



ANNUAL BUDGET

FISCAL YEAR 2015 - 2016

TOWN OF RIVER BEND • NORTH CAROLINA

Fiscal Year 2015-2016

Annual Budget

Adopted June 18, 2015

Mayor

John Kirkland

Town Council

Luci Avery

Brenda Garvey

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 Administrator

Margaret Theis

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Kathleen DeYoung, Deputy Town Clerk

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Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of River Bend
North Carolina**

For the Fiscal Year Beginning

July 1, 2014

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of River Bend, North Carolina for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Budget Message

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

May 1, 2015

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, 2015 and ending June 30, 2016 is hereby submitted for your consideration. This budget represents the commitment of the Council to the mission statement established in the Town's Comprehensive Plan, and responds to the goals Council developed at a retreat in November of 2013:

1. Provide a safe, dynamic, and attractive community for people of all ages, and continue to address the changing demographic composition of the Town.
2. Provide safe drinking water and quality treatment of wastewater through maintenance of the current systems and continued prudent fiscal management of the utilities.
3. Plan for the renovation of 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, which remain unchanged from the last fiscal year, provide the foundation upon which the budget is built. Over the course of seven budget workshop sessions, following numerous hours of staff research and development, this budget was explained in detail and each expenditure and revenue item considered relative to the long-term goals of this community.

Even while maintaining a progressive posture relative to maintaining infrastructure, providing competitive compensation for our staff, and maintaining sufficient reserves, we are able to propose a budget that reflects no increase in the tax rate and no increase in utility rates or fees.

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	\$ 1,918,537
Water Fund	\$ 579,592
Sewer Fund	\$ 646,301
 Total Operating Budget	 \$ 3,144,430

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. Two years ago, a more detailed evaluation of labor allocations among the three funds was performed. This evaluation resulted in changes to more accurately reflect the work being performed by each staff member for each fund.

The total expenditure budget for the General Fund, including transfers, is \$1,918,537 which is a \$201,726 increase over FY 14-15. Most of that increase can be attributed to the Plantation Drive bulkhead replacement project. That project is estimated to cost \$193,000 and has been budgeted accordingly.

Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents a 11.7% increase from the FY14-15 budget. Higher than estimated sales tax, utility franchise sales tax and hold harmless receipts have allowed us to project using considerably less of the current year's assigned fund balance than the amount that was originally budgeted. Much of the increase in revenue in this year's budget is due to a higher level of funding in FY 15-16 from our own Capital Improvement Plan to cover the Plantation Drive bulkhead project.

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. These projects, including some minor expenditures that are departures from past practices, are summarized in the tables shown on the following pages.

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, derive from

Patching:	
Anchor Way	6,000
Patch and Pave:	
Bayswater Court	42,550
Portside Lane	14,765
Boatswain Drive	22,750
Captains Cove	7,520
Massachusetts Road	21,805
	<u>115,390</u>

gas tax revenue 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 to follow the plan developed by our engineer to maintain the integrity of our roadways. As shown in the table above, we plan to pave five streets and provide patching on one street. The total amount we expect to pay for contracted paving services is above the amount we expect to receive in Powell Bill funds, so local revenue will be utilized to complete these projects.

Stormwater: The Town Council renewed its commitment to continue to

Plantation Drive Bulkhead	193,000
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improve stormwater management in this community. We fund this work through Ad Valorem taxes rather than, as other localities have, establishing a separate stormwater utility funded by user fees. The concept of a separate utility was examined several years ago, and the Public Works Advisory Board deemed the current approach to be the most appropriate at this time.

In this budget, we propose to address one major project that needs substantial work. That project is the replacement of the entire bulkhead at the canal crossing on Plantation Drive. While the total cost of this project is far greater than the annual stormwater reserve amount of \$30,000, there is strong justification for funding the project. The design, engineering and bidding for the project in the amount of \$25,000 was funded in the FY14-15 budget. It was previously planned to design the work in FY14-15 and complete the project in FY15-16. Including the project in this budget accomplished that goal.

The bulkhead on the upstream side of the stormwater receiving stream that goes under Plantation Drive near the Quarterdecks is deteriorated and in need of significant work. The project will construct a new bulkhead with tiebacks and allow for the widening of the area between the roadway and the end of the pipe that is under the road. This widening will allow for a sidewalk to be placed in this area to separate pedestrians and vehicles in this narrow, limited sight distance, section of road. The end product will be a reliable bulkhead and a safer street. The new bulkhead should last at least 25 years.

All of the work we do relative to managing stormwater is aimed at not only providing relief for emergent drainage problems but also at being conscious of the environmental impact stormwater can have on receiving streams. Although, this project is not a typical storm water project, it is related to our drainage system. This Town, in many ways, serves as a model for good stormwater practices, using grassy swales rather than the traditional urban model of curbs and gutters.

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. In FY 2014, an architect-prepared design was completed as a follow up to the facility needs analysis performed in 2011. We now have a substantial amount of design and planning completed for the Facilities Enhancement & Design Strategy (FEDS) which includes construction of an administrative building and the renovation of the current facilities to meet current and future needs. The Town Council recently opted to defer moving to the construction phase of this project until an undetermined future fiscal year. Pending a future final decision on FEDS by Council, there are no major public building projects planned. Until further direction is given by Council, we will be in a repair-maintain mode relative to our public buildings.

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. 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. Also included in Parks and Recreation is continued 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 part-time officer, expenditures associated with dispatching, vehicle maintenance, uniforms, fuel, equipment, and Community Watch. The addition of the sixth full-time officer in FY 2014 allowed the Department to continue its proactive work to reduce crime and provide a 24/7/365 police presence within the town.

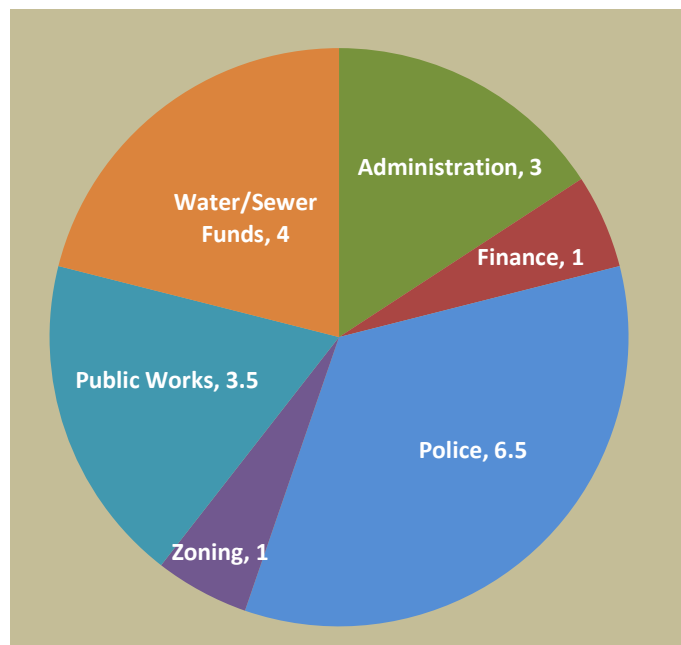
Other than the planned replacement of a police vehicle at a cost of \$30,000, which is funded through the CIP, there are no major projects within the Police Department this year.

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 and can be met without increasing the Ad Valorem tax rate. Due to the expected cost of the Plantation Drive bulkhead replacement, during the budget process this year, requested projects and expenditures were kept to a minimum in order to develop a balanced budget. However, the use of fund balance in the amount of \$77,029 is budgeted in General Fund revenues. The need to use a portion of our savings was driven, primarily, by the desire to undertake the Plantation Drive project.

Expenditures by Category

According to data from the North Carolina Local Government Commission, the Town of River Bend, to provide similar levels of service, spends less per capita than other localities in our population range in Public Safety, Transportation, and General Government.

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 2 part-time employees. Our projections indicate no need for additional staffing for at least the next five years. Our total personnel costs account for 35% of the combined 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 data from the North Carolina Local Government Commission,

River Bend's per capita expenditure for personnel is less than that of many in our peer group.

This budget, following the guidance of the Council, by their continued support of our compensation plan, reflects a total wage and benefits increase of 2.88%. Of that, .6% is attributable to a cost of living allowance. There was also a 1% longevity increases 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

Due to the slow economic recovery we have experienced, we are very conservative in our estimates of the revenue we expect to receive. However, the local and state economic trends appear to be improving. General Fund revenues are budgeted at \$1,918,537, an 11.7% increase compared to projected revenue in the current budget. As noted above, we plan to use \$77,029 of available Fund Balance to balance the General Fund budget.

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 only 46% of the revenue for our General Fund. Which means that over half of our General Fund revenues come from other sources. For the Ad Valorem taxpayer, that is the mathematical equivalent of receiving more than twice the value for which they pay. State law limits the rate a locality may charge for this tax to \$1.50 per \$100 of valuation. Our proposed tax rate is unchanged at \$0.265. While the cost of almost everything associated with operating a town has increased over the same period of time, our tax rate has been the same since 2011.

According to the North Carolina League of Municipalities, the average tax rate among 535 municipal governments in North Carolina during FY13-14 (the latest available data) was \$0.394 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 14, we had a collection rate of 99.66%.

The next largest source of revenue comes from our share of the sales tax we all pay. These are essentially two tax types: the Sales Tax on the retail sale or lease of tangible personal property and on the rental of hotel and motel rooms, and the Use Tax, an excise tax on the right to use or consume property in North Carolina or elsewhere. All taxes are pooled by the State and shared, in accordance with statutory formulas, by all 100 counties. Each county, in turn, shares their portion of the sales tax proceeds with the incorporated cities and towns in the county.

In addition to sales tax revenue, the Town also receives revenue from the State reflecting our statutory portion of tax revenues from telecommunication services, video programming, beer and wine sales, and motor fuel sales. With the exception of funding received from our share of the motor fuel tax under the Powell Bill, State revenues can be used for any legitimate government function. Powell Bill funding, by law, is restricted for uses related to the maintenance of streets. 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. We project a fund balance of 93.6% 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. The budget being presented predicts a fund balance at the end of the fiscal year of 79.3%. A major factor for the reduced fund balance percentage is the Plantation Drive project.

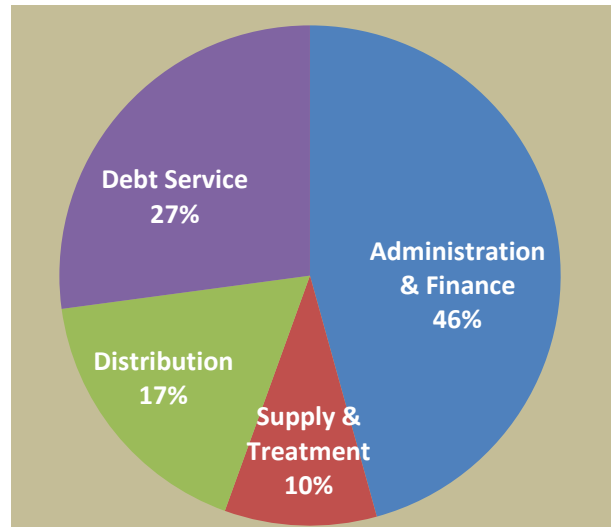
Enterprise Funds

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 FY 2013, 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+), a Moody's A1 stable rating, and an upgrade in our North Carolina Municipal Council rating to 81 which is equivalent to the national ratings received. 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 FY15-16 is \$579,592, an increase of \$39,296 from the current fiscal year.



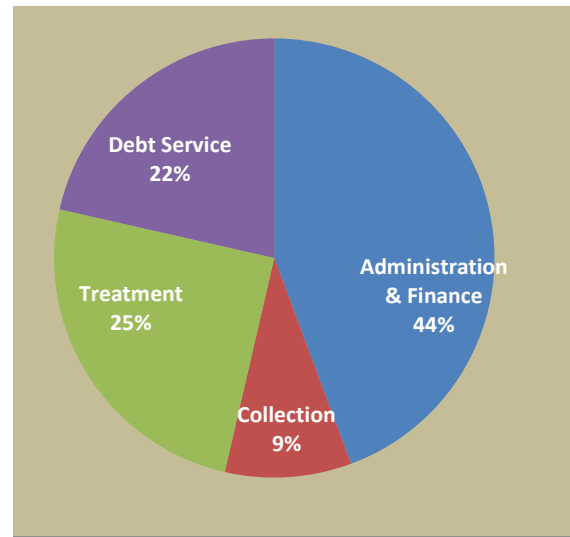
Interconnection with New Bern	42,000
Backflow Preventers	6,200
	<hr/>
	48,200

Proposed water enterprise projects

Plans for the water utility include continuing a multi-year project to install back-flow preventers on all our water connections. We also plan to interconnect our water system with that of the City of New Bern. This interconnection would allow both utilities to have a back-up supply of water should either develop supply, treatment, or storage difficulties. The sharing of project costs and the rates for the purchase of water will be negotiated with the City before this project moves into planning and construction phases. This project was originally planned for FY 14-15. These plans, while modest in scope and total cost, all maintain the proactive posture we take to address the current and future needs of this utility.

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. The total budgeted expenditure for the sewer enterprise in FY 15-16 is \$646,301. That is a \$211,728 decrease from the current fiscal year.



Soft Start for WWTP Blowers	16,000
Manhole and Wet Well Repair	19,000
	<u>35,000</u>

Proposed sewer enterprise projects

Recently, the town completed a design project for our wastewater treatment plant. No plans are being made to implement any changes or to change the permitted capacity of the treatment plant; rather, the Council is attempting to remain proactive in their approach to maintaining the life of the plant and to be ready for changes in nutrient limits that may be part of our next permit renewal in three years. The design phase of the project will result in the Town being prepared to act should any changes be mandated by the State. In the current year, we will install soft start devices for the WWTP blowers and repair a wet well and lift station in our system, as noted in the chart above.

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 and the revenue projected, we are recommending no change in the rates for the water utility. The cash balance in this utility is sufficient to respond to unknown conditions and there are no identified long-term capital needs that require the continued building of cash reserves.

Likewise, both current and future revenues and expenditures for sewer were considered during the budget work sessions. Following last year's increase to both the customer base charge and usage rate; we are recommending no change in sewer rates.

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

The slowly recovering economic conditions made it important to concentrate our budgeting efforts on maintaining current levels of services and maintenance of Town-owned property and infrastructure, while attempting to avoid an 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, and the next year will likely see us facing challenges similar to those we faced this year. Difficult decisions will likely need to be made in the future in order to keep River Bend as fiscally strong as it is now for many years into the future.

Maintaining our critical infrastructure and essential services comes at a cost and River Bend, like towns throughout the State, must manage in a fiscal climate marked by economic uncertainty and slow growth and very limited grant funding opportunities. Our Town Council members accept their responsibility with great conviction and sincerity and remain 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 want to thank the Mayor, Town Council, and Town staff for their commitment to and participation in this budget process. This year's budget was my first as Town Manager in River Bend. I especially want to recognize the considerable contribution of Margaret Theis, Finance Administrator, in the development of this year's budget. This represents a true team effort as we all work to preserve the future of this great community.

Respectfully Submitted,

Delane Jackson
Town Manager

Our location

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

RIVER BEND, NORTH CAROLINA



Annual Budget Ordinance

BE IT ORDAINED by the Council of the Town of River Bend, North Carolina that the following anticipated fund revenues and departmental expenditures, together with certain fees and schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

Summary

General Fund	1,918,537
General Capital Reserve Fund	241,100
Water Fund	579,592
Water Capital Reserve Fund	42,081
Sewer Fund	646,301
Sewer Capital Reserve Fund	1,906
Law Enforcement Separation Allowance Trust Fund	<u>30,000</u>
 Total	 3,459,517

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2015-2016	809,358
AD VALOREM Tax-Motor Vehicle	67,484
Animal Licenses	2,400
Sales Tax 1% Article 39	138,371
Sales Tax 1/2% Article 40	88,994
Sales Tax 1/2% Article 42	69,964
Sales Tax Hold Harmless Distribution	86,235
Solid Waste Disposal Tax	1,800
Powell Bill Allocation	91,000
Beer and Wine Tax	12,235
Video Programming Sales Tax	60,927
Utilities Franchise Tax	95,665
Telecommunications Sales Tax	18,816
Court Refunds	700
Zoning Permits	2,000
Miscellaneous	11,240
Interest- Powell Bill Investments	1
Interest-Investments	500
Contributions	785
Wildwood Storage Rents	36,580
Rents & Concessions	18,000

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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Sale of Fixed Assets	7,900
Appropriated Fund Balance	77,029
Transfer from Capital Reserve Fund	<u>220,553</u>

Total 1,918,537

Authorized Expenditures

Governing Body	26,452
Administration	219,908
Finance	100,560
Tax Listing	11,530
Legal Services	30,000
Elections	7,137
Public Buildings	61,259
Police	500,418
Emergency Services	3,890
Animal Control	12,566
Street Maintenance	160,018
Public Works	154,763
Leaf & Limb and Solid Waste	34,925
Stormwater Management	221,877
Wetlands and Waterways	5,035
Planning & Zoning	43,722
Recreation & Special Events	7,525
Parks & Community Appearance	38,452
Contingency	27,500
Transfer to Capital Reserve Fund	241,000
Transfer to L.E.S.A. Fund	<u>10,000</u>

Total 1,918,537

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	241,000
Interest Revenue	<u>100</u>

Total 241,100

Authorized Expenditures

Transfer to General Fund	220,553
Future Procurement	<u>20,547</u>

Total 241,100

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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Section 3. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	187,442
Utility Usage Charges, Classes 3 & 4	15,100
Utility Usage Charges, Class 5	15,208
Utility Usage Charges, Class 8	3,647
Utility Customer Base Charges	270,051
Hydrant Availability Fee	25,620
Taps & Connections Fees	1,250
Nonpayment Fees	8,060
Late Payment Fees	8,107
Capital Investment Fees	2,700
Interest Revenue	407
Transfer from Water Capital Reserve Fund	42,000
	<hr/>
Total	579,592

Authorized Expenditures

Administration & Finance [1]	387,461
Operations and Maintenance	144,476
Contingency	16,335
Transfer to Fund Balance for Capital Outlay	3,000
Transfer to Water Capital Reserve Fund	28,320
	<hr/>
Total	579,592

<i>[1] Portion of department for bond debt service:</i>	<i>144,323</i>
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Section 4. Water Capital Reserve Fund

Anticipated Revenues

Contributions from Water Operations Fund	28,320
Interest Revenue	81
Appropriated Fund Balance	13,680
	<hr/>
Total	42,801

Authorized Expenditures

Future Expansion	81
Transfer to Water Fund	42,000
	<hr/>
Total	42,081

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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Section 5. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	258,508
Utility Usage Charges, Classes 3 & 4	34,669
Utility Usage Charges, Class 5	33,162
Utility Usage Charges, Class 8	6,679
Utility Customer Base Charges	292,837
Taps & Connection Fees	1,250
Late Payment Fees	8,822
Capital Investment Fees	1,900
Interest Revenue	247
Appropriated Fund Balance	8,227
	<hr/>
Total	646,301

Authorized Expenditures:

Administration & Finance [2]	382,326
Operations and Maintenance	199,075
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	1,900
	<hr/>
Total	646,301

<i>[2] Portion of department for bond debt service:</i>	<i>124,627</i>
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Section 6. Sewer Capital Reserve

Anticipated Revenues:

Contributions from Sewer Operations Fund	1,900
Interest Revenue	6
	<hr/>
Total	1,906

Authorized Expenditures:

Future Expansion	1,906
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Section 7. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

Contributions from General Fund	10,000
Interest Revenue	20
Appropriated Fund Balance	<u>19,980</u>
Total	30,000

Authorized Expenditures:

Separation Allowance	30,000
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of twenty-six and one-half cents (\$0.265) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2015, for the purpose of raising the revenue listed Ad Valorem Taxes 2015-2016 in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$306,459,970 and an estimated rate of collection of 99.66%. The estimated collection rate is based on the fiscal year 2013-2014 collection rate of 99.66% by Craven County who has been contracted to collect property taxes for the Town of River Bend.

Section 9. Fees and Charges

There is hereby established, for Fiscal Year 2015-2016, 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 .6% 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 2015-2016 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, 2015.

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, 2015**

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	\$.265 per \$100 assessed valuation
Copies of Public Information	\$.25 per page
Town Code, entire copy	\$75.00
Notary Fee	\$5.00 per signature after the first
Meeting Rooms	
Fours 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 residential zoning permit and shall be additional to
the zoning permit fee for enclosed structures (fences, decks, and other similar
exempt from additional fee).

Residential Flood Plain Application

without Zoning Permit

Based on amount of project as follows:

Base Fee \$30

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

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

Commercial Flood Plain Application

without Zoning Permit

Based on amount of project as follows:

Base Fee \$50

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

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

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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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Wildwood Storage Rental Rates

Unit Number	Unit Size	Monthly Rent
BB 01	5x20	\$35
BB 02	5x20	\$35
BB 03	5x20	\$35
BB 04	5x20	\$35
BB 05	10x20	\$75
BB 06	10x20	\$75
BB 07	10x20	\$75
BB 08	10x20	Town
BB 09	10x20	\$75
BB 10	10x20	\$75
BB 11	10x20	\$75
BB 12	10x20	\$75
GB 15	10x16	\$65
GB 16	10x16	\$65
GB 17	10x16	\$65
GB 18	10x16	\$65
GB 19	10x16	\$65
GB 20	10x16	\$65
GB 21	10x16	\$65
GB 22	10x16	\$65
FB 01	12x30	\$105
FB 02	12x30	\$105
FB 03	12x30	\$105
FB 04	12x30	\$105
FB 05	12x30	Town
FB 06	12x30	\$105
FB 07	12x80	\$110
FB 08	12x30	\$105
FB 09	12x20	\$105
FB 10	12x50	Town
FB 11	12x50	\$110
FB 12	12x50	\$110
FB 13	12x30	\$105
FB 14	12x30	\$105
FB B	12x50	\$110
FBE	10 x 12	\$35
FBF	12x12	\$50
OP	Open Spaces (21)	\$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⁾	15.24	24.18
Usage per 1,000 gallons	4.02	9.08
New Customer Capital Investment Fee (CIF)	2,700.00	1,900.00 ⁽³⁾
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	4.02	9.08
New Customer Capital Investment Fee (CIF)	21,600.00	15,200.00 ⁽³⁾
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	4.02	9.08
New Customer Capital Investment Fee (CIF)	70,200.00	49,400.00 ⁽³⁾
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	4.02	9.08
New Customer Capital Investment Fee (CIF)	6,750.00	4,750.00 ⁽³⁾
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	4.02	9.08
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 resource Department Policy manual.

(2) Base charges do not include any usage.

(3) For parcels in areas currently served by the sewer collection system. For areas not served, the CIF will be determined by utilizing current economic data and information contained in the Utility Rate Model.

(4) 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.

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

Consolidated Revenue Budget Summary

This summary is intended to provide the reader a broad overview of the expenditure budgets for the three major funds of the Town of River Bend for Fiscal Year 2015-16. A greater level of detail and information regarding each revenue and expense, along with information regarding non-major funds is provided in subsequent sections of this document.

General Fund				
	12-13	13-14	14-15	15-16
	Actual	Actual	Projected	Adopted
Governing Body	22,710	20,445	24,278	26,452
Administration	202,369	208,132	226,707	219,908
Finance	92,244	87,625	95,499	100,560
Tax Listing	9,542	10,729	11,850	11,530
Legal Services	13,397	18,308	30,000	30,000
Elections	0	4,928	0	7,137
Police	494,525	525,713	493,862	510,418
Public Buildings	73,759	147,846	71,283	61,259
Emergency Services	2,975	3,168	4,624	3,890
Animal Control	8,023	10,117	12,318	12,566
Street Maintenance	169,049	189,622	197,758	160,018
Public Works	134,040	169,164	152,890	154,763
Leaf & Limb and Solid Waste	29,215	25,598	29,415	34,925
Stormwater Management	38,120	70,236	128,265	221,877
Wetlands & Waterways	430	1,925	2,500	5,035
Planning & Zoning	59,748	29,932	42,699	43,722
Recreation & Special Events	5,898	6,259	7,385	7,525
Parks & CAC	112,663	43,200	43,820	38,452
Contingency (1% per policy)			27,147	27,500
Transfer to Capital Reserve	108,000	105,000	105,000	241,000
Fund Total	1,576,707	1,677,947	1,707,300	1,918,537
Water				
	12-13	13-14	14-15	15-16
	Actual	Actual	Projected	Adopted
Administration & Finance	428,353	367,777	383,870	387,461
Supply & Treatment	39,055	49,901	53,350	52,130
Distribution	56,779	64,481	44,807	92,346
Other (includes transfers and contingency)	111,404	96,129	55,540	47,655
Fund Total	635,591	578,288	537,567	579,592
Sewer				
	12-13	13-14	14-15	15-16
	Actual	Actual	Projected	Adopted
Administration & Finance	472,492	361,127	375,719	382,326
Collection	41,064	46,545	53,635	54,020
Treatment	85,050	117,636	348,230	145,055
Other (includes transfers and contingency)	73,445	64,900	64,900	64,900
Fund Total	672,051	590,208	842,484	646,301
Total All Funds	2,884,349	2,846,443	3,087,351	3,144,430

Consolidated Expenditure Budget Summary

This summary is intended to provide the reader a broad overview of the expenditure budgets for the three major funds of the Town of River Bend for Fiscal Year 2015-16. A greater level of detail and information regarding each revenue and expense, along with information regarding non-major funds is provided in subsequent sections of this document.

General Fund				
	12-13	13-14	14-15	15-16
	Actual	Actual	Projected	Adopted
Governing Body	22,710	20,445	24,278	26,452
Administration	202,369	208,132	226,707	219,908
Finance	92,244	87,625	95,499	100,560
Tax Listing	9,542	10,729	11,850	11,530
Legal Services	13,397	18,308	30,000	30,000
Elections	0	4,928	0	7,137
Police	494,525	525,713	493,862	510,418
Public Buildings	73,759	147,846	71,283	61,259
Emergency Services	2,975	3,168	4,624	3,890
Animal Control	8,023	10,117	12,318	12,566
Street Maintenance	169,049	189,622	197,758	160,018
Public Works	134,040	169,164	152,890	154,763
Leaf & Limb and Solid Waste	29,215	25,598	29,415	34,925
Stormwater Management	38,120	70,236	128,265	221,877
Wetlands & Waterways	430	1,925	2,500	5,035
Planning & Zoning	59,748	29,932	42,699	43,722
Recreation & Special Events	5,898	6,259	7,385	7,525
Parks & CAC	112,663	43,200	43,820	38,452
Contingency (1% per policy)			27,147	27,500
Transfer to Capital Reserve	108,000	105,000	105,000	241,000
Fund Total	1,576,707	1,677,947	1,707,300	1,918,537
Water				
	12-13	13-14	14-15	15-16
	Actual	Actual	Projected	Adopted
Administration & Finance	428,353	367,777	383,870	387,461
Supply & Treatment	39,055	49,901	53,350	52,130
Distribution	56,779	64,481	44,807	92,346
Other (includes transfers and contingency)	111,404	96,129	55,540	47,655
Fund Total	635,591	578,288	537,567	579,592
Sewer				
	12-13	13-14	14-15	15-16
	Actual	Actual	Projected	Adopted
Administration & Finance	472,492	361,127	375,719	382,326
Collection	41,064	46,545	53,635	54,020
Treatment	85,050	117,636	348,230	145,055
Other (includes transfers and contingency)	73,445	64,900	64,900	64,900
Fund Total	672,051	590,208	842,484	646,301
Total All Funds	2,884,349	2,846,443	3,087,351	3,144,430

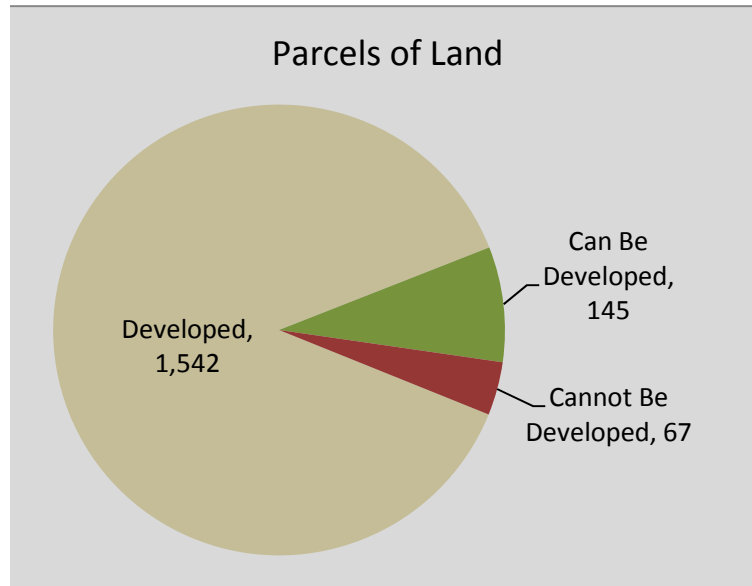
Fiscal Year Ending June 30,	2009	2010	2011	2012	2013	2014	2015 (proj)	2016 (proj)	Change vs. 2015
General Fund									
Fund Balance \$	802,506	915,383	1,056,417	1,256,939	1,364,560	1,528,163	1,513,171	1,436,142	-77,029
Fund Balance %	46.1%	63.3%	74.6%	77.7%	86.5%	90.5%	88.6%	74.9%	-13.7%
Water Fund									
Cash Balance \$	208,316	126,512	245,475	328,695	463,336	550,056	581,343	600,853	19,510
Cash Balance %	33.3%	23.3%	52.0%	66.1%	88.4%	113.1%	119.8%	112.3%	-7.5%
Sewer Fund									
Cash Balance \$	235,917	216,394	290,341	341,487	403,000	494,585	353,001	407,820	54,819
Cash Balance %	41.4%	39.8%	54.0%	60.2%	67.3%	94.1%	41.9%	63.2%	21.3%
Total									
Fund/Cash Balance \$	1,246,739	1,258,289	1,592,233	1,927,121	2,230,896	2,572,804	2,447,515	2,444,815	-2,700
									-0.1%

Community Profile

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

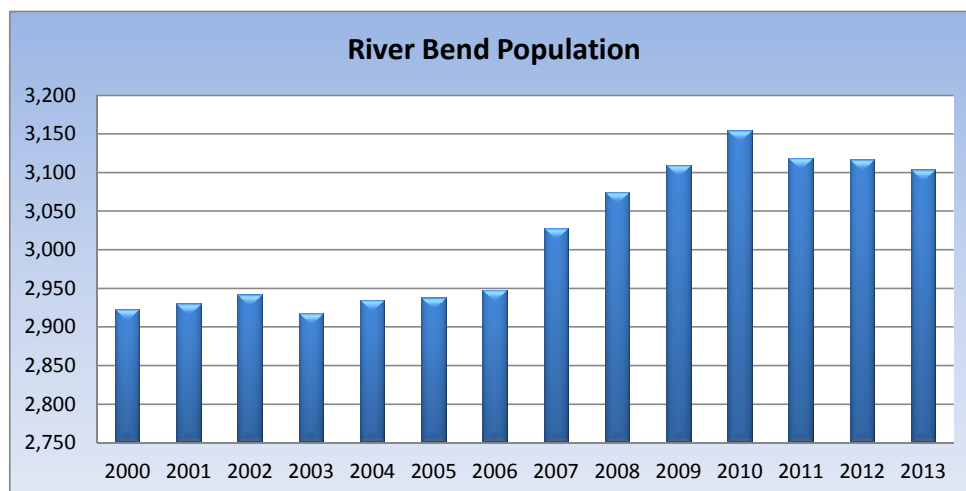
Land Use

According to the US Census Bureau, the town has a total area of 2.8 square miles, of which 2.6 square miles is land and 0.2 square mile is water. Land is divided into 1,754 parcels, of which 1,542 are developed and 212 undeveloped. There are approximately 33 acres of available commercial land, 20 acres of vacant institutional land, and over 280 acres of vacant residential land.



Population

The population of River Bend as reported in the 1990 US Census was 2,408; with a sizable 21.4% increase occurring between 1990 and 2000. The total 2000 population was reported to be 2,923. The North Carolina Office of State Planning estimated the 2010 population of the Town to be 3,155, demonstrating an increase in population of 7.94% between the years 2000 and 2010. The 2010 Census, however, provided an accurate count of 3,119 residents which is a 6.71% increase from the 2000 Census count. The chart below shows the change in total population over the past thirteen years. The current estimated population is 3,104.



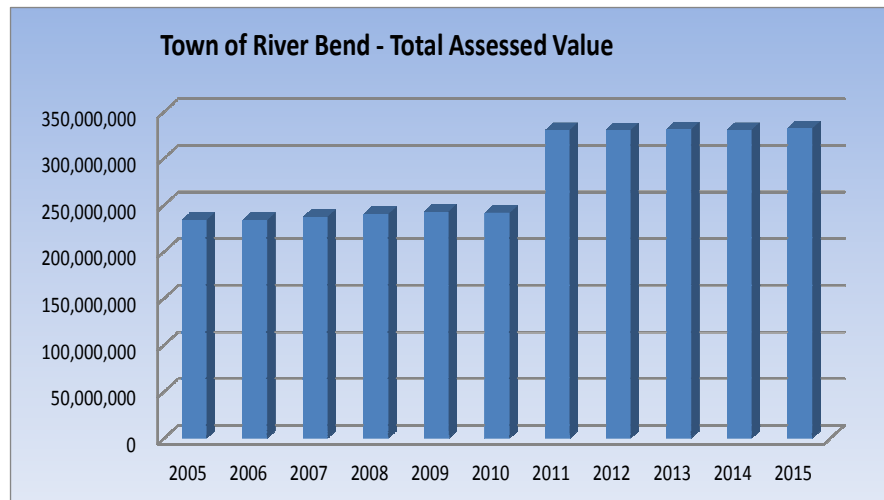
The median age in River Bend is 56.8 years old. According to the 2010 Census, veterans make up 24.1% of our population, compared to a national percentage of 9.9%.

Housing

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

Housing values, particularly assessed values, in River Bend have increased between reappraisals in 2003 and 2011. The value of real property increased, in this eight-year period, by 44%. This equates to an additional 101.4 million dollars in value.

The chart to the right shows the changes in value since the last reappraisal. The latest appraisal is currently taking place with new values to be released in early 2016.



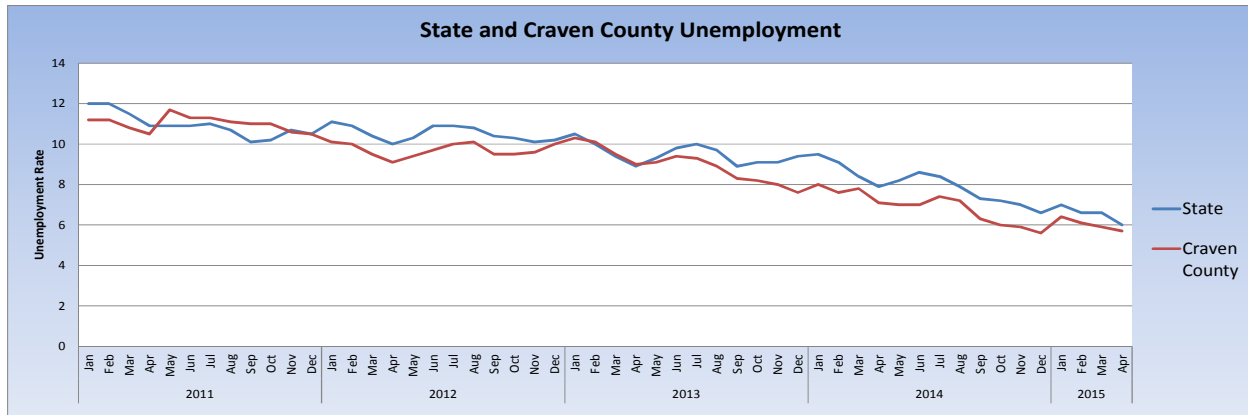
Economy and Education

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

Employer	Employees
Department of Defense	5018
Carolina East Health Systems	2239
Craven County Schools	1951
BSH Home Appliances	1150
Moen Incorporated	900
State of North Carolina	886
Wal-Mart	790
Craven County	588
City of New Bern	479
Craven Community College	451

The table to the left shows the top ten employers in Craven County according to the N.C. Department of Commerce. Department of Defense excludes active military personnel based in Craven County. It includes civilian employment at the Naval Aviation Depot, Naval Health Clinic, 2nd MAW, and MCAS Cherry Point. Craven County unemployment, despite being boosted by the effect of local military

and related employment, runs slightly higher than the statewide unemployment rate. As with other areas, Craven County and North Carolina experienced increases in the rate of unemployment during the economic downturn, but the rates have been following a downward trend over the last three years. The chart below tracks unemployment over the past four full years comparing the State and County rates.



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

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

Town Government

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

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

The Council appoints a Town Manager to handle the administrative affairs of the Town. The Manager is the supervisor of Town staff and, by law, the Town's Budget Officer. The Manager provides the Council with regular reports regarding the operational and financial condition of the Town and works with the Council to establish and implement long-range plans.

The Council appoints six volunteer boards to serve in advisory, planning and quasi-judicial capacities in accordance with their charge.

Planning Board

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

Parks & Recreation Board

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

Environmental/Waterways Advisory Board

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

Community Appearance Commission

The purpose of the Commission is to advise the Council and Manager on community appearance issues to include, but not be limited to, enhancing the appearance of the municipality and its surroundings, making recommendations for planting of trees, shrubs or other planting materials to Town property including Town rights-of-way, and any other matter that affects the overall appearance of the Town. The Commission shall work on other issues assigned by the Council or Manager. The Commission shall propose principles, goals, and methods, and offer guidance to the Council and Manager on community appearance issues (River Bend Code of Ordinances 3.05.056).

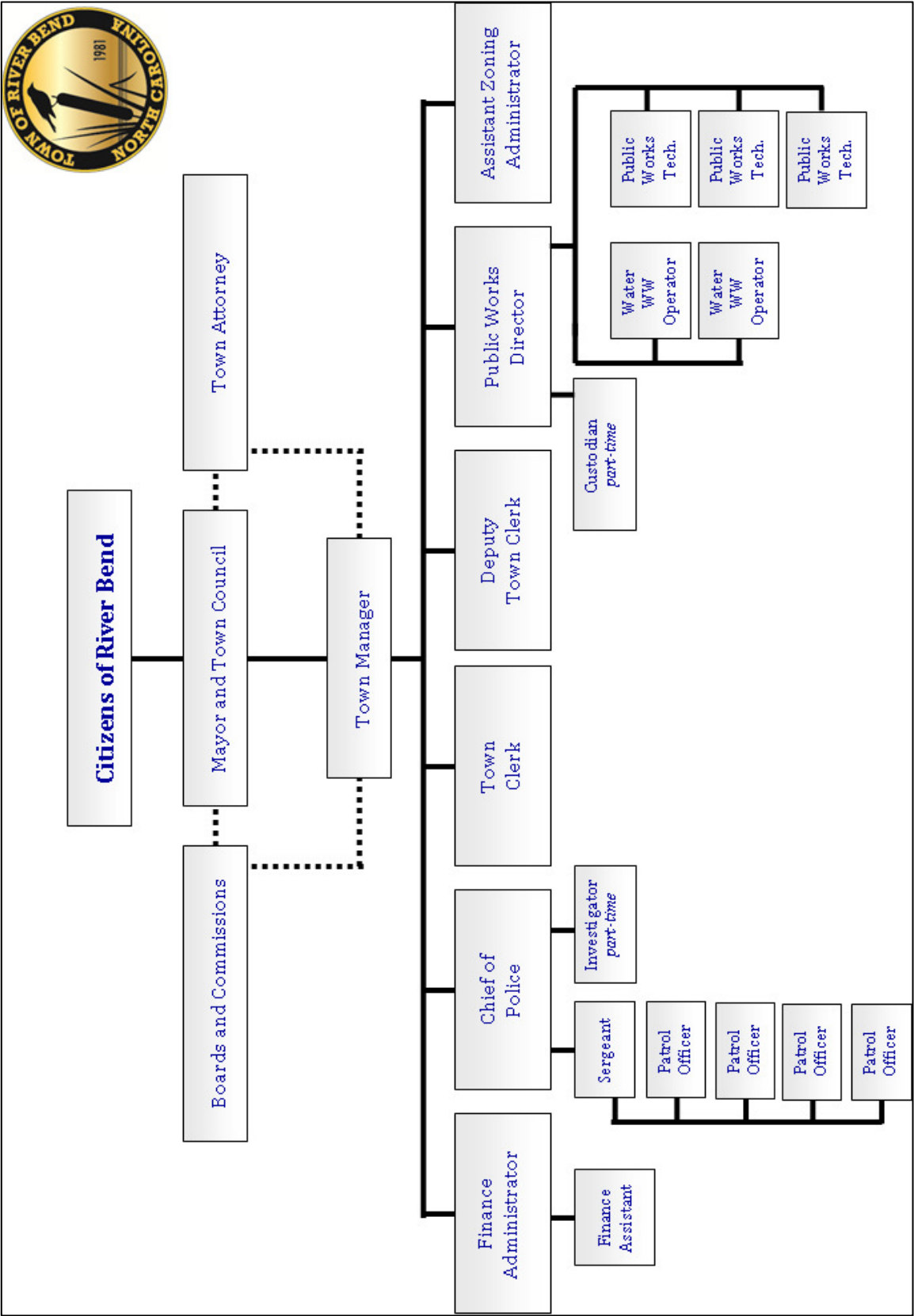
Public Works Advisory Board

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

Board of Adjustment

The Board of Adjustment shall have the following powers and duties: (1) *Administrative review*. To hear and decide appeals where it is alleged by the appellant that there is error in any order, requirement, permit, decision, determination or refusal made by the Zoning Administrator or other Town official, in the carrying out or enforcement of any provision of this chapter. (2) *Interpretation*. To interpret the terms of this chapter and pass upon disputed questions of lot lines or district boundary lines and similar questions as arise in the administration of this chapter. (3) *Variance*. To authorize upon appeal in specific cases variances or modifications from any of the regulations or provisions of our zoning and land use ordinances relating to the use, construction, or alterations of buildings or structures or the use of land as will not be contrary to the public interest where, owing to special conditions, a literal enforcement of the provisions of these ordinances would result in unnecessary hardship. In granting any variance, the Board may prescribe appropriate conditions and safeguards in conformity with these ordinances (River Bend Code of Ordinances 3.05.076).

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



Financial and Budgetary Policies
(Revisions effective July 1, 2013)

I. Introduction

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

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

II. Operating Budget

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

III. Revenue Policy

1. Ad Valorem Tax – As provided by the North Carolina Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:
 - a. Assessed valuation will be provided by the Craven County Tax Assessor.

