

Town of River Bend



Fiscal Year 2020-2021

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 2020-2021
Annual Budget Message
And
Operating Budget Ordinance

Mayor

John Kirkland

Town Council

Don 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

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 20-21. 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.

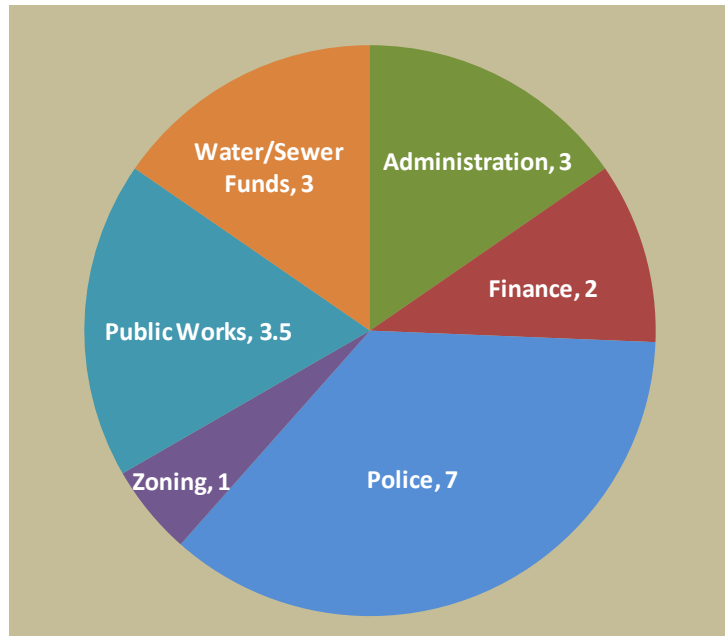
Expenditures by Category

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 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.

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

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.

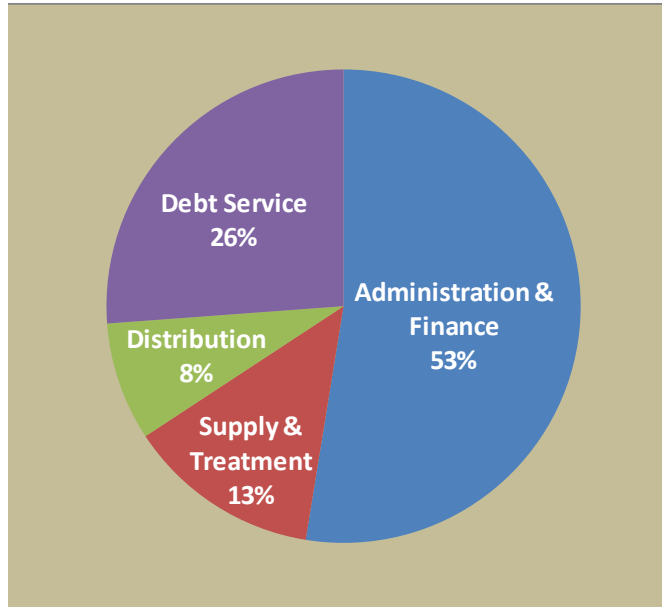
In FY2013, we refinanced the debt in order to take advantage of interest rates that were more favorable than we had in our prior debt structure. The result of this effort was a savings of nearly \$300,000 over the remaining life of the debt. In the process of this bond refunding we received an upgrade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



