

TOWN OF RIVER BEND

NORTH CAROLINA



ANNUAL BUDGET

FISCAL YEAR 2016-2017

Fiscal Year 2016-2017

Annual Budget

Adopted June 16, 2016

Mayor

John Kirkland

Town Council

Luci Avery

Bill Camp

Morris "Buddy" Sheffield

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Pat Yocum

*also serves as Finance Officer and Mayor Pro Tempore

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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, 2015

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, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. The 2015 award was our sixth consecutive award. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Budget Message

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

May 19, 2016

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, 2016 and ending June 30, 2017 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 on January 21, 2016:

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

These goals provide the foundation upon which the budget is built. Over the course of six 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.

One major consideration during the budget preparation this year was the recent revaluation of property in Craven County. The revaluation resulted in an estimated decrease in property value of \$49,072,191 or a 14.65% reduction in the value of taxable property. **The revenue neutral tax rate, adjusted for growth, in accordance with North Carolina General Statute 159.11 is \$0.3114.** 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 with a tax rate of \$0.3105.

The tax rate of \$0.3105 will produce a levy in FY16-17 equivalent to the levy produced in FY15-16 at the previous rate of \$0.265. The budget contains 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	\$ 1,706,980
Water Fund	\$ 595,166
Sewer Fund	\$ 641,620
 Total Operating Budget	 \$ 2,943,766

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. Three 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 \$1,706,980 which is a \$211,558 decrease over FY15-16. Most of that decrease can be attributed to the absence of large capital projects for this budget.

Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents an 11% decrease from the FY15-16 budget. Higher than estimated sales tax and utility franchise sales tax 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 decrease in revenue in this year's budget is due to a lower level of funding in FY16-17 from our own Capital Improvement Plans. This year we are budgeting \$65,948 less than we did during FY15-16.

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, are appropriated by and are received from the State based upon our population and number of miles of town maintained roads. This revenue source has been relatively level in recent years, while costs continue to escalate.

Patching:	
Anchors Way	\$ 6,000
Paving:	
Lochbridge Drive	\$ 93,445
Gull Point	\$ 23,000
Striping and Patching Allowance	\$ 15,000
	<u>\$ 137,445</u>

This year we are budgeting to follow the plan developed by our engineer to maintain the integrity of our roadways. Additionally, we are paving a section of Gull Point, which leads to public facilities. It currently is a gravel road. As shown in the table above, we plan to pave two 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, therefore, local revenue will be utilized to complete these projects.

Stormwater: The Town Council renewed its commitment to continue to 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.

Teakwood Drainage	\$ 5,000
Front Pond Aerator	\$ 4,273
	<u>\$ 9,273</u>

In this budget, we propose to address one drainage project that needs minor work. That project is located adjacent to Teakwood Drive. Our engineer planned and designed the work in FY15-16 following a series of meetings with interested parties and an adjacent property owner.

We will also replace an aerator in one of our stormwater ponds. This budget allocates \$74,052 to the Stormwater Capital Improvement Plan (CIP) for future projects. Prior to this allocation, the plan had a negative balance.

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. The Town, in many ways, serves as a model for good stormwater management 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 FY2014, 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. Other than the purchase of a new vehicle, which is funded through the CIP, 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 FY2014 allowed the Department to continue its proactive work to reduce crime and provide a 24/7/365 police presence within the Town.

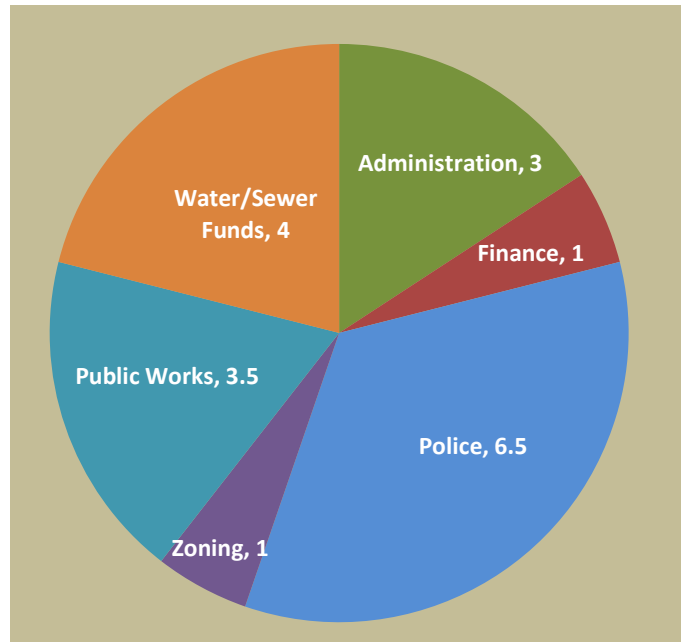
Throughout the budget process, Council and staff were mindful of the need to control costs while continuing to provide necessary services and maintain our infrastructure. Our efforts resulted in budgeted expenditures that are quite lean and can be met without increasing the Ad Valorem tax rate beyond a revenue neutral rate.

Requested projects and expenditures were kept to a minimum in order to develop a balanced budget. Prior to transfers, revenues are projected to exceed departmental expenditures by \$149,111 in FY16-17. The revenues from some of the transfers are budgeted to be allocated in various CIPs and the Law Enforcement Separation Allowance Fund in the General Fund in order to provide more long-term stability to those plans.

Expenditures by Category

According to recent data from the North Carolina Local Government Commission, the Town of River Bend 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 41.43% 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 2015 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel is \$92 less than that of 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 2.46%. Of that, .5% is attributable to a cost of living allowance. There was also a 1% longevity increase for eligible employees in accordance with the plan. An additional merit pool is available to be used to recognize outstanding performance of individual employees.

Sources of Revenue

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 \$1,706,980, an 11% decrease compared to projected revenue in the current budget. Fund Balance appropriation in the General Fund has been reduced by \$77,029 to a level of zero.

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 51.97% of the revenue for our General Fund. That means that nearly half of the services that we provide in the General Fund are paid for with sources other than local property tax revenue. State law limits the rate a locality may charge for this tax to \$1.50 per \$100 of valuation. Our proposed tax rate is \$0.3105. While the cost of most everything else associated with operating a town has increased over the same period of time, our tax rate has been the same or revenue neutral since 2011. This tax rate increase represents the first rate increase since 2009.

According to the North Carolina Local Government Commission, the average tax rate among 534 municipal governments in North Carolina during FY15-16 (the latest available data) was \$0.446 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 FY16-17, we have budgeted for a collection rate of 99.89%.

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 under the terms of the Powell Bill, State revenues can be used for any legitimate government function. Powell Bill funding, by law, is restricted for uses related to the maintenance of streets. Historically, River Bend uses 100% of this funding to continue to follow our master street maintenance plan.

Fund Balance

The North Carolina Local Government Commission (LGC) monitors the level of fund balance each locality maintains as a sign of their relative financial strength. Sufficient fund balance is essential to ensure a unit of local government has ample funds to respond to emergencies and opportunities. The benchmark for fund balance that the LGC uses is 8% of total expenditures. If a unit falls below that level the LGC may express concern to the locality and direct action to increase the balance. We project a fund balance of 94.04% 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 110.26%.