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

- c. The grant manager for each grant shall be the Town Manager. The grant manager is responsible for all grant monitoring, compliance and reporting. The grant manager will provide copies of all documents to the Finance Administrator. The Finance Administrator will maintain a grant file by fiscal year for each active grant.
 - d. For grants involving federal funds, the grant manager is responsible for checking the list of federally debarred contractors prior to awarding any contracts.
6. Appropriation of Fund Balance – Assigned fund balance originally appropriated with adoption of the General Fund annual operating budget shall not exceed 3% of the prior fiscal year's budgeted expenditures, unless done per Section 2b of the Reserve/Fund Balance section of this policy. Any further commitment of fund balance in the General Fund during the fiscal year shall require four "yes" votes from the five members of Council.
7. Budgetary Responsibilities – The Town Manager shall develop initial budget estimates of applicable revenues. Those estimates are to be supported by variables (base, rate, etc.) that comprise such revenue. Monitoring of the revenue budget shall be performed by the Finance Administrator in a timely manner throughout the fiscal year and shall include an analysis of actual versus budgeted variances. Compliance of revenue with all laws and/or regulations is primarily the responsibility of the revenue initiating department.

Revenue Spending Policy

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

IV. Expenditure Policy

1. Expenditure budgets shall be monitored throughout the fiscal year by department heads, the Finance Administrator and the Town Manager. Budget compliance is the responsibility of the department head and the Town Manager.
2. Budgeted funds will only be spent for categorical purposes for which they are intended. Budget amendments may be made to reflect unexpected expenses and must be approved by vote of the Council. Appropriations of debt proceeds will be made only for the purpose for which such debt instrument was issued or for the payment of debt principal and interest.
3. Budgeted expenditures for debt service for any variable rate debt or synthetic variable rate debt will be set to at least the average of the prior five years.
4. For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.

5. Payroll will be processed in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefit payments will be made in accordance with the Town's Personnel Policy.
6. The Town may utilize non-capital operating leases or installment purchase loans for the procurement of copiers, for multifunction copiers/printer type machines and for personal computers.
7. The Town will fund current expenditures with current resources and will strive to avoid balancing budgets utilizing one-time revenues.
8. The Town will employ the use of the carryover method for reappropriation of outstanding purchase orders and contracts as of the end of each fiscal year into the new fiscal year. The process shall be explained in each year's budget process.

V. Reserve/Fund Balance Policy

1. In accordance with State statute, appropriated fund balance in any fund will not exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.
2. The Town will maintain a General Fund unrestricted and unassigned fund balance that significantly exceeds the minimum eight percent (8%) required by the LGC. This "available fund balance" will be defined as funds that remain available for appropriation by the Town Council after all commitments for future expenditures, required reserves defined by State statutes, and Council-established assignments have been calculated. The percentage is to be determined by dividing the available fund balance amount by actual expenditures of the then completed fiscal year. The goal is to maintain a fund balance of greater than 50%.
 - a. Purpose of Reserve: These funds will be utilized to avoid cash flow interruptions, generate interest income, eliminate the need for short-term borrowing, and maintain the Town's credit ratings.
 - b. Reserve Drawdown: The available fund balance may be purposefully drawn down below the target percentage for emergencies, economic influences, nonrecurring expenditures, or major capital projects.
 - c. Reserve Replenishment: If the available fund balance falls below the target percentage for two consecutive fiscal years, the Town will replenish funds by direct appropriation in the next budget developed for the fiscal year after the occurrence is known. In that instance, the Town will annually appropriate 25% of the difference between the target percentage level and the actual balance until the target level is met. In the event appropriating 25% is not feasible, the Town will appropriate a lesser amount and shall reaffirm by Council resolution its commitment to fully replenish the fund balance over a longer period of time.

3. Any General Fund available fund balance that exceeds the target goal range may be used to reduce general fund debt.

The Town will appropriate within the annual budget a Contingency appropriation each fiscal year. The minimum level of contingency is 1% of budgeted general fund expenditures and the maximum is an amount equal to the revenue generated by a \$.01 ad valorem tax rate.

VI. Asset-Liability Management

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

VII. Capital Improvements Policy

1. Capital Improvement Plan
 - a. The Town will update and readopt annually a five-year Capital Improvement Plan (CIP) which projects capital needs and details the estimated costs, description and anticipated funding sources for capital projects. A separate CIP will be developed for the General Fund, Water Fund, and Sewer Fund.

- b. The annual update of the CIP will be conducted in conjunction with the annual operating budget process.
 - c. The first year of the five-year CIP will be the basis of formal fiscal year appropriations during the annual budget process.
 - d. A programming or cost estimation study is eligible for inclusion in the CIP for a project for which a future request is being considered. Such a study is encouraged in order generate reliable cost estimates for the CIP.
 - e. The Town expects to see new capital items generally first appear in the last year of the CIP.
 - f. The Town acknowledges pay-as-you-go financing as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project both on an individual basis after examining all relevant factors of the project and in conjunction with the funding of the entire CIP.
2. Capital Formation
- a. General fund revenue is the source for the General Fund CIP. The water CIF fee and hydrant fee are sources of revenue for the water Capital Reserve Fund. The sewer CIF fee is a revenue source for the sewer Capital Reserve Fund. The water and sewer enterprise fund annual budget will also provide CIP revenue in these areas as the use of CIF/Hydrant fee revenue is limited, per Council resolution, to debt reduction or system expansion activities.
 - b. The Capital Reserve Fund is the funding source for pay-as-you-go financing and for debt service payments for debt financed projects in the CIP.
 - c. Given the historical volatility of the State and other revenues, the five year projections of revenue used to complete the CIP shall be very conservative.
3. Fixed Assets
- a. The capitalization threshold for fixed assets shall be \$5,000. The threshold will be applied to individual fixed assets and not to groups of fixed assets. Fixed assets will only be capitalized if they have a useful life of at least three years following the date of acquisition. A physical inventory of capitalized fixed assets will be performed, either simultaneously or on a rotating basis, so that all fixed assets are physically accounted for at least once every four years.

VIII. Debt Policy

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

agreements, special obligation bonds, or any other financing instrument allowed under North Carolina law.

2. The Town will seek to structure debt and to determine the best type of financing for each financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate payer equity, and the structure that will provide the lowest interest cost in the circumstances.
3. Debt financing will be considered in conjunction with the approval by the Council of the Town's CIP.
4. Capital projects financed through the issuance of bonds, installment financings or lease financings will be financed for a period not to exceed the expected useful life of the project.
 - a. General fund debt will normally have a term of 20 years or less. When practical, the term of non-Utility debt will not exceed 30 years.
 - b. Enterprise fund (water and sewer) debt will normally have a term of 30 years or less. When practical, the term of Utility debt will not exceed 40 years.
5. The Town will strive to maintain a high level of pay-as-you-go financing for its capital improvements.
6. Debt Affordability
 - a. The net debt of the Town, as defined in G.S. 159-55, is statutorily limited to 8% of the assessed valuation of the taxable property within the Town. The Town will strive to maintain a net debt level of no greater than 4%.
 - b. Total General Fund debt service will not exceed any limits imposed by the LGC. As a guide, formulas established by the LGC and rating agencies will be monitored and appropriately applied by the Town. Debt service as a percentage of the operating budget will be targeted at 14% to 16%.
 - c. The Town will strive to achieve amortization of 60% or more of its non-Utility debt principal within ten years.
7. The Town will seek to structure debt in the best and most appropriate manner to be consistent with the Asset – Liability Management section of this policy.
8. If the Town issues Revenue Bonds, and whereas the minimum coverage ratio expected for Town revenue bonds is 1.20 times, upon the calculation of a coverage ratio for any Utilities System Revenue Bonds which is below 1.5 times (Net Revenues as defined by the General Indenture, but excluding cash receipts from special assessments, over Debt Service as defined by the General Indenture), the Finance Officer will notify the Council of such. Within three months of such notification, the Finance Officer will again report to the Council and will have performed the necessary internal study to advise the Council on the actions necessary to restore the coverage ratio to above 1.5 times. This policy is intended to ensure that all reasonable steps necessary are taken to begin the process of reviewing water revenues and rates well before the coverage ratio for outstanding revenue bonds could reach the minimum level of 1.20 times.

9. The Town will seek to employ the best and most appropriate strategy to respond to a declining interest rate environment. That strategy may include, but does not have to be limited to, delaying the planned issuance of fixed rate debt, examining the potential for refunding of outstanding fixed rate debt, and the issuance of variable rate debt. The Town will seek to employ the best and most appropriate strategy to respond to an increasing interest rate environment. That strategy may include, but does not have to be limited to, the issuance of variable rate debt (a historically lower interest cost), and the use of forward delivery fixed rate debt.
10. The Town will monitor the municipal bond market for opportunities to obtain interest rate savings by refunding by forward delivery, currently refunding or advance refunding outstanding debt. The estimation of net present value savings for a traditional fixed rate refunding should be, at a minimum, in the range of 2.5% to 3% of the refunded maturities before a refunding process begins. The estimation of net present value savings for a synthetic fixed rate refunding should be, at a minimum, in the range of 5% to 6% of the refunded maturities before a refunding process begins.
11. The Town will strive for the highest possible bond ratings in order to minimize the Town's interest costs.
12. The Town will normally obtain two debt ratings (Fitch Ratings, Moody's, or Standard & Poor's) for all publicly sold debt issues.
13. While some form of outstanding debt exists, the Town will strive to have a portion of that debt in the form of general obligation debt.
14. For all years that the Town has any publicly sold debt outstanding, the Town will provide annual information updates to each of the debt rating agencies if desired by those agencies.
15. The Town will use the Comprehensive Annual Financial Report as the disclosure document for meeting its obligation under SEC Rule 15c2-12 to provide certain annual financial information to the secondary debt market via various information repositories.
16. The Town recognizes the significance of the debt portfolio and the need for the ability to properly manage and maintain that portfolio. The Finance Administrator will maintain a current database of all debt.

IX. Accounting, Auditing and Financial Reporting

1. The Town will maintain accounting systems in compliance with the North Carolina Local Government Budget and Fiscal Control Act. The Town will maintain accounting systems that enable the preparation of financial statements in conformity with generally accepted accounting principals (GAAP).
 - a. The basis of accounting within governmental funds will be modified accrual.
 - b. The basis for accounting within all Enterprise and Internal Service Funds will be modified accrual.

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

12. The Town Manager will establish, document and maintain a Computer Disaster Recovery Plan and will provide for the daily backup of data and the offsite storage of the same.

X. Cash Management Policy

1. Receipts

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

2. Cash Disbursements

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

- e. Electronic payments shall be utilized to the fullest extent possible where it is determined to be cost effective by the Finance Administrator. Such payments shall be integrated with financial systems and shall have proper data processing controls.

XI. Investment Policy

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

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

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

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

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

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

12. Prohibited Forms of Authorized Investments

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

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

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

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

maturities in the portfolio, the use of floating rate investments, and increases in the percentage of ownership of treasury bills relative to that of treasury notes.

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

XII. Review and Revision

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

Introduction to the Budget

Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

Our Budget Preparation Process

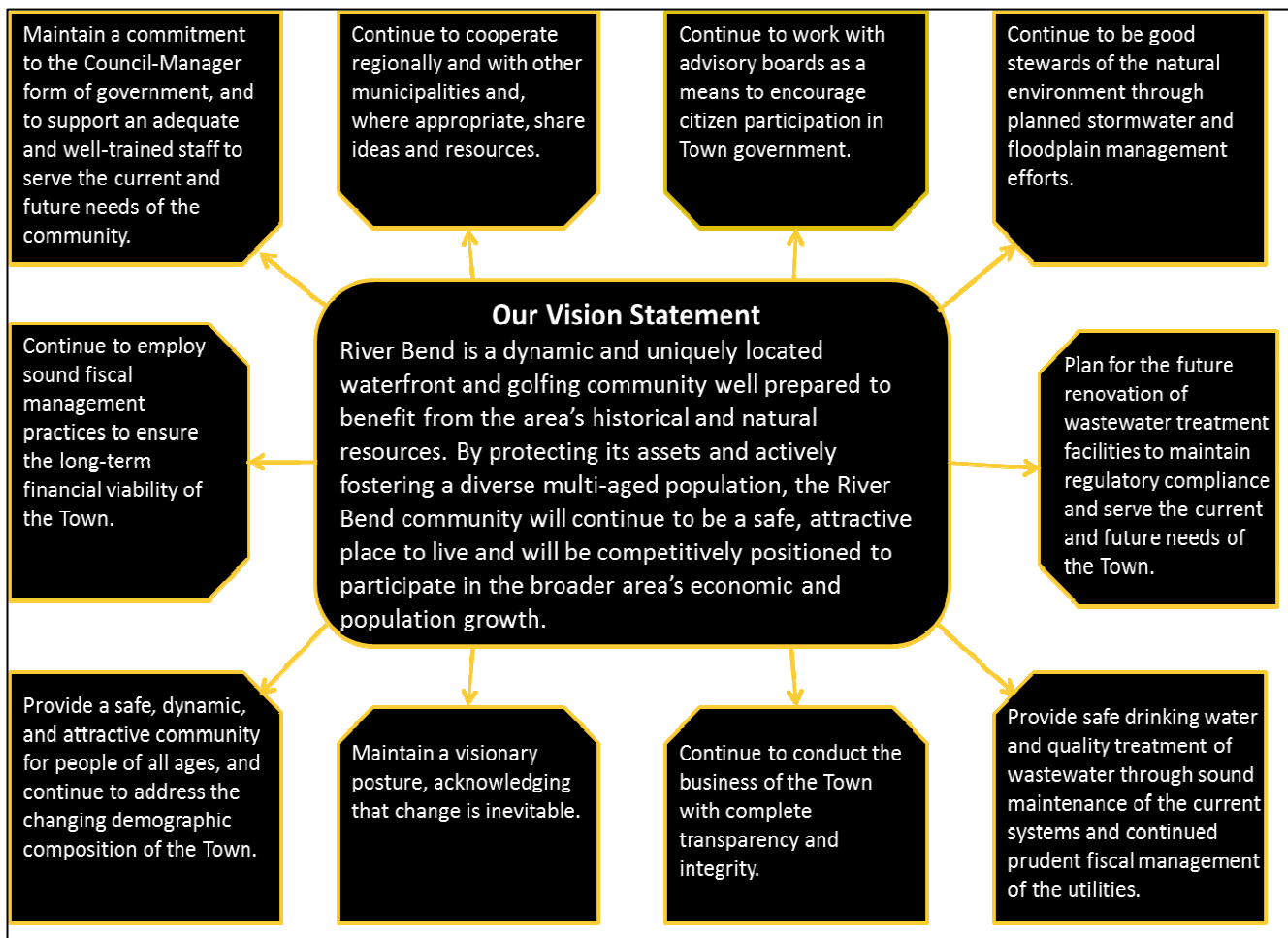
The Town of River Bend employs a progressive and transparent budget development process that allows for significant participation from elected officials, advisory boards, staff, and the public.

The process formally begins with a Council retreat in November where the Council discusses its priorities for the coming fiscal year in terms of how they respond to the Town’s Mission Statement. The Finance Officer, at this retreat, leads some general discussion about the current fiscal year and trends observed that might impact the budget planning process. This year, due to continued economic uncertainty, and the uncertainty

regarding the levels of State collected local revenue the Town can expect to receive, the Council remains cautious in budgeting for many of these revenue types. This uncertainty, and the predicted levels of revenue, however, are not expected to affect service levels.

The Council also agrees, at this retreat, to a schedule of budget workshops. The chart below shows how each Council priority, established for Fiscal Year 2015-16, responds to the Town's overall Mission Statement. These priorities remain unchanged from Fiscal Year 2013-14 and remain focused on maintaining infrastructure, services, and the resultant quality of life in a well governed and managed community.

Town Council Priorities for the 2015-2016 Fiscal Year



Town of River Bend, North Carolina

Annual Budget for Fiscal Year 2015-2016

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In January of this year a detailed list of the dates and subject matter of seven budget workshops was made available to our residents through a brochure mailed in water bills and available at Town Hall, and through required publication of the notice of these special meetings of the Town Council. The image below is from the Budget Workshop brochure and shows each session held beginning at 4:00 p.m. in the Town Hall:

<p style="text-align: center;"><u>MARCH 10, 2015</u></p> <p>EMPLOYEE COMPENSATION AND BENEFITS</p> <ul style="list-style-type: none"> - Pay Plan Review - Health Insurance Benefits - Retirement / 401K / LESA - Cost of Living Adjustment (COLA) <p>LABOR ALLOCATIONS AMONG DEPARTMENTS & FUNDS</p> <ul style="list-style-type: none"> - Staffing Projections - Allocation Table <p>CAPITAL IMPROVEMENT PLANS</p> <ul style="list-style-type: none"> - Water and Sewer Funds - General Fund - Vehicle Replacement Plan - Information Technology Replacement Plan <p>INFORMATION TECHNOLOGY</p> <ul style="list-style-type: none"> - VC3, Inc. On-going Support - Disaster Recovery <p>RISK MANAGEMENT</p> <ul style="list-style-type: none"> - Property & Liability - Workers' Compensation <p>ELECTRIC UTILITIES AND FUEL PRICES</p> <p style="text-align: center;"><u>MARCH 17, 2015</u></p> <p style="text-align: center;"><u>GENERAL FUND DEPARTMENTS</u></p> <p>GOVERNING BODY</p> <ul style="list-style-type: none"> - Training - Association Dues <p>ADMINISTRATION</p> <p>FINANCE</p> <ul style="list-style-type: none"> - Information Technology <p>TAX LISTING</p> <p>LEGAL SERVICES</p> <p>ELECTIONS</p>	<p>POLICE PROTECTION</p> <ul style="list-style-type: none"> - Community Watch <p>STREET MAINTENANCE</p> <ul style="list-style-type: none"> - Roadway Improvement Plan <p>STORM WATER MAINTENANCE</p> <ul style="list-style-type: none"> - Prioritized Drainage Concerns - Scheduled Maintenance <p>PUBLIC WORKS</p> <p>PUBLIC BUILDINGS</p> <ul style="list-style-type: none"> - Mowing and Landscaping Contract - Building Maintenance <p>LEAF & LIMB AND SOLID WASTE</p> <p style="text-align: center;"><u>MARCH 24, 2015</u></p> <p>RECREATION AND SPECIAL EVENTS</p> <ul style="list-style-type: none"> - July 4th Plans - Recreation Programs <p>PARKS AND CAC</p> <ul style="list-style-type: none"> - Parks - Community Appearance Commission Projects <p>EMERGENCY SERVICES</p> <ul style="list-style-type: none"> - Contingency Funding - CERT (Community Emergency Response Team) <p>ANIMAL CONTROL</p> <p>WETLANDS & WATERWAYS</p> <ul style="list-style-type: none"> - Pond and Canal Maintenance - Environment and Waterways Advisory Board <p>PLANNING AND ZONING</p> <p>GENERAL FUND—REVENUE</p> <p>GENERAL FUND—FUND BALANCE</p>	<p style="text-align: center;"><u>MARCH 31, 2015</u></p> <p style="text-align: center;"><u>ENTERPRISE FUND DEPARTMENTS</u></p> <p>WATER AND SEWER FUND CASH LEVELS</p> <ul style="list-style-type: none"> - Debt Service - Capital Reserve Funds - Cash Capital Needs—Proposed Projects <p>WATER FUND DEPARTMENTS</p> <ul style="list-style-type: none"> - Administration - Water Supply & Treatment - Water Distribution <p>SEWER FUND DEPARTMENTS</p> <ul style="list-style-type: none"> - Administration - Sewer Collection - Sewer Treatment <p>UTILITY FINANCIAL MODEL</p> <ul style="list-style-type: none"> - Rate History - Consumption Trends - Revenue & Expense—Cash Balances - Rate Scenarios—Part 1 <p style="text-align: center;"><u>APRIL 7, 2015</u></p> <p>UTILITY FINANCIAL MODEL</p> <ul style="list-style-type: none"> - Rate Scenarios—Part 2 <p>GENERAL FUND—REVENUE / EXPENSE</p> <ul style="list-style-type: none"> - Balance Budget <p>FIVE YEAR FORECAST—GENERAL FUND</p> <p style="text-align: center;"><u>APRIL 14, 2015</u></p> <p>TAX RATES, UTILITY RATES, AND OTHER FEES</p> <ul style="list-style-type: none"> - Ad Valorem Tax Rate - Utility Rates and Fees - Schedule of Rates and Fees <p style="text-align: center;"><u>APRIL 21, 2015</u></p> <p>OVERVIEW</p>
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At these workshops the professional staff presents details of revenue and expenses in each fund. Through direct interaction with the Council in a less formal setting, the staff is able to get the consensus of the elected body in terms of the details contained in the budget. The Council is also able to hear from residents who attend these sessions in an informal setting. Each week, as changes are made, the Council receives updated pages for their budget books. These books, maintained and updated by the Town Clerk, allow the staff to lead the Council in an organized discussion, and allows the members to find information quickly. Following the last of these workshops, the professional staff prepares the Budget Message and the document you are reading as a way to provide detailed information to all interested citizens.

The next step in our process is to advertise and conduct a public hearing to receive comments from interested parties relative to the budget under consideration. This is a formal hearing, affording less opportunity for citizens to have direct input into the formation of the budget than is afforded during the workshops. Typically, this hearing is

conducted at the regular Council meeting in May. The final step is the vote to adopt the budget which typically occurs at the regular Town Council meeting in June. Of course, following the public hearing, the Council may decide to hold additional public work sessions to modify the budget before it is formally adopted. The box below contains the calendar of significant events in the preparation of the fiscal year 2015-16 budget.

**Town of River Bend
Fiscal Year 2015-16 Budget Calendar**

November 11, 2014	Council Retreat to set priorities
December 9, 2014	Manager's Memo to Department Heads and Advisory Boards
January 31, 2015	Deadline for initial submissions to Manager
March 10 – April 14, 2015	Budget Workshops
May 1, 2015	Budget Message and Summary available for public review
May 21, 2015	Public Hearing
June 18, 2015	Budget Adoption

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

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

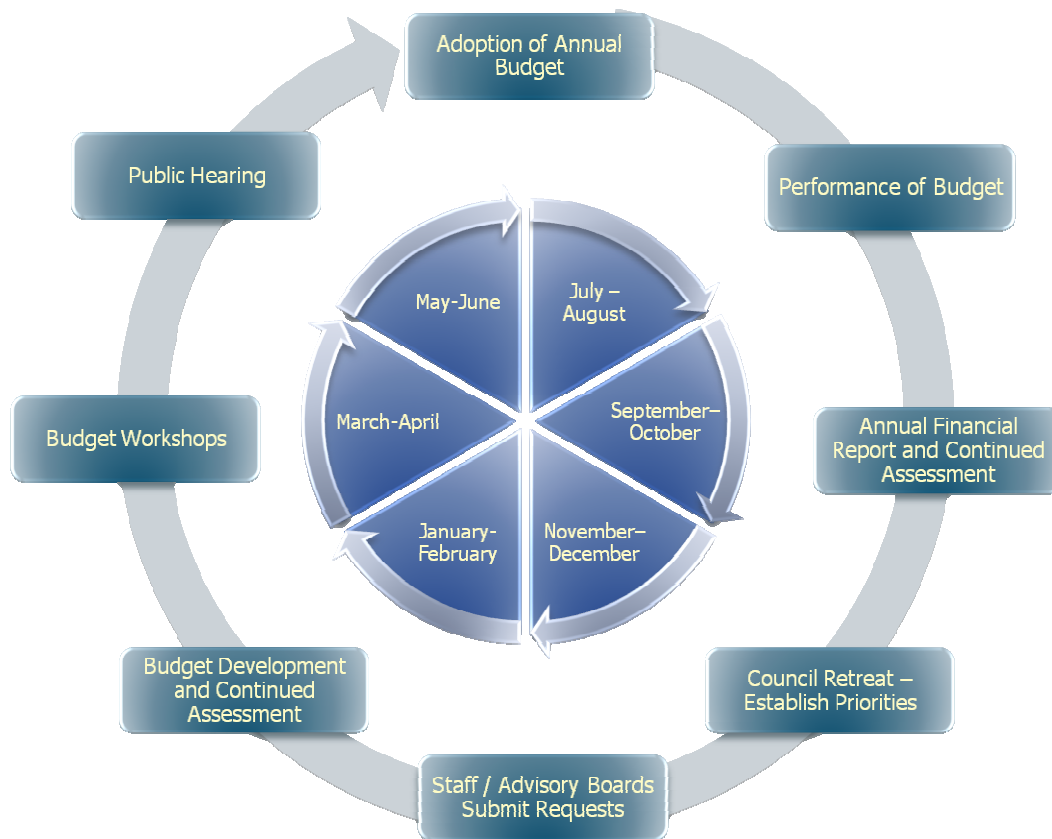
Occasionally, we find that estimates for the costs of certain goods and services increased from the time the budget was prepared to the time they are procured. When this occurs, the professional staff informs the Council of the difference and the Council makes a decision whether to amend the budget ordinance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

This process of monitoring the current budget continues through the close of the fiscal year and up through the process of the preparation of the Comprehensive Annual Financial Report (CAFR) of the Town. This report, containing audited financial statements, is prepared by Town staff and an independent auditor under contract with the Town and is submitted to the North Carolina Local Government Commission for their approval. The

results of this audit are presented in written form to the Town Council and in an oral report from the auditor or a member of the audit committee at a public meeting.

Once our portion of the work on the CAFR is complete, attention turns again to discussion of priorities for the budget in the next fiscal year. At the Council retreat in November, as mentioned above, this process begins anew. Projects that were set aside from previous years are reexamined in terms of the Council's priorities. Price estimates and the anticipated benefit of these projects are updated and made ready for further consideration, and new projects and programs are considered that respond to the direction the Council has given.

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



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

Computation of Legal Debt Margin

North Carolina General Statutes impose a limit on the amount of debt River Bend, and any other local government, can incur. This debt ceiling is eight percent of the total assessed value of real and personal property. As of July 1, 2015 our gross debt obligation is \$2,730,000, which are entirely general obligation (G.O.) bonds backed by the full faith, credit, and taxing power of the Town of River Bend. These G.O. bonds were issued for the Water and Sewer Enterprise Funds. North Carolina General Statutes 159-55 permits deduction of water bonds from gross debt, in our case, \$1,464,915, in determining the Town's legal debt margin.

Assessed Value of Real and Personal Property: \$332,276,611

Debt Limit (8% of assessed value): \$ 26,582,128

Debt (net) Applicable to Limit (as of 7/1/2015): \$ 1,265,085

Legal Debt Margin: \$ 25,317,043

General Fund

The General Fund incurs debt to finance improvements and other large capital purchases. As we enter the fiscal year, there is no outstanding installment debt, with the last of the short-term loans having been retired in Fiscal Year 2011. The Town does not plan to issue any General Fund debt in Fiscal Year 2016.

Enterprise Funds

The Enterprise Funds account for the entire amount of debt that is recorded against our legal debt threshold. Issued to purchase the water and sewer system, this general obligation bond was refinanced in Fiscal Year 2005 in order to take advantage of competitive interest rates. Refer to the table below for more details about these obligations. The Town does not plan to issue any Enterprise Fund debt in Fiscal Year 2016.

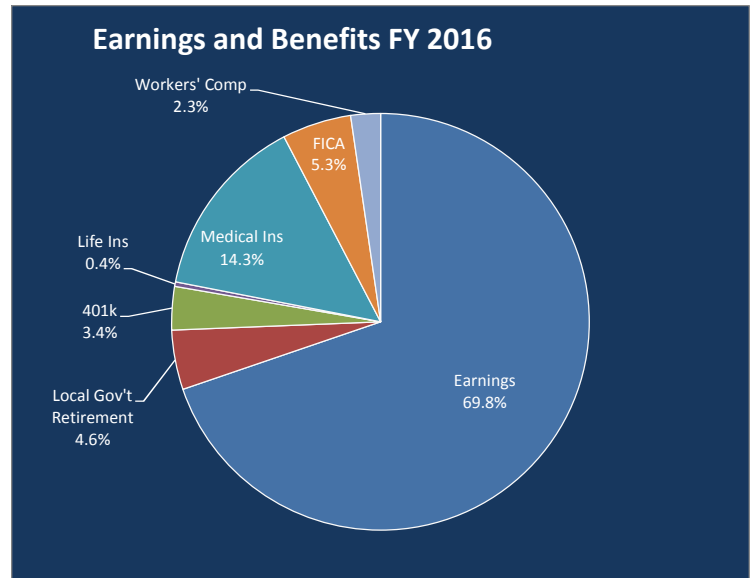
Fiscal Year 2016 Debt Obligions Summary										
Year Issued	Project	Loan Type	Amount Issued	Fiscal Year Retired	Interest Rate	Debt as of 7/1/2015	FY 2016 Principal	FY 2016 Interest	Total Payment	Debt as of 6/30/2016
Water Fund										
2005*	Purchase of Water System	General Obligation Bond	1,588,384	2027	2 -3 % **	1,464,915	110,006	34,317	144,323	1,354,909
	Remaining Debt at end of Fiscal Year		1,354,909							
Sewer Fund										
2005*	Purchase of Sewer System	General Obligation Bond	1,371,616	2027	2 -3 % **	1,265,085	94,994	29,633	124,627	1,170,091
	Remaining Debt at end of Fiscal Year		1,170,091							
* 1997 and 2000 Series Refunded in FY2005, Series 2004. Refunded in FY2013					** Rate changes per schedule					

Personnel

Personnel Costs

The total of all personnel related expenses, including wages and benefits, is budgeted at \$1,194,537. This represents a total of 38% of the total combined operating budget. This budget, following the guidance of the Council, reflects a total wage increase of 2.88%, with .6% attributable to a cost of living increase and 1% for longevity. There is also an additional 1% available for merit bonuses.

The chart to the right shows how the total personnel cost is broken down. Earnings account for 70% of the total cost of personnel, and medical insurance is the most costly benefit in spite of changes made in FY 2013 to our offering to lessen the financial impact of this benefit. Our health insurance plan features a \$2,500 deductible from Blue Cross and Blue Shield of North Carolina. The Town mitigates the financial impact of this high deductible by funding, for each full-time employee, a Healthcare Reimbursement Account (HRA) in the amount of \$1,500. Even with this added to the premium cost, we are still able to save money on the cost of this benefit while still providing a quality program for our staff.

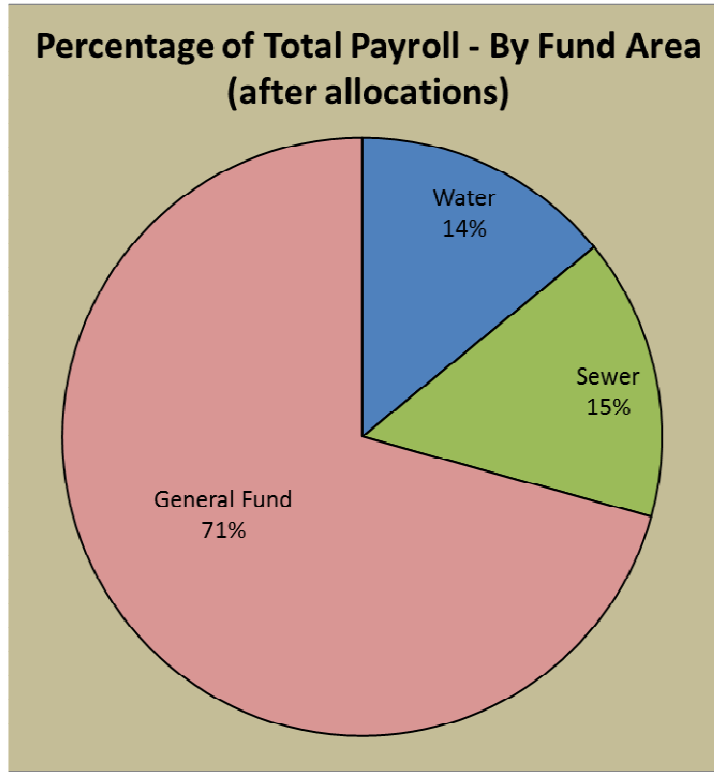


By way of comparison, according to 2014 data compiled by the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel was \$102 less than that of our peer group (2,500-9,999 population, without electric) . Through efficient scheduling in our Police Department, increases in operational efficiencies in other areas due to our investment in our municipal management system, receiving countless hours of volunteer assistance, and other management strategies, we are able to maintain a staffing profile below that of comparable localities.

Labor Allocations

The Town of River Bend has a total of 20 positions, 2 of which are part-time. Each year each position is analyzed in order to determine its contribution to the overall operation of the Town, and to determine how to best allocate the expenses related to the position between the three major funds (General, Water, and Sewer).

These allocations are based upon estimates of the number of hours, relative to the full work week, that each position spends working on tasks related to a specific fund. As we examined allocations this year, the management team saw the need to adjust of some them in order to be more accurate in reflecting the work being done by our personnel. We will continue to examine and revise (if needed) these allocations each year during the process of preparing the budget. Absent a detailed, and costly, time study, these estimates represent, we believe, a fair and reasonable approximation of the actual time spent in each fund area by the positions listed.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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Labor allocations are depicted in the table below:

	Water	Sewer	Gen. Fund
	%	%	%
Town Manager	20	20	60
Finance Administrator	15	15	70
Finance Assistant*	40	40	20
Town Clerk	7.5	7.5	85
Deputy Town Clerk	7.5	7.5	85
Assistant Zoning Administrator	0	0	100
Police Chief	0.5	0.5	99
Police Sergeant	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer	0.5	0.5	99
Police Patrol Officer (Part time)	0.5	0.5	99
Public Works Director *	37.5	37.5	25
Water Operator *	40	45	15
Water Operator *	40	45	15
Public Works	5	5	90
Public Works			
Public Works	5	5	90
Custodian (part-time)			100

*These four positions are primarily within the water/sewer department, so the General Fund pays the allocated portion of the cost of these employees to the Enterprise Funds.

Other positions that are allocated between the Funds are primarily General Fund positions, so the Enterprise Funds pay the allocated portion of the cost of these employees to the General Fund.

Changes in Staffing Levels and Hours

This budget, as noted earlier, does not contemplate the addition or elimination of any full or part-time positions for the foreseeable future.

Full-Time Equivalent Positions (FTE) - All Funds												
Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	3	3	3	3	3	3	3	3	3	3	3	3
Finance	1	1	1	1	1	1	1	1	1	1	1	1
Police	5.26	5.26	5.5	5.5	5.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Zoning	1	1	1	1	1	1	1	1	1	1	1	1
Public Works	2.5	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Water/Sewer Funds	4.6	5	5	5	4	4	4	4	4	4	4	4
TOTAL FTE	17.36	17.76	18	18	18	19	19	19	19	19	19	19

Employee Benefits

Competitive Salary

River Bend maintains a competitive salary structure when compared to other local governments in our peer group. In Fiscal Year 2011 a complete review and revision of the compensation plan for all employees was completed. The plan is reviewed each year and no changes are contemplated in this budget.

Insurance

The Town pays the full costs of health and life insurance for all employees. An employee may purchase additional insurance for family coverage. Beginning in FY 2013, the Town increased the individual deductible to \$2,500 in order to realize savings on health insurance premiums. To offset some of the impact on employees, the Town agreed to fund, using a Health Reimbursement Account (HRA), the first \$1,500 of each employee's deductible.

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

Retirement

All Town employees are members of the Local Government Employees' Retirement System, which is run by the State of North Carolina. Both the Town and employees contribute to the retirement system. The employer's contribution rate increased for fiscal year 2011 for the first time in over thirty years and continues to change each year to respond to changes in the financial performance of funds invested for local government retirees. In 2015 the rate decreased to 6.67% for non-law enforcement and to 7.15% for law enforcement positions.

401K

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

Social Security

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

Holidays

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

Vacation

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

Sick Leave

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

Uniforms

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

Tuition Reimbursement

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

Law Enforcement Separation Allowance

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

DEPARTMENT: Administration / Finance

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

FEATURES:

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

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

Town of River Bend, North Carolina
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ADMIN.						
Step	AD 1	AD 2	AD 3	AD 4	AD 5	AD 6
1	24,308	33,147	34,804	38,284	53,035	60,769
2	24,551	33,478	35,152	38,667	53,565	61,376
3	24,796	33,813	35,503	39,054	54,101	61,990
4	25,044	34,151	35,859	39,444	54,642	62,610
5	25,294	34,492	36,217	39,839	55,188	63,236
6	25,547	34,837	36,579	40,237	55,740	63,869
7	25,803	35,186	36,945	40,640	56,297	64,507
8	26,061	35,538	37,315	41,046	56,860	65,152
9	26,322	35,893	37,688	41,456	57,429	65,804
10	26,585	36,252	38,065	41,871	58,003	66,462
11	26,851	36,614	38,445	42,290	58,583	67,127
12	27,119	36,981	38,830	42,713	59,169	67,798
13	27,390	37,350	39,218	43,140	59,761	68,476
14	27,664	37,724	39,610	43,571	60,358	69,161
15	27,941	38,101	40,006	44,007	60,962	69,852
16	28,220	38,482	40,406	44,447	61,571	70,551
17	28,502	38,867	40,810	44,891	62,187	71,256
18	28,787	39,256	41,218	45,340	62,809	71,969
19	29,075	39,648	41,631	45,794	63,437	72,688
20	29,366	40,045	42,047	46,252	64,072	73,415
21	29,660	40,445	42,467	46,714	64,712	74,149
22	29,956	40,850	42,892	47,181	65,359	74,891
23	30,256	41,258	43,321	47,653	66,013	75,640
24	30,558	41,671	43,754	48,130	66,673	76,396
25	30,864	42,087	44,192	48,611	67,340	77,160

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

Town Manager	AD6	Step 19
Finance Administrator	AD5	Step 20
Finance Assistant	AD4	Step 15
Town Clerk	AD2	Step 10
Deputy Town Clerk	AD3	Step 22
Asst. Zoning Administrator	AD3	Step 14

DEPARTMENT: Police

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

FEATURES:

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

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

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POLICE						
Step	PO 1	PO 2	PO 3	PO 4 (sgt)	PO 5 (lt)	PO 6 (chief)
1	33,147			43,091	47,510	53,035
2	33,478			43,521	47,985	53,565
3	33,813			43,957	48,465	54,101
4	34,151	35,859		44,396	48,950	54,642
5	34,492	36,217		44,840	49,439	55,188
6		36,579		45,289	49,934	55,740
7		36,945	38,792	45,742	50,433	56,297
8		37,315	39,180	46,199	50,937	56,860
9		37,688	39,572	46,661	51,447	57,429
10		38,065	39,968	47,128	51,961	58,003
11			40,367	47,599	52,481	58,583
12			40,771	48,075	53,006	59,169
13			41,179	48,556	53,536	59,761
14			41,591	49,041	54,071	60,358
15			42,007	49,532	54,612	60,962
16			42,427	50,027	55,158	61,571
17			42,851	50,527	55,709	62,187
18			43,279	51,032	56,266	62,809
19			43,712	51,543	56,829	63,437
20			44,149	52,058	57,397	64,072
21			44,591	52,579	57,971	64,712
22			45,037	53,104	58,551	65,359
23			45,487	53,636	59,137	66,013
24			45,942	54,172	59,728	66,673
25			46,401	54,714	60,325	67,340

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

Police Chief	P06	Step 25
Sergeant	P04	Step 13
Patrol Officer	P02	Step 6
Patrol Officer	P02	Step 25
Patrol Officer	P03	Step 10
Patrol Office	P01	Step 5

DEPARTMENT: Public Works / Water Resources

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

FEATURES:

1. Pay Grades – The plan contains a total of seven (7) pay grades.
 - o PW 1 - Entry Level Public Works Technician
 - o PW 2 – Public Works Technician with at least three years' time as PW 1 and possession of one or more State issued pesticide or herbicide licenses.
 - o PW 3 – Public Works Technician with at least two years as a PW2 and possession of C-Well, C-Distribution, Collections-I and Wastewater-I. (class being added, if approved by Council, effective 7/1/2012)
 - o WO 1 – Entry level water/wastewater operator. Must possess, or obtain C-Well, C-Distribution, Collections – I and Wastewater – I within one year of hire.
 - o WO 2 – Water/Wastewater Operator with at least three years' time as WO 1 and possession of B – Well, B – Distribution, Collections – II, and Wastewater – II.
 - o WO 3 – Advanced Water/Wastewater Operator with at least two years time as WO 2 and possession of B – Well, B – Distribution, Collections – III, and Wastewater – III.
 - o WO 4 – Field Operations Supervisor – Field level supervisor with B – Well, B – Distribution, Collections – III, Wastewater – III and Cross Connection certifications.
 - o WO 5 – Director of Public Works
2. Longevity Pay – The plan recognizes longevity by increasing each full-time employee one step within their pay grade on July 1st of each year. Employees who end their probationary period on or after January 1st will not advance from the step to which their position is assigned on the subsequent July 1st but will in succeeding years begin advancement as described above.
3. Promotions – The plan encourages promotion from the level of PW I to PW II to PW III, and from WO I, to II, to III, by offering a pay grade increase and by eliminating longevity increases beyond a tenure deemed reasonable to meet the criteria for promotion. Promotions to the level of Field Operations Supervisor and Superintendent will be based upon competitive selection as positions become available. Persons hired from outside the department may be granted credit for time in grade by placing them into step levels commensurate with the value of their prior experience in the job classification into which they are hired. This step placement will be at the discretion of the Town Manager in consultation with the Director. Promotions will take effect on the July 1st immediately following the employee meeting all promotion criteria.

4. Cost of Living Increases – The plan will be adjusted annually, with an effective date of July 1st, to reflect the decision of the Town Council regarding the appropriate level of adjustment necessary to respond to changes in cost of living indices.
5. Other Plan Adjustments – Each year, the Town Manager and the Director will review the compensation levels within the plan. Current levels will be compared to those in similar sized jurisdictions in North Carolina, and with other municipal departments in the area based upon data collected by the North Carolina League of Municipalities. During the annual budget process, any recommended changes to the levels of compensation will be discussed with the Town Council, who will decide what, if any, changes are appropriate given the data presented balanced with other competing needs in the Town.
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7. Merit Bonus – Each year the Town Council may, at its discretion, create a pool of funds to be used to reward exceptional performance by employees during the preceding fiscal year, and to reward them for obtaining advance and job appropriate certifications throughout the year. Merit bonuses will be based upon the results of annual performance evaluations at the discretion of the Town Manager in consultation with the appropriate Department Head. The amount of the bonus will be determined by the Town Manager, but will not, unless special circumstances exist, and only with Town Council approval, exceed 2 percent of the employee's base salary.
8. Stand-by Pay – Stand-by time is defined as that time when an employee must be available for contact via a Town authorized communication device and be within a thirty (30) minute response time to the Town. Non-exempt employees required to be on "stand-by" duty will be paid for nine hours of work for each week of stand-by time they serve. Stand-by compensation for less than one full week shall be determined by the ratio of 0.07 hours of pay per one hour of stand-by time. Hours actually worked while on stand-by are calculated beginning when the employee begins transit, subject to a maximum travel time of one-half hour, to the work site, and ending, subject to a maximum return travel time of one-half hour, when the employee returns to their pre-call back location. These hours are added to the regular total of hours worked for the week. Travel time, subject to the one hour maximum round trip, is counted toward the two-hour call back minimum. Operators will be reimbursed, at the rate approved by the Town Council, for mileage, round-trip, from their home, or actual location when called back, whichever is closer.