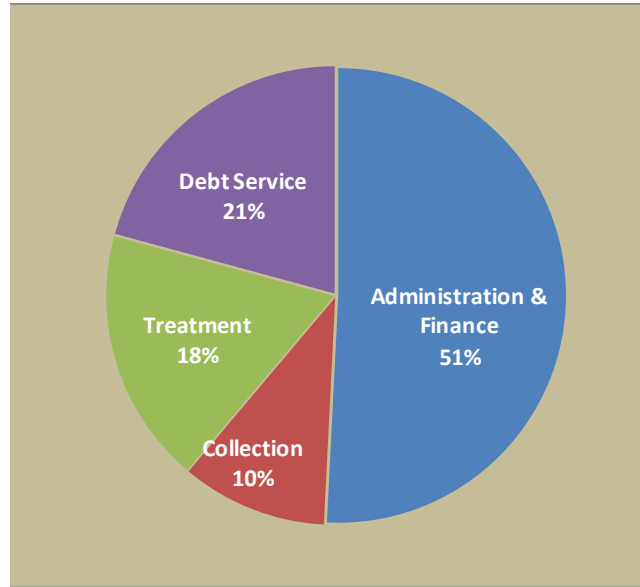
The chart below shows the comparison of the current budget vs. the proposed budget.

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 includes 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 include 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

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	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	1,890,000

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

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
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Total	1,890,000

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	60,000
Interest Revenue	1,248
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Total	61,248

Authorized Expenditures

Transfer to General Fund	42,970
Future Procurement	18,278
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Total	61,248

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

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

[1] Portion of department for bond debt service: 148,830

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

Section 5. Water Capital Reserve Fund

Anticipated Revenues

