
6. Debt Affordability
 - a. The net debt of the Town, as defined in G.S. 159-55, is statutorily limited to 8% of the assessed valuation of the taxable property within the Town. The Town will strive to maintain a net debt level of no greater than 4%.
 - b. Total General Fund debt service will not exceed any limits imposed by the LGC. As a guide, formulas established by the LGC and rating agencies will be monitored and appropriately applied by the Town. Debt service as a percentage of the operating budget will be targeted at less than 15%.
 - c. The Town will strive to achieve amortization of 60% or more of its non-Utility debt principal within ten years.
7. The Town will seek to structure debt in the best and most appropriate manner to be consistent with the Asset – Liability Management section of this policy.
8. If the Town issues Revenue Bonds, and whereas the minimum coverage ratio expected for Town revenue bonds is 1.20 times, upon the calculation of a coverage ratio for any Utilities System Revenue Bonds which is below 1.5 times (Net Revenues as defined by the General Indenture, but excluding cash receipts from special assessments, over Debt Service as defined by the General Indenture), the Finance Officer will notify the Council of such. Within three months of such notification, the Finance Officer will again report to the Council and will have performed the necessary internal study to advise the Council on the actions necessary to restore the coverage ratio to above 1.5 times. This policy is intended to ensure that all reasonable steps necessary are taken to begin the process of reviewing water revenues and rates well before the coverage ratio for outstanding revenue bonds could reach the minimum level of 1.20 times.
9. The Town will seek to employ the best and most appropriate strategy to respond to a declining interest rate environment. That strategy may include, but does not have to be limited to, delaying the planned issuance of fixed rate debt, examining the potential for

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

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

IX. Accounting, Auditing and Financial Reporting

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

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

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

X. Cash Management Policy

1. Receipts

- a. All aspects of cash receipts shall be subject to proper internal controls with standard controls documented and followed by revenue generating departments.
- b. The Town Manager shall prescribe internal control procedures for departments which address adequate segregation of duties, physical security, daily processing and reconciliation, use of automated resources, and treatment of overpayments.
- c. Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these monies into interest bearing accounts and investments.
- d. All incoming funds will be deposited daily as required by State law.
- e. The Finance Officer is responsible for conducting at least two unannounced random or risk based internal audits of cash receipting locations per fiscal year.
- f. Upon any suspicion of fraud, the department head shall timely notify the Town Manager for further investigation.
- g. Upon any suspicion of non-compliance with internal control directives, the department head shall timely notify the Town Manager for further investigation.
- h. The Town reserves the right to refuse acceptance of more than \$5.00 in coins, damaged currency, suspicious currency or any check for the transaction of business.

2. Cash Disbursements

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

- e. Electronic payments shall be utilized to the fullest extent possible where it is determined to be cost effective by the Finance Administrator. Such payments shall be integrated with financial systems and shall follow the proper data internal controls in accordance with the NC Administrative Code 20 NCAC 03.0410.

XI. Investment Policy

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

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

5. Objectives - The Town's objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield.

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

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

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

12. Prohibited Forms of Authorized Investments

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

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

- a. With the exception of United States treasury securities and the North Carolina Capital Management Trust, no more than 30% of the Town's total investment portfolio will be invested in a single security type or with a single financial institution.

- b. The total investment in certificates of deposit shall not exceed 25% of the Town's total investment portfolio and the investment in certificates of deposit with a single financial institution shall not exceed FDIC insurance limitations.
 - c. The Finance Officer is responsible for monitoring compliance with the above restrictions. If a violation occurs, the Finance Officer shall report such to the Town Manager and to the Council along with a plan to address the violation.
- 14. Maximum Maturities - To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements. Beyond identified cash flow needs, investments will be purchased so that maturities are staggered. The following maturity limits are set for the Town's investment portfolio:
 - a. At least 60% of the investment portfolio will have maturities of no more than 3 years from the date of purchase.
 - b. At least 80% of the investment portfolio will have maturities of no more than 5 years from the date of purchase.
 - c. At least 95% of the investment portfolio will have maturities of no more than 10 years from the date of purchase.
 - d. No investments maturing more than 15 years from the date of purchase may be purchased.
 - e. For purposes of this section, for any variable rate demand obligation, the purchase date is considered to be the last reset and remarketing date and the maturity date is considered to be the next reset and remarketing date.
 - f. If any change is made to the Town's policy for unassigned fund balance in the General Fund then other sections of this policy must be concurrently revised.
- 15. Selection of Securities - The Finance Officer or his or her designee will determine which investments shall be purchased and sold and the desired maturity date(s) that are in the best interest of the Town. The selection of an investment will involve the evaluation of, but not limited to, the following factors: cash flow projections and requirements; current market conditions; and overall portfolio balance and makeup.
- 16. Responses to Changes in Short Term Interest Rates
 - a. The Town will seek to employ the best and most appropriate strategy to respond to a declining short-term interest rate environment. The strategy may include, but does not have to be limited to, purchases of callable "cushion" bonds, lengthening of maturities in the portfolio, and increases in the percentage of ownership of treasury notes relative to that of treasury bills.
 - b. The Town will seek to employ the best and most appropriate strategy to respond to an increasing short-term interest rate environment. That strategy may include, but does not have to be limited to, purchases of "step-up" securities, shortening of maturities in the portfolio, the use of floating rate investments, and increases in the percentage of ownership of treasury bills relative to that of treasury notes.

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

XII. Review and Revision

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

Introduction to the Budget

Basis of Accounting

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

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

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life.

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

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

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

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

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

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

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

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

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

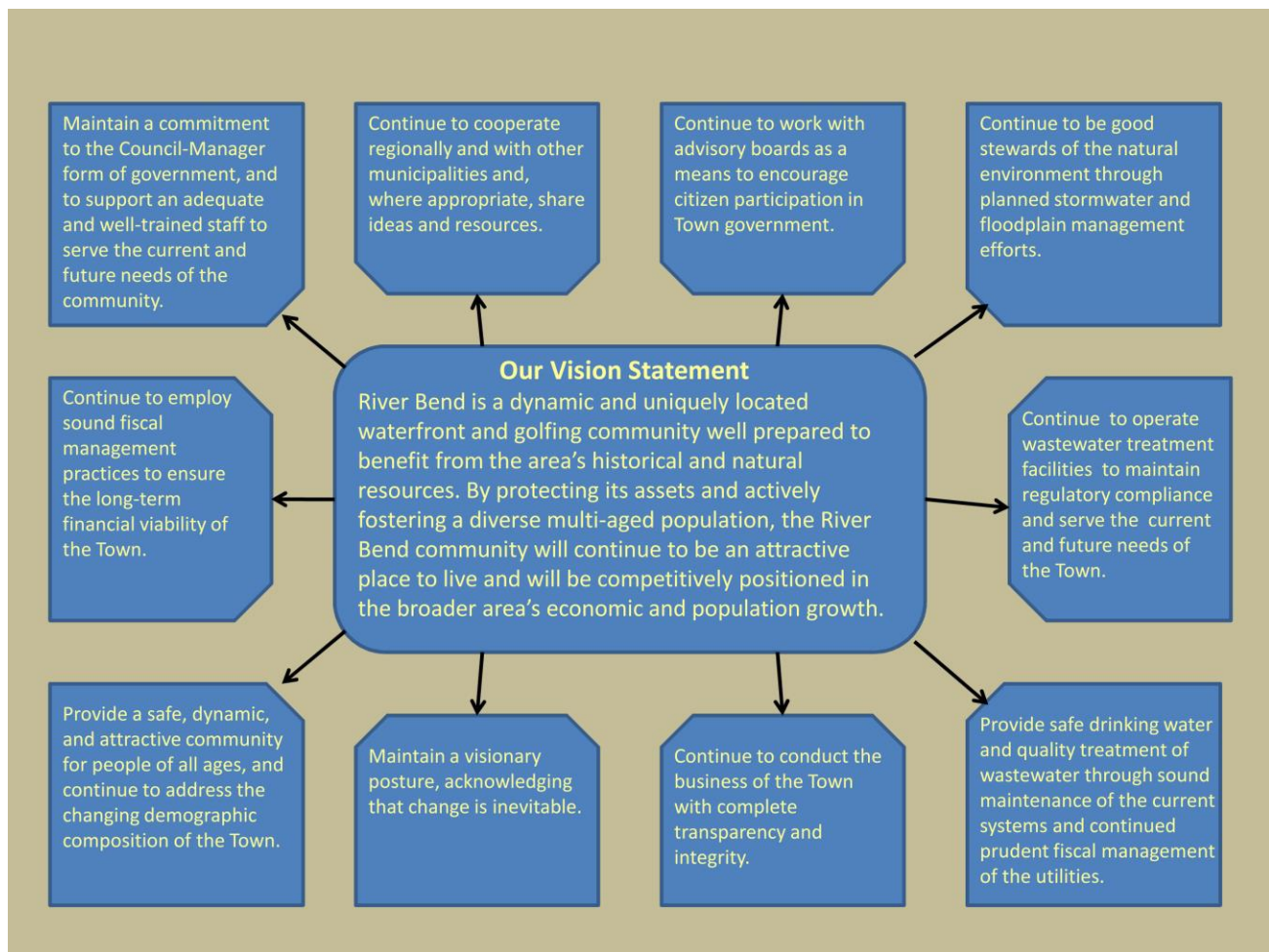
Our Budget Preparation Process

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

The process formally began with a Budget Kick-Off meeting in January when the Council discussed its priorities for the coming fiscal year in terms of how they respond to the Town’s Mission Statement. At this meeting, the Town Manager leads some general discussion about the current fiscal year and trends observed that might impact the budget planning process. This year, due to economic uncertainty related to the COVID-19 pandemic, the Council remains cautious in budgeting. This uncertainty, and the predicted reduced levels of revenue, however, are not expected to affect service levels.

The Council also agreed, at this Kick-Off meeting, to a schedule of budget workshops. The chart below shows how each Council priority, established for Fiscal Year 2020-21, responds to the Town's overall Mission Statement. These priorities were unchanged from last year but remain focused on maintaining infrastructure, services, and the resultant quality of life in a well governed and managed community.


Town Council Priorities for the 2020-2021 Fiscal Year



On January 9, 2020, a detailed list of dates and subject matter for five budget workshops plus one extra workshop, if necessary, was made available to our residents through a brochure that was mailed in water bills and available at Town Hall. All of these dates were also advertised on the town's webpage. The image on the next page is from the Budget Workshop brochure and shows the agenda for each session and the start time of 4:00 p.m. in the Town Hall. However, due to COVID-19 concerns and restrictions, all of the workshops were rescheduled to May. All of the workshops were available to the public via ZOOM. The agenda for each workshop remained the same. The change in dates and availability to participate via ZOOM were advertised on the town's webpage.

Town of River Bend, North Carolina Annual Budget for Fiscal Year 2020-2021

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<p><u>MARCH 24, 2020</u></p> <p>EMPLOYEE COMPENSATION AND BENEFITS</p> <ul style="list-style-type: none"> - Pay Plan Review - Retirement / 401K / LESA - Cost of Living Adjustment (COLA) <p>LABOR ALLOCATIONS AMONG DEPARTMENTS & FUNDS</p> <ul style="list-style-type: none"> - Staffing Projections - Allocation Table <p>CAPITAL IMPROVEMENT PLANS</p> <ul style="list-style-type: none"> - General Fund - Vehicle Replacement Plan - Information Technology Replacement Plan <p>ELECTRIC UTILITIES AND FUEL PRICES</p> <p><u>GENERAL FUND DEPARTMENTS</u></p> <p>GOVERNING BODY</p> <ul style="list-style-type: none"> - Association Dues, Training, Contributions <p>ADMINISTRATION</p> <ul style="list-style-type: none"> - Property and Liability Insurance, Training, Association Dues <p>FINANCE</p> <ul style="list-style-type: none"> - Information Technology <p>TAX LISTING</p> <ul style="list-style-type: none"> - County Provided Services, Collection Projections, Fees <p>LEGAL SERVICES</p> <ul style="list-style-type: none"> - Attorney <p>ELECTIONS</p> <p>STREET MAINTENANCE</p> <ul style="list-style-type: none"> - Roadway Improvement Plan <p>STORM WATER MAINTENANCE</p> <ul style="list-style-type: none"> - Prioritized Drainage Concerns - Scheduled Maintenance <p>PUBLIC WORKS</p> <ul style="list-style-type: none"> - Capital Outlay - NCORR (temporary grant funded department) continued 	<p>PUBLIC BUILDINGS</p> <ul style="list-style-type: none"> - Mowing and Landscaping Contract - Building Maintenance <p><u>MARCH 31, 2020</u></p> <p><u>GENERAL FUND DEPARTMENTS CONTINUED</u></p> <p>POLICE</p> <ul style="list-style-type: none"> - Community Watch, Fuel, LESA, Capital Outlay <p>RECREATION AND SPECIAL EVENTS</p> <ul style="list-style-type: none"> - July 4th Plans, Recreation Programs <p>PARKS AND CAC</p> <ul style="list-style-type: none"> - Parks, Community Appearance Commission Projects, Community Organic Garden <p>EMERGENCY SERVICES</p> <ul style="list-style-type: none"> - Contingency Funding - Community Emergency Response Team (CERT) <p>ANIMAL CONTROL</p> <p>WETLANDS & WATERWAYS</p> <ul style="list-style-type: none"> - Pond and Canal Maintenance - Environment and Waterways Advisory Board <p>LEAF & LIMB AND SOLID WASTE</p> <ul style="list-style-type: none"> - Contract Costs <p>PLANNING AND ZONING</p> <p>GENERAL FUND—REVENUE/ EXPENSE</p> <p>GENERAL FUND—FUND BALANCE</p> <p><u>APRIL 7, 2020</u></p> <p><u>ENTERPRISE FUND DEPARTMENTS</u></p> <p>WATER AND SEWER FUND CASH LEVELS</p> <ul style="list-style-type: none"> - Debt Service - Capital Reserve Funds - Capital Improvements Plan/ Water and Sewer <p>continued</p>	<p>WATER FUND DEPARTMENTS</p> <ul style="list-style-type: none"> - Administration - Water Supply & Treatment - Water Distribution <p>SEWER FUND DEPARTMENTS</p> <ul style="list-style-type: none"> - Administration - Sewer Collection - Sewer Treatment <p>UTILITY FINANCIAL MODEL</p> <ul style="list-style-type: none"> - Rate History - Consumption Trends - Revenue & Expense—Cash Balances - Rate Scenarios <p>-WATER AND SEWER— REVENUE/EXPENSE</p> <p><u>APRIL 14, 2020</u></p> <p>FIVE YEAR FORECAST— GENERAL FUND</p> <p>TAX RATES, UTILITY RATES, AND OTHER FEES</p> <ul style="list-style-type: none"> - Ad Valorem Tax Rate - Utility Rates and Fees - Schedule of Rates and Fees <p><u>APRIL 21, 2020</u></p> <p>BREAK- MEET IF NECESSARY</p> <p><u>APRIL 28, 2020</u></p> <p>OVERVIEW</p> <p>DRAFT-BUDGET MESSAGE, ORDINANCE and SCHEDULE OF FEES</p> <div style="text-align: center;">  </div>
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At these workshops the professional staff presents details of revenue and expenses in each fund. Through direct interaction with the Council in a less formal setting, the staff is able to get the consensus of the elected body in terms of the details contained in the budget. The Council is also able to hear from residents who attend these sessions in an informal setting. Each week, as changes are made, the Council receives updated pages for their budget books. These books, maintained and updated by the Town Clerk, allow the staff to lead the Council in an organized discussion, and allows the members to find information quickly. Following the last of these workshops, the professional staff prepares the Budget Message and the document you are reading as a way to provide detailed information to all interested citizens.

The next step in our process is to advertise and conduct a public hearing to receive comments from interested parties relative to the budget under consideration. This is a formal hearing, affording less opportunity for citizens to have direct input into the formation of the budget than is afforded during the workshops. Typically, this hearing is conducted at the regular Council meeting in May. The final step is the vote to adopt the budget which typically occurs at the regular Town Council meeting in June. Again, due to COVID-19 the usual schedule was modified. The box on the next page contains the calendar of significant events in the preparation of the fiscal year 2020-21 budget.

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

**Town of River Bend
Fiscal Year 2020-21 Budget Calendar**

December 23, 2019	Manager's Memo to Department Heads and Advisory Boards
January 9, 2020	Budget Kick-Off meeting to set priorities
February 3, 2020	Deadline for initial submissions to Manager
May 5 – May 19, 2020	Budget Workshops
May 28, 2020	Budget Message and Summary available for public review
June 11, 2020	Proposed Budget Public Hearing
June 18, 2020	Budget Adoption

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

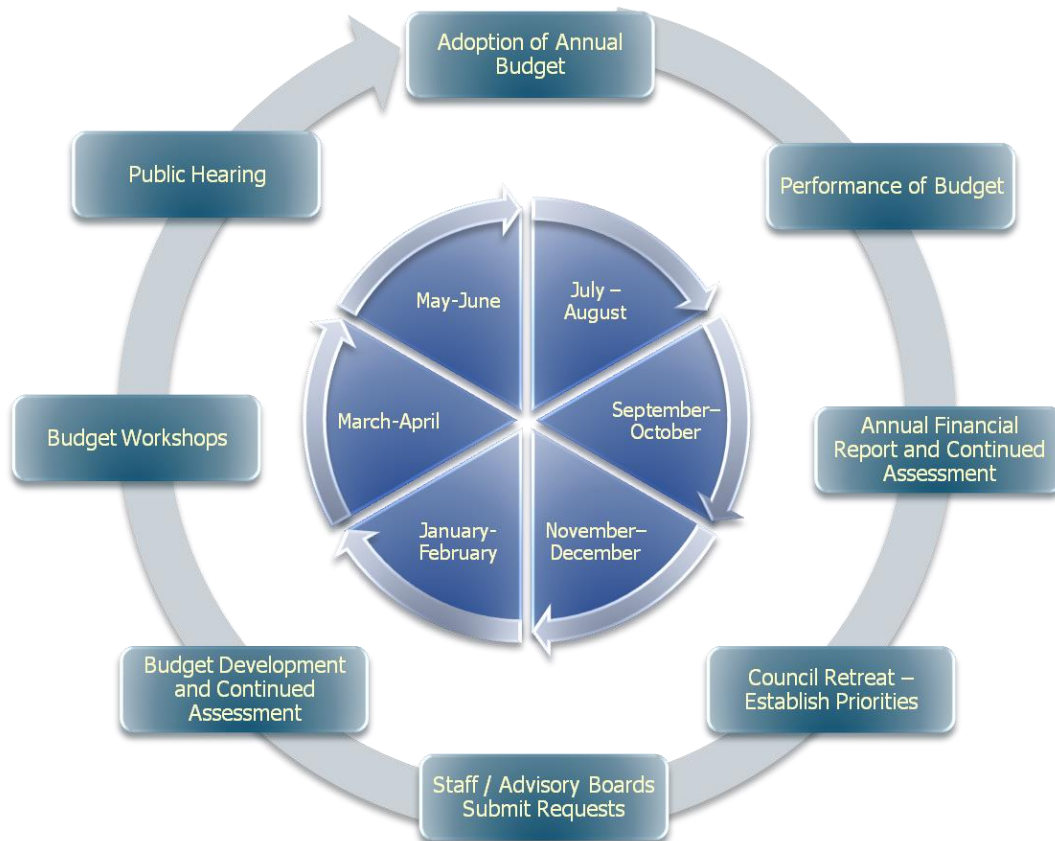
Occasionally, we find that estimates for the costs of certain goods and services increased from the time the budget was prepared to the time they are procured. When this occurs, the professional staff informs the Council of the difference and the Council makes a decision whether to amend the budget ordinance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

This process of monitoring the current budget continues through the close of the fiscal year and up through the process of the preparation of the Comprehensive Annual Financial Report (CAFR) of the Town. This report, containing audited financial statements, is prepared by Town staff and an independent auditor under contract with the Town and is submitted to the North Carolina Local Government Commission for their approval. The results of this audit are presented in written form to the Town Council and in an oral report from the auditor or a member of the audit committee at a public meeting.

Once our portion of the work on the CAFR is complete, attention turns again to discussion of priorities for the budget in the next fiscal year. At the Kick-Off in January, as mentioned above, this process begins anew. Projects that were set aside from previous years are

re-examined in terms of the Council's priorities. Price estimates and the anticipated benefit of these projects are updated and made ready for further consideration, and new projects and programs are considered that respond to the direction the Council has given.

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



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

Fiscal Year 2020-21 Debt Obligations Summary										
Year Issued	Project	Loan Type	Amount Issued	Fiscal Year Retired	Interest Rate	Debt as of 7/1/2020	FY 20-21 Principal	FY 20-21 Interest	Total Payment	Debt as of 6/30/2021
Water Fund										
2013*	Purchase of Water System	General Obligation Bond	1,588,384	2027	2 -3 % **	885,368	126,105	22,726	148,830	759,263
	Remaining Water Debt at end of Fiscal Year			759,263						
Sewer Fund										
2013*	Purchase of Sewer System	General Obligation Bond	1,371,616	2027	2 -3 % **	764,632	108,895	19,624	128,520	655,737
					TOTAL	1,650,000				\$1,415,000
	Remaining Sewer Debt at end of Fiscal Year			655,737						
					** Rate changes per schedule					
* 1997 and 2000 USDA debt refinanced with bonds in FY2005; savings of \$2.4 million.										
Series 2004 bonds refunded in FY2013 - savings of \$300,000.										

Personnel

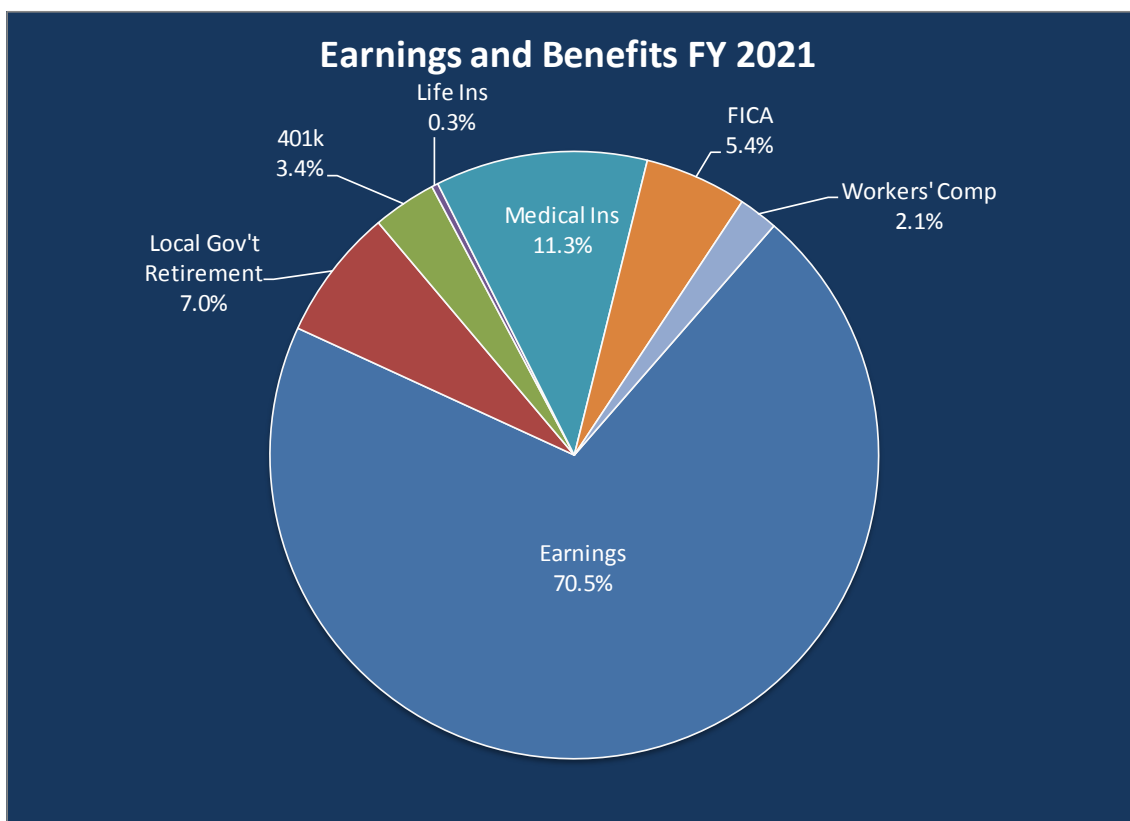
Personnel Costs

The total of all personnel related expenses, including wages and benefits, is budgeted at \$1,469,642. This represents a total of 47% of the total combined operating budget. Due mainly to staffing changes, this budget reflects a total personnel cost increase of 3% over the FY20 adopted budget. This budget does contain a 3.1% cost of living allowance and a 1% of salary increase for longevity. There is also an additional 2% of salary available for merit bonuses.

The graph below shows how the total personnel cost is broken down. Earnings account for 70.5% of the total cost of personnel. Medical insurance is the costliest benefit. Our health insurance plan includes a \$3,500 deductible from Blue Cross and Blue Shield of North Carolina. The Town mitigates the financial impact of this high deductible by funding, for each full-time employee, a Healthcare Reimbursement Account (HRA) in the amount of \$1,500.

By way of comparison, according to 2019 data compiled by the North Carolina Local Government Commission, River Bend's per capita expenditure for salaries and wages of \$332 was \$97 less than that of our peer group (2,500-9,999 population, without electric), which was \$429.

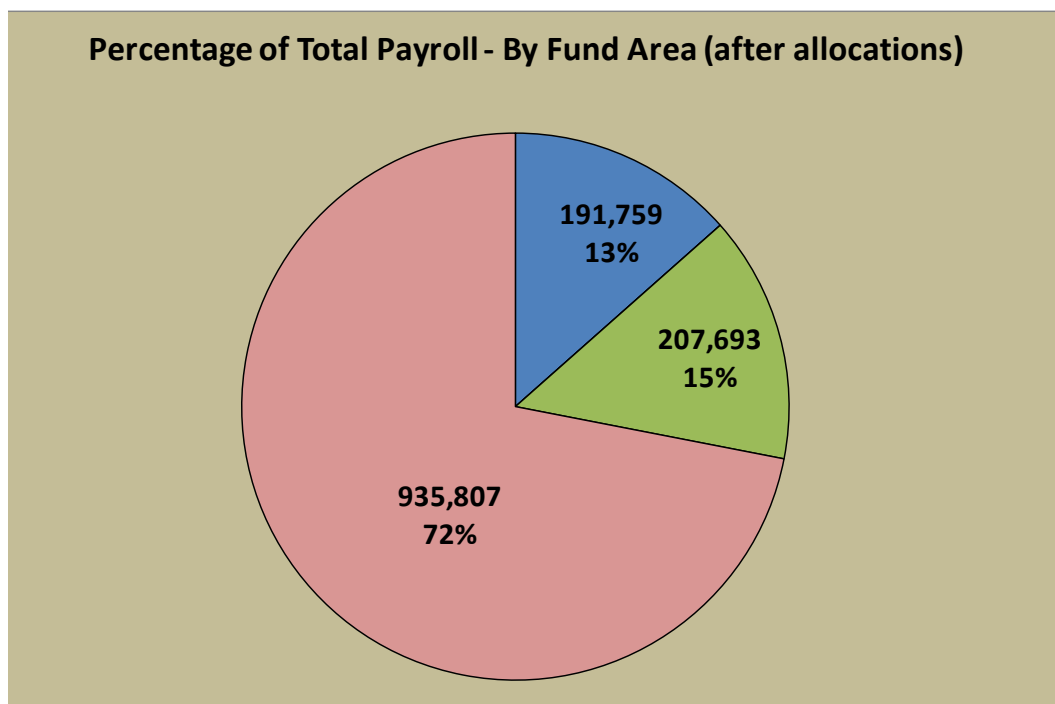
These figures do include grant funding for two temporary positions that were funded by the North Carolina Office of Recovery and Resiliency to aid the town in hurricane recovery following Hurricane Florence. For FY21, the budget includes \$100,780 to fund the personnel costs of those two positions. This is the second year of a three year grant term.



Labor Allocations

Including the 2 temporary, grant-funded positions previously mentioned, the Town of River Bend has a total of 24 positions, 4 of which are part-time. Each year each position is analyzed in order to determine its contribution to the overall operation of the Town, and to determine how to best allocate the expenses related to the position between the three major funds (General, Water, and Sewer).

These allocations are based upon estimates of the number of hours, relative to the full work week, that each position spends working on tasks related to a specific fund. As we examined allocations this year, the management team saw no need to adjust the current allocations. We will continue to examine and revise (if needed) these allocations each year during the process of preparing the budget. Absent a detailed and costly time study, these estimates represent, we believe, a fair and reasonable approximation of the actual time spent in each fund area by the positions listed.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Labor allocations are depicted in the table below:

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

Changes in Staffing Levels and Hours

This budget, as noted earlier, does not contemplate the addition or elimination of any full or part-time positions for the foreseeable future. The chart below does not include the 2 temporary grant-funded positions. FY22 will be the final year of funding for those positions. When grant funding ends, the Council will have to decide or whether or not to continue funding those positions.

Full-Time Equivalent Positions (FTE) - All Funds								
Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
Administration	3	3	3	3	3	3	3	3
Finance	2	2	2	2	2	2	2	2
Police	6.5	7	7	7	7	7	7	7
Zoning	1	1	1	1	1	1	1	1
Public Works	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Water/Sewer Funds	3	3	3	3	3	3	3	3
TOTAL FTE	19	19.5	19.5	19.5	19.5	19.5	19.5	19.5

1.13

Employee Benefits

Competitive Salary

River Bend maintains a competitive salary structure when compared to other local governments in our peer group. In Fiscal Year 2011 a complete review and revision of the compensation plan for all employees was completed. Each year the Town Manager compares salaries for each position, with the average salary of our peer group for those positions, as published in the NCLM's annual salary study. That information is used as a guide to help keep our salaries competitive with our peer group.

Insurance

The Town pays the full costs of health and life insurance for all employees. An employee may purchase additional insurance for family coverage. Beginning in FY 2021, the Town increased the individual deductible to \$3,500 in order to realize savings on health insurance premiums. To offset some of the impact on employees, the Town funds, using a Health Reimbursement Account (HRA), the first \$1,500 of each employee's deductible.

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

Social Security

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

Retirement

All Town employees are members of the Local Government Employees' Retirement System (LERS), which is run by the State of North Carolina. Both the Town and employees contribute to the retirement system. The employer's contribution rate increased for fiscal year 2011 for the first time in over thirty years and continues to change each year to respond to changes in the financial performance of funds invested for local government retirees. Effective July 1, 2020, the rate increased to 10.15% for non-law enforcement and to 10.90% for law enforcement positions.

401(k)

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

Holidays

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

Vacation

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

Sick Leave

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

Uniforms

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

Tuition Reimbursement

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

Law Enforcement Separation Allowance

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

DEPARTMENT: Administration / Finance

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

FEATURES:

1. Pay Grades – The plan contains a total of six (6) pay grades.
 - AD 1 - Entry Level – Administrative Support Specialist. Currently unfilled, and not likely to be needed unless staffing in other areas changes, or a need is identified.
 - AD 2 – Basic level of administrative and finance functions. Some post-secondary education required, and some advanced skills and knowledge. This is the level at which we currently employ the Town Clerk.
 - AD 3 – Intermediate level of administrative and finance functions. Post secondary degree, and/or directly relevant certifications, and/or at least three years of directly relevant experience with the Town or similar entity. This is the level to which we would promote the Clerk upon receipt of Certified Municipal Clerk designation. The Assistant Zoning Administrator is currently in this grade due to having obtained certification as a Certified Floodplain Administrator and CAMA Local Permit Officer.
 - AD 4 – Advanced level of administrative and finance functions. Graduate study/degree required along with at least three years of experience at an intermediate level in a comparable or directly related position. This is the level at which we currently employ our Finance Assistant.
 - AD 5 – Finance Administrator. Department head level, with supervisory responsibility. Baccalaureate degree required along with two to five years of experience at an advanced level in a comparable or directly related position. Substantial course work in governmental finance required and graduate level study/degree preferred.
 - AD 6 – Town Manager. Graduate degree in a related field and three or more years of directly relevant experience.
2. Longevity Pay – The plan recognizes longevity by increasing each full-time employee one step within their pay grade on July 1st of each year. Employees who end their probationary period on or after January 1st will not advance from the step to which their position is assigned on the subsequent July 1st but will in succeeding years begin advancement as described above.
3. Promotions – The plan encourages promotion from the level of AD 1 to AD 2, and beyond, by offering a pay grade increase for increased levels of formal education. Promotions to the level of Finance Administrator will be based upon competitive selection as the position become available. The position of Town Manager will be filled in accordance with the procedures established by the Town Council when this position becomes, or is about to become, vacant. Persons hired from outside the department may be granted credit for time in grade by placing them into

step levels commensurate with the value of their prior experience in the job classification into which they are hired. This step placement will be at the discretion of the Town Manager. Promotions will take effect on the July 1st immediately following the employee meeting all promotion criteria.

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

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ADMIN.						
Step	AD 1	AD 2	AD 3	AD 4	AD 5	AD 6
1	26,545	36,197	38,007	41,808	57,916	66,362
2	26,810	36,559	38,387	42,226	58,495	67,026
3	27,078	36,925	38,771	42,648	59,080	67,696
4	27,349	37,294	39,159	43,075	59,671	68,373
5	27,623	37,667	39,551	43,506	60,267	69,057
6	27,899	38,044	39,946	43,941	60,870	69,747
7	28,178	38,424	40,346	44,380	61,479	70,445
8	28,460	38,809	40,749	44,824	62,094	71,149
9	28,744	39,197	41,156	45,272	62,715	71,860
10	29,032	39,589	41,568	45,725	63,342	72,579
11	29,322	39,984	41,984	46,182	63,975	73,305
12	29,615	40,384	42,404	46,644	64,615	74,038
13	29,911	40,788	42,828	47,110	65,261	74,778
14	30,210	41,196	43,256	47,581	65,914	75,526
15	30,513	41,608	43,688	48,057	66,573	76,281
16	30,818	42,024	44,125	48,538	67,239	77,044
17	31,126	42,444	44,567	49,023	67,911	77,815
18	31,437	42,869	45,012	49,513	68,590	78,593
19	31,751	43,297	45,462	50,009	69,276	79,379
20	32,069	43,730	45,917	50,509	69,969	80,172
21	32,390	44,168	46,376	51,014	70,668	80,974
22	32,714	44,609	46,840	51,524	71,375	81,784
23	33,041	45,056	47,308	52,039	72,089	82,602
24	33,371	45,506	47,781	52,559	72,810	83,428
25	33,705	45,961	48,259	53,085	73,538	84,262

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

Town Manager*	contract
Finance Administrator	AD5 Step 25
Finance Assistant	AD4 Step 25
Town Clerk	AD2 Step 21
Deputy Town Clerk	AD2 Step 1
Asst. Zoning Administrator	AD3 Step 25

* Position is paid by contract at a salary of \$97,130

DEPARTMENT: Police

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

FEATURES:

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

5. Other Plan Adjustments – Each year, the Town Manager and the Chief of Police will review the compensation levels within the plan. Current levels will be compared to departments located in similar sized jurisdictions in North Carolina, and with other municipal departments in the area based upon data collected by the North Carolina League of Municipalities. During the annual budget process, any recommended changes to the levels of compensation will be discussed with the Town Council, who will decide what, if any, changes are appropriate given the data presented balanced with other competing needs in the Town.
6. Maximum Levels of Compensation – If an employee reaches the maximum step available within their pay grade, they will no longer be eligible for longevity increases. Compensation will still be adjusted based upon criteria outlined in numbers 4 and 5 above.
7. Merit Bonus – Each year the Town Council may, at its discretion, create a pool of funds to be used to reward exceptional performance by employees during the preceding fiscal year, and to reward them for obtaining advance and job appropriate certifications throughout the year. Merit bonuses will be based upon the results of annual performance evaluations at the discretion of the Town Manager in consultation with the appropriate Department Head. The amount of the bonus will be determined by the Town Manager, but will not, unless special circumstances exist, and only with Town Council approval, exceed 2 percent of the employee's base salary.

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POLICE						
Step	PO 1	PO 2	PO 3	PO 4 (sgt)	PO 5 (lt)	PO 6 (chief)
1	36,197			47,057	51,883	57,916
2	36,559			47,527	52,402	58,495
3	36,925			48,002	52,926	59,080
4	37,294	39,159		48,483	53,455	59,671
5	37,667	39,551		48,967	53,990	60,267
6		39,946		49,457	54,530	60,870
7		40,346	42,363	49,952	55,075	61,479
8		40,749	42,786	50,451	55,626	62,094
9		41,156	43,214	50,956	56,182	62,715
10		41,568	43,646	51,465	56,744	63,342
11			44,083	51,980	57,311	63,975
12			44,524	52,500	57,884	64,615
13			44,969	53,025	58,463	65,261
14			45,419	53,555	59,048	65,914
15			45,873	54,090	59,638	66,573
16			46,332	54,631	60,235	67,239
17			46,795	55,178	60,837	67,911
18			47,263	55,729	61,445	68,590
19			47,735	56,287	62,060	69,276
20			48,213	56,850	62,680	69,969
21			48,695	57,418	63,307	70,668
22			49,182	57,992	63,940	71,375
23			49,674	58,572	64,580	72,089
24			50,170	59,158	65,225	72,810
25			50,672	59,749	65,878	73,538

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

Police Chief *	Top Pay
Sergeant	P04 Step 10
Patrol Officer	P02 Step 10
Patrol Officer	P02 Step 9
Patrol Officer	P02 Step 1
Patrol Officer	P01 Step 1

* Position is paid at top pay rate, which is outside of chart and currently at \$75,215

DEPARTMENT: Public Works / Water Resources

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

FEATURES:

1. Pay Grades – The plan contains a total of seven (7) pay grades.
 - o PW 1 - Entry Level Public Works Technician
 - o PW 2 – Public Works Technician with at least three years' time as PW 1 and possession of one or more State issued pesticide or herbicide licenses.
 - o PW 3 – Public Works Technician with at least two years as a PW2 and possession of C-Well, C-Distribution, Collections-I and Wastewater-I. (class being added).
 - o WO 1 – Entry level water/wastewater operator. Must possess, or obtain C-Well, C-Distribution, Collections I and Wastewater I within one year of hire.
 - o WO 2 – Water/Wastewater Operator with at least three years' time as WO 1 and possession of B-Well, B-Distribution, Collections II, and Wastewater II.
 - o WO 3 – Advanced Water/Wastewater Operator with at least two years' time as WO 2 and possession of B-Well, B-Distribution, Collections III, and Wastewater III.
 - o WO 4 – Field Operations Supervisor – Field level supervisor with B-Well, B-Distribution, Collections III, Wastewater III and Cross Connection certifications.
 - o WO 5 – Director of Public Works
2. Longevity Pay – The plan recognizes longevity by increasing each full-time employee one step within their pay grade on July 1st of each year. Employees who end their probationary period on or after January 1st will not advance from the step to which their position is assigned on the subsequent July 1st but will in succeeding years begin advancement as described above.
3. Promotions – The plan encourages promotion from the level of PW I to PW II to PW III, and from WO I, to II, to III, by offering a pay grade increase and by eliminating longevity increases beyond a tenure deemed reasonable to meet the criteria for promotion. Promotions to the level of Field Operations Supervisor and Director will be based upon competitive selection as positions become available. Persons hired from outside the department may be granted credit for time in grade by placing them into step levels commensurate with the value of their prior experience in the job classification into which they are hired. This step placement will be at the discretion of the Town Manager in consultation with the Director. Promotions will take effect on the July 1st immediately following the employee meeting all promotion criteria.

