

Town of River Bend



Fiscal Year 2022-2023

Annual Budget Message

(A summary of the Annual Budget)

And

Annual Operating Budget Ordinance

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

252-638-3870

www.riverbendnc.org

Fiscal Year 2022-2023
Annual Budget Message
And
Operating Budget Ordinance

Mayor

John Kirkland

Town Council

Don Fogle
Brian Leonard
Barbara Maurer
Morris "Buddy" Sheffield
Irving "Bud" Van Slyke, Jr.*

*also serves as Finance Officer and Mayor Pro Tempore

Prepared By:

Town Manager

Delane Jackson

Finance Director

Mandy Gilbert

Budget Message

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

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

May 23, 2022

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, 2022 and ending June 30, 2023 is hereby submitted for your consideration. This budget represents the commitment of the Council to the vision statement and responds to the goals the Council developed at the Budget Kick-Off meeting on January 20, 2022:

1. Continue to provide a safe, dynamic, and attractive community for people of all ages, and continue to address the changing demographic composition of the Town.
2. Continue to 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 three budget workshops in April and May and 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. The uncertainty created by COVID-19 related issues continues to impact the budget process. This year, the budget was also impacted by inflation and the war in Ukraine. As of today, it is still unknown how long and to what degree COVID-19 and other conditions will be impacting our town, state and nation. The nation is recovering in many areas but still struggling in others. I am estimating a property value increase of \$3,000,000 over last year. 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 and inflation, 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 water and sewer rates were increased in April and this budget includes and maintains those changes.

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	\$ 1,870,931
Water Fund	\$ 594,500
Sewer Fund	\$ 669,500
Total Operating Budget	\$ 3,134,931

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 Fund. The total of these four funds is \$73,765 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 major funds.

The total expenditure budget for the General Fund, including transfers, is \$1,870,931. Overall, General Fund spending decreased \$252,923 as compared to the amended FY 21-22 budget. Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget contains an appropriation from fund balance of \$200,813, which is a 43% decrease over the FY 21-22 fund balance appropriation of \$351,272.

Expenditure Highlights by Department

While not attempting to cover specifics for all of the eighteen (18) departments within the General Fund, what follows are some highlights of the more significant expenditures and programs being proposed for FY 22-23. This year's proposed budget keeps capital spending at a relatively low level of \$33,000 following capital spending of only \$43,850 during the FY 21-22 budget. However, there are plans to complete several major projects with grant funding.

Street Maintenance: The Town owns and maintains over 17 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 \$140,000 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: We have allocated \$30,000 of funding within the stormwater Capital Improvement Plan (CIP). We have budgeted \$30,000 for the stormwater CIP but have no specific project identified. Recently, the Town Council took on the maintenance responsibility for the swales within the town's streets. This year, we hope to receive \$250,000 in grant funding to continue stormwater drainage improvements in the Channel Run area as designed by our engineer.

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.

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. This year, we plan to start a grant-funded project to build a new Public Works facility at a cost of nearly \$1,000,000.

Parks and Recreation: The budget being presented includes continued funding for our Parks and Recreation programs. In 2021, many of the Parks and Recreation Advisory Board's plans for special events throughout the year, the largest of which is the annual 4th of July parade and picnic were cancelled due to COVID. Hopefully, the normal activities will return during the FY 22-23 year. 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 functions as a component of Parks and Recreation.

Police: Expenditures for the Police Department include salaries and benefits for six full-time and multiple part-time officers, vehicle maintenance, uniforms, fuel, equipment,

Community Watch and more. We provide 24/7/365 police presence within the Town. The Police Department's budget of \$600,700 is the largest in the General Fund, representing 33% of General Fund expenditures.

Elections: Due to a recent Town Charter amendment, the town's municipal elections were moved to even-numbered years. This change resulted in a substantial reduction in the town's cost for elections. The first election under this new format will be in November, 2022.

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. The tax rate of 26¢ will remain in place for FY 22-23. The next county revaluation for property values is scheduled to be conducted in 2023. One of my goals in drafting this year's budget proposal was to keep the tax rate unchanged in anticipation of the up-coming revaluation. This year's proposal is a very lean budget. Due to continued inflation and many other variables, I anticipate that a change in the tax rate will be necessary for the FY 2023-2024 budget.

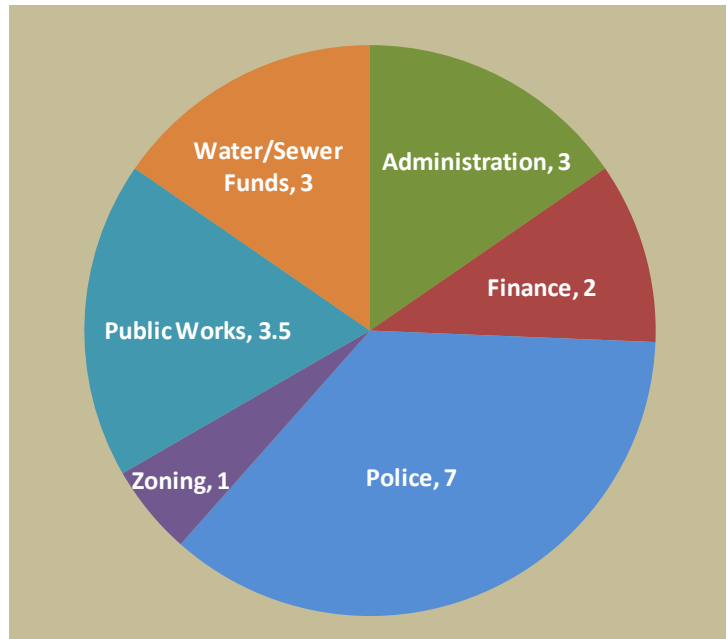
Requested projects and expenditures were kept to a minimum in order to develop a balanced budget and operate without a tax increase. The revenues from some of the transfers are budgeted to be allocated in various CIPs and the Law Enforcement Separation Allowance Fund in the General Fund in order to provide more long-term stability to those plans.