Contributions from Water Operations Fund	0
Interest Revenue	2,800
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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
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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

[2] Portion of department for bond debt service: 128,520

Section 7. Sewer Capital Reserve

Anticipated Revenues:

Interest Revenue 129

Authorized Expenditures:

Future Expansion 129

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

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

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.

Budget “Snapshot”

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. More details will be included in the Budget document when it is completed.

General Fund Expenditures

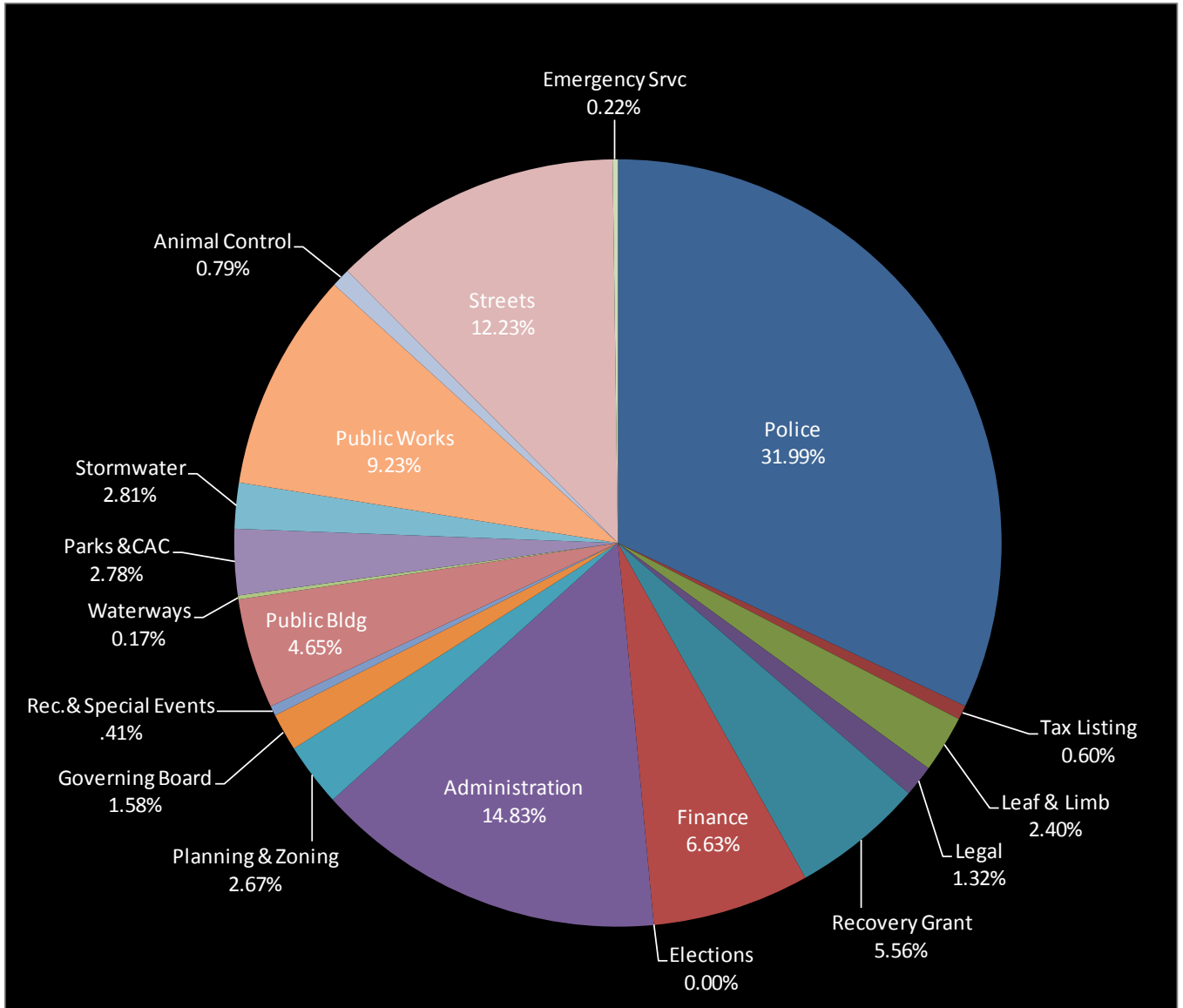
The chart shown below summarizes, by department, the actual, budgeted, projected, and proposed expenditures in the General Fund for the previous three fiscal years, the current fiscal year, and the budget under consideration. This allows the reader to see how expenditures change in each of these departments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