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

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PUBLIC WORKS	Public Works			Water				
Step	PW 1	PW 2	PW 3	WO 1	WO 2	WO 3	WO 4 (FO Sup)	WO 5 (Dir)
1	30,165			34,991			47,057	57,916
2	30,466			35,341			47,527	58,495
3	30,771	32,309		35,694			48,002	59,080
4	31,079	32,632		36,051	37,854		48,483	59,671
5	31,389	32,959	36,412	36,412	38,232		48,967	60,267
6		33,288	36,776		38,615	40,545	49,457	60,870
7		33,621	37,143		39,001	40,951	49,952	61,479
8		33,957	37,515		39,391	41,360	50,451	62,094
9		34,297	37,890		39,785	41,774	50,956	62,715
10		34,640	38,269		40,182	42,192	51,465	63,342
11		34,986	38,652		40,584	42,613	51,980	63,975
12		35,336	39,038		40,990	43,040	52,500	64,615
13		35,690	39,429		41,400	43,470	53,025	65,261
14		36,047	39,823		41,814	43,905	53,555	65,914
15		36,407	40,221		42,232	44,344	54,090	66,573
16		36,771	40,623		42,654	44,787	54,631	67,239
17		37,139	41,030		43,081	45,235	55,178	67,911
18		37,510	41,440		43,512	45,687	55,729	68,590
19		37,885	41,854		43,947	46,144	56,287	69,276
20		38,264	42,273		44,386	46,606	56,850	69,969
21		38,647	42,695		44,830	47,072	57,418	70,668
22		39,033	43,122		45,279	47,542	57,992	71,375
23		39,424	43,554		45,731	48,018	58,572	72,089
24		39,818	43,989		46,189	48,498	59,158	72,810
25		40,216	44,429		46,651	48,983	59,749	73,538

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

Director of Public Works	WO5	Step 22
Water Operator	WO2	Step 22
Water Operator	WO2	Step 18
Public Works Technician	PW2	Step 13
Public Works Technician	PW2	Step 13
Public Works Technician	PW2	Step 25
Public Works Technician*	PW1	Step 3
Public Works Technician*	PW1	Step 2

* Position paid by temporary grant funding

Vehicle Replacement Plan

Included in the General Fund Capital Improvement Plan (CIP) is a detailed plan for the regular replacement of the vehicles in General Fund departments. The table below shows inventory of these vehicles and their estimated year of replacement. Estimated purchase prices are based upon the current State contract cost for the vehicle type in the current year and assumes a rate of inflation of 3% per year for the cost of the vehicle. Funding into the vehicle replacement plan is inflated at 1.5% per year and rounded to the nearest one thousand dollars. This table shows the budgeted fiscal year (highlighted) and the subsequent six years but the plan extends until FY2031. In FY21, vehicles are scheduled to be purchased in the General and the Enterprise Fund. In FY21, the Police vehicles were changed to a 6-year replacement schedule. It was previously on an 8-year schedule.

Vehicle Replacement Plan									
General Fund			2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Reserved			52,000	53,000	25,000	26,000	26,000	27,000	34,000
	Life Cycle	Current Vehicle							
Police Vehicles									
Veh #1	6 years	2016 Dodge			43,000				
Veh #2	6 years	2020 Ford						47,000	
Veh #3	6 years	2013 Dodge	40,000						48,000
Veh #4	6 years	2019 Dodge					45,000		
Total Police Vehicles			40,000	-	43,000	-	45,000	47,000	48,000
Public Works Vehicles									
Veh #1	12 years	2016 F-150							
Veh #2	12 years	2014 F-250						36,000	
Total Public Works Vehicles			-	-	-	-	-	36,000	-
Total Expended			40,000	0	43,000	0	45,000	83,000	48,000
Balance (end of FY)			28,086	81,086	63,086	89,086	70,086	14,086	86
Purchase price inflated by 3% per year beginning with FY 2015 and using the current State contract price as Contributions increased by 2% per year beginning with FY 2019.									
Vehicle Replacement Plan									
Enterprise Funds			2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Reserved			7,000	7,000	7,000	7,000	8,000	8,000	8,000
	Life Cycle	Current Vehicle							
Veh #1	12 years	2008 Chevy Van	22,000						
Veh #2	12 years	2018 F-150							
Veh #3	12 years	2017 F-250							
Total Expended			22,000	0	0	0	0	0	0
Balance (end of FY)			0	7,000	14,000	21,000	29,000	37,000	45,000

Information Technology Replacement Plan

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

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

We pay a monthly fee of \$175 per desktop unit to VC3, and a per account charge for e-mail retention and retrieval. We were able to reduce the amount of CIP funding for IT from \$10,000 per year to \$6,000 per year in FY 2012. Due to reductions in the costs of our remaining hardware, particularly when it comes to mobile data terminals used by the police, we were able to further reduce CIP funding to \$2,000 in FY 2014. In FY 2021 the level of funding for IT replacement will be \$2,970.

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The table below shows the inventory of this equipment and its intended year of replacement. The reader will notice we plan to purchase two laptops during FY21 as shown in highlighted cells.

Hardware Remaining in Plan					
Item - User	Year Purchased	Make/Model	Cost	Est. Fiscal Year Replacement	Est. Repl. Cost
MDT - Police	07/31/19	Dell Latitude Rugged 5420	1,750	2022	1,925
MDT - Police	07/31/19	Dell Latitude Rugged 5420	1,750	2022	1,925
MDT - Police	10/16/18	Dell Latitude Rugged 5414	1,350	2021	1,485
MDT - Police	07/31/18	Dell Latitude Rugged 5414	1,350	2021	1,485
Juniper SRX 300					
Router for telephone/computers		Cisco IAD881F-k9		2018	
Laptop - Admin/Budget	2007	Dell Precision M4300	462	2024	462
24 port Switch PW	2011	WS-C2960-24PC-L	500	10/31/2019	2500
Projector	2013	Dell	664	2018	700
Network UPS	2008	Emerson	691	2024	900
Switch (unpowered)	2016	Cisco Catalyst 2960	907	2016	
24 port Switch TH Cisco catalyst	2016	WS-C2960X-24PS-L	3,328	11/30/2020	2500
Projector	2008	InFocus IN 34	934	2017	
Switch (Powered - PW/PD)	2008	Linksys	2100	2015	0
Wireless access points (TH & Ann	2014	Cisco Smartnet	2887	2019	1142
**Printers					
Deputy Clerk	2016	HP LaserJet 2840		2022	1,000
Finance Assistant	2014	HP LaserJet Pro 400		2020	1,500
Governing Body	2017	HP LaserJet Pro 400		2025	500
Police	2012	HP LaserJet Pro 400		2019	
Zoning	2010	HP LaserJet Pro 400		2020	500
Manager	2011	HP LaserJet Pro 400		2019	500
Police	2011	HP LaserJet Pro 400		2019	
Water Resources/Pub. Wk	2011	HP LaserJet Pro 400		2019	500
Clerk	2013	HP LaserJet Pro 400		2020	500
Finance Administrator	2013	HP LaserJet Pro 400		2020	500
TOTAL ESTIMATED REPLACEMENT COST				\$ 20,524	

Other Expenditures Common Across Major Funds

Electric Power Costs

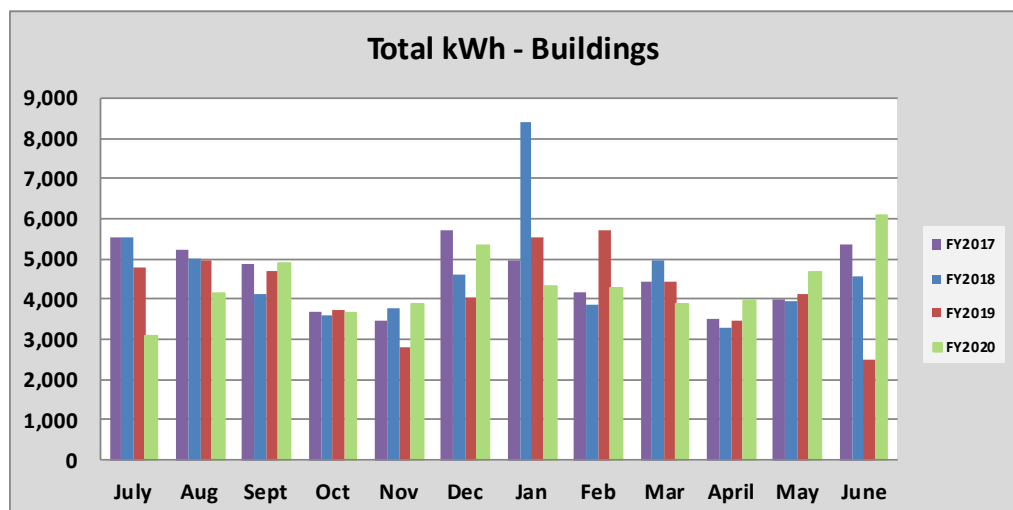
One of the larger expenditures, and one that affects all three major funds, is for electricity. Each year, during the budget process, we review information regarding our historical consumption patterns, and combine that with the outlook provided by our supplier, Duke Energy Progress, to arrive at a reasonable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

Typically, the budget uses an average of the current fiscal year (FY 2020) to date for the first six months of the new year (FY 2021). However, this year we anticipate a rate increase of 3% and have included that increase in the first six months. This should provide us with an adequate cushion within the electric cost budget. Duke Energy makes their fuel cost adjustments on a calendar year basis. Due to the lower cost of energy production attributable to the low cost of natural gas, we expect no fuel factor increase in December of 2020.

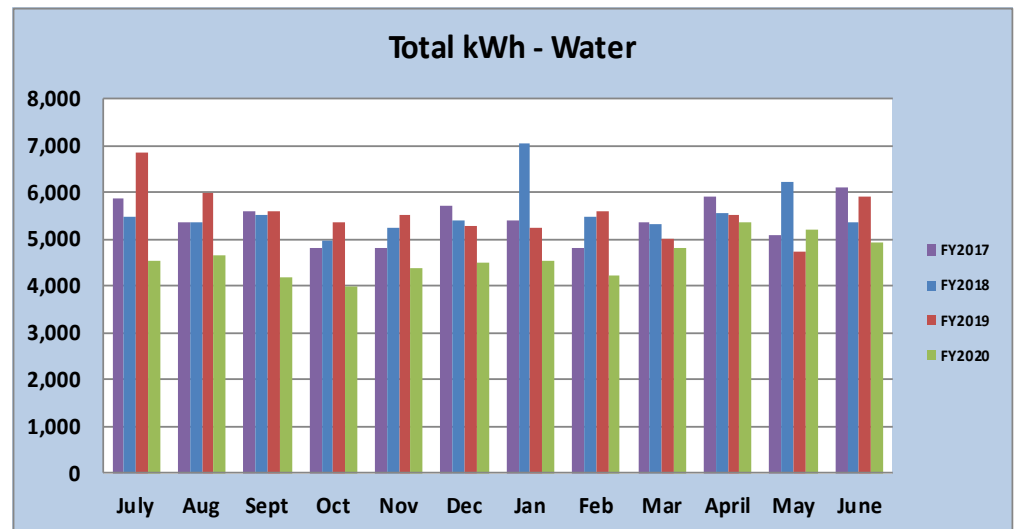
Departments	FY 2020		FY 2021	
	Budget	Projected	Forecast*	Budget
Water Supply	8,600	8,347	8,557	8,600
Sewer Collection	8,000	7,707	7,901	8,000
Sewer Treatment	28,500	27,254	27,939	28,500
Public Buildings**	9,100	8,692	8,911	16,400
Parks	4,000	4,973	5,098	5,200
Street Lights	40,500	40,105	40,707	42,000
TOTAL	98,700	97,078	99,112	108,700
* forecast includes a 3% increase in costs, plus a 1% increase in demand in all accounts except street lights				
** Additional \$3,600 electric and \$1,200 gas for new building				

The chart to the left shows the FY20 budget and year-end projected expenditure in each area where electric costs appear in the budget, and what we budget for FY 21 in each of these areas.

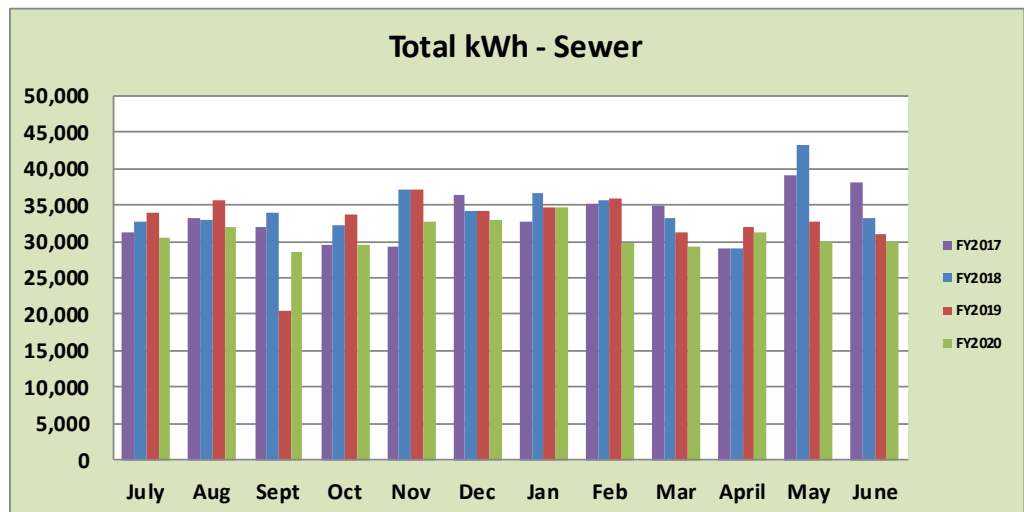
The chart to the right shows the total amount of power we used for our building operations. Overall, in FY 20 we used 2.83% more kWh than we did in FY 19.



We also track power consumption in our water and sewer operations. Both of these, the reader will notice, are large users of electricity, with the sewer treatment plant being the single largest user in our operations. Power usage in water was down 17.28 % over last year.



Power usage in sewer was down 5.44% over last year. We continue to look for ways to realize savings in these areas.

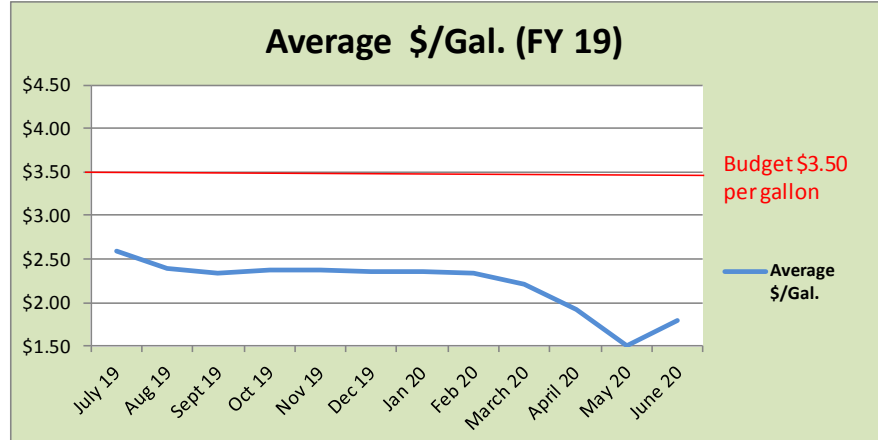


Gasoline Consumption

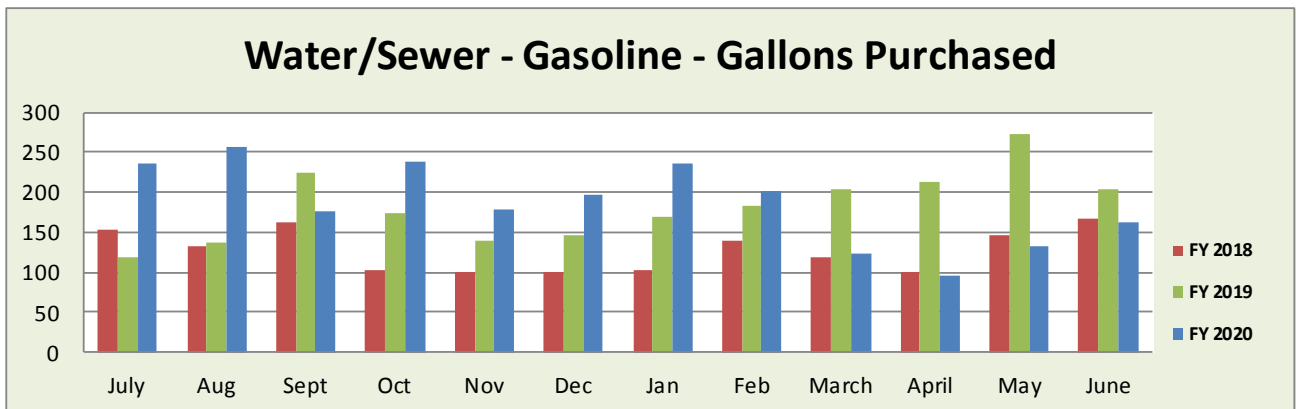
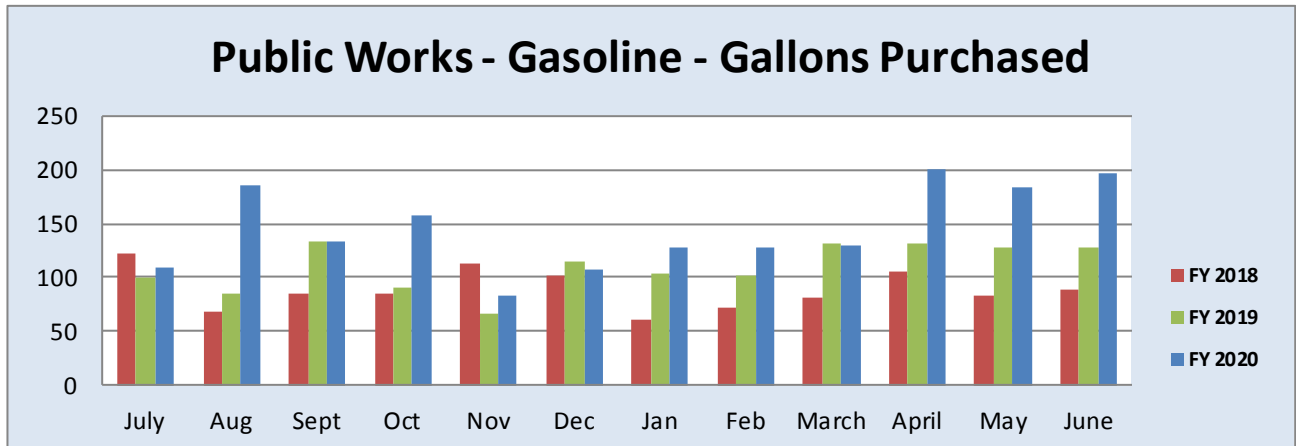
Another expenditure that affects all three funds, and several departments, is for motor fuel for our fleet. During the preparation of the budget, we look at the projections and historical data prepared by the federal Energy Information Administration (EIA) and compare that with our own experience. We then arrive at what we feel is a reasonable retail rate per gallon. For FY19-20, we budgeted \$3.50 per gallon. From this retail rate, we subtract fifty-four cents per gallon to arrive at our budget amount which represents the amount of federal and state tax included in each gallon. We maintain a fuel tax exemption certificate with our supplier who then subtracts the tax before billing us for the fuel we purchase. Due to proposed legislation, the State gasoline tax may be reduced during the fiscal year.

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

The chart to the right shows the retail cost per gallon we paid throughout FY20 and the budgeted price per gallon during that year. On average, we paid \$2.21 per gallon in FY20.



Each month, department heads receive reports showing how their fuel consumption measures up against the number of gallons per month budgeted for their department as well as compared to previous years. The department heads use this information as a management tool to ensure costs are tracking well with the amount budgeted.



Understanding the Headings

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

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

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

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

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

General Fund Overview

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

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

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

We are fortunate, this year, to be able to fund necessary maintenance and purchases without the need to raise the tax rate. For FY20, we appropriated \$222,833 from reserve funds to balance the budget.

General Fund Capital Improvement Plan

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

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

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

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

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

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

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

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

For Fiscal Year 2019-20 the Council decided to skip a year of funding most CIP projects. In FY 20-21 CIP funding totals \$60,000. The tables on the next two pages show both funding and expenditure from the General Fund Capital Improvement Plan. The General Fund Capital Reserve Fund accounts for this financial activity.

There are no significant nonrecurring capital expenditures in the FY21 budget. Likewise, there are no significant savings anticipated in the FY21 budget. The lack of such expenditures or savings allows us to maintain stable revenue and expenditures projections, thus avoiding the need to generate new revenue streams or significantly change the services that we deliver to our residents. The lack of significant capital expenditures or projects also allows us to avoid using fund balance to fund such projects. The long-range effect this has on budgeting is that it brings a level of stability to forecasting future financial impacts because there are few. For fy20-21 the Town Council decided to change the police vehicle replacement schedule to a 6-year plan from the 8-year plan. In order to keep that CIP stable, \$52,000 was directed to that CIP. For FY22, a \$53,000 allocation is anticipated.

General Fund Capital Improvement Plan - Funding

CAPITAL IMPROVEMENT PLAN														
GENERAL FUND		Fiscal Year												
Adopted Capital Funding	Funding Began	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	TOTALS
<i>Public Bld. & Grounds:</i>														
Storage Facility Maintenance	05-06													5,000
Wildwood Facility Replacement	10-11	52,000	26,000	78,000	52,000	70,000	0	0	20,000	20,000	20,000	20,000	20,000	564,000
<i>Public Works:</i>														
Stormwater Maintenance [1]	05-06	30,000	192,000	74,052	34,110	30,000	0	0	15,000	30,000	30,000	30,000	30,000	765,162
<i>Environmental - Waterways</i>														
Canal Maintenance (Dredging)	03-04	5,000	5,000	5,000	5,000	5,000	0	5,000	5,000	5,000	5,000	5,000	5,000	96,500
Front Pond/Ritter Field Silt Clean-out	05-06													3,000
<i>Information Technology</i>														
Hardware replacement	10-11	2,000	2,000	2,000	2,000	2,000	0	3,000	2,000	2,000	2,000	2,000	2,000	47,000
<i>Parks, Rec. & CAC</i>														
Town Commons development	03-04													50,000
<i>Vehicles (ref. veh repl schedule):</i>														
Public Works and Police	04-05	16,000	16,000	16,000	21,000	17,000	0	52,000	53,000	25,000	26,000	26,000	27,000	425,000
TOTAL		105,000	241,000	175,052	114,110	124,000	0	60,000	95,000	82,000	83,000	83,000	84,000	1,955,662

General Fund Capital Improvement Plan - Spending

CAPITAL IMPROVEMENT PLAN														
GENERAL FUND														
CAPITAL RESERVE FUND	Beg. Balance	333,895	498,596	453,706	470,644	539,228	432,035	195,123	248,492	317,547	330,604	383,545	397,173	1,955,662
Adopted Capital Spending		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	TOTALS
<i>Public Bld. & Grounds:</i>														
Storage Facility Maintenance														0
Wildwood Replacement					38,700	58,328	265,800							463,968
<i>Public Works:</i>														
Stormwater Maintenance		65,500	193,000	52,000	20,000	30,000			15,000	30,000	30,000	30,000	30,000	709,900
<i>Environmental - Waterways</i>														
Canal Maintenance & Dredging		4,500									4,500			18,000
Front Pond/Ritter Field Clean-out														3,000
<i>Information Technology:</i>														
Hardware replacement		6,345	3,553	0	1,993	3,142	5,800	2,970	0	0	0	0	0	39,569
<i>Parks, Rec. & CAC</i>														
Grant matching funds														35,000
<i>Vehicles (ref. veh repl schedule):</i>														
Public Works				22,000				0	0	0	0	0	36,000	100,266
Police			24,000	25,000		26,000	29,000	40,000		43,000		45,000	47,000	439,695
TOTAL		76,345	220,553	99,000	60,693	117,470	300,600	42,970	15,000	73,000	34,500	75,000	113,000	1,849,998
CAPITAL RESERVE FUND	Interest Earned:	46	610	1,828	5,277	10,277	3,688	1,339	2,055	3,057	4,442	4,628	4,263	80,457
	Ending Balance:	257,596	278,654	356,534	415,228	432,035	135,123	153,492	235,547	247,604	300,545	313,173	288,436	186,121
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Ending Bal.

General Fund Expenditures

Introduction

The General Fund is broken down into eighteen departments, as shown below, based upon the functions and services the Town of River Bend provides. This year, there is also an additional, temporary department associated with expenditures related to a grant from the North Carolina Department of Recovery and Resiliency. It's entire operation is to fund the employment costs of two temporary positions in the Public Works Department. The cost of that department for FY21 is \$100,780. What follows is a cursory description of each of the other eighteen departments and an overview of the budget for each.

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

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

General Fund Departments	
Governing Board	Animal Control
Administration	Street Maintenance
Finance	Public Works
Tax Listing	Solid Waste
Legal Services	Stromwater Management
Elections	Wetlands & Waterways
Public Buildings	Planning & Zoning
Police	Recreation
Emergency Services	Parks

Governing Body

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

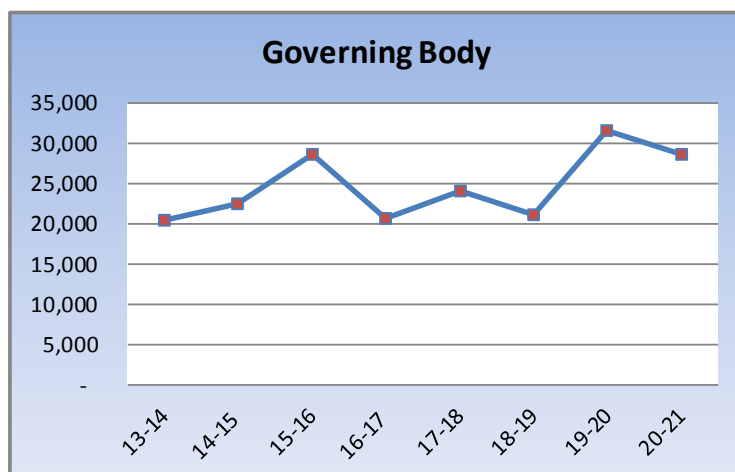
The Governing Body, by State statute, is the entity having primary responsibility to establish the general framework under which the government can meet the needs of the community by creating policies and instituting law. As elected officials within the framework of the Council/Manager form of town government,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

Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Continued participation in the Eastern Carolina Council of Governments
- Continued participation in the Highway 17 Association
- Continued involvement in the New Bern Metropolitan Planning Organization
- Contribution to Allies for Cherry Point's Tomorrow
- Following the election, attended training for newly elected officials



This department accounts for expenditures related to the governing body. The governing body is composed of a Mayor and five Councilmen. Each is elected at-large by the people and serves a 4-year term. Each Councilman is paid \$2,800 per year. The Mayor is paid \$4,300 per year. Members of the governing body do not receive any employment or retirement benefits.

Town of River Bend, North Carolina
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Line 170 reflects the budgeted expenses for the Mayor and three Council members to attend the North Carolina League of Municipalities annual conference. It also includes funding for travel to other meetings and educational seminars for Council members as well as their spouses who accompany them.

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

Governing Body	17-18		18-19		19-20			20-21
	YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of	Projected Year-End	Proposed Budget
4110					02/21/20	01/31/20		
121 Wages & Salaries	18,300	16,950	18,300	18,300	18,300	9,150	18,300	18,300
170 Council & Spouse Expense	7,475	4,391	5,500	104	8,500	888	8,500	5,500
181 FICA	1,400	1,297	1,400	1,400	1,400	700	1,400	1,408
186 Workers' Compensation Ins.	75	73	100	68	80	71	71	71
171 Mayor's Representation	2,000	1,445	2,000	1,464	2,000	1,365	2,000	2,000
481 Indirect Cost- Labor	-8,451	-8,450	-9,904	-9,904	-9,890	-5,769	-9,890	-9,890
491 Dues & Subscriptions	7,754	5,407	7,735	6,611	8,110	5,813	8,110	8,310
499 Misc- Contributions	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
TOTAL	31,553	24,112	28,131	21,043	31,500	15,219	31,491	28,700
121 Salaries	Mayor	4,300	Council	2,800				
170 NCLM Conference- Concord (April, 2021)		2,000	4 participants at \$500					
		2,000	Lodging for 4 at \$500					
Essential of Municipal Govt.			0 Registration for Council and Manager					
Travel, Training, Meals		1,500	For Council members and spouse					
		5,500						
491 Eastern Carolina Council of Governments		400	Total \$1,200 (\$400 each G/W/S)					
Metropolitan Planning Organization		2,700						
Governing		35						
NB Area Chamber of Commerce		300						
NC Coastal Federation		50						
NC League of Municipalities		4,300						
UNC School of Government		525						
		8,310						
499 Approp. to Highway 17 Assoc.		1,500						
Approp. To Allies for Cherry Point		1,500						
		3,000						

Administration

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

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

Town Manager

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

Primary Functions:

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

Town Clerk

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

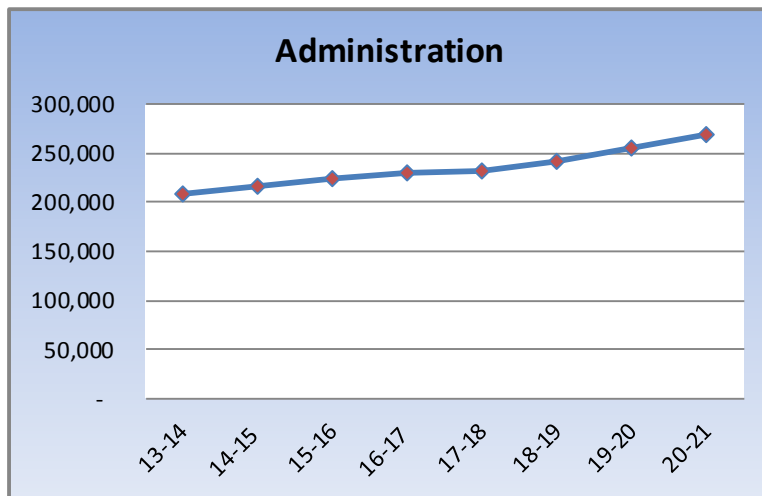
Primary Functions:

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

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Conducted the tenth annual “Shred Event” where a paper shredding contractor comes to Town for a day to allow residents to shred unneeded documents and to allow the town to dispose of records in accordance with NC Department of Cultural Resources regulations for the maintenance and disposal of such records
- Received the eleventh consecutive “Tree City USA” award
- Received \$750,000 Community Development Block grant
- Received \$363,000 grant funds from state to aid in hurricane recovery



The department of Administration is staffed by the Town Manager, Town Clerk, and Deputy Town Clerk. Besides wages and benefits for these three employees, this department also funds the annual maintenance agreement on the photocopier (line 430), and other supplies and materials. Line 498 is a pass thru of State funds in support of Public Access Television. We receive these funds and pay them to Channel

10, the local public access channel. In exchange for this pass thru, we are not charged a fee to record and broadcast our meetings.

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

We anticipate no change in staffing levels or hours for this department in FY 2020. The Manager and Town Clerk are 40-hour-per-week positions. The Deputy Clerk is now a 40-hour-per-week position after many years of being a 30-hour position.

Training (line 395) and Travel (line 310) cover expenses for the Manager to attend the NCLM annual conference and NCCMA Annual Conference and other training events.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Administration		17-18		18-19		19-20			20-21	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget	
4120										
121	Wages & Salaries	153,060	153,369	170,573	167,510	177,081	111,037	177,147	188,248	
122	Overtime	0	0	0	0	0	0	0	0	
134	401(k) Retirement	7,378	7,669	7,625	8,376	8,587	5,552	8,872	9,121	
181	FICA	11,288	11,884	11,666	12,973	13,138	8,600	13,760	13,956	
182	Loc Govt Emp Retirement	11,067	11,503	11,819	12,982	16,526	9,938	15,858	19,850	
183	Group Insurance	27,497	30,070	31,409	25,780	24,870	11,688	21,019	25,620	
185	Unemployment Comp.	0	0	0	0	0	11	0	0	
186	Workers' Compensation Ins.	1,436	995	1,488	1,448	1,706	1,572	1,572	1,379	
189	Automobile Allowance	3,600	3,600	3,600	3,600	3,600	2,215	3,600	3,600	
310	Travel & Subsistence	1,500	1,337	1,500	1,293	1,700	0	700	1,500	
395	Training	1,500	1,600	1,750	925	1,950	526	700	1,750	
380	Data Processing Services	0	0	0	0	0	0	0	0	
393	Temporary Help Services	0	0	0	0	0	0	0	0	
399	Contracted services	950	907	950	946	960	1,001	1,001	960	
498	PEG Channel Support	28,170	27,031	28,170	26,893	28,170	13,701	27,589	28,170	
260	Office Supplies	4,400	3,018	4,400	2,969	4,600	1,307	3,000	4,311	
320	Telephone & Postage	2,300	2,208	2,400	1,915	2,600	1,194	2,600	2,500	
370	Advertising	600	830	1,000	2,160	1,000	510	1,000	1,000	
391	Legal Advertising	1,500	1,338	1,500	1,668	1,500	365	700	1,400	
340	Printing	487	0	500	0	490	0	200	285	
352	Maint & Repair- Equip	0	0	0	0	0	0	0	0	
430	Equipment Rental	6,600	6,344	6,600	6,398	6,600	5,191	6,600	6,600	
450	Property and Liability Insurance	19,477	17,498	19,698	17,709	19,917	19,563	19,563	21,230	
491	Dues & Subscriptions	1,243	1,142	1,160	290	540	400	540	615	
481	Indirect Cost- Labor	-51,165	-51,164	-53,712	-53,712	-61,381	-35,805	-61,381	-63,854	
499	Miscellaneous	500	136	500	300	552	46	200	450	
	TOTAL	233,388	231,314	254,596	242,423	254,706	158,612	244,839	268,691	
310	Travel and Subsistence	500 NCLM Conference								
		1,000 Other (including NCCMA)								
	TOTAL	1,500								
395	NCLM Conf. in Concord	500								
	Other (including NCCMA)	1,000								
	Deputy Clerk Training	250								
		1,750								
399	Shred Event	810								
	GetResponse e-mail service	150								
		960								
430	Copier Lease and maintenance (\$5,650), Postage Meter Lease (\$850), Property Tax (\$100)									
450	Property and Liability Insurance	Gen	Water	Sewer	Total P&L					
		\$21,230	\$13,583	\$15,758	\$50,571					
		includes deductibles: \$500 auto, \$1000 property for each fund								
491	Clerks Association	75								
	Managers Association	200								
	Sun Journal	325								
	Arbor Day Foundation	15								
		615								

Finance

Council Priority(ies): 8, 10

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

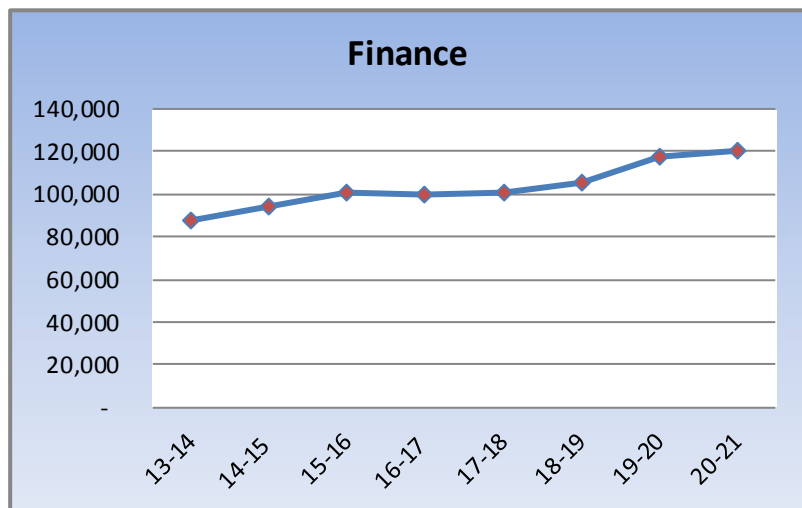
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Received our ninth consecutive Excellence in Financial Reporting Award from GFOA
- Received our tenth consecutive Distinguished Budget Presentation Award from GFOA

The Finance Department funds the salary and benefits of the Finance Administrator who has overall responsibility for all the financial operations of the Town. The Finance Assistant is paid by the Enterprise Funds, with a portion of the time allocated back to the General Fund. The statutorily required Finance Officer position is filled by a member of the Town Council. We anticipate no change in staffing levels for this department in FY 2020.



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

Town of River Bend, North Carolina
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Tax Listing

Council Priority(ies): 8

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

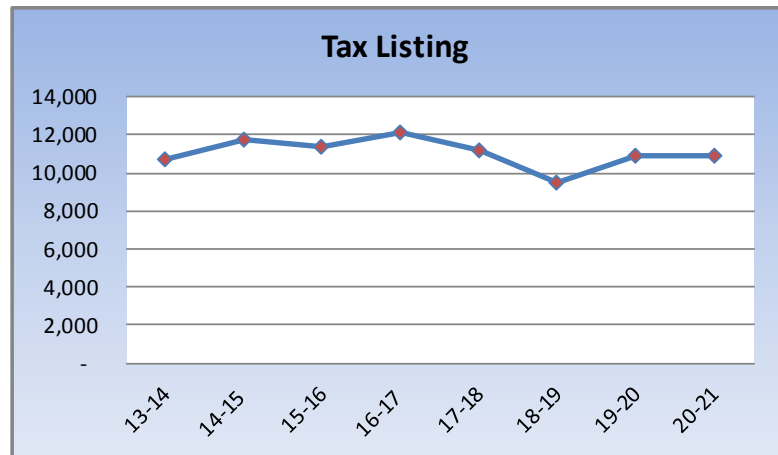
Primary Functions

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Under contract with Craven County, collected over 99% of real property tax

We pay the County a 1% fee to collect real and personal property taxes. We have budgeted a 4.5% fee to collect motor vehicle taxes, which are now collected by the State. In theory the collection rate should be 100% because a vehicle cannot receive a registration without the taxes due on the vehicle being paid in full. The table below shows the total estimated tax base and the revised tax base upon which we base our revenue budget (as required by State law).