Expenditures by Category

The North Carolina Local Government Commission (LGC) collects, maintains and compares financial data from all municipal governments in North Carolina. For comparison purposes, they group towns by population. This prevents small towns, such as River Bend, from being compared to large towns, such as Raleigh and Charlotte. They also separate towns that own electrical distribution systems, from those that do not own electrical distribution systems. We fall into the 2,500-9,999 population group that do not operate an electrical distribution system. There are 92 towns 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 2020 data, (the most recent data from the LGC) is shown in the chart below.

Function	Average Per Capita Expenditure of Group	River Bend Per Capita Expenditure
Public Safety	\$431	\$236
Transportation	\$116	\$119
General Government	\$228	\$396
Utility	\$330	\$274
Debt Service	\$123	\$95
Other	\$378	\$164

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. We currently have 18 full-time employees and 3 part-time positions, 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 46.38% 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 examined as this budget was prepared. A detailed allocation table was provided during the budget workshops.



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 2020 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel was \$374, which is \$61 less than the average of our peer group of \$435.

This budget, following the guidance of the Council, by their continued support of our compensation plan, includes a 5.0% cost of living allowance. There is 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

Fortunately, COVID-19 did not have the negative impact that we expected on the local and state economy. Revenues from local sales tax grew during FY22. We expect that trend to continue during FY23 but at a much lower rate. General Fund revenues are budgeted at \$1,870,931 which is a reduction compared to revenue in last year's budget. Fund Balance appropriation in the General Fund is \$200,813, which is a substantial reduction compared to last year's approved amount of \$351,272.

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 is forecast to generate \$814,010 or only 43% of the revenue for our General Fund in FY23. Of that amount, \$92,300 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 \$3,000,000.

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, 2020 (the latest available data) was \$0.4035 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 22-23, we have budgeted for a collection rate of 99.67%.

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 that 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 others. 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 unit 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. While not official, the benchmark for fund balance that many units recognize as the minimum is 8% of total expenditures. If a unit approaches that level, the LGC may express concern to the unit and direct action to increase the balance. We ended FY21 with a fund balance of \$1,306,128 or approximately 60%. 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 at the end of FY22 will remain at approximately 60%. According to June 30, 2020 LGC data, the average fund balance for our peer group was \$3,884,286, or 77.29%. The fund balance for River Bend for that same period was \$1,636,549 or 54.24%. 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

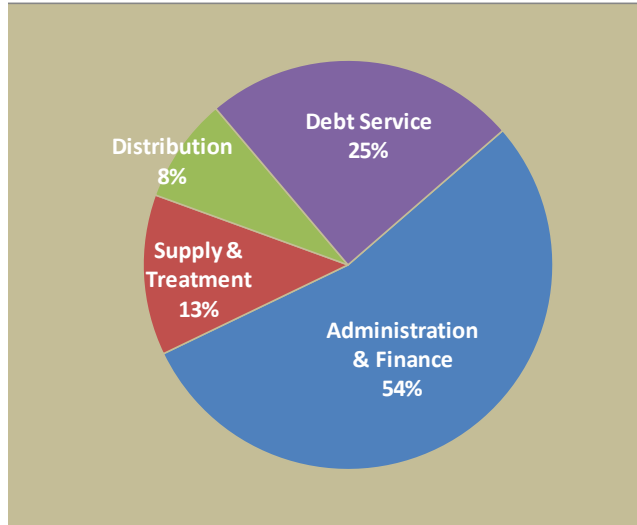
In addition to the General Fund, covering all typical government operations, the Town of River Bend operates two enterprises: the water system and the sewer system. These two enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of 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 FY22-23 is \$591,000, a decrease of \$79,045 or 11.8% 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.



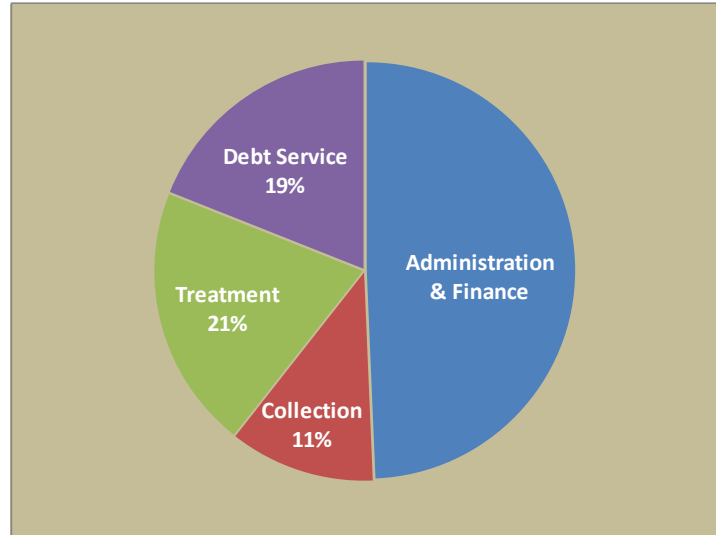
The chart below shows the comparison of the current budget vs. the proposed budget.

Water		21-22	22-23	Change v. prior year	
		Budget	Proposed	%	\$
60-7125	Administration & Finance	520,645	467,000	-10.30%	-53,645
60-7132	Supply & Treatment	60,000	75,000	25.00%	15,000
60-7134	Distribution	89,400	49,000	-45.19%	-40,400
TOTAL (less transfer and contingency)		670,045	591,000	-11.80%	-79,045

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 FY23 are \$594,500 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 FY22-23 is \$666,000, a \$64,083 or 8.7% decrease 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	21-22	22-23	Change v. prior year	
		Budget	Proposed	%	\$
61-7125	Administration & Finance	514,483	455,000	-11.56%	-59,483
61-7142	Collection	104,600	75,000	-28.30%	-29,600
61-7144	Treatment	111,000	136,000	22.52%	25,000
	TOTAL(Less transfers & contingency)	730,083	666,000	-8.78%	-64,083

The chart above does not include transfers, which in the Sewer Fund this year, are \$3,500 into the CIP for future vehicle purchases. Including transfers, the total Sewer Fund expenditures for FY23 are \$669,500, 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 22-23. The cash balance in this utility is sufficient to respond to many unknown conditions, and there are no currently identified long-term capital needs that require the continued building of cash reserves. The Council closely considers the cash balances of each fund each year.