General Fund Expenditure Summary							Change v. prior year	
Dept #	Department Name	16-17 Actual	17-18 Actual	18-19 Actual	19-20 Current Budget	20-21 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

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

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

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



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

General Fund Revenue

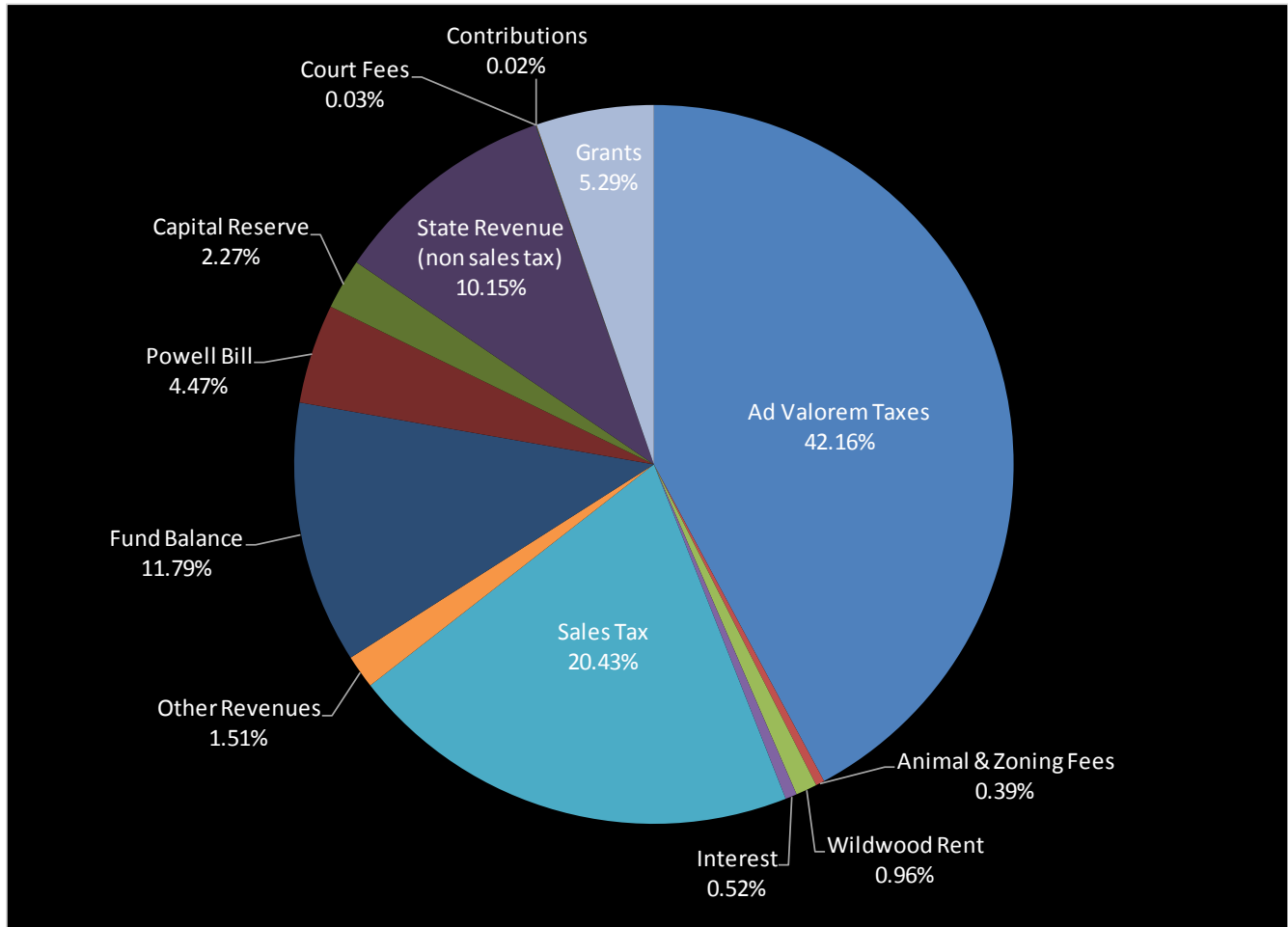
The chart shown below summarizes the actual, budgeted, and projected revenue, by type, in the General Fund. Similar to the chart for expenditures, this worksheet gives the reader some historical perspective regarding the changes in sources of revenue.

General Fund Revenue Summary						Change v. prior year	
	16-17	17-18	18-19	19-20	20-21	%	\$
	Actual	Actual	Actual	Current Budget	Proposed		
Ad Valorem Taxes	926,035	870,529	728,213	721,287	796,446	10.42%	75,159
Animal Licenses & Zoning Permits	8,061	7,178	16,079	7,400	7,400	0.00%	0
Interest	6,932	20,777	37,575	22,828	9,805	-57.05%	-13,023
Wildwood Rents	43,850	27,227	26,020	18,120	18,120	0.00%	0
Other Revenue & Rents	43,724	33,157	66,173	29,000	28,500	-1.72%	-500
Contributions	1,232	1,125	879	1,200	421	-64.92%	-779
Powell Bill (includes appropriation)	88,873	89,226	86,045	86,000	84,500	-1.74%	-1,500
State Revenue (other than sales tax)	208,106	204,013	202,530	203,440	191,771	-5.74%	-11,669
Sales Tax Revenue	417,859	451,350	454,871	443,295	385,953	-12.94%	-57,342
NCORR Loan/Grant Proceeds	0	0	1,000,000	91,150			
Government Grants (Fed, State & Count	17,636	0	56,984	1,043,759	100,780	-90.34%	-942,979
Fees (court refund)	612	410	311	500	500	0.00%	0
Charges to Other Funds	0	0	0	0	0	0.00%	0
Transfer from Capital Reserve	99,000	60,693	117,470	34,800	42,970	23.48%	8,170
Transfer from LESA Fund							0
Appropriated Fund Balance	0	0	0	527,400	222,833	-57.75%	-304,567
TOTAL	1,861,921	1,765,685	2,793,149	3,230,179	1,890,000	-41.49%	-1,340,179