Tax collection		17-18		18-19		19-20			20-21
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
4140									
392	RE & Pers Prop Collection Fee	8,017	7,785	6,680	6,488	6,850	5,310	6,850	7,340
394	Motor Veh Collection Fee	4,165	3,406	3,566	3,030	4,033	1,498	4,033	3,540
TOTAL		12,182	11,191	10,246	9,518	10,883	6,808	10,883	10,880

Craven Co. Tax Administrator's Estimate		tax base	tax rate	total levy	collection rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		\$ 275,400,000	0.26	716,040	99.61%	713,247	1.0%
NC Vehicle Tax System		32,000,000	0.26	83,200	100.00%	83,200	4.0%
TOTAL		307,400,000					

Legal Services

Council Priority(ies): 10

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

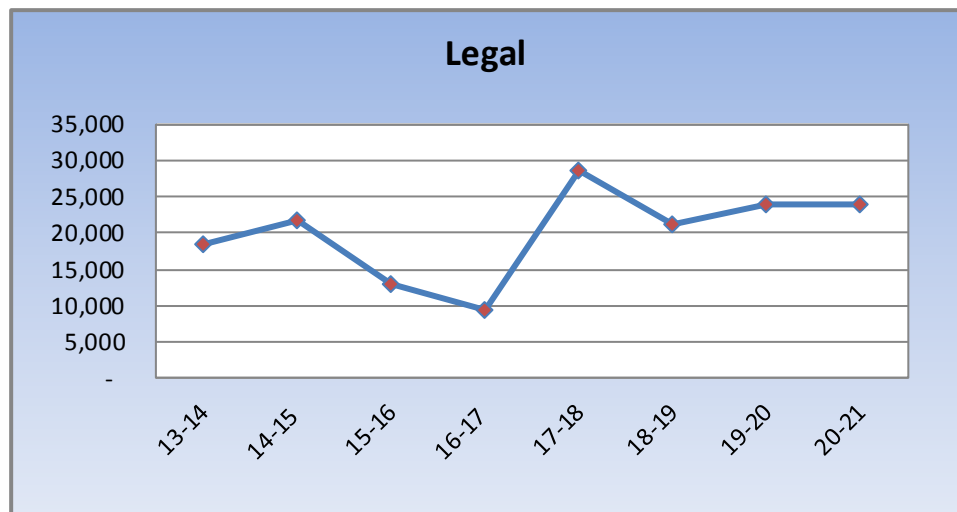
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Provided legal counsel and direction as we pursued enforcement of Town ordinances related to illegal hunting and updates to our zoning ordinance
- No suits or claims were made against the Town during the year

The Town contracts with the law firm of Sumrell, Sugg, Carmichael, Hicks, & Hart, P.A. to provide legal services. This firm specializes in municipal law and is an outstanding resource for the Town. The budgeted amount, as the reader will



notice, is divided into four general categories, all with the same "line number." Our chart of accounts does not distinguish between routine legal fees and those we incur due to lawsuits or other actions filed against the Town. We use this detail to help illustrate the breakdown of these expenditures. Expenditures in this department are driven largely by need. Aside from the routine legal matters mentioned above, if the Town either initiates or needs to defend an action, our legal costs will increase. This is borne out by the pattern of expenditures revealed in the graph shown above.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Legal Services 4150		17-18		18-19		19-20			20-21
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
192	Professional Services - General	36,000	28,710	24,000	21,157	24,000	5,086	12,000	24,000
192	Prof Svcs. - FEMA Floodplain								
192	Prof Svcs - Lawsuits								
192	Prof Svcs. - Personnel Policy review								
TOTAL		36,000	28,710	24,000	21,157	24,000	5,086	12,000	24,000

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Elections

Council Priority(ies): 10

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

Primary Functions:

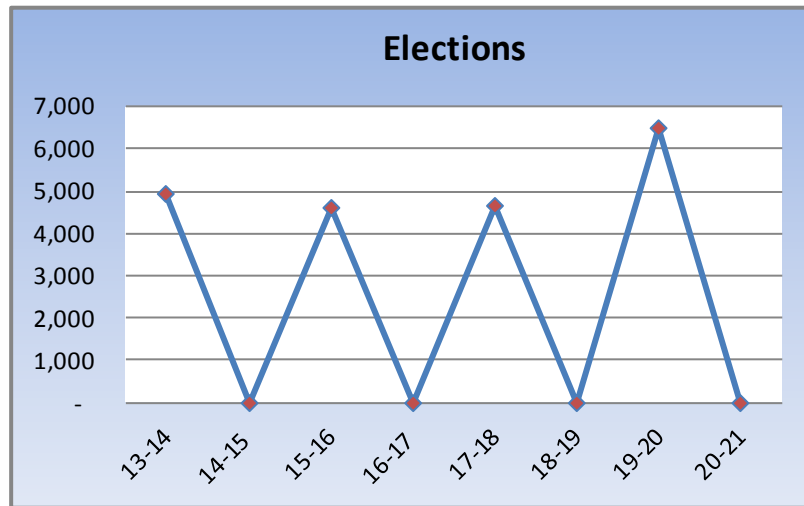
- Maintain a list of registered voters.
- Conduct local, state, and federal elections and report their results in accordance with applicable regulations.

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Municipal election was held during the year

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

The next election for three seats on the Town Council will be held in November, 2021.



Elections		17-18		18-19		19-20			20-21
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
4170									
200	Supplies and Materials	0	0	0	0	0	0	0	0
399	Contracted services	8,500	4,631	0	0	6,500	2,571	2,571	0
TOTAL		8,500	4,631	0	0	6,500	2,571	2,571	0

Public Buildings

Council Priority(ies): 1, 9

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

Primary Functions:

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

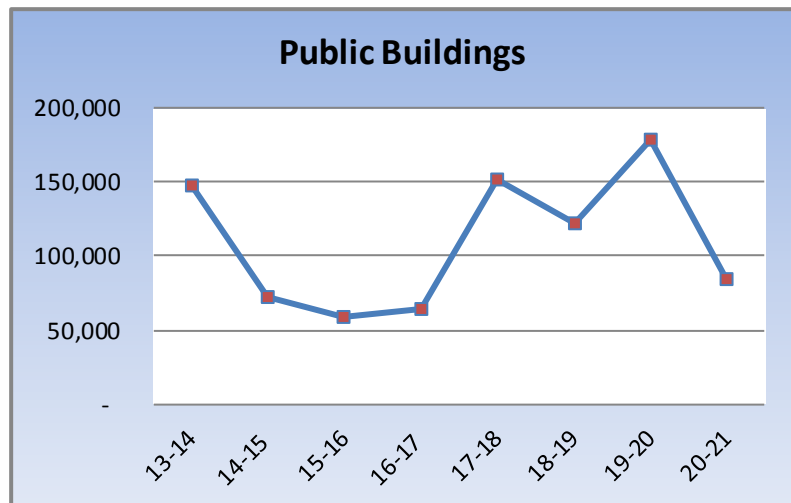
Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Council continued development of a proposal for improvements to town facilities as part of the Building Utilization Strategy (BUS)
- Although funded through a capital project budget ordinance, a new municipal building was constructed during the year and remodel/expansion of town hall began

In the Public Buildings Department, we budget expenditures related to the maintenance and operation of the Town's public facilities. These include the Town Hall, Police and Public Works building, Wildwood facility and our storage buildings. This department also budgets for the mowing and landscaping contracts. These two-year contracts were renewed in 2020 and will expire in 2022.

We will continue to monitor the costs/benefits/challenges of performing this work in house to determine the most economically and operationally feasible approach.

We anticipate no change in staffing levels or hours for this department in Fiscal Year 2021. In Fiscal Year 2021, we plan to continue our efforts to be good custodians of our public facilities by making needed repairs.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Public Buildings		17-18		18-19		19-20		20-21																																																																																																			
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget																																																																																																		
4190																																																																																																											
121	Wages & Salaries	13,314	12,259	13,552	12,643	13,756	8,152	13,662	14,118																																																																																																		
181	FICA	1,018	938	1,037	967	1,052	624	1,045	1,074																																																																																																		
185	Unemployment Comp.	0	0	0	0	0	0	0	0																																																																																																		
186	Workers' Compensation Ins.	572	369	583	538	608	571	571	600																																																																																																		
193	Engineering/Architectural Svcs	42,960	34,977	13,984	5,790	2,900	0	500	2,500																																																																																																		
354	Grounds & Landscp Contracts	25,280	25,280	25,280	25,280	25,280	13,776	25,280	27,808																																																																																																		
355	Wildwood Storage Facility Maint.	36,200	34,540	3,530	613	3,000	332	3,000	2,500																																																																																																		
399	Contracted Services	8,554	10,550	77,482	48,183	41,723	17,410	41,723	6,500																																																																																																		
211	Janitorial Supplies	2,000	1,489	2,000	2,133	2,000	477	1,500	1,800																																																																																																		
299	Supplies & Materials	2,000	2,547	3,000	2,513	3,004	601	1,500	2,900																																																																																																		
330	Utilities	7,900	7,867	8,200	7,932	9,100	4,907	8,692	16,400																																																																																																		
351	Maint & Repair Bldg & Grnds	7,560	6,924	7,000	7,815	6,000	3,974	6,000	5,000																																																																																																		
352	Maint & Repairs- Equipment	5,000	5,415	5,000	642	5,000	345	2,000	3,000																																																																																																		
540	Capital Outlay- Bld/Structures/Imprvmnts	0	0	0	0	64,800	0	64,800	0																																																																																																		
550	Capital Outlay- Equipment	18,000	8,150	8,150	7,623	0	0	0	0																																																																																																		
580	Capital Outlay- Grounds/Bldg	7,763	0	0	0	0	0	0	0																																																																																																		
TOTAL		178,121	151,306	168,798	122,672	178,223	51,170	170,273	84,200																																																																																																		
399	Pest control (consolidated service for all buildings)		1,800	Pest = 600, Termite = 1,200																																																																																																							
	Preventative Maintenance Agreement for HVAC		700																																																																																																								
	Grounds Landscaping		1,900																																																																																																								
	Police Rental (1 month)		800																																																																																																								
	Alarm System Line, Monitoring, and Testing		1,300																																																																																																								
			6,500																																																																																																								
299	Other Supplies & Materials		3,000																																																																																																								
354	Grounds Contracts		<table><tr><td colspan="2">Lawn & Landscape Contracts</td><td>FY 2021</td><td>Lawn Base</td><td>Water ¹</td><td>Lawn</td><td>Landscape</td></tr><tr><td colspan="2"></td><td>July</td><td>2,525</td><td>253</td><td>2,273</td><td>0</td></tr><tr><td colspan="2"></td><td>Aug</td><td>2,525</td><td>253</td><td>2,273</td><td>3,905</td></tr><tr><td colspan="2"></td><td>Sept</td><td>2,525</td><td>253</td><td>2,273</td><td>0</td></tr><tr><td colspan="2"></td><td>Oct</td><td>2,525</td><td>253</td><td>2,273</td><td>0</td></tr><tr><td colspan="2"></td><td>Nov</td><td>2,525</td><td>253</td><td>2,273</td><td>0</td></tr><tr><td colspan="2"></td><td>Dec</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td colspan="2"></td><td>Jan</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td colspan="2"></td><td>Feb</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td colspan="2"></td><td>Mar</td><td>0</td><td>0</td><td>0</td><td>3,905</td></tr><tr><td colspan="2"></td><td>Apr</td><td>2,525</td><td>253</td><td>2,273</td><td>0</td></tr><tr><td colspan="2"></td><td>May</td><td>2,525</td><td>253</td><td>2,273</td><td>0</td></tr><tr><td colspan="2"></td><td>June</td><td>2,525</td><td>253</td><td>2,273</td><td>0</td></tr><tr><td colspan="2"></td><td>TOTAL</td><td>20,200</td><td>2,020</td><td>18,180</td><td>7,810</td></tr></table>							Lawn & Landscape Contracts		FY 2021	Lawn Base	Water ¹	Lawn	Landscape			July	2,525	253	2,273	0			Aug	2,525	253	2,273	3,905			Sept	2,525	253	2,273	0			Oct	2,525	253	2,273	0			Nov	2,525	253	2,273	0			Dec	0	0	0	0			Jan	0	0	0	0			Feb	0	0	0	0			Mar	0	0	0	3,905			Apr	2,525	253	2,273	0			May	2,525	253	2,273	0			June	2,525	253	2,273	0			TOTAL	20,200	2,020	18,180	7,810
Lawn & Landscape Contracts		FY 2021	Lawn Base	Water ¹	Lawn	Landscape																																																																																																					
		July	2,525	253	2,273	0																																																																																																					
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		TOTAL	20,200	2,020	18,180	7,810																																																																																																					
¹ Water pays 10% of the water base contract																																																																																																											
330	Based upon historical costs/demand Includes water service paid to the Water Fund.																																																																																																										
351	Miscellaneous M&R																																																																																																										
540	Major project will be FEMA funded mitigation for Public Works Bldg to be determined after design and bid																																																																																																										
580	None																																																																																																										

Police

Council Priority(ies): 1, 4, 7

The Police Department maintains public safety and contributes to improving the quality of life through the enforcement of criminal and traffic laws, and local ordinances. The Police Department is staffed by a Chief, one Sergeant, four full-time Patrol Officers, 1.5 part-time Patrol Officer positions and the staff may include unpaid Reserve Police Officers. Police Department personnel utilize and maximize all available resources, technological advances, and educational opportunities in an effort to provide professional police services.

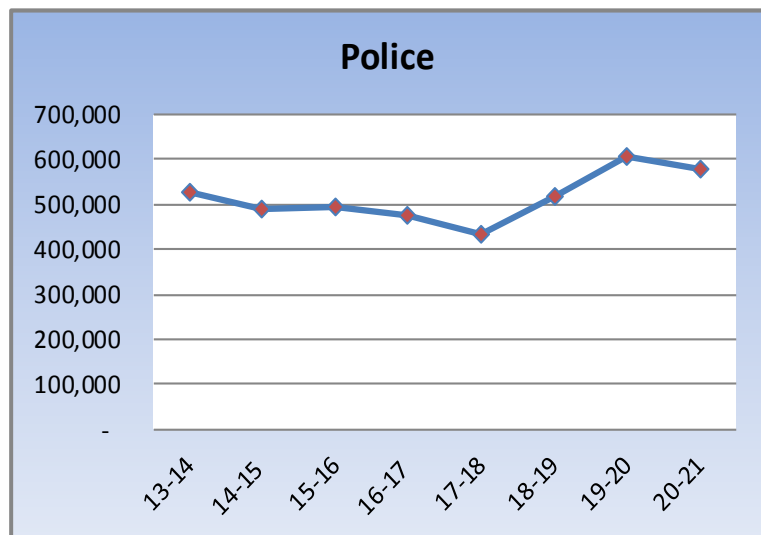
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Refer to Appendix A for statistical information related to service levels
- Hired multiple officers to fill vacated positions
- Continued training for all officers to meet State requirements
- Continued funding for Law Enforcement Separation Allowance
- Chief attended Police Chiefs Association Conference in Cherokee
- Moved into new facility located within Municipal Building

Our Police Department provides service twenty-four hours a day, seven days a week with a staffing profile much lower than that of other localities offering similar service. This is possible due to 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 when needed. Good scheduling and a flexible workforce give us the advantage of a small force that provides outstanding service.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Expenditures for the Police Department include salaries and benefits for six full-time and 1.5 part-time officers, and a limited number of reserve officers, expenditures associated with dispatching, vehicle maintenance, uniforms, fuel, equipment, and Community Watch. Contracted Services (line 399) contains charges related to our Criminal Records System. We collaborate with Craven County for records management. This system allows our officers to produce reports to be submitted to the State for inclusion in State and federal crime statistics. The annual maintenance charge for this is the only recurring software cost. Craven County charges us \$1,200 per year to manage our records.

The Community Policing line (231) reflects the Town's commitment to continue to support the efforts of the Community Watch program. The Supplies and Materials line (299) includes funding to purchase general supplies, ammunition, and six new radios. There is also continued funding of \$6,359 for LESA.

Maintenance and Repairs (lines 352 and 353) includes tires, oil changes, and other needed repairs to both vehicles and equipment. By having a four-car fleet we are able to spread the miles driven over a larger number of cars. Because tires and oil changes are mostly determined by mileage, having a fourth car does not substantially add to the cost of routine maintenance. A purchase of a new vehicle is included in the FY 21 budget.

Police		17-18		18-19		19-20		20-21	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
4310									
121	Wages & Salaries (FT & PT)	283,938	241,562	309,050	318,163	316,154	203,381	330,772	322,613
122	Overtime	7,800	3,711	5,000	3,078	5,000	5,431	5,789	5,000
133	401(k) Retirement - LEO	13,999	11,729	13,799	14,886	14,931	9,753	15,546	14,804
181	FICA	22,684	18,779	22,384	24,675	24,135	16,004	25,747	24,646
182	Loc Govt Emp Retirement	23,099	19,353	23,458	25,306	30,401	18,921	30,160	32,873
183	Group Insurance	54,914	46,235	62,646	51,759	59,092	25,220	47,031	50,867
185	Unemployment Comp.	0	0	0	0	0	5	5	0
186	Workers' Compensation Ins.	11,070	6,708	10,738	8,931	10,726	11,188	11,188	10,415
189	Uniform Maintenance	3,100	2,523	3,100	3,347	3,100	1,760	3,200	3,240
310	Travel & Subsistence	1,000	1,810	2,860	2,312	3,500	2,258	3,500	3,600
395	Training	1,000	1,455	1,700	1,490	2,200	741	2,200	2,200
399	Contracted Services	12,588	12,305	3,416	2,534	3,451	2,648	3,451	3,033
212	Uniforms	9,000	9,047	4,250	2,554	7,500	5,651	7,500	7,500
231	Community Policing	650	677	650	639	605	532	605	1,100
251	Motor Fuel	15,447	9,910	12,772	11,794	16,872	8,850	14,850	16,872
299	Supplies & Materials	13,550	13,187	10,154	8,028	19,000	6,784	17,000	19,800
320	Telephone & Postage	4,500	4,652	4,500	6,597	7,100	4,179	7,154	7,400
340	Printing	150	158	150	0	350	0	350	320
352	Maint & Repairs- Equip	2,000	1,300	2,000	363	2,000	315	2,000	1,000
353	Maint & Repairs- Auto	9,800	6,123	8,316	6,513	10,000	8,330	10,000	10,000
481	Indirect Cost- Labor	-4,222	-4,222	-4,195	-4,194	-4,472	-2,609	-4,472	-4,488
499	Governor's Crime Comm. Grant	0	0	0	0	22,653	0	22,653	0
491	Dues & Subscriptions	294	335	300	485	450	450	450	450
540	Capital Outlay- Motor Vehicles	0	0	32,750	31,021	37,000	0	42,711	40,000
9800									
988	Transfer to LESA Fund	25,000	25,000	13,500	13,500	13,500	13,500	13,500	6,359
TOTAL		511,361	432,336	543,298	533,778	605,248	343,293	612,891	579,604

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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310	Travel and Subsistence	3,500	(Governor's Highway Safety, Property and Evidence, NC Chief's Conference, Crisis Negotiations, Justice Academy, Community College, etc.)							
399	<u>Contracted Services</u>									
	Records Management - County Charge	1,200								
	Leads on Line	1,188								
	Screenings	300								
	LESA Actuarial Valuation	345								
		3,033								
212	<u>Uniforms</u>									
	General Uniforms	6,500								
	Ballistic Vest	1,000								
		7,500								
231	Community Watch	1100								
251	Fuel - \$3.50 per gallon estimate - \$0.54 per gallon tax = \$2.96 per gallon x 5700 gallons									
299	<u>Supplies</u>									
	Furniture	3,000								
	General/Miscellaneous	7,000								
	Ammunition	3,600								
	Equipment	6,200								
		19,800								
353	<u>Maintenance and Repair - Auto</u>									
	Tires	4,075								
	Alignment	500								
	Oil Changes	1,700								
	Other Maintenance and Repair	3,725								
		10,000								
540	<u>Capital Outlay</u>	40,000								

Emergency Services

Council Priority(ies): 1, 4

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

Primary Functions

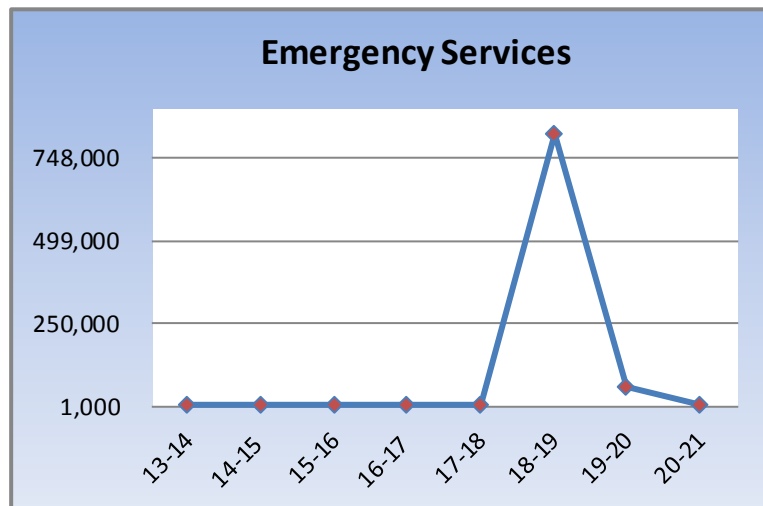
- Develop and maintain appropriate plans and contracts for emergency response and disaster mitigation.
- Maintain a “Reverse 911” system for emergency notification of residents.
- Provide funding and support for the River Bend CERT.

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- The annual Community Emergency Response Team Severe Weather Awareness Fair Was cancelled due to COVID-19.
- CERT continues to train for a variety of emergency scenarios and maintains a readiness to respond as needed.

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

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



The spike in the chart above represents nearly \$825,000 in Hurricane Florence related expenses that were accounted for in this department during FY 2018-19.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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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 recovery.

Our reverse 911 service (line 399) remains unchanged. This service allows us to share emergency information with our residents.

Emergency Services		17-18		18-19		19-20		20-21	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
4330									
121	Wages & Salaries	0	0	22,000	350	0	0	0	0
122	Overtime	0	0	13,000	11,103	0	0	0	0
133	401(k) Retirement - LEO	0	0	0	253	0	0	0	0
134	401(k) Retirement - other empl	0	0	0	306	0	0		
181	FICA	0	0	0	871	0	0	0	0
182	Loc Govt Emp Retirement	0	0	0	905	0	0	0	0
183	Group Insurance	0	0	0	0	0	0	0	0
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	0	0	0	0	0	0	0	0
399	Contracted Services	2,440	2,439	867,440	762,717	55,008	36,201	55,008	2,440
232	CERT	672	607	1,400	518	975	0	975	565
299	Supplies & Materials	400	0	100,350	44,123	356	988	988	570
450	Property & Liability Ins.	350	317	400	317	410	323	323	425
TOTAL		3,862	3,363	1,004,590	821,465	56,749	37,513	57,294	4,000
399	Blackboard Connect "reverse 911", (\$3,877 total, \$970 to be paid by water and \$970 by sewer)							1,940	
	Disaster mobilization							500	
								2,440	
232	CERT	565							
299	Miscellaneous	570							
450	Accident Insurance	425							

Animal Control

Council Priority(ies): 1

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

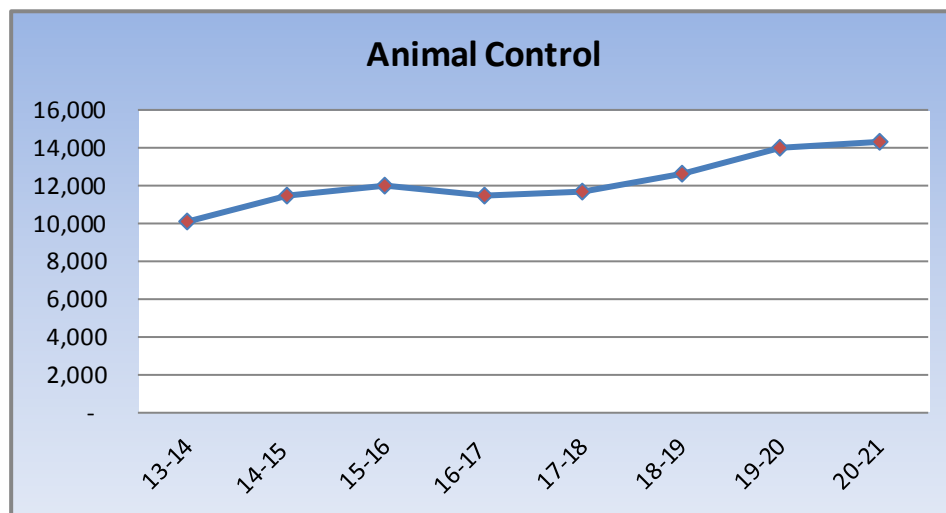
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Continued to communicate about the need to license pets
- Greater licensure rates increase the likelihood that lost animals will be re-united with their owners rather than transported to the County animal shelter

We anticipate no change in staffing levels or hours for this department in FY 2020.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Animal Control		17-18		18-19		19-20			20-21
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
4380									
121	Wages & Salaries	9,470	9,565	10,467	10,349	11,038	5,961	10,081	11,494
122	Overtime	0	0	0	0	0	75	75	75
134	401(k) Retirement	490	478	502	517	554	302	511	577
181	FICA	748	723	767	784	847	456	772	882
182	Loc Govt Emp Retirement	734	716	778	804	1,061	540	917	1,247
183	Group Insurance	2,725	2,621	3,115	2,672	2,936	1,025	2,149	2,528
185	Unemployment Comp.	0	0	0	0	0	10	0	0
186	Workers' Compensation Ins.	573	376	587	554	597	688	688	631
310	Travel & Subsistence	0	0	0	0	0	0	0	0
395	Training	0	0	0	0	0	0	0	0
299	Supplies & Materials	442	171	400	114	358	99	358	396
481	Indirect Costs- Labor	(3,012)	(3,012)	(3,157)	(3,158)	(3,400)	(1,983)	(3,400)	(3,464)
TOTAL		12,170	11,638	13,459	12,637	13,991	7,174	12,151	14,366

Street Maintenance

Council Priority(ies): 1, 8

The Street Maintenance Department is staffed through the allocation of time of our three Public Works employees. Refer to the labor allocation table on Page 64 for more detailed information. This department is responsible for the maintenance of approximately 16 miles of Town-owned streets and rights-of-way. A contracted engineer develops and updates a Roadway Maintenance Plan to prioritize the upgrade and resurfacing of streets.

Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

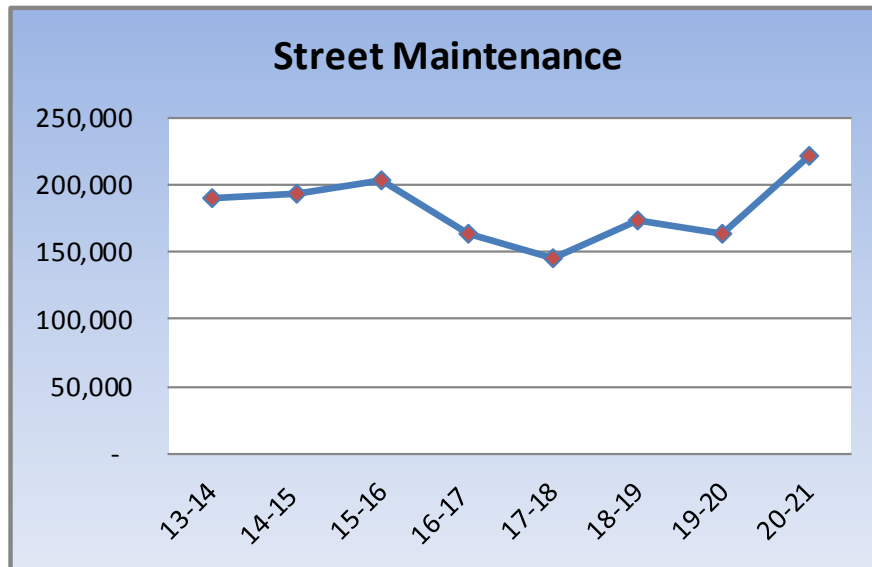
- Patched and paved multiple streets in compliance with the paving plan
- Painted stripes and installed reflectors on multiple streets
- Replaced several worn, faded, or damaged regulatory signs
- Repaired roadway shoulder areas that had become rutted

The Street Maintenance Department contains the budget for all the streets in River Bend. Each year the length of the roadway we pave varies as does the cost of the work. Therefore, the overall expenditure in this department each year is driven by the cost of the work needed under our plan, the cost to contract for the work, and where the current projects fit within the plan. Any funding from the State, under the Powell Bill, not used in a given year is, according to law, placed in a reserve fund and used in subsequent years. While the overall expenditures noted on the graph vary from year to year, this is not an indication of any intent to stray from our plan to maintain our streets. It does reveal good planning as funding and planned work are reconciled and consideration is given to using additional funding from local revenue in order to ensure adequate maintenance of this critical part of our public infrastructure.

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

This year, our engineer identified the need for the paving of North Carolina Avenue and various areas of patching around town. All approved paving and patching costs are reflected in line 591 on the worksheet.

The Supplies and Materials line (299) allows for the purchase of materials for our staff to make small patches, apply sealant to cracks, purchase regulatory and directional signs, and perform work on the shoulders of the roadways. As part of an effort to enhance pedestrian safety, funds are included for reflectors and signs to be installed strategically in areas where vehicles and pedestrians share the roadway. We anticipate no change in staffing levels or hours for this department in FY 2020. Personnel costs are determined due to the allocation of labor in accordance with the table on page 64.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Street Maintenance		17-18		18-19		19-20		Projected Year-End	20-21 Proposed Budget
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20		
4510									
121	Wages & Salaries	23,676	23,919	26,168	25,889	27,328	14,907	25,212	28,457
122	Overtime	0	0	0	0	0	188	188	0
134	401(k) Retirement	1,224	1,197	1,255	1,295	1,384	755	1,270	1,441
181	FICA	1,872	1,811	1,920	1,961	2,118	1,139	1,928	2,205
182	Loc Govt Emp Retirement	1,836	1,793	1,944	2,007	2,594	1,351	2,293	3,044
183	Group Insurance	6,811	6,553	7,787	6,680	7,340	2,563	5,111	6,321
185	Unemployment Comp.	0	0	0	0	0	10	10	0
186	Workers' Compensation Ins.	1,432	939	1,468	1,386	1,492	1,720	1,720	1,577
193	Professional Services - Engineer	7,300	6,300	7,300	6,300	7,300	5,230	7,300	7,300
399	Contracted Services	1,354	3,250	1,500	18	1,495	487	1,495	19,500
299	Supplies & Materials	7,000	6,351	7,000	495	11,100	1,475	8,000	7,500
481	Indirect Cost- Labor	-7,530	-7,530	-7,893	-7,892	-8,499	-4,958	-8,499	-8,660
550	Capital Outlay - Other Equip	0	0	0	0	0	0	0	0
591	Capital Outlay - Rdwy/Pvmt	110,500	101,129	133,500	134,992	109,500	0	109,500	153,000
TOTAL		155,475	145,711	181,949	173,130	163,152	24,868	155,529	221,686
121	25% of PW employees salaries and benefits.								
193	Engineering and Contractor costs for paving (\$6,300) / other (\$1,000).								
399	Powell Bill Maps, other		1,500						
	Stripping		18,000						
			19,500						
299	Cold Patch		2,000						
	Sealer		1,000						
	Signs		2,400						
	Gravel for shoulders		1,000						
	Other Supplies and Materials		1,100						
			7,500						
591	Paving:								
	Efird Blvd		19,500						
	Lakemere Drive		118,500						
	Miscellaneous Patching		15,000						
			153,000						

Public Works

Council Priority(ies): 1,8

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

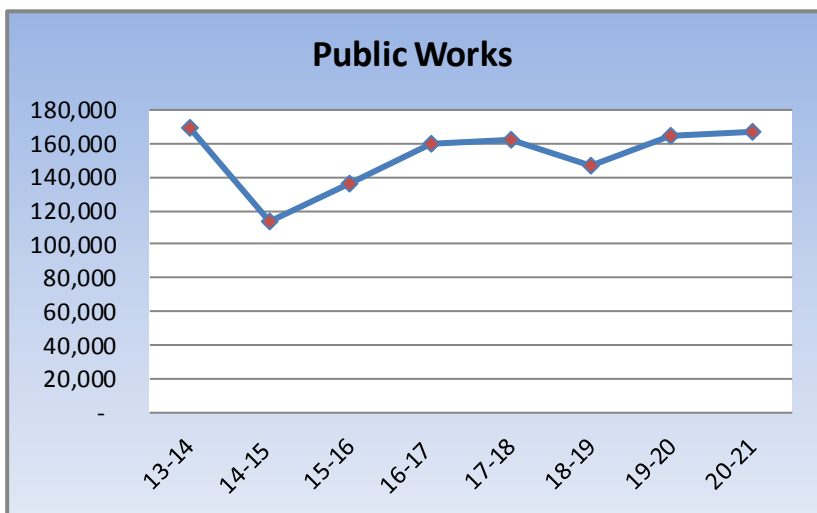
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Continued to make improvements in the storm drainage system
- Continued a proactive program of trimming limbs around streetlights
- Maintained a regular schedule of mowing of rights-of-way

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



This department budgets for the maintenance and operation of two vehicles, both of which are included in our vehicle replacement plan (see Page 76). No vehicles will be replaced in FY 2020.

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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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members of the staff perform in addition to their duties in animal control and assisting, as needed, our water resources operators.

This year we will continue to use an internet based software solution to help manage our work orders and preventative maintenance tasks. The system allows office staff to enter work order requests from citizens and be able to track the progress on the work. This uses mobile devices for our field staff so they can view work orders and indicate when they are complete, or indicate the need for a delay in getting work done. The single largest expenditure in this department is for Utilities (line 330). This represents the annual budgeted cost for operating our streetlights.

Public Works		17-18		18-19		19-20			20-21
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
4560									
121	Wages & Salaries	33,147	33,491	36,636	36,239	38,259	20,868	35,293	39,840
122	Overtime	100	0	100	0	100	263	263	100
134	401(k) Retirement	1,713	1,674	1,756	1,812	1,938	1,056	1,790	2,018
181	FICA	2,621	2,535	2,688	2,746	2,966	1,595	2,700	3,088
182	Loc Govt Emp Retirement	2,570	2,513	2,722	2,809	3,631	1,891	3,210	4,275
183	Group Insurance	9,536	9,155	10,901	9,352	10,276	3,588	7,156	8,849
185	Unemployment Comp.	0	0	0	0	0	10	10	0
186	Workers' Compensation Ins.	2,005	1,333	2,055	1,940	2,089	2,409	2,409	2,208
310	Travel & Subsistence	500	0	500	0	500	0	200	500
395	Training	500	0	500	477	500	0	200	500
399	Contracted Services	26,704	23,731	6,980	3,841	5,180	1,087	2,500	4,080
482	Indirect Labor Cost	44,196	44,197	46,149	46,148	47,802	27,885	47,802	50,214
481	Labor Allocation	-10,542	-10,542	-11,050	-11,050	-11,899	-6,942	-11,899	-12,124
212	Uniforms	3,200	2,900	3,400	3,290	3,400	2,112	3,424	3,600
251	Motor Fuel	3,252	1,960	3,552	2,659	3,552	1,673	2,923	3,848
299	Supplies & Materials	6,295	7,744	6,500	3,992	6,500	2,997	6,500	6,495
320	Telephone & Postage	1,640	1,562	1,650	1,564	1,650	1,016	1,746	1,800
330	Utilities	39,000	38,184	40,000	38,902	40,500	23,355	40,105	42,000
352	Maint & Repairs- Equip	2,400	1,819	2,400	836	6,400	4,970	6,400	4,200
353	Maint & Repairs- Vehicle	1,000	76	1,000	1,109	1,000	507	1,000	1,000
439	Bldg & Equip Rental	0	513	500	0	569	0	569	750
540	Capital Outlay- Motor Vehicles	0	0	0	0	0	0	0	0
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
TOTAL		169,837	162,845	158,939	146,665	164,913	90,341	154,301	167,240
399	Facility Dude system maintenance (40% of \$2,700 annual cost).				1080				
	Shoreline Drive Landscaping on berm phase III				0				
	Other				3000				
					4080				
382	30% of Director salary and benefits + 15% of water operators' salary and benefits.								
251	Fuel - \$3.50 per gallon estimate - \$0.54 per gallon tax = \$2.96 per gallon cost x 1,200 gallons								
330	Street Lights- Based upon historical costs/demand								
299	Includes new utility trailer (\$1,800)								

Leaf & Limb and Solid Waste

Council Priority(ies): 1, 9

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

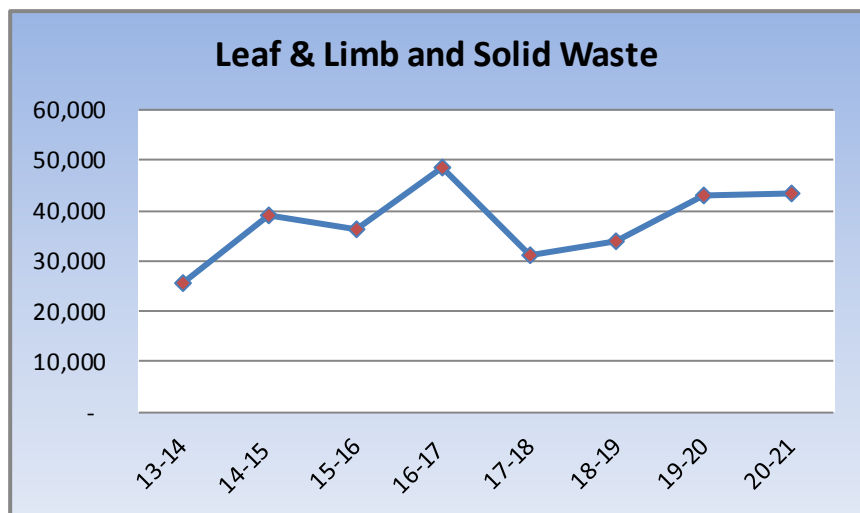
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

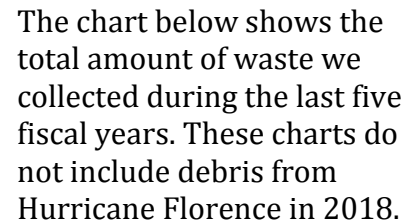
- Continued to provide used motor oil and oil filter recycling programs.
- The Town's contractor removed 341 tons of vegetative debris as part of our regular bi-monthly leaf and limb pick-up service.

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



For our leaf and limb contract, this budget reflects 55 tons per pick-up, which is as we budgeted in FY 20. The chart below shows the average amount of waste we collected per bi-monthly period in each of the last five full fiscal years. Our price for collection is \$105 per ton. In addition to this fee, we also pay the landfill tipping fee of \$15 per ton.

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Leaf & Limb / Solid Waste 4710		17-18		18-19		19-20		20-21	
		YR End	Actual	YR End	Actual	Current	Expend.	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget	as of	Year-End	Budget
						02/21/20	01/31/20		
396	Leaf & Limb Pick-up Services	36,325	29,330	39,625	30,939	40,450	16,696	30,000	40,450
399	Contracted Services	1,680	1,995	2,220	2,915	2,220	1,646	2,220	2,640
299	Supplies & Material	500	0	500	0	530	156	530	410
499	Miscellaneous	0	0	0	0	0	0	0	0
TOTAL		38,505	31,325	42,345	33,854	43,200	18,498	32,750	43,500
396	K.A. Jones (contractor)	\$ 34,650	Tons 55	\$/ton 105.00	# of pick-ups 6	Contract expires 6-30-2022 maintains current pricing			
	Landfill Tipping Fee	5,775	55	17.50	6				
	Landfill Facility Fee	25							
		40,450							
399	Dumpster	2,640							

Stormwater Management

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

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

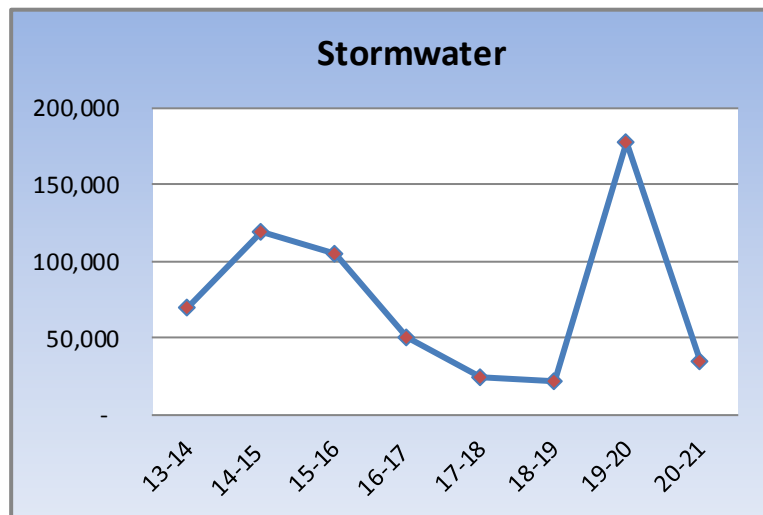
Primary Functions

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Using in-house talent, repaired several minor stormwater infrastructure issues
- Continued proactive and reactive maintenance of issues related to the flow of stormwater
- Completed engineering study of Channel Run drainage system for planning of a future project in the area, expected to be completed in FY 20-21

The Town Council renewed its commitment to continue to improve stormwater management in this community. We continue to fund our stormwater management efforts through Ad Valorem taxes rather than, as other localities have, establishing a separate stormwater utility funded by user fees. The concept of a separate utility was examined several years ago and the Public Works Advisory Board deemed, with input from our Finance Officer (Councilman Van Slyke) the current approach to be the most appropriate at this time.