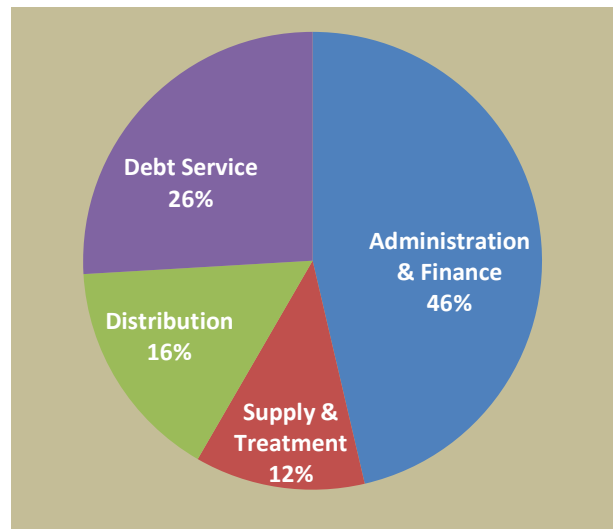
Enterprise Funds

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

In FY2013, we refinanced the debt in order to take advantage of interest rates that were more favorable than we had in our prior debt structure. The result of this effort was a savings of nearly \$300,000 over the remaining life of the debt. In the process of this bond refunding we received an upgrade in our Standard & Poor's rating to AA- (subsequently upgraded again in November of 2013 to AA+), and a Moody's A1 stable rating. Both ratings remain the same today. These ratings are further evidence of good financial performance.

Water Enterprise Expenditures

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



As noted earlier, debt service is a large expenditure for this enterprise and is divided from the administration and finance department in the chart to illustrate its proportion to overall expenditures. The total budgeted expenditure for the water enterprise in FY16-17 is \$595,166, an increase of \$15,574 from the current fiscal year.

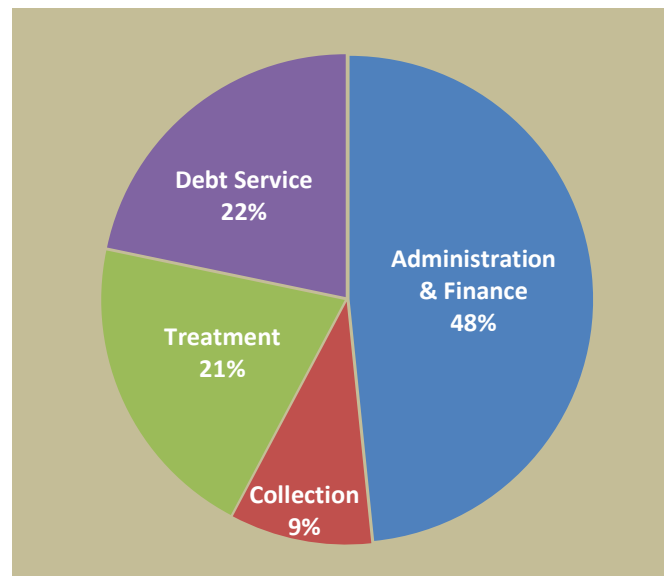
Interconnection with New Bern	\$42,000
Filter Media Rehabilitation	\$15,000
Half Cost of New Vehicle	\$13,640

Proposed water enterprise projects

Plans for the water utility include continuing a multi-year project to interconnect our water system with that of the City of New Bern. To date, no funds have been spent on this project. 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 FY14-15. The Water Fund will replace filter media in well #3 and share half of the cost of purchasing a new vehicle with the Sewer Fund. 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 FY16-17 is \$641,620, a \$4,681 decrease from the current fiscal year.



Upgrade Surge Tank	\$13,000
Half Cost of New Vehicle	\$13,640

Proposed sewer enterprise projects

Recently, the Town completed a design project for our sewer 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 its 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 2018. The design phase of the project will result in the Town being prepared to act should any changes be mandated by the State. Currently, the Council has placed that project on hold until our permit is renewed. In the current year, we will fund half of the cost of a new vehicle and repair a surge tank at the Waste Water Treatment Plant.

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

Likewise, both current and future revenues and expenditures for sewer were considered during the budget work sessions. 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.

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 strive to be well informed and engaged in the operation of this government. This budget reflects the Council's commitment to maintaining and improving this community and positioning it to be financially sound in the future. I believe it to be worthy of your consideration and approval.

I want to thank the Mayor, Town Council, and Town staff for their commitment to and participation in this budget process. The recent revaluation that resulted in a 14.65% reduction of property values added an additional variable to this year's budget process. I especially want to recognize the considerable contribution of Margaret Theis, Finance Administrator, in the development of this year's budget. However, every member of the staff at Town Hall, along with the Department Heads contributed in some degree to the budget recommendation process. This annual budget represents a true team effort by "us" 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, 2016 and ending June 30, 2017:

Summary

General Fund	1,706,980
General Capital Reserve Fund	176,457
Law Enforcement Separation Allowance Fund	27,850
Water Fund	595,166
Water Capital Reserve Fund	42,134
Sewer Fund	641,620
Sewer Capital Reserve Fund	1,938
Total	3,192,145

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2016-2017	798,658
AD VALOREM Taxes-Motor Vehicle	88,466
Animal Licenses	2,400
Sales Tax 1% Article 39	145,000
Sales Tax 1/2% Article 40	91,700
Sales Tax 1/2% Article 42	70,100
Sales Tax Hold Harmless Distribution	89,100
Solid Waste Disposal Tax	1,900
Powell Bill Allocation	90,000
Beer and Wine Tax	13,324
Video Programming Sales Tax	58,894
Utilities Franchise Tax	119,000
Telecommunications Sales Tax	15,500
Court Refunds	850
Zoning Permits	2,500
Miscellaneous	5,945
Interest- Powell Bill Investments	1
Interest-Investments	5250
Contributions	1,175
Wildwood Storage Rents	34,560
Rents & Concessions	18,000

Town of River Bend, North Carolina
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Sale of Fixed Assets	1,657
Transfer from Capital Reserve Fund	<u>52,000</u>
Total	1706,980

Authorized Expenditures

Governing Body	25,907
Administration	227,953
Finance	100,468
Tax Listing	12,468
Legal Services	25,000
Elections	0
Public Buildings	60,054
Police	486,650
Emergency Services	3,862
Animal Control	11,810
Street Maintenance	182,769
Public Works	171,210
Leaf & Limb and Solid Waste	38,505
Stormwater Management	39,987
Wetlands and Waterways	6,000
Planning & Zoning	43,693
Recreation & Special Events	7,500
Parks & Community Appearance	42,034
Contingency	26,058
Transfer to Capital Reserve Fund	175,052
Transfer to L.E.S.A. Fund	<u>20,000</u>
Total	1,706,980

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	175,052
Interest Revenue	<u>1,405</u>
Total	176,457

Authorized Expenditures

Transfer to General Fund	52,000
Future Procurement	<u>124,457</u>
Total	176,457

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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Section 3. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