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

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

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

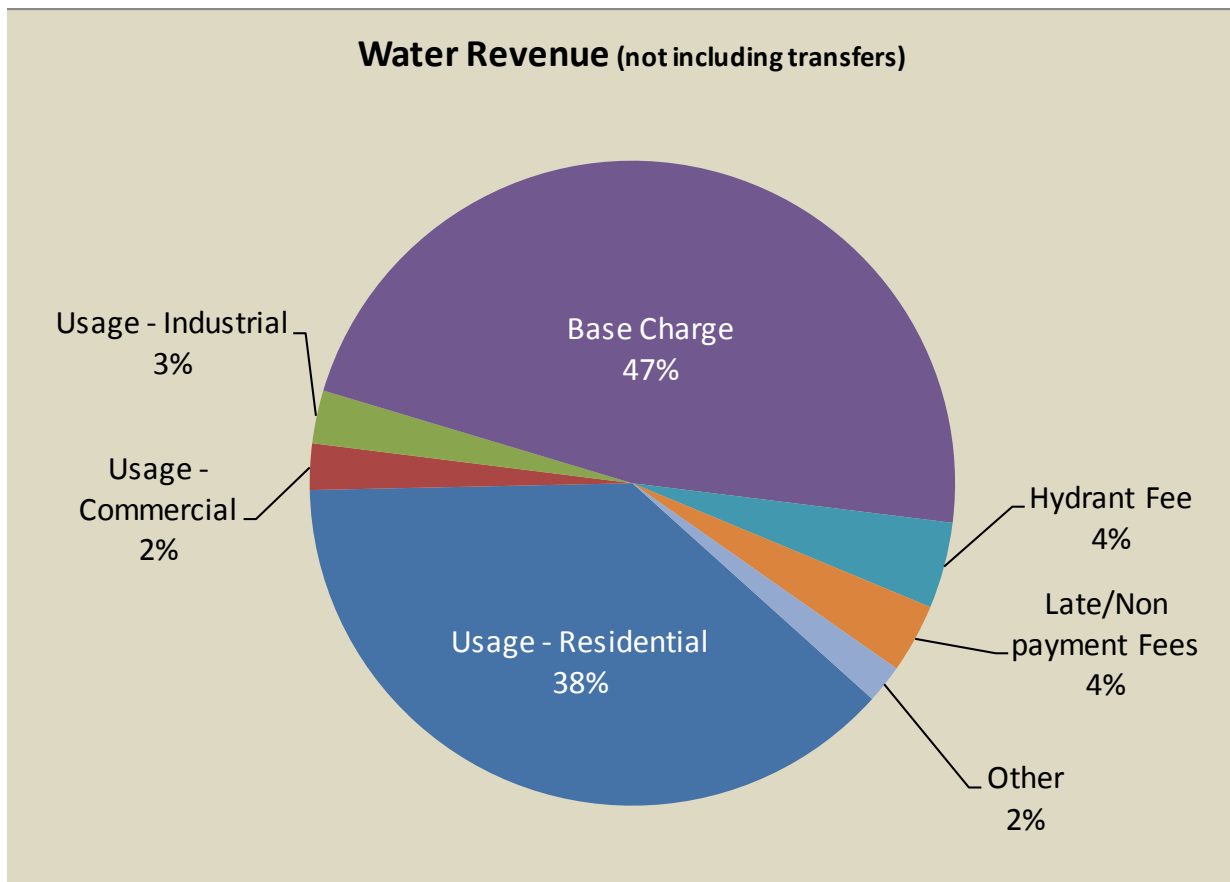


Water Fund Expenditures

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

Water		17-18	18-19	19-20	20-21	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
60-7125	Administration & Finance	400,580	406,910	424,432	447,734	5.49%	23,302
60-7132	Supply & Treatment	34,159	43,214	63,143	75,000	18.78%	11,857
60-7134	Distribution	30,156	40,139	45,409	46,000	1.30%	591
TOTAL (less transfers and contingency)		464,894	490,263	532,984	568,734	6.71%	35,750