This year, we have no specific drainage projects budgeted. We have budgeted \$7,292 for bulkhead replacements if needed.

Stormwater management continues to be a concern of the Council. Each year since 2007, the Town has set aside at least \$30,000 per year in the stormwater CIP. However, as mentioned earlier, due to hurricane expenses and a reduction in tax base, we did not make a contribution to the CIP's in FY 2020. We anticipated this would be a one-time skip in funding. However, due to receiving nearly \$122,000 in FEMA funding for drainage improvements, again in FY 2021, there is not CIP allocation for drainage projects. The FEMA funded project for the Channel Run area will serve as our major drainage project in FY21.

Typically, the Town will address and seek to improve larger projects. Over the last two decades the Town has made many improvements to the stormwater system by replacing pipes with larger pipes thus increasing the flow capacity of the system. However, due to our location in a floodplain, our proximity to the Trent River and our topographic features, there is only so much that the Town can do to prevent flooding. In fact, we cannot prevent it, we can only take steps to reduce the likelihood of flooding by funding practical, affordable and well-designed projects. Another factor that can have an impact on our stormwater system is our geography. We are located on the southeastern coast of the United States, which is an area that is prone to hurricanes.

Recently, the Council has discussed the need to possibly make improvements to individual driveway structures within the town. Individually, a private driveway pipe may not have much impact on the stormwater system. However, collectively, they can have quite an impact, especially during heavy rainfall or tropical weather events. Currently, the Town Ordinance requires individual property owners to maintain their own driveway pipes and swales adjacent to their property in a manner that will not obstruct the flow of water by their property and through their pipes. In 2017, the Town Council amended the Town's stormwater ordinance but kept in place the individual maintenance responsibility.

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.

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[illegible]

Wetlands and Waterways

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

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

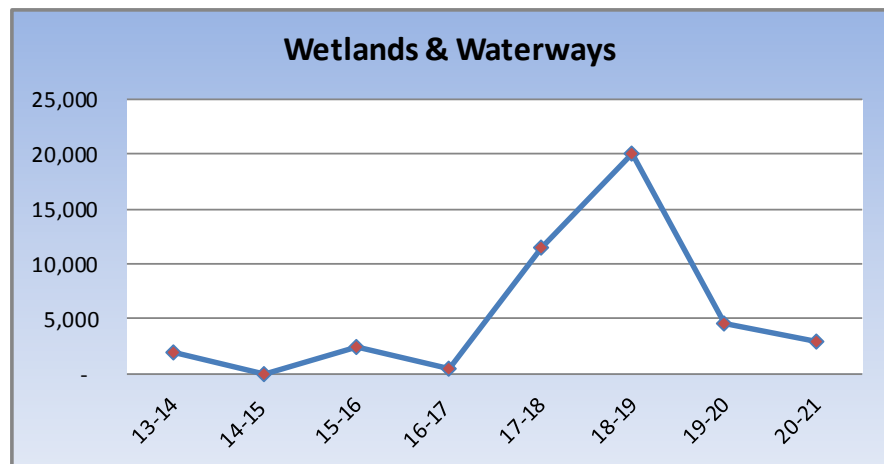
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Remained proactive in treating ponds and other areas for invasive weeds and algae
- Using in-house forces and a volunteered boat, replaced faded and missing navigation signs in canal

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



This department contains the budget to perform routine weed and algae control in the waterways we maintain and to maintain the pumps that feed the fountains. We have members of our staff who are licensed to apply chemical weed control in waterways, and we only use controls approved and appropriate for such an application. The spike in FY18-19 was due to a bulkhead replacement project funded through this department.

This department also contains funding for training members of our Environment and Waterways Advisory Board (EWAB).

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Historically, line 399 is used to fund routine maintenance of the trees along the side of Plantation Canal. Typically, we do this work every three years, funded by the CIP, in order to keep the boating channel clear of overgrown or downed trees. Once again this year, the Environment and Waterways Advisory Board did not recommend any tree removal. However, Craven County recently completed a snagging operation, funded by a grant. The canal in River Bend was included in the program. The program removed many downed trees in and along the canal, thus reducing the need for town funding for that work.

Wetlands and Waterways		17-18		18-19		19-20			20-21
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
4760									
399	Contracted Services	6,000	10,002	3,800	4,550	0	0	0	0
310	Travel & Subsistence	500	0	500	0	250	0	0	250
395	Training	500	0	500	0	250	0	0	250
299	Supplies & Materials	2,000	5	1,500	237	1,000	316	500	1,000
359	Maintenance & Repairs	3,000	1,570	1,200	750	3,000	0	1,000	1,500
590	Capital O/L- Other Structures	0	0	15,000	14,540	0	0		0
	TOTAL	12,000	11,577	22,500	20,077	4,500	316	1,500	3,000
310/395	Travel and Training for EWAB Members		500						
299	EWAB Publications & Programs		1,000						
359	Navigation Signs /Maintenance		1,500						
399	Canal Clearing		0						

Planning and Zoning

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

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

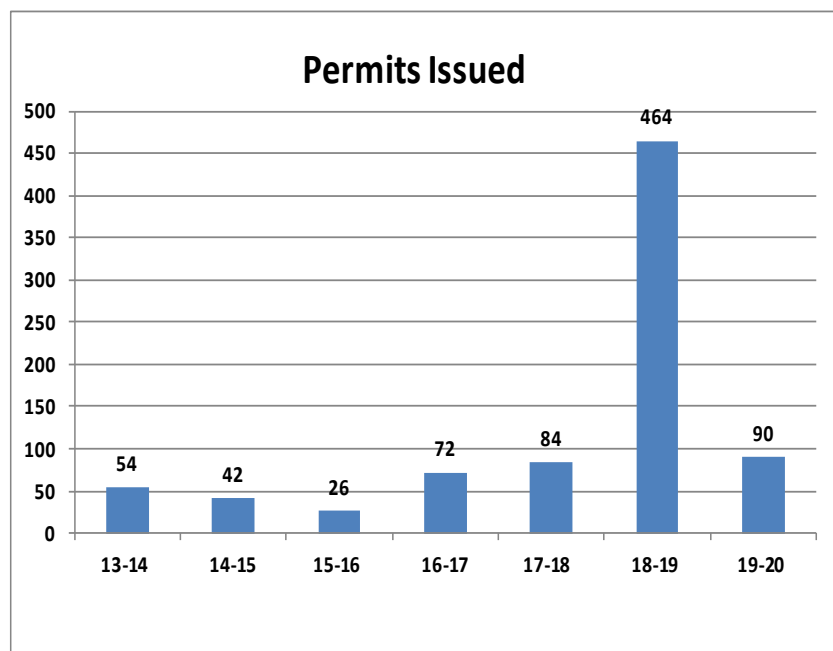
Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Continued compliance with requirements of the Community Rating System
- Continued to maintain status as a CAMA Local Permit Officer
- Enforced local ordinances including nuisance abatement
- Assistant Zoning Administrator attended Certified Floodplain Manager training
- Completed update of town's Flood Damage Prevention Ordinance
- Completed update of Flood Damage Prevention Ordinance to FEMA standards

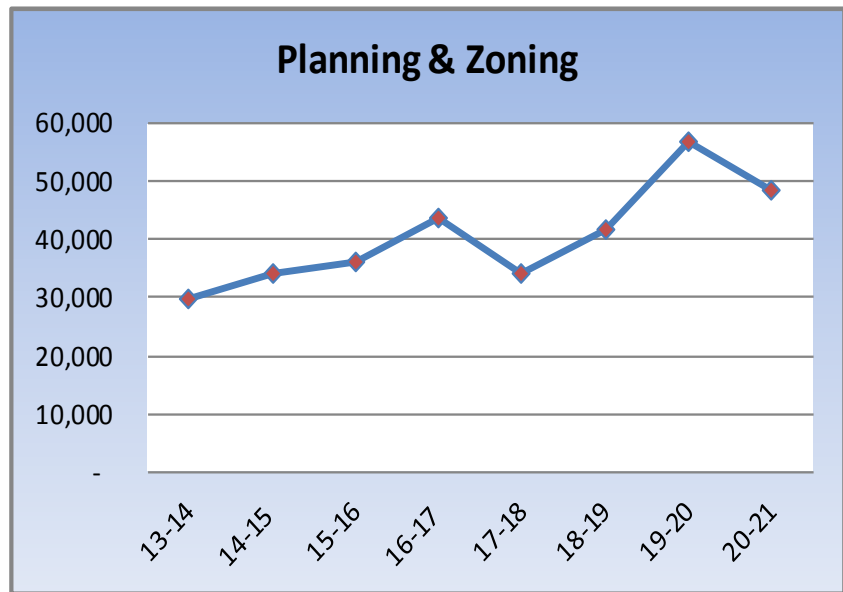
The Town enforces our own Planning and Zoning and Floodplain Management ordinances and engages, in a cooperative manner, in regional planning efforts. This position is funded for 40 hours per week, with some hours allocated to the enterprise funds as this person fulfills customer service duties at the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



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This budget also contains funding to pay for mapping support from the Eastern Carolina Council (ECC) (line 193) and for training for the Assistant Zoning Administrator (lines 310 and 395). Line 399, Contracted Services, contains \$1,882 to contract for expenditures related to nuisance abatement. This is used if a property owner does not comply with our ordinance and we are forced to contract to have the problem remedied. Ultimately, through a lien on the property, we will recover these costs from the property owner.



Planning and Zoning		17-18		18-19		19-20		20-21
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Proposed Budget
4910								
121	Wages & Salaries	36,034	35,078	44,496	43,055	47,744	30,305	49,224
122	Overtime	0	0	0	0	0	0	0
134	401(k) Retirement	1,802	1,754	1,909	2,153	2,340	1,515	2,413
181	FICA	2,756	2,753	2,920	3,364	3,580	2,363	3,692
182	Loc Govt Emp Retirement	2,703	2,631	2,958	3,337	4,359	2,712	5,097
183	Group Insurance	9,101	8,780	10,407	9,223	9,839	4,043	8,477
185	Unemployment Comp.	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	559	459	592	940	981	937	981
189	Automobile Allowance	1,260	1,260	1,260	1,260	1,260	775	1,260
310	Travel & Subsistence	400	915	400	151	400	343	600
395	Training	400	460	400	425	400	60	1,000
193	Engineering	500	0	400	0	400	0	400
194	Professional Services - Survey	400	0	325	0	325	0	325
399	Contract Services	4,000	660	2,950	0	11,800	9,000	11,800
299	Supplies & Materials	500	74	400	147	372	562	872
320	Telephone & Postage	300	308	300	264	300	468	668
481	Indirect Cost- Labor	-21,182	-21,182	-22,783	-22,784	-27,095	-15,806	-27,095
TOTAL		39,533	33,949	46,934	41,534	57,005	37,278	56,162
299	Annual license for ArcGIS							
310	Floodplain Manager's Conference, other							
395	Floodplain Manager's Conference, other							
193	ECC GIS Services, Engineering review							
399	Nuisance abatement							

Recreation and Special Events

Council Priority(ies): 1, 4

The Recreation and Special Events Department has no personnel assigned. This department, through the work of the Parks and Recreation Advisory Board, is responsible for developing and maintaining a limited schedule of recreational and craft activities for people of various ages. One of the Town's signature events, its 4th of July celebration, is organized and managed by the Parks and Recreation Board. However, due to COVID, this event was cancelled in 2020.

Primary Functions:

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Conducted multiple craft and game events
- Conducted multiple workshops on various topics
- Held the Town's Christmas tree lighting ceremony and celebration
- Several events were cancelled due to COVID-19

This budget includes continued funding for our recreation programs and special events as shown on the list at the bottom of the worksheet below. The largest of these events, our annual 4th of July celebration, is a great example of community pride and a wonderful time for neighbors to come together and enjoy their community. Through the Parks and Recreation program, the Town offers, at a charge to participants, multiple yoga classes.



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Recreation & Special Events		17-18		18-19		19-20			20-21
		YR End	Actual	YR End	Actual	Current	Expend.	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget	as of	Year-End	Budget
6120						02/21/20	01/31/20		
399	Contracted Services	5,820	3,748	5,720	5,046	5,800	538	4,000	5,600
299	Supplies & Materials	1,680	1,173	1,775	1,079	1,900	503	1,000	1,900
TOTAL		7,500	4,921	7,495	6,125	7,700	1,042	5,000	7,500
399	July 4th expenses	4,100							
	Volunteer Day expenses	1,500							
		5,600							
299	Events	1,900							
		Detail of Activities and Expenses Per Event							
		Date	Activity			Item		Cost	
		July	4th of July			Rentals, Food & Sup		4,100	
		Sept	Event			Refreshments		50	
		Oct	Workshop-adult			Supplies		75	
		Oct	Trunk or Treat			Supplies		150	
		Nov	Workshop-adult			Supplies		75	
		Nov	Workshop-kids			Supplies		50	
		Nov	Thanksgiving game			Supplies		75	
		Dec	Tree Lighting Ceremony			Refreshments		100	
		Dec	Fairfield Harbor Chorus			Refreshments		100	
		Jan	Social-game			Refreshments		25	
		Jan	Workshop-adult			Supplies		100	
		Feb	Workshop-kids			Supplies		25	
		Feb	Social-game			Refreshments		25	
		Feb	Workshop-adult			Supplies		50	
		Mar	Social-game			Supplies		25	
		April	Social-game			Supplies		25	
		April	Easter Egg Hunt			Supplies		400	
		April	Volunteer Day			Rentals, Food & Sup		1,500	
		May	Fairfield Harbor Chorus			Refreshments		100	
		May	Sunday concert			Refreshments, fee		450	
						TOTAL		7,500	

The two highlighted events are conducted at the direction of the Town but are budgeted within this department. They account for nearly 80% of the annual activity budget.

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

The Parks and CAC Department is staffed through the allocation of time by two Public Works employees. Refer to the labor allocation table on Page 64 for more detailed information. Its purpose is to enrich the leisure needs and quality of life for citizens by providing accessible facilities and a safe public park system and maintaining and improving the visual appeal of the Town.

Primary Functions:

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

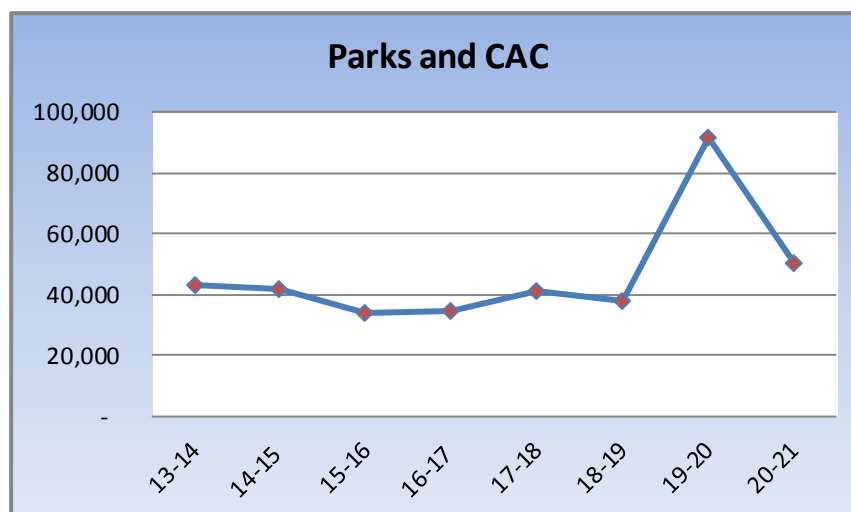
Fiscal Year 2019-20 Highlights including Special Projects and Purchases

- Continued to provide land and logistical support for the River Bend Community Organic Garden – a volunteer effort
- Continued improvements to dog park in Ritter Field
- Installed some new plantings around Town Hall
- Maintained compliance with the Tree City USA program

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

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

The Department is also sponsoring, through volunteer contributions and labor, a Community Garden. Line 399 contains funding for a porta-potty used for nine months a year at our kayak launch on Gull Pointe.



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Parks & CAC		17-18		18-19		19-20			20-21 Proposed Budget
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	
6130									
121	Wages & Salaries	21,206	20,828	20,034	19,665	21,540	12,512	20,652	25,432
122	Overtime	0	0	0	0	0	113	0	0
134	401(k) Retirement	734	717	753	776	831	453	754	865
181	FICA	1,124	1,583	1,151	1,492	1,671	956	1,580	1,971
182	Loc Govt Emp Retirement	1,101	1,078	1,167	1,203	1,533	810	1,363	1,807
183	Group Insurance	4,087	3,932	4,672	4,008	4,404	1,538	2,962	3,793
185	Unemployment Comp.	0	0	0	0	0	10	0	0
186	Workers' Compensation Ins.	859	628	881	970	1,047	1,197	1,197	1,199
310	Travel & Subsistence	0	0	0	0	0	0	0	0
399	Contracted Services	6,900	4,660	6,378	3,075	4,400	620	2,400	4,500
299	Supplies & Materials	2,740	2,724	2,700	2,280	3,034	1,555	2,500	2,800
358	CAC	3,025	2,918	2,500	1,399	2,300	325	2,300	2,000
330	Utilities	4,940	4,347	4,900	3,874	4,000	2,823	4,973	5,200
351	Maint & Repairs- Bldg & Grnds	800	748	4,300	3,609	4,000	0	3,000	4,000
352	Maint & Repairs- Equipment	1,872	1,320	2,000	0	2,000	0	500	2,000
481	Indirect Cost- Labor	-4,518	-4,518	-4,736	-4,736	-5,100	-2,975	-5,100	-5,196
550	Capital Outlay - Other Equip	0	0	0	0	0	0	0	0
572	Land Improvements	0	0	0	0	0	0	0	0
580	Buildings, Structures & Improvements	0	0	0	0	0	0	0	0
590	Other Structures & Improvement	0	0	0	0	45,700	0	45,700	0
593	Landscaping	0	0	0	0	0	0	0	0
TOTAL		44,870	40,964	46,700	37,614	91,360	19,937	84,782	50,370
299	Other supplies/materials	2,800							
399	Other services as needed (i.e. tree work)	1,000							
	Turf maintenance @Town Hall	1,500							
	Pond Stocking	1,000							
	Porta Potty Rental @ kayak launch	1,000							
		4,500							
358	Community Appearance Commission:								
	Town Hall Oval		300						
	Christmas Decorations		1000						
	Arbor Day (purchase tree)		100						
	Bulbs/Shrubs		400						
	Supplies		200						
			2,000						
330	Based upon historical costs/demand								
352	Maintenance & Repairs	2,000							

General Fund Expenditure Summary

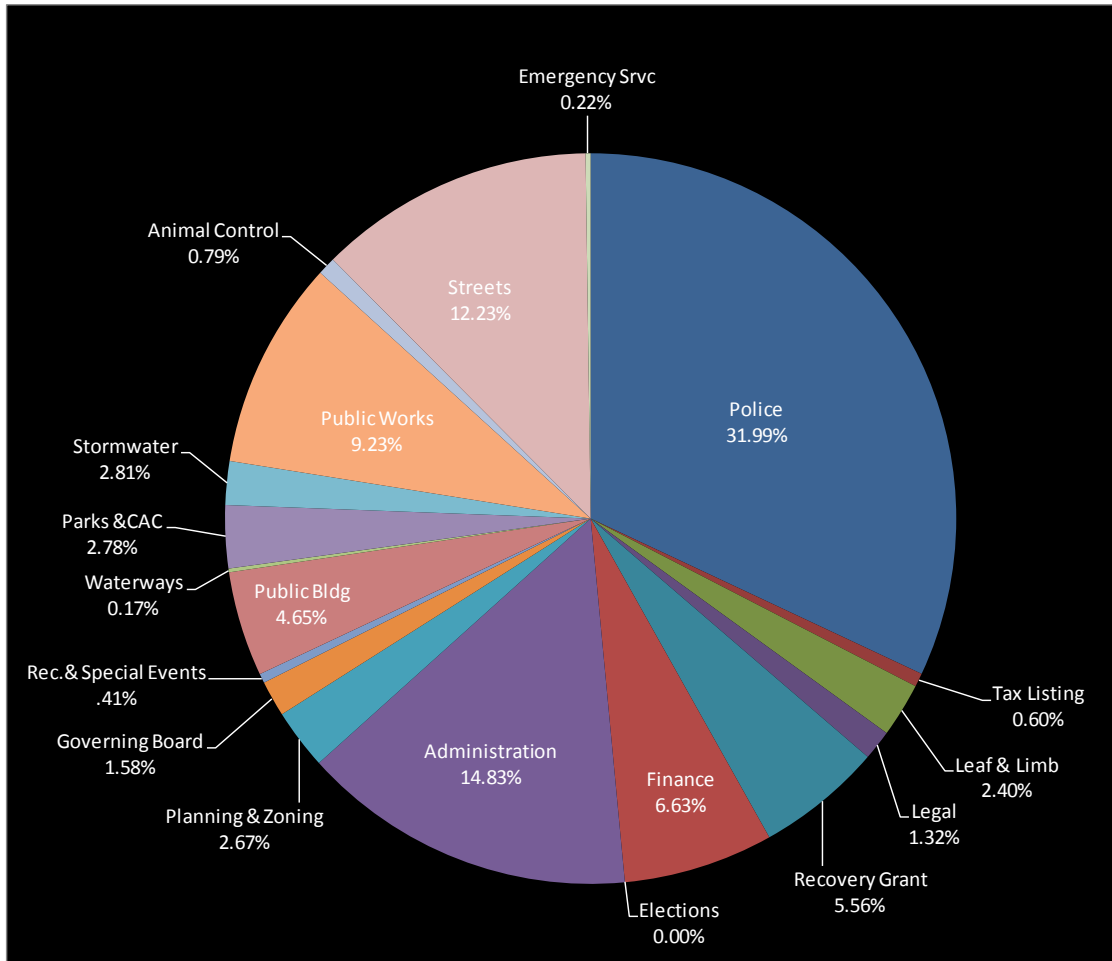
The total budgeted expenditures for the General Fund, including transfers, is \$1,890,000 which represents a 39.79% or \$1,249,029 decrease over budgeted expenditures in the 2019-20 fiscal year. However, the town's budget was amended during the fiscal year to account for \$1,024,200 of BUS related expenses. When that expense is removed, the budget represents a 10.63% or \$224,829 reduction compared to FY 2019-20. The table below shows the total for each department and the change compared to the budget for 2019-20. Note the departments that experienced amendments during the fiscal year.

General Fund Expenditure Summary						Change v. prior year		
		16-17	17-18	18-19	19-20	20-21	%	\$
Dept #	Department Name	Actual	Actual	Actual	Current Budget	Proposed		
4110	Governing Body	20,576	24,112	21,043	31,500	28,700	-8.89%	-2,800
4120	Administration	229,914	231,314	242,423	254,706	268,691	5.49%	13,985
4130	Finance	99,724	100,871	155,517	117,617	120,181	2.18%	2,564
4140	Tax Listing	12,084	11,191	9,518	10,883	10,880	-0.02%	-3
4150	Legal Services	9,335	28,710	21,157	24,000	24,000	0.00%	0
4170	Elections*	-	4,631	-	6,500	-		-6,500
4310	Police*	474,712	432,336	533,778	605,248	579,604	-4.24%	-25,644
4190	Public Buildings*	64,251	151,306	122,672	178,223	84,200	-52.76%	-94,023
4330	Emergency Services*	3,596	3,363	821,465	56,749	4,000	-92.95%	-52,749
4380	Animal Control	11,446	11,638	12,637	13,991	14,366	2.68%	375
4510	Street Maintenance*	163,465	145,711	173,130	163,152	221,686	35.88%	58,534
4560	Public Works	159,988	162,845	146,665	164,913	167,240	1.41%	2,327
4710	Leaf & Limb and Solid Waste	48,670	31,325	33,854	43,200	43,500	0.69%	300
4730	Stormwater Management*	51,042	24,346	21,740	178,373	34,971	-80.39%	-143,402
4760	Wetlands & Waterways	434	11,577	20,077	4,500	3,000	-33.33%	-1,500
4910	Planning & Zoning*	43,804	33,949	41,534	57,005	48,363	-15.16%	-8,642
6120	Recreation & Special Events	5,576	4,921	6,125	7,700	7,500	-2.60%	-200
6130	Parks & CAC*	34,413	40,964	37,614	91,360	50,370	-44.87%	-40,990
4915	NCORR Recovery Grant	-	-	42,637	93,700	100,780	7.56%	7,080
Department Expenditure Total		1,433,028	1,455,109	2,463,585	2,103,320	1,812,032	-13.85%	-291,288
	Contingency *(1% per policy)	12,468	10,379	16,639	11,509	17,968	56.12%	6,459
	Transfer to Capital Reserve	175,052	114,110	124,000	-	60,000	#DIV/0!	60,000
	Transfer to BUS Capital Project Fund*				1,024,200			
	* department amended since adoption							
TOTAL		1,620,547	1,579,598	2,604,224	3,139,029	1,890,000	-39.79%	-1,249,029
Comparison not including BUS expense					2,114,829	1,890,000	-10.63%	-224,829

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The chart above shows the percentage each department receives of the total budget, excluding contingencies and transfer. The table to the right shows how much of the proposed tax rate goes to fund each department in the General Fund.

Department	Cents per Hundred
Governing Body	0.395
Administration	3.696
Finance	1.653
Tax Listing	0.150
Legal	0.330
Elections	0.000
Police	7.973
Public Buildings	1.158
Emergency Services	0.055
Animal Control	0.198
Street Maintenance	3.050
Public Works	2.301
Leaf and Limb/Solid Waste	0.598
Stormwater Management	0.481
Wetlands and Waterways	0.041
Planning and Zoning	0.665
Recovery Grant	1.386
Recreation and Special Events	0.103
Parks and CAC	0.693
Contingency	0.247
Transfer to Cap. Res.	0.825
Tax Rate	0.26

General Fund Revenue Introduction

Each year the North Carolina League of Municipalities (NCLM) produces a well-researched report to give local governments some guidance in predicting State revenue. This chapter outlines the basis for the budget numbers we use in the General Fund revenue budget. Each tax is explained below to give some background on the source of the revenue, and to give the reader an indication of the stability of the sources. We then propose an estimate of the growth or reduction for each of the revenues based upon the NCLM report and/or our history with a given revenue. These estimates are then reflected on the Revenue budget worksheet. No new revenue sources are expected in FY21.

Revenue Sources

(In the order they appear on the budget worksheet)

Property Tax:

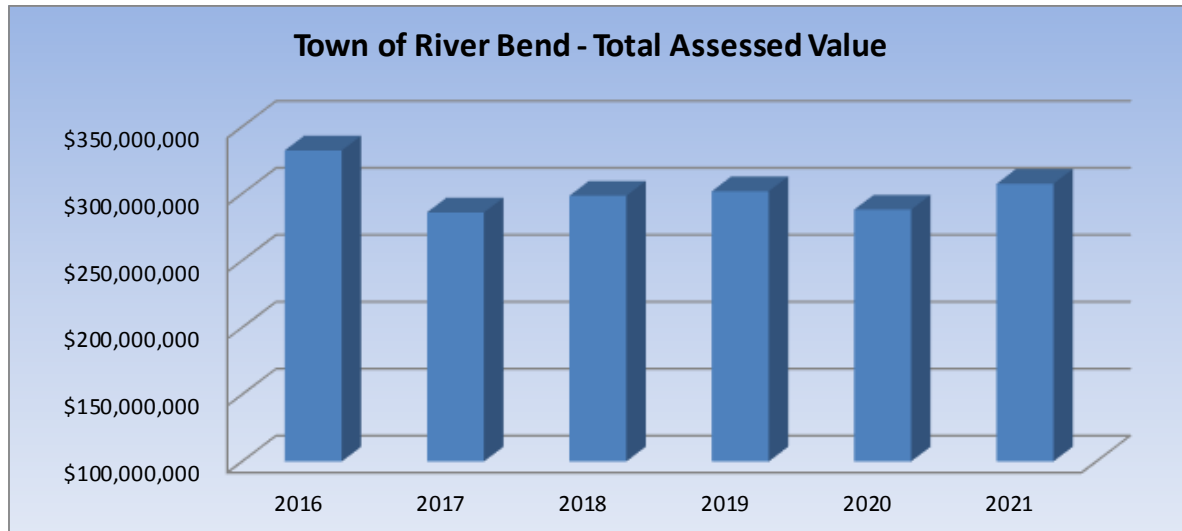
The property tax is levied against the real and personal property and motor vehicle tax bases. The tax base consists of real property (land, buildings, and other improvements to the land); personal property (boats, business equipment, etc.); and the property of public service companies (electric, telephone, railroads, etc.) and automobiles. State law requires that the tax rate be uniform unless the legislature grants the locality permission to establish a special service district. State law also limits the rate a locality may charge to a maximum of \$1.50 per \$100 of assessed valuation. Our proposed rate is \$0.26 per \$100.

Our tax base is determined by assessments performed by the County assessor's office and taxes are collected with County taxes and remitted to us. We pay the County a 1% fee to collect Real and Personal Property Taxes. We budgeted 4.5% for the NC Vehicle Tax System fee, whereby the State collects the vehicle tax at the time the vehicle registration is processed. The budgeted amount for these revenues, according to State law, must be based upon the total levy from the current tax base as modified by our actual rate of tax collection in the previous year.

Our tax base, as shown in the table and chart that follows, increased over \$19,000,000 or 6.69%. This is due to the recovery of damaged homes since Hurricane Florence in 2019. Following the hurricane, Craven County visited the damaged homes and reduced the value of many of those that were damaged. As expected, following repairs, the values have returned to higher than pre-storm value. The State mandates revaluation at least every eight years. Craven County departed from this standard and conducted the revaluation in six-year cycles. Craven County plans to conduct future revaluations on a four-year cycle. The next revaluation was

Fiscal Year	Total Property Value	% Change
2016	\$ 332,276,611	0.56%
2017	\$ 286,000,000	-13.93%
2018	\$ 298,500,000	4.37%
2019	\$ 301,796,826	1.10%
2020	\$ 288,121,303	-4.53%
2021	\$ 307,400,000	6.69%

scheduled for 2021. However, Craven County delayed that until 2022 due to continuing recovery efforts following Hurricane Florence.



Animal Licenses:

This source has been fairly consistent over the past few years. The license fee of \$10 has remained unchanged since FY12. The budgeted amount will remain unchanged for FY 2021 at \$2,400. 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. This method of distribution is currently being considered for change by the State.

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.

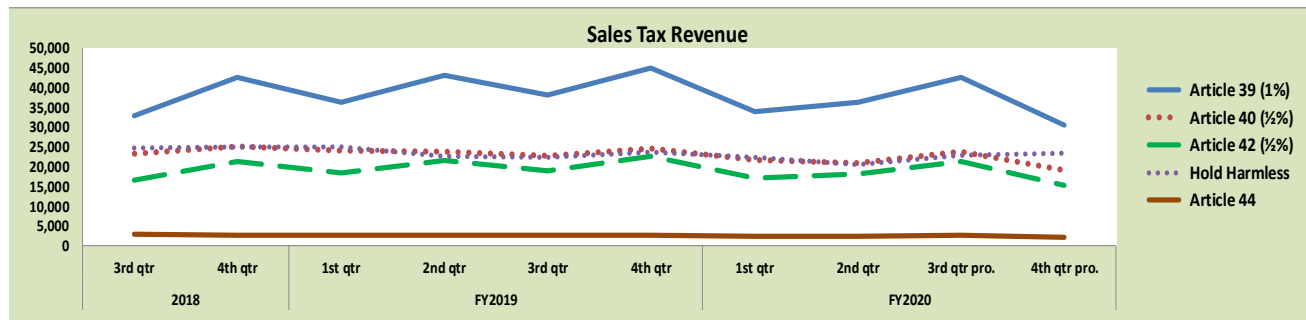
Article 42: ½% tax – originally placed in a statewide pool and allocated among the counties on a per capita basis, this tax, effective in October of 2008, is now distributed on a point of delivery basis in a manner similar to Article 39.

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. Beginning in FY17 there was a new tax levied for 79 Counties, Craven being one. Under NCGS 105-524, we receive a portion of that distribution.

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

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

We track each of these components and attempt to be alert to significant trends as they occur. We also attend economic briefings that allow us to maintain a state and national perspective on the factors that might impact our local economy, and thus our revenue. There was significant change in FY20 in these revenues due to COVID, totaling nearly \$42,000. We expect a continued decline for part of FY21. Our distribution of these revenues is subject to change each year based on the tax rate of all jurisdictions in the County. In FY20 our share of the County distribution was 0.966% . Over the past few years, this rate has had a slightly decreasing trend. In FY21 we budgeted at a rate of .948%.



Due to COVID, the revenue for three of five articles has been lower compared to our conservative budget estimates for FY20. To maintain our conservative posture, for FY21 we have budgeted a 5% decrease in all but the Hold Harmless distribution. This equals an additional \$15,566 reduction compared to what we received in FY20.

Article 40, because it reflects statewide trends and is distributed based upon population, has, in the past, lagged somewhat behind the local trends that were showing improvement. Our year-end projection for FY20 is \$85,716 which is \$10,898 less than the budgeted amount for FY20. Expecting a continued decline, we project to receive a slightly lower amount in the FY21.

We will end fiscal year 2020 with overall decreased sales tax revenues, but there are many factors that could reignite the slowing economy, and accordingly increase the revenues we receive in FY21. We remain confident that conservative budgeting in this area, particularly due to the uncertainties related to COVID, is prudent.

Solid Waste Tax:

The Solid Waste Disposal Tax is a \$2 per ton tax charged to haulers to dispose of waste in landfills within the State or delivered to a transfer station for out-of-state disposal. This tax applies to municipal solid waste and construction and demolition debris. 50% of the tax proceeds go to the Inactive Hazardous Sites Cleanup Fund. 12.5% of the proceeds are deposited in the State Solid Waste Management Trust Fund for grants to State agencies and local governments. 18.75% of the proceeds go to counties and 18.75% go to cities, each on a per capita basis for solid waste management programs and services. The pool of money available for distribution is projected to remain unchanged, so we are budgeting to receive essentially the same in FY21 as we are projecting for FY20, which is \$2,500. These funds are restricted in their use to fund solid waste programs within a locality. Our current programs will use more than the projected amount of revenue from this source.

Powell Bill:

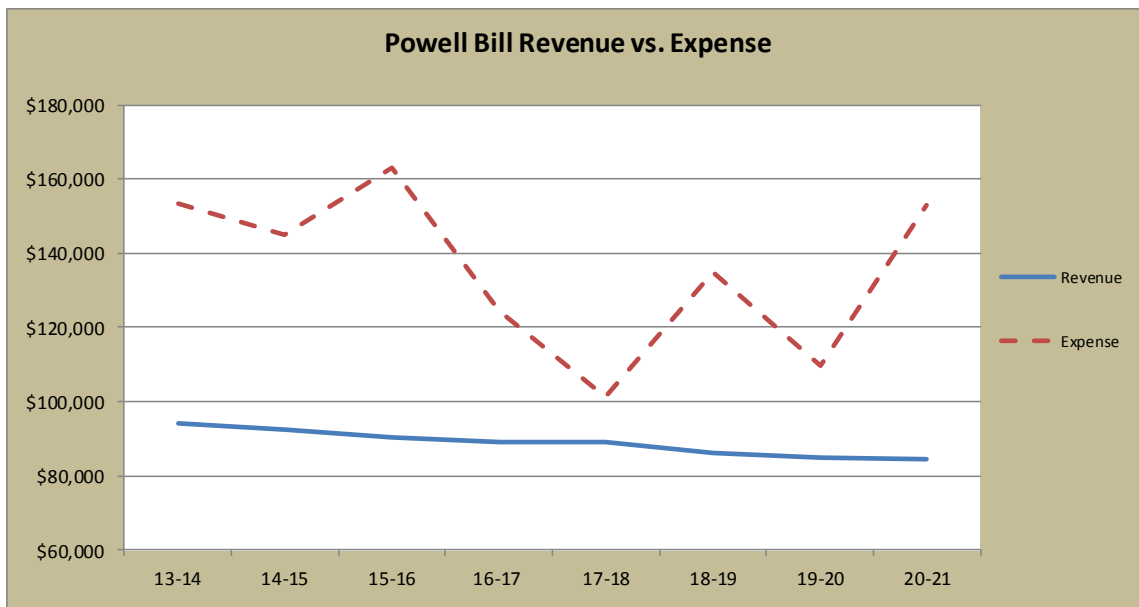
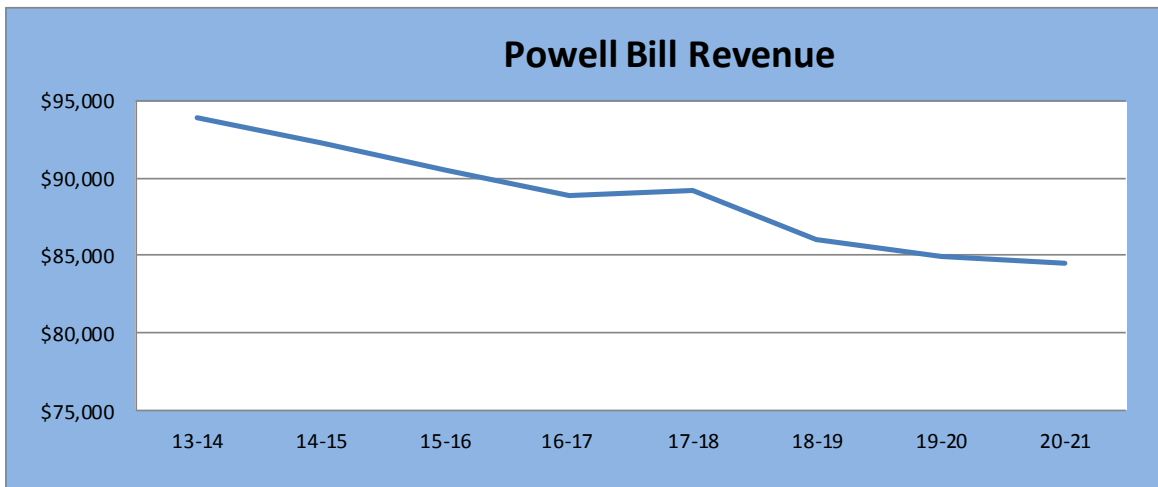
These State funds were formerly linked to tax on motor fuels. Due to recent Legislative changes, they are now subject to a direct allocation from the State Legislature. Named for the legislator who sponsored the bill to create this distribution, funds are remitted to the localities based upon a two-part formula. Three quarters of the local proceeds are distributed on a per-capita basis, and one quarter based upon the number of miles of non-State streets within the locality. River Bend has no State streets, so all our miles (16.87 total) of road enter into this part of the formula.