Contributions from General Fund	20,000
Interest Revenue	140
Appropriated Fund Balance	<u>7,710</u>
Total	27,850

Authorized Expenditures:

Separation Allowance	27,850
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Section 4. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	187,818
Utility Usage Charges, Classes 3 & 4	12,687
Utility Usage Charges, Class 5	15,674
Utility Usage Charges, Class 8	2,886
Utility Customer Base Charges	270,128
Hydrant Availability Fee	25,254
Taps & Connections Fees	1,250
Nonpayment Fees	6,900
Late Payment Fees	6,900
Capital Investment Fees	2,700
Interest Revenue	2,276
Sale of Fixed Assets	3,400
Transfer from Water Capital Reserve Fund	42,000
Appropriated Fund Balance	<u>15,293</u>
Total	595,166

Authorized Expenditures

Administration & Finance [1]	411,053
Operations and Maintenance	152,659
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	<u>27,954</u>
Total	595,166

[1] Portion of department for bond debt service: 144,323

Town of River Bend, North Carolina
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Section 5. Water Capital Reserve Fund

Anticipated Revenues

Contributions from Water Operations Fund	27,954
Interest Revenue	500
Appropriated Fund Balance	<u>13,680</u>
Total	42,134

Authorized Expenditures

Future Expansion	134
Transfer to Water Fund	<u>42,000</u>
Total	42,134

Section 6. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	253,673
Utility Usage Charges, Classes 3 & 4	28,564
Utility Usage Charges, Class 5	35,268
Utility Usage Charges, Class 8	6,365
Utility Customer Base Charges	292,498
Taps & Connection Fees	1,250
Late Payment Fees	7,400
Capital Investment Fees	1,900
Interest Revenue	1,661
Sale of Fixed Assets	3,400
Appropriated Fund Balance	<u>9,641</u>
Total	641,620

Authorized Expenditures:

Administration & Finance [2]	405,099
Operations and Maintenance	171,621
Transfer to Fund Balance for Capital Outlay	63,000
Transfer to Sewer Capital Reserve Fund	<u>1,900</u>
Total	641,620

<i>[2] Portion of department for bond debt service:</i>	<i>124,627</i>
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Section 7. Sewer Capital Reserve

Anticipated Revenues:

Contributions from Sewer Operations Fund	1,900
Interest Revenue	<u>38</u>
Total	1,938

Authorized Expenditures:

Future Expansion	1,938
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of thirty-one and five one hundredths cents (\$0.3105) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2016, for the purpose of raising the revenue listed "Ad Valorem Taxes 2016-2017" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$257,500,000 and an estimated rate of collection of 99.89%. The estimated collection rate is based on the fiscal year 2014-2015 collection rate of 99.89% by Craven County who has been contracted to collect property taxes for the Town of River Bend. **Craven County performed a 6-year revaluation of real property in 2016. The result of the revaluation creates a revenue-neutral property tax rate for the Town of River Bend, adjusted by its growth factor, of \$0.3114. N.C.G.S. § 159-11.**

Section 9. Fees and Charges

There is hereby established, for Fiscal Year 2016-2017, various fees and charges as contained in Attachment A of this document.

Section 10. Special Authorization of the Budget Officer

- A. The Budget Officer shall be authorized to reallocate any appropriations within departments.
- B. The Budget Officer shall be authorized to execute interfund and interdepartmental transfers in emergency situations. Notification of all such transfers shall be made to the Town Council at its next meeting following the transfer.

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

Section 11. Classification and Pay Plan

Cost of Living Adjustment (COLA) for all Town employees shall be .5% 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 2016-2017 fiscal year. The Budget Officer shall administer the Annual Operating Budget and shall ensure the operating staff and officials are provided with guidance and sufficient details to implement their appropriate portion of the budget.

Section 13. Copies of this Budget Ordinance

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

Adopted this 16th day of June, 2016.

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, 2016**

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	\$.3105 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 2016-2017

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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 Resources 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 provides the reader a broad overview of the expenditure budgets for the three major funds of the Town of River Bend for Fiscal Year 2016-17. 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				
	13-14	14-15	15-16	16-17
	Actual	Actual	Projected	Adopted
Ad Valorem Taxes	918,326	891,577	870,872	887,124
Animal Licenses & Zoning Permits	5,923	5,667	4,400	4,900
Interest	218	347	204	5,251
Wildwood Rents & Cable Franchise	36,709	37,322	37,092	34,560
Other Revenue & Rents	43,354	42,077	37,839	27,502
Contributions	2,726	822	784	1,175
Powell Bill (includes appropriation)	93,909	92,300	91,519	90,000
State Revenue (other than sales tax)	178,731	212,617	188,691	207,718
Sales Tax Revenue	369,291	394,208	383,573	395,900
Government Grants (State and County)	13,639	478	338	0
Fees (court refund)	1,266	645	651	850
Charges to Other Funds	0	0	0	0
Transfer from Capital Reserve	188,283	76,345	76,345	52,000
Transfer from Fund Balance	0	0	0	0
Fund Total	1,852,376	1,754,403	1,692,308	1,706,980
Water				
	13-14	14-15	15-16	16-17
	Actual	Actual	Projected	Adopted
Base Fee	316,064	263,125	269,868	270,128
Usage Charges	225,740	223,074	219,402	219,065
Hydrant Fee	29,768	25,822	25,313	25,254
Tap Fees	2,500	3,035	2,820	1,250
Non Payment Fees	9,230	8,850	6,860	6,900
Late Payment Fees	8,683	7,362	6,881	6,900
Capital Investment Fees	0	0	5,400	2,700
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	3,580	488	1,100	47,676
Appropriated Fund Balance	0	0	0	15,293
Fund Total	595,563	531,755	537,644	595,166
Sewer				
	13-14	14-15	15-16	16-17
	Actual	Actual	Projected	Adopted
Base Fee	268,081	285,221	292,498	292,498
Usage Charges	313,696	330,352	328,388	323,870
Tap Fees	2,500	0	1,250	1,250
Late Payment Fees	9,412	8,070	7,380	7,400
Capital Investment Fees	3,800	0	1,900	1,900
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	685	426	770	5,061
Appropriated Fund Balance	0	82,710	0	9,641
Fund Total	598,174	706,780	632,186	641,620
Total All Funds	3,046,113	2,992,938	2,862,138	2,943,766