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PUBLIC WORKS	Public Works			Water				
Step	PW 1	PW 2	PW 3	WO 1	WO 2	WO 3	WO 4 (FO Sup)	WO 5 (Dir)
1	27,622			32,042			43,091	53,035
2	27,898			32,362			43,521	53,565
3	28,177	29,586		32,686			43,957	54,101
4	28,459	29,882		33,013	34,663		44,396	54,642
5	28,744	30,181	33,343	33,343	35,010		44,840	55,188
6		30,483	33,676		35,360	37,128	45,289	55,740
7		30,788	34,013		35,714	37,499	45,742	56,297
8		31,095	34,353		36,071	37,874	46,199	56,860
9		31,406	34,697		36,431	38,253	46,661	57,429
10		31,720	35,044		36,796	38,636	47,128	58,003
11		32,038	35,394		37,164	39,022	47,599	58,583
12		32,358	35,748		37,535	39,412	48,075	59,169
13		32,682	36,105		37,911	39,806	48,556	59,761
14		33,008	36,466		38,290	40,204	49,041	60,358
15		33,339	36,831		38,673	40,606	49,532	60,962
16		33,672	37,199		39,059	41,012	50,027	61,571
17		34,009	37,571		39,450	41,422	50,527	62,187
18		34,349	37,947		39,844	41,837	51,032	62,809
19		34,692	38,327		40,243	42,255	51,543	63,437
20		35,039	38,710		40,645	42,678	52,058	64,072
21		35,390	39,097		41,052	43,104	52,579	64,712
22		35,743	39,488		41,462	43,535	53,104	65,359
23		36,101	39,883		41,877	43,971	53,636	66,013
24		36,462	40,282		42,296	44,411	54,172	66,673
25		36,826	40,684		42,719	44,855	54,714	67,340

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

Director of Public Works	WO5	Step 12
Water Operator	WO1	Step 5
Water Operator	WO2	Step 17
Public Works Technician	PW3	Step 10
Public Works Technician	PW2	Step 20
Public Works Technician	PW1	Step 5

Vehicle Replacement Plan General Fund			2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Reserved			16,000	16,000	16,000	16,000	17,000	17,000	17,000	17,000	18,000	18,000
	Life Cycle	Current Vehicle										
Police Vehicles												
Veh #1	8 years	2007 Dodge			23,000							
Veh #2	8 years	2010 Dodge					24,000					
Veh #3	8 years	2010 Dodge							26,000			
Veh #4	8 years	2013 Dodge	22,723								27,000	
Public Works Vehicles												
Veh #1	12 years	2004 F-150				17,000						
Veh #2	12 years	2013 F-250	25,501									
Total Expended			48,224	0	23,000	17,000	24,000	0	26,000	0	27,000	0
Balance (end of FY)			7,024	23,024	16,024	15,024	8,024	25,024	16,024	33,024	24,024	42,024
Purchase price inflated by 3% per year beginning with FY 2015 and using the current State contract price as the base.												
Contributions increased by 1.5% per year beginning with FY 2012.												

Information Technology Replacement Plan

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

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

We pay a monthly fee of \$175 per desktop unit to VC3, and a per account charge for e-mail retention and retrieval. We no longer pay for disaster recovery services as this is a feature included and enhanced by this new approach.

With this change, we were able to reduce the amount of CIP funding for IT from \$10,000 per year to \$6,000 per year in FY 2012. Due to reductions in the costs of our remaining hardware, particularly when it comes to mobile data terminals used by the police, we were able to further reduce CIP funding to \$2,000 in FY 2014 and will continue this level of funding for FY 2016.

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The table below shows the inventory of this equipment and its intended year of replacement. As the reader will notice, we plan to purchase a printer, replace two switches and purchase a laptop.

Hardware Remaining in Plan					
Item - User	Year Purchased	Make/Model	Cost	Est. Year of Replacement	Est. Repl. Cost
MDT - Police	2014	Durabook	2,512	2020	1,100
MDT - Police	2014	Dell Latitude E5530	1,170	2020	1,100
MDT - Police	2015	Dell Latitude 3540BTX	1,380	2021	1,100
MDT - Police	2015	Dell Latitude 3540BTX	1,380	2021	1,100
ASA	2008	Cisco 5505	2,447	2017	500
Laptop - Admin/Budget	2007	Dell Precision M4300	2,274	2016	462
Powered Switch	2011	Cisco SRW224G4P	500	2019	515
Phone Switch	2011	Cisco IAD 800	700	2019	721
Projector	2013	Dell	664	2021	684
Switch (unpowered)	2008	Cisco Catalyst 2960	907	2016	2,053
Small Busines 24 port Switch	2010	Linksys srw224g4p-k9-	676	2016	
Projector	2008	InFocus IN 34	934	2017	700
Printers					
Deputy Clerk	2005	HP LaserJet 2840		2016	1,000
Governing Body	2012	HP LaserJet P2055dn		2020	500
Police	2012	HP LaserJet 1020		2020	500
Zoning	2010	HP LaserJet P2055dn		2020	500
Manager	2011	HP LaserJet P2055dn		2021	500
Police	2011	HP LaserJet P2055dn		2021	500
Water Resources/Pub. Wk	2011	HP LaserJet P2055dn		2021	500
Clerk	2013	HP LaserJet M401dw		2023	500
Finance Administrator	2013	HP LaserJet M401dw		2023	500
TOTAL ESTIMATED REPLACEMENT COST					19,180

Other Expenditures Common Across Major Funds

Electric Power Costs

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

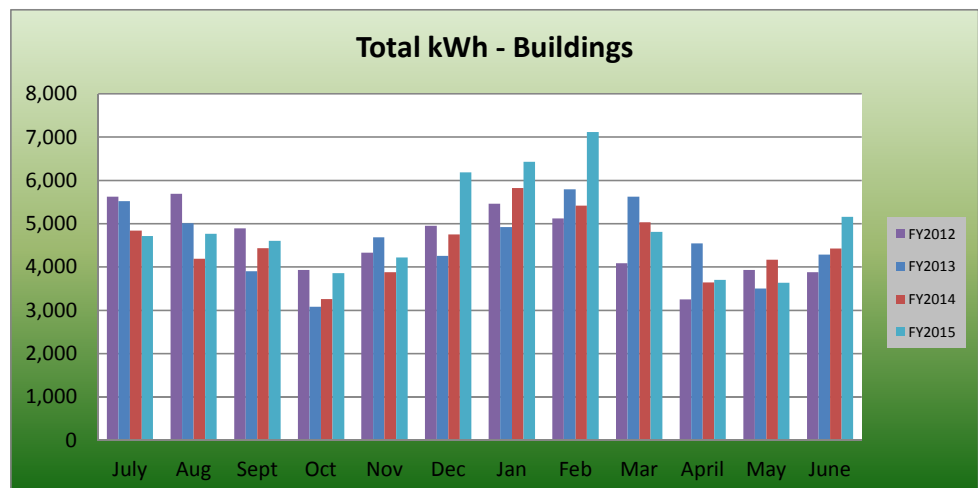
The budget uses an average of the current fiscal year (FY 2015) to date for the first six months of the new year (FY 2016). Duke plans to ask for no rate increases in the coming year. For the second six-month period, we increase the monthly average by 2% to account for any fuel factor rate increase (Duke Energy makes their fuel cost adjustments on a calendar year basis). Duke Energy predicted no fuel factor increase in December of 2015, but prudent budgeting leads us to anticipate a slight increase in fuel costs, thus necessitating the increase in our budget. It is worth noting that the fuel factor decreased by 2.2% in December of 2013. An additional 5% per category is included to account for unusual weather (higher heating and cooling) and other unforeseen demands for power.

	FY 2014		FY 2015		FY 2016
	Budget	Actual	Budget	Projected	Budget
Water Supply	8,500	7,674	8,500	7,670	8,100
Sewer Collection	8,000	7,555	8,000	7,525	7,910
Sewer Treatment	31,000	27,291	31,000	25,600	26,880
Public Buildings	9,000	7,564	9,000	7,800	8,200
Parks	6,000	5,500	6,000	5,000	5,250
Street Lights	44,000	43,737	44,000	44,360	46,580
TOTAL	106,500	5,309	106,500	97,955	102,920

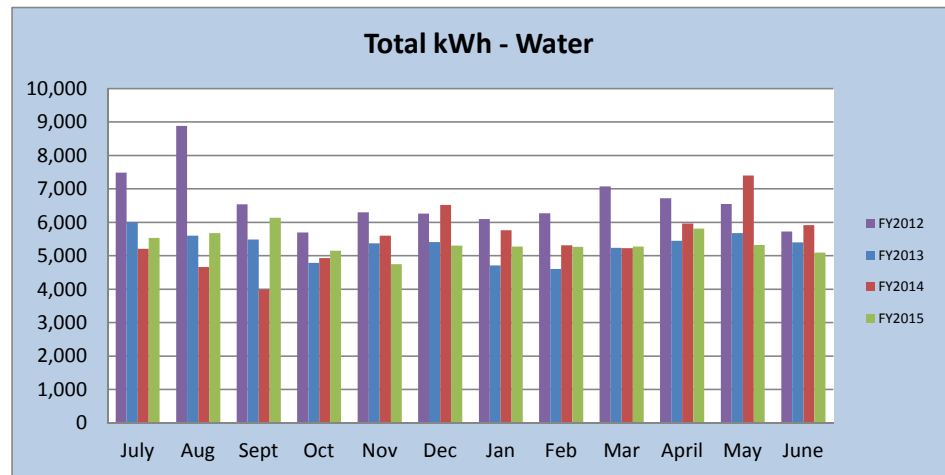
The chart to the left shows the FY 2015 budget and year-end projected expenditure in each area where electric costs appear in the budget, and what we project for FY 2016 in each of these areas. While we will

end FY 2015 under budget, we felt it prudent to budget a slight increase in FY 2016 over projections for FY2015 in each of these areas as noted above.

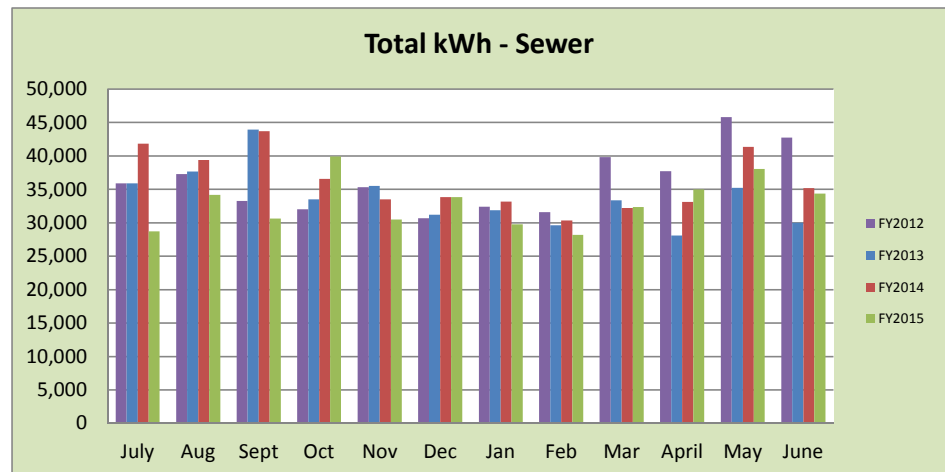
The chart to the right shows the amount of power we use for our building operations. Overall, in FY 2015 we used 39,121 less kwh than we did in FY 2014. We still have months where weather and other factors increase our consumption.



We also track power consumption in our water and sewer operations. Both of these, the reader will notice, are large users of electricity, with the sewer treatment plant being the single largest user in our operations.



We continue to look for ways to realize savings in these areas, including examining our rate structure, exploring opportunities with Duke Energy Progress related to efficiency incentives, and considering other best management practices related to energy cost savings.



Gasoline Consumption

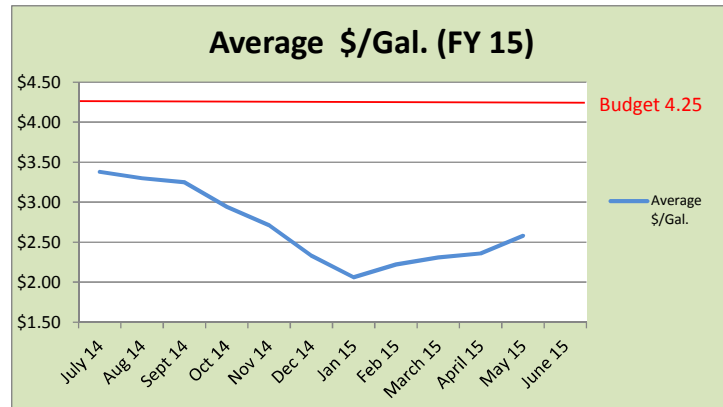
Another expenditure that affects all three funds, and several departments, is for motor fuel for our fleet. During the preparation of the budget, we look at the projections and historical data prepared by the federal Energy Information Administration (EIA) and compare that with our own experience. We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

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

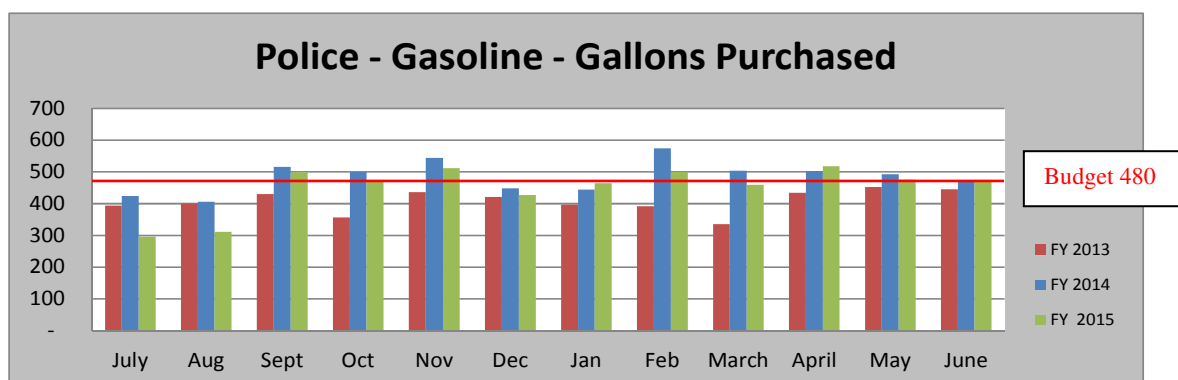
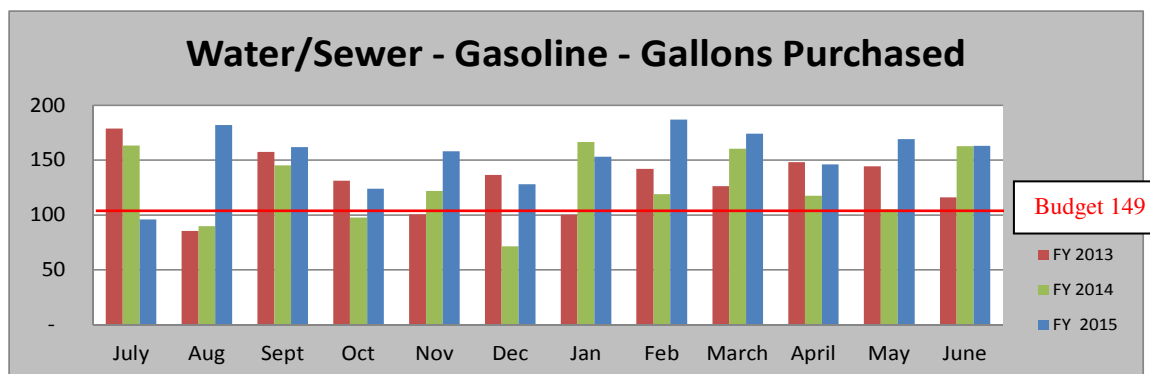
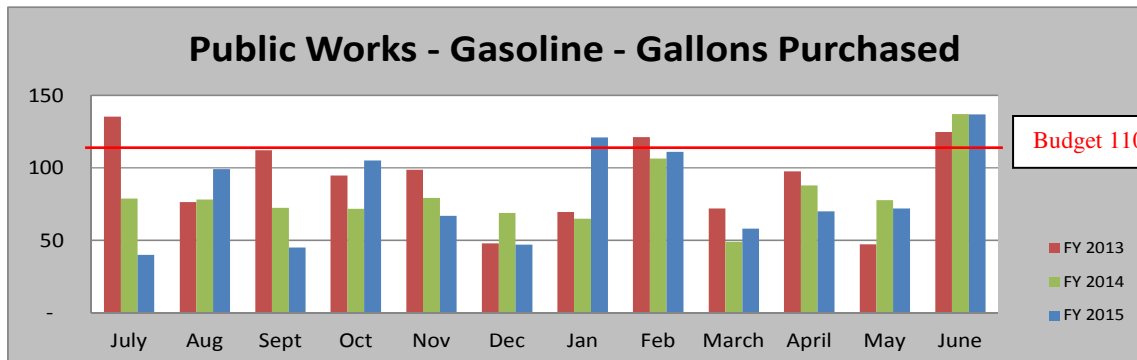
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The chart to the right shows the retail cost per gallon we have been paying in fiscal year 2015 and the budgeted price per gallon.



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



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Obviously, over the past few years, gasoline costs have been unstable, unpredictable and subject to much volatility due to numerous global influences and demands. Each year, during our budget planning process, we look at future fuel cost predictions as determined by the US Energy Information Administration (EIA) . In February of this year, EIA predicted an average gasoline price of \$2.13 for the entire year. We chose to budget our gasoline expense at \$3.25 per gallon.

					\$2.75	\$3.00	\$3.25	\$3.50	
					0.56	0.56	0.56	0.56	
					\$2.19	\$2.44	\$2.69	\$2.94	
Police									* Change vs. FY15
Days	Miles/Day	Annual Miles	MPG	# of Veh.	Total	Total	Total	Total	
365	65	23,725	16	1	\$3,246	\$3,617	\$3,989	\$4,358	
365	65	23,725	16	1	\$3,246	\$3,617	\$3,989	\$4,358	
240	60	14,400	16	1	\$1,970	\$2,195	\$2,421	\$2,645	
205	120	25,900	13	1	\$4,143	\$4,616	\$5,090	\$5,562	
		87,750			\$12,606	\$14,045	\$15,489	\$16,924	\$169
Public Works									
Days	Miles/Day	Annual Miles	MPG	# of Veh.	Total	Total	Total	Total	
300	22	6,600	10	2	\$2,890	\$3,220	\$3,551	\$3,880	\$39
Water / Sewer									
Days	Miles/Day	Annual Miles	MPG	# of Veh.	Total	Total	Total	Total	
365	18	6,570	11	3	\$3,923	\$4,371	\$4,820	\$5,267	\$53
				TOTAL	\$19,419	\$21,636	\$23,860	\$26,071	
Change in total budgeted amount vs. FY 2015					-\$13,044	-\$10,827	-\$8,603	-\$6,392	
*Budget change assuming no change in budgeted fuel price									

Understanding the Headings

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

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

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

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

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

General Fund Overview

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

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

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

We are fortunate, this year, to be able to fund necessary maintenance and purchases without the need to increase the tax rate, but will need to use \$77,029 of our reserve funds to accomplish the work described in the sections that follow. For FY15, we appropriated \$97,322 of our reserve funds to balance the budget. Our projections indicate we will use substantially less than that amount.

General Fund Capital Improvement Plan

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

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

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

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

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

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

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

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

Stormwater Maintenance	193,000
Information Technology	3,515
Police Vehicle	23,000
Total	\$219,515

The graphic to the left provides a summary of the CIP projects for Fiscal Year 2015-16. As noted above, these projects were reviewed in light of their impact upon the operating budget. Due to adequate planning

for such capital projects, there is no adverse effect upon the operating budget due to their inclusion in the budget. Due to longer than expected operational life of some equipment, the actual budget for information technology is lower than projected in the CIP.

The tables on the next two pages shows both funding and expenditure from the General Fund Capital Improvement Plan. The General Fund Capital Reserve Fund accounts for this financial activity.

General Fund Capital Improvement Plan - Funding

Adopted Capital Funding	Funding Began	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	TOTALS
<i>Public Bld. & Grounds:</i>														
Wildwood Facility Replacement	10-11	0	30,000	52,000	52,000	52,000	52,000	26,000	52,000	52,000	52,000	52,000	52,000	524,000
<i>Public Works:</i>														
Stormwater Maintenance [1]	05-06	30,000	30,000	30,000	30,000	30,000	30,000	192,000	30,000	30,000	30,000	30,000	30,000	642,000
<i>Environmental - Waterways</i>														
Canal Maintenance (Dredging)	03-04	3,500	3,500	3,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	76,500
Front Pond/Ritter Field Silt Clean-out	05-06													3,000
<i>Information Technology</i>	10-11													
Hardware replacement			10,000	6,000	6,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	38,000
<i>Vehicles (ref. veh repl schedule):</i>														
Public Works and Police	04-05	17,000	15,000	15,000	15,000	16,000	16,000	16,000	16,000	17,000	17,000	17,000	17,000	246,000
TOTAL		51,500	88,500	106,500	108,000	105,000	105,000	241,000	105,000	106,000	106,000	106,000	106,000	1,584,500

General Fund Capital Improvement Plan - Spending

CAPITAL RESERVE FUND	Beg. Balance	208,775	202,716	244,101	331,227	417,158	333,895	501,241	386,726	445,026	491,526	566,290	612,590	1,584,500
Adopted Capital Spending		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	TOTALS
Public Bld. & Grounds:														
Wildwood Replacement			10,800			90,340								101,140
Public Works:														
Stormwater Maintenance		0	18,600	15,000	15,000	45,800	65,500	193,000	30,000	30,000	30,000	30,000	30,000	622,900
Environmental - Waterways														
Canal Maintenance & Dredging				4,500			4,500			4,500			4,500	22,500
Front Pond/Ritter Field Clean-out														3,000
Information Technology:														
Hardware replacement			6,900	1,500	4,212	3,154	3,682	3,515	700	0	1,236	3,700	4,384	32,983
Vehicles (ref. veh repl schedule):														
Public Works						26,266			17,000					59,266
Police		35,132	22,000			22,723		23,000		25,000		26,000		234,695
TOTAL		96,232	65,300	21,000	19,212	188,283	73,682	219,515	47,700	59,500	31,236	59,700	38,884	1,152,084
CAPITAL RESERVE FUND	Interest Earned:	240	184	126	143	20	28							38,975
	Ending Balance:	114,216	137,601	223,227	312,158	228,895	260,241	281,726	339,026	385,526	460,290	506,590	573,706	471,391
		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Ending Bal.

General Fund Expenditures

Introduction

The General Fund is broken down into eighteen departments based upon the functions and services the Town of River Bend provides. What follows is a cursory description of each department and an overview of the budget for each.

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

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

Governing Body

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

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

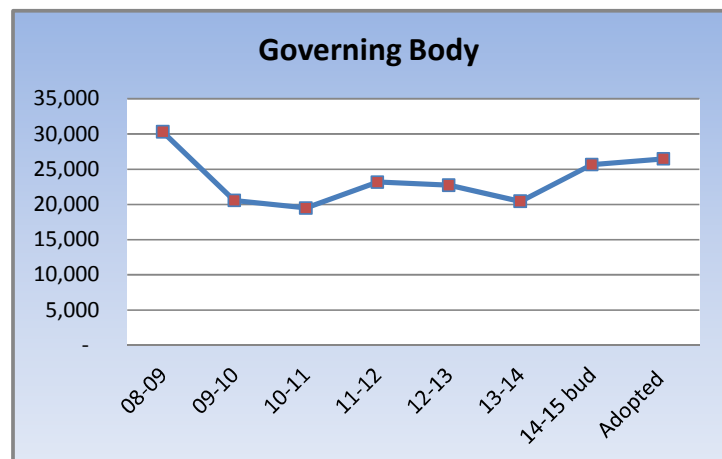
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Continued participation in the Eastern Carolina Council of Governments
- Continued participation in the Highway 17 Association
- Continued involvement in the New Bern Metropolitan Planning Organization
- Contribution to Allies for Cherry Point's Tomorrow
- Council appointed hiring committee to select new Town Manager
- Council conducted workshops related to new municipal building plan

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



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Line 170 reflects the budgeted expenses for the Mayor and two Council members to attend the North Carolina League of Municipalities annual conference in Winston-Salem. It also includes funding, as has been our practice, for travel to other meetings and educational seminars.

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

Governing Body		12-13		13-14		14-15		15-16
		YR End Budget	Actual Expend	YR End Budget	Actual Year-End	Current Budget	Projected Year-End	Adopted Budget
4110								
121	Wages & Salaries	15,600	15,600	15,600	15,600	15,600	15,600	15,600
170	Board Member Expenditures	5,000	5,152	5,080	4,265	4,500	4,500	4,500
181	FICA	1,194	1,193	1,194	1,193	1,194	1,194	1,193
186	Workers' Compensation Ins.	110	86	110	85	110	83	100
171	Mayor's Representation	2,000	1,627	2,000	1,661	2,000	2,000	2,000
481	Indirect Cost- Labor	-8,451	-8,450	-8,451	-8,451	-8,451	-8,451	-8,451
491	Dues & Subscriptions	4,082	4,302	6,856	4,591	7,492	6,152	7,809
499	Misc- Contributions	3,200	3,200	1,500	1,500	3,200	3,200	3,700
	Printing							
	TOTAL	22,735	22,710	23,889	20,445	25,645	24,278	26,452
170	NCLM Conference Winston Salem		1,500		3 participants at \$500			
			1,500		Lodging for 3 at \$500			
	Other Travel and Subsistence		1,500					
			4,500					
491	Eastern Carolina Council of Government			366				
	Metropolitan Planning Organization			2,578				
	Governing			20				
	NB Area Chamber of Commerce			230				
	NC Coastal Federation			50				
	NC League of Municipalities			4,200				
	UNC School of Government			365				
				7,809				
499	Approp. to Highway 17 Assoc.		2,000					
	Approp. To Allies for Cherry Point		1,700					
			3,700					

Administration

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

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

Town Manager

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

Primary Functions:

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

Town Clerk

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

Primary Functions:

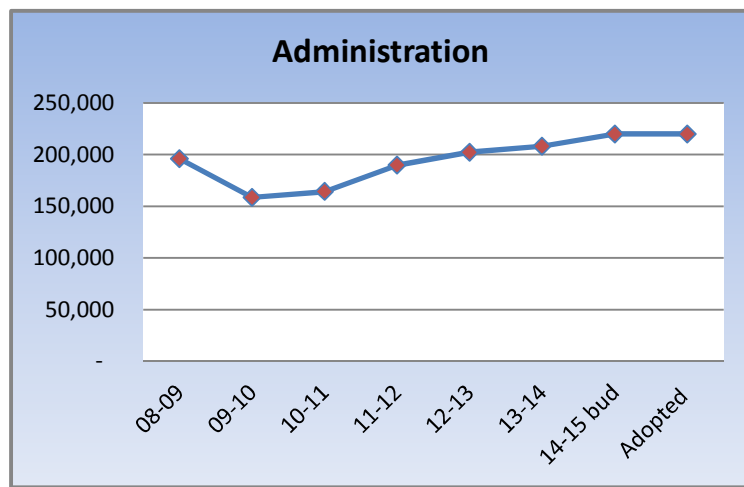
- Prepare minutes and agendas of Town Council meetings and makes these documents available electronically through the Town's website.
- Maintain Town records in accordance with applicable laws and internal policies.
- Serve as a point of contact for resident and visitor inquiries.
- Maintain information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

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Town Manager participated in the NCCCMA Annual Conference in Durham
- Conducted the fifth annual “Shred Event” where a paper shredding contractor comes to Town for a day to allow residents to shred unneeded documents and to allow the Town to dispose of records in accordance with NC Department of Cultural Resources regulations for the maintenance and disposal of such records
- Received the sixth consecutive “Tree City USA” award
- Deputy Clerk completed redesign and launch of town’s webpage

The department of Administration is staffed by the Town Manager, Town Clerk, and Deputy Town Clerk. Besides wages and benefits for these three employees, this department also funds the annual maintenance agreement on the photocopier (line 430), and other supplies and materials. Line 498 is a pass through of State funds in support of Public Access Television. We receive these funds and pay them to Channel 10, the local public access channel. In exchange for this pass through, we are not charged a fee to record and broadcast our meetings.



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

We anticipate no change in staffing levels or hours for this department in FY 2016. The Manager and Town Clerk are 40-hour-per-week positions and the Deputy Clerk is a 30-hour-per-week position.

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

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		12-13		13-14		14-15		15-16
Administration		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4120								
121	Wages & Salaries	130,330	133,967	133,608	137,083	138,993	151,381	139,624
122	Overtime	0		0	0	-	0	0
134	401(k) Retirement	6,517	6,698	6,680	6,854	6,950	6,305	6,981
181	FICA	9,971	10,375	10,221	10,636	10,632	11,643	10,681
182	Loc Govt Emp Retirement	8,784	9,029	9,446	9,692	9,966	8,918	9,313
183	Group Insurance	28,985	27,880	32,141	23,453	28,324	24,443	28,887
185	Unemployment Comp.	0	0	0	640	0	0	0
186	Workers' Compensation Ins.	1,654	1,460	1,696	1,165	1764	1,220	1,457
189	Automobile Allowance	3,300	3,300	3,600	3,600	3,600	2,562	3,600
310	Travel & Subsistence	1,000	620	1,000	930	1,500	3,816	1,500
395	Training	1,300	793	1,500	1,305	1,500	1,500	1,500
380	Data Processing Services	0		0	0	0	0	0
393	Temporary Help Services	0		0	0	0	0	0
399	Contracted services	500	474	500	943	1,250	1,250	1,250
498	PEG Channel Support	34,320	31,836	32,000	31,784	32,000	30,083	28,368
260	Office Supplies	7,500	6,099	5,000	2,885	5,000	4,400	5,000
320	Telephone & Postage	1,800	1,917	1,850	1,973	1,850	2,102	2,200
370	Advertising	500	0	500	973	500	500	500
391	Legal Advertising	2,500	804	2,000	2,109	2,000	2,000	2,000
340	Printing	500	120	500	0	500	500	500
352	Maint & Repair- Equip	0	0	0	0	0	0	0
430	Equipment Rental	6,600	6,353	6,600	6,460	6,600	6,600	6,600
450	Property and Liability Insurance	13,809	11,190	15,590	13,257	15,406	15,817	17,508
491	Dues & Subscriptions	350	234	235	249	235	268	410
481	Indirect Cost- Labor	-51,069	-51,068	-48,147	-48,147	-49,099	-49,099	-48,471
499	Miscellaneous	500	288	500	288	500	500	500
	TOTAL	209,651	202,369	217,020	208,132	219,971	226,707	219,908
310	Travel and Subsistence	500	NCLM Conference					
		1,000	Other					
	TOTAL	1,500						
395	NCLM Conf. in Winston-Salem		500					
	Other		1,000					
			1,500					
399	Shred Event	750						
	GetResponse e-mail service	500						
		1,250						
498	Recording Council meetings - no longer any net charge associated with this, expense is offset by state							
430	Copier Lease and maintenance (\$5,700), Postage Meter Lease (\$800), Property Tax (\$91)							
450	Property and Liability Insurance		Gen	Water	Sewer	Total Property & Liability		
			\$17,508	\$11,172	\$14,141	\$42,821		
			deductibles: \$500 auto, \$1000 property					
491	Clerks Association	50						
	Managers Association	175						
	Sun Journal	170						
	Arbor Day Foundation	15						
	TOTAL	410						

Finance

Council Priority(ies): 8, 10

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

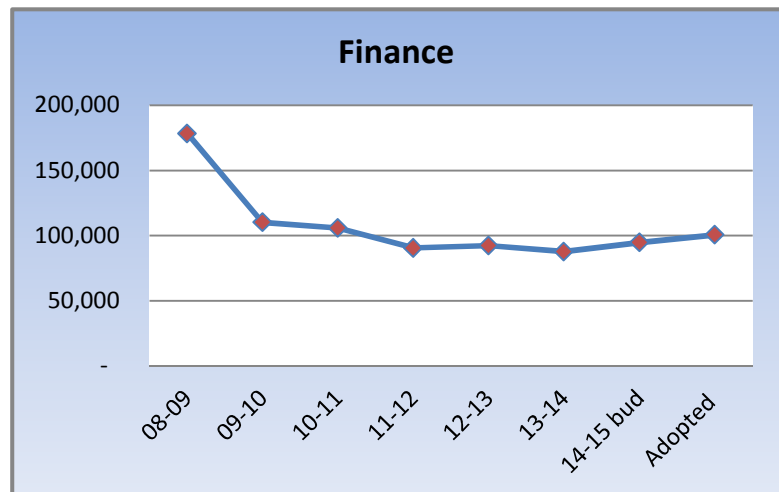
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Received the Towns' fourth Excellence in Financial Reporting Award from GFOA
- Received our fifth consecutive Distinguished Budget Presentation Award from GFOA

The Finance Department funds the salary and benefits of the Finance Administrator who has overall responsibility for all the financial operations of the Town. The Finance Assistant is paid by the Enterprise Funds, with a portion of the time allocated back to the General Fund. The statutorily required Finance Officer position is filled by a member of the Town Council. We anticipate no change in staffing levels for this department in FY 2015.



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

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The large increase in the trend shown in the graph is due to the financing of the purchase of the Information Technology system in FY 2007-08. This three-year installment purchase loan was paid in full in FY 2011.

		12-13		13-14		14-15		15-16
Finance		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4130								
121	Wages & Salaries	58,268	59,534	59,733	60,928	62,140	63,073	64,072
134	401(k) Retirement	2,913	2,977	2,987	3,046	3,107	3,158	3,204
181	FICA	4,457	4,512	4,568	4,648	4,755	4,816	4,901
182	Loc Govt Emp Retirement	3,927	4,013	4,223	4,308	4,455	4,460	4,274
183	Group Insurance	9,737	10,051	10,770	8,484	9,531	8,726	9,719
185	Unemployment Comp.	0	0	0	214	0	0	0
186	Workers' Compensation Ins.	210	164	215	174	224	175	231
310	Travel & Subsistence	1,000	499	1,000	913	500	1,570	1,000
395	Training	1,250	749	1,250	925	500	149	1,000
191	Professional Svcs- Auditing	4,400	4,333	4,500	4,333	4,500	4,500	4,667
382	Banking Services	1,200	856	1,100	895	1,100	1,100	1,100
393	Temporary Help Services	0		0	0	0	0	0
441	Springbrook Service & Maint.	4,883	4,868	5,062	5,062	5,265	5,265	5,475
482	Indirect Labor Cost	11,514	11,514	20,989	20,989	21,253	21,253	21,800
481	Labor Allocation	-23,854	-23,854	-41,249	-41,249	-42,106	-42,106	-43,200
299	Supplies & Materials	500	68	500	212	3,500	3,500	4,015
381	Other IT Services	500	432	600	528	600	600	672
440	VC3 IT Service & Maint.	13,673	11,068	12,623	12,416	14,051	14,051	16,421
491	Dues & Subscriptions	240	225	225	250	250	210	210
499	Miscellaneous	1,000	236	1,000	550	1,000	1,000	1,000
520	Capital Outlay- Equip	0	0	0	0	0	0	0
760	Install. Purchase - Principal	0	0	0	0	0	0	0
770	Install. Purchase - Interest	0	0	0	0	0	0	0
	TOTAL	95,818	92,244	90,096	87,625	94,625	95,499	100,560
191	Auditing Services (\$14,000 total allocated equally to general/water/sewer - estimated)							
382	Banking Services: Estimated \$350 per month. Allocated between water/sewer/general fund							
441	Springbrook software maintenance (Total = \$13,869). [40% general fund, 30% water, 30% sewer]							
482	General Fund pays 35% of Fin. Asst. W/S is charged 50% of Finance Admin							
381	Computer Services: Internet, web site, etc.							
440	VC3 Hosted Desktop Contract: \$37,777 + \$3,276 support = \$41,052 [40% general, 30% water, 30% sewer]							
299	Includes \$3,515 for IT replacement schedule items							
499	Miscellaneous, includes submittal fees for GFOA Budget (\$185) and CAFR (\$370) awards							
491	GFOA	160						
	NCGFOA	50						
		210						

Town of River Bend, North Carolina
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Tax Listing

Council Priority(ies): 8

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

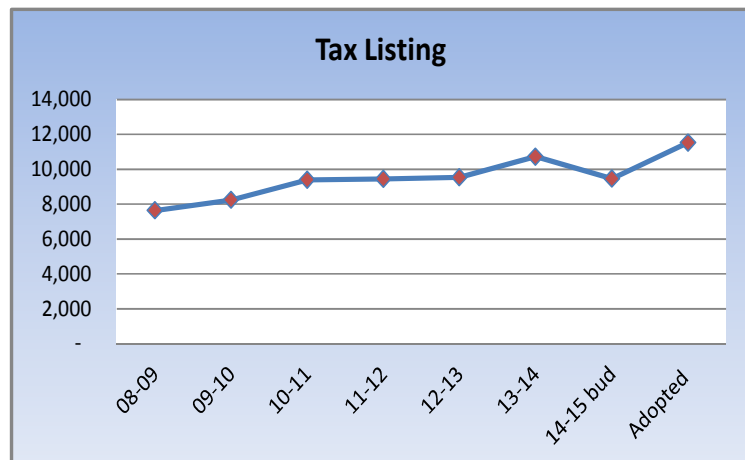
Primary Functions

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Under contract with Craven County, collected 99.89% of real property tax
- Continued transition to State collection of motor vehicle tax

We pay the County a 1% fee to collect real and personal property taxes. We have budgeted a 4.5% fee to collect motor vehicle taxes. Due to a recent change in the procedure to collect vehicle taxes, those taxes are now collected by the State. In theory the collection rate should be 100% because a vehicle cannot receive a registration without the taxes due on the vehicle being paid in full.



		12-13		13-14		14-15		15-16
Tax collection		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4140								
392	RE & Pers Prop Collection Fee	8,152	8,061	8,359	8,182	8,147	8,350	8,244
394	Motor Veh Collection Fee	1,408	1,481	2,964	2,548	1,316	3,500	3,287
TOTAL		9,560	9,542	11,323	10,729	9,463	11,850	11,530

The table below shows the total tax base, and the revised tax base upon which we base our revenue budget (as required by State law).

Per the TR2-2014 report:		tax base	tax rate	total levy	collection rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		306,459,970	0.265	812,119	99.66%	809,358	1.0%
Motor vehicles		25,816,641	0.265	68,414	98.64%	67,484	4.5%
TOTAL		332,276,611					

Legal Services

Council Priority(ies): 10

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

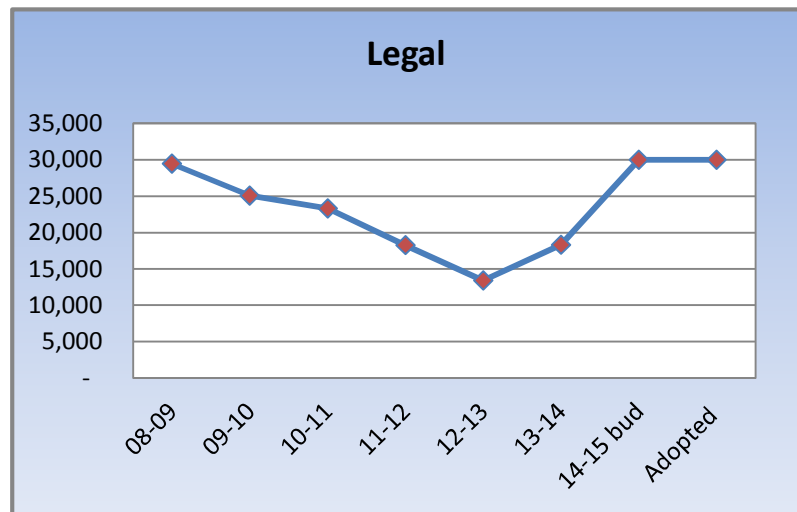
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

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

The Town contracts with the law firm of Sumrell, Sugg, Carmichael, Hicks, & Hart, P.A. to provide legal services. This firm specializes in municipal law and is an outstanding resource for the Town. The budgeted amount, as the reader will notice, is divided into four general categories, all with the same "line number." Our chart of accounts does not distinguish between routine legal fees and those we incur due to lawsuits or other actions filed against the Town. We use this detail to help illustrate the breakdown of these expenditures. Expenditures in this department are driven largely by need. Aside from the routine legal matters mentioned above, if the Town either initiates or needs to defend an action, our legal costs will increase. This is borne out by the pattern of expenditures revealed in the graph shown above. No rate increases are anticipated.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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		12-13		13-14		14-15		15-16
Legal Services		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4150								
192	Professional Services - General	15,500	13,397	20,000	18,308	24,000	30,000	24,000
192	Prof Svcs. - FEMA Floodplain							
192	Prof Svcs - Lawsuits			-		6,000		6,000
192	Prof Svcs. - Personnel Policy review							
	TOTAL	15,500	13,397	20,000	18,308	30,000	30,000	30,000
192	Current rate of \$225 per hour for Partners and \$200 per hour for Associates.							

Elections

Council Priority(ies): 10

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

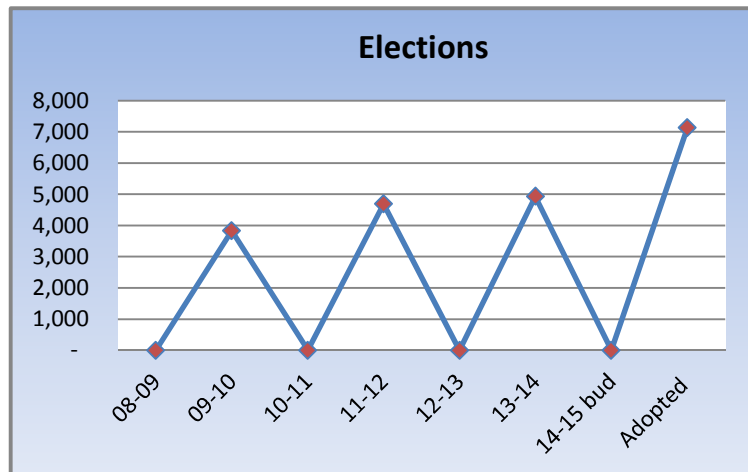
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- An election was not held during the year.

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



The next election will be for Mayor and two seats on the Town Council and will be held in November, 2015.