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

In FY 20, the population based portion of this revenue was \$19.35 per capita, which was down from \$19.56 the previous year. Similarly, the mileage-based portion of the formula was \$1,590.84 per mile, which was down from \$1,600.17 the previous year. Each of these components has changed no more than 2% per year since FY 2013. In a desire to remain

conservative in our estimates, we are budgeting no change in either the population or mileage rate. This results in revenue of \$58,417 and \$26,837 respectively and allows us to round to budget a total of \$84,500 for this revenue source in FY21, which is unchanged from the previous year. The chart below shows revenue for the past eight years.

The chart below shows we have historically spent more on resurfacing streets than we have received from Powell Bill revenues. This means that our General Fund has augmented our street paving projects.



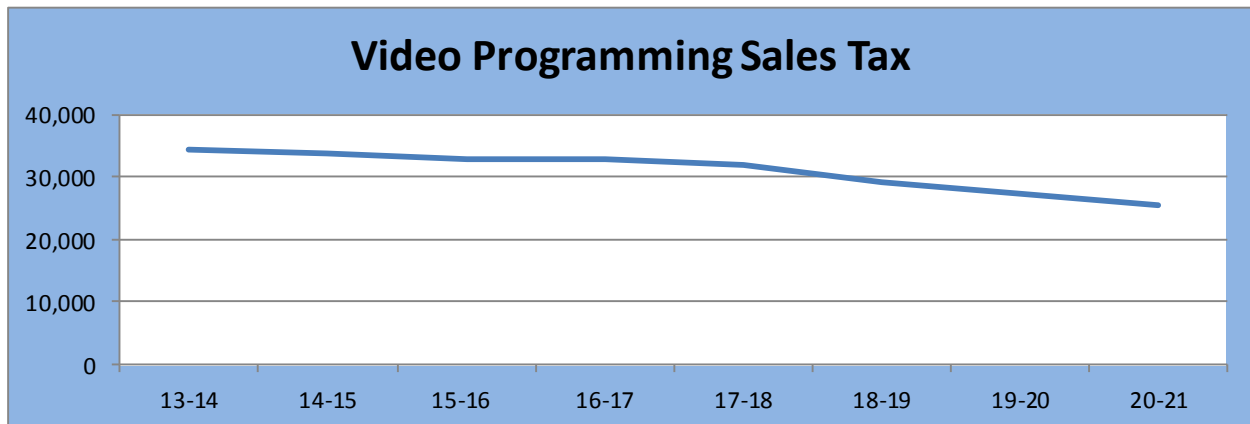
The blue line represents the Powell Bill Revenue. The red line represents the amount spent each year on street paving/maintenance project. Street paving projects are based on our engineer's recommendation.

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. Based upon recent trends, we are predicting essentially no change from the amount we received in FY20, and are budgeting \$13,500.

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.

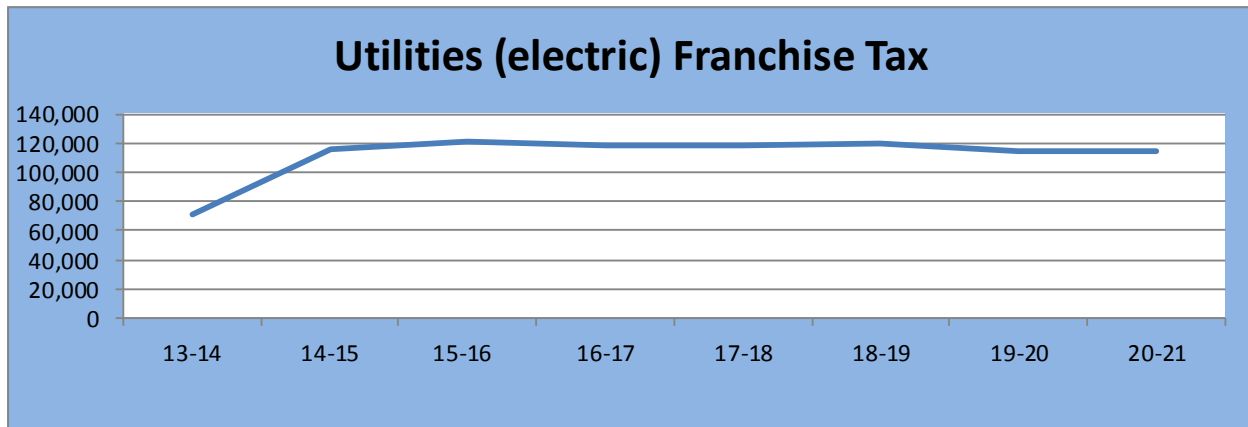


After the first \$2 million of this pool is distributed to localities to support PEG services, the remainder is divided, in our case, based upon the “base rate” established in a filing we made in March of 2007 to the Secretary of State. This base amount is the proportionate share our franchise fee (from the first half of FY 06-07) represents in the overall “pool” of money from localities throughout the State. Our share is 0.05037% of this pool. Each year this percentage is reviewed and modified based upon changes in population as certified by the State Budget Officer. This “pool” was enhanced by receiving new money from carriers who were not charged franchise fees in some localities. This is part of the reason we saw more money come in when this tax was enacted. In our case, and in many other localities, no franchise fees were collected from satellite providers. This too provided some “new” money for this pool.

Based on FY20 projections, we have budgeted \$25,510 in FY21. In addition to the tax revenue, we receive “pass-through” funds from the State that we remit to C-TV Channel 10. This is how the television station receives its State funding. In the past, they received this pass-through from the City of New Bern. Now that New Bern has their own channel, we handle the pass-through, and in exchange, Channel 10 broadcasts our Council meetings at no cost to the Town.

Utilities Franchise Tax:

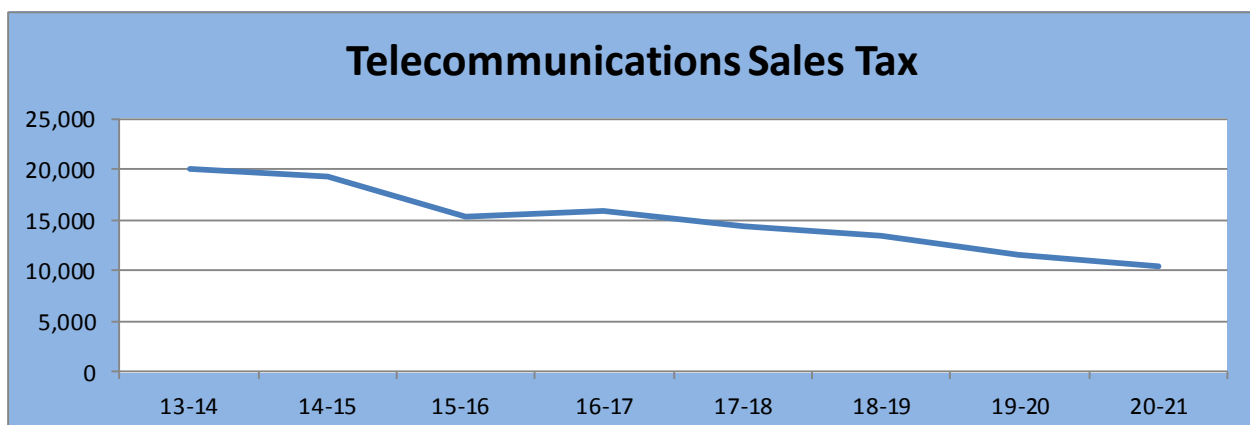
FY15 marked the first year of a new distribution method for this revenue. As of FY16, the general sales tax rate was applied to both electricity and natural gas and a percentage of the proceeds were to be returned to municipalities. In the case of electricity, that percentage is 44%. That number was chosen with the intention that every municipality could receive at least the same amount of revenue they received in FY13. In the event of excess statewide revenues, those revenues would be distributed on a statewide Ad Valorem basis.



We receive this money quarterly. In the proposed budget, remaining conservative, we are budgeting \$114,261 in this line, which is unchanged from the current year. This position is taken using our projection for the end of FY20 as the budgeted amount for FY21.

Telecommunications Tax:

The Telecommunications Tax is from a pool created by 18.03% of the telecommunications sales tax imposed by all 100 counties (after the first \$2.6 million is deducted) and is also shared by all cities. Our share is determined by the proportion our old franchise fee contributed to the pool when it was created in 2001. Therefore, our share of the pool remains constant, but the pool can fluctuate based upon taxes collected. Based upon trends in the revenue we receive for this tax, we are predicting to collect 80% of budgeted revenue in the current fiscal year. However, to be conservative, we project no increase even less in FY21. Projected revenue in FY21 is \$10,330.



Court Refunds:

State law provides for a \$5 per “arrest” fee and other incidental costs to be paid to the locality whose officer makes an arrest. The relative unpredictability of the number of arrests that will be needed and made in a given year makes this a difficult source of revenue to forecast. However, based upon current data, we are budgeting only \$500 for this revenue line.

Zoning Permits:

This line is driven by the level of construction activity in Town. For the past few years, there was a statewide trend toward lower rates of construction but we anticipate a change in that trend. The number of permits issued for FY19 was substantially higher than issued in FY18 due to Hurricane Florence. We are budgeting \$5,000 in FY21.

Federal and State Grants:

We do not anticipate applying for state grants for General Fund activities this year.

Miscellaneous:

Much of the revenue shown in this line in FY19 is from recreation program fees. We opted to budget no increase for this revenue over our FY19 projection. That is in keeping with our effort to remain conservative, as they are subject to the effects of reduced enrollment and/or cancellation of the programs. It is likely, however, that we will continue to offer these programs and may realize revenue that we have not budgeted. For FY21, we have budgeted \$8,000.

Interest:

These two lines reflect the estimated revenue from interest in these two areas. We are required to show the revenue from interest from our Powell Bill funds on a separate line as this income is restricted in its use in a manner similar the allocation we receive under this Act. These estimates are based upon a conservative .35% interest rate and, reflect the amount of money we have invested. Currently, our funds in BB&T and those with the North Carolina Capital Management Trust are returning around 1%. Our combined interest income for FY21 is budgeted at \$11,017.

Rents and Concessions:

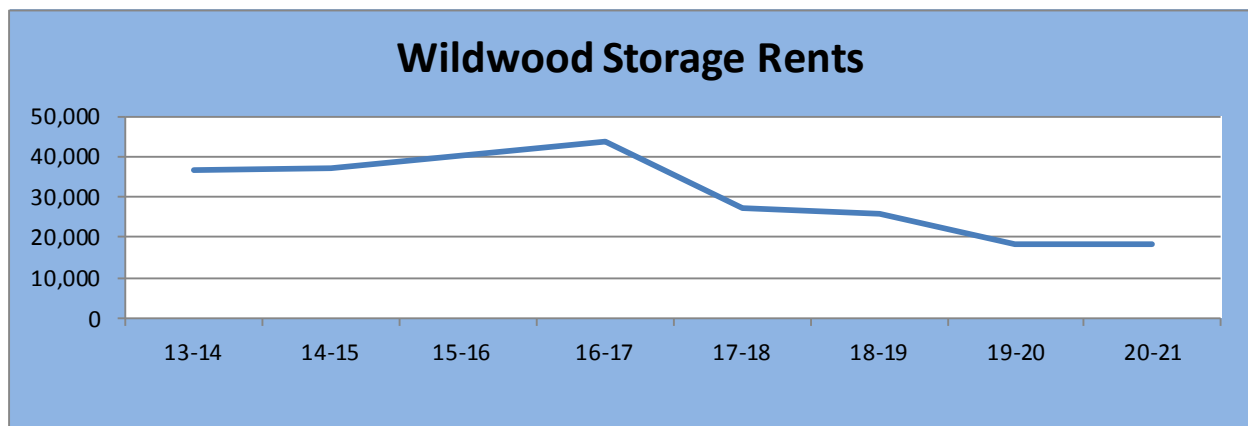
This line reflects revenue from our enterprise funds for rental of office space and charges for reserving the park or Town Hall meeting room. Based on our projections for FY20, it is budgeted at \$18,000 in FY21.

Wildwood Storage Rentals:

The line reflects our revenue from the rental of the units in Wildwood, the town's storage facility. The budgeted amount for FY21 is based upon our current rental rates, which appear competitive in the local market, and uses a 95% occupancy rate. The actual occupancy rate has been 100% for nearly a year.

In FY21 we have budgeted \$18,120 as total revenue from this source. This includes indoor and outdoor units.

WILDWOOD STORAGE		Monthly Revenue as of 4-23-20
Enclosed Units	20	\$1,260
Open Spaces	40	\$1,000
Total Units on Property	60	\$2,260
Less Town Occupied Units	9	\$635
Net Units Available for Rental	51	\$1,625
Vacant Available for Rent	4	\$190
Units Past Due or Over-locked	2	\$50
Total Loss/mth	6	\$240
Total Occupied and Paid	45	\$1,385
Rate of Paid Occupancy (units)	88.24%	
Rate of Paid Occupancy (dollars)	85.23%	
Projected Rate of Occupancy	95.00%	
Budgeted Revenue		\$18,525



General Fund Revenue Summary

Due to the uncertain economic times caused by COVID, we have continued to be conservative in our estimates of revenue. Conservative revenue estimates are not new to the budget process. They are more the rule than the exception. Revenue, as required by law, is balanced with the expenditure portion of the budget. Excluding the \$1,043,759 hurricane related revenues, this budget represents a 13.56% or a \$296,420 decrease, from the previous fiscal year budget. When the hurricane related revenues are included, the decrease is 41.49%. However, since that was a one-time aberration, it is not a fair comparison.

As discussed earlier, the impacts of COVID greatly affected this year's budget development. In order to offset lower revenues attributed to the slowdown in business activity due to the pandemic, the Town Council approved a \$222,833 appropriation of fund balance. Next, the tax rate remained the same at 26¢ even though much of the loss in property value from Hurricane Florence related damages have been recouped. There are no other substantive changes to the external revenue projects for FY21. The State-collected revenue in our projections are lowered as previously discussed on page 131.

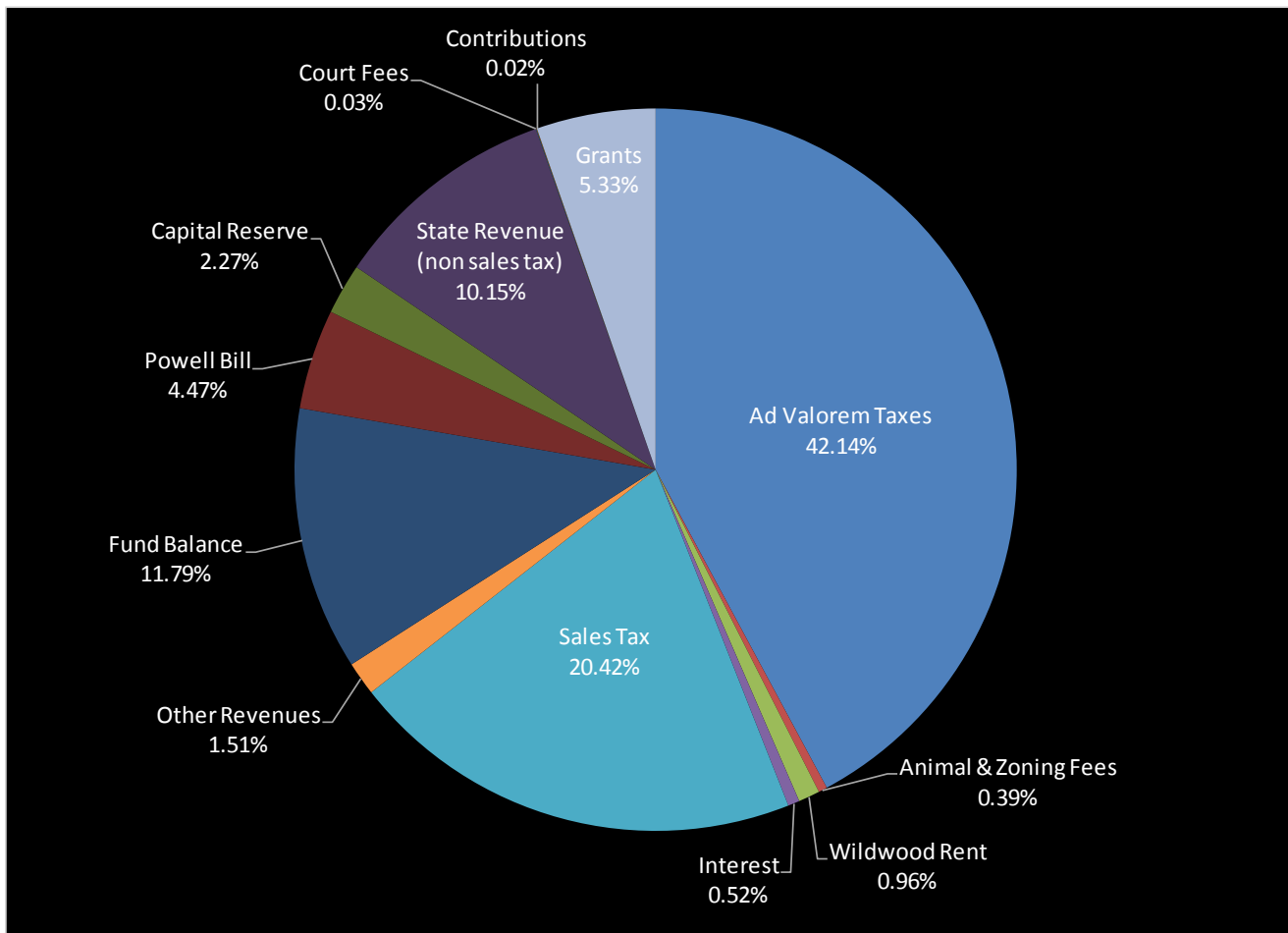
The proposed tax rate and its corresponding revenue, along with the other revenues mentioned above, will allow us to maintain our infrastructure and maintain the current levels of service while looking at the future needs of the community. Even with the appropriation from fund balance, we are able to maintain a level of fund balance that allows us to maintain a solid financial foundation, which has a direct impact upon our bond rating and overall creditworthiness. We remain aware of and seek any other sources of revenue whether through grants or other taxes as deemed appropriate. It is important to note that historically only about half of our general fund revenue comes from the Ad Valorem tax, also known as local property tax. In FY21, we anticipate that only 44.14% of revenue will derive from the levy of property tax. The amount and percentage of each source is depicted in the table and graph on the next page.

The next two pages provide more detail of the General Fund Revenue sources, along with charts and graphs. The pie chart shows the portion of the total revenue we receive from each source type.

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General Fund Revenue Summary	Change v. prior year				
	18-19	19-20	20-21	%	\$
	Actual	Current Budget	Proposed		
Ad Valorem Taxes	728,213	721,287	796,446	10.42%	75,159
Animal Licenses & Zoning Permits	16,079	7,400	7,400	0.00%	0
Interest	37,575	22,828	9,805	-57.05%	-13,023
Wildwood Rents	26,020	18,120	18,120	0.00%	0
Other Revenue & Rents	66,173	29,000	28,500	-1.72%	-500
Contributions	879	1,200	421	-64.92%	-779
Powell Bill (includes appropriation)	86,045	86,000	84,500	-1.74%	-1,500
State Revenue (other than sales tax)	202,530	203,440	191,771	-5.74%	-11,669
Sales Tax Revenue	454,871	443,295	385,953	-12.94%	-57,342
NCORR Loan/Grant Proceeds	1,000,000	91,150			
Government Grants (Fed, State & Count	56,984	1,043,759	100,780	-90.34%	-942,979
Fees (court refund)	311	500	500	0.00%	0
Charges to Other Funds	0	0	0	0.00%	0
Transfer from Capital Reserve	117,470	34,800	42,970	23.48%	8,170
Transfer from LESA Fund					0
Appropriated Fund Balance	0	527,400	222,833	-57.75%	-304,567
TOTAL	2,793,149	3,230,179	1,890,000	-41.49%	-1,340,179



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Revenue		17-18		18-19		19-20		20-21	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget 02/21/20	Revenue as of 01/31/20	Projected Year-End	Proposed Budget
3100-108	AD VALOREM Taxes	776,704	779,344	643,056	648,230	638,087	531,019	638,087	713,247
3110-108	AD VALOREM Tax-Motor Veh.	87,000	91,185	73,680	79,983	83,200	40,174	78,000	83,200
3210-851	Animal Licenses	2,400	3,297	2,400	2,761	2,400	1,357	1,500	2,400
3231-010	Sales Tax - Art. 39 1%	148,300	157,767	151,200	167,035	158,760	86,106	143,629	136,448
3231-020	Sales Tax - Art. 40 1/2%	94,300	99,135	93,800	97,206	96,614	51,337	85,716	81,430
3231-030	Sales Tax - Art. 42 1/2%	74,500	79,839	75,700	83,796	79,485	43,176	71,920	68,324
3231-040	Sales Tax (Local Opt)- Art. 44 1/2%	11,313	13,193	11,300	11,199	11,300	5,849	10,052	9,549
3329-200	Hold Harmless Tax Distribution	94,200	101,416	93,400	95,635	97,136	51,211	90,202	90,202
3261-100	Cable TV Franchise	0	0	0	0	0	0	0	0
3278-300	Solid Waste Disposal Tax	2,000	2,089	2,100	2,119	3,000	1,133	2,300	2,500
3316-099	Powell Bill Appropriation	0	0	0	0	0	0	0	0
3316-370	Powell Bill Allocation	90,000	89,226	88,000	86,045	86,000	84,892	84,892	84,500
3319-200	Piped Natural Gas Tax	0	0	0	52	0	0	0	0
3322-200	Beer and Wine Tax	13,300	13,245	13,500	13,045	13,500	0	13,500	13,500
3323-200	Video Programming Sales Tax	60,800	58,438	60,100	56,187	56,500	27,613	54,776	53,680
3324-200	Utilities Franchise Sales Tax	119,000	118,750	119,000	119,954	119,000	53,838	114,261	114,261
3332-200	Telecomm Sales Tax	15,500	13,580	15,200	13,345	14,440	6,047	11,478	10,330
3340-853	Court Refunds	850	410	500	311	500	239	450	500
3343-850	Zoning Permits	2,500	3,881	3,000	13,319	5,000	3,542	5,000	5,000
3430-310	Federal Grant- BVP Program	0	0	0	1,818	0	0	0	0
3430-320	NCORR Loan/Grant Proceeds	0	0	0	1,000,000	0	0	91,150	
3433-315	Federal Disaster Assistance	0	0	0	37,616	699,063	699,064	751,177	0
3433-320	State Disaster Assistance	0	0	0	12,538	233,021	233,021	250,392	0
3494-320	NCORR Recovery Grant 2019-2022	0	0	52,500	40,871	89,022	0	89,022	99,568
3613-760	State Government Grants	0	0	0	0	22,653	0	22,653	0
3830-800	Miscellaneous	12,000	12,948	8,000	8,526	8,000	6,268	8,000	8,000
3830-850	Insurance Settlements	0	0	33,870	34,340	0	716	1,090	0
3831-320	Interest- NCORR Recovery Grant 19-22	0	0	0	1,765	4,678	2,610	3,770	1,212
3831-370	Interest- Powell Bill	5	22	5	124	50	135	135	50
3831-810	Interest- General Fund	14,787	20,755	35,000	37,450	18,100	17,086	20,579	9,755
3833-820	Contributions	1,200	1,125	1,200	879	1,200	819	1,200	421
3834-852	Wildwood Storage Rentals	30,680	27,227	20,248	26,020	18,120	10,533	18,120	18,120
3834-860	Rents & Concessions	18,000	18,120	18,000	18,000	18,000	10,525	18,000	18,000
3835-865	Sale of Fixed Assets	0	0	3,700	3,150	0	0	3,000	0
3839-351	Sales Tax Refund Revenue	0	0	0	38	0	0		0
3920-892	Proceeds from Debt	0	0	0	0	0	0		0
3980-982	Transfer - Capital Res Fund	60,693	60,693	117,470	117,470	34,800	5,800	63,800	42,970
3991-991	Appropriated Fund Balance (NCORR)								34,638
3991-991	Appropriated Fund Balance	47,892	0	1,179,243	0	527,400	0		188,195
	TOTAL REVENUES	1,777,924	1,765,685	2,920,184	2,835,838	3,139,029	1,974,107	2,747,850	1,890,000

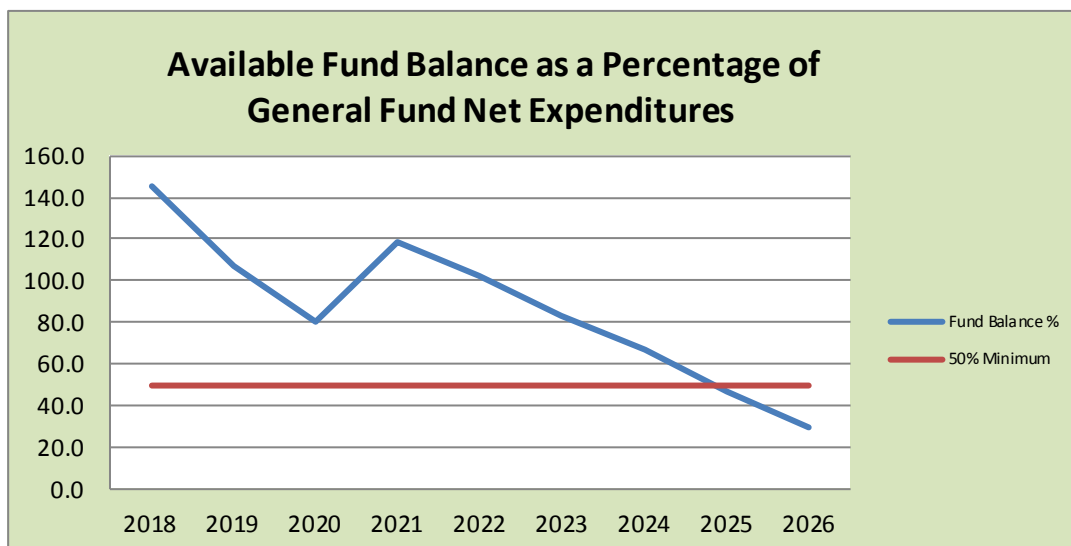
General Fund Balance

Fund Balance is, simply explained, the amount of assets in excess of liabilities in a given fund. The North Carolina Local Government Commission (LGC) monitors the level of unreserved Fund Balance each locality maintains as a sign of their relative financial strength. The benchmark the LGC uses is 8% of total expenditures, below which they express concern to the locality and direct action to increase the balance. The target set by the Town Council is to maintain an unrestricted Fund Balance of no less than 50%. Having such a balance enables us to meet our financial obligations without interruptions due to cash flow, generates investment income, eliminates the need for short-term borrowing, and provides a reserve of funds to respond to emergencies or opportunities.

In FY19-20, Hurricane Florence had a tremendous negative impact on the Town's fund balance. As expected, full FEMA reimbursement was received and our fund balance recovered to a near normal level. Last year, the Council used over \$1,000,000 of fund balance to fund the BUS project. That project continues into FY20-21.

According to our projections, Fund Balance remains above or nearly at 50% through the end of Fiscal Year 2025 with no additional tax rate increase or other major change. See the following section for more details regarding our five-year financial forecast. The table below shows the amount of Fund Balance at the end of each fiscal year and the corresponding percentage of General Fund expenditures. The chart depicts the Fund Balance percentage at the end of the fiscal year. The red line represents the 50% Council minimum target.

Proforma Of General Fund Balance (less Capital Reserve)										
	.3105 tax rate	.29 tax rate	.24 tax rate	.26 tax rate						
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Available Fund Balance \$	2,106,518	2,294,498	2,787,506	2,460,065	2,237,232	1,984,619	1,693,298	1,365,368	998,098	636,415
(annual financial report data)				Projected	Proposed					
Available Fund Balance %	129.9	145.3	107.0	80.5	118.4	102.6	83.5	66.8	46.8	29.2



Five-Year Financial Forecast

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

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

What follows is a list of some of the assumptions that underlie the forecast for FY22-FY26:

Expenditures

- 2.0% COLA for FY22 and each year thereafter.
- Other compensation changes per the approved Pay Plan.
- No change in staffing level from FY21 levels.
- Local Government Employees Retirement System *Employer Contribution Rate as provided by LGC* is used.
- 5% per year increase in medical insurance premiums.
- 1% per year increase in workers' compensation insurance.
- 4% increase per year in property and liability insurance.
- 2% increase per year in electric expenditures.
- 2% per year in telephone and postage expenditures.
- 3% per year increase in motor fuel expenditures.
- 3% increase per year in many other routine expenditures.
- Includes all vehicle and IT replacement per plans.
- \$15,000 expenditure for stormwater in FY22, \$30,000 per year through FY26.
- LESA funding at \$13,500 per year.
- \$20,000 per year contribution in Facility Replacement CIP.
- 5% annual increase for Springbrook financial software maintenance
- 3% annual increase for VC3 IT contract

Revenue

Real Property:	2.5% per increase in FY22, 10% increase in FY23, then 1% increase thereafter. 99.5% collection rate. Tax rate of \$.26 per hundred dollars of valuation.
Motor Vehicle:	1% per year increase in tax base. 100% collection rate this year and 100% thereafter. Tax rate of \$.26 per hundred dollars of valuation.
Sales Taxes:	6.0% increase in FY22 from FY21 and 2% growth per year thereafter.
Powell Bill:	Level funding per year in the amount of \$84,500.
Beer and Wine Tax:	1% increase in FY22 from FY21 and 1% increase per year thereafter.
Video Programming Sales Tax:	No change from FY21 year-end level through FY26.
Utilities Franchise Tax:	5% increase in FY22 from FY21 and 1% thereafter.
Telecommunication Sales Tax:	No change in FY21 year-end level through FY26.
Sale of Fixed Assets:	Tracks with the years that new vehicles are purchased.
Wildwood Storage Rental	96% Occupancy Rate through FY26

Both the expenditure and revenue projects assume 100% collection and expense of the budgeted amounts. Also, the next property revaluation is scheduled for January 2022, which will become effective with the FY23 budget.

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This worksheet shows the General Fund expenditure summary by department. This worksheet shows historical data from FY19 and projected expenditures for FY20 and proposed amounts for FY21. The forecast amounts for FY22 through FY26 are based upon the assumptions noted previously.

General Fund Expenditure Summary		18-19 Actual	19-20 Proj	20-21 Prop	21-22	22-23	23-24	24-25	25-26
4110	Governing Body	21,043	31,491	28,700	36,169	36,686	37,228	37,797	37,675
4120	Administration	242,423	244,839	268,691	276,839	283,648	290,131	297,372	304,294
4130	Finance	155,517	114,372	120,181	120,714	124,161	127,734	131,434	135,266
4140	Tax Listing	9,518	10,883	10,880	11,584	12,352	12,471	12,590	-
4150	Legal Services	21,157	12,000	24,000	24,720	25,462	26,225	27,012	27,823
4170	Elections	-	2,571	-	2,700	-	2,835	-	2,976
4310	Police	533,778	612,890	579,604	539,400	597,329	569,672	630,581	648,458
4190	Public Buildings	122,672	170,273	84,200	86,048	88,591	90,915	93,301	95,753
4330	Emergency Services	821,465	57,294	4,000	4,124	4,252	4,385	4,521	4,661
4380	Animal Control	12,637	12,152	14,366	14,711	14,849	15,621	16,095	16,585
4510	Street Maintenance	173,130	155,529	221,686	228,346	235,201	242,267	249,548	257,350
4560	Public Works	146,665	154,301	167,240	171,953	176,812	181,825	186,583	191,381
4710	Leaf & Limb and Solid Waste	33,854	32,750	43,500	44,805	46,149	47,534	48,960	50,428
4730	Stormwater Management	21,740	175,665	34,971	43,502	59,360	60,247	61,162	62,286
4760	Wetlands & Waterways	20,077	1,500	3,000	3,090	3,183	7,778	3,377	3,478
4910	Planning & Zoning	41,534	56,162	48,363	49,521	50,711	51,933	53,244	55,169
6120	Recreation & Special Events	6,125	5,000	7,500	7,725	7,957	8,195	8,441	8,695
6130	Parks & CAC	37,614	84,782	50,370	51,549	52,764	54,018	55,213	56,544
4915	NCORR Recovery Grant	42,637	87,365	100,780	104,005	107,327	110,349	113,067	115,886
	Contingency (=1% expend)	16,639	11,509	17,968	18,215	19,268	19,414	20,303	20,747
	Transfer to Capital Reserve	124,000	-	60,000	95,000	82,000	83,000	83,000	84,000
Transfer to BUS Capital Project Fund			1,024,200						
	TOTAL	2,604,223	3,057,529	1,890,000	1,934,718	2,028,061	2,043,775	2,133,602	2,179,454
	<i>Change from previous year</i>	64.87%	17.41%	-38.19%	2.37%	4.82%	0.77%	4.40%	2.15%

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As with expenditures stated on the previous page, this worksheet shows the General Fund revenue summary, by major source for the same years as expenditures and based upon the assumptions noted previously. The appropriated fund balance amounts, as mentioned earlier, are highlighted in yellow. Based on the current revenue assumptions, detailed on page 143, which includes a tax rate of \$0.26 throughout the five-year forecast, these fund balance appropriations will be necessary to balance the budget.

General Fund Revenue Summary								
	18-19 Actual	19-20 Proj	20-21 Prop	21-22	22-23	23-24	24-25	25-26
Ad Valorem Taxes	728,213	716,087	796,447	814,303	888,171	897,052	906,023	915,083
Animal Licenses & Zoning Permits	16,079	6,500	7,400	7,400	7,400	7,400	7,400	7,400
Interest	39,340	24,484	11,020	28,394	24,813	21,171	17,072	12,481
Wildwood Rents & Cable Franchise	26,020	18,120	18,120	18,120	18,120	18,120	18,120	18,120
Other Revenue & Rents	66,173	32,390	28,500	32,200	28,500	32,200	28,500	28,500
Contributions	879	1,200	1,200	1,000	1,000	1,000	1,000	1,000
Powell Bill (includes appropriation)	86,045	84,892	84,500	84,500	84,500	84,500	84,500	84,500
State Revenue (other than sales tax)	202,530	194,015	191,771	197,619	198,955	200,305	201,668	203,044
Sales Tax Revenue	454,923	401,519	385,953	404,600	411,781	419,097	426,549	434,143
Government Grants	1,097,855	1,204,394	98,786	78,469	0	0	0	0
Fees (court refund)	311	450	500	500	500	500	500	500
Charges to Other Funds	0	0	0	0	0	0	0	0
Transfer from Capital Reserve	117,470	63,800	42,970	15,000	73,000	34,500	75,000	113,000
Transfer from LESA Fund								
Transfer from Fund Balance		309,679	222,833	256,612	291,322	327,930	367,270	361,683
TOTAL	2,835,838	3,057,529	1,890,000	1,938,718	2,028,062	2,043,775	2,133,602	2,179,454
<i>Change from previous year</i>	60.61%	7.82%	-38.19%	2.58%	4.61%	0.77%	4.40%	2.15%

The chart below provides a summary of the five-year forecast in regards to revenues versus expenditures. The projections indicate a deficit for every year beginning in FY19. All of those projections could be balanced with a fund balance appropriation equal to the deficits shown.

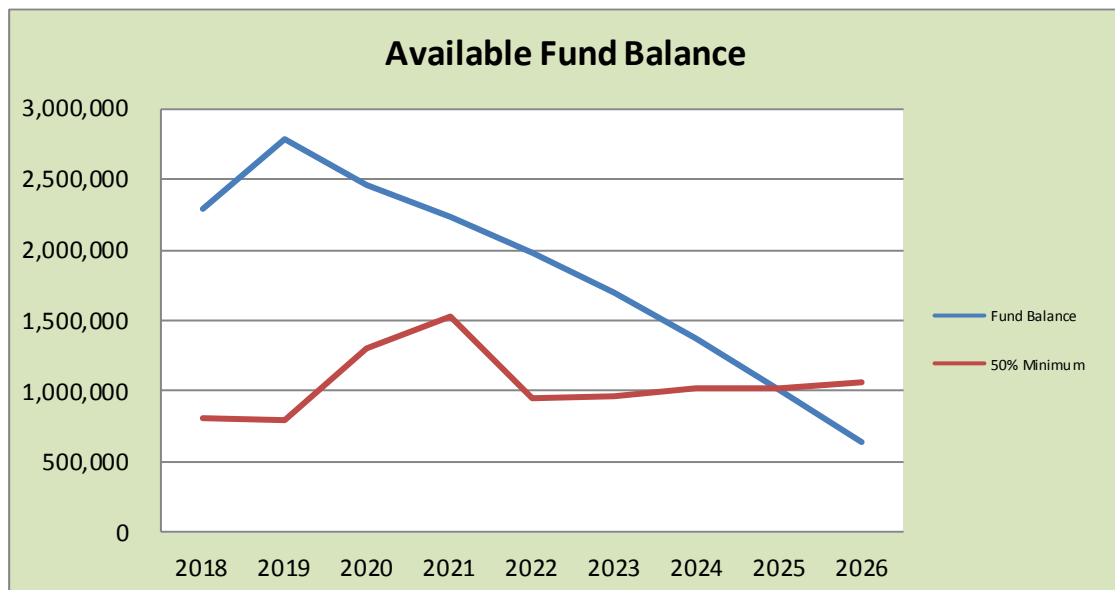
			If tax rate remains at 26.0¢					
General Fund	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Total Revenue	2,835,838	3,057,529	1,890,000	1,682,106	1,736,740	1,715,845	1,766,332	1,817,771
Total Expenditure	2,604,223	3,057,529	1,890,000	1,934,718	2,028,061	2,043,775	2,133,602	2,179,454
Revenue - Expenditures =	231,616	0	0	-252,612	-291,322	-327,930	-367,270	-361,683

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The worksheet and chart shown below summarize the projected fund balance with no change the tax rate of 26¢. Absent increases in revenue or substantial decreases in spending and no modification to services provided, a structural deficit, as illustrated below, will begin in FY21. While a deficit is forecast in revenue vs. expenditures, we remain above the 50% Fund Balance level until 2024 and are very close to it through 2025. The red line represents the 50% minimum fund balance threshold as established by the Council.