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 22-23. 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 impacts of COVID-19 Pandemic. While COVID-19 medical impacts seem to be waning, inflation and supply chain issue related to COVID-19 are prevalent and having substantial impacts 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 22-23 budget, specifically related to inflation and on-going efforts to retain quality staff while also rebuilding fund balance.

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 with a still very uncertain economy. 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 Mandy Gilbert, our Finance Director, 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 development 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

Annual Budget Ordinance

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

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, 2022 and ending June 30, 2023:

Summary

General Fund	1,870,931
General Capital Reserve Fund	60,060
Law Enforcement Separation Allowance Fund	13,525
Water Fund	594,500
Water Capital Reserve Fund	172
Sewer Fund	669,500
Sewer Capital Reserve Fund	8
Total	3,208,696

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2022-2023	721,710
AD VALOREM Taxes-Motor Vehicle	92,300
Animal Licenses	2,000
Sales Tax 1% Article 39	177,124
Sales Tax 1/2% Article 40	102,899
Sales Tax 1/2% Article 42	88,586
Sales Tax Article 44	11,613
Sales Tax Hold Harmless Distribution	99,000
Solid Waste Disposal Tax	2,200
Powell Bill Allocation	91,000
Beer and Wine Tax	13,225
Video Programming Sales Tax	50,743
Utilities Franchise Tax	108,963
Telecommunications Sales Tax	8,140
Court Refunds	500
Zoning Permits	5,000
Miscellaneous	10,000
Interest-Powell Bill Investments	50
Interest-General Fund Investments	500
Contributions	421
Wildwood Storage Rents	18,144
Rents & Concessions	18,000
Sale of Fixed Assets	15,000
Transfer from Capital Reserve Fund	33,000
Appropriated Fund Balance	200,813
Total	1,870,931

Authorized Expenditures

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

Governing Body	30,400
Administration	279,600
Finance	119,000
Tax Listing	11,600
Legal Services	24,000
Elections	1,000
Police	587,200
Public Buildings	102,300
Emergency Services	3,700
Animal Control	14,600
Street Maintenance	193,000
Public Works	177,500
Leaf & Limb and Solid Waste	51,000
Stormwater Management	43,100
Wetlands and Waterways	2,900
Planning & Zoning	51,300
Recreation & Special Events	7,600
Parks & Community Appearance	79,700
Contingency	17,930
Transfer to Capital Reserve Fund	60,000
Transfer to L.E.S.A. Fund	13,500
Total	<u>1,870,931</u>

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	60,000
Interest Revenue	60
Total	<u>60,060</u>

Authorized Expenditures

Transfer to General Fund	33,000
Future Procurement	27,060
Total	<u>60,060</u>

Section 3. Law Enforcement Separation Allowance Trust Fund

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

Anticipated Revenues:

Contributions from General Fund	13,500
Interest Revenue	25
Total	13,525

Authorized Expenditures:

Separation Allowance	0
Future LEOSA Payments	13,525
Total	13,525

Section 4. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	209,332
Utility Usage Charges, Classes 3 & 4	10,525
Utility Usage Charges, Class 5	13,183
Utility Usage Charges, Class 8	3,519
Utility Customer Base Charges	277,253
Hydrant Availability Fee	20,130
Taps & Connections Fees	1,250
Nonpayment Fees	10,500
Late Payment Fees	7,707
Interest Revenue	435
Sale of Fixed Asset	0
Appropriated Fund Balance	40,665
Total	594,500

Authorized Expenditures

Administration & Finance [1]	467,000
Operations and Maintenance	124,000
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	0
Total	594,500

<i>[1] Portion of department for bond debt service:</i>	<i>146,416</i>
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Section 5. Water Capital Reserve Fund

Anticipated Revenues

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

Contributions from Water Operations Fund		0
Interest Revenue		172
Total		172

Authorized Expenditures

Future Expansion & Debt Service		172
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Section 6. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2		257,727
Utility Usage Charges, Classes 3 & 4		23,194
Utility Usage Charges, Class 5		29,053
Utility Usage Charges, Class 8		6,836
Utility Customer Base Charges		294,601
Taps & Connection Fees		1,250
Late Payment Fees		7,948
Interest Revenue		703
Sale of Fixed Asset		0
Appropriated Fund Balance		48,188
Total		669,500

Authorized Expenditures:

Administration & Finance [2]		455,000
Operations and Maintenance		211,000
Transfer to Fund Balance for Capital Outlay		3,500
Transfer to Sewer Capital Reserve Fund		0
Total		669,500

<i>[2] Portion of department for bond debt service:</i>		126,434
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Section 7. Sewer Capital Reserve

Anticipated Revenues:

Contribution from Sewer Operations Fund		0
Interest Revenue		8
Total		8

Authorized Expenditures:

Future Expansion & Debt Service		8
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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, 2022, for the purpose of raising the revenue listed "Ad Valorem Taxes 2022-2023" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$278,500,000 and an estimated rate of collection of 99.67%. The estimated collection rate is based on the fiscal year 2020-2021 collection rate of 99.67% 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 \$35,000,000 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 2022-2023 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 5.0% 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 2022-2023 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 16th day of June, 2022.