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 2016-17. 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				
	13-14	14-15	15-16	16-17
	Actual	Actual	Projected	Adopted
Governing Body	20,445	22,504	28,710	25,907
Administration	208,132	216,929	222,784	227,953
Finance	87,625	93,908	100,166	100,468
Tax Listing	10,729	11,724	10,329	12,468
Legal Services	18,308	21,698	12,926	25,000
Elections	4,928	0	4,591	0
Police	525,713	490,983	482,897	506,650
Public Buildings	147,846	72,940	58,765	60,054
Emergency Services	3,168	3,735	3,663	3,862
Animal Control	10,117	11,506	12,028	11,810
Street Maintenance	189,622	193,261	203,117	182,769
Public Works	179,989	113,217	137,109	171,210
Leaf & Limb and Solid Waste	25,598	39,028	36,365	38,505
Stormwater Management	70,236	119,085	104,647	39,987
Wetlands & Waterways	1,925	8	2,352	6,000
Planning & Zoning	29,932	34,230	35,949	43,693
Recreation & Special Events	6,259	5,931	6,364	7,500
Parks & CAC	43,200	42,040	32,795	42,034
Contingency (1% per policy)		26,227	0	26,059
Transfer to Capital Reserve	105,000	105,000	251,000	175,052
Fund Total	1,688,773	1,623,957	1,746,557	1,706,980
Water				
	13-14	14-15	15-16	16-17
	Actual	Actual	Projected	Adopted
Administration & Finance	367,777	373,273	375,371	411,053
Supply & Treatment	49,901	42,762	33,048	68,242
Distribution	68,481	36,062	39,479	84,417
Other (includes transfers and contingency)	96,129	55,540	47,655	31,454
Fund Total	582,288	507,637	495,553	595,166
Sewer				
	13-14	14-15	15-16	16-17
	Actual	Actual	Projected	Adopted
Administration & Finance	361,127	364,614	368,476	405,099
Collection	46,545	23,161	31,019	53,710
Treatment	117,636	319,678	140,743	117,911
Other (includes transfers and contingency)	64,900	64,900	64,900	64,900
Fund Total	590,208	772,353	605,138	641,620
Total All Funds	2,861,269	2,903,947	2,847,248	2,943,766

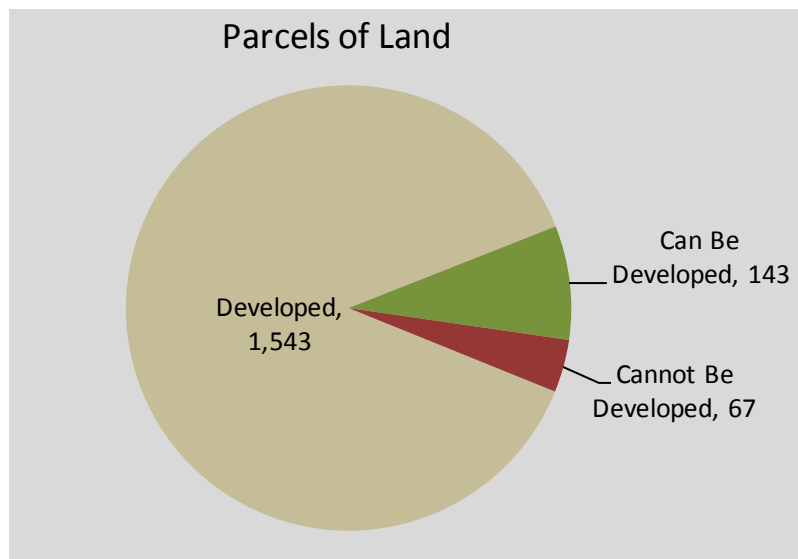
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Community Profile

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.

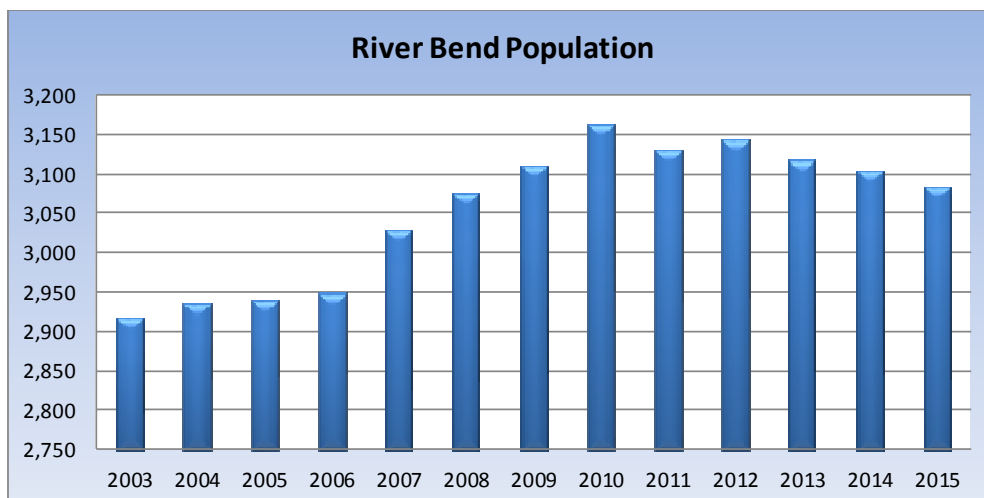
Land Use

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. The latest Craven County GIS data indicates land is divided into 1,753 parcels, of which 1,543 are developed and 210 undeveloped. There are approximately 29 acres of available commercial land, 18 acres of vacant institutional land, and 287 acres of vacant residential land.



Population

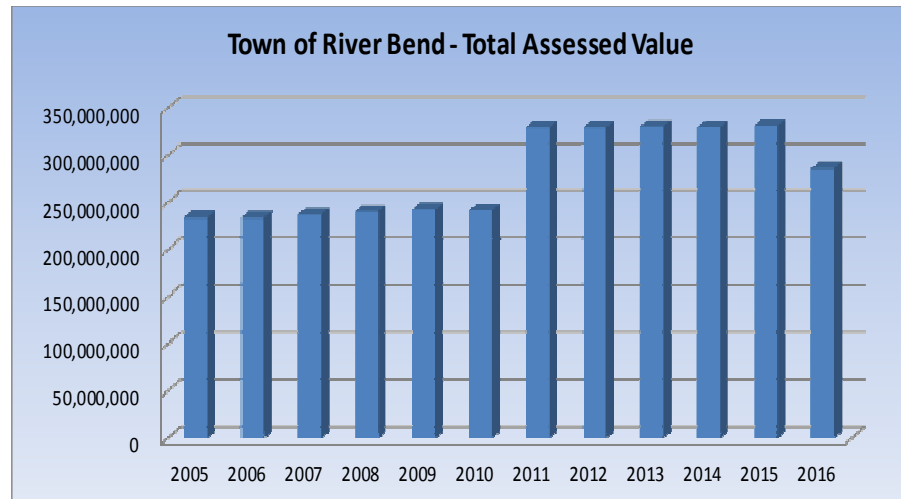
The population of River Bend as reported in the 2000 Census was 2,923. The 2010 Census indicated a population of 3,119. According to the latest estimate from the North Carolina Office of Budget and Management (OBM), the July 1, 2014 population of River Bend is 3,084. The chart below shows the change in population since 2003. According to the OBM, there are 553 municipalities in North Carolina. We are the 204th largest by population.



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 decreased between reappraisals in 2010 and 2016. Based on estimates by the Craven County Tax Department, the value of real property decreased, in this six-year period, by 14.65%. This equates to a \$49,072,191 reduction in value. The chart to the right shows the changes in value since 2005.