		12-13		13-14		14-15		15-16
Elections		YR End	Actual	YR End	Actual	Current	Expended	Adopted
		Budget	Expend	Budget	Year-End	Budget	As of	Budget
4170							02/28/15	
200	Supplies and Materials	0	0	0	0	0	0	0
399	Contracted services	0	0	7,556	4,928	0	0	7,137
	TOTAL	0	0	7,556	4,928	0	0	7,137

Public Buildings

Council Priority(ies): 1, 9

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

Primary Functions:

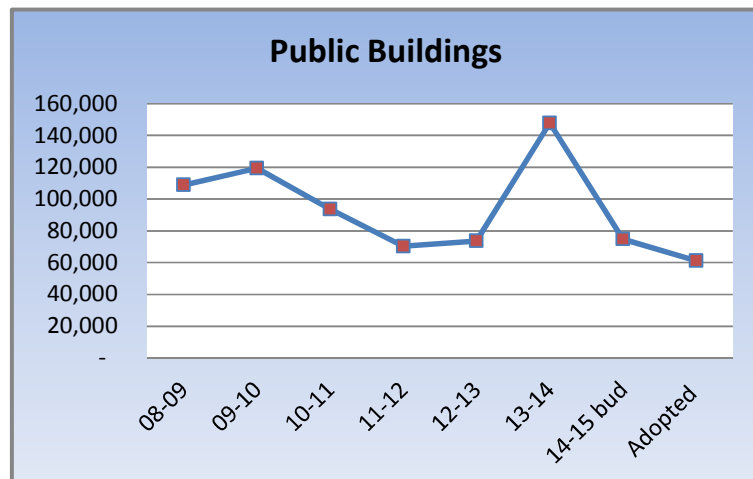
- Maintain Town facilities in an attractive, functional, and safe condition.
- Monitor buildings and grounds for needed repairs and effect those repairs in a timely manner.
- Advise the Town Manager regarding needs for significant repairs or improvements to facilities.
- Supervise the lawn and landscape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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Continued in two-year lawn and landscape maintenance contracts
- Conducted meetings related to the Town's building construction plans
- Council decided to table developing plans for the construction of a new Town Hall / Police building and the renovation of the existing Town Hall and police/public works building until FY16-17.

In the Public Buildings Department we budget expenditures related to the maintenance and operation of the Town's public facilities. These include the Town Hall, Police and Public Works building, Wildwood facility (home of the Red Caboose Library), and our storage buildings. This department also budgets for the mowing and landscaping contracts. These two-year contracts expire in February of

2016, after being executed in FY 2014. In order to manage competition for this type of work, the Town also submitted bids for each contract. We will continue to monitor the costs/benefits/challenges of performing this work in house to determine the most economically and operationally feasible approach.



We anticipate no change in staffing levels or hours for this department in Fiscal Year 2016. In Fiscal Year 2016, we plan to continue our efforts to be good custodians of our public facilities by making a few needed repairs but anticipate no major projects.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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Public Buildings		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4190								
121	Wages & Salaries	13,108	12,234	13,305	12,367	13,436	12,820	13,520
181	FICA	1,002	936	1,018	946	1,028	985	1,034
185	Unemployment Comp.	0	0	0	124	0	0	0
186	Workers' Compensation Ins.	564	486	572	423	578	411	581
195	Wildwood Property Mgmt Fees	0		0	0	0	0	0
354	Grounds & Landscp Contracts	25,500	25,280	26,796	25,280	25,280	25,280	25,280
355	Wildwood Storage Facility Maint.	3,000	2,493	3,000	3,143	3,000	3,000	3,000
399	Contracted Services	3,614	3,943	93,954	93,395	5,514	5,514	3,654
211	Janitorial Supplies	2,000	1,863	2,000	1,080	2,000	2,000	2,000
299	Supplies & Materials	9,600	10,213	2,000	2,617	2,000	2,000	2,000
330	Utilities	9,100	7,434	9,000	7,563	9,000	7,800	8,190
351	Maint & Repair Bldg & Grnds	7,800	8,737	1,500	784	1,500	1,500	1,500
352	Maint & Repairs- Equipment	500	139	500	125	500	500	500
550	Capital Outlay- Equipment	0	0	0	0	0		0
580	Capital Outlay- Grounds/Bldg	0	0	0	0	11,000	9,472	0
760	Install. Purchase - Principal	0	0	0	0	0		0
770	Install. Purchase - Interest	0	0	0	0	0		0
	TOTAL	75,788	73,759	153,645	147,846	74,836	71,283	61,259
399	Pest control (consolidated service for all buildings)			1,700	Pest = 560, Termite = 1,100			
	Preventative Maintenance Agreement for HVAC			700				
	Alarm System Line, Monitoring, and Testing			1,254				
				3,654				
299	Other Supplies & Materials		2,000					
			2,000					

Police

Council Priority(ies): 1, 4, 7

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

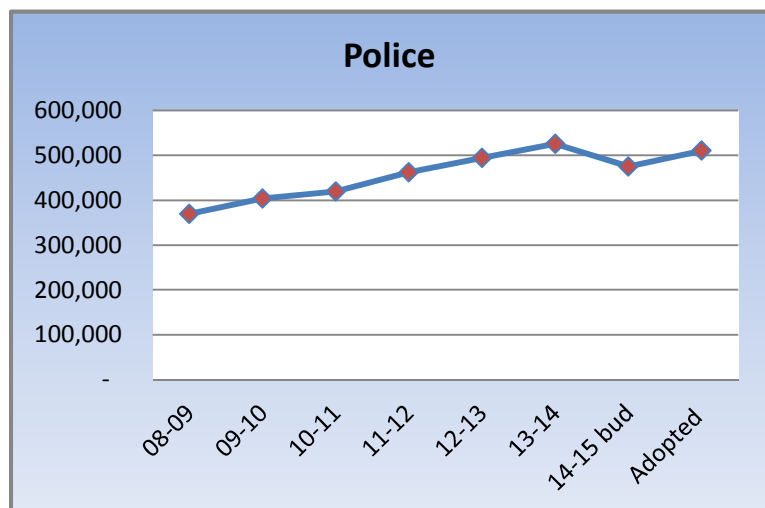
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Refer to Appendix A for statistical information related to service levels
- Made lighting and mobile computing improvements in two vehicles
- Hired an experienced officer to fill a full-time position
- Continued training for all officers to meet State requirements
- Continued design work for police station improvements
- Continued funding for Law Enforcement Separation Allowance

Our Police Department provides service twenty-four hours a day, seven days a week with a staffing profile, much lower than that of other localities offering similar service, this is enabled by a traditionally safe community, and the fact that we have a “working Chief.” The Chief in many localities does not work a patrol shift as ours routinely does. Good scheduling and a flexible workforce give us the advantage of a small force that provides outstanding service.



Expenditures for the Police Department include salaries and benefits for six full-time and one part-time officer, and a limited number of reserve officers, expenditures associated with dispatching, vehicle maintenance, uniforms, fuel, equipment, and Community Watch. Contracted Services (line 399) contains charges related to our Criminal Records System. In order to improve operational efficiency, we have transferred our records management from the City of New Bern to Craven County. This system allows our officers to produce reports to be submitted to the State for inclusion in State and federal crime statistics. To do this we incurred a one time charge of \$3,300 to purchase software licenses and \$768 for annual maintenance. The maintenance charge is the only recurring software cost. Craven County will charge us \$1,000 for Fiscal Year 2015 and \$1,200 per year thereafter to manage our records. So, in subsequent years our total cost will be \$1,968, which is less than we had been paying New Bern for similar service.

This year, we will purchase a new patrol car in accordance with the vehicle replacement plan. That purchase is reflected in the Capital Outlay line (540). The Community Policing line (231) reflects the Town's commitment to continue to support the efforts of the Community Watch program. The Supplies and Materials line (299) includes funding to purchase lighting and graphics for the new patrol car. The purchase of a portable radio is also included in this line in an effort to keep our equipment up-to-date and functioning properly.

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

Emergency Services

Council Priority(ies): 1, 4

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

Primary Functions

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

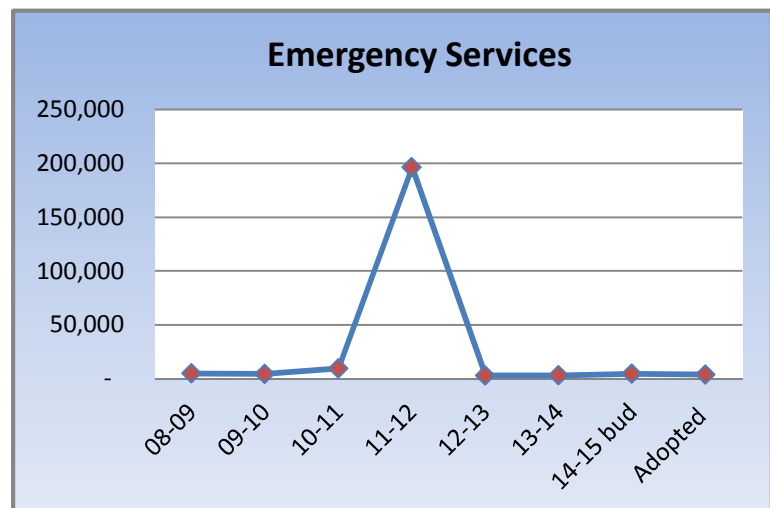
Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- The Community Emergency Response Team (CERT) held its fifth annual Severe Storm Awareness Fair. It was well attended and well received.
- CERT continues to train for a variety of emergency scenarios and maintains a readiness to respond as needed.

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

This department also, since moving it from the police budget after FY 07-08, contains the budget for River Bend’s Community Emergency Response Team (CERT). This group of volunteers is trained to assist in the event of a disaster. The budget amount for CERT is to enhance their training and for other supplies and materials to enhance their ability to respond and assist. Also budgeted is a small amount for insurance for these volunteers. This disability coverage pays \$200 per week for 52 weeks beginning the first day of disability. The annual premium is approximately \$20 per member.

Also included in this department is \$500 to retain the services of our leaf and limb contractor for post disaster clean-up. This retainer requires him to stage his equipment in River Bend in advance of a storm so we are ready to begin clean-up as soon as the storm



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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passes. We also budget a small (\$500) disaster contingency for any unknown small purchases needed in disaster response and recovery.

The large spike in expenditure in FY 11-12 is due to spending for recovery from Hurricane Irene. Included in these expenditures were overtime, generator fuel, and the largest was for debris removal. We received public disaster assistance from Federal and State agencies in the amount of \$183,654 to offset these costs.

Our reverse 911 service (line 399) cost will remain unchanged in the second year after changing to another provider for this service to improve its utility to us and our residents. The new provider has worked well.

		12-13		13-14		14-15		15-16
Emergency Services		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4330								
121	Wages & Salaries	0	0	0	0	0	0	0
122	Overtime	0	0	0	0	0	0	0
133	401(k) Retirement - LEO	0	0	0	0	0	0	0
181	FICA	0	0	0	0	0	0	0
182	Loc Govt Emp Retirement	0	0	0	0	0	0	0
183	Group Insurance	0	0	0	0	0	0	0
185	Unemployment Comp.	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	0	0	0	0	0	0	0
399	Contracted Services	1,250	1,250	1,250	1,250	2,440	2,440	2,440
232	CERT	2,650	1,408	1,750	1,601	1,367	1,367	600
299	Supplies & Materials	500	0	500	0	500	500	500
450	Property & Liability Ins.	350	317	350	317	350	317	350
	TOTAL	4,750	2,975	3,850	3,168	4,657	4,624	3,890
399	\$1,940 for Blackboard Connect "reverse 911", (\$3,877.52 total, \$970 to be paid by water and \$970 by sewer) \$500 disaster mobilization							
232	CERT							
	Personal Protective Equipme	600						
299	Disaster Contingency	500						
450	Accident Insurance	350						

Animal Control

Council Priority(ies): 1

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

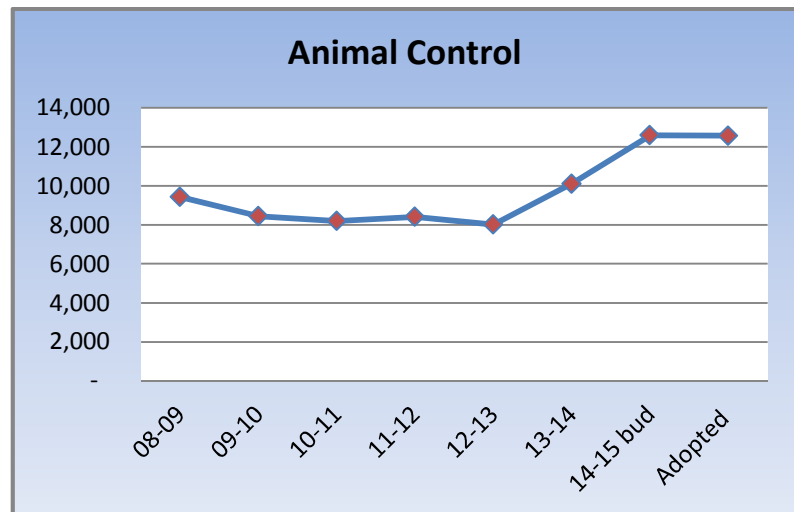
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Enhanced communication about the need to license pets resulted in greater compliance
- Greater licensure rates increase the likelihood that lost animals will be re-united with their owners rather than transported to the County animal shelter

We anticipate no change in staffing levels or hours for this department in FY 2016. Personnel costs have increased due to the allocation of labor in accordance with the allocation table on page 64.



Town of River Bend, North Carolina
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		12-13		13-14		14-15		15-16
Animal Control		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4380								
121	Wages & Salaries	6,218	5,576	9,268	8,698	9,807	9,663	9,883
122	Overtime	0		0	0	0	15	0
134	401(k) Retirement	311	279	463	435	490	489	511
181	FICA	475	418	710	660	750	735	782
182	Loc Govt Emp Retirement	419	379	655	615	703	684	682
183	Group Insurance	1,920	1,551	3,194	1,925	2,816	2,750	2,872
185	Unemployment Comp.			0	71	-		-
186	Workers' Compensation Ins.	420	336	519	445	552	506	670
310	Travel & Subsistence	0	0	0	0	0	0	0
395	Training	0	0	0	0	0	0	0
299	Supplies & Materials	500	461	500	231	500	500	315
481	Indirect Costs- Labor	(976)	(976)	(2,962)	(2,962)	(3,024)	(3,024)	(3,149)
	TOTAL	9,287	8,023	12,347	10,117	12,594	12,318	12,566

Street Maintenance

Council Priority(ies): 1, 8

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

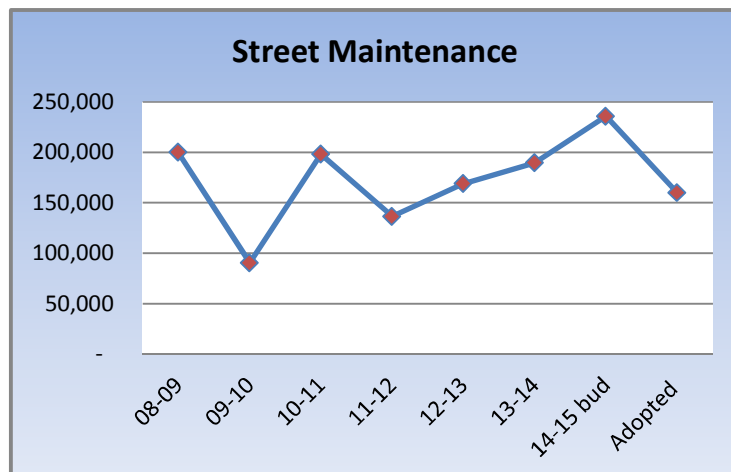
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Patched and paved five streets in compliance with the paving plan
- Performed removal of brick surface road and constructed new paved road in its place
- Used our sealant melter/applicator to seal cracking asphalt on many streets
- Replaced several worn, faded, or damaged regulatory signs
- Repaired roadway shoulder areas that had become rutted
- Repaired most potholes within one day of having them reported

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



consideration is given to using additional funding from local revenue in order to ensure adequate maintenance of this critical part of our public infrastructure.

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

This year we plan to return to our regular maintenance plan after addressing a longstanding problem with one of our streets last year. Our engineer identified the need for paving on five streets (Bayswater, Portside, Boatswain, Captains Cove and Massachusetts) and recommended patching on Anchor Way. All approved paving and patching costs are reflected in line 591 on the worksheet.

The Supplies and Materials line (299) allows for the purchase of materials for our staff to make small patches, apply sealant to cracks, purchase regulatory and directional signs, and perform work on the shoulders of the roadways. As part of an effort to enhance pedestrian safety, funds are included for reflectors and signs to be installed strategically in areas where vehicles and pedestrians share the roadway.

We anticipate no change in staffing levels or hours for this department in FY 2016. Personnel costs have increased due to the allocation of labor in accordance with the table on page 64.

Town of River Bend, North Carolina
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		12-13		13-14		14-15		15-16
Street Maintenance		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4510								
121	Wages & Salaries	15,546	13,944	23,170	21,756	24,517	24,156	24,707
122	Overtime				0			
134	401(k) Retirement	777	697	1,158	1,088	1,226	1,380	1,278
181	FICA	1,190	1,024	1,772	1,651	1,875	1,306	1,956
182	Loc Govt Emp Retirement	1,048	966	1,638	1,538	1,758	1,943	1,705
183	Group Insurance	4,799	3,880	7,985	4,814	7,039	6,835	7,180
185	Unemployment Comp.	0	0	0	177	0		0
186	Workers' Compensation Ins.	1,049	840	1,299	1,112	1,379	1,264	1,675
193	Professional Services - Engineer	5,600	5,850	7,000	7,000	6,000	13,500	6,000
399	Contracted Services	0	257	0	2,060	1,500	1,500	1,500
299	Supplies & Materials	6,000	4,007	6,000	2,317	8,500	8,500	6,500
481	Indirect Cost- Labor	-2,441	-2,440	-7,404	-7,404	-7,559	-7,559	-7,872
550	Capital Outlay - Other Equip			0	0			
591	Capital Outlay - Rdwy/Pvmt	139,600	140,024	153,513	153,513	189,500	144,934	115,390
	TOTAL	173,168	169,049	196,131	189,622	235,735	197,758	160,018
121	25% of PW employees salaries and benefits.							
193	Engineering and Contractor costs for paving.							
399	Limbs (etc) transported to landfill by leaf and limb contractor.							
299	Cold Patch	2,000						
	Sealer	1,000						
	Regulatory Signs	1,500						
	Gravel for shoulders	700						
	Powell Bill Map	300						
	Other Supplies and Materials	1,000						
		6,500						
591	Patching:							
	Anchors Way			6,000				
	Paving:							
	Bayswater Street			42,550				
	Portside Lane			14,765				
	Boatswain Drive			22,750				
	Captains Cove			7,520				
	Massachusetts Road			21,805				
	Striping and Patching allowance			0				
				<u>115,390</u>				

Public Works

Council Priority(ies): 1,8

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

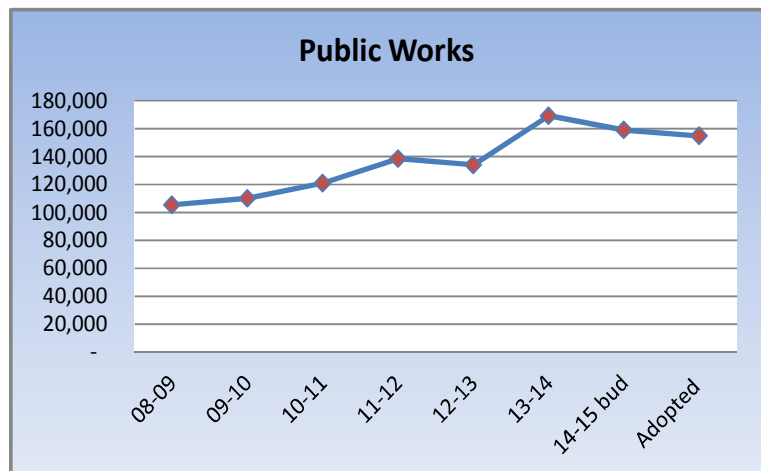
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Purchased a new offset mower for mowing rights-of-way
- Funded tree removal project along Plantation Drive
- Continued a proactive program of trimming limbs around streetlights
- Maintained a regular schedule of mowing of rights-of-way.
- Switched 190 street lights to LED fixtures, which will save \$3,600 per year

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



This department budgets for the maintenance and operation of two vehicles, both of which are included in our vehicle replacement plan (see Page 76). The plan did call for the replacement of a vehicle this year but due to its good condition, its replacement has been delayed.

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

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The single largest expenditure in this department is for Utilities (line 330). This represents the annual budgeted cost for operating our streetlights.

		12-13		13-14		14-15		15-16
Public Works		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4560								
121	Wages & Salaries	21,764	19,521	32,438	30,454	34,324	33,807	34,589
122	Overtime	100	0	100	0	100	51	100
134	401(k) Retirement	1,088	976	1,622	1,523	1,716	1,365	1,790
181	FICA	1,665	1,461	2,482	2,311	2,625	2,068	2,738
182	Loc Govt Emp Retirement	1,467	1,302	2,293	2,153	2,461	1,925	2,387
183	Group Insurance	6,719	5,431	11,179	6,740	9,855	9,569	10,052
185	Unemployment Comp.	0	0	0	248	0	0	0
186	Workers' Compensation Ins.	1,469	1,176	1,818	1,557	1,930	1,769	2,344
310	Travel & Subsistence	500	0	500	0	500	500	500
395	Training	500	116	500	384	500	500	500
399	Contracted Services	3,500	2,567	9,000	10,386	12,000	10,469	5,000
482	Indirect Labor Cost	49,677	49,676	39,485	39,485	41,064	41,064	42,237
481	Labor Allocation	-3,417	-3,418	-10,366	-10,366	-10,582	-10,582	-11,020
212	Uniforms	2,300	2,494	2,300	2,690	2,700	2,700	2,700
251	Motor Fuel	4,692	3,343	4,831	2,663	4,831	2,208	3,321
299	Supplies & Materials	5,000	4,497	6,500	5,335	6,500	6,500	6,500
320	Telephone & Postage	624	764	550	634	1,453	1,453	1,450
330	Utilities	42,000	41,285	44,000	43,737	44,000	44,358	46,576
352	Maint & Repairs- Equip	1,000	1,266	1,000	2,251	1,000	1,000	1,000
353	Maint & Repairs- Vehicle	2,500	1,583	2,000	1,054	2,000	2,000	2,000
439	Bldg & Equip Rental	0	0	0	0	0	165	0
540	Capital Outlay- Motor Vehicles	0	0	26,266	25,926	0	0	0
	TOTAL	143,148	134,040	178,498	169,164	158,977	152,890	154,763
399	Work Order system maintenance \$888 (40% annual cost). No designated projects.							
382	30% of Director salary and benefits + 15% of water operators' salary and benefits.							
251	Fuel - \$3.25 per gallon estimate - \$0.56 per gallon tax = \$2.69 per gallon cost							
330	Based upon historical costs/demand							
299	Misc. Supplies and Materials							

Leaf & Limb and Solid Waste

Council Priority(ies): 1, 9

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

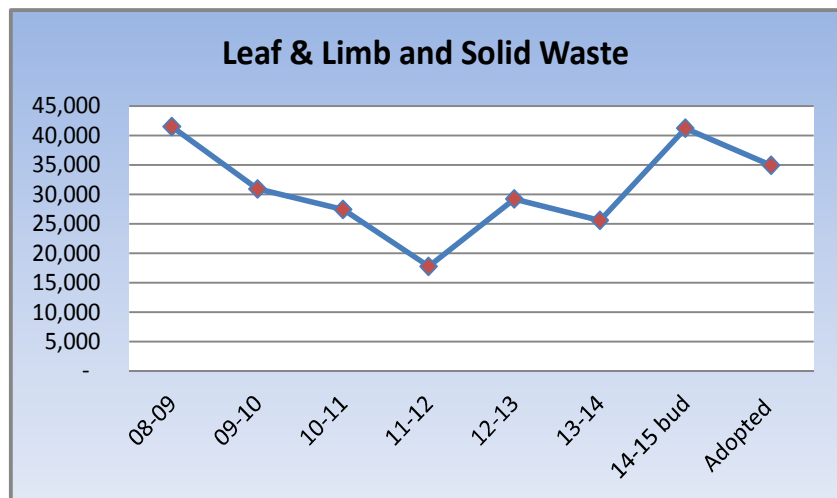
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Continued to provide used motor oil and oil filter recycling programs.
- The Town's contractor removed 343 tons of vegetative debris as part of our bi-monthly leaf and limb pick-up service.
- Absorbed cost of extra pick-up due to ice storm in February

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



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Average Tons per Bi-Monthly Pick-up

Year	Average Tons
2004	34
2005	36
2006	30
2007	50
2008	31
2009	58
2010	42
2011	41
2012	30
2013	43
2014	41
2015	49

		12-13		13-14		14-15		15-16
Leaf & Limb / Solid Waste		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4710								
396	Leaf & Limb Pick-up Services	39,845	28,360	25,345	24,547	39,625	27,711	33,025
399	Contracted Services	820	854	915	1,051	1,100	1,204	1,400
299	Supplies & Material	500	0	500	0	500	500	500
499	Miscellaneous	0		0	0	0	0	0
	TOTAL	41,165	29,215	26,760	25,598	41,225	29,415	34,925
		\$	Tons	\$/ton	# of pick-ups			
396	K.A. Jones (contractor)	28,500	50	95.00	6			
	Landfill Tipping Fee	4,500	50	15.00	6			
	Landfill Facility Fee	25						
		33,025						
399	Oil Filter Recycling	100						
	Town Hall Dumpster	1,300						
		1,400						

Stormwater Management

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

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

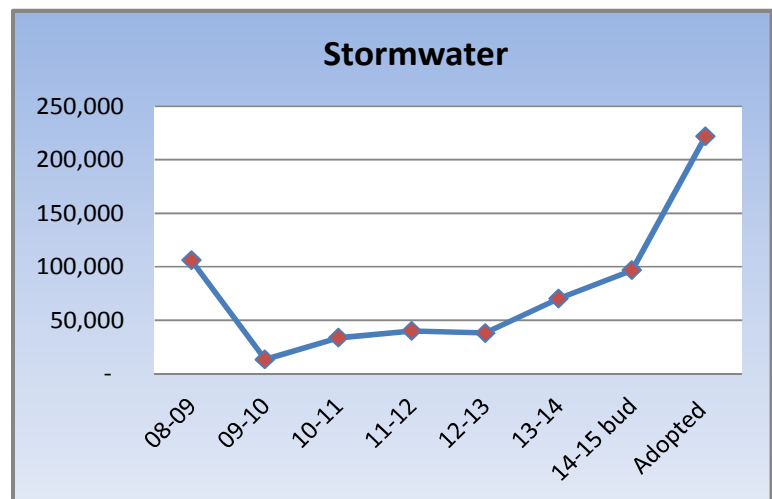
Primary Functions

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Completed two small stormwater improvement projects (Sandpiper, Westchester/Carriage House) with a total expenditure of \$74,270
- Using in-house talent, repaired several minor stormwater infrastructure issues
- Continued proactive and reactive maintenance of issues related to the flow of stormwater
- Finished design of Plantation Bulkhead project for FY16 budget at a cost of \$25,000
- Installed bulkhead on Raft Road at a cost of \$7,439

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



During FY 16 the Town will undertake one major storm water project. As mentioned earlier, the design phase of the proposed project was completed during FY 15 at a cost of \$25,000. The project includes the replacement of the bulkhead where Plantation Drive crosses the canal. The project will replace both the upstream and downstream bulkheads. The bulkhead is aged and has been showing signs of weakness. It needs to be replaced before failure occurs. Plantation Drive is a main road in Town and failure of the bulkhead would be a major source of traffic flow problems.

Due to the anticipated cost of the project, the Council decided to undertake it in phases. The design work, as stated above, occurred in FY15. The construction will take place in FY16. The Town's engineer has estimated the construction cost to be \$192,225. When combined with the \$25,000 previously budgeted for design, the total project cost escalates to \$217,225. That is a sizeable stormwater project for the Town to fund. Since FY07 the Town has set aside \$30,000 per year in the stormwater CIP. The Plantation Drive Bulkhead construction cost scheduled for FY16 is more than the Town currently has set aside in the stormwater CIP.

Although the project cost is estimated to be very high, compared to previous projects, the Council has designated it as a high priority project and has decided to proceed with construction in an attempt to replace it before failure. The finished product should last for 30+ years. It will include the replacement of nearly 3,000 square feet of bulkhead, pipe modifications and related fill and grading.

Our engineer examined possible solutions and prepared designs for the most practical approach to resolve this issue. This project (line 590) will greatly improve the protection and stability of the area around the canal crossing. No other major stormwater project is scheduled for FY16.

Using our personnel, we will continue to perform routine maintenance on the structures and swales we have in place. All the work we do relative to managing stormwater is aimed at not only providing relief for emergent drainage problems but also at being conscious of the environmental impact stormwater can have on receiving streams. This Town, in many ways, serves as a model for good stormwater practices, using grassy swales rather than the traditional urban model of curbs and gutters.

Town of River Bend, North Carolina
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		12-13		13-14		14-15			15-16
Stormwater Management		YR End	Actual	YR End	Actual	Current	Expended	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	As of	Year-End	Budget
4730							02/28/15		
121	Wages & Salaries	9,328	8,365	13,902	13,053	14,710	9,515	14,492	14,824
122	Overtime	0	0	0	0	0	22	22	0
134	401(k) Retirement	466	418	695	653	736	477	729	767
181	FICA	713	626	1,064	990	1,125	725	1,103	1,173
182	Loc Govt Emp Retirement	629	566	983	923	1,055	673	1,024	1,023
183	Group Insurance	2,880	2,327	4,791	2,889	4,223	2,176	4,101	4,308
185	Unemployment Comp.	0	0	0	106	0	0	0	0
186	Workers' Compensation Ins.	630	504	779	667	827	758	758	1,005
193	Professional Services - Engineer	8,279	6,113	8,200	8,388	31,000	18,400	32,400	4,000
399	Contracted Services	2,500	924	2,500	0	2,500	0	2,500	2,500
299	Supplies & Materials	3,500	3,324	3,000	840	3,000	784	2,000	3,000
430	Equipment Rental	1,500	625	1,500	370	1,500	515	1,500	1,000
481	Indirect Cost- Labor	-1,465	-1,464	-4,443	-4,442	(4,535)	-3,024	-4,535	-4,723
590	Capital Outlay - Other Structures	15,000	15,792	45,800	45,800	40,500	65,997	72,172	193,000
	TOTAL	43,960	38,120	78,771	70,236	96,641	97,019	128,265	221,877
121	15% of PW Employee salaries and benefits.								
193	Engineering for current project	\$4,000							
399	Minor repairs - PRN								
590	Plantation Bulkhead	193,000	per engineer estimate						

Wetlands and Waterways

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

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

Primary Functions:

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

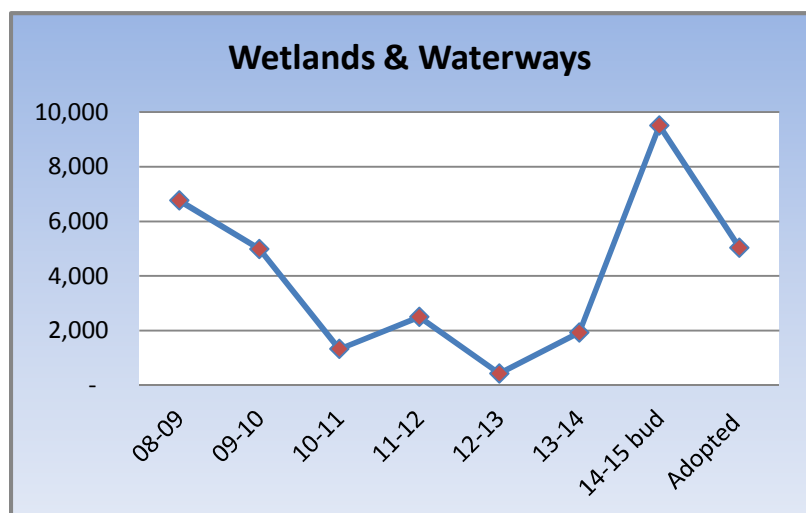
Fiscal Year 2014-15 Highlights including Special Projects and Purchases

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

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

This department contains the budget to perform routine weed and algae control in the waterways we maintain and to maintain the pumps that feed the fountains. We have members of our staff who are licensed to apply chemical weed control in waterways, and we only use controls approved and appropriate for such an application.

This department also contains funding for training for members of our Environment and Waterways Advisory Board (EWAB). The spike in expenditures in FY 14-15 is for removing trees in the waterways. Although the project was funded, it was later decided that no tree removal was needed during this budget cycle.



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Historically, line 399 is used to fund routine maintenance of the trees along the side of Planation Canal. Typically, we do this work every three years, funded by the CIP, in order to keep the boating channel clear of overgrown or downed trees. However, this year, the Environment and Waterways Advisory Board did not recommend any tree removal.

		12-13		13-14		14-15		15-16
Wetlands and Waterways		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
4760								
399	Contracted Services	0	0	0	0	4,500	0	0
310	Travel & Subsistence	500	0	500	0	0	0	217
395	Training	500	0	1,000	0	0	0	217
299	Supplies & Materials	4,000	430	1,500	1,925	3,500	1,000	1,601
359	Maintenance & Repairs	1,500	0	1,500	0	1,500	1,500	3,000
590	Capital O/L- Other Structures	0	0	0	0			0
	TOTAL	6,500	430	4,500	1,925	9,500	2,500	5,035
310/395	Travel and Training for EWAB Members							
299	EWAB Publications & Programs	700						
	Navigational signs	0						
	Algae and weed control	901						
		<u>1,601</u>						
359	Waterways maintenance, aeration, boat maintenance							
399	Canal Clearing - Trees							

Planning and Zoning

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

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

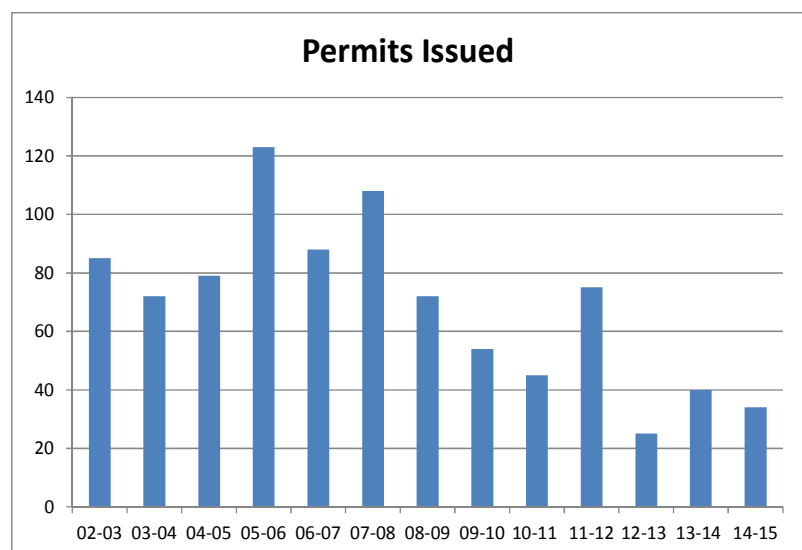
Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Continued to comply with the participation requirements of the Community Rating System.
- Continued to maintain status as a CAMA Local Permit Officer.
- Enforced local ordinances including nuisance abatement
- Assistant Zoning Administrator maintained designation as a NC Certified Zoning Officer.

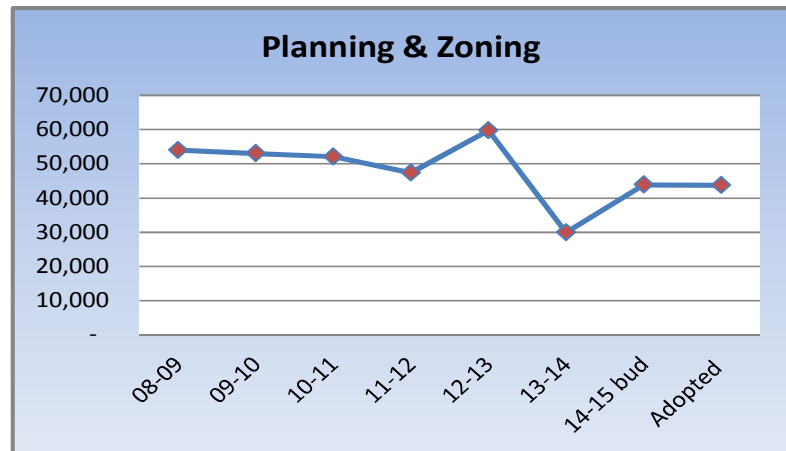
The Town enforces our own Planning and Zoning and Floodplain Management ordinances and engages, in a cooperative manner, in regional planning efforts. This position is funded for 40 hours per week, with some hours allocated to the enterprise funds as this person fulfills customer service duties at the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



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This budget also contains funding to pay for mapping support from the Eastern Carolina Council (ECC) (line 193) and for training for the Assistant Zoning Administrator (lines 310 and 395). Line 399, Contracted Services, contains \$4,300 to contract for expenditures related to nuisance abatement. This is used if a property owner does not comply with our ordinance and we are forced to contract to have the problem remedied. Ultimately, through a lien on the property, we will recover these costs from the property owner.



Planning and Zoning		12-13		13-14		14-15		15-16
		YR End Budget	Actual Expend	YR End Budget	Actual Year-End	Current Budget	Projected Year-End	Adopted Budget
4910								
121	Wages & Salaries	28,818	28,816	36,928	34,598	38,416	37,985	39,610
122	Overtime	0	0	0	0	0	0	0
134	401(k) Retirement	1,441	1,441	1,846	1,730	1,921	2,208	1,981
181	FICA	2,204	2,226	2,826	2,669	2,939	2,928	3,030
182	Loc Govt Emp Retirement	1,942	1,942	2,611	2,446	2,754	2,690	2,642
183	Group Insurance	9,589	9,580	10,669	8,387	9,397	8,586	9,584
185	Unemployment Comp.			0	238	0	0	0
186	Workers' Compensation Ins.	605	500	775	492	807	486	673
189	Automobile Allowance	1,260	1,260	1,260	1,260	1,260	1,260	1,260
310	Travel & Subsistence	1,250	1,163	1,000	0	1,000	1,000	800
395	Training	1,250	920	1,000	45	1,000	1,000	800
193	Engineering	500	0	500	0	500	500	500
194	Professional Services - Survey	500	0	500	0	500	500	500
399	Contract Services	10,000	11,223	8,000	84	5,000	5,000	4,300
299	Supplies & Materials	750	462	750	131	750	750	750
320	Telephone & Postage	100	217	100	114	100	300	300
481	Indirect Cost- Labor	0		-22,262	-22,262	(22,494)	-22,494	-23,008
	TOTAL	60,209	59,748	46,503	29,932	43,850	42,699	43,722
310	Floodplain Manager's Conference, \$500, other							
395	Floodplain Manager's Conference, \$250; other							
193	ECC GIS Services, Engineering review							
399	Nuisance abatement							

Recreation and Special Events

Council Priority(ies): 1, 4

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

Primary Functions:

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases

- Conducted three craft events
- Conducted five community game afternoons
- Conducted three workshops on various topics
- Held the Town's Christmas tree lighting ceremony and celebration
- Held the annual Easter Egg Hunt and two community chorus events
- Organized and executed the Town's annual July 4th celebration

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

The Parks and Recreation Advisory Board has broadened its offerings and the Town - under Parks and Recreation - offers, at a charge to participants, yoga and Zumba classes.



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		12-13		13-14		14-15		15-16
Recreation & Special Events		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
6120								
399	Contracted Services	2,700	1,644	2,400	1,277	2,700	2,700	3,300
299	Supplies & Materials	4,700	4,254	5,950	4,981	4,685	4,685	4,225
	TOTAL	7,400	5,898	8,350	6,259	7,385	7,385	7,525
399	Country Aire - July 4th	1,800						
	Food - Volunteer Day	1,500						
		3,300						
299	Events	4,225						
Detail of Activities and Expenses Per Event								
Date	Activity	Item	Cost					
July	4th of July	Rentals, Food & Supplies	4,425					
Oct	Kids Halloween	Snacks, drinks, cups	75					
Oct	Social - Games	Supplies, refreshments	20					
Oct	Workshop- Adult	Supplies	75					
Nov	Workshop- Kids	Supplies	50					
Nov	Workshop- Adult	Supplies	75					
Dec	Tree Lighting Ceremony	Refreshments	100					
Dec	Fairfield Harbor Chorus	Supplies, refreshments	25					
Jan	Workshop	Supplies	250					
Jan	Social - Games	Refreshments	20					
Feb	Workshop	Supplies	50					
Feb	Social - Games	Refreshments	20					
Mar	Easter Egg Hunt	Candy and Prizes	225					
Mar	Social - Games	Refreshments	20					
April	Workshop	Supplies	75					
April	Volunteer Recognition Day	Food and supplies	1,500					
April	Workshop	Supplies	75					
May	Fairfield Harbor Chorus	Refreshments	25					
May	Band Concert	Supplies, refreshments	300					
May	Family Event- Games	Refreshments	100					
May	Bocce Tournament	Refreshments	20					
			7,525					

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

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

Primary Functions:

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

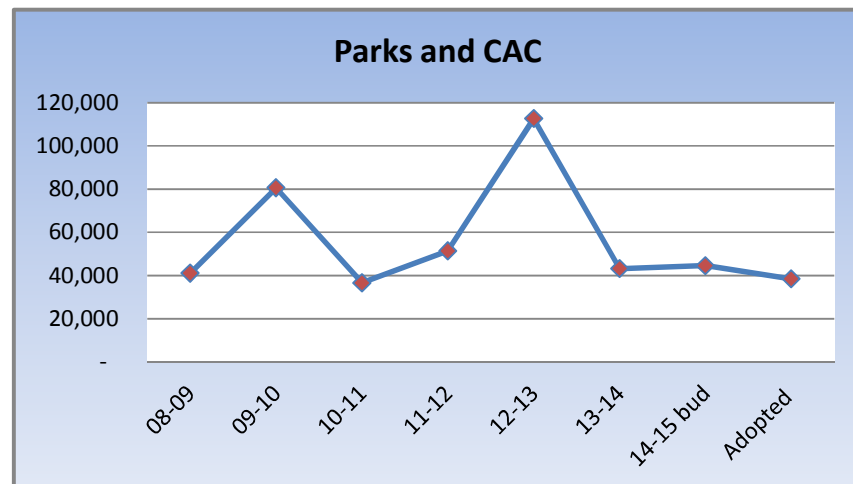
Fiscal Year 2014-15 Highlights including Special Projects and Purchases

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

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

Also included in this budget area is funding for some minor projects anticipated by the CAC (line 358). This

volunteer board takes on many projects aimed at improving the appearance of the community including Christmas decorations and planting projects.



The Department is also sponsoring, through volunteer contributions and labor, a Community Garden. The small amount of sponsorship money will help defray expenses for water and some supplies and materials.

Line 399 contains funding for a porta-potty used for nine months a year at our kayak launch on Gull Pointe.