Proforma Of General Fund Balance (less Capital Reserve)										
	.3105 tax rate	.29 tax rate	.24 tax rate	.26 tax rate						
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Available										
Fund Balance \$	2,106,518	2,294,498	2,787,506	2,460,065	2,237,232	1,984,619	1,693,298	1,365,368	998,098	636,415
(annual financial report data)				Projected	Proposed					
Available	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Fund Balance %	129.9	145.3	107.0	80.5	118.4	102.6	83.5	66.8	46.8	29.2
GF Expenditures	1,621,379	1,579,598	2,604,223	3,057,529	1,890,000	1,934,718	2,028,061	2,043,775	2,133,602	2,179,454
50% of Expense	810,689	789,799	1,302,112	1,528,765	945,000	967,359	1,014,031	1,021,887	1,066,801	1,089,727
% Fund Balance Goal	50	50	50	50	50	50	50	50	50	50
Ad Valorem Revenue	926,035	870,529	728,213	716,087	796,447	814,303	888,171	897,052	906,023	915,083
All Other Revenue	935,886	895,157	2,107,625	2,031,763	870,720	867,802	848,569	818,792	860,309	902,688
Revenue	1,861,921	1,765,686	2,835,838	2,747,850	1,667,167	1,682,106	1,736,740	1,715,845	1,766,332	1,817,771
Revenue-Expense	240,542	186,088	231,615	-309,679	-222,833	-252,612	-291,322	-327,930	-367,270	-361,683

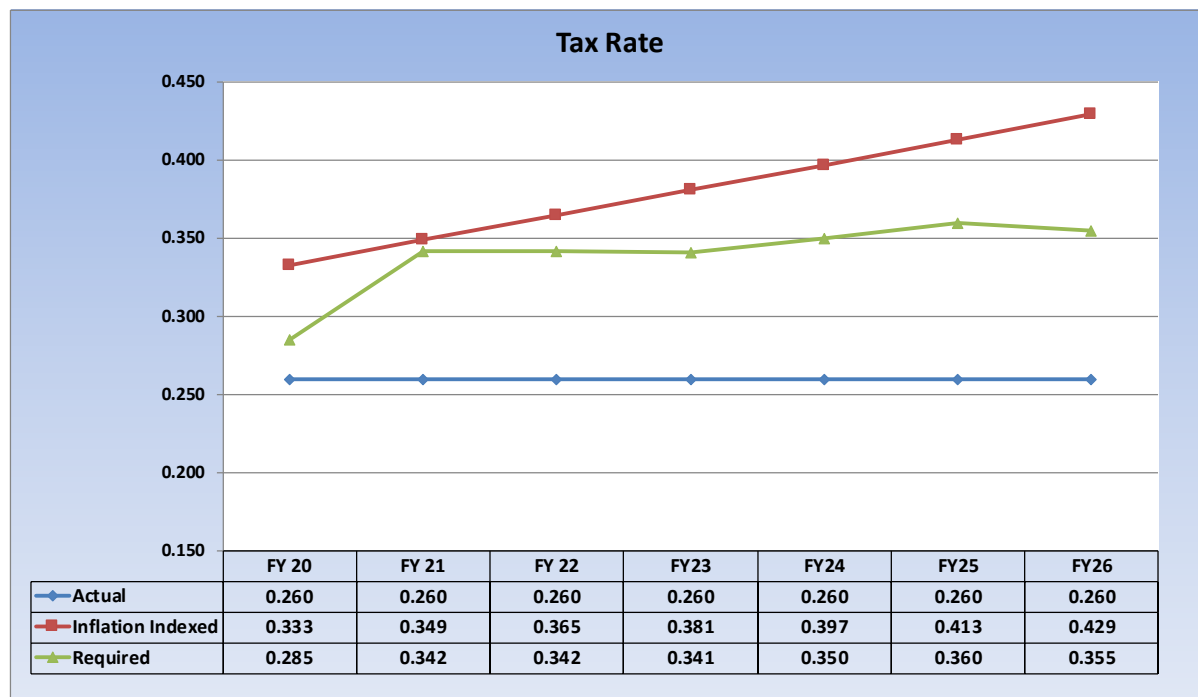


Our options to ameliorate a structural deficit are rather limited. We have, effectively, one local revenue that we can adjust to increase revenue, and a wider variety of ways to reduce expenditures. Spending reductions, in order to make a substantial change in the structural deficit, would need to come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

Increasing revenue through an increase in the tax rate also has consequences that must be evaluated. The latest LGC data (2019) shows the average tax rate in our peer group was 34.29¢ or 8.29 cents higher than our rate that year. There are, however, many differences in communities, the services they offer, the level of their tax base, and a host of other factors, that make comparisons to other communities imprecise.

Based upon the assumptions shown earlier, revenue without a Fund Balance appropriation, does not cover expenditures in Fiscal Year 2020. Assuming that all projections are realized, and there is no modification to services or personnel, the chart below shows the tax rates required (green line) to maintain a balance of revenues and expenditures through FY26. After a full recovery from COVID and completion of the BUS project, the Town Council will reevaluate our tax rate and fund balance position.

The Inflation Adjusted tax rate is calculated using our previous tax rate of \$0.26 as the base and increasing it by the rate of inflation in each of the years since its last increase. From FY21 forward, the rate is increased by an inflation factor equal to the average rate of inflation over the past five years (0.01610%). Beginning in FY21 and continuing through FY26, the required rate would be higher than the actual and current rate.



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While we are not advocating a change in the tax rate in future years, we show you this information to demonstrate how the tax rate would need to be increased in order to maintain pace with projected inflation. As noted earlier, an increase in the tax rate affects our property owners. The table below shows the effect of changing the tax rate to the inflation indexed rate. The first column shows what last year's tax bill was at various assessed values. Next, it shows what the difference in FY21 will be compared to last year. The future columns show what the tax bill would be if the tax rate is levied at the inflation indexed rate. Note, in the chart on page 147, the 26¢ tax rate is used for all "actual" years in the projections. In all of those years, as indicated in the yellow highlighted areas below, the inflation indexed rate is higher than the actual rate. Thus, our proposed rate of 26¢ does not keep pace with the forecast inflation rate. While the costs of other things are increasing at an inflationary rate, the projections maintain a tax rate that is less than the inflation rate. There is no guarantee that the tax rate will not be changed in any of the years in the five-year forecast. There are many variables that may affect that decision in the future. However, based on the assumptions noted at the beginning of this forecast, a tax rate increase will likely be necessary in 2025 to keep our Fund Balance above the 50% goal.

Assessed	FY20 Bill	FY 21-proposed rate	FY 21	FY 22
Value	0.260	0.260	0.342	0.342
		Change vs. Current	Change vs. Current	Change vs. Current
95,000	247	247 0	325 78	325 78
100,000	260	260 0	342 82	342 82
150,000	390	390 0	513 123	513 123
190,000	494	494 0	650 156	650 156
200,000	520	520 0	684 164	684 164
250,000	650	650 0	855 205	855 205
300,000	780	780 0	1,026 246	1,026 246
350,000	910	910 0	1,197 287	1,197 287
400,000	1,040	1,040 0	1,368 328	1,368 328
500,000	1,300	1,300 0	1,710 410	1,710 410
600,000	1,560	1,560 0	2,052 492	2,052 492

Current Rate

Inflation Indexed Rate

FY 23	FY 24	FY 25	FY 26
Change vs. 0.341	Change vs. 0.350	Change vs. 0.360	Change vs. 0.355
Current	Current	Current	Current
324 77	333 86	342 95	337 90
341 81	350 90	360 100	355 95
512 122	525 135	540 150	533 143
648 154	665 171	684 190	675 181
682 162	700 180	720 200	710 190
853 203	875 225	900 250	888 238
1,023 243	1,050 270	1,080 300	1,065 285
1,194 284	1,225 315	1,260 350	1,243 333
1,364 324	1,400 360	1,440 400	1,420 380
1,705 405	1,750 450	1,800 500	1,775 475
2,046 486	2,100 540	2,160 600	2,130 570

Town of River Bend, North Carolina

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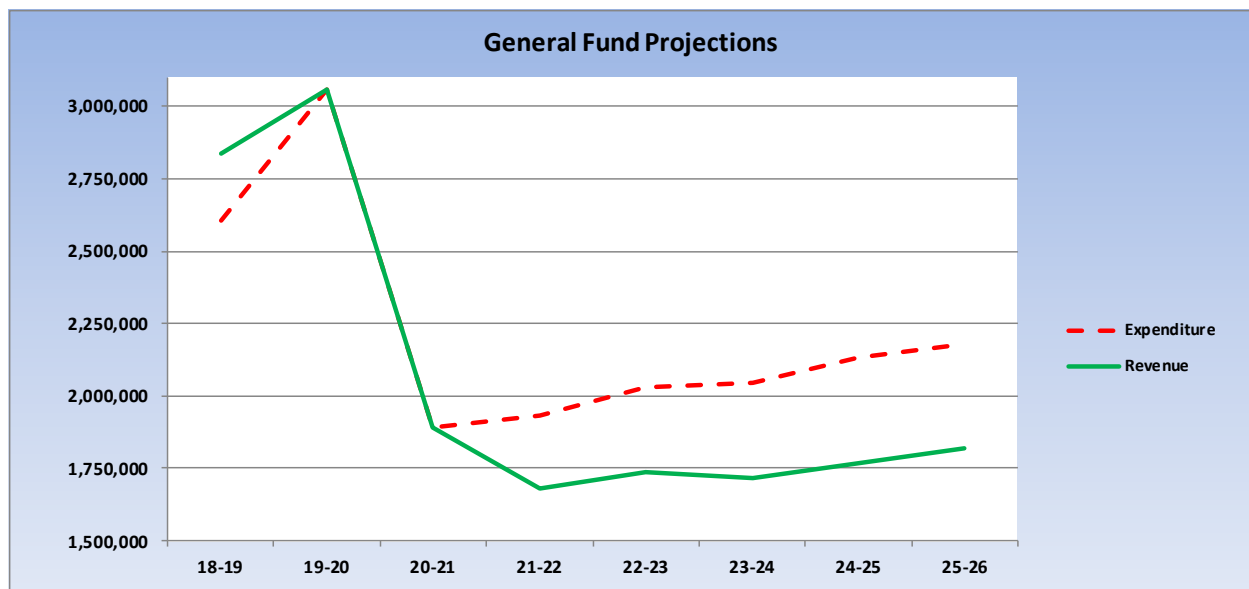
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The table below shows the anticipated revenue from both real and motor vehicle taxes for the current year and five years thereafter. The current year is highlighted. The current year “base” figures are estimated values and subject to change. After FY20, the real property value and motor vehicle value are estimated to increase by 1% per year. Note that the tax rate for this forecast period, which is highlighted, is estimated to remain unchanged, as noted previously.

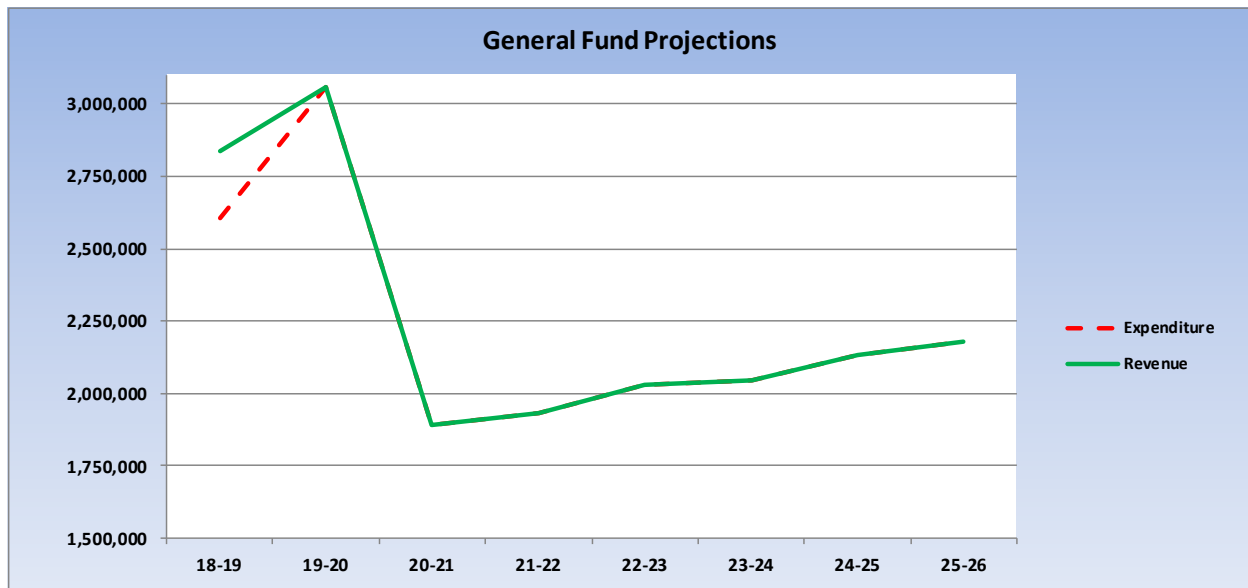
FY	Real Property				Motor Vehicle			
	Base	Rev Base	Rate	Revenue	Base	Rev Base	Rate	Revenue
2016	306,459,970	305,418,006	0.311	948,323	25,816,641	25,465,535	0.311	79,070
2017	257,500,000	257,216,750	0.2900	745,929	28,500,000	28,491,450	0.2900	82,625
2018	268,500,000	267,828,750	0.2900	776,703	30,000,000	30,000,000	0.2900	87,000
2019	268,800,000	267,456,000	0.2400	641,894	30,700,000	30,700,000	0.2400	73,680
2020	246,800,000	245,417,920	0.2600	638,087	32,000,000	32,000,000	0.2600	83,200
2021	275,400,000	274,325,940	0.260	713,247	32,000,000	32,000,000	0.260	83,200
2022	282,285,000	280,873,575	0.260	730,271	32,320,000	32,320,000	0.260	84,032
2023	310,513,500	308,960,933	0.260	803,298	32,643,200	32,643,200	0.260	84,872
2024	313,618,635	312,050,542	0.260	811,331	32,969,632	32,969,632	0.260	85,721
2025	316,754,821	315,171,047	0.260	819,445	33,299,328	33,299,328	0.260	86,578
2026	319,922,370	318,322,758	0.260	827,639	33,632,322	33,632,322	0.260	87,444
Increase 1% / year					Increase 1% / year			
Assumes 99.5% collection rate					Assumes 100% collection rate			

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

This graph shows revenue and expense for the next five years with no increase in the tax rate and no appropriated fund balance after FY21.



This chart shows revenue and expenses for the next five years with no changes in the tax rate but a fund balance appropriation each year to maintain a balanced budget.



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

Law Enforcement Officer Separation Allowance (LESA) Fund

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Since Fiscal Year 2008, the Town has been placing a small amount of money in a separate account with the NC Capital Management Trust for LESA. This fund is reserved for the sole purpose of funding the LESA benefit for qualifying law enforcement officers. Historically, we have set aside \$13,500 for LESA annually. In some years we have made additional contributions. Due to reduced projected needs, in FY21 the contribution to this plan is budgeted at \$6,359.

The interest additions from FY 2010 through FY 2015 were considerably lower than in previous years. This is due to the overall performance of the investment portfolio, which is tied to the performance of the stock market. The table below shows the contributions made and the balances in this Fund. Similarly, we do not expect to receive a significant amount of interest income in FY21.

The benefit provided by this fund is available to all full-time law enforcement officers who have reached age 55 and have more than 5 years of creditable service. The amount of the benefit is calculated by multiplying the officer's salary by 0.0085 and multiplying that number by the total number of years of creditable service. The retiree may collect this annual amount for up to seven years (until they turn 62). As noted in the table below, there are officers who are collecting this benefit. In FY21, we expect to pay \$7,887 in LESA benefits. In FY 2012 we began using this fund to cover the retirement benefits paid to eligible officers.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Actual	Actual	Actual	Actual	Actual	Adopted
Additions							
General Fund Contributions	10,000	10,000	20,000	25,000	13,500	13,500	6,359
Interest	15	127	252	490	556	267	100
Total Additions	10,015	10,127	20,252	25,490	14,056	13,767	6,459
Deductions							
Retirement Benefits Payable	27,810	29,999	30,916	33,973	28,431	15,176	7,887
Total Deductions	27,810	29,999	30,916	33,973	28,431	15,176	7,887
Change in Net Assets	-17,795	-19,872	-10,664	-8,483	-14,375	-1,409	-1,428
Net Assets - Beginning of Year	84,396	66,601	46,729	36,066	27,583	13,208	11,799
Net Assets - End of Year	66,601	46,729	36,066	27,583	13,208	11,799	10,370

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

In accordance with Governmental Accounting Standards Board (GASB) Statement 73, the Town reclassified the Law Enforcement Officer's Separation Allowance Trust Fund to the General Fund. It is now reported as Assigned Fund Balance in the General Fund. As of June 30, 2020 that balance was \$11,799. Based on current projections, with a \$6,359 contribution in FY 21 and annual contributions of \$13,500 per year thereafter, the FY23 year-end balance will be \$36,453.

Enterprise Funds Overview

The Town of River Bend operates two enterprises: the water system and the sewer system. River Bend purchased these two businesses from a private company, Carolina Water Service, in 1995. These enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of the Town and by having rates established that cover all expenditures of the enterprise.

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

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

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

Fiscal Year 2019-20 Highlights including Special Projects and Purchases- Water

- Funded dehumidifier system for water well house
- Under contract, had both water towers inspected and provided routine maintenance
- Funded engineering assessment for water quality improvements

Fiscal Year 2019-20 Highlights including Special Projects and Purchases - Sewer

- Funded protective coating treatment for digester
- Continued sludge removal at wastewater treatment plant
- Under contract, continued to provide off-site disposal of sludge from wastewater treatment operations

Enterprise Funds Capital Improvement Plan

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

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

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

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

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

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

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

The Enterprise Fund CIP projects for FY21, while modest in scope, all help to preserve our infrastructure and continue to provide reliable service. In the water fund, we plan to fund a corrosion prevention project and fund half the cost of a vehicle. In the sewer fund we plan to fund half the cost of a new vehicle. This is needed due to normal wear and tear.

Three years ago, the Town completed a significant project in the sewer enterprise for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve those who are currently served by the collection and treatment systems. The town received environmental permits from the State of North Carolina and the Army Corps of Engineers. There were discussions by the Council to fund a component of the project while the Town has the permits, even if construction does not immediately follow. That component would be to “fill” wetlands around the existing facility in order to accommodate future new construction if such construction is approved in the future. That component would include clearing of wooded areas and hauling in dirt from off site. When complete, the land around the existing facility would be ready for new construction. One possible advantage of this process would be in cost saving due to tighter regulatory guidelines in the future. However, the Council has decided not to pursue this project at this time. The Council discussed waiting to see if mandates are issued to make improvements to the wastewater treatment plant. The Council also discussed that if the fill component of the project is completed in advance it will most likely result in an easier environmental permitting process and reduced construction costs in subsequent years. In 2018, our application for renewal has been approved and our permit parameters were not changed significantly. The Council has decided not to take any action at the current time.

Recently, there has been some discussion about development of a 100 acre tract of land in the Northwest Quadrant of town. If that area is developed for large-scale residential uses, the wastewater treatment improvements topic may need to be revisited.

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

Water Fund Capital Improvement Plan

CAPITAL IMPROVEMENT PLAN									
Water Fund									
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Appropriation: Annual		0	0	0	0	0	0	0	
Appropriation: Well pump		0	0	0	0	0	0	0	
Appropriation: Vehicles (50/50 W/S)		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	FY Appropriation:	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Capital Projects	Project Completed								
Administration:									
Vehicle Replacement (split Water/Sewer)	Per schedule	11,001			11,000				
Treatment									
Well #1 Filter Media Rehab	09-10					13,000			
Well #2 Filter Media Rehab									
Treatment House interior filter painting			9,200						
Well #3 Filter Media Rehab	10-11								
Well #1 Pump Replacement	13-14					21,000			
Well Meter Replacement									
Equipment Painting in well #3					12,000				
Distribution									
Industrial Meter Replacement								5000	
Lines & Tanks									
	FY Expenditures:	11,001	9,200	0	23,000	34,000	0	5,000	0
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	Net Capital Cash:	\$ (7,501)	\$ (5,700)	\$ 3,500	\$ (19,500)	\$ (30,500)	\$ 3,500	\$ (1,500)	\$ 3,500

Sewer Fund Capital Improvement Plan

CAPITAL IMPROVEMENT PLAN									
Sewer Fund									
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Appropriation: Annual		59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Appropriation: Vehicles (50/50 W/S)		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
FY Appropriations:		\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000
Capital Projects									
Project Completed									
Administration:									
Vehicle Replacement (split Water/Sewer)	Per schedule	11,500			11,000				
Collection:									
Upgrade Main Lift Station	13-14								
Upgrade Lift Station/Manholes/Pumps		15,000				30,000	10,000		
Backup Generator				24,262					
Treatment:									
Unit #1 Clarifier Skimmer Replacement							20,000		
Diverter Boxes			13,000						
Unit #2 Clarifier Repair	14-15								
Soft start for WWTP blowers/blower motor	15-16								
WWTP Lift Station repair	15-16								
Surge Tank rehab			3,500						
Upgrade Digesters-coating				5,000				75,000	
FY Expenditures:		26,500	16,500	29,262	11,000	30,000	30,000	75,000	0
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Net Capital Cash:		\$ 36,500	\$ 46,500	\$ 33,738	\$ 52,000	\$ 33,000	\$ 33,000	\$ (12,000)	\$ 63,000

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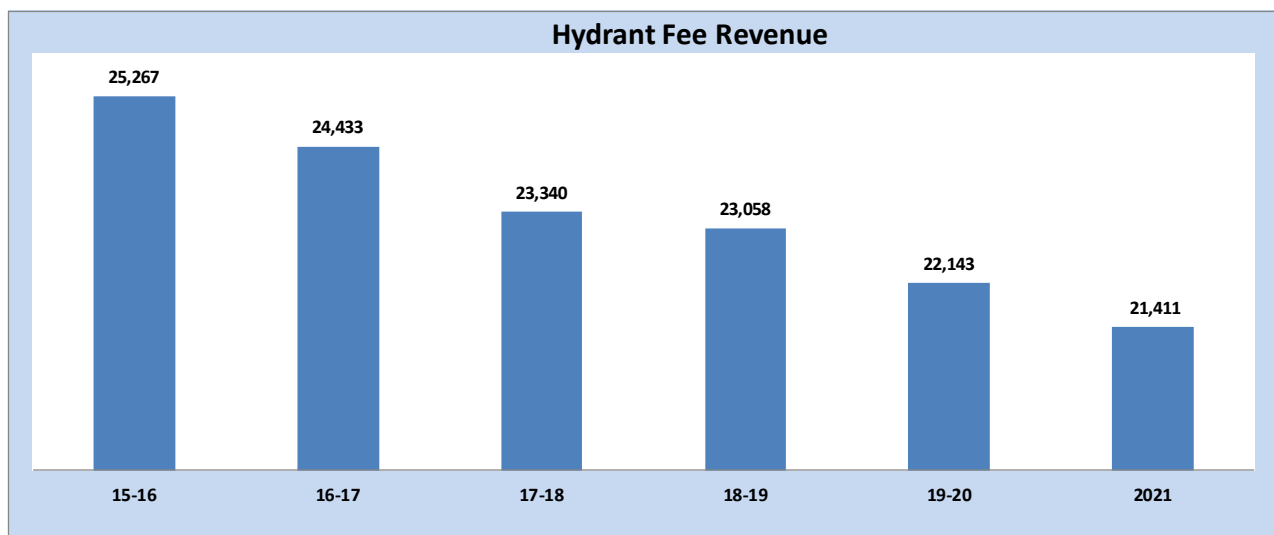
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Water and Sewer Capital Reserve Funds

Each Enterprise Fund (water and sewer) has an associated Capital Reserve Fund. Historically, revenue for these funds came from the payment of a Capital Investment Fee (CIF) for each new connection to the systems. Due to changes in the State law, we currently do not assess a CIF. That may change in the future. Additionally, the Water Capital Reserve Fund receives revenue from the annual Hydrant Fee charged to the owner of each developed lot that is not connected to the water system. This fee, currently \$183 per year, pays for the availability of water for each of these properties, and entitles the owner to connect to the system without paying the CIF. Capital Investment Fees and Hydrant Fees are reviewed and updated, in accordance with our Utility Rate Model, every year. The hydrant fee will remain at \$183 during FY21.

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

When a non-water customer becomes a water customer, they no longer pay the hydrant fee. Thus, the decline in revenue from this fee. Ideally, all hydrant customers would connect to the town's water system and eliminate the need for a hydrant fee. Currently, there are only 117 hydrant fee customers. The chart below shows historical and anticipated hydrant fee revenue.



Utility Rates and Consumption Data

Utility Rate Model

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

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

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

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

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

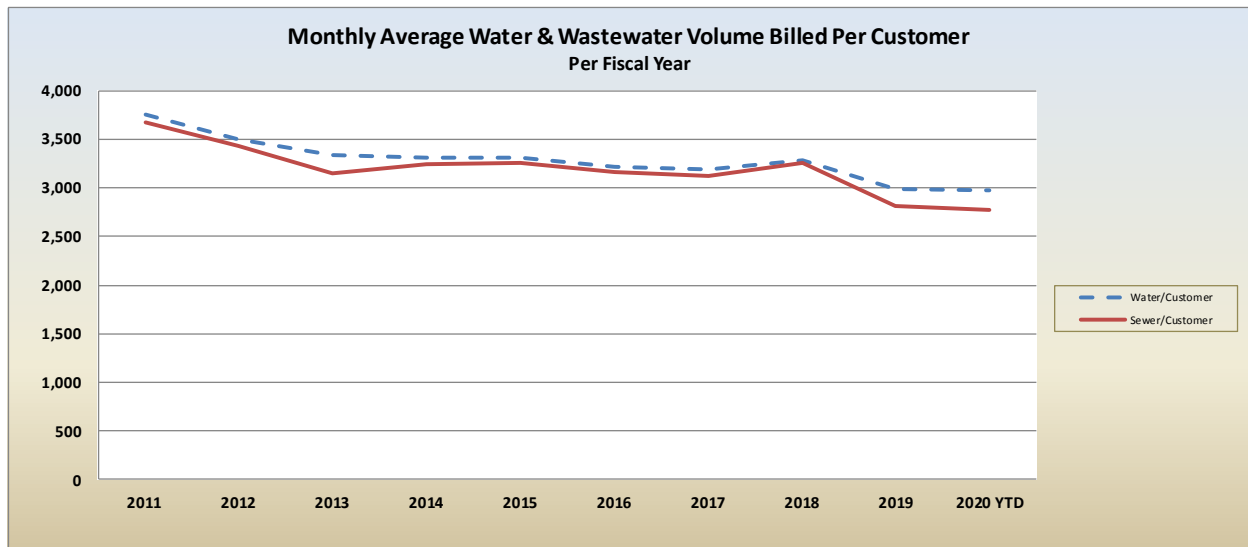
Usage: This component should be used to pay the remaining 25% of the debt service and capital costs and all direct operating costs.

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

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

Customer Water Consumption

One of the elements that feeds into our rate model is the amount of water (and wastewater removal) we assume we will sell to our customers. From 2008 through 2013, there was a decline in the average amount each of our customers used. This downward trend leveled off after 2013 and appears to have stabilized. In FY 2018 our average consumption per customer increased by 2.86% and in FY 2019 it decreased by 9.77%. We attribute the significant decrease in FY19 to the hundreds of homes that were damaged and vacated following Hurricane Florence. When the homes are repaired and reoccupied, that loss should rebound. Through five billings in FY20 we are seeing a decrease of less than 1% in average consumption. The chart below shows the trend since 2011.



	Average Monthly	
	Water Billed	Sewer Billed
2011	5,106,833	3,434,667
2012	4,833,833	3,227,667
2013	4,716,000	2,974,833
2014	4,716,167	3,116,917
2015	4,726,083	3,138,000
2016	4,612,917	3,037,667
2017	4,593,000	3,014,167
2018	4,747,750	3,152,833
2019	4,331,000	2,712,000
2020 YTD	4,330,375	2,679,625

This chart shows the average amount of water and wastewater we bill each month.

Approved Rates

Based upon the proposed expenditures and the revenue projected, we recommended no change in fees for the water utility. The cash balance in this utility is sufficient to respond to unknown conditions and there are no identified long-term capital needs that require the continued building of cash reserves. In FY19, the Council lowered the base rate for water by \$5.00 per month to \$10.24 per month. In April, 2020 the Council increased the base rate to \$13.24 per month. The increase in April was prior to adoption of the FY21 budget. For FY21, the rate of \$13.24 will remain unchanged.

The sewer fund is not as fiscally strong as the water fund. However, we also recommend no change to the fees for the sewer utility. The Council kept this rate unchanged for FY21. In FY22 the Council may need to consider a rate adjustment if current consumption, revenue and expense trends continue. According to the Bureau of Labor Statistics, the consumer price index has increased 2.1% over last year.

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

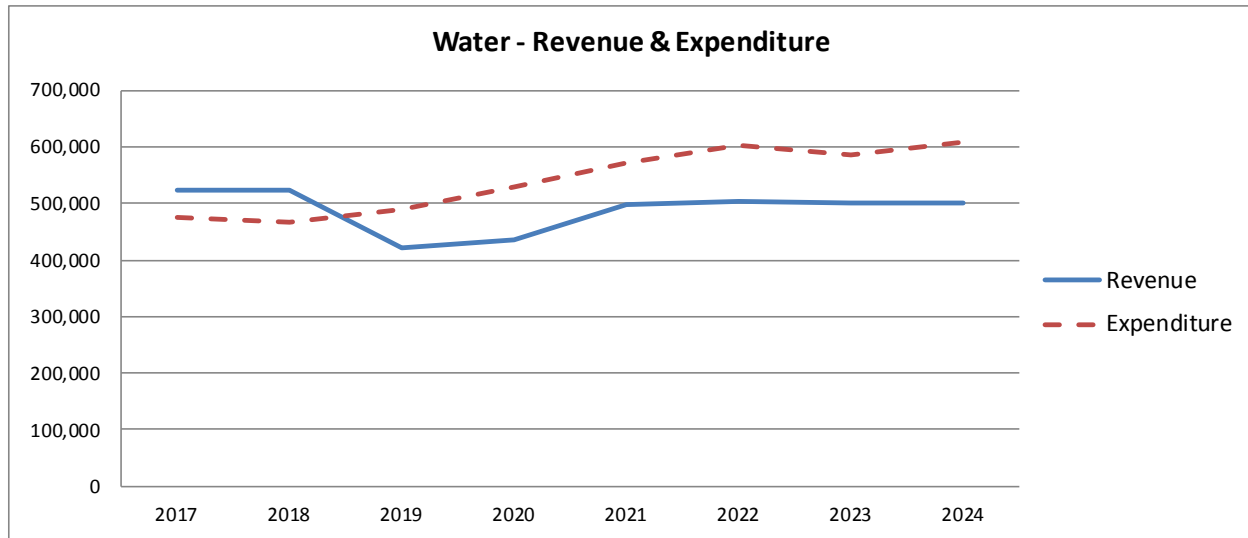
Proposed Rate		
Water	Customer	4.80
	Demand	8.44
	Use	4.02
Sewer	Customer	7.35
	Demand	16.83
	Use	9.08

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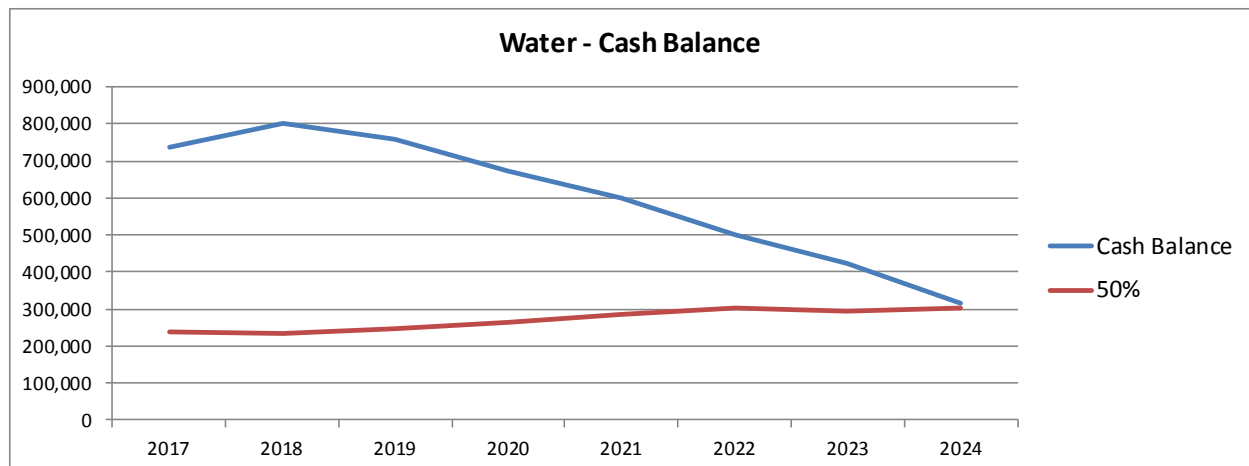
Water													
			Suggested				2018	2019	2020	2021	2022	2023	2024
			Rate	Change									
		Customer	4.80	0.00%			87,958	92,413	101,121	102,834	102,711	102,452	102,045
		Demand	8.44	0.00%			117,137	116,035	112,034	131,498	139,869	112,437	112,243
		Base	13.24	0.00%									
		Use	4.02	0.00%			260,110	281,815	315,784	337,902	359,927	371,373	393,354
							FYE	FYE	Projected for the Fiscal Year Ending June 30:				
							2018	2019	2020	2021	2022	2023	2024
Revenue							524,340	421,897	436,367	496,366	502,614	501,464	500,534
Expenditure							465,205	490,263	528,940	572,234	602,506	586,261	607,641
Surplus (deficit)*							59,136	(68,366)	(92,572)	(75,868)	(99,892)	(84,797)	(107,107)
50% Expend.							232,602	245,132	264,470	286,117	301,253	293,131	303,821
Cash Balance							801,435	760,755	671,683	599,314	502,922	421,625	318,018
								155.2%	127.0%	104.7%	83.5%	71.9%	52.3%

*For Operations; includes the cash capital budgeted funds for CIP - \$3,500 in FY15 and beyond.



Cash Balance – Water Fund (operating fund only)

The amount of cash balance maintained by the Enterprise Funds is an important measure of their financial health. The charts below show the cash balance for the Water Fund. Having a healthy balance enables us to meet our financial obligations without interruptions due to cash flow, generates investment income, eliminates the need for short-term borrowing, and provides a reserve of funds to respond to emergencies or opportunities. The red line represents the Council's goal of 50% cash balance.



If all projections hold true, we anticipate a deficit scenario at the end of FY 2021 and in subsequent years. Currently, those deficits are able to be offset with appropriation from cash reserves but will begin to have a significant impact on our cash balance. Without change, we will be near the 50% minimum threshold at the end on FY2024. The Council will continue to review rates and their long-term effect annually.

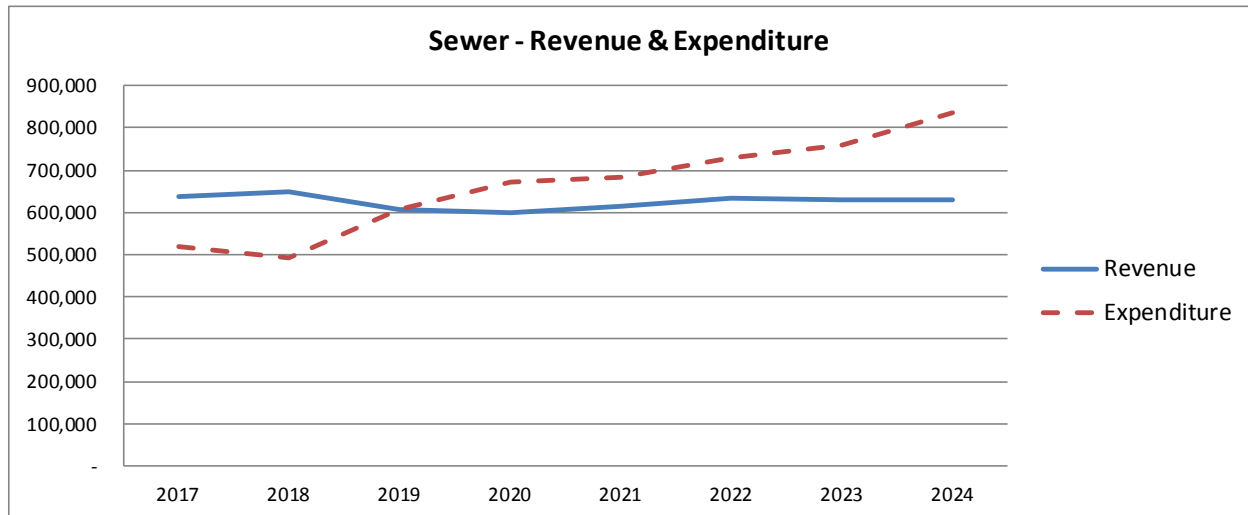
Over 15 years ago, the town installed a radio read water meter system. This allowed us to gather meter readings for our utility customers automatically and it greatly reduced the manpower needed to conduct manual readings. Over the years, that system has become problematic and many of the radio failed, thus creating a need for manual readings. This was labor intensive.

Discussions had begun about the inevitable need to replace the system, which would be a large expense for the town. Luckily in FY20, the town applied for and was awarded a principle-free loan from the State of North Carolina in the amount of \$602,500 for the replacement of all water meters. This principle-free loan equates to a grant. This grant will allow the town to fund that major project without the need to dip into reserves in the water fund or a rate increase.

Sewer

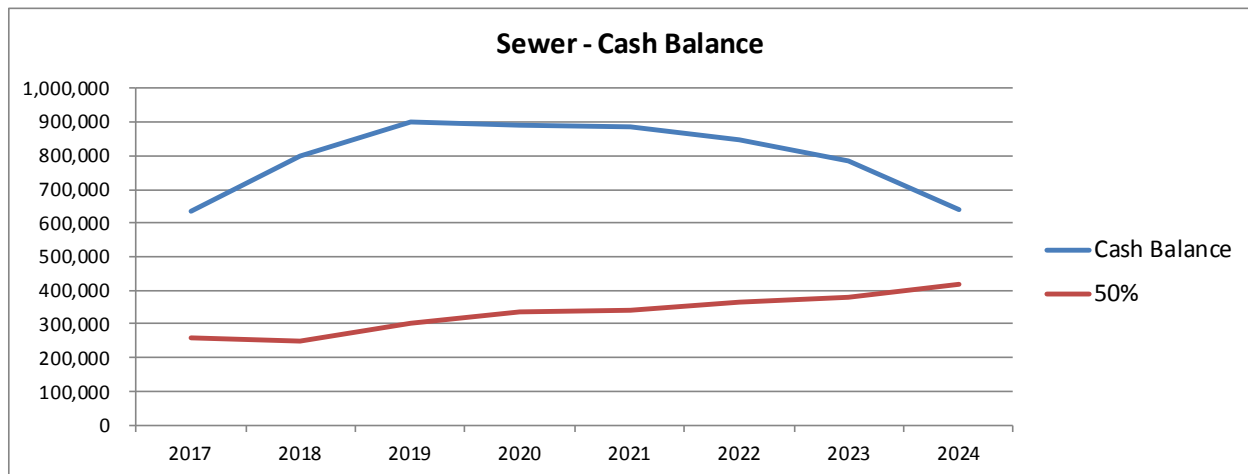
Readers will notice, from the table below and the chart at the top of the next page that revenue falls short of expenses in FY 2021 and in subsequent years. In FY 2021 the deficit is \$66,936. The projections indicate minimal deficits until FY 2024. However, even with revenue deficits, our cash balance continues to remain well above the 50% threshold through the end of FY 24, as indicated in the green highlighted area. Each year the Town Council reviews this model, makes adjustments to planned spending, and balances the need for adequate revenue with the desire to keep rates at a reasonable level.