Economy and Education

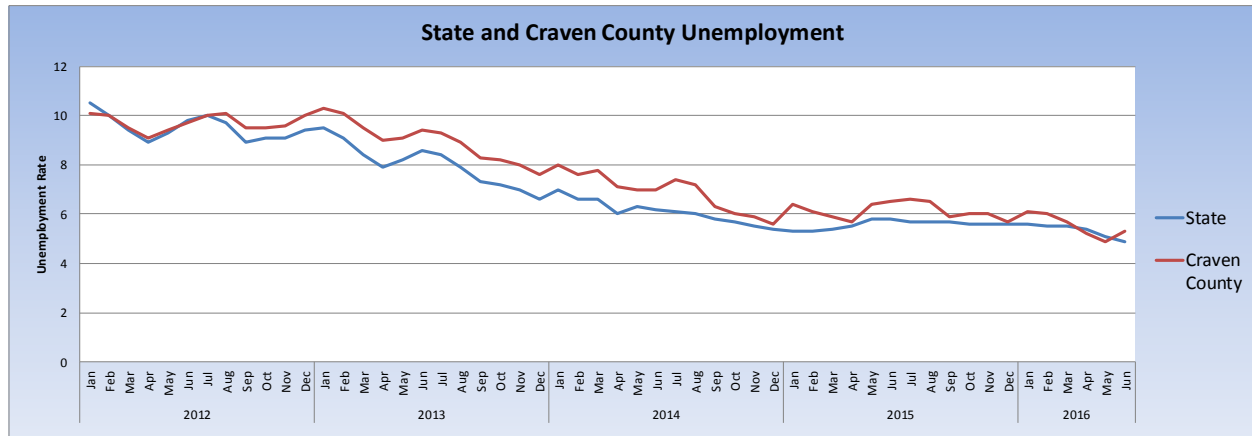
The 2010 Census reported that the majority of River Bend's workers were employed in the educational, health and social services (23%), and the manufacturing (20%) industries. Of our population over 16 years old, 56.8% were listed as "not in the labor force" in 2010. This reflects the level of retirees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

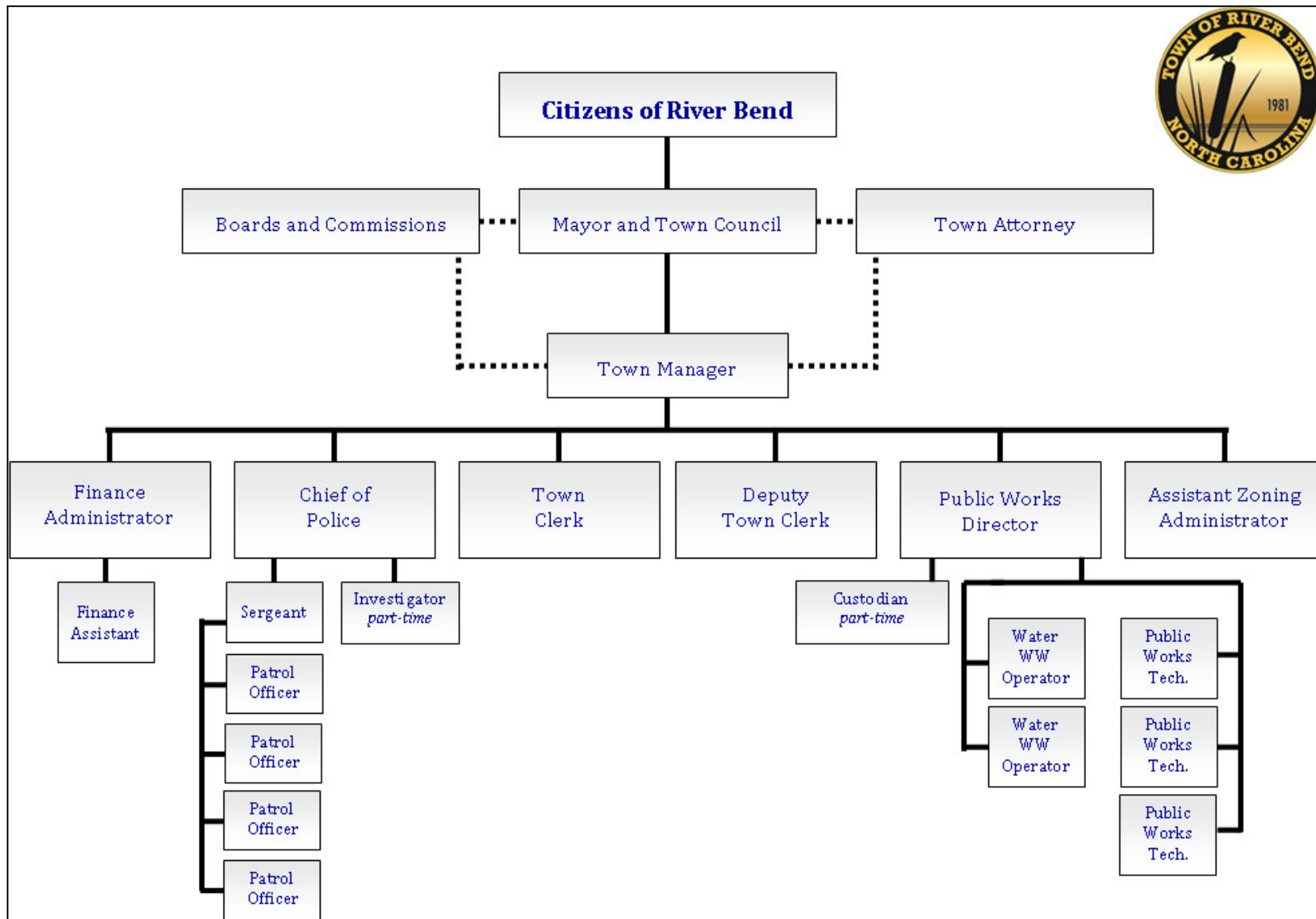
Public Works Advisory Board

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

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



Financial and Budgetary Policies
(Revisions effective July 1, 2016)

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

V. Reserve/Fund Balance Policy

1. In accordance with State statute, appropriated fund balance in any fund will not exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those figures stand at the close of the fiscal year next preceding the budget year.
2. The Town will 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.
 - d. Any General Fund available fund balance that exceeds the target goal range may be used to reduce general fund debt.
3. The Town will appropriate within the annual budget a Contingency appropriation each fiscal year. The minimum level of contingency is 1% of budgeted general fund

expenditures and the maximum is an amount equal to the revenue generated by a \$.01 ad valorem tax rate plus the approved provision for personnel merit bonuses.

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

VI. Asset-Liability Management

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

VII. Capital Improvements Policy

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

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

VIII. Debt Policy

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

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

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

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

IX. Accounting, Auditing and Financial Reporting

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

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

X. Cash Management Policy

1. Receipts

- a. All aspects of cash receipts shall be subject to proper internal controls with standard controls documented and followed by revenue generating departments.
- b. The Town Manager shall prescribe internal control procedures for departments which address adequate segregation of duties, physical security, daily processing and reconciliation, use of automated resources, and treatment of overpayments.
- c. Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these moneys 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 investments purposes.
- d. Dual signatures are required for Town checks. Electronic signature of checks, drafts and purchase orders, while technically possible, is not deemed appropriate at this time. The Council may provide by appropriate resolution or ordinance for the use of a signature stamp or similar device in signing checks and drafts and in signing the preaudit certificate on contracts or purchase orders. The Council shall charge the Finance Officer with the custody of the stamp or device, and the Finance Officer and sureties on his official bond are liable for any illegal, improper, or unauthorized use.
- e. Electronic payments shall be utilized to the fullest extent possible where it is determined to be cost effective by the Finance Administrator. Such payments shall be integrated with financial systems and shall 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 that are consistent with this policy. Such procedures will include delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer.