John R. Kirkland, Mayor

Attest:

Kristie J. Nobles, Town Clerk

(Attachment A to Budget Ordinance)
Effective July 1, 2022

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

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

Wildwood Storage Rental Rates

Unit Number	Unit Size	Monthly Rent
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Town of River Bend, North Carolina
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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

ENTERPRISE FUNDS

Water and Sewer - Rates and Fees

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

	Water	Sewer
Class 1 and 2 - Residential ⁽¹⁾		
Customer Base Charge per month ⁽²⁾	15.24	24.18
Usage per 1,000 gallons	4.22	9.30
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⁾	88.32	141.99
Usage per 1,000 gallons	4.22	9.30
Initial Connection (Tap) charge ⁽⁴⁾	3,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 5 - Industrial		
Customer Base Charge per month ⁽²⁾	276.24	444.93
Usage per 1,000 gallons	4.22	9.30
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⁾	30.90	49.43
Usage per 1,000 gallons	4.22	9.30
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⁾	15.24	24.18
Usage per 1,000 gallons	4.22	9.30
Nonpayment Fee	70.00	-
Class 10 - Vacant Residences		
Customer Base Charge per month ⁽²⁾	15.24	-
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.

Budget "Snapshot"

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

What follows is a brief “snapshot” of the budgets of all three major funds. These are briefly explained in the Budget Message that precedes these pages, and were discussed in detail during the budget sessions.

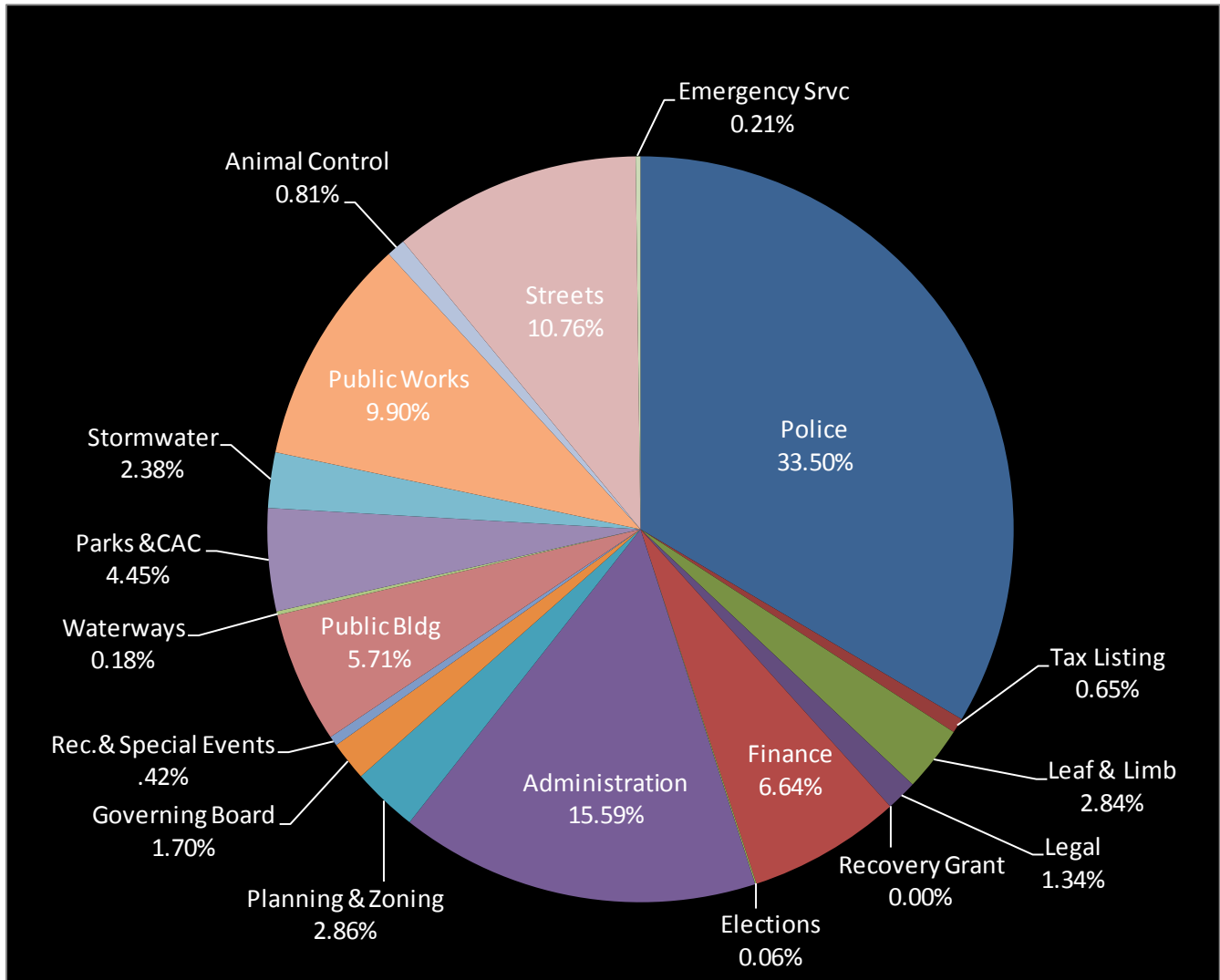
General Fund Expenditures

The chart shown below summarizes, by department, the actual, budgeted, projected, and proposed expenditures in the General Fund for the previous three fiscal years, the current fiscal year, and the budget under consideration. This allows the reader to see how expenditures change in each of these departments over the course of several years.