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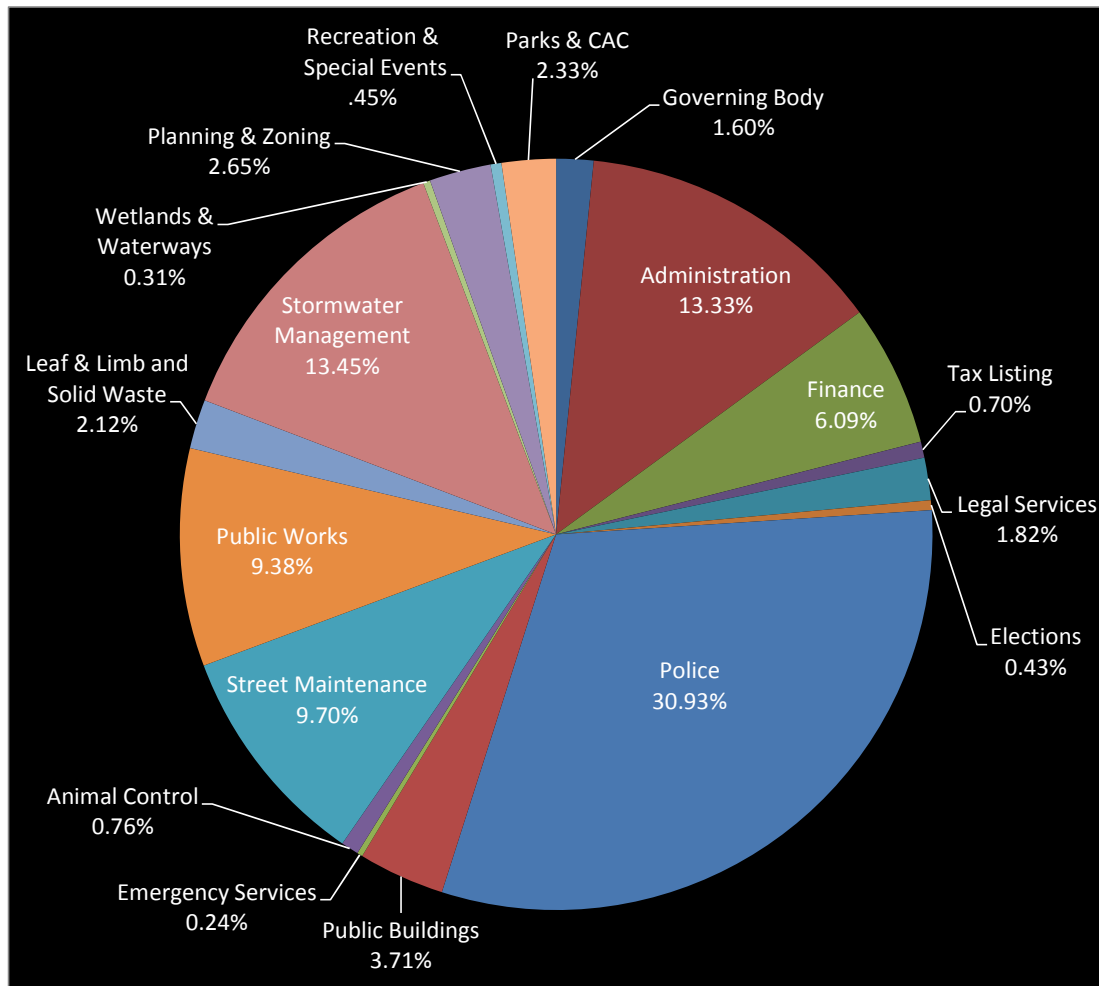
		12-13		13-14		14-15		15-16
Parks & CAC		YR End	Actual	YR End	Actual	Current	Projected	Adopted
		Budget	Expend	Budget	Year-End	Budget	Year-End	Budget
6130								
121	Wages & Salaries	9,328	9,505	13,902	15,993	14,710	17,184	14,824
122	Overtime	0	0	0	0	0	22	0
134	401(k) Retirement	466	418	695	653	736	729	767
181	FICA	713	713	1,063	1,215	1,125	1,309	1,173
182	Loc Govt Emp Retirement	629	567	983	923	1,055	1,025	1,023
183	Group Insurance	2,880	2,328	4,791	2,889	4,223	4,100	4,308
185	Unemployment Comp.	0	0	0	121	0	0	0
186	Workers' Compensation Ins.	630	494	779	729	827	1,056	1,005
310	Travel & Subsistence	0	0	0	0	0	0	0
399	Contracted Services	6,100	4,916	3,900	6,782	3,900	5,886	3,900
299	Supplies & Materials	7,500	6,218	4,500	4,510	4,500	4,500	4,500
358	CAC	2,875	2,984	850	754	3,025	3,025	3,225
330	Utilities	5,800	5,223	6,000	5,309	6,000	5,000	5,250
351	Maint & Repairs- Bldg & Grnds	0	10	0	0	0	19	200
352	Maint & Repairs- Equipment	500	0	500	0	500	500	500
481	Indirect Cost- Labor	-1,465	-1,464	-4,443	-4,442	-4535	-4,535	-4,723
550	Capital Outlay - Other Equip	0	0	0	0	0	0	0
572	Land Improvements	0	0	0	0	0	0	0
580	Buildings, Strctrs & Improvements	0	0	0	0	0	0	0
590	Other Strctrs & Improvement	88,926	80,750	10,000	7,765	8,500	4,000	2,500
593	Landscaping	0		0	0	0	0	0
	TOTAL	124,882	112,663	43,520	43,200	44,566	43,820	38,452
299	Community Garden	1,500						
	Other supplies/materials	3,000						
		4,500						
399	Other services as needed (i.e. tree work	3,000						
	Porta Potty Rental @ kayak launch	900						
		3,900						
358	Community Appearance Commission:							
	Shrub replacement -- Town Hall, Plantation median, Caboose, Town Cor				1,100			
	Front Entrance Landscaping -- Plants and shrubs				200			
	Christmas Decorations				1600			
	Arbor Day (purchase tree)				75			
	Flowers - Town Hall				150			
	Spring & Fall Clean-up				100			
					3,225			
330	Based upon historical costs/demand							
590	Maintenance & Repairs: Picnic Tables & Deck		2,500					

General Fund Expenditure Summary

The total budgeted expenditures for the General Fund, including transfers, is \$1,918,537 which represents an 11.75% or \$201,726 increase over budgeted expenditures in the current fiscal year. Most of that increase can be attributed to the \$193,000 Plantation Drive bulkhead project, which was previously discussed. The table below shows the total for each department and the change compared to the budget for 2014-15.

General Fund Expenditure Summary						Change v. prior year	
		12-13	13-14	14-15	15-16	%	\$
		Actual	Actual	Budget	Adopted		
4110	Governing Body	22,710	20,445	25,645	26,452	3.15%	807
4120	Administration	202,369	208,132	219,971	219,908	-0.03%	-63
4130	Finance	92,244	87,625	94,625	100,560	6.27%	5,935
4140	Tax Listing	9,542	10,729	9,463	11,530	21.85%	2,067
4150	Legal Services	13,397	18,308	30,000	30,000	0.00%	0
4170	Elections	-	4,928		7,137		7,137
4310	Police	494,525	525,713	474,994	510,418	7.46%	35,424
4190	Public Buildings	73,759	147,846	74,836	61,259	-18.14%	-13,577
4330	Emergency Services	2,975	3,168	4,657	3,890	-16.47%	-767
4380	Animal Control	8,023	10,117	12,594	12,566	-0.22%	-28
4510	Street Maintenance	169,049	189,622	235,735	160,018	-32.12%	-75,717
4560	Public Works	134,040	169,164	158,977	154,763	-2.65%	-4,214
4710	Leaf & Limb and Solid Waste	29,215	25,598	41,225	34,925	-15.28%	-6,300
4730	Stormwater Management	38,120	70,236	96,641	221,877	129.59%	125,236
4760	Wetlands & Waterways	430	1,925	9,500	5,035	-47.00%	-4,465
4910	Planning & Zoning	59,748	29,932	43,850	43,722	-0.29%	-128
6120	Recreation & Special Events	5,898	6,259	7,385	7,525	1.90%	140
6130	Parks & CAC	112,663	43,200	44,566	38,452	-13.72%	-6,114
	Department Expenditure Total	1,468,708	1,572,948	1,584,664	1,650,038	4.13%	65,374
	Contingency (1% per policy) + Merit Pool			27,147	27,500		353
	Transfer to Capital Reserve	108,000	105,000	105,000	241,000	129.52%	136,000
	TOTAL	1,576,708	1,677,948	1,716,811	1,918,537	11.75%	201,726

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



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.

Department	Cents per Hundred
Governing Body	0.37
Administration	3.04
Finance	1.39
Tax Listing	0.16
Legal	0.41
Elections	0.10
Public Buildings	0.85
Police	7.05
Emergency Services	0.05
Animal Control	0.17
Street Maintenance	2.21
Public Works	2.14
Leaf and Limb/Solid Waste	0.48
Stormwater Management	3.06
Wetlands and Waterways	0.07
Planning and Zoning	0.60
Recreation and Special Events	0.10
Parks and CAC	0.53
Transfer to Cap. Res.	3.33
Contingency	0.38
Tax Rate	26.5

General Fund Revenue Introduction

Each year the North Carolina League of Municipalities (NCLM) produces a well-researched report to give local governments some guidance in predicting State revenue. This chapter outlines the basis for the budget numbers we use in the General Fund revenue budget. Each tax is explained below to give some background on the source of the revenue, and to give the reader an indication of the stability of the sources. We then propose an estimate of the growth or reduction for each of the revenues based upon the NCLM report and/or our history with a given revenue. These estimates are then reflected on the Revenue budget worksheet

Revenue Sources

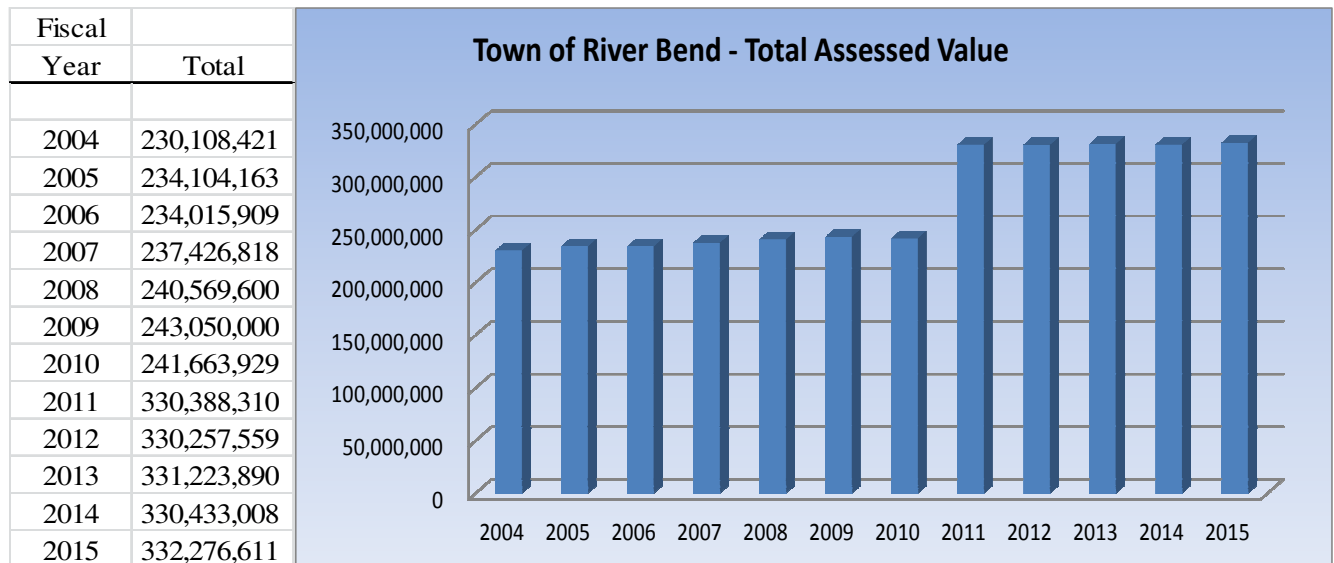
(In the order they appear on the budget worksheet)

Property Tax:

The property tax is levied against the real and personal property and motor vehicle tax bases. The tax base consists of real property (land, buildings, and other improvements to the land); personal property (boats, business equipment, etc.); and the property of public service companies (electric, telephone, railroads, etc.) and automobiles. State law requires that the tax rate be uniform unless the legislature grants the locality permission to establish a special service district. State law also limits the rate a locality may charge to a maximum of \$1.50 per \$100 of assessed valuation. Our current rate is \$0.265 per \$100.

Our tax base is determined by assessments performed by the County assessor's office and taxes are collected with County taxes and remitted to us. We pay the County a 1% fee to collect Real and Personal Property Taxes and 1.5% to collect Motor Vehicle Taxes. We budgeted a 4.5% NC Vehicle Tax System, whereby the State collects the vehicle tax at the time the vehicle registration is processed. The budgeted amount for these revenues, according to State law, must be based upon the total levy from the current tax base as modified by our actual rate of tax collection in the previous year.

Our tax base, as shown in the table and chart below, grew at a modest rate last year. The last revaluation was performed by the County, effective in fiscal year 2011. The State mandates revaluation every eight years. Craven County will depart from this standard and conduct the next revaluation to be effective in fiscal year 2017 (six-year cycle) and then will move to a four-year revaluation cycle thereafter.



Animal Licenses:

This source has been fairly consistent over the past few years. There was an increase in FY 2012 revenue in this line due to increasing the license fee from \$6 to \$10. It would seem prudent to budget for FY 2016 a conservative estimate of issuing 200 licenses. This is the amount shown in the budget worksheet.

Sales / Use Tax:

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

All local sales taxes are collected by the State along with their 4.25% sales tax and the local portion is distributed (after the State subtracts collection costs) to the 100 Counties as explained below. This method of distribution is currently being considered for change by the State.

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

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

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

Article 42: $\frac{1}{2}\%$ tax – originally placed in a statewide pool and allocated among the counties on a per capita basis, this tax, effective in October of 2008, is now distributed on a point of delivery basis in a manner similar to Article 39.

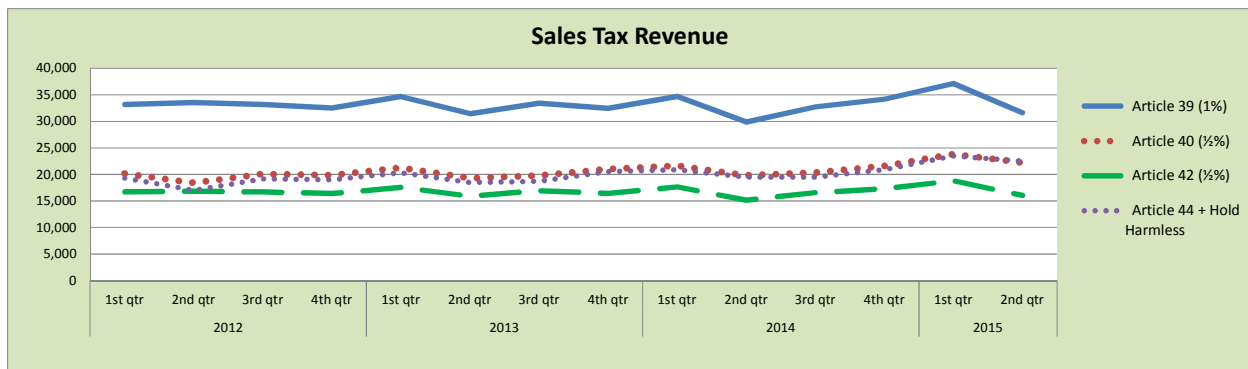
Article 44: As of October 1, 2008 the Article 44 tax was reduced to a $\frac{1}{4}\%$ tax (we account for this particular tax in the “Local Option Sales Tax line in the budget), with the proceeds all being returned to the County of origin. Effective October 1, 2009 we no longer receive proceeds under this tax. However, the counties are required to hold cities harmless for these changes.

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

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

We track each of these components and attempt to be alert to significant trends as they occur. We also attend economic briefings that allow us to maintain a state and national perspective on the factors that might impact our local economy, and thus our revenue.

The most significant change we saw in the past three years was the result of the revaluation of property in the county. Because property in River Bend rose in value at a greater rate than in other localities within the county, the share of the total sales tax receipts we receive also grew. In fiscal year 2011 we received 1.08% of the total county distribution, in fiscal year 2012 the rate was 1.29%. This rate has held steady since the change.



The revenue under articles 39 and 42, the locally driven revenues, have been higher compared to our conservative budget estimates for fiscal year 2015. These two revenues combined had already reached 70% of the budgeted amount in February, when budget preparations began. For FY15 we projected revenues of 107% of budgeted amounts. To maintain our conservative posture, for FY16 we have projected revenues in an amount equal to FY15 projections.

It is the end-of-year projection for FY 2015 that we use as the basis for our FY 2016 projection. Assuming that the revenue in FY 2015 is more than the amount we budgeted, we are proposing that we keep the budget for these two lines the same as our end-of-year projections. Because there is some history that shows that we typically outperform the year-end projections, we think that this approach generates a reasonably conservative budget for FY 2016.

Article 40, because it reflects statewide trends and is distributed based upon population, has, in the past, lagged somewhat behind the local trends that were showing improvement. However, this year we have seen actual quarterly revenues outperform budgeted revenues. As of February, 2015, we had received 73% of the budgeted amount. Our year end projection for FY15 is \$88,994 or 108% of the budgeted amount for FY15. Opting to be somewhat conservative even in light of trends that show this source will continue to perform well, we project to receive the same amount in the FY16 revenue projection. Again, we use the end-of-year projection for FY 2015 as the basis for our FY 2016 budget.

We may end fiscal year 2015 pleasantly surprised by sales tax revenues, but there are many factors that could slow the current economic recovery, and accordingly reduce the revenues we receive. We remain confident that conservative budgeting in this area is prudent to mitigate against unpredicted economic and/or political events that could further moderate the income we receive from these taxes.

Solid Waste Tax:

The Solid Waste Disposal Tax is a \$2 per ton tax charged to haulers to dispose of waste in landfills within the State or delivered to a transfer station for out-of-state disposal. This tax applies to municipal solid waste and construction and demolition debris. 50% of the tax proceeds go to the Inactive Hazardous Sites Cleanup Fund. 12.5% of the proceeds are deposited in the State Solid Waste Management Trust Fund for grants to State agencies and local governments. 18.75% of the proceeds go to counties and 18.75% go to cities, each on a per capita basis for solid waste management programs and services. The pool of money available for distribution is projected to remain unchanged, so we are budgeting to receive the same in FY16 as we are projecting for FY15. These funds are restricted in their use to fund solid waste programs within a locality. Our current programs will use more than the projected amount of revenue from this source.

Powell Bill:

The State levies motor fuel taxes pursuant to a formula that increase taxes when the wholesale price of motor fuels increases. An amount equal to \$.0175 per gallon taxed, plus 6.5% of the net proceeds of the North Carolina Highway Trust Fund are combined in a “pool” from which funds are distributed to cities in the State.

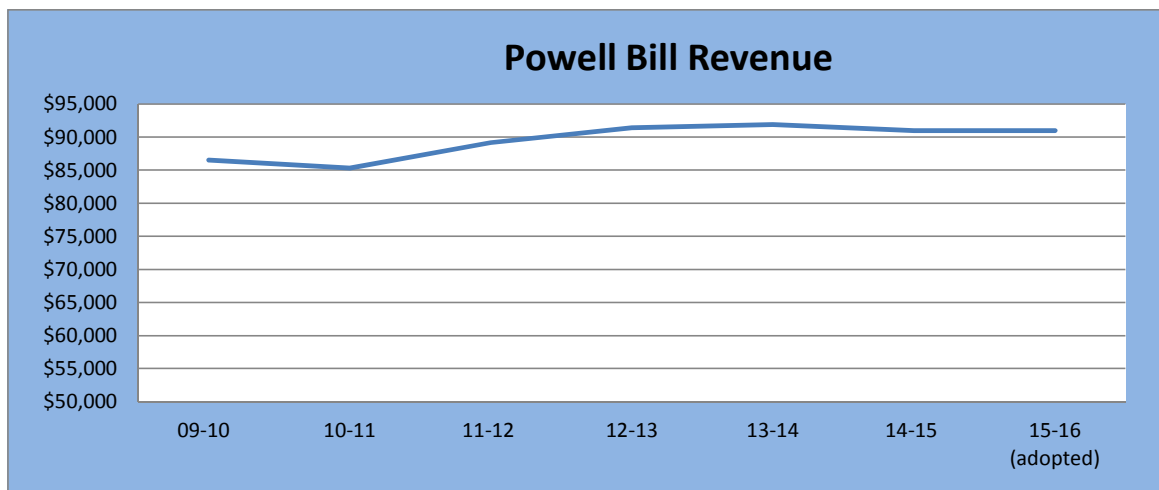
Named for the legislator who sponsored the bill to create this distribution, funds are remitted to the localities based upon a two-part formula. Three quarters of the local proceeds are distributed on a per-capita basis, and one quarter based upon the number of miles of non-state streets within

the locality. River Bend has no State streets, so all our miles (16.9 total) of road enter into this part of the formula.

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

In the current fiscal year the population based portion of this revenue was \$20.62 per capita, which was unchanged from the previous year. Similarly, the mileage-based portion of the formula was \$1,632.91 per mile, which was unchanged from the previous year. Each of these components has only increased by 1% from FY 2013 to FY 2014.

This downward trend we saw in these components for the three years preceding the FY 2012 turned around due to a variety of factors including the volume of new car sales. In fact, the total pool of Powell Bill funds grew by 1.95% from 2013 to 2014. However, we are not overly optimistic that the upward trend will continue. In a desire to remain conservative in our estimates, we are budgeting no change in either the population or mileage rate. Therefore our budget will be based upon a population rate of \$20.62 and the mileage rate of \$1,632.91. This results in revenue of \$64,273 and \$27,596 respectively and allows us to round down to budget a total of \$91,000 for this revenue source. This is down from the \$91,519 we received this year.



Of course, we will have to keep track of what is happening in the General Assembly this year as there have been some discussions on the committee level of modifying the distribution formula for Powell Bill. A policy analyst at NCLM reported that a change in next year's distribution is likely. The analyst opined that legislative adoption of any alternative distribution formula that would affect our FY 2016 revenue is unlikely in this session. We will monitor the work of the Legislature and keep in contact with NCLM and our representatives as this issue progresses in the Legislature.

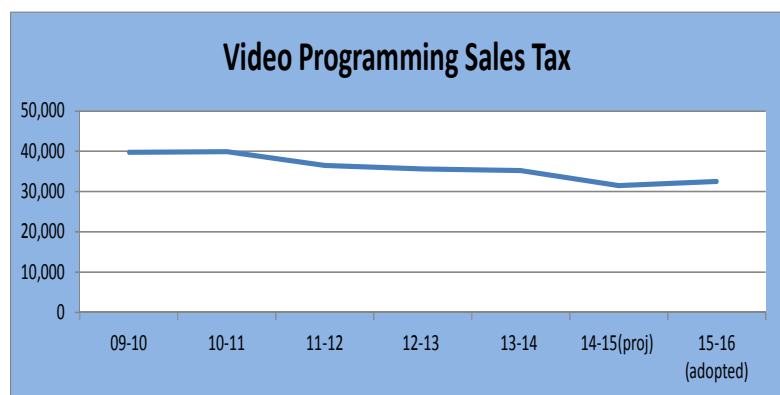
Beer and Wine Tax:

The State levies license and excise taxes on liquor and excise taxes on beer and wine. 23.75% of the excise tax on beer, 62% of the excise tax on unfortified wine, and 22% of the excise tax on fortified wine is shared by all cities and counties who permit the sale of these beverages within their limits.

The State retained two thirds of the distribution due to local governments in fiscal 2009-10. Based upon recent trends, we are predicting no change from the amount we expect to receive in the current year from this revenue source, which is \$12,235.

Video Programming Tax:

As of January 1, 2007, the local cable franchise system was replaced with a statewide video service franchising process. This effectively removed our ability to charge/collect franchise fees directly from the providers. The “pool” of money we share is made up of 7.7% of the net proceeds of tax collections on telecommunication services, 23.6% of the net proceeds of tax collections on video programming services, and 37.1% of the net proceeds of tax collections on direct-to-home satellite services.



After the first \$2 million of this pool is parsed out to localities to support PEG services, the remainder is divided, in our case, based upon the “base rate” established in a filing we made in March of 2007 to the Secretary of State. This base amount is the proportionate share our franchise fee (from the first half of FY 06-07) represents in the overall “pool” of money from localities throughout the State. Our share is 0.05037% of this pool. Each year this percentage is reviewed and modified based upon changes in population as certified by the State Budget Officer.

This “pool” was enhanced by receiving new money from carriers who were not charged franchise fees in some localities. This is part of the reason we saw more money come in when this tax was enacted. In our case, and in many other localities, no franchise fees were collected from satellite providers. This too provided some “new” money for this pool.

Our current trend reveals that this revenue will be down approximately 9% in the current year compared to the prior year. We do not have any evidence to support a prediction that this trend will moderate or reverse. We are proposing, therefore, a 2% decrease from the amount we project to receive in the current year for the tax revenue.

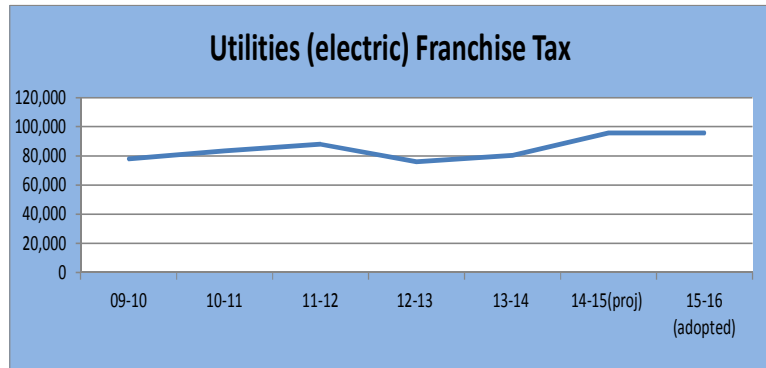
In addition to the tax revenue, we receive “pass through” funds from the State that we remit to C-TV Channel 10. This is how the television station receives their State funding. In the past, they

received this pass through from the City of New Bern. Now that New Bern has their own channel, we handle the pass through, and in exchange, receive services from Channel 10 at no cost.

Utilities Franchise Tax:

FY15 marked the first year of a new distribution method for this revenue. As of the current fiscal year, the general sales tax rate was applied to both electricity and natural gas and a percentage of the proceeds were to be returned to municipalities. In the case of electricity, that percentage is 44%. That number was chosen with the

intention that every municipality could receive at least the same amount of revenue they received in FY13. In the event of excess statewide revenues, those revenues would be distributed on a statewide ad valorem basis. Statewide second quarter distributions were up 58%. Our revenues for FY 15 are projected to increase by \$27,908 or 41% above budgeted amounts.



We receive this money quarterly. In the proposed budget, remaining conservative in our budgeting, we are budgeting for no change in this line. This position is taken using our projection for the end of FY 2015 as the projection from FY16. The North Carolina League of Municipalities projects a 30% statewide increase in this revenue.

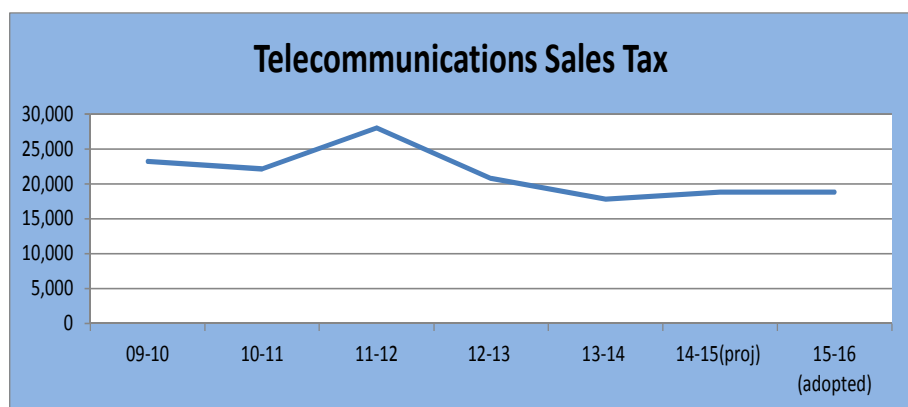
Telecommunications Tax:

The Telecommunications Tax is from a pool created by 18.03% of the telecommunications sales tax imposed by all 100 counties (after the first \$2.6 million is deducted) and is also shared by all cities.

Our share is determined by the proportion our old franchise fee contributed to the pool when it was created in 2001.

Therefore, our share of the pool remains constant, but the pool can fluctuate based upon taxes collected. Based upon trends in the

revenue we receive for this tax, we are predicting to collect 100% of budgeted revenue in the current fiscal year. However, to be conservative, we project a 2% decrease in revenue for FY16.



Court Refunds:

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

Zoning Permits:

This line is driven by the level of construction activity in Town. As noted for the past few years, and it continues this year, there is a statewide trend toward lower rates of construction and that is borne out here in River Bend in the decline in permit revenue in spite of more aggressive permitting efforts and, in some cases, increased fees. The amount shown in the budget worksheet is an estimate based upon the projection for the current year.

Federal Grant – BVP Program:

We do not anticipate applying for any federal grants this year.

Miscellaneous:

The bulk of the revenue shown in this line in FY 2016 is from recreation program fees. Our Zumba and yoga programs are doing well and are generating revenue in excess of expenditures. We opted not to budget for this fee revenue in an effort to remain conservative as they are subject to the effects of reduced enrollment and/or cancellation of the programs. It is likely, however, that we will continue to offer these programs and realize revenue that we have not budgeted. Karate is no longer offered in our program therefore the realized revenue has decreased by 32%.

Interest:

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

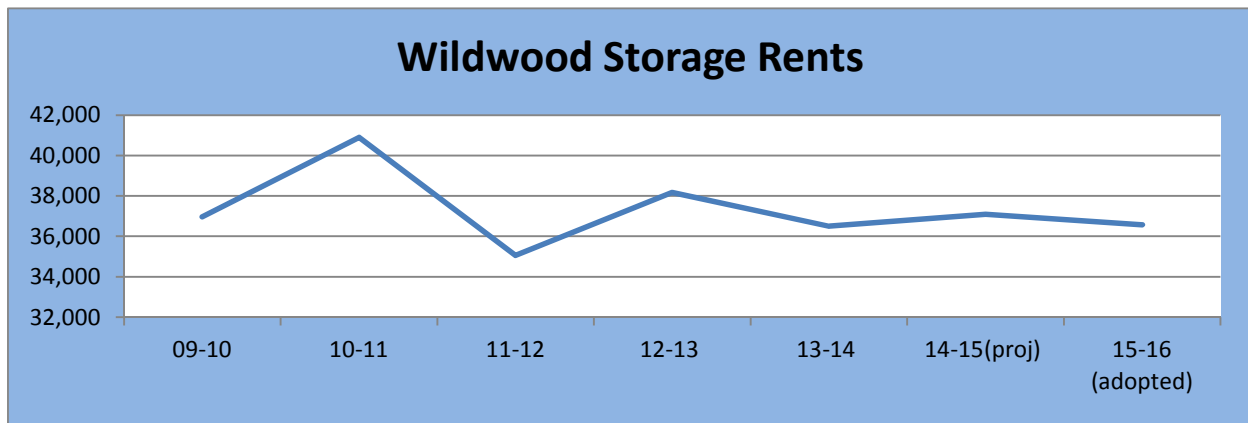
Rents and Concessions:

This line reflects revenue from our enterprise funds for rental of office space and charges for reserving the park or Town Hall meeting room.

Wildwood Storage Rentals:

The line reflects our revenue from the rental of the units in Wildwood. Now that we are managing this property, we get all the revenue. The budgeted amount is based upon our current rental rates, which appear competitive in the local market, and uses a 94% occupancy rate. The occupancy rate prediction is based upon our actual experience since taking over the management of this facility.

		Monthly Revenue
Enclosed Units	37	\$2,615
Open Spaces	40	\$975
Total Units on Property	77	\$3,590
less		
Town Occupied Units	5	\$345
Net Units Available for Rental	72	\$3,245
Units Available for Rent	15	\$500
Units Past Due or Over-locked	0	\$0
Total Loss	15	\$500
Total Occupied and Paid	57	\$2,745



General Fund Revenue Summary

Due to the uncertain economic times we are in, we have been very conservative in our estimates of revenue. Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents an 11.75% increase, or \$201,726, from the current fiscal year budget. Nearly 96% of that amount (\$193,000) can be directly attributed to the Plantation Drive bulkhead project. If that project were taken out of the budget, there would be less than 1% difference in the FY15 and FY16 budgets.

This year, our appropriated fund balance amount of \$77,029 is 21% less than the appropriated fund balance during FY15. The most substantive change to the external revenue projects for FY16 is in the Utility Franchise Sales Tax. The State has recently implemented a new distribution formula. Our projected revenue increased by 41% over the FY15 budgeted amount. Based on previous quarterly projection, we actually anticipate even more revenue in that line but being conservative in nature, our FY16 budgeted revenue is based on our FY15 projected revenue. The other major revenue change is internal in nature and is a 189% increase from Capital Reserve. Again, this is related to the Planation Drive project.

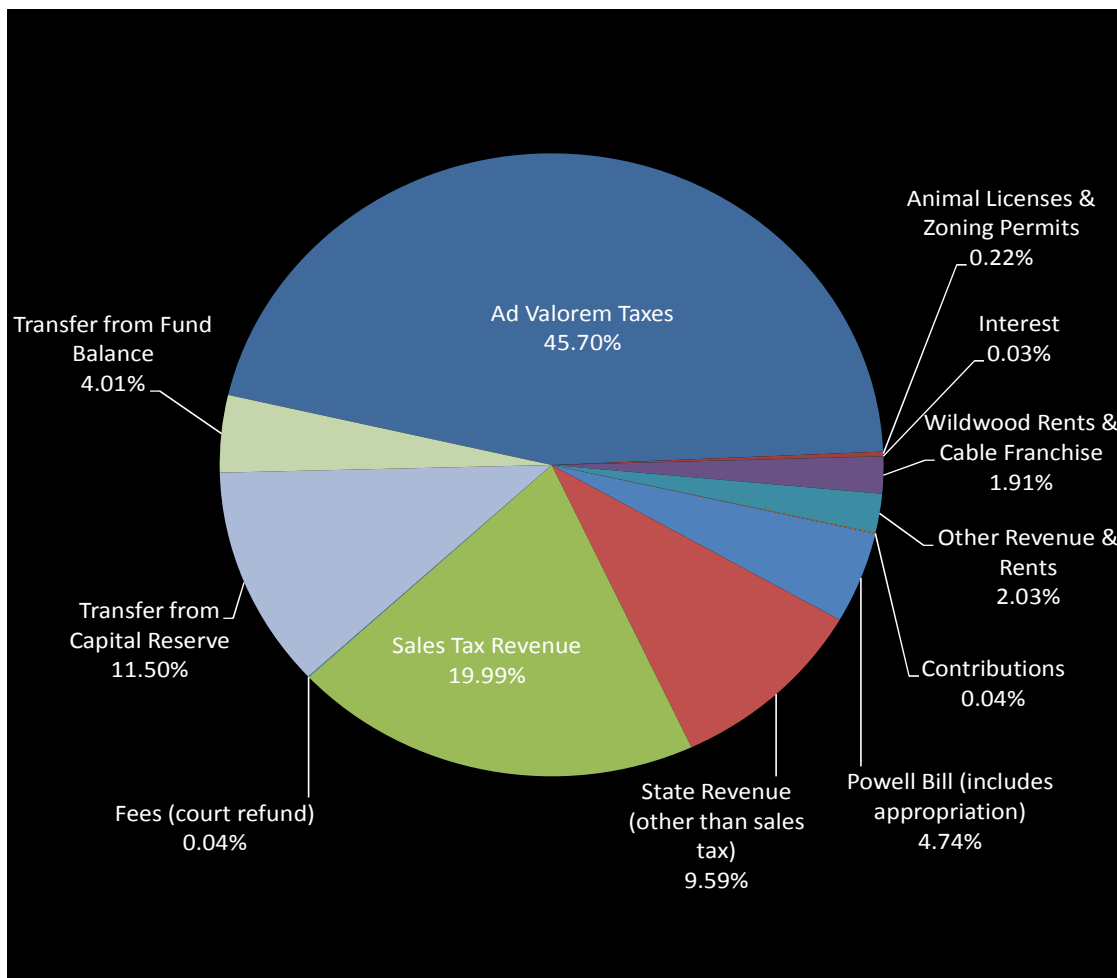
The proposed tax rate and its corresponding revenue, along with the other revenues mentioned above, will allow us to maintain our infrastructure and maintain the current levels of service while looking at the future needs of the community. We are also able to maintain an appropriate level of fund balance in order to maintain a solid financial foundation, which has a direct impact upon our bond rating and overall creditworthiness. We remain aware of and seek any other sources of revenue whether through grants or other taxes as deemed appropriate.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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The table on the next page shows the detail of the General Fund Revenue budget. The summary table below combines like sources. The chart depicts, graphically, the portion of the total revenue we receive from each source type.

General Fund Revenue Summary					Change v. prior year	
	12-13	13-14	14-15	15-16	%	\$
	Actual	Actual	Adopted	Adopted		
Ad Valorem Taxes	874,300	918,326	866,627	876,841	1.18%	10,214
Animal Licenses & Zoning Permits	3,824	5,923	4,000	4,400	10.00%	400
Interest	483	218	501	501	0.00%	0
Wildwood Rents & Cable Franchise	38,166	36,709	37,260	36,580	-1.83%	-680
Other Revenue & Rents	37,386	43,354	20,700	38,940	88.12%	18,240
Contributions	1,720	2,726	1,000	785	-21.50%	-215
Powell Bill (includes appropriation)	93,318	93,909	91,000	91,000	0.00%	0
State Revenue (other than sales tax)	176,028	178,731	164,415	187,643	14.13%	23,228
Sales Tax Revenue	362,039	369,291	356,471	383,566	7.60%	27,095
Government Grants (Fed, State & County	55,264	13,639	170	0	-100.00%	-170
Fees (court refund)	480	1,266	1,000	699	-30.10%	-301
Charges to Other Funds	0	0				0
Transfer from Capital Reserve	19,212	188,283	76,345	220,553	188.89%	144,208
Transfer from LESA Fund	22,111					0
Transfer from Fund Balance	0	0	97,322	77,029		-20,293
TOTAL	1,684,330	1,852,376	1,716,811	1,918,537	11.75%	201,726



Town of River Bend, North Carolina
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Revenue		12-13		13-14		14-15			15-16
		YR End	Actual	YR End	Actual	Current	Collected	Projected	Adopted
		Budget	Revenue	Budget	Year-End	Budget	As of	Year-End	Budget
							02/28/15		
3100-108	AD VALOREM Taxes	802,675	804,033	803,399	818,114	802,229	800,147	802,229	809,358
3100-180	Tax Penalties	0	0	0	0	0	0	0	0
3110-108	AD VALOREM Tax-Motor Veh.	63,916	70,267	67,599	100,212	64,398	40,103	68,643	67,484
3210-851	Animal Licenses	3,000	2,240	4,000	3,150	2,000	2,121	2,400	2,400
3231-010	Sales Tax - Art. 39 1%	127,615	133,138	132,800	133,912	129,540	90,598	138,373	138,373
3231-020	Sales Tax - Art. 40 1/2%	71,064	81,225	77,715	85,031	82,365	60,499	88,994	88,994
3231-030	Sales Tax - Art. 42 1/2%	64,183	67,399	67,000	68,063	65,602	45,941	69,964	69,964
3231-040	Sales Tax (Local Opt)- Art. 44 1/2%	0	76	0	44	0	7	7	0
3329-200	Hold Harmless Tax Distribution	65,604	77,840	73,260	82,241	78,964	60,275	86,235	86,235
3261-100	Cable TV Franchise	0	0	0	0	0	0	0	0
3278-300	Solid Waste Disposal Tax	2,200	1,975	2,200	1,755	1,700	959	1,800	1,800
3316-099	Powell Bill Appropriation	0	0	0	0	0	0	0	0
3316-370	Powell Bill Allocation	91,421	93,318	91,877	93,909	91,000	91,519	91,519	91,000
3322-200	Beer and Wine Tax	12,740	12,694	12,485	13,635	12,235	0	12,235	12,235
3323-200	Video Programming Sales Tax	68,344	66,575	66,935	66,996	65,223	32,654	61,591	60,927
3324-200	Utilities Franchise Sales Tax	80,791	75,996	73,529	80,300	67,757	41,335	95,665	95,665
3332-200	Telecomm Sales Tax	20,419	20,762	21,035	17,800	19,200	10,143	19,200	18,816
3340-853	Court Refunds	300	480	500	1,266	1,000	451	651	699
3343-850	Zoning Permits	2,000	1,584	2,000	2,773	2,000	1,666	2,000	2,000
3430-310	Federal Grant- BVP Program	640	172	170	367	170	338	338	0
3433-315	Federal Disaster Assistance	0	0	0	0	0	0	0	0
3433-320	State Disaster Assistance	0	0	0	0	0	0	0	0
3490-400	Interlocal Service Agreements	0	0	0	0	0	0	0	0
3613-360	County Government Grants	0	0	0	0	0	0	0	0
3613-760	State Government Grants	55,092	55,092	18,200	13,272	0	0	0	0
3830-800	Miscellaneous	1,640	16,947	13,500	15,719	1,000	13,980	16,540	11,240
3830-850	Insurance Settlements	0	464	0	0	0	0	0	0
3831-370	Interest- Powell Bill	1	1	1	0	1	11	11	1
3831-810	Interest- General Fund	1,495	482	500	218	500	113	193	500
3832-605	Recreation Land Fees	0		0	0	0	0	0	0
3833-820	Contributions	1,000	1,720	1,000	2,726	1,000	764	784	785
3834-852	Wildwood Storage Rentals	34,000	38,166	34,000	36,709	37,260	25,006	37,092	36,580
3834-860	Rents & Concessions	18,000	18,000	18,000	18,050	18,000	12,035	18,000	18,000
3835-865	Sale of Fixed Assets	0		6,000	7,555	0	1,499	1,499	7,900
3839-351	Sales Tax Refund Revenue	0	2,361	0	275	0	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0	0
3980-982	Transfer - Capital Res Fund	19,212	19,212	188,283	188,283	76,345	76,345	76,345	220,553
3980-983	Transfer from Parks Fund	0	0	0	0	0	0	0	0
3980-984	Transfer from Water Fund	0	0	0	0	0	0	0	0
3980-985	Transfer from Sewer Fund	0	0	0	0	0	0	0	0
3980-988	Transfer from LESA Fund	22,111	22,111	0	0	0	0	0	0
3991-991	Appropriated Fund Balance	29,079	0	6,144	0	97,322			77,029
	TOTAL REVENUES	1,658,542	1,684,330	1,782,132	1,852,376	1,716,811	1,408,506	1,692,308	1,918,537

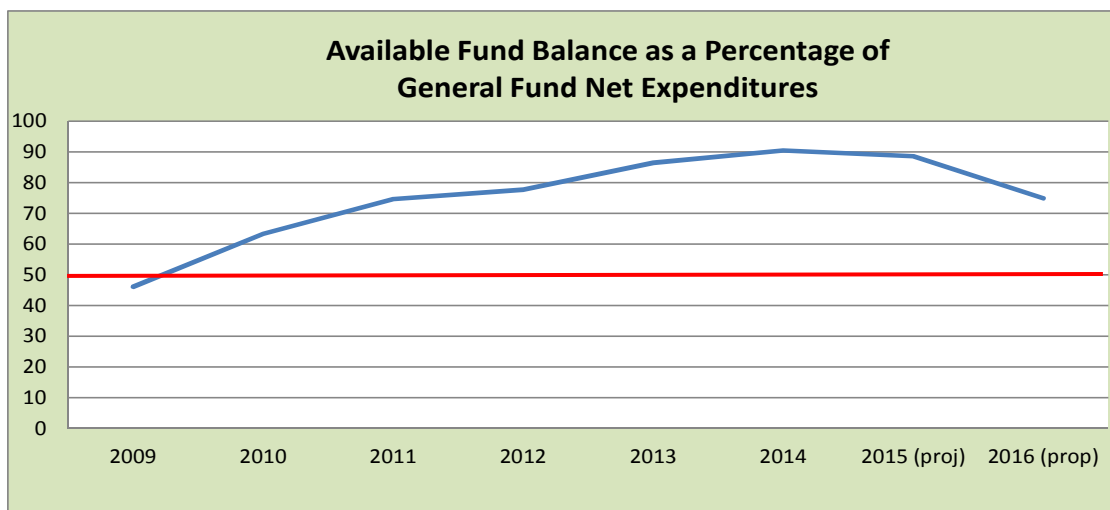
General Fund Balance

Fund Balance is, simply explained, the amount of assets in excess of liabilities in a given fund. The North Carolina Local Government Commission (LGC) monitors the level of unreserved Fund Balance each locality maintains as a sign of their relative financial strength. The benchmark the LGC uses is 8% of total expenditures, below which they express concern to the locality and direct action to increase the balance. The target set by the Town Council is to maintain an unrestricted Fund Balance of greater than 50%. Having such a balance enables us to meet our financial obligations without interruptions due to cash flow, generates investment income, eliminates the need for short-term borrowing, and provides a reserve of funds to respond to emergencies or opportunities.