Wastewater											
		Suggested									
		Rate	Change		2018	2019	2020	2021	2022	2023	2024
	Customer	7.35	0.00%		87,958	92,413	101,121	102,834	102,711	102,452	102,045
	Demand	16.83	0.00%		102,277	158,097	163,675	151,890	166,244	164,576	194,920
	Base	24.18	0.00%								
	Use	9.08	0.00%		303,636	356,266	406,466	427,479	461,621	493,059	538,059
					FYE	FYE	Projected for the Fiscal Year Ending June 30:				
					2018	2019	2020	2021	2022	2023	2024
	Revenue				647,723	605,793	597,914	615,267	631,937	631,549	630,069
	Expenditure				493,871	606,776	671,261	682,202	730,575	760,086	835,024
	Surplus (deficit)*				153,852	(983)	(73,348)	(66,936)	(98,638)	(128,537)	(204,955)
	50% Expend.				246,935	303,388	335,631	341,101	365,288	380,043	417,512
	Cash Balance				799,634	899,395	889,048	885,112	849,473	783,936	641,981
						148.2%	132.4%	129.7%	116.3%	103.1%	76.9%
*For Operations; includes the cash capital budgeted funds for CIP - \$63,000.											



Cash Balance – Sewer Fund (operating fund only)

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



During the preparation of the FY 2010 budget, the Town Council made a conscious and appropriate decision to use cash balance to offset rate increases with the knowledge that in FY 2011 a rate increase would be necessary and cash balance would need to be restored. The strategy worked and our cash balance was restored to an appropriate level. During the FY 2021 budget preparation process the long-range outlook and projected deficits were thoroughly discussed by the Council. If all projections hold true, we anticipate a deficit at the end of FY21 and in subsequent years. As noted earlier, cash balance is projected to remain well above the 50% threshold through the end of FY 2024. In FY23, it is projected to be just below the 100% level. Cash balance needs to be examined annually, in order to ensure that current rates are adequate to protect the future of the utility.

Planned improvements or unexpected repairs can be very expensive at a wastewater treatment plant. It would not be difficult to spend \$500,000 on a project.

While our cash reserves are projected to hover around \$800,000 until 2023, that amount could easily be depleted by the need to fund a project. Wastewater treatment plants operate in a very corrosive and harsh environment. Many of the components operate 24 hours per day. Our plant is aging and no major upgrades or improvements have occurred in many years. Like everything else, these facilities have a life expectancy. It would not be misguided to expect substantial system improvements over next 5-10 years. For that reason, I believe it is prudent to continue to build cash reserves in the Sewer Fund.

In September, 2019 River Bend was heavily damaged by Hurricane Florence. Over 500 homes were damaged, many of them severely. Many of them were vacant for several months while repairs were planned and executed. Those vacancies had an impact on our revenues and subsequently our cash balances. The Town Council discussed this situation in detail during the budget process. While recovery has been substantial, it is not complete. We expect a full recovery in subsequent years. The Council decided to leave the rates unchanged in an attempt to not burden our utility customers with increased rates while they are trying to recover from the previous hurricane combined with the negative impacts of COVID.

Impact of Rates

The table below shows the approved water and sewer rates and their effect upon a residential customer using 3,000 gallons per month.

Charges for 3,000 gallons per month			
		Current	Proposed
Water	Base	13.24	13.24
	Use	12.06	12.06
Sewer	Base	24.18	24.18
	Use	27.24	27.24
Monthly		76.72	76.72
Per-Bill		153.44	153.44
Monthly Difference			0.00
Per Bill Difference			0.00
			0.00%

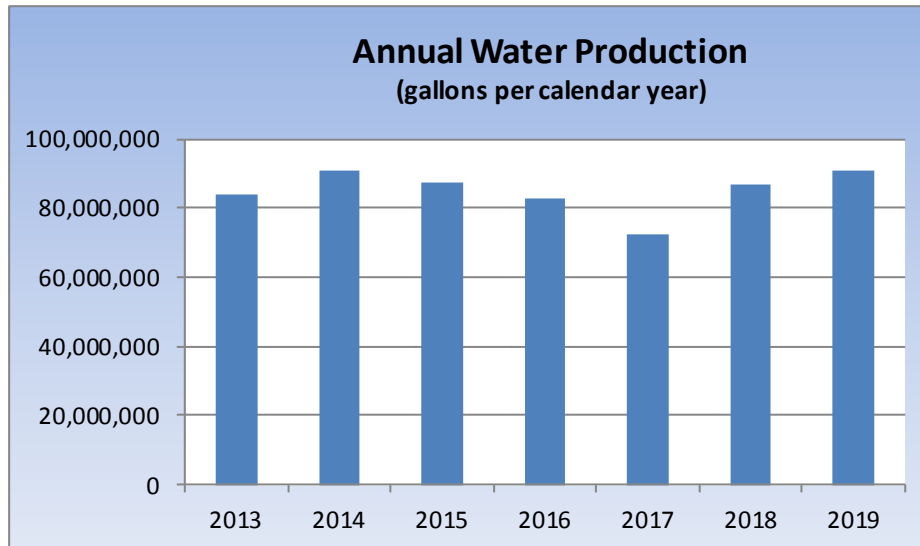
The table below shows the charges for a customer using water only.

Charges for 3,000 gallons per month			
		Current	Approved
Water	Base	13.24	13.24
	Use	12.06	12.06
Monthly		25.30	25.30
Per-Bill		50.60	50.60
Monthly Increase			0.00
Per Bill Increase			0.00
			0.00%

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

Our Water Utility

Our water system withdraws from the Castle Hayne aquifer through three wells with a combined capacity of 925,000 gallons per day. Two elevated storage tanks with a total rated capacity of 400,000 gallons ensure a consistent supply and adequate pressure throughout the system. In 2019 (calendar year), we treated 90,729,000 gallons with a daily average of 248,572 gallons. The chart below depicts water production in gallons per year over the past nine years.



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

Water is transmitted to approximately 1,450 households through 19 miles of pipe ranging in size from two to eight inches in diameter. In addition to providing water for consumption, our system also stands ready in the event of fire. There are 108 hydrants located throughout the system in order to give the fire department ample access to water for their work.

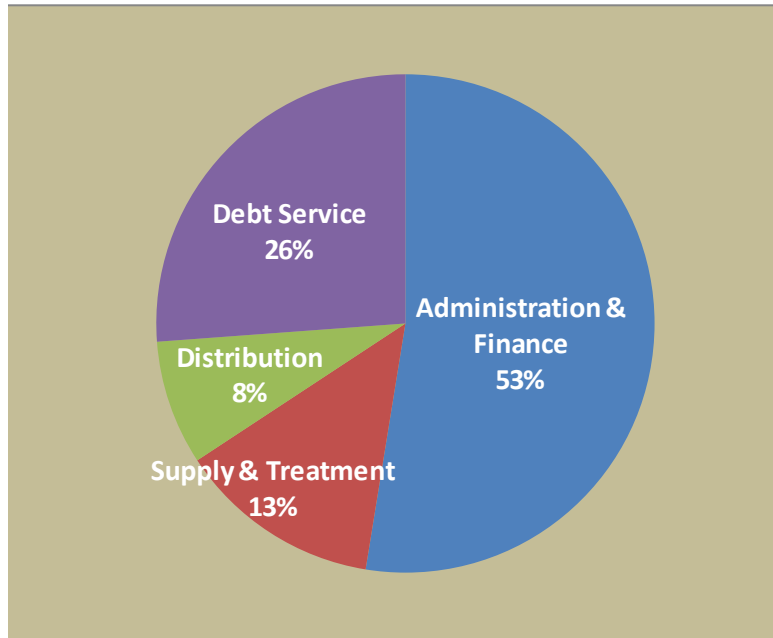
Our water system is monitored and regulated by the State of North Carolina which grants us a permit to operate. In accordance with State standards, water samples are tested at an independent laboratory for bacteria and other harmful contaminants. Each customer receives a copy of our annual report showing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

Water Enterprise Expenditures

The total budgeted expenditure, excluding transfers, for the water enterprise in Fiscal Year 2021 is \$568,734 a \$35,750 increase from the current fiscal year.

Expenditures in the Water Fund are divided according to function. There are costs specifically associated with supply and treatment, (taking the water from the ground and treating it to make it safe to drink), and costs associated with distributing it to the customer. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and installment debt.

The chart to the right shows the percentage of the total expenditure for this enterprise fund attributable to the three budgeted departments within the enterprise. Debt service is a large expenditure for this enterprise and is divided from the Administration and Finance Department in the chart to illustrate its proportion to overall expenditures. Plans for the water utility include a filter media rehabilitation and the purchase of a new vehicle.



Water Administration and Finance

This department contains the budget for all personnel related costs including expenditures related to allocation of General Fund employees' time to the utility (line 482). Refer to the Personnel section of this document for more detail about labor allocations. Also in this department is the rent this utility pays the General Fund for use of office and shop space (line 430). As noted earlier in this document, the budget contains provisions for salary level increases totaling 4.1%. There is a 3.1% increase for a Cost of Living Adjustment and the other 1.0% is for longevity, if applicable, in accordance with the adopted compensation plan.

The Administration and Finance Department budget also contains funding for the share of the expenditures related to the acquisition and maintenance of our information technology system attributable to this enterprise (lines 381, 440, 441, 760, and 770). Other shared, and thus allocated, expenditures are for our annual financial audit (line 191), banking services (line 382) and for our reverse 911 system (line 399).

Contained in line 399 is funding for reverse 911, utility billing system support, work order software, and 10% of the mowing contract. Debt service is a large expenditure for this enterprise. In fact, 26% of the total expenditure for the water enterprise is for the debt incurred to purchase the system. Lines 710 and 720 show the amount budgeted for principle and interest payments on this debt. This department will also fund ½ of the purchase price of a new vehicle this year. The other ½ will be funded in sewer administration and finance. The total cost is budgeted at \$22,000.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Water Admin & Finance 60-7125		17-18		18-19		19-20			20-21
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
121	Wages & Salaries	91,534	93,806	98,399	101,682	101,487	63,399	101,749	106,687
122	Overtime	1,000	149	1,000	500	1,000	248	1,000	1,001
134	401(k) Retirement	4,501	4,658	4,678	4,939	4,944	3,182	5,137	5,195
181	FICA	6,886	7,058	7,156	7,490	7,565	4,822	7,860	7,949
182	Loc Govt Emp Retirement	6,751	6,986	7,255	7,655	9,263	5,697	9,196	11,006
183	Group Insurance	17,397	18,163	19,872	17,370	18,736	8,287	14,731	16,164
185	Unemployment Comp.	0	0	0	0	0	5	5	0
186	Workers' Compensation Ins.	3,114	2,071	3,201	2,949	3,140	3,365	3,365	3,315
310	Travel & Subsistence	850	86	850	223	850	41	850	500
395	Training	1,500	238	1,000	308	1,000	80	1,000	647
191	Auditing Service	4,600	4,600	4,600	4,600	4,667	4,667	4,667	5,567
192	Professional Service - Legal	1,000	0	1,000	1,880	1,000	1,141	1,141	1,000
193	Engineering Services	1,500	0	1,000	0	1,000	0	1,000	500
381	Other IT Services	400	446	500	725	500	482	827	920
382	Banking Services	1,748	1,461	1,600	1,453	1,610	545	920	988
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	7,056	6,633	7,238	7,116	7,315	5,621	6,980	8,251
440	VC3 IT Service & Maint.	12,606	12,245	13,642	13,361	14,539	7,619	13,069	16,623
441	Springbrook Service & Maint.	4,528	4,528	4,754	4,754	4,992	4,991	4,991	5,241
482	Indirect Cost- Labor	80,069	80,068	84,520	84,521	92,422	53,914	92,422	94,951
481	Labor Allocation	-33,404	-33,405	-34,902	-34,902	-36,608	-21,355	-36,608	-38,025
212	Uniforms	2,766	2,709	2,846	2,755	2,974	1,747	3,027	3,179
251	Motor Fuel	2,439	1,340	2,812	2,072	2,812	1,341	2,316	2,812
260	Office Supplies	2,527	2,780	2,500	2,156	2,500	1,333	2,500	2,300
320	Telephone & Postage	6,300	6,172	6,600	6,112	6,600	3,814	6,600	6,600
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	511	1,500	784	1,500	192	1,500	500
370	Advertising	0	0	0	0	0	0	0	0
391	Legal Advertising	0	352	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	5,250	9,000	9,000
450	Insurance: Prop/Liab	11,812	10,347	12,260	10,428	12,345	11,547	13,047	13,583
491	Dues & Subscriptions	1,400	1,395	1,400	1,420	1,400	1,429	1,429	1,450
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	12,000	11,001	0	0	0	0	0	11,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	115,372	115,372	118,056	118,056	120,739	0	120,739	126,105
720	Bond Interest Payment	29,809	29,809	27,502	27,502	25,140	12,570	25,140	22,726
499	Miscellaneous	0	0	0	0	0	0	0	0
	TOTAL	408,561	400,580	411,839	406,910	424,432	185,976	419,603	447,734

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121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director
310/395	Training/Travel & Subsistence - professional development and higher levels of licensure (including Finance Asst.)
191	Auditing Services (\$14,200 and \$2500 for Single Audit, if required, total allocated equally to general/water/sewer funds, \$5,567 each)
193	Engineering - general engineering services as needed
399	Contracted Services:
	Reverse 911 969 Blackboard Connect (Total \$3,877, 50% general/25% water/25% sewer)
	Locate Plus (SSN) 250 (Total \$500 50% water/50% sewer)
	Mowing Contract 2,780 (10% of base lawn bid - refer to General Fund Public Buildings Dept.)
	Elster Support 1,724 (Total \$2,652 65% water/35% sewer)
	Work Order Software 1,105 (Total \$2835, 40% general, 40% water, 20% sewer)
	FORMAX Stuff/sealer 423 (Total \$650, 65% water/35% sewer)
	Misc Services 1,000 Debt collection commission, etc.
	8,251
381	Computer Services: cable internet service, web site, etc.
440	VC3 IT Services Contract: \$55,410 (40% general fund, 30% water, 30% sewer)
441	Springbrook software maintenance (Total = \$17,471: 40% general fund, 30% water, 30% sewer)
491	Includes \$400 for ECC (Total \$1,200 split 1/3 each with General/ Water/Sewer Funds)
481/482	Labor allocation between General Fund and Enterprise Funds
251	Fuel - \$3.50 per gallon estimate - \$0.54 per gallon tax = \$2.96 per gallon cost
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750/mth. (beg. FY07)
540	1/2 cost of new vehicle

Town of River Bend, North Carolina
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Water Supply and Treatment

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

There is one large project in this department in this budget. It is a corrosion prevention treatment project for the equipment in Well #3 at a cost of \$12,000. Again this year, we will purchase a dehumidifier at a cost of \$4,000. Line 299 contains funding to ensure we have spare chemical feed pumps and other small treatment related equipment on hand. Our goal is to minimize any downtime in either treatment plant.

Water Supply and Treatment		17-18		18-19		19-20			20-21
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
60-7132									
398	Testing	9,000	5,718	9,000	7,414	9,000	6,712	9,000	9,000
399	Contracted Services	3,350	799	4,165	434	5,200	378	19,200	5,200
298	Chemicals	11,000	10,192	12,732	10,041	12,733	5,837	12,733	12,732
299	Supplies & Materials	9,419	6,732	13,900	927	17,900	1,945	2,000	17,900
330	Utilities	7,700	7,752	8,100	8,398	8,100	4,183	7,283	8,600
351	Maint & Repair- Bldg	2,000	81	6,000	213	2,500	729	2,500	2,500
352	Maint & Repair- Equip	4,500	1,155	4,500	4,903	4,500	1,292	4,500	4,500
430	Bldg & Equip Rental	0	0	0	0	0	0	0	0
496	Permit Fees	2,210	1,730	2,210	1,730	2,210	870	2,210	1,800
499	Miscellaneous	1,000	0	1,000	0	1,000	0	1,000	768
550	Capital Outlay- Equipment	13,000	0	9,200	9,156	0	0	0	
580	Capital Outlay-Grounds & Bld	0	0	0	0	0	0	0	0
595	Capital Outlay-Wells/Pumps	0	0	0	0	0	0	0	12,000
	TOTAL	63,179	34,159	70,807	43,214	63,143	21,945	60,426	75,000
399	Contracted Services - electrical, etc.		2,000						
	Calibrate 2 meters		500						
	Grit removal, backwash tanks		2,200						
	Hach Spectrometer		500						
			5,200						
299	Small equipment purchases, chemical pumps, etc. Includes \$4,000 for dehumidifier								
496	Permit fees for Community Water Supply and Well Filter backwash (\$870 and \$860)								
595	Corrosion Prevention Well #3								

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Water Distribution		17-18		18-19		19-20		20-21	
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
60-7134									
399	Contracted Services	6,575	558	6,575	1,347	6,575	473	6,575	7,350
442	Water Tower Service Contract	25,616	25,615	28,434	28,433	28,434	28,433	28,434	28,434
299	Supplies & Materials	9,400	3,508	8,400	10,197	6,400	1,102	6,400	6,216
352	Maint & Repair- Equip	2,000	112	2,000	0	2,000	0	2,000	2,000
430	Bldg & Equip Rental	2,000	362	2,000	162	2,000	0	2,000	2,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
596	Capital Outlay- Lines/Tanks	0	0	0	0	0	0	0	0
	TOTAL	45,591	30,156	47,409	40,139	45,409	30,008	45,409	46,000
Lines and meters for distribution, maintenance and repair of infrastructure									
399	NC One Call		1,000						
	Alarm system for monitoring well		350						
	Emergency Leak Repairs		6,000						
			7,350						
442	Water Tower Maintenance Contracts		28,434	(Plantation tower \$17,045, Shoreline tower \$11,389)					
299	Pipe and Fittings		3,816						
	Other Small Equipment		1,000						
	Water Meters		1,400						
			6,216						
550/596									

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

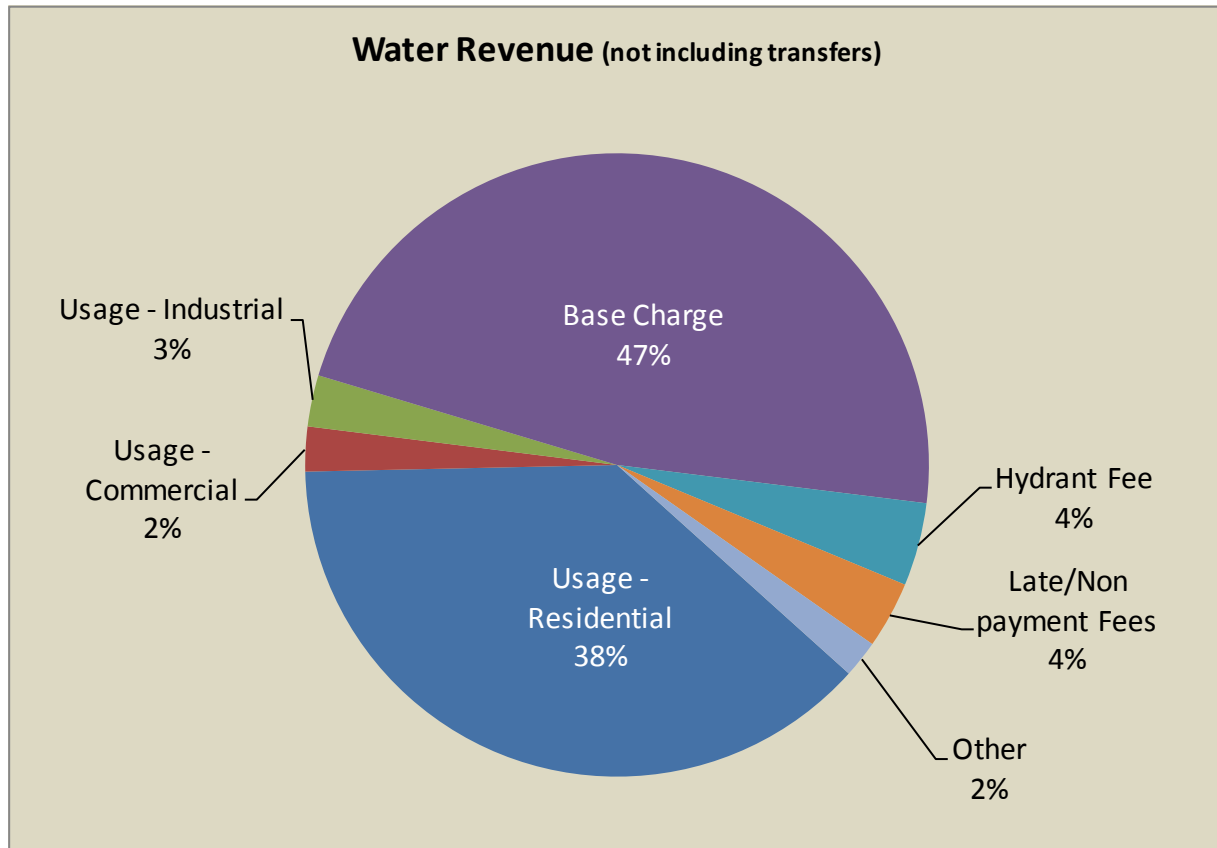
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Water Fund Revenue

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

Revenue - Water		17-18		18-19		19-20			20-21
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Revenue as of 01/31/20	Projected Year-End	Proposed Budget
Fund 60									
3710-501	Utility Usage Chg- Class 1 & 2	194,122	192,997	193,058	176,442	176,731	125,927	183,199	188,595
3710-503	Utility Usage Chg- Class 3 & 4	14,302	14,488	12,840	11,252	11,413	5,222	8,534	8,534
3710-505	Utility Usage Chg- Class 5	14,148	15,119	13,624	13,708	14,171	8,663	13,226	13,226
3710-508	Utility Usage Chg- Class 8	3,459	5,069	4,088	3,268	3,586	1,841	2,971	2,971
3710-510	Utility Customer Base Charge	271,394	269,422	182,304	180,742	181,750	121,644	182,824	234,862
3710-514	Fire Hydrant Availability Fee	23,790	23,331	23,058	22,384	21,960	21,672	21,672	21,411
3713-322	State Grants	0	0	0	0	0	0	0	
3715-515	Unbilled Receivables	0	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	1,250	2,500	1,250	2,800	1,250	0	1,250	1,250
3730/31-500	Utility Billing Nonpayment Fees	9,720	10,850	9,660	11,830	10,500	5,320	7,350	10,500
3732-500	Utility Billing Late Payment Fees	7,400	7,245	6,086	5,974	5,302	3,602	4,325	6,723
3831-810	Interest	3,536	9,138	15,300	15,881	13,934	7,623	11,016	6,794
3830-850	Insurance Settlements	0	0	0	7,640	0	0	0	0
3835-865	Sale of Capital Asset	1,500	1,400	0	0	0	0	0	1,501
3991-991	Appropriated Fund Balance	0	0	95,345	0	95,887	0	89,071	72,367
	TOTALS	544,621	551,560	556,613	451,921	536,484	301,513	525,437	568,734

The chart below is a graphic depiction of the sources of revenue for the water utility. The base charge accounts for the largest portion of this revenue. This chart does not include the \$72,367 appropriation from Fund Balance as noted on the previous page.



Our Sewer Utility

The Town of River Bend owns and operates a wastewater treatment and collection system that currently serves 966 households and businesses. Wastewater is collected from our customers and transmitted via approximately 11 miles of gravity and force main pipes. Eight town owned lift stations pressurize portions of the system so the waste is efficiently moved to our treatment facility on Gull Pointe. Six of these lift stations, and the treatment plant itself, have backup power supplied by fixed location generators. The other two lift stations can be powered by one of our mobile generators.

In calendar year 2019, we treated 40.4 million gallons of wastewater compared to 50.4 million gallons in 2018. The daily average treatment rate was 111,048 gallons in 2019 and 138,160 gallons in 2018. The State standard for waste treatment capacity is 330 gallons per day per household, which in our case translates to 318,780 gallons per day. This standard shows that we should be using 96.6% of our permitted capacity. On average, in 2019 we used 33.6 % of our permitted capacity.



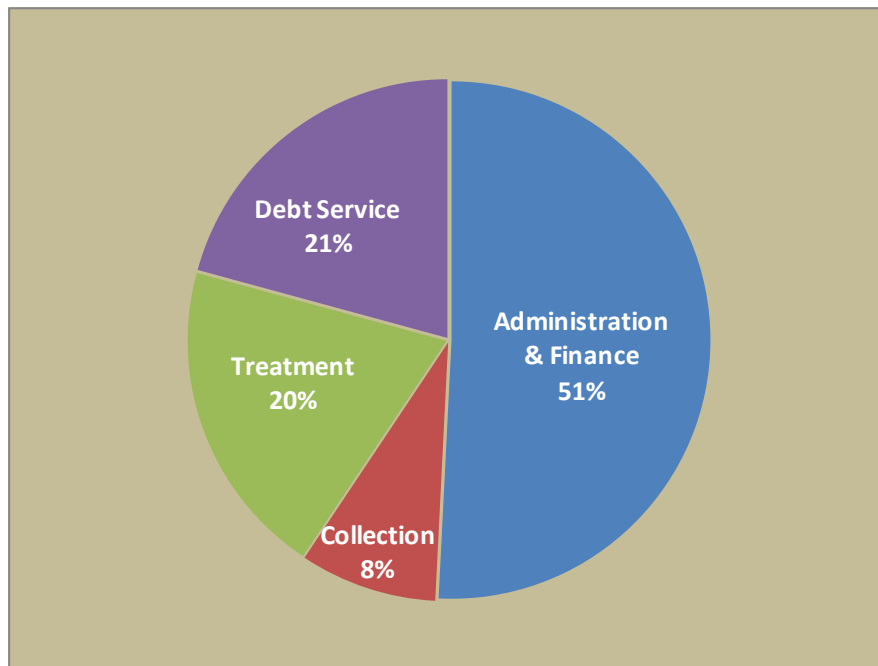
The North Carolina Department of Water Quality (DWQ) administers Federal and State regulations designed to protect the quality of the receiving waters. Part of this administration is the issuance of permits for treatment facilities like the one we have here in River Bend. Our treatment plant has a permitted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

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

Sewer Enterprise Expenditures

The total budgeted expenditure, excluding transfers, for the sewer enterprise in fiscal year 2021 is \$618,884, an increase of \$3,025 from the current fiscal year.

Expenditures in the Sewer Fund are divided according to function. Costs specifically associated with collection, such as pipes and lift stations, are separated from those associated with operating the wastewater treatment plant. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and installment debt.



Similar to water expenditures, those for the Sewer Enterprise are also divided according to function. Costs specifically associated with collection (pipes and lift stations) are separated from those associated with operating the wastewater treatment plant. Other costs, in the administration and finance area, include personnel, vehicles, office rent, utilities, and bond debt. As noted earlier, debt service is a large expenditure for this enterprise and is divided from the Administration and Finance Department in the chart to illustrate its proportion to overall expenditures.

Sewer - Administration and Finance

This department contains the budget for all personnel related costs including expenditures related to allocation of General Fund employees' time to the utility (line 482). Refer to the Personnel section of this document for more detail about labor allocations. Also in this department is the rent this utility pays the General Fund for use of office and shop space (line 430). As noted earlier in this document, the budget contains provisions for salary level increases totaling 4.1%. This includes a Cost of Living Adjustment of 3.1% and 1% for longevity, if applicable, in accordance with the adopted compensation plan.

The Administration and Finance Department budget also contains funding for the share of the expenditures related to the acquisition and maintenance of our information technology system attributable to this enterprise (lines 381, 440, 441, 760, and 770). Other shared, and thus allocated, expenditures are for our annual financial audit (line 191), banking services (line 382) and for our reverse 911 system (line 399).

Contained in line 399 is funding for maintenance of software systems: work orders, reverse 911 and radio meter reading. We also budget for equipment maintenance contracts and people search software for aiding in collections. Debt service is a large expenditure for this enterprise. In fact, 21% of the total expenditure for the sewer enterprise is for the debt incurred to purchase the system. Lines 710 and 720 show the amount budgeted for principal and interest payments on this debt. As noted earlier, this department will fund ½ the cost of a new vehicle.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Sewer Admin & Finance 61-7125		17-18		18-19		19-20			20-21
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
121	Wages & Salaries	102,004	104,331	113,833	112,786	112,942	70,411	113,021	118,899
122	Overtime	1,000	489	1,000	822	1,000	255	1,000	1,000
134	401(k) Retirement	5,016	5,195	5,208	5,503	5,497	3,533	5,701	5,785
181	FICA	7,675	7,879	7,969	8,352	8,409	5,356	8,723	8,851
182	Loc Govt Emp Retirement	7,524	7,793	8,072	8,531	10,300	6,324	10,205	12,256
183	Group Insurance	19,232	19,999	21,968	19,151	20,712	9,111	16,148	17,870
185	Unemployment Comp.	0	0	0	0	0	5	0	0
186	Workers' Compensation Ins.	3,623	2,410	3,725	3,434	3,651	3,912	3,912	3,863
310	Travel & Subsistence	750	158	750	259	750	41	750	750
395	Training	2,000	238	1,000	308	1,000	80	1,000	973
191	Auditing Service	4,600	4,600	4,600	4,600	4,600	4,667	4,600	5,567
192	Professional Service - Legal	1,000	0	1,000	1,880	1,000	1,141	1,000	1,000
193	Engineering Services	2,500	0	2,000	0	2,000	0	2,000	2,000
381	Other IT Services	361	446	500	725	550	482	827	520
382	Banking Services	1,696	1,384	1,525	1,376	1,525	516	871	936
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	5,036	3,366	3,823	3,211	3,823	3,041	3,666	3,980
440	VC3 IT Service & Maint.	12,606	12,245	13,642	13,361	14,539	7,619	13,024	16,623
441	Springbrook Service & Maint.	4,528	4,528	4,754	4,754	4,992	4,991	4,991	5,241
482	Indirect Costs- Labor	80,069	80,068	84,520	84,521	92,422	53,914	92,422	94,951
481	Labor Allocation	-33,404	-33,405	-34,902	-34,902	-36,608	-21,355	-36,608	-38,025
212	Uniforms	2,766	2,709	2,846	2,755	2,974	1,747	3,027	3,179
251	Motor Fuel	2,439	1,340	2,812	2,072	2,812	1,341	2,316	2,812
260	Office Supplies	2,227	2,524	2,425	2,184	2,425	1,254	2,425	2,425
320	Telephone & Postage	5,100	4,958	5,500	4,831	5,500	2,985	5,500	5,500
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	750	511	750	784	750	192	500	750
370	Advertising	0	0	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	5,250	9,000	9,000
450	Insurance: Prop/Liab	14,421	12,878	14,893	13,114	15,139	13,790	15,290	15,758
491	Dues & Subscriptions	900	895	900	920	900	918	900	900
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	12,000	11,001	0	0	0	0	0	11,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	99,628	99,628	101,944	101,944	104,261	0	104,261	108,895
720	Bond Interest Payment	25,741	25,741	23,748	23,748	21,710	10,855	21,710	19,624
760	Interfund Loan - Principal	0	0	0	0	0	0	0	
770	Interfund Loan - Interest	0	0	0	0	0	0	0	
499	Miscellaneous	0	0	0	0	0	0	0	0
	TOTAL	402,788	392,908	409,805	400,025	418,575	192,377	412,184	442,884

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121	Wages & Salaries: 60% Utility Operators, 50% Finance Asst. & PW Director						
310/395	Training/Travel & Subsistence - professional development and higher levels of licensure (\$750 for Finance Asst.)						
191	Auditing Services (\$14,200 and \$2500 for Single Audit, if required, total allocated equally to general/water/sewer funds, \$5,567 each)						
193	Engineering - general engineering services as needed						
399	Contracted Services:						
	Reverse 911	969 Blackboard Connect (Total \$3,877, 50% general/25% water/25% sewer)					
	Locate Plus	250 (Total \$500, 50% water/50% sewer)					
	Elster Support	930 (Total \$2,652, 65% water/35% sewer)					
	Work Order Software	600 (Total \$2835, 40% general, 40% water, 20% sewer)					
	FORMAX Stuff/sealer	231 (Total \$650, 65% water/35% sewer)					
	Misc Services	1,000	Debt collection commission, etc.				
		3,980					
381	Computer Services: cable internet service, web site, etc.						
440	VC3 Hosted Desktop Contract: \$55,410 (40% general fund, 30% water, 30% sewer)						
441	Springbrook software maintenance (Total = \$17,471: 40% general fund, 30% water, 30% sewer)						
491	Includes \$400 for ECC (Total \$1,200 split 1/3 each with General/ Water/Sewer Funds)						
251	Fuel - \$3.50 per gallon estimate - \$0.54 per gallon tax = \$2.96 per gallon cost						
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (beg. FY07)						
540	1/2 cost of new vehicle						

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Sewer Collection

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

Sewer Collection		17-18		18-19		19-20		20-21	
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
61-7142									
399	Contracted Services	24,495	3,727	24,950	18,829	25,565	4,932	25,565	24,350
299	Supplies & Materials	8,800	2,468	7,800	5,657	7,800	3,341	7,800	7,800
330	Utilities	7,500	7,425	7,800	7,547	7,800	3,955	6,830	8,000
352	Maint & Repair- Equip	12,000	9,585	11,000	4,364	7,500	6,089	7,500	10,000
430	Equip Rental	2,000	0	1,870	562	1,870	185	1,870	2,040
498	Permit Fees	810	810	810	810	810	810	810	810
550	Capital Outlay - Equipment	0	0	0	0	24,500	24,262	24,262	11,000
580	Capital Outlay - Buildings	0	0	0	0	0	0	0	0
597	Capital Outlay - Collection Lines	0	0	0	0	0	0	0	0
598	Capital Outlay - Pump/Lift Sta.	15,000	0	4,500	0	0	0	0	0
	TOTAL	70,605	24,014	58,730	37,769	75,845	43,574	74,637	64,000
399	Contracted Services:								
	Alarm system for 9 Lift Stations		3,150						
	Grease Removal		2,200						
	Emergency Repairs		19,000						
			24,350						
299	Generator Fuel		1,800						
	Pipe, fittings, tools, safety equipment		3,500						
	Lift Station Supplies (deodorizer, degreaser, etc.)		2,500						
			7,800						
330	Based upon historical costs/demand								
352	Maintenance and repair of lift station pumps and equipment								

Sewer Treatment

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

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

In Fiscal Year 2021 we have one small capital project planned, which will consist of applying a protective coating to the digesters to reduce metal corrosion.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Sewage Treatment		17-18		18-19		19-20			20-21
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Expend. as of 01/31/20	Projected Year-End	Proposed Budget
61-7144									
398	Testing	15,000	12,657	15,000	11,209	15,000	9,167	15,000	14,790
399	Contracted Services	28,820	18,876	32,335	27,562	33,315	2,973	33,315	33,350
298	Chemicals	16,500	8,978	15,000	11,181	15,000	5,931	15,000	15,000
299	Supplies & Materials	6,500	2,485	5,500	1,327	5,500	2,342	4,117	5,500
330	Utilities	25,500	25,846	27,000	27,810	27,000	16,383	28,383	28,500
351	Maint & Repair- Bldg	1,000	0	1,000	71	1,000	464	1,000	1,000
352	Maint & Repair- Equip	9,600	7,255	11,264	3,859	18,764	5,764	18,764	13,000
430	Equip Rental	0	0	0	0	0	0	0	0
496	Permit Fees	860	860	860	860	860	0	860	860
550	Capital Outlay- Equipment	0	0	0	5602.97	0	0	0	
594	Capital Outlay- Treatment Plant	0	0	16,500	0	5,000	0	5,000	0
	TOTAL	103,780	76,958	124,459	89,481	121,439	43,025	121,439	112,000
399	Sludge Hauling		28,000						
	Digester Inspection-Analysis		0						
	Calibrate meters		850						
	Pump grit chambers		1,800						
	Dumpster Service		1,500						
	Hach Spectrometer		500		(\$1000 total split with water)				
	Lift station alarms		700						
			<u>33,350</u>						
330	Based upon historical costs/demand								
299	Supplies and Materials (generator fuel, tools, paint, etc.)								
351	Routine Maintenance								
352	Blower Maintenance Contract		8,100						
	Other Maintenance		4,900						
			<u>13,000</u>						

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

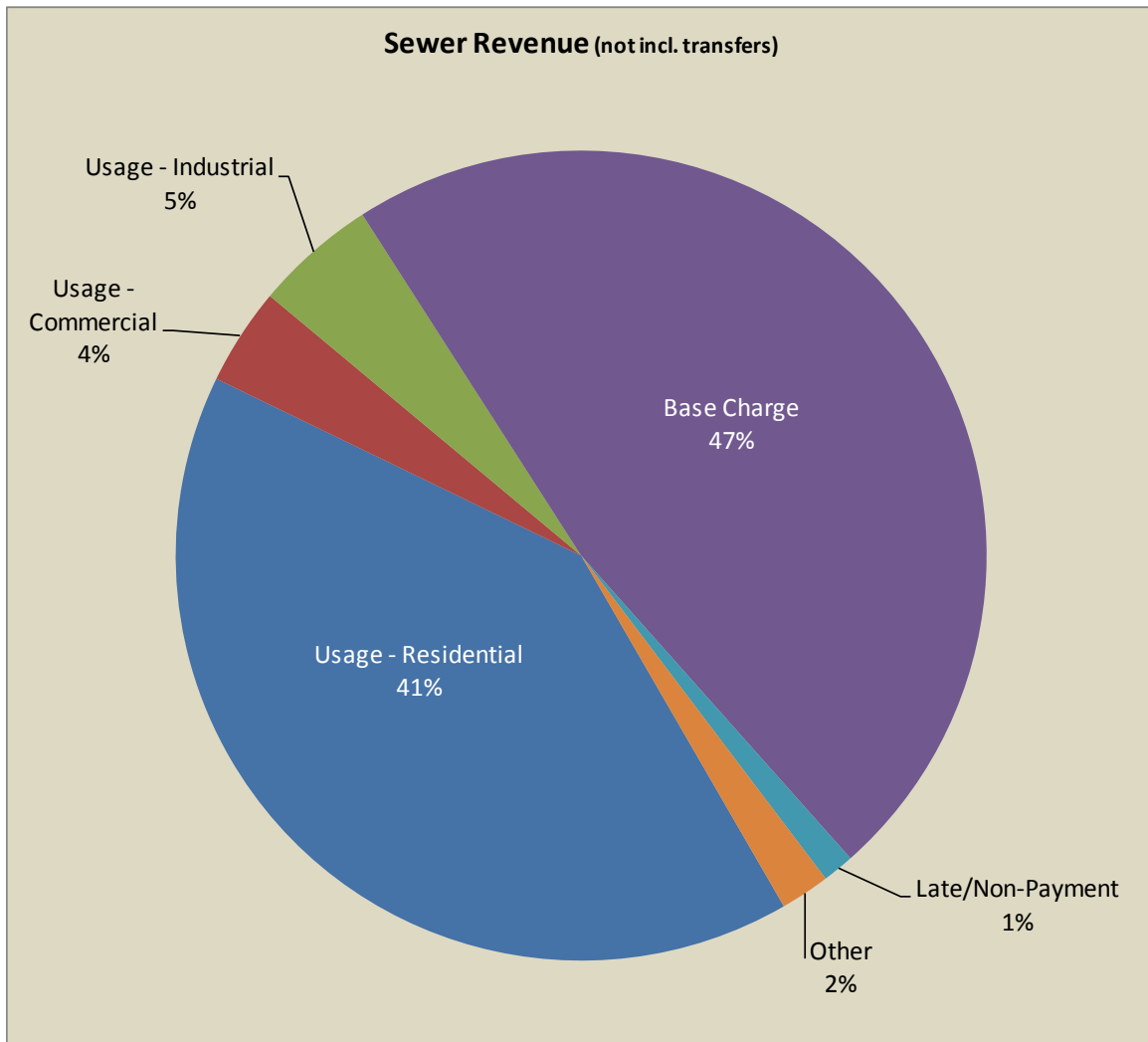
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Sewer Fund Revenue

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

Revenue - Sewer		17-18		18-19		19-20			20-21
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget 02/21/20	Revenue as of 01/31/20	Projected Year-End	Proposed Budget
Fund 61									
3710-501	Utility Usage Chg- Class 1 & 2	264,974	263,418	263,820	225,463	227,581	158,710	232,415	249,338
3710-503	Utility Usage Chg- Class 3 & 4	33,959	32,270	31,916	25,415	25,778	11,795	17,688	17,688
3710-505	Utility Usage Chg- Class 5	27,966	34,150	33,369	30,963	32,007	19,567	29,873	29,873
3710-508	Utility Usage Chg- Class 8	7,754	11,296	9,470	7,110	8,236	3,732	6,202	6,202
3710-510	Utility Customer Base Charge	292,111	290,819	293,514	291,494	291,868	194,590	292,028	292,304
3715-515	Unbilled Receivables	0	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	1,250	2,500	1,400	1,250	1,250	0	1,250	1,250
3732-500	Utility Billing Late Payment Fees	7,800	8,253	7,585	7,411	6,906	4,438	5,640	7,740
3735-500	Capital Investment Fees	0	0	0	0	0	0	0	0
3737-981	Chgs to General Fund	0	0	0	0	0	0	0	0
3830-800	Miscellaneous	0	0	0	0	0	0	0	0
3830-850	Insurance Settlements	0	0	0	17,578	0	0		
3831-810	Interest	2,859	8,017	14,920	16,687	16,469	8,886	12,818	9,372
3835-865	Sale of Fixed Asset	1,500	1,400	0	0	0	0	0	1,500
3839-351	Sales Tax Refund Revenue	0	0	0	0	0	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0	0
3920-895	Bond Refunding Proceeds	0	0	0	0	0	0	0	0
3980-981	Loan from General Fund	0	0	0	0	0	0	0	0
3980-985	Transfer from Water Fund	0	0	0	0	0	0	0	0
3980-986	Transfer from Sewer Cap. Reserve	0	0	0	0	0	0	0	0
3991-991	Appropriated Fund Balance	0	0	0	0	68,764	0		66,617
	Totals	640,173	652,122	655,994	623,370	678,859	401,719	597,914	681,884

The chart below is a graphic depiction of the sources of revenue for the sewer utility. The base charge accounts for the largest portion of this revenue. Note this graph does not include transfers, which for FY21 total \$66,617.