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

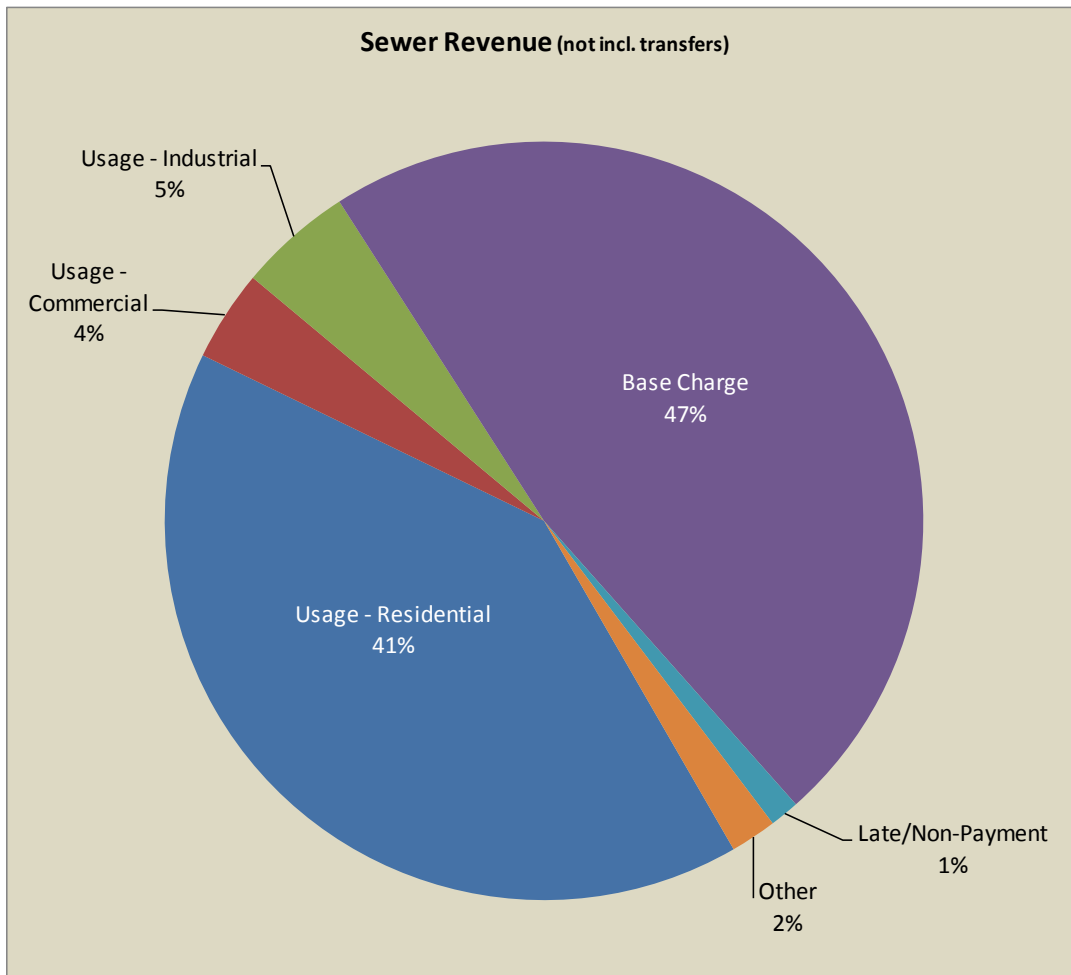


Sewer Fund Expenditures

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

	Sewer	17-18	18-19	19-20	20-21	Change v. prior year	
		Actual	Actual	Budget	Proposed	%	\$
61-7125	Administration & Finance	392,908	400,025	418,575	442,884	10.71%	24,309
61-7142	Collection	24,014	37,769	75,845	64,000	69.45%	-11,845
61-7144	Treatment	76,958	89,481	121,439	112,000	25.17%	-9,439
	TOTAL(Less transfers & contingency)	493,880	527,275	615,859	618,884	0.49%	3,025

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 average assessed value of a home in River Bend is \$161,002 (note highlighted data).