River Bend, at the end of Fiscal Year 2014 had a Fund Balance of 90.5%, and we project a Fund Balance of 88.6% at the end of the current fiscal year. In FY 2009 we used a large amount of Fund Balance in order to accomplish a major roadway paving project. In FY 2010 the Town Council elected to maintain the Ad Valorem tax rate at \$0.28 per \$100 valuation and consequently budgeted to use fund balance to balance the budget. In FY 2011 the Town Council elected to set a tax rate higher than a Revenue Neutral tax rate. This allowed the Fund Balance to recover and come closer to the target of 50%. This adopted budget, using \$77,029 of fund balance to balance the budget, predicts a fund balance percentage, at the end of the fiscal year, of 74.9%.

Fund Balance remains, according to our projections, at or above 50% through the end of Fiscal Year 2017 with no additional tax rate increase. See the following section for more details regarding our five-year financial forecast. The table below shows the amount of Fund Balance at the end of each fiscal year and the corresponding percentage of General Fund expenditures. The chart depicts the Fund Balance percentage at the end of the fiscal year. The red line represents the 50% Council minimum target.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (proj)	2016 (prop)
Fund Balance \$	753,676	749,970	911,137	802,506	915,383	1,056,417	1,256,939	1,364,560	1,528,163	1,513,171	1,436,142
Fund Balance %	56.7	53.6	71.5	46.1	63.3	74.6	77.7	86.5	90.50	88.6	74.9



Five Year Financial Forecast

What follows is a list of some of the assumptions that underlie the forecast:

Expenditures

- .6% COLA for FY2016 and 3% per year thereafter.
- Other compensation changes per the approved Pay Plan.
- No increase in staffing level from FY 2015 levels.
- Level contribution rates from FY2016 to the Local Government Employees Retirement System.
- 15% per year increase in medical insurance premiums.
- Continued funding of Healthcare Reimbursement Accounts for employees.
- 1% per year increase in Workers' Compensation Insurance.
- 7.5% increase in per year in Property & Liability Insurance after a 10% increase in FY2015.
- 3% increase per year in Electric expenditures.
- 2% per year in Telephone and Postage expenditures.
- 5% per year increase in motor fuel expenditure.
- 3% increase per year in many other routine expenditures.
- Includes all vehicle and IT replacement per plans.
- \$30,000 per year expenditure for stormwater - \$30,000 going into CIP for stormwater.
- Maintains LESA funding at \$10,000 this year. For FY 17, the assumed contribution is \$11,000. For FY 18 and beyond, the contribution is \$13,500.
- Does not include any funding for major capital expenditures for building additions or modifications.
- Fully funds CIP contribution for building construction or renovation in an amount equal to prior debt service payments.

Revenue

Real Property:	1% per year increase in tax base 99% collection rate No change in tax rate
Motor Vehicle:	1% per year decrease in tax base 99% collection rate No change in tax rate
Sales Taxes:	No change in FY 16 from FY 15 year-end level and 3% growth per year thereafter.
Powell Bill:	2% per year decrease in funding
Beer and Wine Tax:	No change in FY 16 from FY 15 year-end level and 2% decrease per year thereafter.
Video Programming Sales Tax:	2% per year decrease from FY 2015 year-end level
Utilities Franchise Tax:	No change in FY 16 from FY 15 year-end level and 2% growth per year thereafter.
Telecommunication Sales Tax:	2% per year decrease from FY 2015 year-end level
Sale of Fixed Assets:	Tracks with years new vehicles are purchased
Wildwood Storage Rental	85% Occupancy Rate and no rate increases

This worksheet shows the General Fund expenditure summary by department. This worksheet shows historical data from FY 12-13 through FY 13-14 as well as projected expenditures for FY 14-15 and proposed amounts for FY 15-16. The forecast amounts for FY16-17 through FY 20-21 are based upon the assumptions noted previously.

General Fund Expenditure Summary										
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
		Actual	Actual	Projected	Proposed					
4110	Governing Body	22,710	20,445	24,278	26,452	27,208	32,066	27,637	32,783	28,086
4120	Administration	202,369	208,132	226,707	219,908	233,106	239,603	247,965	270,297	280,920
4130	Finance	92,244	87,625	95,499	100,560	104,370	107,458	111,092	115,600	120,427
4140	Tax Listing	9,542	10,729	11,850	11,530	11,259	11,310	11,363	13,930	13,996
4150	Legal Services	13,397	18,308	30,000	30,000	30,000	30,000	30,000	30,000	30,000
4170	Elections	-	4,928	-	7,137	-	8,564	-	10,277	-
4310	Police	494,525	525,713	493,862	510,418	506,932	546,961	567,690	588,317	584,888
4190	Public Buildings	73,759	147,846	71,283	61,259	64,500	68,009	71,814	75,936	80,413
4330	Emergency Services	2,975	3,168	4,624	3,890	4,007	4,127	4,251	4,378	4,510
4380	Animal Control	8,023	10,117	12,318	12,566	12,704	13,422	14,089	14,798	15,586
4510	Street Maintenance	169,049	189,622	197,758	160,018	208,824	188,980	208,020	210,178	212,542
4560	Public Works	134,040	169,164	152,890	154,763	175,138	164,254	170,688	177,499	184,847
4710	Leaf & Limb and Solid Waste	29,215	25,598	29,415	34,925	36,633	48,481	50,864	53,366	55,992
4730	Stormwater Management	38,120	70,236	128,265	221,877	59,354	60,710	61,997	63,358	64,844
4760	Wetlands & Waterways	430	1,925	2,500	5,035	5,739	10,381	6,028	6,178	6,334
4910	Planning & Zoning	59,748	29,932	42,699	43,722	46,142	47,230	48,712	50,649	52,771
6120	Recreation & Special Events	5,898	6,258	7,385	7,525	7,751	7,983	8,223	8,469	8,724
6130	Parks & CAC	112,663	43,200	43,820	38,452	36,465	38,064	39,603	41,221	42,973
	Contingency (1% per policy)			27,147	27,500	26,701	27,276	27,800	28,672	28,879
	Transfer to Capital Reserve	108,000	105,000	105,000	241,000	105,000	106,000	106,000	106,000	106,000
	TOTAL	1,576,708	1,677,947	1,707,300	1,918,537	1,701,835	1,760,877	1,813,835	1,901,907	1,922,730
	<i>Change from previous year</i>	-2.55%	6.42%	1.75%	12.37%	-11.30%	3.47%	3.01%	4.86%	1.09%

As with expenditures stated on the previous page, this worksheet shows the General Fund revenue summary, by major source for the same years as revenues and based upon the assumptions noted previously.

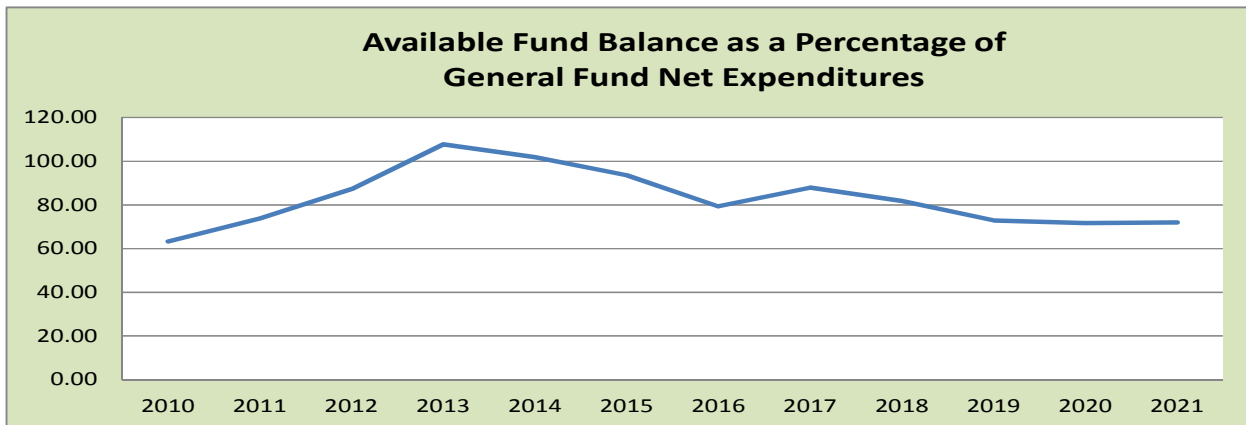
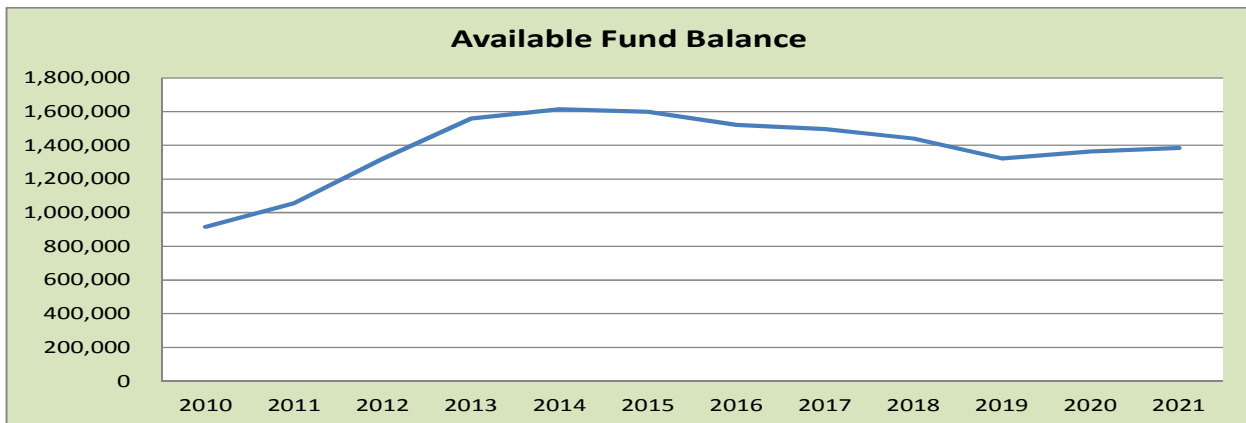
General Fund Revenue Summary									
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Projected	Proposed					
Ad Valorem Taxes	874,300	918,326	870,872	876,841	879,768	887,211	894,742	1,103,265	1,112,690
Animal Licenses & Zoning Permits	3,824	5,923	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Interest	483	218	204	501	401	401	401	401	401
Wildwood Rents & Cable Franchise	38,166	36,709	37,092	36,580	36,580	36,720	36,720	36,720	36,720
Other Revenue & Rents	37,386	43,354	37,839	38,940	33,040	33,040	33,040	33,040	33,040
Contributions	1,720	2,726	784	785	1,000	1,000	1,000	1,000	1,000
Powell Bill (includes appropriation)	93,318	93,909	91,519	91,000	89,180	87,396	85,648	83,936	82,257
State Revenue (other than sales tax)	176,028	178,731	188,691	187,643	187,716	187,865	188,089	188,388	188,762
Sales Tax Revenue	362,039	369,291	383,573	383,566	395,073	406,925	419,133	431,707	444,658
Government Grants (Fed, State & County)	55,264	13,639	338	0	0	0	0	0	0
Fees (court refund)	480	1,266	651	699	1,000	1,000	1,000	1,000	1,000
Charges to Other Funds	0	0	0	0	0	0	0	0	0
Transfer from Capital Reserve	19,212	188,283	76,345	220,553	47,700	59,500	31,236	59,700	38,884
Transfer from LESA Fund	22,111	0							
Transfer from Fund Balance	0	0							
TOTAL	1,684,330	1,852,376	1,692,308	1,841,508	1,675,858	1,705,458	1,695,409	1,943,556	1,943,813
<i>Change from previous year</i>	<i>-7.40%</i>	<i>9.98%</i>	<i>-8.64%</i>	<i>8.82%</i>	<i>-9.00%</i>	<i>1.77%</i>	<i>-0.59%</i>	<i>14.64%</i>	<i>0.01%</i>

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The worksheet and charts shown below summarize the effect upon fund balance assuming no change in tax rates occurs until Fiscal Years 2020 and 2021. Absent increases in revenue or decreases in spending, a deficit in revenues vs. expenditures is expected to exist for several years.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund Balance \$	1,056,417	1,319,315	1,558,659	1,613,825	1,598,833	1,521,804	1,495,827	1,440,408	1,321,982	1,363,631	1,384,714
	(data from annual financial report)				Projected						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund Balance %	73.84	87.29	107.75	101.90	93.65	79.32	87.89	81.80	72.88	71.70	72.02
					Projected						
GF Expenditures	1,416,926	1,617,942	1,576,708	1,677,947	1,707,300	1,918,537	1,701,835	1,760,877	1,813,835	1,901,907	1,922,730
50% of Expense	708,463	808,971	788,354	838,974	853,650	959,268	850,917	880,439	906,918	950,954	961,365
Ad Valorem Revenue	875,263	876,974	874,300	918,326	870,872	876,841	879,768	887,211	894,742	1,103,265	1,112,690
All Other Revenue	713,426	941,883	810,030	934,050	821,436	964,667	796,090	818,248	800,667	840,291	831,122
Revenue	1,588,690	1,818,858	1,684,330	1,852,376	1,692,308	1,841,508	1,675,858	1,705,458	1,695,409	1,943,556	1,943,813
Revenue-Expense	171,764	200,916	107,623	174,429	-14,992	-77,029	-25,977	-55,419	-118,426	41,649	21,083

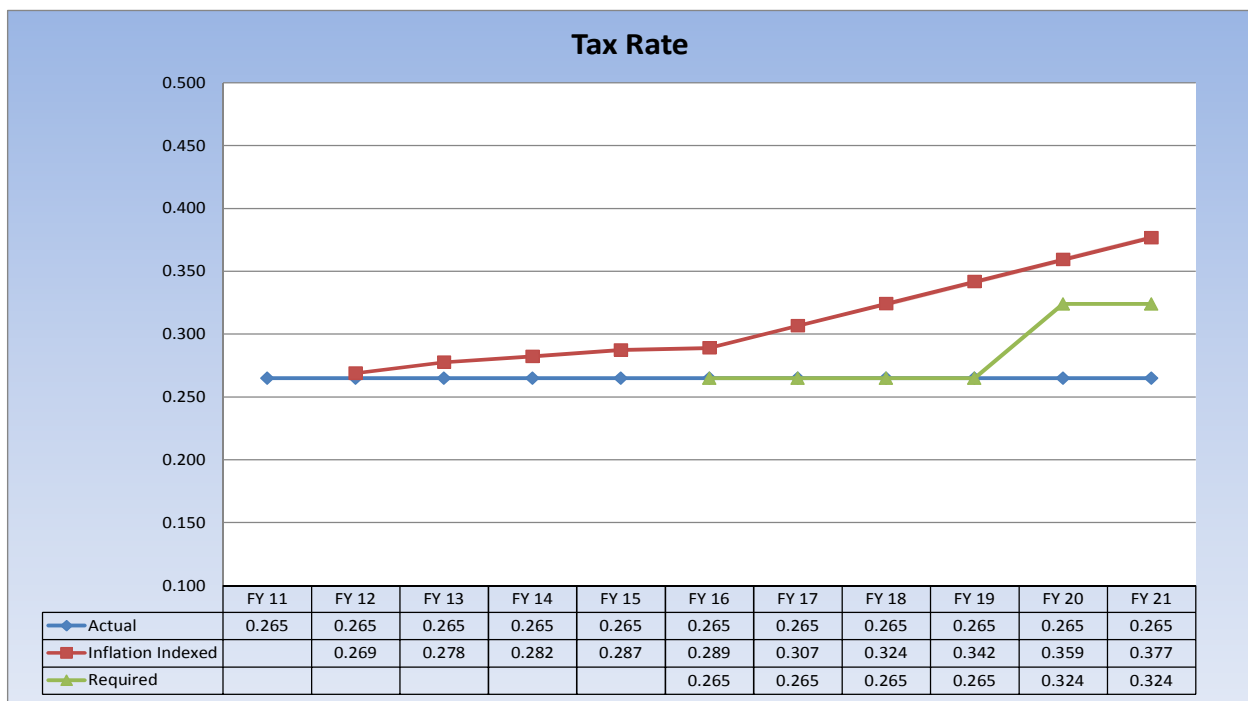


Options for us to avoid a structural deficit are rather limited. We have, effectively, one local revenue that we can adjust to increase revenue, and a wider variety of ways to reduce expenditures. Spending reductions, in order to make a substantial change in the structural deficit, would need to come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

Increasing revenue through an increase in the tax rate also has consequences that must be evaluated. While ours is statistically in the lower third of city tax rates in North Carolina, any increase has an effect upon our current residents and in the market, as people compare River Bend to other communities in which to live. For 2014, the median tax rate in the state was \$0.4379, or \$0.1729 higher than ours. There are, however, many differences in communities, the services they offer, the level of their tax base, and a host of other factors, that make comparisons to other communities imprecise.

The reader will note that, based upon the assumptions shown earlier, revenue does not cover expenditures beginning in Fiscal Year 2015. Assuming that all projections are realized, and there is no modification to services or personnel, the chart below shows the tax rates required to maintain fund balance an acceptable level. Even at the FY 20 “required” level, the Town’s tax rate remains well below the current state median rate.

The Inflation Adjusted tax rate is calculated using our current tax rate of \$0.265 as the base and increasing it by the rate of inflation in each of the years since its last increase in FY 11. From FY 16 forward the rate is increased by an inflation factor equal to the average rate of inflation over the past five years (1.75%). Simply having the tax rate keep pace with inflation, and not accounting for changes in service levels and unusual changes in costs, yields a rate 5.3 cents more than the required rate shown once the projections are carried out to FY 2020. This indicates our forecasted tax rate is growing less than the forecasted rate of inflation.



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The table below shows the effect of charging the “required” tax rate from FY 16 – FY 21 on the amount owners pay for Town tax based upon the assessed value of their property. For each year we show the total Town tax owed and calculate the difference versus the amount paid under the current tax rate. The \$190,000 row is highlighted as this approximates the median value of taxed property in River Bend. Looking at that row, the reader will note that the property owner would pay no additional property tax for FY 16 through FY 19. The property owner would only pay \$112 more in taxes at the required rate in FY 21 compared to what they currently pay.

Assessed Value	Current Bill 0.265	FY 16		FY 17		FY 18		FY 19		FY 20		FY 21	
		0.265	Inc v. Current	0.265	Inc v. Current	0.265	Inc v. Current	0.265	Inc v. Current	0.324	Inc v. Current	0.324	Inc v. Current
95,000	252	252	0	252	0	252	0	252	0	308	56	308	56
100,000	265	265	0	265	0	265	0	265	0	324	59	324	59
150,000	398	398	0	398	0	398	0	398	0	486	89	486	89
190,000	504	504	0	504	0	504	0	504	0	616	112	616	112
200,000	530	530	0	530	0	530	0	530	0	648	118	648	118
250,000	663	663	0	663	0	663	0	663	0	810	148	810	148
300,000	795	795	0	795	0	795	0	795	0	972	177	972	177
350,000	928	928	0	928	0	928	0	928	0	1,134	207	1,134	207
400,000	1,060	1,060	0	1,060	0	1,060	0	1,060	0	1,296	236	1,296	236
500,000	1,325	1,325	0	1,325	0	1,325	0	1,325	0	1,620	295	1,620	295
600,000	1,590	1,590	0	1,590	0	1,590	0	1,590	0	1,944	354	1,944	354

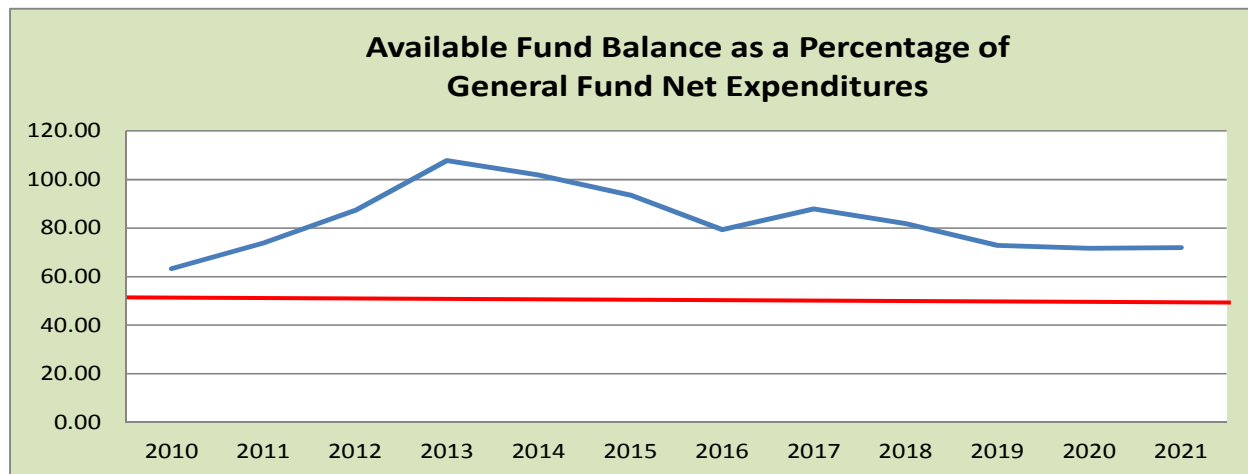
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The table and chart below show the effect upon fund balance assuming that the tax rate is only modified to maintain current service and reserves at our peer group level. According to the North Carolina Local Government Commission (LGC), in 2014, the average Fund Balance among our peer group (North Carolina towns with a population between 2,500 and 9,999) was 72.05%. While the figures reflected below indicate a deficit in revenue vs. expenditures during several years, they also indicate a Fund Balance that is maintained near our current peer group level.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund Balance \$	1,056,417	1,319,315	1,558,659	1,613,825	1,598,833	1,521,804	1,495,827	1,440,408	1,321,982	1,363,631	1,384,714
	(data from annual financial report)				Projected						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund Balance %	73.84	87.29	107.75	101.90	93.65	79.32	87.89	81.80	72.88	71.70	72.02
					Projected						
GF Expenditures	1,416,926	1,617,942	1,576,708	1,677,947	1,707,300	1,918,537	1,701,835	1,760,877	1,813,835	1,901,907	1,922,730
50% of Expense	708,463	808,971	788,354	838,974	853,650	959,268	850,917	880,439	906,918	950,954	961,365
Ad Valorem Revenue	875,263	876,974	874,300	918,326	870,872	876,841	879,768	887,211	894,742	1,103,265	1,112,690
All Other Revenue	713,426	941,883	810,030	934,050	821,436	964,667	796,090	818,248	800,667	840,291	831,122
Revenue	1,588,690	1,818,858	1,684,330	1,852,376	1,692,308	1,841,508	1,675,858	1,705,458	1,695,409	1,943,556	1,943,813
Revenue-Expense	171,764	200,916	107,623	174,429	-14,992	-77,029	-25,977	-55,419	-118,426	41,649	21,083

The reader will note that the trend in fund balance continues downward toward the minimum level target of 50% even with these modifications to the tax rate. Absent changes that increase the level of other revenue the Town receives, or a change in expenditures as mentioned above, the tax rate will need to be under continued scrutiny in order to maintain reserves.



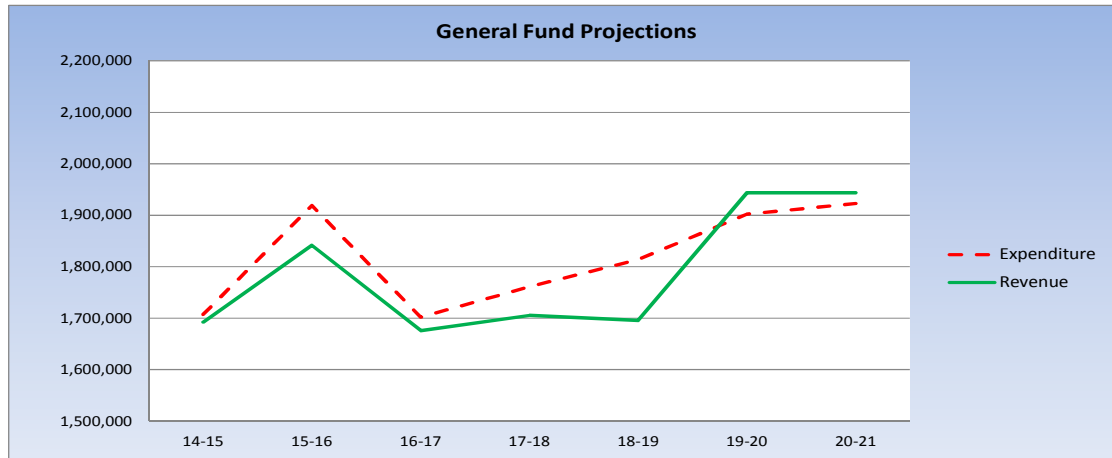
The red line in the chart above represents the 50% minimum level of Fund Balance as required by Council policy. The LGC commends a minimum of 8% Fund Balance. The projected maintenance of Fund Balance at peer group levels (72%) are well above our internal policy and the LGC required level.

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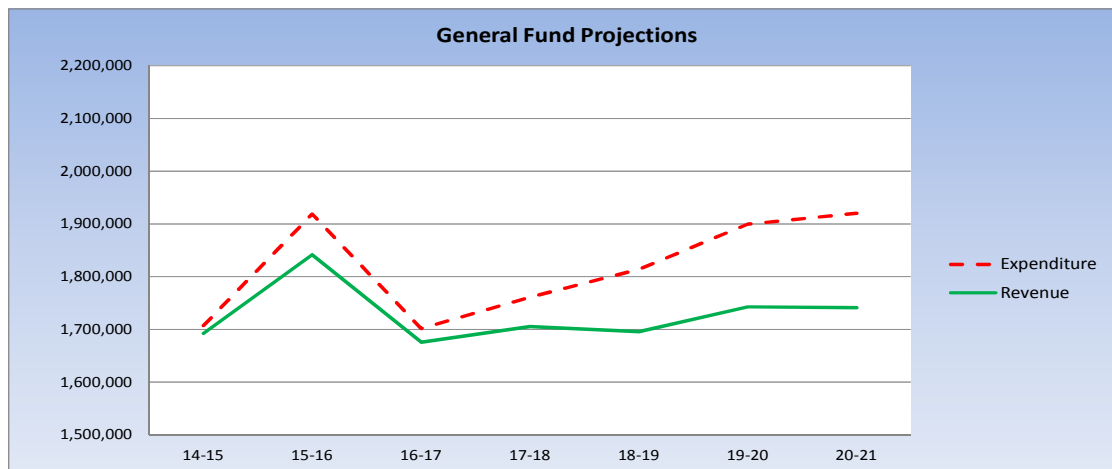
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The graph and chart below shows the historical, current and projected comparison of revenues and expenditures in the General Fund based on current projections with no tax rate increase until FY 19-20. Note that while expenditures are projected to be more than revenues until FY19-20, Fund Balance will be maintained at a percentage equal to or above our current peer group level of 72%. It will be well above the Council's minimum Fund balance policy of 50%.



General Fund	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Total Revenue	1,692,308	1,841,508	1,675,858	1,705,458	1,695,409	1,943,556	1,943,813
Total Expenditure	1,707,300	1,918,537	1,701,835	1,760,877	1,813,835	1,901,907	1,922,730
Revenue - Expenditures =	-14,992	-77,029	-25,977	-55,419	-118,426	41,649	21,083

The graph and chart below shows the historical, current and projected comparison of revenues and expenditures in the General Fund as stated above, except that it does not represent a tax increase beginning in FY 19-20. Note that the deficit between revenues and expenditures increases to \$178,985 in FY 20-21. Without a tax rate increase, the Fund balance percentage would dip to 61% in FY 19-20 and 51% in FY 20-21.



General Fund	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Total Revenue	1,692,308	1,841,508	1,675,858	1,705,458	1,695,409	1,742,653	1,741,193
Total Expenditure	1,707,300	1,918,537	1,701,835	1,760,877	1,813,835	1,899,368	1,920,178
Revenue - Expenditures =	-14,992	-77,029	-25,977	-55,419	-118,426	-156,715	-178,985

Law Enforcement Officer (LEO) Separation Allowance Fund

Since Fiscal Year 2008, the Town has been placing a small amount of money in a separate account with the NC Capital Management Trust for investment on behalf of this fund which is reserved for the sole purpose of funding this benefit for qualifying sworn law enforcement officers. Due to our projected needs for this fund, we have increased our annual contribution, and, in fact, made additional contributions of \$30,000 at the end of Fiscal Years 2012 and 2013 and \$10,000 at the end of Fiscal Year 2014 rather than having that excess go to General Fund Balance.

The reader will note and understand that interest additions beginning in Fiscal Year 2010 are considerably lower than in previous years. This is due to the overall performance of the investment portfolio, which is tied to the performance of the stock market. The table below shows the contributions made and the balances in this Fund since its creation. Similarly, we do not expect to receive a significant amount of interest income in FY 2015.

The benefit provided by this fund is available to all full-time law enforcement officers who have reached age 55 and have more than 5 years of creditable service. The amount of the benefit is calculated by multiplying the officer's salary by 0.0085 and multiplying that number by the total number of years of creditable service. The retiree may collect this annual amount for up to seven years (until they turn 62). As noted in the table below, there are officers who are collecting this benefit. In FY 2013 we began using this fund to cover the retirement benefits paid to two officers. Another officer retired in October of 2014.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
Additions									
General Fund Contributions	7,000	8,000	8,000	8,000	42,710	39,000	20,000	10,000	10,000
Interest	237	239	44	41	23	26	8	24	20
Total Additions	7,237	8,239	8,044	8,041	42,733	39,026	20,008	10,024	10,020
Deductions									
Retirement Benefits Payable	0	0	0	0	4,710	22,111	22,111	30,074	30,000
Total Deductions	0	0	0	0	4,710	22,111	22,111	30,074	30,000
Change in Net Assets	7,237	8,239	8,044	8,041	38,023	16,915	-2,103	-20,050	-19,980
Net Assets - Beginning of Year	0	7,237	15,476	23,520	31,561	69,584	86,499	84,396	64,346
Net Assets - End of Year	7,237	15,476	23,520	31,561	69,584	86,499	84,396	64,346	44,366

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

Actuarial Valuation Date December 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability - (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / (c)
1991		10,646	10,646	0.00%	83,100	12.81%
1995		5,336	5,336	0.00%	80,984	6.59%
2005		37,284	37,284	0.00%	204,897	18.20%
2006		45,773	45,773	0.00%	211,535	21.64%
2007	7,154	54,173	47,019	13.21%	218,836	21.49%
2008	15,404	68,636	53,232	22.44%	224,084	23.76%
2009	23,520	95,895	72,375	24.53%	233,647	30.98%
2010	31,561	111,014	79,453	28.43%	239,398	33.19%
2011	39,569	141,287	101,718	28.01%	231,482	43.94%
2012	56,488	215,534	159,046	26.21%	276,170	57.59%
2013	74,392	176,054	101,662	42.26%	282,202	36.02%

Enterprise Funds Overview

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

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

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

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

Fiscal Year 2014-15 Highlights including Special Projects and Purchases- Water

- Repaired filters supports at Well #3
- Continued a multi-year project to install backflow preventers on all residential connections
- Under contract, had both water towers inspected and washed out

Fiscal Year 2014-15 Highlights including Special Projects and Purchases - Sewer

- Made repairs to treatment unit #2 including new weirs and gaskets and installed a steel band to repair corrosion
- Completed design and permitting project for treatment plant upgrades
- Submitted applications to Corp of Engineers and State for permit to begin fill project at treatment plant

Enterprise Funds Capital Improvement Plan

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

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

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

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

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

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

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

The Enterprise Fund CIP projects for Fiscal Year 16, while modest in scope, all help to preserve our infrastructure and continue to provide reliable service. In the water fund, we plan to interconnect our water system with that of the City of New Bern. This project was originally scheduled for FY15 but due to a delay with the City of New Bern it has been rescheduled for FY16. This interconnection would allow both utilities to have a back-up supply of water should either develop supply, treatment, or storage difficulties. The sharing of project costs and the rates for the purchase of water will be negotiated with the City before this project moves into planning and construction phases.

In the sewer fund we plan to install soft start devices for our blowers at the wastewater treatment plant. This will allow our blowers to be started within the operating capacity of our emergency generators. We also plan to repair one wet well and one lift station in our sewer collection system. These repairs will result in the refurbishing of the interior walls in two below ground wet wells in our system.

Last year, the Town had a significant project in the sewer enterprise for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve those who are currently served by the collection and treatment systems. That project is nearing completion. It is anticipated that the Town will receive permits from the regulatory agencies with jurisdiction over the project area during FY15. Once the permits have been received, the Council will consider the project for future funding. There have already been discussions by the Council to fund a component of the project while the Town has the permits, even if construction does not immediately follow. That component would be to "fill" wetlands around the existing facility in order to accommodate future new construction if such construction is approved in the future. This component would include clearing of wooded areas and hauling in dirt from off site. When complete, the land around the existing facility would be ready for new construction. This step by the Council indicates a forward thinking process that may result in cost saving and tighter regulatory guidelines in the future. The Council may wait until mandates have been issued to make improvements to the wastewater treatment plant. However, if the fill component of the project is completed in advance it will most likely result in an easier environmental permitting process and reduced construction costs in subsequent years.

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

Water Fund Capital Improvement Plan

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Appropriation: Annual	50,000	50,000	50,000	50,000	0	0	0	0	0	50,000	50,000	50,000
Appropriation: Well pump	10,000	10,000	10,000	10,000	0	0	0	0	0	10,000	10,000	10,000
Appropriation: Vehicles (50/50 W/S)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,500
	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500	\$ 63,500	\$ 63,500	\$ 63,500
Capital Projects												
<i>Administration:</i>												
Vehicle Replacement (split Water/Sewer)							22,500				11,000	
<i>Treatment</i>												
Well #1 Filter Media Rehab										20,000		
Well #1 Filter Underdrain		17,500										
Well #3 Valves												
Well #3 Filter Media Rehab	10,000										11,000	
Well #3 Pump Replacement				12,577								
Well #3 Filter Supports					12,448							
<i>Distribution</i>												
Quarterdeck Service Line Replacement			20,000									
Howell Center and Riverstone Backflow		12,000										
Harbourwalk Line Replacement				33,170								
New Bern Interconnection						42,000						
	10,000	29,500	20,000	45,747	12,448	42,000	22,500	0	0	20,000	22,000	0
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	\$ 53,000	\$ 33,500	\$ 43,000	\$ 17,254	\$ (9,448)	\$ (39,000)	\$ (19,500)	\$ 3,500	\$ 3,500	\$ 43,500	\$ 41,500	\$ 63,500

Sewer Fund Capital Improvement Plan

		2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Appropriation: Annual		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Appropriation: Vehicles (50/50 W/S)		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,500
	FY Appropriations:	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 63,500
Capital Projects	Project Completed												
<i>Administration:</i>													
Vehicle Replacement (split Water/Sewer)	Per schedule							22,500				11,000	
<i>Collection:</i>													
Install Piner Estates service stops				10,000									
Upgrade Main Lift Station					13,198								
<i>Treatment:</i>													
Unit #1 Clarifier Repair	13-14				22,428								
Unit #2 Clarifier Repair	14-15					36,000							
Static screen and Surge Tank Bypass	13-14				8,439								
Chlorine Building	10-11	13,200											
Restroom Addition	10-11	17,000											
Generator	11-12		43,500										
Soft start for WWTP blowers	15-16						16,000						
WWTP Lift Station repair	15-16						19,000						
	FY Expenditures:	30,200	43,500	10,000	44,065	36,000	35,000	22,500	0	0	0	11,000	0
	Net Capital Cash:	\$ 32,800	\$ 19,500	\$ 53,000	\$ 18,935	\$ 27,000	\$ 28,000	\$ 40,500	\$ 63,500	\$ 63,500	\$ 63,500	\$ 52,500	\$ 63,500

Town of River Bend, North Carolina Annual Budget for Fiscal Year 2015-2016

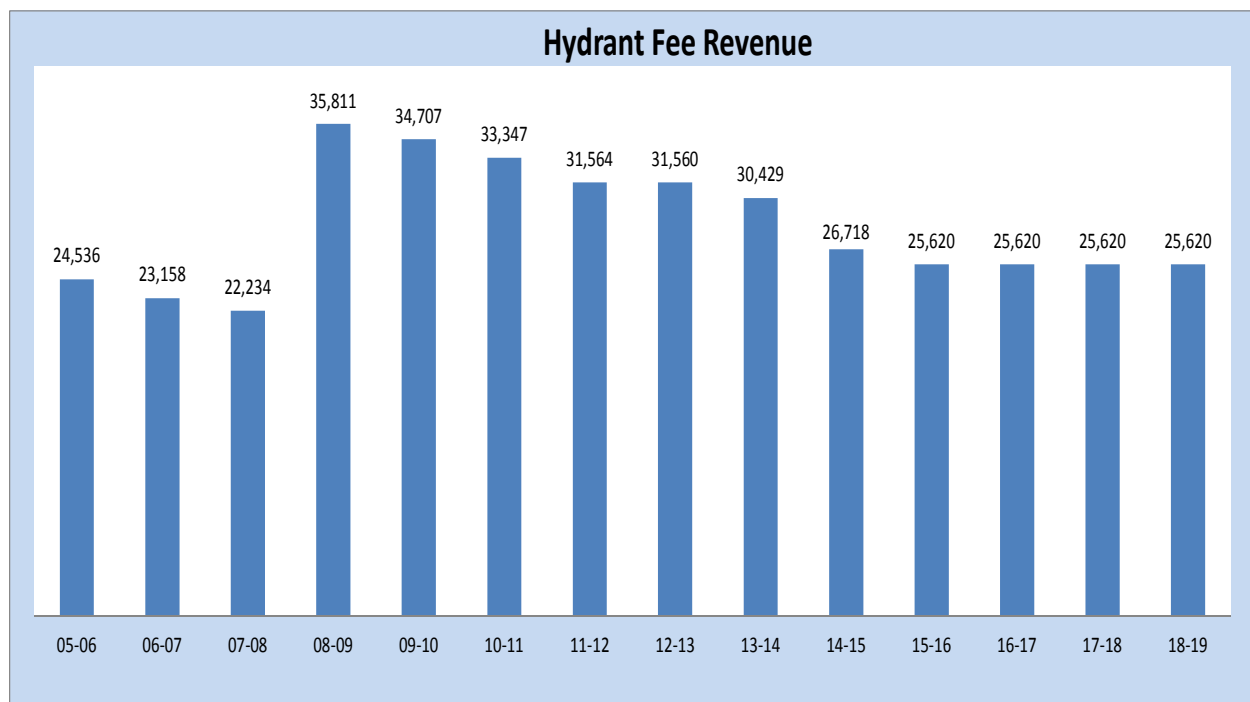
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Water and Sewer Capital Reserve Funds

Each Enterprise Fund (water and sewer) has an associated Capital Reserve Fund. Revenue from these funds comes from the payment of a Capital Investment Fee for each new connection to the systems. Additionally, the Water Capital Reserve Fund receives revenue from the annual Hydrant Fee charged to the owner of each developed lot that is not connected to the water system. This fee, currently \$183 per year, pays for the availability of water for each of these properties, and entitles the owner to connect to the system without paying the Capital Investment Fee. Capital Investment Fees and Hydrant Fees are reviewed and updated, in accordance with our Utility Rate Model, every year. After being reduced last year, the hydrant fee will remain at \$183 during FY16.

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

The chart below shows the historical and anticipated future Hydrant Fee revenue. The Budget Ordinance reflects the anticipated Capital Investment Fee revenue to this Fund and the Sewer Capital Reserve Fund.