Ratings and Independent Data

Bond Ratings

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

Standard and Poor's

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

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

Moody's

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

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

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

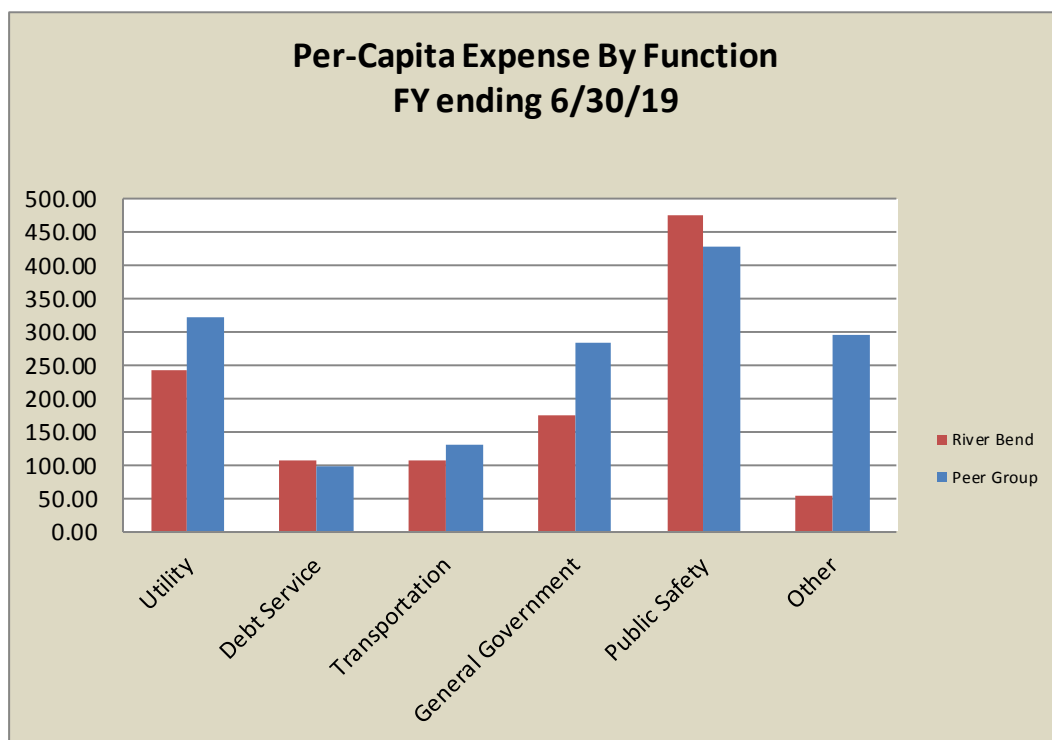
These favorable reviews, especially in the current economy, are a testimony to the financial strength of this Town. Through good planning and making difficult decisions, River Bend will remain viable and strong for many years to come.

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

The North Carolina Local Government Commission (LGC) compiles data based upon a required independent audit and other reports submitted to them for review and approval. This data is collected from all counties, cities, and towns in the State and is reported by locality, and offers comparisons for per capita expenditures and revenue with other similar localities. The charts reflect the latest LGC data, which is as of June 30, 2019.

To make the comparisons fair, the LGC divides all towns into groups by population and they further divide them into groups that do and do not operate their own electric system. The population groups are: 499 and below, 500-999, 1,000-2,499, 2,500-9,999, 10,000-49,999 and 50,000+. There are 552 municipalities in North Carolina. Of those, 529 have submitted an audit. There are 482 units that do not operate electric systems and 70 that do operate electric systems.

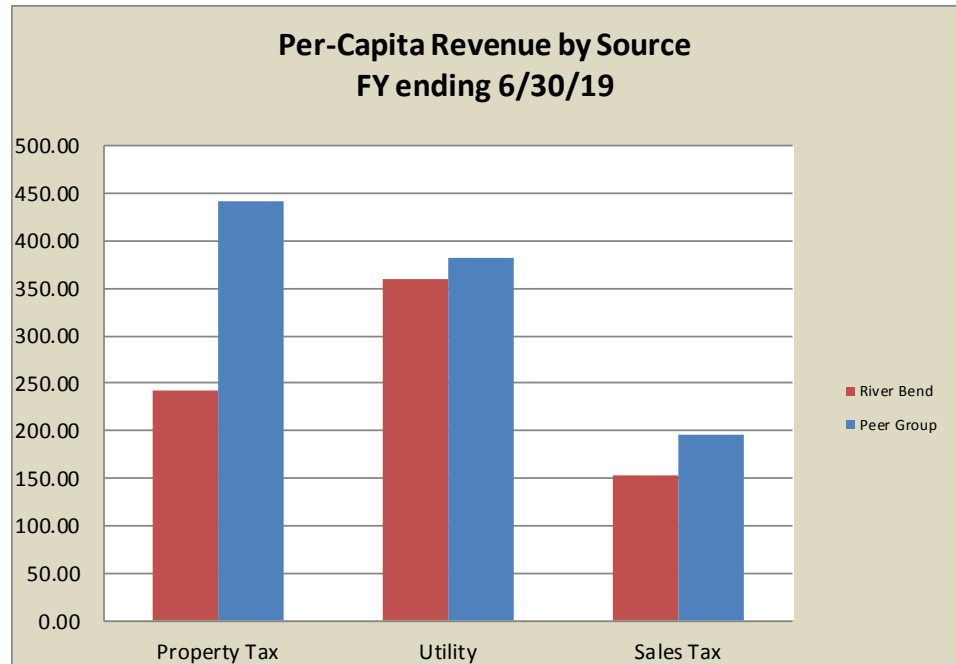
Our peer group is localities with a population between 2,500 and 9,999 residents that do not operate an electric utility. In the fiscal year ending June 30, 2019, there were 113 localities in our peer group.



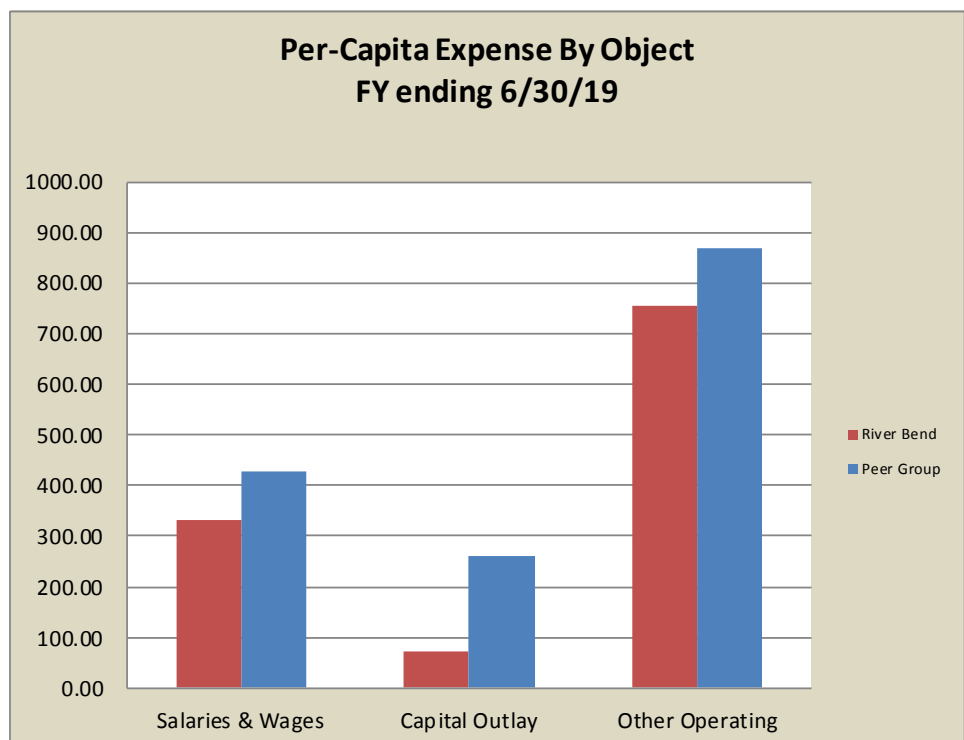
Data from the LGC shows that River Bend's per-capita expenditures in 2019 were \$1,160 (up \$357 from the previous year) compared to \$1,291 (down \$109 from the previous year) for localities in our peer group. The chart above shows some of the significant expenditures by function and how our expenditures compared with those of our peers. The reader will note that River Bend spends less per capita in most categories compared to our peer group.

Data from the LGC also indicates how we compared with our peer group in fiscal year 2019 in terms of per-capita revenue. The data shows that our total per-capita revenue in these sources was \$755 compared to \$1,019 for our peers.

This chart shows three major revenue categories and how we compare with our peers. The reader will note that in all three categories our revenue is lower than that of our peers. Our property tax amount is \$198 less per capita than our peer group.



This chart shows three major expense categories and how we compare with our peers. The reader will note that we spend less per capita in all three categories compared to our peer group. In the "other" category, we spend \$114 less per capita than our peer group.



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. Through 2013, the John Locke Foundation – Center for Local Innovation published a yearly report entitled “By The Numbers: What Government Costs in North Carolina Cities and Counties.” This report considered “total local government collection of all taxes and fees for counties and municipalities” (the report provided no definition for the fees component of their data) and reported this as the amount of tax revenue received, per capita, from all sources. It also reported the amount, per capita, each locality’s residents pay for property tax and sales tax. Their rankings reflect an aggregate of the County and Town tax, so our ranking takes into consideration the entire tax burden borne by a resident of River Bend compared to that of residents of other incorporated municipalities throughout the State. Unfortunately, the Foundation has stopped publication of this report. We were informed that they will provide another report with information about cities and counties in North Carolina in the future. As of the publication of this document, that has not occurred. The information that follows is the data contained in their most recent and final report (2013).

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

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

In 2013, 176 communities ranked in our population band (1,000- 4,999). We rank as follows:

Local Revenue Per Capita:	Low Burden	148 th
Property Tax Burden Per Capita:	Low Burden	141 st
Sales Tax Burden Per Capita:	Low Burden	127 th

The reader will note that a higher ranking equals a lower burden. For example, our 141st ranking in the tax burden category means that 140 communities in our population group levy a higher per capita tax burden than River Bend does. It also means that only 35 communities levy a lower per capita tax burden than River Bend does.

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Depreciation – Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. The portion of the cost of a fixed asset, other than a wasting asset,

charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of the cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

EIA - Energy Information Administration

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LGC - Local Government Commission

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

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

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

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

NCLM - North Carolina League of Municipalities

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

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

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

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

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

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

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

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

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

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

Surplus – The amount by which revenues exceed expenditures.

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

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

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

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

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

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

Appendix A



TOWN OF RIVER BEND

45 Shoreline Drive
River Bend, NC 28562

T 252.638.3870

F 252.638.2580

www.riverbendnc.org

February 26, 2020

To: Mayor Kirkland and Members of Town Council

From: Sean Christian Joll, Chief of Police

Re: Police Department Budget for FY 2020-21

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

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

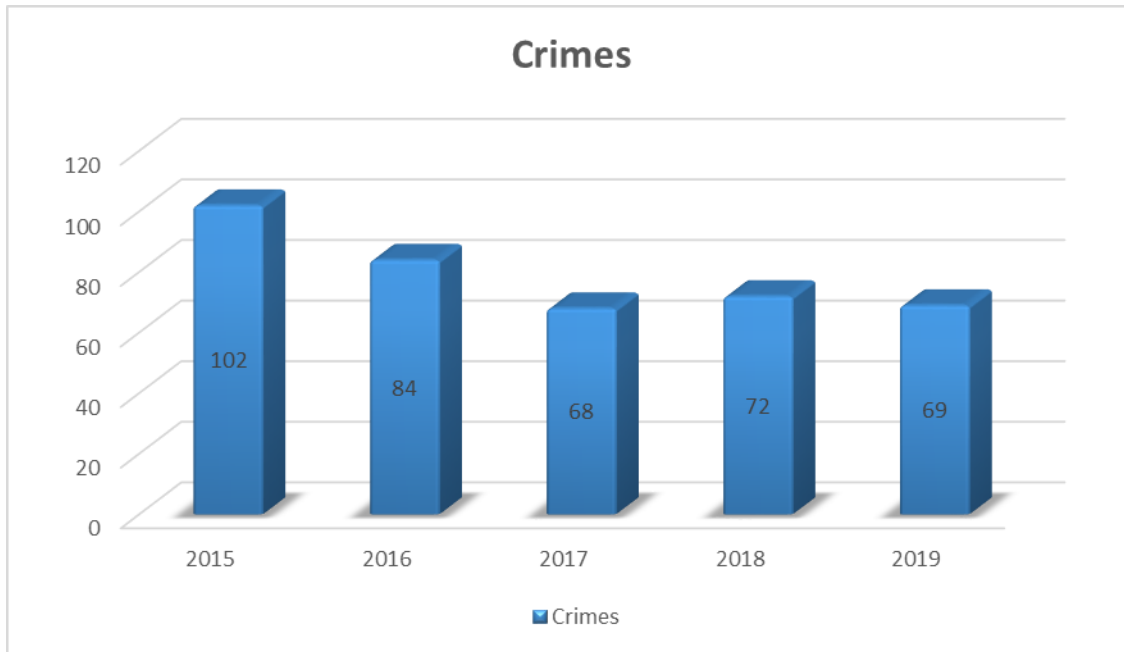
- Proactive crime reduction
- Teamwork with the residents and volunteer groups for a safer community
- Complete investigations
- Comprehensive continuing training
- Partnership with surrounding agencies
- Continuing to improve the quality of life through equitable enforcement of local ordinances

What have we accomplished in the past year

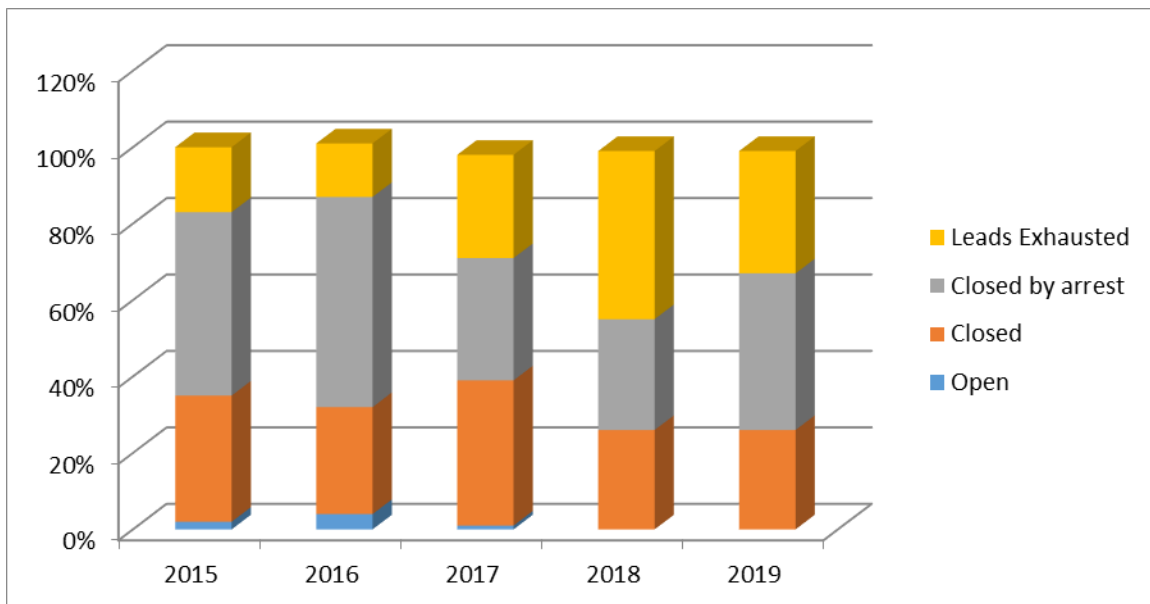
- Overall Department members acquired a total of 889 hours of training in the past year.
- Over 80% of the Department's officers have completed Crisis Intervention Training (C.I.T.) and this will continue to be a training priority for all officers.
- Held the Department's first "Shop with a Cop" program that provided needed and essential items for three (3) under privileged children.
- The Department is continuing to improve its' practice of Community Oriented Policing and Problem Oriented Policing.
- The Department has an in house state certified General, Taser, Rapid Deployment and Firearm instructor for training purposes.
- The Department has four in house state certified Field Training Officers and a state certified Traffic Crash Reconstructionist.
- Officers have continued working drug locations in River Bend, in an effort to eradicate them from the area or change the behavior of those persons.
- Actively participating with all Craven County Law Enforcement in the Governors Highway Safety Program County Task Force.
- Partnered with joint taskforces to include Coastal Narcotic Enforcement Team and the Craven County Regional Gang Taskforce.
- Have joined a newly formed traffic task force that all agencies in Craven County participate in.
- Have received a \$22,600 Governor's Crime Commission grant for Active Shooter Training and Response Capability Enhancement.
- We have integrated monthly firearms training into each officer's schedule with one-on one-training from a certified Firearm instructor.
- Sustained a 100 percent coverage rate of the town throughout the year during the transition of officers leaving the agency.
- Have updated the Department's badges to better represent the Town of River Bend

How busy are we?

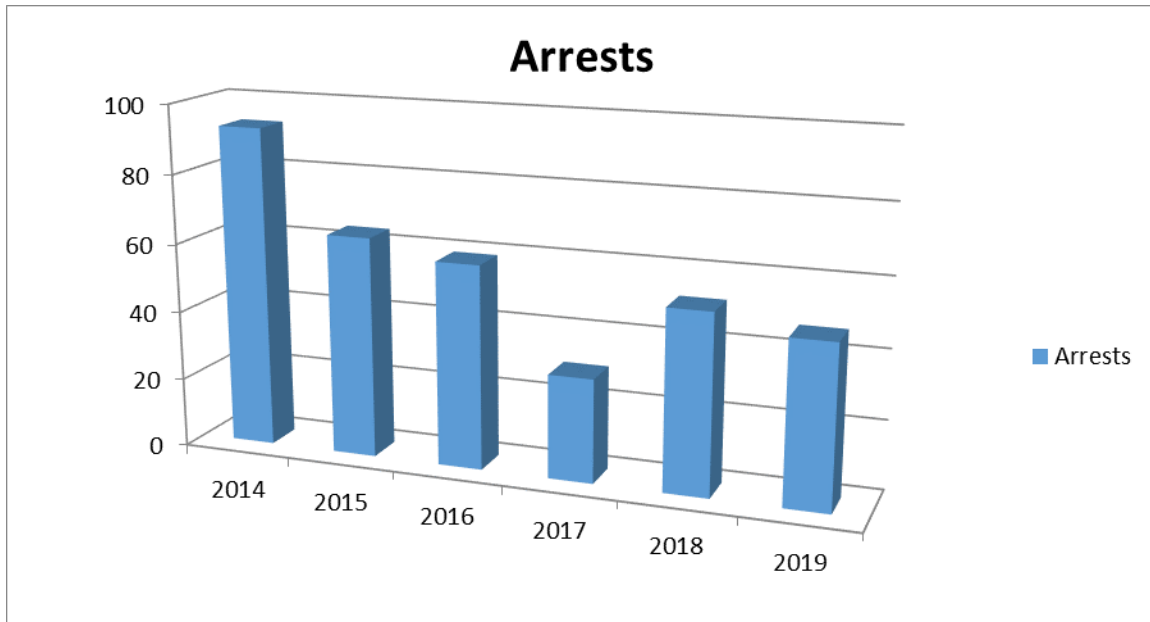
- Officers have logged or responded to 23,294 incidents in 2019.
- Your officers have conducted 14,268 Business Security Checks
- In addition, officers conducted 5,614 Community Watch Checks (direct patrols) in 2019.



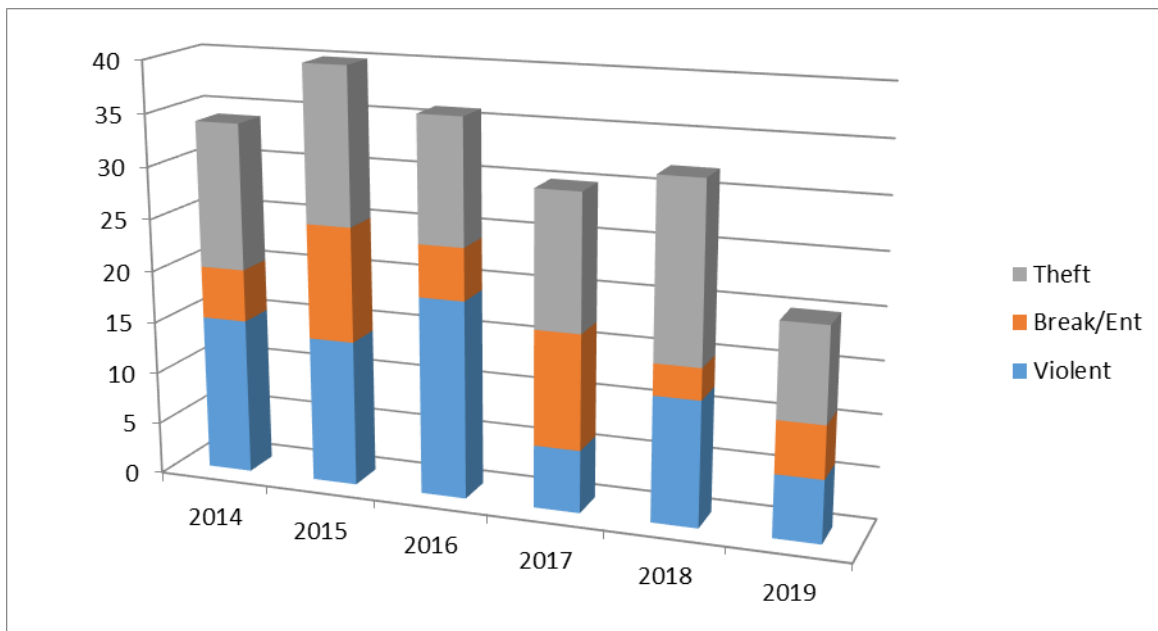
- The chart shows that from 2015, 2016, and 2017 that there was a reduction in crime. In 2018, we had a slight increase to 72 crimes. We have now reduced that down to 69 crimes for 2019.



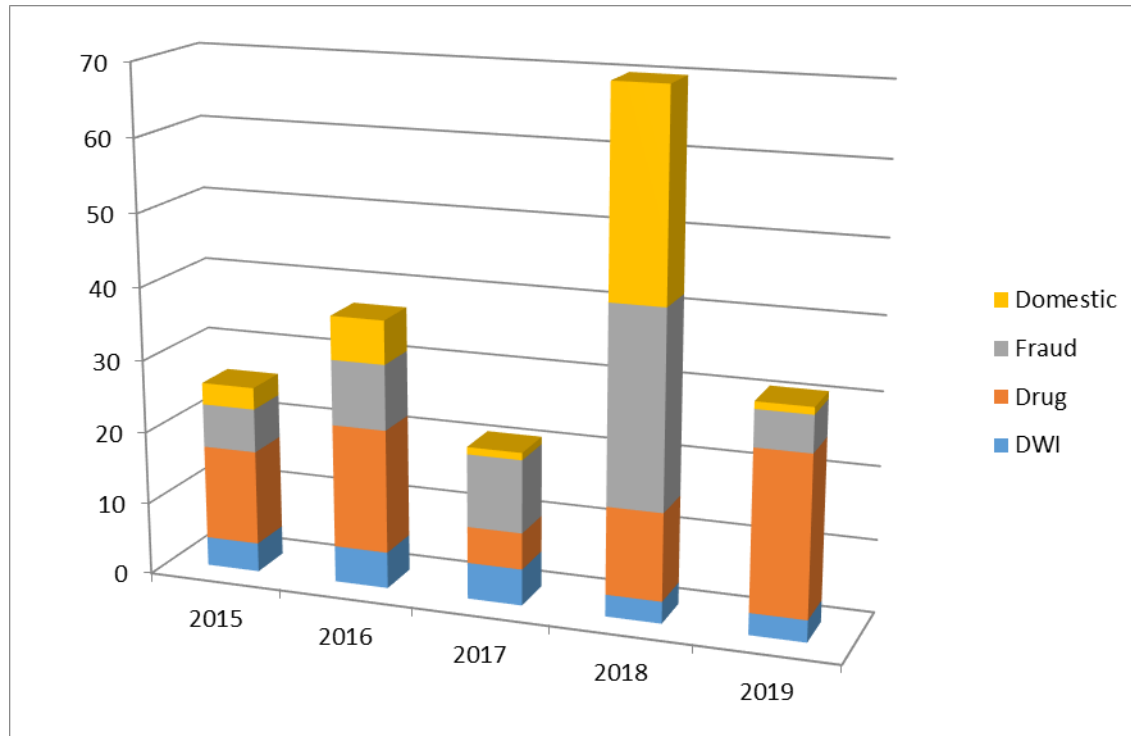
- * As of 2019, we have been able to maintain an “Open Cases” percentage of 0%. This year we were able to close more cases by arrest then the previous year which reduced the number of cases that were categorized as “Leads Exhausted”.



- The 2019 number (47) is 1% less than the 2018 number of 52. This decrease is due to a decrease in crime and in the continuing of good proactive police work in warrant services, traffic stops and Field Interviews.



- As you can see there has been a steady decrease over the years in crime. In 2018 a 6% increase took place. This increase was related to Hurricane Florence. Since 2018, the town has enjoyed an overall decrease in all major categories of crime.
- Violent Crime is categorized as: Domestic, Assault, Sexual Assault, Communication of Threats.



New Trends noticed in River Bend

2018 national crime statics national average by the FBI.

In the nation in 2018, 45.5 percent of violent crimes and 17.6 percent of property crimes were cleared by arrest or exceptional means.

Among national statistics of property crimes:
18.9 percent of larceny-theft offenses
13.8 percent of motor vehicle theft offenses
13.9 percent of burglary offenses were cleared.

In Burglary – We averaged 40%, clearing over 2.8 times OVER the national average.

In Larceny-theft - We averaged 22%, clearing 1.1 times OVER the national average.

What changes/improvements would we recommend for Fiscal Year 2020-21?

1. Continuing pro-active policing on criminal activity that is linked to outside persons who either frequent River Bend for theft reasons or to meet up with fellow criminals or substance abusers in the town.
2. Provide advanced incentives and benefit packages to increase the probability of officers to remain at the department. This will allow for the department to be competitive in the retention of officers over larger departments that have additional resources, specialty units, promotional opportunities and career development.
3. The purchase of advanced technology such as body worn cameras and a thermal imager. Body worn cameras will allow for the on duty officer to record their interactions with the public during calls for service and will assist in the prosecution of criminals in court. While a thermal imager can assist officers at any emergency incident in which normal visibility is reduced, impaired or ineffective. Whether it is a lost child or a disoriented elderly adult suffering from Alzheimer's or dementia, a victim can be located more quickly and at less risk with the assistance of a thermal imager.
4. The continued support and movement forward of updating the Police Department's presentation and replacement of older equipment.
5. To further train your officers to be the most professional and proficient officers by:
 - A. Continued advanced training through the NC Justice Academy for a higher level of trained personnel.
 - B. Continued training for officers that have an assigned specialized area of expertise through conferences in their assigned area.

Further utilizing department resources to conduct more regularly monthly scheduled training with no travel or per diem.

Appendix B
Public Works and Water Resources Work Orders

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

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

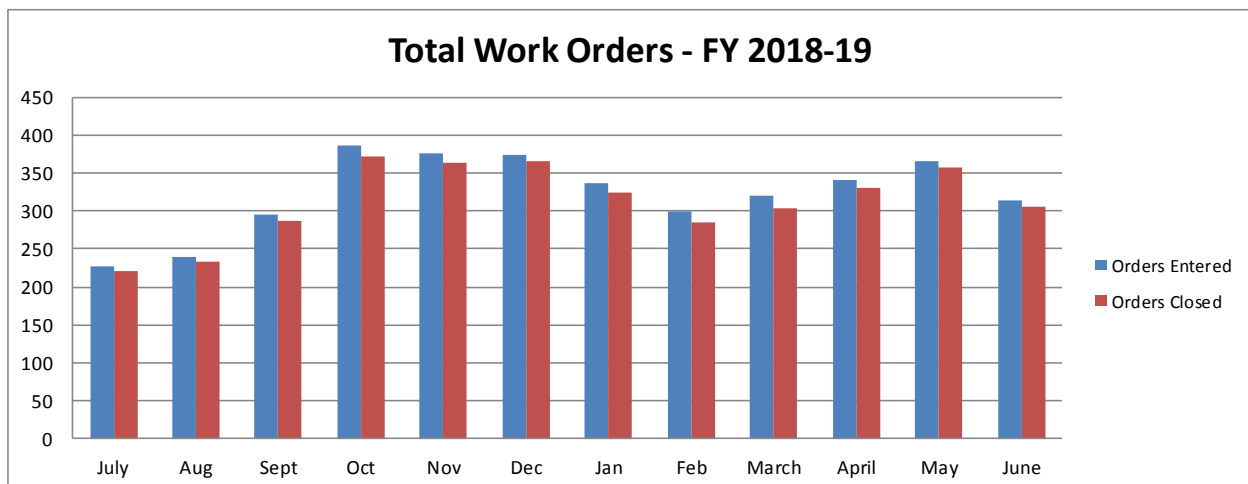
What follows is a brief description of the categories of work orders we track and report:

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

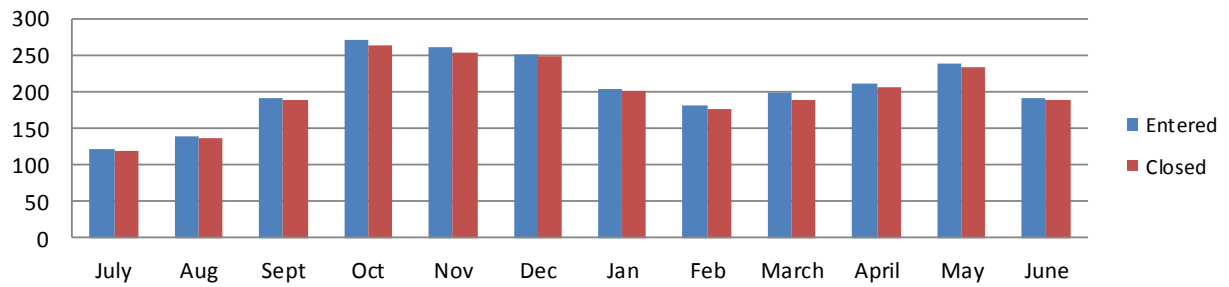
Monthly Work Order Summary Report for FY18-19

The chart below and the graphs on the next page indicate the number of work orders that were received and responded to in different areas throughout the year.

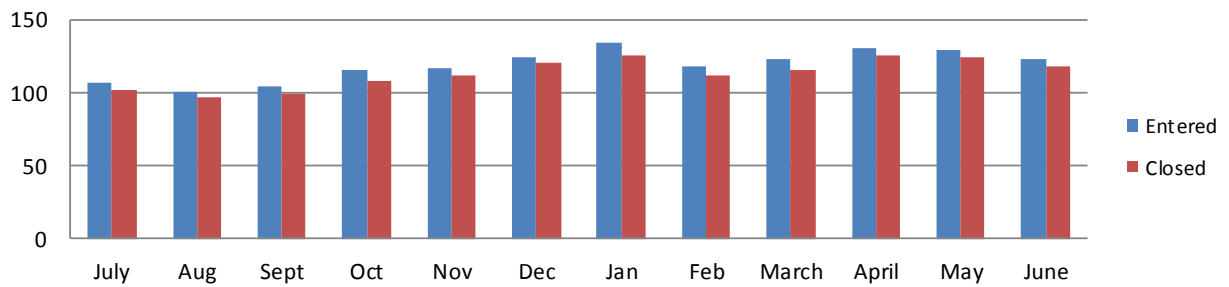
Public Works														YTD
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June		
Building Maintenance	39	36	30	32	31	33	34	30	33	30	30	29		387
Painting	0	0	1	0	0	2	0	2	0	1	2	1		9
Park/Playground	26	22	20	24	25	26	27	25	23	26	25	26		295
Roadway Maintenance	3	3	6	8	5	9	12	10	14	15	18	15		118
Stormwater Maintenance	3	2	7	10	12	10	11	5	6	8	6	4		84
Trash/Litter	30	31	26	27	30	29	28	28	30	29	30	30		348
Tree Maintenance	2	1	8	7	4	3	5	4	3	6	6	5		54
Wetlands / Ponds	2	2	1	1	1	2	3	1	4	3	2	1		23
Other	1	3	5	6	8	10	14	13	10	12	10	12		104
TOTAL	106	100	104	115	116	124	134	118	123	130	129	123		1422
Orders Closed	102	97	99	108	112	120	125	111	115	125	124	118		1356
Water Resources														YTD
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June		
Sewer Collection	10	8	10	11	10	12	14	15	14	16	18	15		153
Sewer Treatment	9	7	8	9	6	9	8	9	10	12	13	10		110
Water Distribution	4	5	3	8	6	10	9	12	13	10	8	6		94
Water Treatment	10	9	10	9	11	9	8	6	9	11	12	10		114
Service Orders	67	65	105	91	89	96	75	62	66	92	87	79		974
Utility Locates	22	45	55	143	138	115	90	78	85	70	100	72		1013
TOTAL	122	139	191	271	260	251	204	182	197	211	238	192		2458
Orders Closed	118	136	188	264	252	247	200	175	188	206	234	188		2396
TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	
Orders Entered	228	239	295	386	376	375	338	300	320	341	367	315		3880
Orders Closed	220	233	287	372	364	367	325	286	303	331	358	306		3752



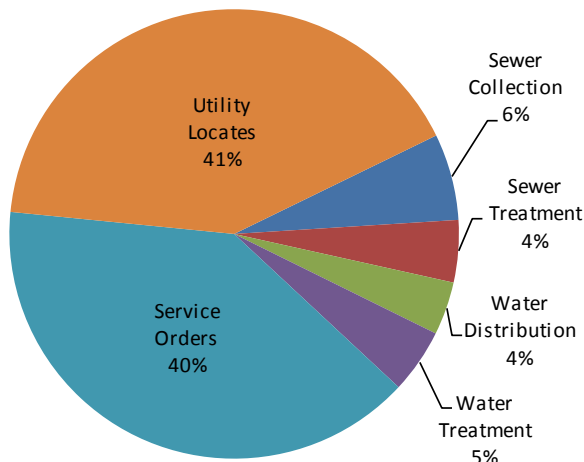
Water Resources - Work Orders



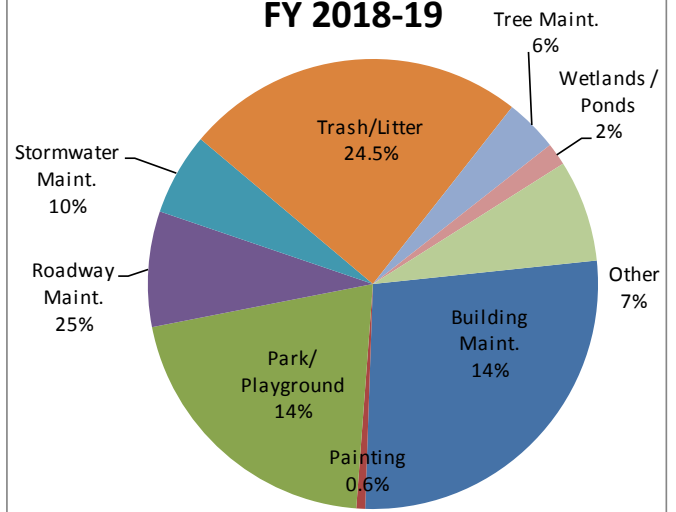
Public Works - Work Orders



Water Resources Work Orders FY 2018-19



Public Works Work Orders FY 2018-19



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2020-2021

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Appendix C

TOWN OF RIVER BEND BUDGET REQUEST FORM FISCAL YEAR 2020-2021								
Project or Item:	Utility Trailer							
Description:	small utility trailer to haul lawnmower							
Operating Budget Impact (narrative):	minimal impact on operating budget							
Anticipated effect if the project or item is not funded:	this purchahse will save time by allowing us to quickly transport mower to needed area							
Request for Appropriation:								
			FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	TOTAL
Expenditures:								
	Cost		\$1,800					
	Recurring Costs							\$0
		TOTAL	\$1,800	\$0	\$0	\$0	\$0	\$1,800
			FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	TOTAL
Revenue Sources:								
	Local Revenue		1800					\$1,800
	Fees							\$0
	Federal Grant							\$0
	State Grant							\$0
	Local Grant							\$0
	Other							\$0
		TOTAL	\$1,800	\$0	\$0	\$0	\$0	\$1,800
Expend-Revenues			\$0	\$0	\$0	\$0	\$0	\$0
Attachments: NO/ YES (formal proposals or quotes)								
			Submitted By:		Brandon Mills			
			Date:		Jan 27,2020			
TRB Form #57 (12/07)								