General Fund Expenditure Summary						Change v. prior year	
		19-20	20-21	21-22	22-23	%	\$
Dept #	Department Name	Actual	Actual	Current Budget	Proposed		
4110	Governing Body	21,105	20,319	32,000	30,400	-5.00%	-1,600
4120	Administration*	243,271	255,935	271,575	279,600	2.95%	8,025
4130	Finance*	1,060,513	130,443	192,018	119,000	-38.03%	-73,018
4140	Tax Listing	9,737	10,461	11,200	11,600	3.57%	400
4150	Legal Services	14,283	16,000	24,000	24,000	0.00%	0
4170	Elections	2,571	-	3,500	1,000	-71.43%	-2,500
4310	Police*	568,989	565,654	653,614	600,700	-8.10%	-52,914
4190	Public Buildings*	102,918	170,305	184,439	102,300	-44.53%	-82,139
4330	Emergency Services	42,425	4,463	4,000	3,700	-7.50%	-300
4380	Animal Control*	11,663	11,418	11,056	14,600	32.06%	3,544
4510	Street Maintenance*	145,054	188,123	186,141	193,000	3.68%	6,859
4560	Public Works*	155,071	155,553	161,197	177,500	10.11%	16,303
4710	Leaf & Limb and Solid Waste	33,163	49,223	44,000	51,000	15.91%	7,000
4730	Stormwater Management*	29,924	204,998	37,084	43,100	16.22%	6,016
4760	Wetlands & Waterways	733	70,946	3,000	2,900	-3.33%	-100
4910	Planning & Zoning*	51,740	45,776	50,563	51,300	1.46%	737
6120	Recreation & Special Events	1,998	2,805	7,500	7,600	1.33%	100
6130	Parks & CAC*	77,712	39,225	44,699	79,700	78.30%	35,001
4915	NCORR Recovery Grant*	86,601	99,002	77,602	-	-100.00%	-77,602
Department Expenditure Total		2,659,472	2,040,649	1,999,188	1,793,000	-10.31%	-206,188
	Contingency (1% per policy)	11,509	5,968	17,666	17,930	1.49%	264
	Transfer to Capital Reserve	-	60,000	107,000	60,000	-43.93%	-47,000
	Transfer to Capital Project Fund	1,040,100	73,500	-			
* department amended since adoption as of 03/10/2022							
TOTAL		3,711,081	2,180,117	2,123,854	1,870,931	-11.91%	-252,923

The last two columns compare the proposed budget to the current year’s budget.

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



General Fund Revenue

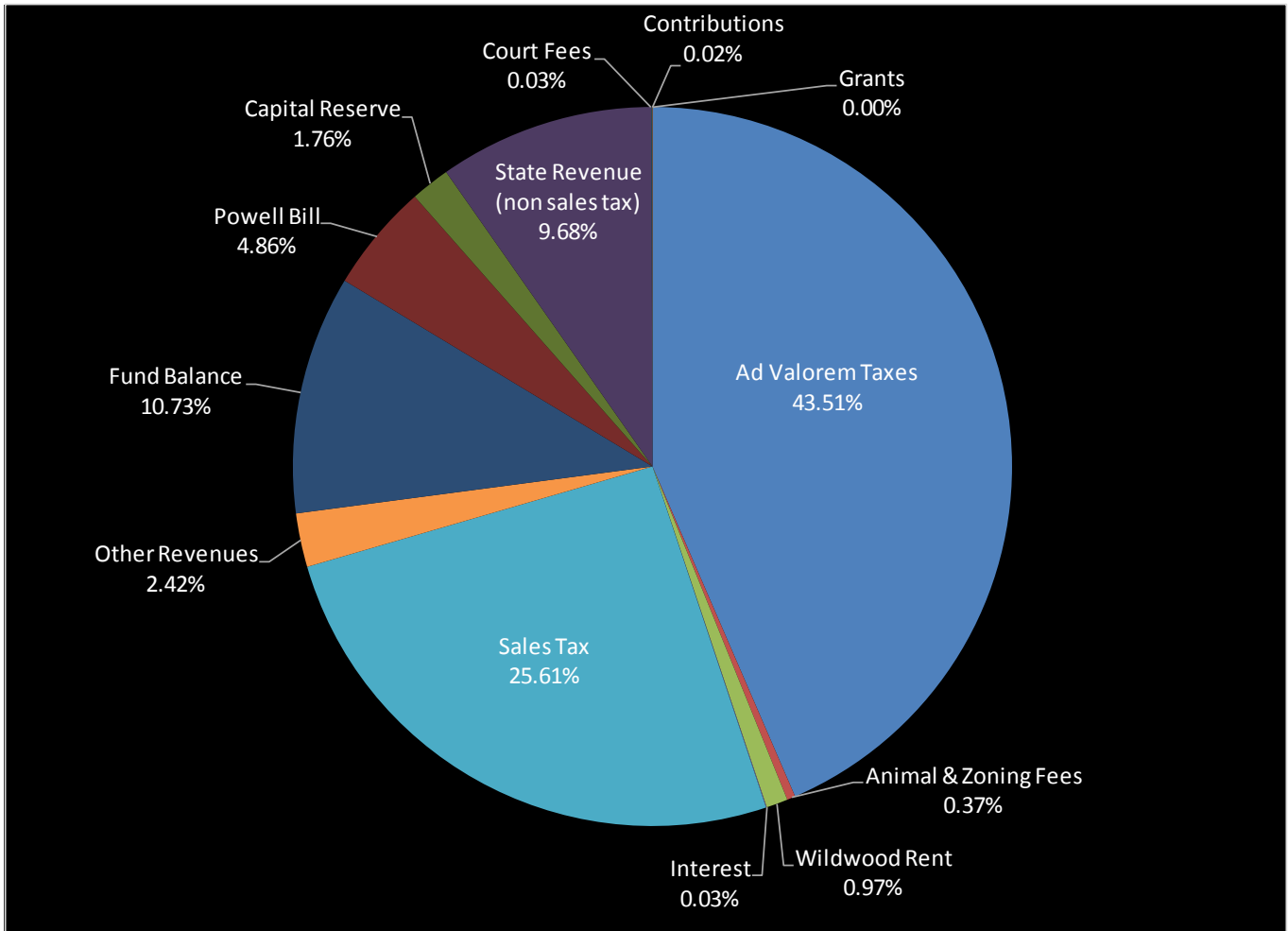
Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

The chart shown below summarizes the actual, budgeted, and projected revenue, by type, in the General Fund. Similar to the chart for expenditures, this worksheet gives the reader some historical perspective regarding the changes in sources of revenue.