Utility Rates and Consumption Data

Utility Rate Model

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

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

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

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

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

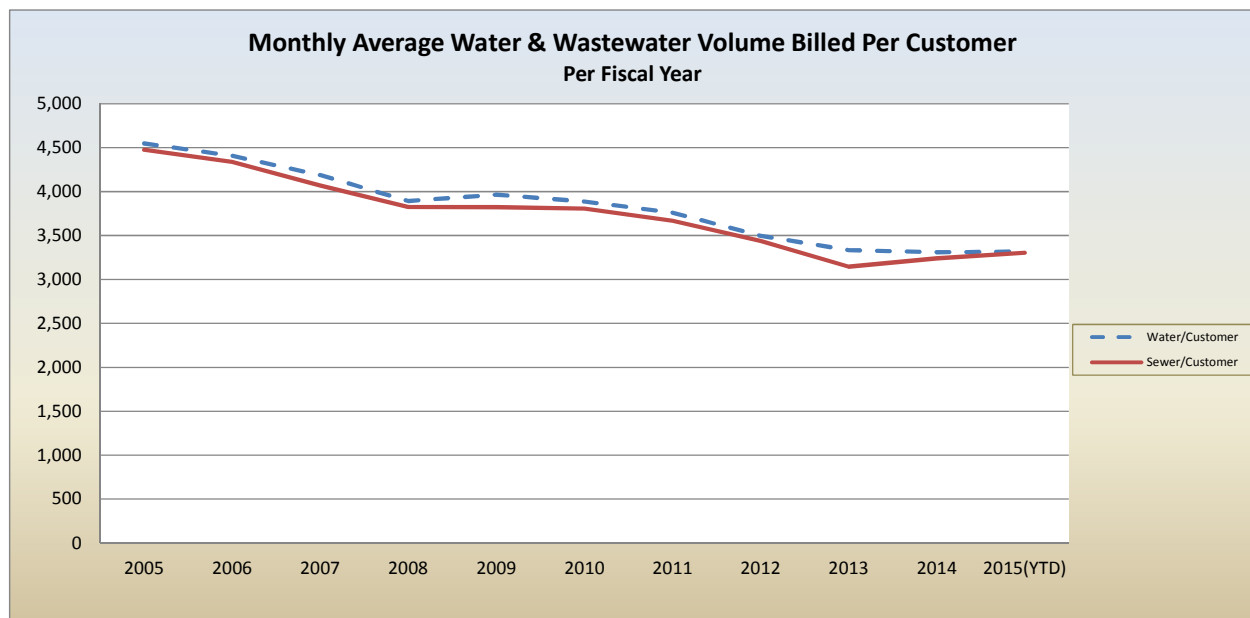
Usage: This component should be used to pay the remaining 25% of the debt service and capital costs and all direct operating costs.

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

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

Customer Water Consumption

One of the elements that feeds into our rate model is the amount of water (and wastewater removal) we assume we will sell to our customers. From 2002 through 2008, there was a steady decline in the average amount each of our customers used. This downward trend leveled off after 2008 and appeared to have stabilized. However, the recent trends are toward lower levels of consumption. In FY 2013 our average consumption per customer decreased by 4.95% and in FY 2014 it decreased another 0.70%. Through five billings in FY 2015 we are seeing a moderation in this downward trend, showing a slight increase 0.21% in average consumption. As older water fixtures are replaced with newer, more efficient ones, and more emphasis is placed upon the conservation of this resource, we expected a decline in average consumption to a certain point of minimum use. We feel that we are nearing that minimum average use this year. The chart below shows this trend.



This worksheet shows the total amount of water and wastewater we bill each month (determined by dividing the amount shown on the bi-monthly billing in half.)

	Average Monthly	
	Water Billed	Sewer Billed
2005	5,688,000	4,037,000
2006	5,606,000	3,930,000
2007	5,440,000	3,725,000
2008	5,117,750	3,516,000
2009	5,207,250	3,487,000
2010	5,187,750	3,517,000
2011	5,106,833	3,434,667
2012	4,833,833	3,227,667
2013	4,716,000	2,974,833
2014	4,716,167	3,116,917
2015(YTD)	4,742,500	3,178,500

Approved Rates

Based upon the approved expenditures and the revenue projected, we are recommending no change in fees for the water utility. The cash balance in this utility is sufficient to respond to unknown conditions and there are no identified long term capital needs that require the continued building of cash reserves.

The sewer fund is not as fiscally strong as the water fund. However, we also recommend no change to the fees for the sewer utility. In FY17 the Council will need to closely consider a rate adjustment if current revenues and expenses trends continue. According to the Bureau of Labor Statistics, the consumer price index has increased only 0.60% over last year.

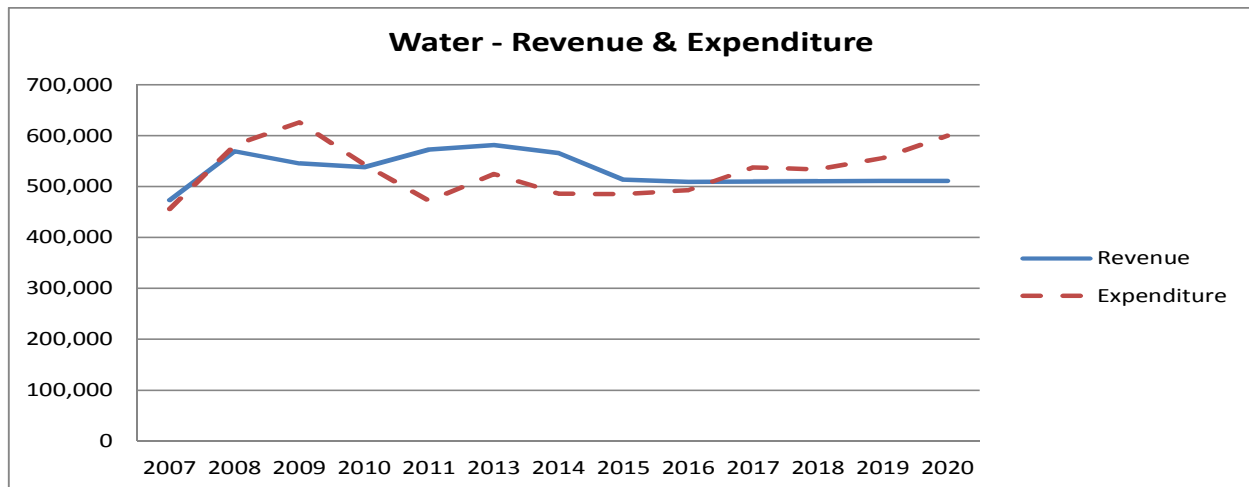
This table shows each of the components of the rate structure as described on page 160.

Approved Rates		
Water		Approved
	Base	15.24
	Use (per 1,000 gallons)	4.02
Sewer		
	Base	24.18
	Use (per 1,000 gallons)	9.08

Water

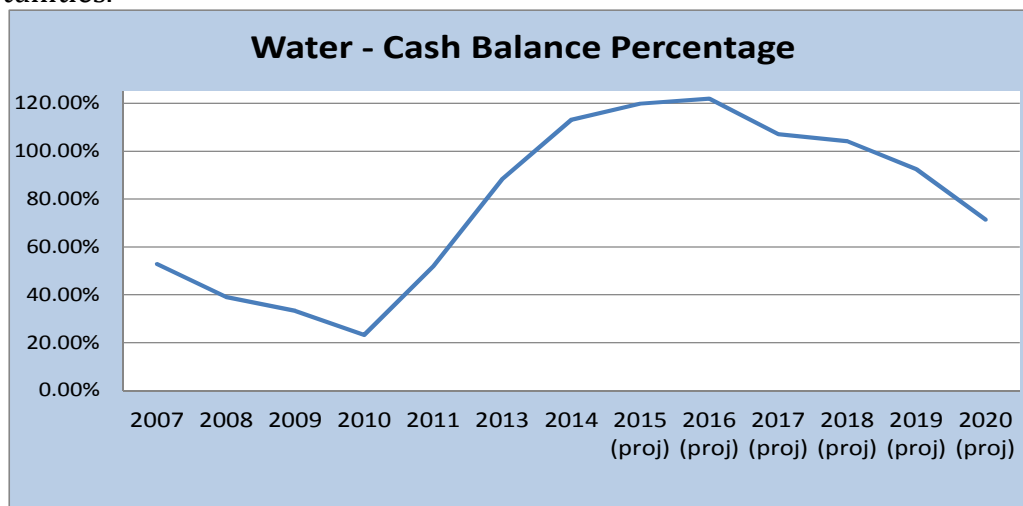
Readers will notice, from the table below and the chart at the top of the next page, that revenue falls short of expenses in FY 2017 and subsequent years. Due to the high level of cash reserve, this lower level of funding into the plan is not considered detrimental to the financial health of the utility. Each year the Town Council reviews this model, makes adjustments to planned spending, and balances the need for adequate revenue with the desire to keep rates at a reasonable level. As greater demands are predicted, the Council may opt to increase the level of CIP funding in the rate model and set rates accordingly.

Water													
		Suggested			Expenditures to be paid by each rate component per model								
		Rate	Change			2013	2014	2015	2016	2017	2018	2019	2020
	Customer	4.80	0.00%		Customer	55,533	85,567	86,444	87,442	89,022	90,583	92,119	93,622
	Demand	10.44	0.00%		Demand	171,155	145,912	121,255	141,992	129,742	111,511	111,793	127,034
	Base	15.24	0.00%										
	Use	4.02	0.00%		Use	297,500	254,679	277,328	305,328	318,768	331,594	352,088	379,190
	FYE	FYE	FYE	FYE	FYE	FYE	FYE	Projected for FYE June 30:					
	2007	2008	2009	2010	2011	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	473,592	569,017	545,123	538,101	572,695	581,324	565,797	513,314	509,272	509,733	510,163	510,597	511,016
Expenditure	455,986	581,549	625,875	543,409	471,872	524,187	486,159	485,027	534,762	537,532	533,689	555,999	599,847
Surplus (deficit)	17,606	(12,532)	(80,752)	(5,308)	100,823	57,136	79,638	28,287	(25,490)	(27,799)	(23,526)	(45,402)	(88,831)
Cash Balance	240,993	227,515	208,316	126,512	245,475	463,455	550,056	581,343	600,853	576,054	556,029	514,126	428,796



Cash Balance – Water Fund (operating fund only)

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



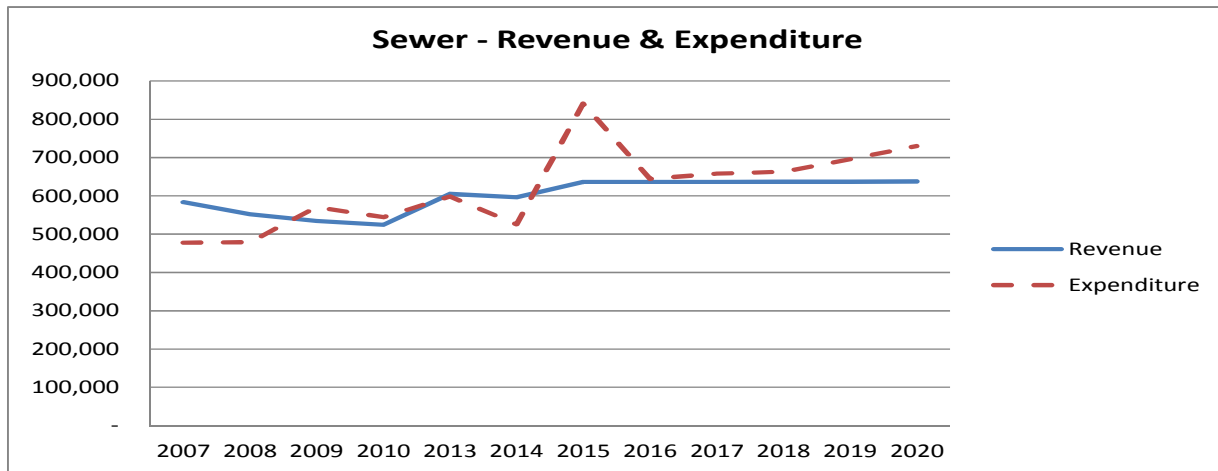
	FY	FY	FY	FY	FY	FY	FY	Projected for the Fiscal Year Ending June 30:					
	2007	2008	2009	2010	2011	2013	2014	2015 (proj)	2016 (proj)	2017 (proj)	2018 (proj)	2019 (proj)	2020 (proj)
Fund Bal. %	52.85%	39.12%	33.28%	23.28%	52.02%	88.41%	113.14%	119.86%	121.94%	107.17%	104.19%	92.47%	71.48%
Cash Balance	240,993	227,515	208,316	126,512	245,475	463,455	550,056	581,343	600,853	576,054	556,029	514,126	428,796

During the preparation of the FY 2010 budget, the Town Council made a conscious and appropriate decision to use cash balance to offset rate increases with the knowledge that in FY 2011 a rate increase would be necessary and cash balance would need to be restored. The strategy worked and our cash balance was restored to an appropriate level. During the FY 2016 budget preparation process the long range outlook and projected deficits were thoroughly discussed by the Council. If all projections hold true, we anticipate a similar deficit scenario at the end of FY 2017 and in subsequent years. Currently, those deficits are minimal and will not have a substantial impact on our cash balance. Cash balance needs to be examined annually, in order to ensure that current rates are adequate to protect the future of the utility. The Council will continue to review rates and their long-term effect annually.

Sewer

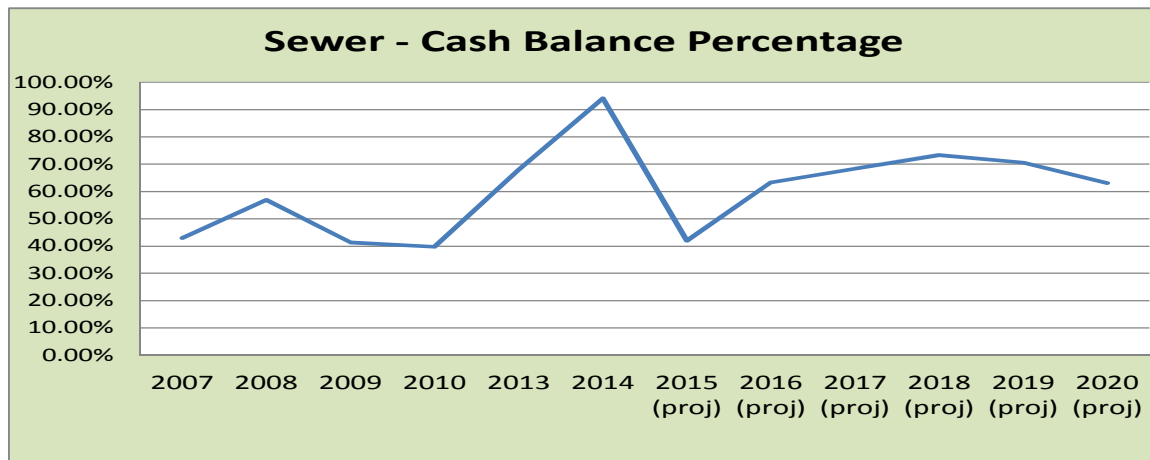
Readers will notice, from the table below and the chart at the top of the next page, that revenue falls short of expenses in FY 2016 and in subsequent years. In FY 2016 the deficit is only \$8,181. The projections indicate minimal deficits until FY 2019. However, even with revenue deficits, our cash balance continues to grow until FY 2020. Each year the Town Council reviews this model, makes adjustments to planned spending, and balances the need for adequate revenue with the desire to keep rates at a reasonable level.

Wastewater												
		Suggested										
		Rate	Change		2013	2014	2015	2016	2017	2018	2019	2020
	Customer	7.35	0.00%		55,533	85,567	86,444	87,471	89,053	90,616	92,154	93,660
	Demand	16.83	0.00%		146,011	129,421	129,421	170,045	170,045	159,646	141,276	141,520
	Base	24.18	0.00%									
	Use	9.08	0.00%		393,666	306,272	361,751	386,837	412,555	437,096	461,490	494,840
	FYE	FYE	FYE	FYE	FYE	FYE	Projected for FYE June 30:					
	2007	2008	2009	2010	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	583,518	551,459	534,514	524,289	605,265	596,273	635,998	636,173	636,211	636,775	636,801	637,340
Expenditure	477,762	479,175	570,479	544,202	598,606	525,305	840,582	644,353	657,787	662,866	695,245	730,298
Surplus (deficit)	105,756	72,284	(35,965)	(19,913)	6,658	70,967	(204,584)	(8,181)	(21,576)	(26,091)	(58,444)	(92,958)
Cash Balance	205,214	272,709	235,917	216,394	406,193	494,585	353,001	407,820	449,244	486,153	490,709	460,751



Cash Balance – Sewer Fund (operating fund only)

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



	FY	FY	FY	FY	FY	FY	Projected for the Fiscal Year Ending June 30:					
	2007	2008	2009	2010	2013	2014	2015 (proj)	2016 (proj)	2017 (proj)	2018 (proj)	2019 (proj)	2020 (proj)
Fund Bal. %	42.95%	56.91%	41.35%	39.76%	67.86%	94.15%	41.99%	63.29%	68.30%	73.34%	70.58%	63.09%
Cash Balance	205,214	272,709	235,917	216,394	406,193	494,585	353,001	407,820	449,244	486,153	490,709	460,751

During the preparation of the FY 2010 budget, the Town Council made a conscious and appropriate decision to use cash balance to offset rate increases with the knowledge that in FY 2011 a rate increase would be necessary and cash balance would need to be restored. The strategy worked and our cash balance was restored to an appropriate level. During the FY 2016 budget preparation process the long range outlook and projected deficits were thoroughly discussed by the Council. If all projections hold true, we anticipate a small deficit at the end of FY 2016. In subsequent years, it is projected to increase. Currently, those deficits are minimal and will not have a substantial impact on our cash balance. In fact, as noted earlier, cash balance is projected to increase through the end of FY 2019. Cash balance needs to be examined annually, in order to ensure that current rates are adequate to protect the future of the utility.

Impact of Rates

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

Charges for 3,000 gallons per month			
		Current	Approved
Water	Base	15.24	15.24
	Use	12.06	12.06
Sewer	Base	24.18	24.18
	Use	27.24	27.24
Monthly		78.72	78.72
Per-Bill		157.44	157.44
Monthly Increase			0.00
Per Bill Increase			0.00
			0.00%

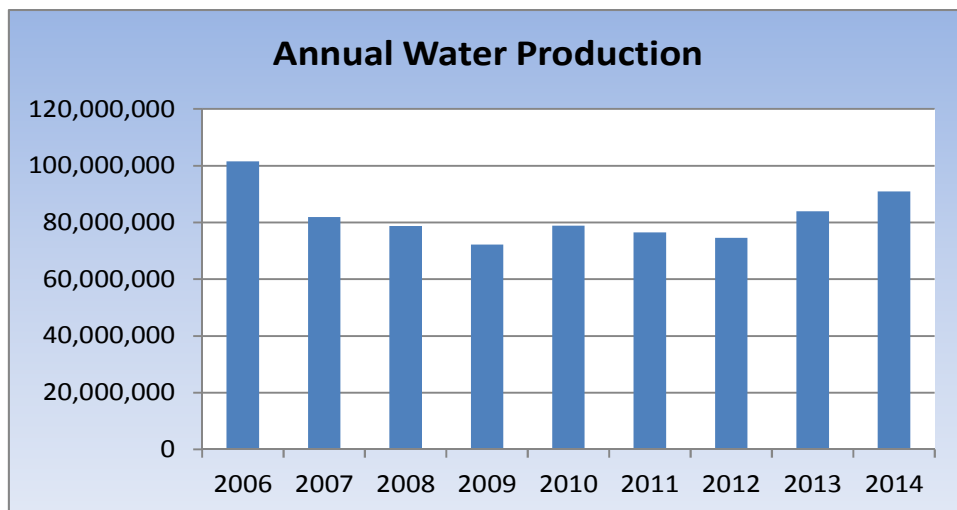
The table below shows the charges for a customer using water only.

Charges for 3,000 gallons per month			
		Current	Approved
Water	Base	15.24	15.24
	Use	12.06	12.06
Monthly		27.30	27.30
Per-Bill		54.60	54.60
Monthly Increase			0.00
Per Bill Increase			0.00
			0.00%

(Business, commercial, and industrial base rates are determined by Equivalent Residential Units and are adjusted proportionally. This year, there is no change.)

Our Water Utility

Our water system withdraws from the Castle Hayne aquifer through three wells with a combined capacity of 925,000 gallons per day. Two elevated storage tanks with a total rated capacity of 400,000 gallons ensure a consistent supply and adequate pressure throughout the system. In 2014 (calendar year), we treated 83,980,000 gallons with a daily average of 230,082 gallons. In 2013, we treated 74,361,000 gallons of water, an average of 203,889 per day. The chart below depicts water production in gallons per year over the past nine years.



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

Water is transmitted to approximately 1,430 households through 18 miles of pipe ranging in size from two to eight inches in diameter. In addition to providing water for consumption, our system also stands ready in the event of fire. There are 108 hydrants located throughout the system in order to give the fire department ample access to water for their work.

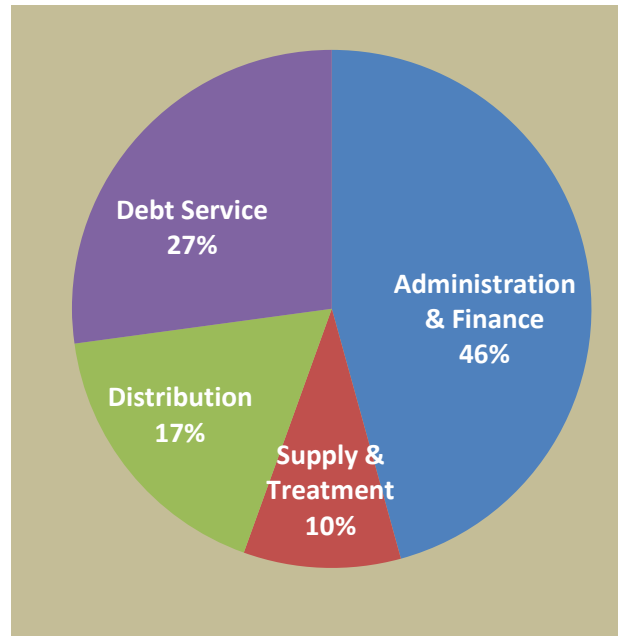
Our water system is monitored and regulated by the State of North Carolina which grants us a permit to operate. In accordance with State standards, water samples are tested at an independent laboratory for bacteria and other harmful contaminants. Each customer receives a copy of our annual report showing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

Water Enterprise Expenditures

The total budgeted expenditure for the water enterprise in fiscal year 2016 is \$579,592, a \$31,373 increase from the current fiscal year.

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

The chart to the right shows the percentage of the total expenditure for this enterprise fund attributable to the three budgeted departments within the enterprise. Debt service is a large expenditure for this enterprise and is divided from the Administration and Finance Department in the chart to illustrate its proportion to overall expenditures.



Water	
Back-flow preventers	6,200
Interconnection with New Bern Water	42,000
TOTAL	48,200

Proposed Water Enterprise projects

Plans for the water utility include continuing a multi-year project to install back-flow preventers on all our water connections. The other project shown is one to interconnect our water system with that of the City of New Bern. This interconnection would allow both utilities to have a back-up supply of water should either develop supply, treatment, or storage difficulties. The sharing of project costs and the rates for the purchase of water will be negotiated with the City before this project moves into planning and construction phases. This project was originally scheduled for FY 15 but due to a delay with the City of New Bern it has been rescheduled for FY16.

Water Administration and Finance

This department contains the budget for all personnel related costs including expenditures related to allocation of General Fund employees' time to the utility (line 482). Refer to the Personnel section of this document for more detail about labor allocations. Also in this department is the rent this utility pays the General Fund for use of office and shop space (line 430). As noted earlier in this document, the budget contains provisions for salary level increases totaling 1.6%. There is a 0.6% increase for a Cost of Living Adjustment and the other 1.0% is for longevity, if applicable, in accordance with the adopted compensation plan.

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

Contained in line 399 is funding for reverse 911, utility billing system support, work order software, and 10% of the mowing contract. Debt service is a large expenditure for this enterprise. In fact, 27% of the total expenditure for the water enterprise is for the debt incurred to purchase the system. Lines 710 and 720 show the amount budgeted for principle and interest payments on this debt.

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Water Admin & Finance		12-13		13-14		14-15			
		YR End	Actual	YR End	Actual	Current	Expended	Projected	15-16
60-7125		Budget	Expend	Budget	Year-End	Budget	As of	Year-End	Proposed
							02/28/15		Budget
121	Wages & Salaries	95,245	100,675	79,105	81,761	84,433	55,875	85,024	86,612
122	Overtime	1,000	98	1,000	165	1,000	71	1,000	1,000
134	401(k) Retirement	4,762	4,985	3,955	4,080	4,169	2,798	4,256	4,249
181	FICA	7,223	7,524	6,052	6,150	6,378	4,219	6,415	6,501
182	Loc Govt Emp Retirement	6,419	6,719	5,593	5,945	5,978	3,956	6,017	5,668
183	Group Insurance	21,714	21,994	20,318	15,204	17,471	9,907	16,908	17,827
185	Unemployment Comp.	0	0	0	215		0	0	0
186	Workers' Compensation Ins.	2,856	2,565	2,242	2,260	2,372	2,398	2,398	3,125
310	Travel & Subsistence	1,300	756	750	368	750	507	750	750
395	Training	1,300	898	1,950	515	2,650	1,109	2,650	1,500
191	Auditing Service	4,400	4,333	4,500	4,333	4,500	3,375	4,500	4,667
192	Professional Service - Legal	1,000	1,142	1,000	0	1,000	360	1,000	1,000
193	Engineering Services	2,000	0	1,500	0	1,500	0	1,500	1,500
381	Other IT Services	400	324	500	396	500	294	500	504
382	Banking Services	1,400	1,252	1,400	1,309	1,400	942	1,400	1,400
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	2,500	3,236	4,246	3,280	5,656	4,109	5,958	5,656
440	VC3 IT Service & Maint.	10,255	8,557	9,467	9,312	10,538	6,763	10,538	12,316
441	Springbrook Service & Maint.	3,663	3,651	3,797	3,797	3,949	3,949	3,949	4,107
482	Indirect Cost- Labor	48,343	48,342	76,822	76,822	78,241	52,161	78,241	79,394
481	Labor Allocation	-30,595	-30,595	-30,237	-30,237	-31,159	-20,772	-31,159	-32,018
212	Uniforms	2,500	2,229	2,500	2,324	2,500	1,579	2,500	2,500
251	Motor Fuel	3,293	2,263	3,279	2,069	3,279	1,357	1,957	2,410
260	Office Supplies	3,500	3,221	5,600	4,806	5,918	1,459	3,000	3,000
320	Telephone & Postage	4,620	5,085	5,160	5,307	#REF!	4,447	5,936	6,200
370	Advertising	0	146	0	0	0	0	0	0
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	732	1,500	410	1,500	538	1,500	1,750
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	6,000	9,000	9,000
450	Insurance: Prop/Liab	8,879	7,047	9,617	8,213	10,697	9,290	10,290	11,172
491	Dues & Subscriptions	1,200	888	1,200	1,171	1,250	1,319	1,319	1,350
492	Bad Debts	0	0	0	0	0	0	0	0
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0	0	0	0	0	0
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	88,542	88,542	107,323	107,323	110,006	0	110,006	110,006
720	Bond Interest Payment	69,945	82,698	41,480	41,480	36,517	18,258	36,517	34,317
750	Bond Issuance Costs	42,417	40,247		0	0	0	0	0
751	Bond Service Charge	0	0	0	0	0	0	0	0
753	Amort of Bond Costs	0	0	0	0	0	0	0	0
760	Install. Purchase - Principal	0	0	0	0	0	0	0	0
770	Install. Purchase - Interest	0	0	0	0	0	0	0	0
499	Miscellaneous	0	-200	0	0	0	0	0	0
	TOTAL	420,581	428,353	380,618	367,777	#REF!	176,268	383,870	387,461
121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director & Field Supervisor								
310/395	Training/Travel- to encourage professional development and higher levels of licensure (\$750 for Finance Assistant)								
191	Auditing Services (\$14,000 est., total allocated equally to general/water/sewer funds, \$4,667 each)								
193	Engineering - general engineering services - PRN								
399	Contracted Services								
	Reverse 911	970			970 to be paid by water and 970 by sewer)				
	Locate Plus	150							
	Mowing Contract	2,020			10% of base lawn bid				
	Elster Support	1,250							
	Work Order Software	666							
	FORMAX Stuffer/sealer	250							
	Misc Services	350							
		5,656							
381	Computer Services: cable internet service, web site, etc.								
440	VC3 Hosted Desktop Contract: \$37,777 + \$3,276 support = \$41,052 [40% general fund, 30% water, 30% sewer]								
441	Springbrook software maintenance (Total = \$13,689). [40% general fund, 30% water, 30% sewer]								
491	Includes \$365 for ECC (Total \$1,096, split 1/3 each with General Fund and Water Fund)								
482	Indirect Cost - General Fund labor allocations and WRD labor allocations								
251	Fuel - \$3.50 per gallon estimate - \$0.56 per gallon tax = \$2.94 per gallon cost								
260	Office Supplies, including \$240 for 2 work order tablet replacements, if needed (shared cost with PW & Sewer depts.).								
430	Bld & Equip Rental - Town Hall & Annex building & equipment use. \$750 (FY07)								

Water Supply and Treatment

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

There are no unusual expenditures in this department in this budget. However, we will purchase a new spectrometer for conducting our testing. The cost of this new device will be equally shared with the sewer department. Line 299 contains funding to ensure we have spare chemical feed pumps and other small treatment related equipment on hand. Our goal is to minimize any downtime in either treatment plant.

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Water Distribution

This department contains the budget for expenditures related to the operation of the distribution system from the water towers to the customer's water meter. Our water levels are automatically regulated using a telemetry system to turn well pumps on and off based upon the level of water in the towers (line 399). Our two water towers are maintained by Utility Services Corporation (line 442). This company performs annual inspections, frequent interior cleaning, and periodic exterior painting. This type of maintenance prolongs the effective life of these assets and ensures, through professional inspection, that they are safe and functional.

One project contained in this department's budget is near the customer end of the distribution system. We budgeted to continue a multi-year project to install backflow prevention devices on all our water service connections (portion of line 299). Currently only required for commercial installations, these devices ensure that no water can flow back from a customer's property into the water distribution system. This project contemplates the installation of 100 of these devices per year.

The largest project is to interconnect our water system with that of the City of New Bern. This project was explained in more detail in the beginning of this section.

Water Distribution		12-13		13-14		14-15			15-16
		YR End	Actual	YR End	Actual	Current	Expended	Projected	Adopted
60-7134		Budget	Expend	Budget	Year-End	Budget	As of	Year-End	Budget
							02/28/15		
399	Contracted Services	11,240	4,963	6,530	2,214	6,530	1,577	6,530	6,530
442	Water Tower Service Contract	24,477	23,077	24,477	23,077	23,077	23,077	23,077	25,616
299	Supplies & Materials	11,300	11,930	9,695	9,665	11,200	8,684	11,200	14,200
352	Maint & Repair- Equip	2,000	0	2,000	41	2,000	96	2,000	2,000
430	Bldg & Equip Rental	2,000	90	2,000	315	2,000	185	2,000	2,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
596	Capital Outlay- Lines/Tanks	20,000	16,719	33,132	33,170	0	0	0	42,000
	TOTAL	71,017	56,779	77,834	68,481	44,807	33,618	44,807	92,346
399	NC One Call		180						
	Alarm (well monitoring)		350						
	Leak Repair Contingency		6,000						
			6,530						
442	Contract		25,616						
299	Backflow Preventers		6,200						
	Pipe and Fittings		4,000						
	Other Small Equipment		1,000						
	Fire Hydrant		1,900						
	Tamp		1,100						
			14,100						
596	Interconnection with New Bern		42,000	carry over from last year					

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

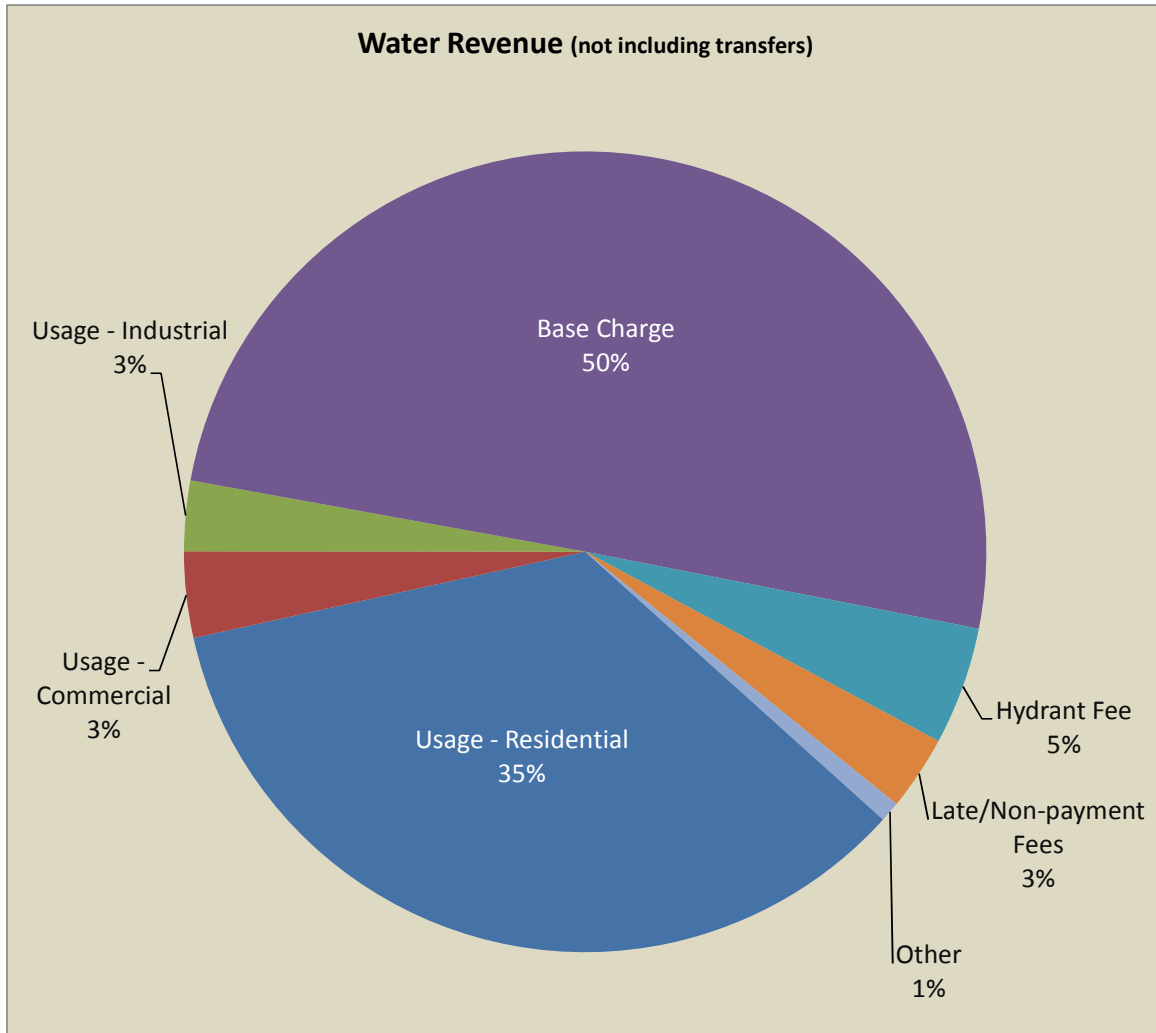
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Water Fund Revenue

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

Revenue - Water Fund 60		12-13		13-14		14-15			15-16
		YR End	Actual	YR End	Actual	Current	Expended	Projected	
		Budget	Revenue	Budget	Year-End	Budget	As of	Year-End	
							02/28/15		
									Budget
3710-501	Utility Usage Chg- Class 1 & 2	205,416	199,846	187,065	191,003	197,729	131,320	190,299	187,442
3710-503	Utility Usage Chg- Class 3 & 4	17,877	12,386	12,156	15,441	15,405	10,983	15,100	15,100
3710-505	Utility Usage Chg- Class 5	16,723	13,970	14,062	14,778	14,810	9,857	15,208	15,208
3710-508	Utility Usage Chg- Class 8	2,561	2,947	2,653	4,518	3,059	3,300	3,647	3,647
3710-510	Utility Customer Base Charge	320,536	320,638	320,726	316,064	269,136	188,655	269,792	270,051
3710-514	Fire Hydrant Availability Fee	30,636	31,560	30,429	29,768	26,718	25,822	25,822	25,620
3713-322	State Grants	0	0	0	0	0	0	0	0
3715-515	Unbilled Receivables	0	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	2,500	11,250	2,500	2,500	1,250	3,035	3,035	1,250
3730/31-500	Utility Billing Nonpayment Fees	6,090	7,595	6,090	9,230	7,590	5,560	8,060	8,060
3732-500	Utility Billing Late Payment Fees	8,569	8,260	8,569	8,683	9,018	5,407	8,107	8,107
3735-500	Capital Investment Fees	2,600	2,600	2,700	0	2,700	0	0	2,700
3737-981	Chgs to General Fund	0	0	0	0	0	0	0	0
3737-985	Chgs to Sewer Fund	0	0	0	0	0	0	0	0
3830-800	Miscellaneous	0	3,060	0	3,235	0	0	0	0
3831-810	Interest	487	152	849	45	805	36	65	407
3835-865	Sale of Fixed Asset	0	250	0	0	0	0	0	0
3839-351	Sales Tax Refund Revenue	0	46	0	300	0	0	0	0
3920-892	Proceeds from Debt	0		0	0	0	0	0	0
3920-895	Bond Refunding Proceeds	42,417	0	0	0		0	0	0
3980-981	Transfer from General Fund	0	0	0	0	0	0	0	0
3980-985	Transfer from Sewer Fund	0	0	0	0	0	0	0	0
3980-986	Transfer from Water Capital Reserve	0	0	0	0	-	0	-	42,000
3991-991	Appropriated Fund Balance	0	0	30,759	0	0	0	0	0
	TOTALS	656,412	614,559	618,559	595,564	548,219	383,976	539,135	579,592

The chart below is a graphic depiction of the sources of revenue for the water utility. The base charge accounts for the largest portion of this revenue.



Our Sewer Utility

The Town of River Bend owns and operates a wastewater treatment and collection system serving approximately 962 households and businesses. Wastewater is collected from our customers and transmitted via approximately 11 miles of gravity and force main pipes. Eight town owned lift stations pressurize portions of the system so the waste is efficiently moved to our treatment facility on Gull Pointe. Six of these lift stations, and the treatment plant itself, have backup power supplied by fixed location generators. The other two lift stations can be powered by one of our mobile generators.

In calendar year 2014, we treated 36.3 million gallons of wastewater compared to 32.3 million gallons in 2013. The daily average treatment rate was 99,614 gallons in 2014 and 88,534 gallons in 2013. The State standard for waste treatment capacity is 330 gallons per day per household, which in our case translates to 317,460 gallons per day. This standard shows that we should be using 96% of our permitted capacity, while in reality we use, on average, 30% of our permitted capacity.



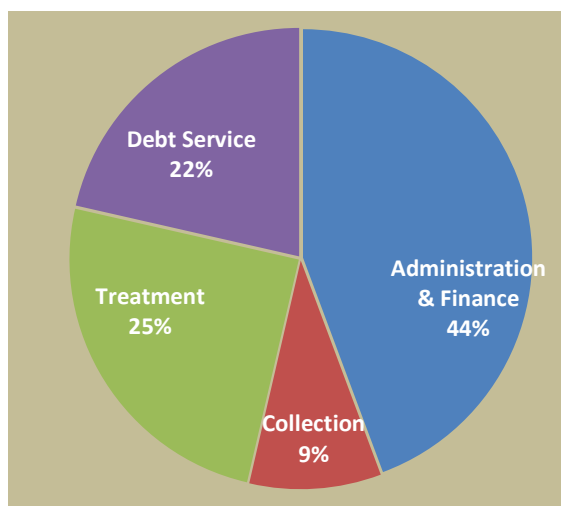
The North Carolina Department of Water Quality (DWQ) administers Federal and State regulations designed to protect the quality of the receiving waters. Part of this administration is the issuance of permits for treatment facilities like the one we have here in River Bend. Our treatment plant has a permitted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

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

Sewer Enterprise Expenditures

The total budgeted expenditure for the sewer enterprise in fiscal year 2016 is \$646,301, a 24.4% decrease from the current fiscal year. This large decrease is attributable to the completion of the \$210,000 design project last year.

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



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

Wastewater	
Soft starts for treatment plant blowers	16,000
Manhole and wet well repair	19,000
TOTAL	35,000

Proposed Sewer Enterprise projects

In fiscal year 2016, we plan to make a repair to a manhole and a wet well used in the sewer system. We also plan to install soft starts on the blowers at the wastewater treatment plant. While neither of the planned projects are large in scope, they will assist in the day-to-day operational performance of the sewer system. The installation of the soft starts will allow us to better operate our facility during power outages while the facility is operating on back-up generators.

Sewer - Administration and Finance

This department contains the budget for all personnel related costs including expenditures related to allocation of General Fund employees' time to the utility (line 482). Refer to the Personnel section of this document for more detail about labor allocations. Also in this department is the rent this utility pays the General Fund for use of office and shop space (line 430). As noted earlier in this document, the budget contains provisions for salary level increases totaling 1.6%. This includes a Cost of Living Adjustment of 0.06% and 1% for longevity, if applicable, in accordance with the adopted compensation plan.

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

Contained in line 399 is funding for maintenance of software systems: works orders, reverse 911 and radio meter reading. We also budget for equipment maintenance contracts and people search software for aiding in collections. Debt service is a large expenditure for this enterprise. In fact, 22% of the total expenditure for the sewer enterprise is for the debt incurred to purchase the system. Lines 710 and 720 show the amount budgeted for principle and interest payments on this debt.