Assessed Value	Annual Bill at 0.26
95,000	\$247
125,000	\$325
161,002	\$419
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 proposed residential water and sewer rates and their effect upon a residential customer using 3,000 gallons per month. The proposed rates represent no changes in the rates. Business, commercial, and industrial base rates and fees are different from the residential base rate and fees. In 2019, the average water customer used 2,987 gallons of water 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%

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

Annual Costs	
Water/Sewer Fees (3,000 gal/month)	\$ 921
Real Estate Tax (\$161,002 home)	\$ 419
TOTAL	\$ 1,339
Average Per Day Cost for water/sewer/tax	\$ 3.67

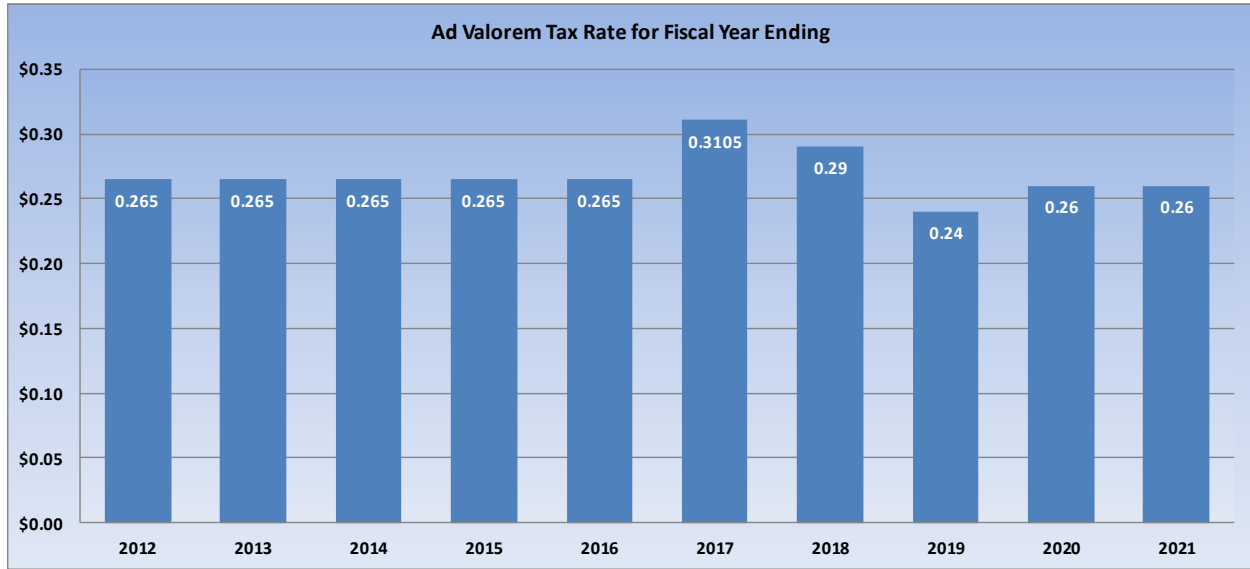
a year for real estate taxes on a home valued at \$161,002 and water and sewer fees for 3,000 gallons usage per month. For \$3.67 per day, our average water and sewer user living in our average valued home, receives clean potable water, efficient wastewater treatment, 24/7 police protection, stormwater 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 \$3.56 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.

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	0.395
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

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 20-21. The proposed tax rate is unchanged from last year and is less than it was in 7 of the previous 8 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:

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

2010 to present- Distinguished Budget Presentation Award from the Government Finance Officers Association. Last year, we received our ninth in a row. We have applied for and expect to receive our tenth award for fiscal year beginning 2019 soon.

2011 to present- Excellence in Financial Reporting Award from the Government Finance Officers Association. Last year, we received our eighth in a row for fiscal year ending 2018. We have applied for and expect to receive our ninth award for fiscal year ending 2019 soon.