General Fund Revenue Summary	19-20	20-21	21-22	22-23	Change v. prior year	
	Actual	Actual	Current Budget	Proposed	%	\$
Ad Valorem Taxes	740,181	809,357	796,963	814,010	2.14%	17,047
Animal Licenses & Zoning Permits	7,984	10,680	7,000	7,000	0.00%	0
Interest	24,186	281	580	550	-5.17%	-30
Wildwood Rents	15,374	18,368	18,144	18,144	0.00%	0
Other Revenue & Rents	42,375	34,231	61,208	45,200	-26.15%	-16,008
Contributions	835	0	421	421	0.00%	0
Powell Bill (includes appropriation)	87,033	80,899	92,539	91,000	-1.66%	-1,539
State Revenue (other than sales tax)	191,618	182,555	187,725	181,070	-3.54%	-6,655
Sales Tax Revenue	375,874	436,068	408,111	479,222	17.42%	71,111
NCORR Loan/Grant Proceeds	89,022	0	0			
Government Grants (Fed, State & Count)	1,042,743	91,552	134,049		-100.00%	-134,049
Fees (court refund)	383	311	500	500	0.00%	0
Charges to Other Funds	0	0	0	0	0.00%	0
Transfer from Capital Reserve	34,800	164,663	65,342	33,000	-49.50%	-32,342
Transfer from LESA Fund	0	0	0	0		0
Appropriated Fund Balance	0	0	351,272	200,813	-42.83%	-150,459
TOTAL	2,652,407	1,828,963	2,123,854	1,870,931	-11.91%	-252,923

The last two columns compare the proposed budget to the current year's budget.

This chart shows the percentage each revenue type contributes to total General Fund revenue.



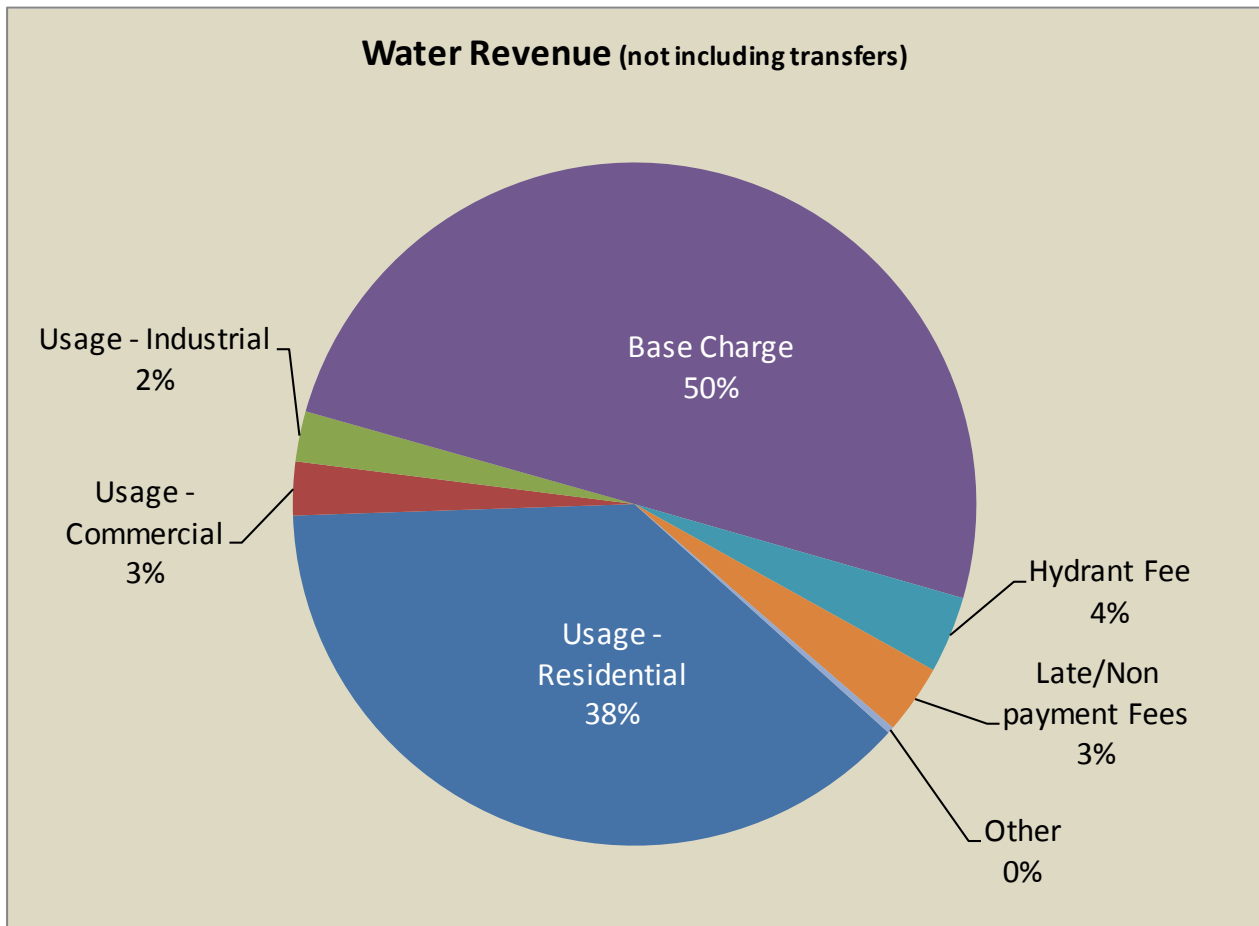
Water Fund Expenditures

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2022-2023

The worksheet shown below summarizes the actual, budgeted, and projected expenditures, by department within the Water Enterprise Fund.