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

5. Objectives - The Town's objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield.
 - ° Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To best mitigate against credit risk (the risk of loss due to the failure of the security issuer) diversification is required. To best mitigate against interest rate risk (the risk that changes in

interest rates will adversely affect the market value of a security and that the security will have to be liquidated and the loss realized) the second objective, adequate liquidity, must be met.

- Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating and debt service cash requirements that may be reasonably anticipated. The portfolio will be structured so that securities mature concurrent with cash needs (static liquidity), with securities with an active secondary market (dynamic liquidity), and with deposits and investments in highly liquid money market and mutual fund accounts.
 - Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary, economic and interest rate cycles, taking into account investment risk constraints and liquidity needs.
6. Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Town Manager any interests in financial institutions with which they conduct business material to them. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the Town.
7. Authorized Financial Dealers and Financial Institutions
- a. The Finance Officer will maintain a list of financial institutions that are authorized to provide investment services. Authorized financial institutions will be selected by credit worthiness and must maintain an office in the State of North Carolina. These may include "primary" dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).
 - b. Any financial institutions and broker dealers that desire to become qualified to conduct investment transactions with the Town must supply the Finance Officer with the following:
 - Audited financial statements;
 - Proof of National Association of Securities Dealers certification;
 - Proof of State registration; and
 - Certification of having read the Town's investment policy.
 - c. Any previously qualified financial institution that fails to comply or is unable to comply with the above items upon request will be removed from the list of qualified financial institutions.
 - d. The Finance Officer shall have discretion in determining the number of authorized financial institutions and may limit that number based upon the practicality of efficiently conducting the investment program. The Finance Officer shall also have

the discretion to add or remove authorized financial institutions based upon potential or past performance.

8. Internal Control - The Town Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires the use of estimates and judgments by management.
9. Collateralization - Collateralization is required for certificates of deposit. North Carolina General Statutes allow the State Treasurer and the Local Government Commission to prescribe rules to regulate the collateralization of public deposits in North Carolina banks. These rules are codified in the North Carolina Administrative Code – Title 20, Chapter 7 (20 NCAC 7). The Pooling Method of collateralization under 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local government. This method transfers the responsibility for monitoring each bank's collateralization and financial condition from the Town to the State Treasurer. The Town will only maintain deposits with institutions using the Pooling Method of collateralization.
10. Delivery and Custody - All investment security transactions entered into by the Town shall be conducted on a delivery versus payment basis. Securities will be held by a third party custodian designated by the Finance Officer and each transaction will be evidenced by safekeeping receipts and tickets.
11. Authorized Investments - The Town is empowered by North Carolina G.S. 159-30(c) to invest in certain types of investments. The Town Council approves the use of the following investment types, the list of which is more restrictive than G.S. 159-30(c):
 - a. Obligations of the United States or obligations fully guaranteed as to both principal and interest by the United States.
 - b. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the United States Postal Service.
 - c. Obligations of the State of North Carolina.
 - d. Bonds and notes of any North Carolina local government or public authority that are rated "AA" or better by at least two of the nationally recognized ratings services or that carries any "AAA insured" rating.
 - e. Fully collateralized deposits at interest or certificates of deposit with any bank, savings and loan association or trust company that utilizes the Pooling Method of collateralization (section VIII.I).

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

12. Prohibited Forms of Authorized Investments

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

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

- a. With the exception of United States treasury securities and the North Carolina Capital Management Trust, no more than 30% of the Town's total investment portfolio will be invested in a single security type or with a single financial institution.
- b. The total investment in certificates of deposit shall not exceed 25% of the Town's total investment portfolio and the investment in certificates of deposit with a single financial institution shall not exceed FDIC insurance limitations.
- c. The Finance Officer is responsible for monitoring compliance with the above restrictions. If a violation occurs, the Finance Officer shall report such to the Town Manager and to the Council along with a plan to address the violation.

14. Maximum Maturities - To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements. Beyond identified cash flow needs, investments will be purchased so that maturities are staggered. The following maturity limits are set for the Town's investment portfolio:
- a. At least 60% of the investment portfolio will have maturities of no more than 3 years from the date of purchase.
 - b. At least 80% of the investment portfolio will have maturities of no more than 5 years from the date of purchase.
 - c. At least 95% of the investment portfolio will have maturities of no more than 10 years from the date of purchase.
 - d. No investments maturing more than 15 years from the date of purchase may be purchased.
 - e. For purposes of this section, for any variable rate demand obligation, the purchase date is considered to be the last reset and remarketing date and the maturity date is considered to be the next reset and remarketing date.
 - f. If any change is made to the Town's policy for 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 moneys earned and collected from investments other than bond proceeds will be allocated monthly to the various participating funds and component units based upon the average cash balance of each fund and component unit as a percentage of the total pooled portfolio. Earnings on bond proceeds will be directly credited to the same proceeds.
20. Marking to Market - A report of the market value of the portfolio will be generated at least semi-annually by the Finance Administrator. The Finance Officer will use the reports to review the investment portfolio in terms of value and price volatility, as well as for compliance with GASB Statement #31.
21. Software - The Town recognizes the significance of the size of its investment portfolio and of the requirements contained in this policy. The Town will utilize investment software which enables efficient transaction processing and recording, sufficient portfolio monitoring and the ability to maintain reporting compliance with this policy.
22. Reporting - The Finance Administrator will prepare a quarterly investment report that will be submitted with the Board's monthly report package.
 - a. The quarterly investment report will include a listing of all investments and will show the investment number, the investment description, the purchase, call and maturity dates, the yields to call and to maturity, the weighted average yields to call and to maturity by investment type and in total, the coupon rate, the par value and the ending amortized value. The report will also include earnings information for the last twelve months with that information compared to the established benchmarks.
 - b. The quarterly investment report will include reporting on the status of diversification compliance.
23. Policy Considerations
 - a. A maturity or diversification violation created by fluctuations in the size of the portfolio does not require corrective action. The violation may be cured through an increase in the portfolio size or the maturity of an investment.