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Sewer Admin & Finance		12-13		13-14		14-15			15-16
		YR End	Actual	YR End	Actual	Current	Expended	Projected	Adopted
61-7125		Budget	Expend	Budget	Year-End	Budget	As of	Year-End	Budget
							02/28/15		
121	Wages & Salaries	109,309	104,189	88,035	91,105	94,094	62,071	94,642	96,527
122	Overtime	1,000	655	1,000	541	1,000	267	1,000	1,000
134	401(k) Retirement	5,465	5,205	4,402	4,564	4,646	3,117	4,746	4,736
181	FICA	8,267	7,855	6,735	6,888	7,109	4,705	7,162	7,246
182	Loc Govt Emp Retirement	7,367	7,017	6,224	6,649	6,663	4,407	6,711	6,318
183	Group Insurance	25,491	23,363	21,981	16,944	19,310	10,902	18,506	19,703
185	Unemployment Comp.	0	0	0	239	0	0	0	0
186	Workers' Compensation Ins.	3,376	2,984	2,719	2,202	2,726	2,802	2,802	3,649
310	Travel & Subsistence	1,500	910	300	463	300	65	300	750
395	Training	1,600	1,263	1,105	1,027	1,585	69	1,585	1,500
191	Auditing Service	4,400	4,333	4,500	4,333	4,500	3,375	4,500	5,000
192	Professional Service - Legal	3,000	10,707	1,000	1,121	1,000	270	1,000	1,000
193	Engineering Services	53,500	50,131	2,500	0	2,500	0	2,500	2,500
381	Other IT Services	400	324	500	396	500	294	500	504
382	Banking Services	1,400	1,186	1,400	1,240	1,400	892	1,400	1,400
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	5,000	4,629	2,100	1,154	3,788	2,878	3,636	3,636
440	VC3 IT Service & Maint.	10,255	8,557	9,467	9,312	10,538	6,763	10,538	12,316
441	Springbrook Service & Maint.	3,663	3,651	3,797	3,797	3,949	3,949	3,949	4,107
482	Indirect Costs- Labor	48,343	48,342	76,822	76,822	78,241	52,161	78,241	79,394
481	Labor Allocation	-30,595	-30,595	-30,237	-30,237	-31,159	-20,772	-31,159	-32,018
212	Uniforms	2,500	2,229	2,500	2,324	2,500	1,579	2,500	2,500
251	Motor Fuel	3,293	2,263	3,279	2,069	3,279	1,357	1,957	2,410
260	Office Supplies	3,500	3,194	5,600	4,806	5,880	2,036	3,000	3,000
320	Telephone & Postage	3,600	5,386	4,140	4,071	4,916	3,481	4,916	5,030
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	715	1,500	410	1,500	520	1,500	1,500
370	Advertising	3,000	222	0	0	0	0	0	0
391	Legal Advertising	0	1,904	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	6,000	9,000	9,000
450	Insurance: Prop/Liab	11,008	9,063	11,959	10,587	13,359	11,929	12,929	14,141
491	Dues & Subscriptions	800	828	800	805	850	829	829	850
492	Bad Debts	0	0	0	0	0	0	0	0
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0	0	0	0	0	0
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	76,458	76,458	92,677	92,677	94,994	0	94,994	94,994
720	Bond Interest Payment	60,400	71,771	35,820	35,820	31,533	15,767	31,533	29,633
750	Bond Issuance Costs	36,630	34,754	0	0	0	0	0	0
751	Bond Service Charge	0	0	0	0	0	0	0	0
753	Amort of Bond Costs	0	0	0	0	0	0	0	0
760	Interfund Loan - Principal	0	0	0	0	0	0	0	0
770	Interfund Loan - Interest	0	0	0	0	0	0	0	0
499	Miscellaneous	0	0	0	0	0	0	0	0
	TOTAL	474,430	472,492	371,623	361,127	380,501	181,711	375,719	382,326
121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director & Field Supervisor								
310/395	Training/Travel - to encourage professional development and higher levels of licensure (\$500 for Finance Asstnt.)								
191	Auditing Services (\$14,000 est., total allocated equally to general/water/sewer funds, \$4,667 each)								
193	Engineering - general engineering services - as needed								
381	Computer Services: cable internet service, web site, etc.								
399	Contracted Services	Reverse 911	970	\$970 to be paid by water and \$970 by sewer					
		Locate Plus	150						
		Elster Support	1,250						
		Work Order Software	666						
		FORMAX Stuffer/sealer	250						
		Misc Services	350						
			3,636						
440	VC3 Hosted Desktop Contract: \$37,777 + \$3,276 support = \$41,052 [40% general fund, 30% water, 30% sewer]								
441	Springbrook software maintenance (Total = \$13,689) [40% general fund, 30% water, 30% sewer]								
491	Includes \$366 for ECC (Total \$1,096, split 1/3 each with General Fund and Water Fund)								
251	Fuel - \$3.50 per gallon estimate - \$0.56 per gallon tax = \$2.94 per gallon cost								
260	Supplies, includes \$240 for 2 work order tablet replacements, if needed (shared cost with PW & Sewer depts)								
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (FY07)								
482	Indirect Cost - General Fund labor allocations and WRD labor allocations								
450	Insurance Premiums: Property/Liability/Workers' Comp/allowance for deductibles								

Sewer Collection

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

In an effort to minimize the amount of grease that flows to our treatment plant, we plan to utilize a contractor to vacuum grease out of each of our lift stations. We currently use a chemical degreaser that breaks the substance free from the components of the lift station, but it still flows to the treatment plant and must be treated.

Sewer Treatment

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

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

In fiscal year 2016 we plan to install soft starts for our blowers, as noted earlier, at a cost of \$16,000. We also plan to repair a manhole and wet well at a cost of \$19,000. Both of these projects will enhance the day-to-day operations of the system.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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Sewage Treatment		12-13		13-14		14-15			15-16
		YR End	Actual	YR End	Actual	Current	Expended	Projected	Adopted
61-7144		Budget	Expend	Budget	Year-End	Budget	As of	Year-End	Budget
							02/28/15		
398	Testing	16,500	12,939	16,500	13,230	16,500	7,964	13,964	15,000
399	Contracted Services	24,075	19,198	20,900	22,679	24,315	16,169	24,315	27,615
298	Chemicals	10,500	15,226	10,500	13,812	17,500	7,667	17,500	17,500
299	Supplies & Materials	8,500	2,560	8,500	3,136	8,500	1,774	8,500	7,000
330	Utilities	25,500	25,533	31,000	27,291	31,000	16,806	25,600	26,880
351	Maint & Repair- Bldg	2,000	1,350	1,000	0	1,000	123	1,000	1,000
352	Maint & Repair- Equip	9,610	7,384	9,695	5,760	9,695	10,491	10,491	10,100
430	Equip Rental	0	0	0	0	0	0	0	0
496	Permit Fees	860	860	860	860	860	860	860	860
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	4,100
594	Capital Outlay- Treatment Plant	0	0	29,925	30,867	246,000	200,862	246,000	35,000
	TOTAL	97,545	85,050	128,880	117,636	355,370	262,715	348,230	145,055
399	Sludge Hauling	11,000							
	Calibrate meters	1,200							
	Rebuild blower	2,100							
	Pump digester	9,000							
	Pump grit chambers	1,800							
	Dumpster Service	1,400							
	Hach Spectrometer PMA	420	(\$840 split with sewer)						
	Lift station alarms	695							
		<u>27,615</u>							
330	Based upon historical costs/demand, and contemplates a 2% fuel factor increase in December								
299	Supplies and Materials (generator fuel, tools, paint, etc.)								
352	Blower Maintenance Contract	5,410							
	Other Maintenance	4,700							
		<u>10,100</u>							
550	Samplers	4,100							
351	Routine Maintenance								
594	Soft start for WWTP blowers	16,000							
	WWTP Lift Station repair	<u>19,000</u>							
		<u>35,000</u>							

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

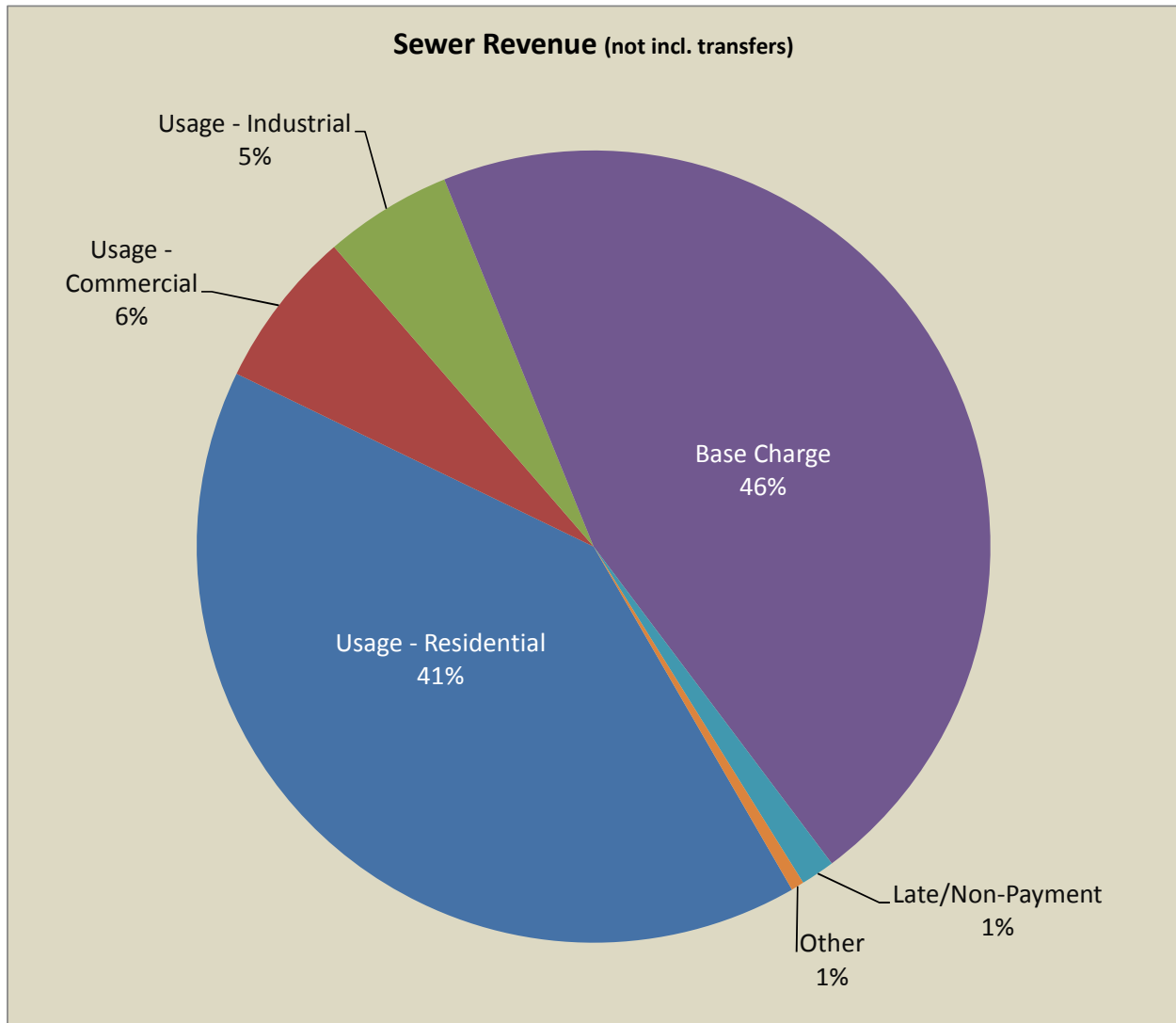
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Sewer Fund Revenue

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

Revenue - Sewer		12-13		13-14		14-15			15-16
		YR End	Actual	YR End	Actual	Current	Expended	Projected	Adopted
		Budget	Revenue	Budget	Year-End	Budget	As of 02/28/15	Year-End	Budget
3710-501	Utility Usage Chg- Class 1 & 2	256,664	244,806	233,417	240,585	260,848	172,634	260,070	258,508
3710-503	Utility Usage Chg- Class 3 & 4	29,852	26,189	25,704	32,615	34,795	24,496	34,669	34,669
3710-505	Utility Usage Chg- Class 5	42,237	29,538	29,733	31,246	33,451	21,932	33,162	33,162
3710-508	Utility Usage Chg- Class 8	7,667	5,984	5,406	9,359	6,728	7,011	6,679	6,679
3710-510	Utility Customer Base Charge	268,453	270,497	268,064	267,971	288,860	192,244	292,560	292,837
3715-515	Unbilled Receivables	0		0	0	0	0	0	
3720-520	Tap Connection Fees	1,250	4,650	1,250	2,500	1,250	0	0	1,250
3732-500	Utility Billing Late Payment Fees	8,755	7,611	8,755	9,412	9,661	5,822	8,822	8,822
3735-500	Capital Investment Fees	1,500	1,500	1,900	3,800	1,900	0	0	1,900
3737-981	Chgs to General Fund	0	0	0	0	0	0	0	0
3830-800	Miscellaneous	0	2,011	0	52	0	0	0	0
3831-810	Interest	522	151	719	41	661	27	36	247
3835-865	Sale of Fixed Asset	0	5,368	0	0	0	0	0	0
3839-351	Sales Tax Refund Revenue	0	293	0	593	0	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0	0
3920-895	Bond Refunding Proceeds	36,630	0	0	0	0	0	0	0
3980-981	Loan from General Fund	0	0	0	0	0	0	0	0
3980-985	Transfer from Water Fund	0	0	0	0	0	0	0	0
3980-986	Transfer from Sewer Cap. Reserve	0	0	0	0	0	0	0	0
3991-991	Appropriated Fund Balance	61,500		65,792	0	216,728	0	216,728	8,227
	Totals	715,030	598,597	640,741	598,174	854,881	424,166	852,726	646,301

The chart below is a graphic depiction of the sources of revenue for the sewer utility. The base charge accounts for the largest portion of this revenue.



Ratings and Independent Data

Bond Ratings

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

Standard and Poor's

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

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

Moody's

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

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

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

North Carolina Municipal Council

Following their review in 2013 we received an upgrade from 79 to 81.

Here is an excerpt from their rating rationale: *"We certainly commend the Town and management for increasing the unassigned fund balance, unrestricted cash and investments, for taking measures to reduce costs (especially in the utilities funds), retiring the installment debt and appropriating funds for capital maintenance in the CIP."*

"The Town tax rate is low and tax collections are highly commendable."

"River Bend has a stable management team, which we recognize."

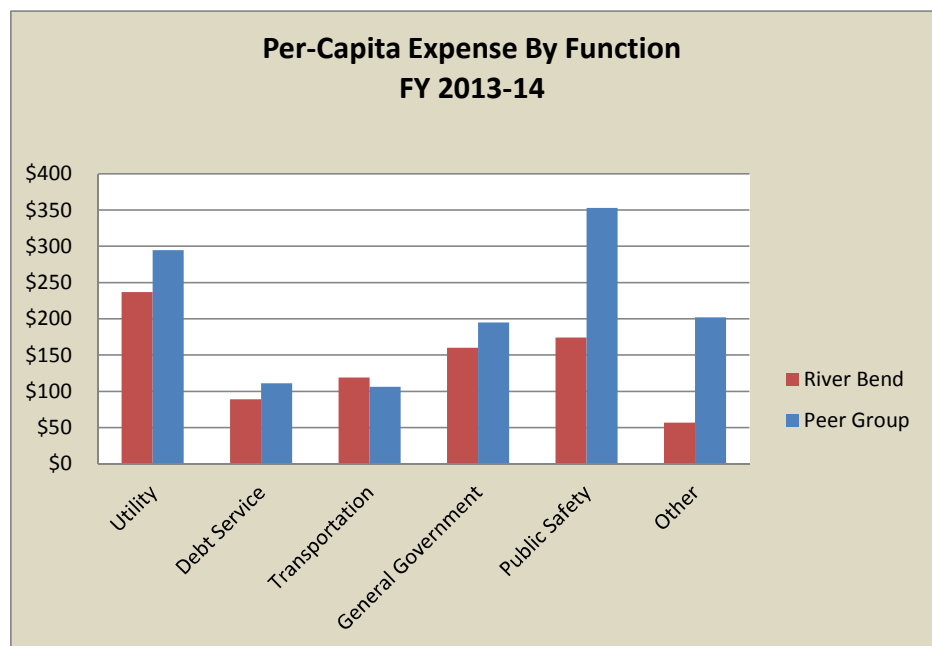
These favorable reviews, especially in the current economy, are a testimony to the financial strength of this Town. Through good planning and making difficult decisions, River Bend will remain viable and strong for many years to come.

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

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

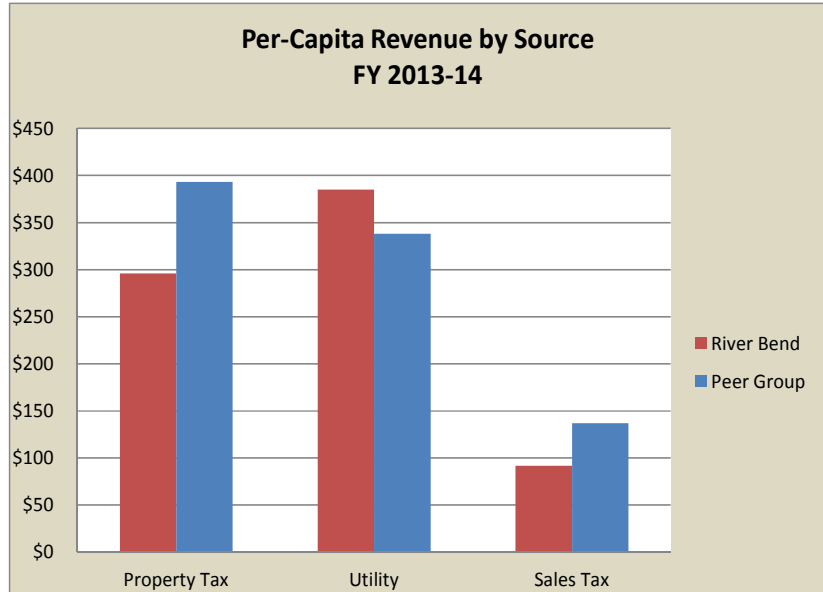
Our peer group is localities with a population between 2,500 and 9,999 residents that do not operate an electric utility. In the fiscal year ending June 30, 2014, there were 109 localities in our peer group.

Data from the LGC show that River Bend's per-capita expenditures in 2014 were \$836 compared to \$1,263 for localities in our peer group. The chart to the right shows some of the significant expenditures (by function or object) and how our expenditures compared with those of our peers. The reader will note that our debt service per capita is higher than that of our peers. This is due to the debt incurred to purchase the water and sewer systems. Our peers do not have this type of recent debt, so their obligations are likely for upgrades, expansions, and other similar expenditures, rather than for the outright purchase of operating utilities. The other categories show that River Bend spends less per capita than that of our peers.

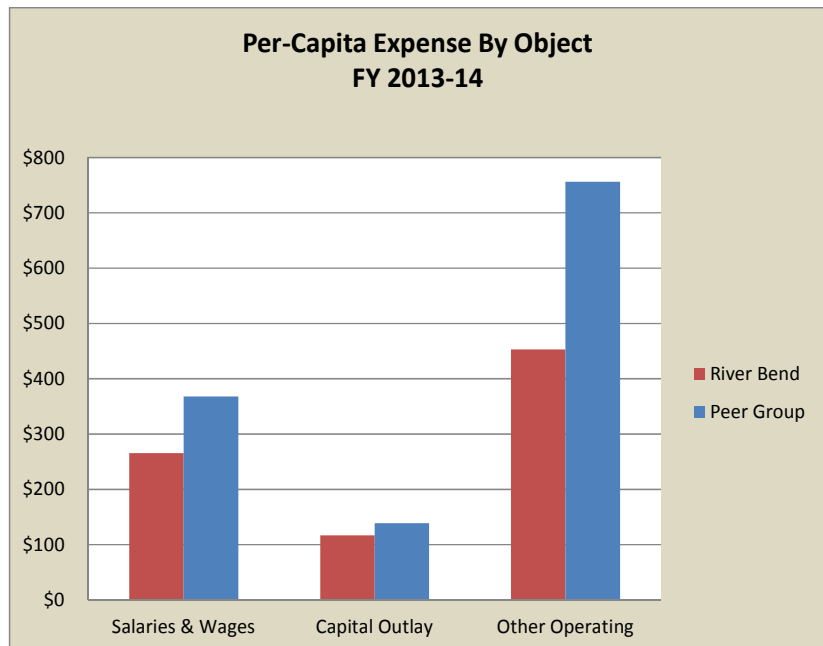


Data from the LGC also indicate how we compared with our peer group in fiscal year 2014 in terms of per-capita revenue. The data show that our per-capita revenue was \$921 compared to \$1,313 for our peers.

This chart shows three major revenue categories and how we compare with our peers. The reader will note that our utility revenue is higher than that of our peers. Again, this is largely due to the need to recover the cost of the debt service from our customers.



This chart shows three major expense categories and how we compare with our peers. The reader will note that we spend less per capita in all three categories compared to our peer group.



John Locke Foundation

One of the factors that is a credit to this community is the comparatively low tax burden we place upon our residents. Each year the John Locke Foundation – Center for Local Innovation publishes a report entitled “By The Numbers: What Government Costs in North Carolina Cities and Counties.” This report considers “total local government collection of all taxes and fees for counties and municipalities” (the report provides no definition for the fees component of their data) and reports this as the amount of tax revenue received, per capita, from all sources. It also reports the amount, per capita, each locality’s residents pay for property tax and sales tax. Their rankings reflect an aggregate of the County and Town tax, so our ranking takes into consideration the entire tax burden borne by a resident of River Bend compared to that of residents of other incorporated municipalities throughout the State.

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

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

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

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

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

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Surplus – The amount by which revenues exceed expenditures.

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

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

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

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

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

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



Appendix A

TOWN OF RIVER BEND

45 Shoreline Drive
River Bend, NC 28562

T 252.638.3870
F 252.638.2580

www.riverbendnc.org

January 30, 2015

To: Mayor Kirkland and Members of Town Council

From: Ryland E. Matthews, Jr., Chief of Police

Re: Police Department Budget for FY 2015-16

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

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

- Proactive presence
- Teamwork with the residents and volunteer groups for a safer Community
- Complete Investigations
- Comprehensive Training
- Partnership with surrounding agencies
- Continuing to improve the quality of life through equitable enforcement of local ordinances

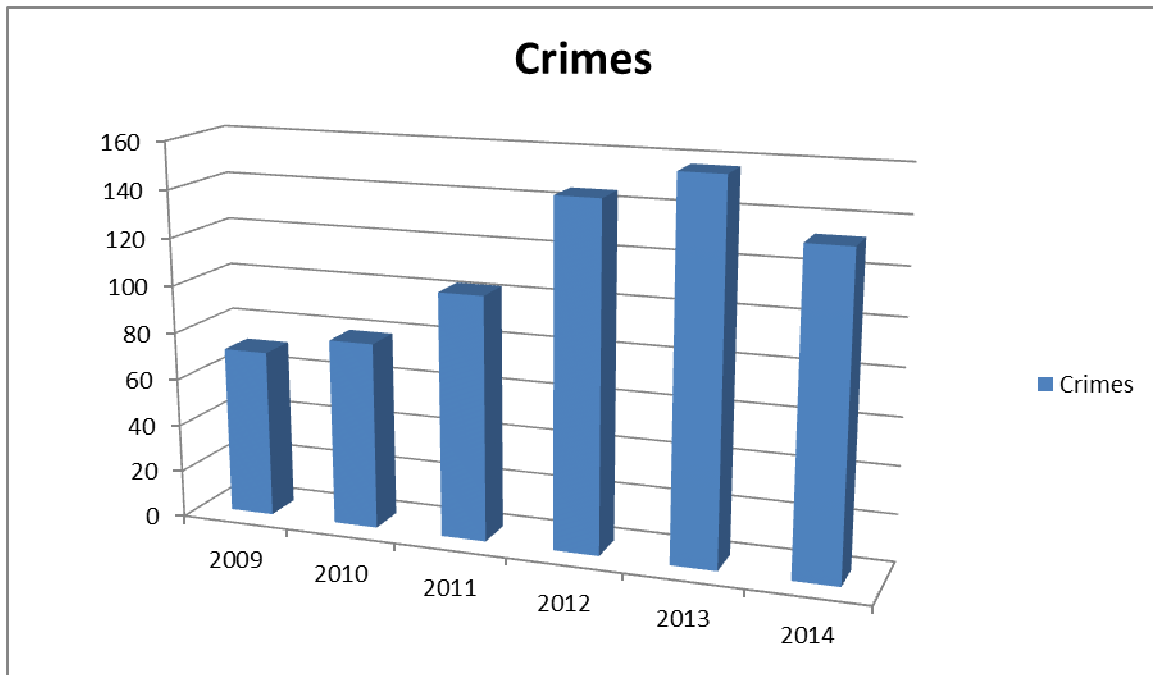
What have we accomplished in the past year

- All Officers are trained in basic forensic evidence collection

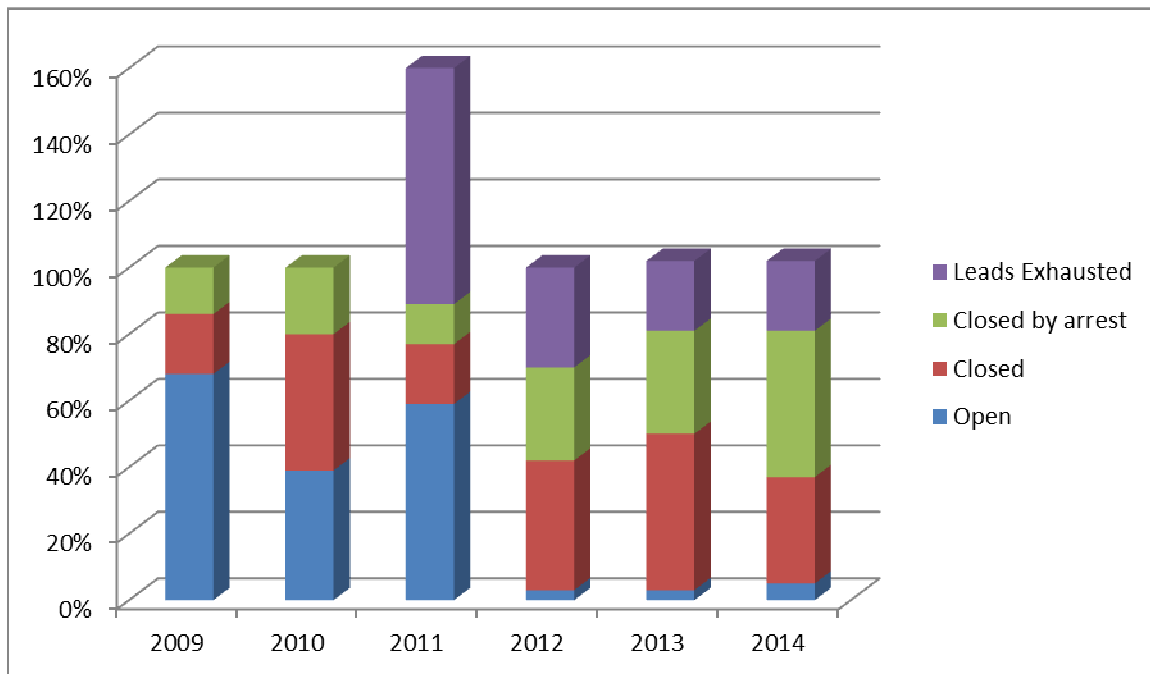
- 4 of the 6 officers are RADAR certified
- 4 of the 6 officers are Intoximeter certified
- Officers attended 448 hours of non state mandated (no cost) training by June 2014
- The Department has a state certified General, Taser, and Firearm instructor for training purposes.
- All patrol vehicles now are equipped with New Radars, hot spots and Laptop computers.
- Better tracking of officer activity and time spent on the job. More focus put on time spent on investigation, obtaining warrants, and doing follow up investigation
- The Department has purchased over \$13,200 of equipment with non matching grants (In Car Printers, Radars, Tint Meter, Taser)
- We have added a less lethal shot gun to the department; this gives officers more flexible options in a critical situation.
- Partnered with all Craven County Law Enforcement in the Governors Highway Safety Program County Task Force.
- Worked several cases with several agencies over three counties in a Drug Task Force environment to include the DEA, Onslow, Jacksonville PD and others.
- In 2014, 20% of our cases were drug activity reports or arrests. Two drug related search warrants were conducted in River Bend with support from the Drug Task Force. One recovered a AK-47 Assault Rifle, bullet proof vests and two hand guns with residual heroin packaging material. We have reported 4 separate cases of heroin uses in River Bend in the past year.

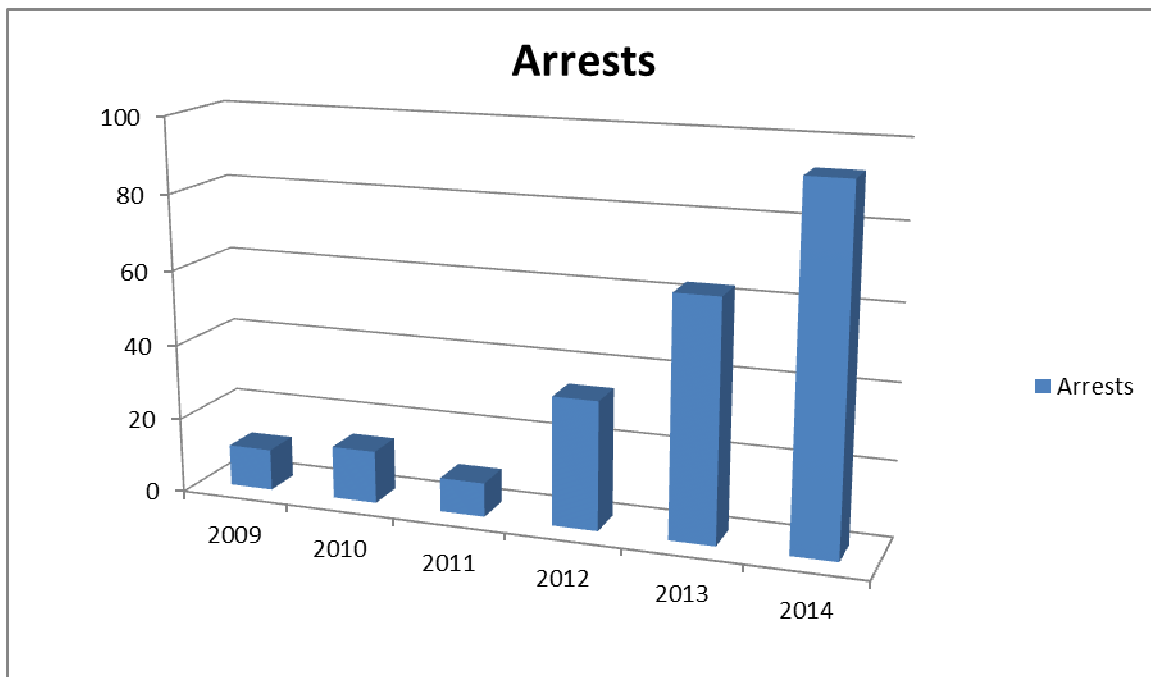
How busy are we?

- The data you review quarterly as provided by the Town Manager shows a steady increase in the total activity of the Department.
- Much of the increase is in the area of Community Policing as we are being more aggressive in doing business checks and vacation house checks and being more diligent about documenting activity.
- Increased business checks have yielded more arrests due to outstanding warrants for arrest and traffic violations.
- Each week at shift change, we do shift training on a variety of topics.
- With the increase in manpower, we have been able to focus on case investigations where warrants can be obtained.
- An increase of 30% of arrests has not deterred our ability to police in River Bend.
- For the first time with the addition of additional manpower and additional coverage, we have seen a reduction in crime in River Bend.

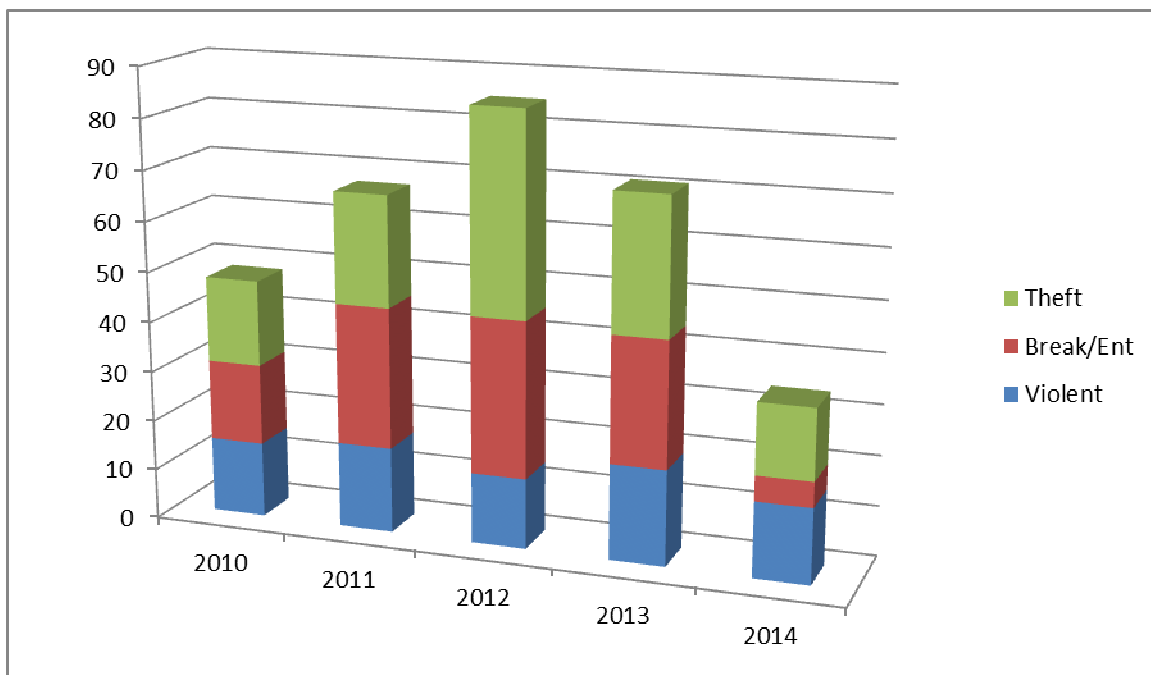


- The good news is that we are solving more of these cases now and have driven the incidence of these crimes back down.





- As you can see the arrests have increased since 2012, this has been because of an increase in case solving by arrest and increase interdiction of those who have a criminal nature visiting our town.



- As you can see from 2010 to 2012 Crime had increased. Breaking & Entering doubled from 2010 to 2011 and theft increased by 29%.

- Violent Crime is categorized as: Domestic, Assault, Sexual Assault, Communication of Threats.
- By the start of 2013, we start to see a downward trend beginning in Theft and Breaking and Entering due to new patrol practices (Traffic Stops, Field Interviews, & Check Points). With the addition of the 6th officer, we reduced it again by half.
- So what caused this decrease in crime? An huge increase in pro active policing as stated above, increasing the training of our officers and thorough investigations and arresting the suspects.
- In addition, the use of better trained officers, use of full time officers whose focus is on pro active policing kept the pressure and attention in the fore front. Reserve officers, while a benefit for assisting a full time officer, may not be as motivated to take out criminal charges as this may interfere with the full time job and sitting in court.
- This is not to say that the community is unsafe. It is still a very safe community both in terms of statistics and perception. Our goal is to make it even more so through the appropriate use of resources and by providing professional police service.

What changes/improvements would we recommend for Fiscal Year 2015-16?

1. Increased training both in criminal investigations but also in firearms training. In 2014, there has been use of deadly force by: Vanceboro, New Bern and Trent Woods (twice) resulting in 1 Officer killed, one wounded and two suspects killed, one wounded. Officers will increase firearms training to include both increased range times and courses specifically designed for solo officer response to an active shooter.
2. We are replacing car 2 (2010) Dodge Charger with the most miles and moving the Chief's car to use by the Sergeant and part time officer. The new car, 2015 Dodge Charger V-6 will be used by the Chief as it has superior gas mileage. Our 2013 Dodge Charger, we found in real driving, averages 30-32 mpg, where as the 2007 V-8 charger averages 16-17 mpg on the same highway commute. Dodge made significant changes to the V-6 power plant in 2011 both in power and mpg. We expect the 2015 V-6 Charger to deliver the same increase in gas mileage.
3. Drug and financial theft has increased in the area and sadly in River Bend. Heroin has exploded in the area, one only has to read the paper to see it on the scene. US 17 is one of the main conduit for some of the traffic. We have stopped folks in River Bend proper and found heroin needles in their possession- so its here in town. This also includes one heroin over dose inside of our town. We are routinely working fraud cases as they prey on the older of us in this town.
4. Replacement of one new patrol radio, bringing our radios up to date and ready for any changes in programming.

5. Addition of an over time budget item, based on past years averages; however, it is noteworthy that this past budget year was abnormal due to extended outage of an employee and loss of personnel. To continue this case clearance rate and the high level of patrol activity, over time is a necessary expenditure.
6. Reductions in certain line items have been made to accommodate the over time addition this year and based on past years expenditures.
7. Continue to training locally (Pitt, Craven, Lenoir, Onslow) Local Community Colleges are offering many of the same courses as taught on campus at the Justice Academy
 - a. Using local venues saves meal and transportation costs
 - b. Will allow us to provide a good level of training for all staff at a lower cost than sending them to the Academy.
 - c. If courses are not available at local venues, we have budgeted for, and would send staff to, the Academy in order to fulfill our training plan.
 - d. Here is our training plan for the coming year for courses in addition to the State mandated training:
 - e. Sgt Joll: First Line Supervisor & Leadership in Police Organizations
 - f. Officer Wilson: Solo Response to Active Shooter, Tactical Rifle Course, Property and Evidence Management
 - g. Officer Thomas: Radar, Community Policing, Homicide Investigation, Fund of Investigations, Financial Crimes
 - h. Officer Detwiler: Solo Response to Active Shooter
 - i. Officer Rohrs: Financial Crimes, DEPO, Basic Criminal Invest & Narcotics
 - j. Officer Alvarado: Solo Response to Active Shooter Financial Crimes, DEPO, Basic Criminal Invest & Narcotics

What's ahead in future fiscal years?

- We see no need for increased staffing in the foreseeable future.
- Increase in work space for the department to include: Evidence Room, Interview Room with video equipment and training room/officer work space
- Possible replacement of our pump action shot guns due to age in a progressive upgrade plan as we have with our pistols and vehicles.
- The department will continue to apply for 100% funded grants to augment our budget and lessen the draw on the town funds.
- Schedule replacement of another patrol vehicle in 2017/2018 budget year

Appendix B

Public Works and Water Resources Work Orders

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

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

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

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

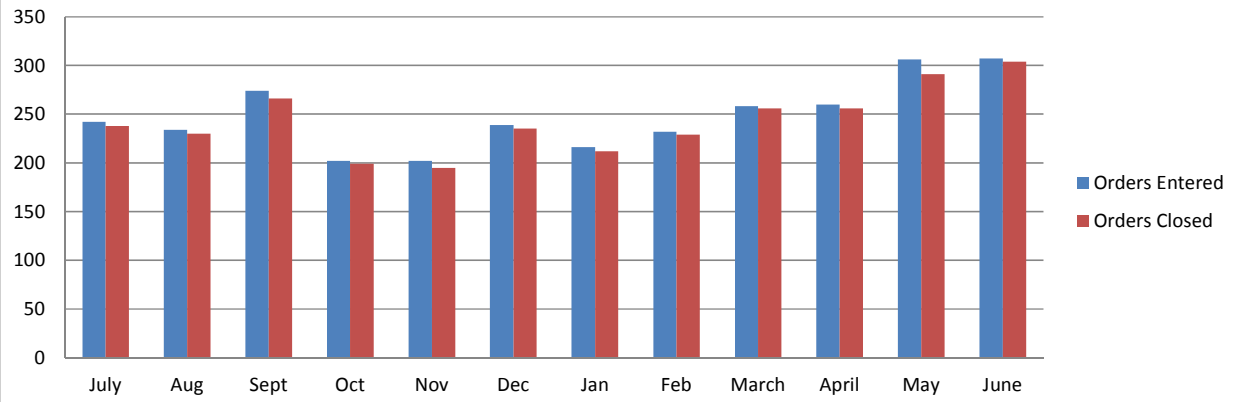
Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2015-2016

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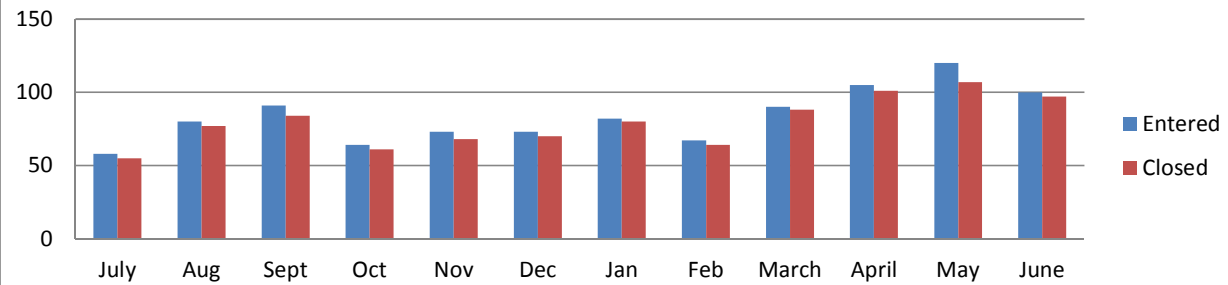
Monthly Work Order Summary Report for FY15

Public Works														
														YTD
	Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	
	Building Maintenance	9	14	16	12	12	10	13	11	13	13	16	8	147
	Painting	0	0	0	0	0	0	0	0	2	1	6	0	9
	Park/Playground	24	26	29	24	25	25	28	20	34	55	61	54	405
	Roadway Maintenance	6	14	7	2	3	4	8	5	5	9	6	11	80
	Stormwater Maintenance	3	4	8	1	4	4	3	4	4	1	1	1	38
	Trash/Litter	4	16	21	21	22	23	25	20	24	22	21	22	241
	Tree Maintenance	2	1	2	1	3	2	0	1	2	2	3	2	21
	Wetlands / Ponds	0	0	0	0	0	0	2	0	0	0	2	1	5
	Other	10	5	8	3	4	5	3	6	6	2	4	1	57
	TOTAL	58	80	91	64	73	73	82	67	90	105	120	100	1003
	Orders Closed	55	77	84	61	68	70	80	64	88	101	107	97	952
Water Resources														
														YTD
	Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	
	Sewer Collection	18	20	17	17	18	25	31	17	19	20	18	18	238
	Sewer Treatment	13	12	15	14	14	16	17	15	15	13	19	14	177
	Water Distribution	11	5	0	1	1	2	1	1	4	2	21	1	50
	Water Treatment	11	13	12	9	11	8	10	10	10	10	12	8	124
	Service Orders	116	85	123	75	71	82	53	75	71	81	96	126	1054
	Utility Locates	15	19	16	22	14	33	22	47	49	29	20	40	326
	TOTAL	184	154	183	138	129	166	134	165	168	155	186	207	1969
	Orders Closed	183	153	182	138	127	165	132	165	168	155	184	207	1959
TOTAL		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD
	Orders Entered	242	234	274	202	202	239	216	232	258	260	306	307	2972
	Orders Closed	238	230	266	199	195	235	212	229	256	256	291	304	2911

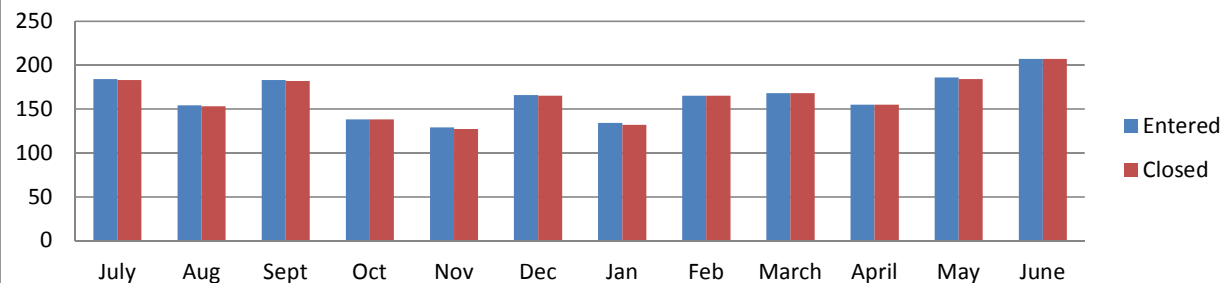
Total Work Orders - FY 2014-15



Public Works - Work Orders



Water Resources - Work Orders



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