Water		19-20	20-21	21-22	22-23	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
60-7125	Administration & Finance	411,512	447,971	520,645	467,000	-10.30%	-53,645
60-7132	Supply & Treatment	57,001	47,588	60,000	75,000	25.00%	15,000
60-7134	Distribution	36,689	35,880	89,400	49,000	-45.19%	-40,400
TOTAL (less transfer and contingency)		505,202	531,439	670,045	591,000	-11.80%	-79,045

This chart shows the percentage each revenue type contributes to the total received by this enterprise.

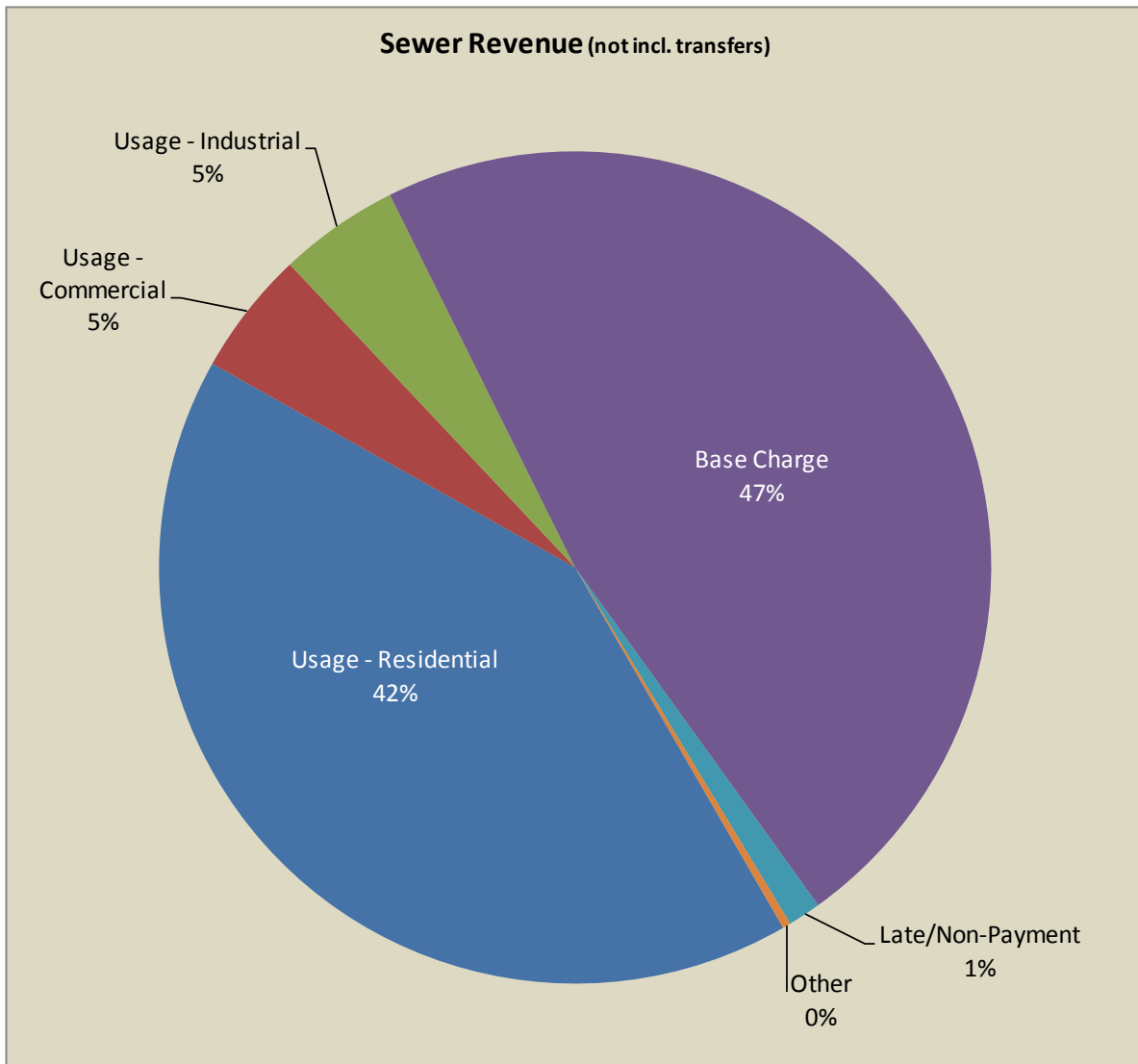


Sewer Fund Expenditures

The worksheet shown below summarizes the actual, budgeted, and projected expenditures, by department within the Sewer Enterprise Fund.

	Sewer	19-20	20-21	21-22	22-23	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
61-7125	Administration & Finance	404,352	442,548	514,483	455,000	-11.56%	-59,483
61-7142	Collection	59,973	26,651	104,600	75,000	-28.30%	-29,600
61-7144	Treatment	95,595	95,313	111,000	136,000	22.52%	25,000
	TOTAL(Less transfers & contingency)	559,919	564,512	730,083	666,000	-8.78%	-64,083

This chart shows the percentage each revenue type contributes to the total received by this enterprise.



What Will I Pay?

This table shows the real estate tax one would pay based upon the assessed value of their property.

To calculate your actual Town tax, multiply the total assessed value of your property by 0.0026. This will show what you pay for the General Fund services that the Town provides.

According to the Craven County Tax Department, the current (May, 2022) average assessed value of a home in River Bend is \$164,971 (note highlighted data).

Assessed Value	Annual Bill at 0.26
95,000	\$247
125,000	\$325
164,971	\$429
190,000	\$494
200,000	\$520
250,000	\$650
300,000	\$780
350,000	\$910
400,000	\$1,040
500,000	\$1,300
600,000	\$1,560

The following table shows the impact of the changes to the water and sewer rates which were approved on April 21, 2022 and their effect upon a residential customer using 3,000 gallons per month. The proposed rates represent no changes in the rates that are in effect as of today. Business, commercial, and industrial base rates and fees are different from the residential base rate and fees. In 2021, the average water customer used 3,217 gallons of water per month.