XII. Review and Revision

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

Introduction to the Budget

Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

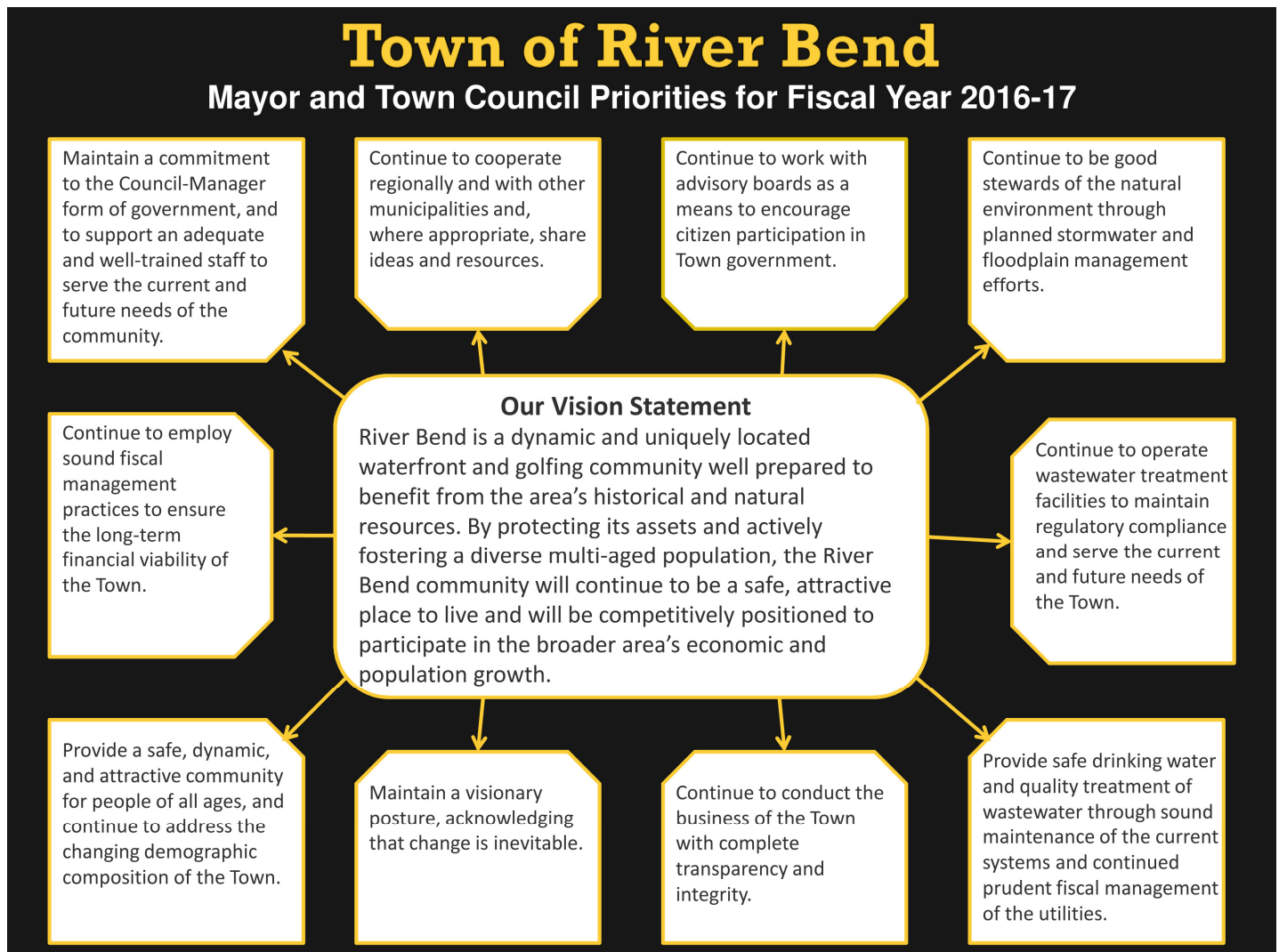
Our Budget Preparation Process

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

The process formally began with a Council retreat in January when the Council discussed its priorities for the coming fiscal year in terms of how they respond to the Town’s Mission Statement. 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 and the County property revaluation, 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 2016-17, responds to the Town's overall Mission Statement. These priorities were slightly changed from last year but remain focused on maintaining infrastructure, services, and the resultant quality of life in a well governed and managed community.

Town Council Priorities for the 2016-2017 Fiscal Year



In January of this year, a detailed list of dates and subject matter for seven budget workshops was made available to our residents through a brochure mailed in water bills and available at Town Hall. Due to an unexpected state-wide election, the workshop originally scheduled for March 15, 2016 was postponed by one week. Each subsequent workshop was also delayed by one week. Additionally, the workshop originally scheduled for April 19th was combined with the workshop that was held on April 12th, thus one less workshop was held than was advertised.

Town of River Bend, North Carolina

Annual Budget for Fiscal Year 2016-2017

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All of these schedule changes were announced during the workshops and advertised on the Town's webpage. The image below is from the original 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 8, 2016</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 15, 2016</u></p> <p style="text-align: center;"><u>GENERAL FUND DEPARTMENTS</u></p> <p>GOVERNING BODY</p> <ul style="list-style-type: none"> - Association Dues, Training, Contributions <p>ADMINISTRATION</p> <ul style="list-style-type: none"> - Property and Liability Insurance, Training, Association Dues <p>FINANCE</p> <ul style="list-style-type: none"> - Information Technology <p>TAX LISTING</p> <ul style="list-style-type: none"> - County Provided Services, Collection Projections, Fees <p>LEGAL SERVICES</p> <ul style="list-style-type: none"> - Attorney 	<p style="text-align: center;"><u>MARCH 22, 2016</u></p> <p>ELECTIONS</p> <p>POLICE PROTECTION</p> <ul style="list-style-type: none"> - Community Watch, Fuel, LESA , Capital Outlay <p>STREET MAINTENANCE</p> <ul style="list-style-type: none"> - Roadway Improvement Plan <p>STORM WATER MAINTENANCE</p> <ul style="list-style-type: none"> - Prioritized Drainage Concerns - Scheduled Maintenance <p>PUBLIC WORKS</p> <ul style="list-style-type: none"> -Capital Outlay <p>PUBLIC BUILDINGS</p> <ul style="list-style-type: none"> - Mowing and Landscaping Contract - Building Maintenance <p>LEAF & LIMB AND SOLID WASTE</p> <ul style="list-style-type: none"> -Contract Costs <p>RECREATION AND SPECIAL EVENTS</p> <ul style="list-style-type: none"> - July 4th Plans, Recreation Programs <p>PARKS AND CAC</p> <ul style="list-style-type: none"> - Parks, Community Appearance Commission Projects, Community Organic Garden <p>EMERGENCY SERVICES</p> <ul style="list-style-type: none"> - Contingency Funding - Community Emergency Response Team (CERT) <p>ANIMAL CONTROL</p> <p>WETLANDS & WATERWAYS</p> <ul style="list-style-type: none"> - Pond and Canal Maintenance - Environment and Waterways Advisory Board <p>PLANNING AND ZONING</p> <p>GENERAL FUND—REVENUE</p> <p>GENERAL FUND—FUND BALANCE</p>	<p style="text-align: center;"><u>MARCH 29, 2016</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 5, 2016</u></p> <p>UTILITY FINANCIAL MODEL</p> <ul style="list-style-type: none"> -Rate Scenarios—Part 2 (if needed) -Water and Sewer Revenues <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 12, 2016</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 19, 2016</u></p> <p>OVERVIEW</p> <p>DRAFT-BUDGET MESSAGE, ORDINANCE and SCHEDULE OF FEES</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 2016-17 Budget Calendar**

December 7, 2015	Manager's Memo to Department Heads and Advisory Boards
January 21, 2016	Council Retreat to set budget priorities
January 31, 2016	Deadline for initial submissions to Manager
March 8 – April 26, 2016	Budget Workshops
May 1, 2016	Budget Message and Summary available for public review
May 19, 2016	Formal Presentation to Council and Public Hearing
June 16, 2016	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.