Charges for 3,000 gallons per month			
		Current	Proposed
Water	Base	13.24	15.24
	Use	12.06	12.66
Sewer	Base	24.18	24.18
	Use	27.24	27.90
Monthly		76.72	79.98
Per-Bill		153.44	159.96
Monthly Difference		3.26	
Per Bill Difference		6.52	

This table combines the cost of real estate taxes and the cost of water and sewer to show the total amount a resident of River Bend would pay in a year for real estate taxes on a home valued at

Annual Costs	
Water/Sewer Fees (3,000 gal/month)	\$ 960
Real Estate Tax (\$164,971 home)	\$ 429
TOTAL	\$ 1,389
Average Per Day Cost for water/sewer/tax	\$ 3.80

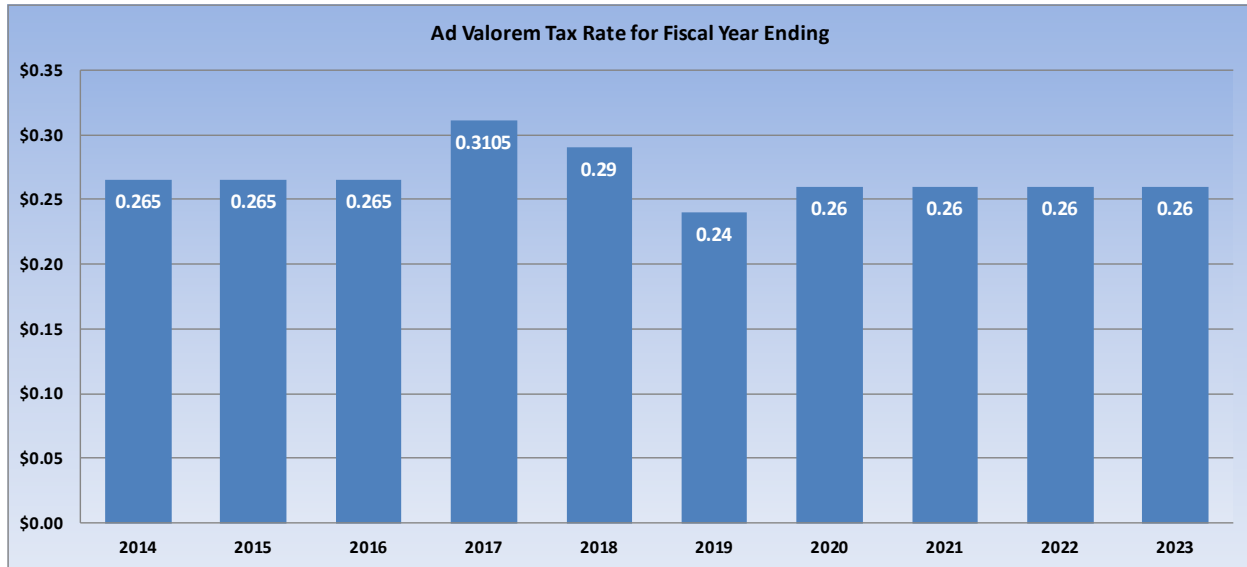
\$164,971 and water and sewer fees for 3,000 gallons usage per month. For \$3.80 per day, our average water and sewer user living in our average valued home, receives potable water, wastewater treatment, 24/7 police protection, stormwater management, animal control, planning, zoning, code enforcement, parks, recreational events, street lights, street maintenance, leaf & limb removal, and a host of other services. Our goal is to continue to deliver high quality services at a reasonable price to all who make River Bend their home. Last year the cost was \$3.69 per day. For the average resident, it will cost 11¢ more per day or \$40.15 more per year for these items in River Bend compared to last year. That is 31¢ less than the inflationary rate of 8.3% (U.S. BLS data for April, 2022). If the cost were keeping pace with inflation, it would be \$4.11 per day.

Where are my tax dollars spent?

This table breaks down the proposed tax rate to show how much of that rate goes to fund each of the functions in the General Fund. The total proposed tax rate is 26¢ per one hundred dollars of assessed value.

Department	Cents per Hundred
Governing Body	0.422
Administration	3.886
Finance	1.654
Tax Listing	0.161
Legal	0.334
Elections	0.014
Police	8.348
Public Buildings	1.422
Emergency Services	0.051
Animal Control	0.203
Street Maintenance	2.682
Public Works	2.467
Leaf and Limb/Solid Waste	0.709
Stormwater Management	0.599
Wetlands and Waterways	0.040
Planning and Zoning	0.713
Recreation and Special Events	0.106
Parks and CAC	1.108
Contingency	0.249
Transfer to Cap. Res.	0.834
Tax Rate	0.26

Tax Rate History



The chart above shows the 10-year history of the tax rate for the Town of River Bend, including the proposed rate of 26¢ per \$100 of assessed value for FY 22-23. The proposed tax rate is unchanged from the previous three years.

Budget and Finance Recognition

The Town Council realizes that the budget preparation process is likely the most important aspects of operating a municipal government. The budget sets the priorities for not only the next fiscal year but also for future years as well. A considerable amount of planning goes into the annual budget preparation process. After the budget has been approved by the Council, it is handed over to the Town Manager for implementation. Maintaining budget compliance is a year-long responsibility. During the fiscal year, the Council is updated at least monthly on the financial condition of the Town. The Council is ultimately responsible for the financial condition of the Town and takes that responsibility very seriously. The Town of River Bend has often been recognized for its budget preparation, financial reporting and transparency. Some of those recognitions are listed below:

Excellence in Accounting and Financial Management- from the NC State Treasurer 2010

Distinguished Budget Presentation Award- from the Government Finance Officers Association. We recently received our 11th in a row for fiscal year beginning 2020. We have applied for and expect to receive our 12th award for fiscal year beginning 2021 soon.

Excellence in Financial Reporting Award- from the Government Finance Officers Association. We recently received our 10th in a row for fiscal year ending 2020. We have applied for and expect to receive our 11th award for fiscal year ending 2021 soon.