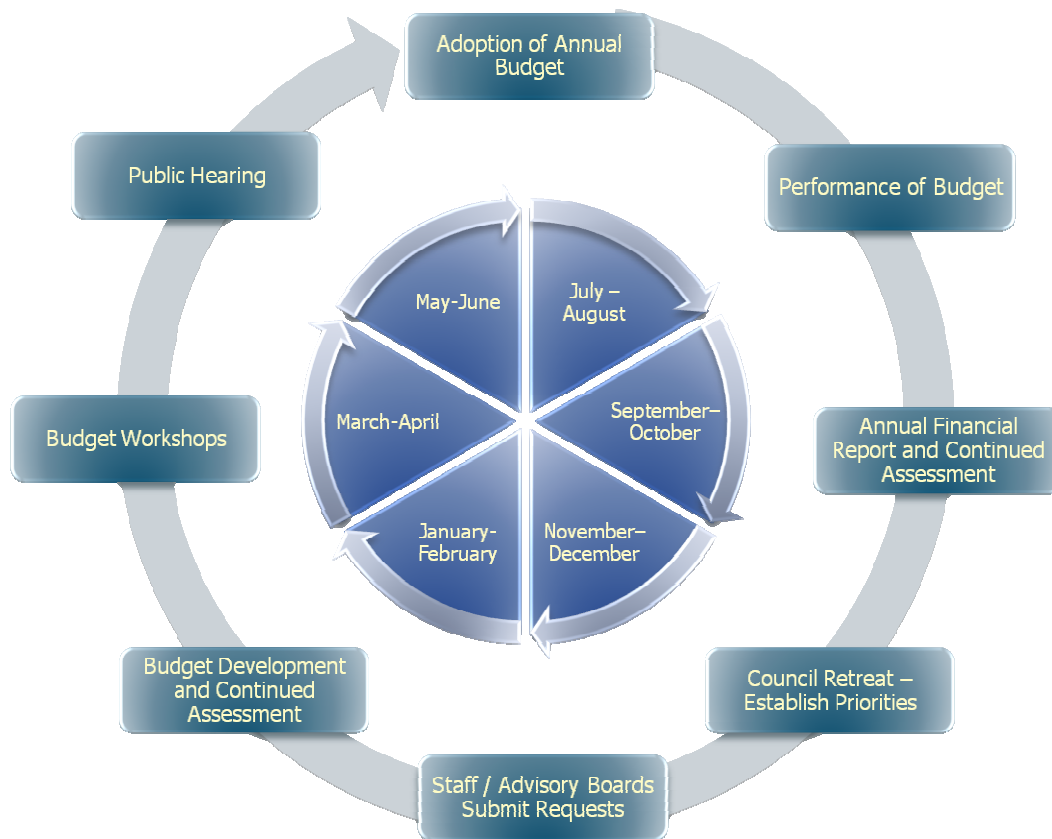
Occasionally, we find that estimates for the costs of certain goods and services increased from the time the budget was prepared to the time they are procured. When this occurs, the professional staff informs the Council of the difference and the Council makes a decision whether to amend the budget ordinance 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, 2016 our gross debt obligation is \$2,525,000, 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: \$286,000,000 (estimate from revaluation)

Debt Limit (8% of assessed value): \$ 22,880,000

Debt (net) Applicable to Limit (as of 7/1/2016): \$ 1,170,044

Legal Debt Margin: \$ 21,709,956

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 2017.

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 2017.

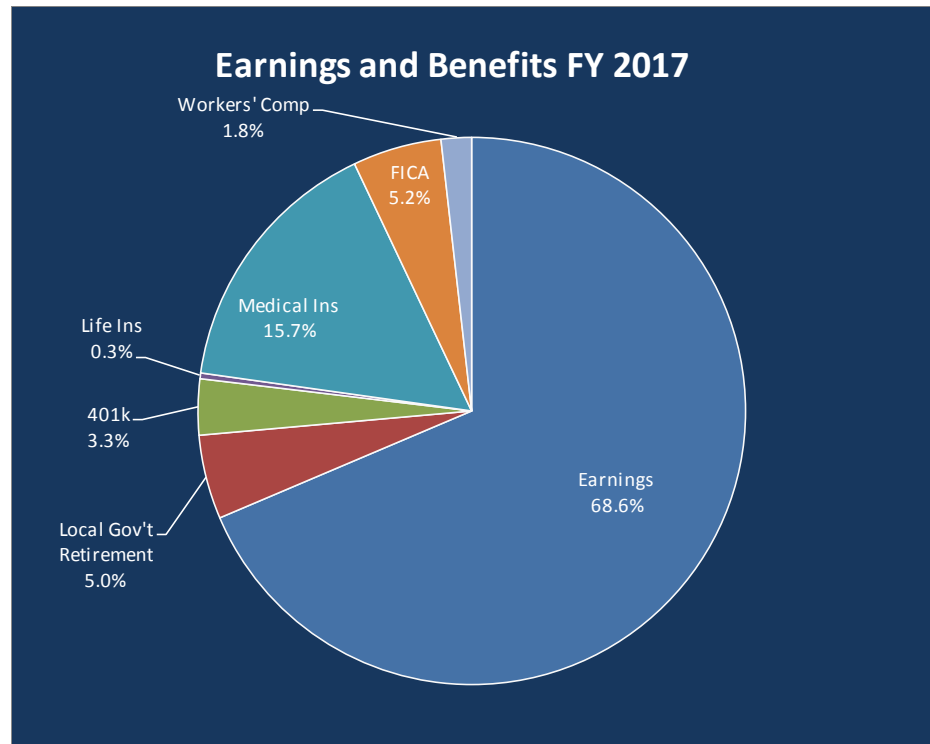
Fiscal Year 2016-17 Debt Obligations Summary										
Year Issued	Project	Loan Type	Amount Issued	Fiscal Year Retired	Interest Rate	Debt as of 7/1/2016	FY 16-17 Principal	FY 16-17 Interest	Total Payment	Debt as of 6/30/2017
Water Fund										
2005*	Purchase of Water System	General Obligation Bond	1,588,384	2027	2 -3 % **	1,354,956	115,372	32,116	147,488	1,239,584
		Remaining Debt at end of Fiscal Year	1,239,584							
Sewer Fund										
2005*	Purchase of Sewer System	General Obligation Bond	1,371,616	2027	2 -3 % **	1,170,044	99,628	27,734	127,362	1,070,416
						2,525,000				
		Remaining Debt at end of Fiscal Year	1,070,416							
* 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 \$1,219,677. 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 2.17%, with .5% 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 69% of the total cost of personnel, and medical insurance is the costliest 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.

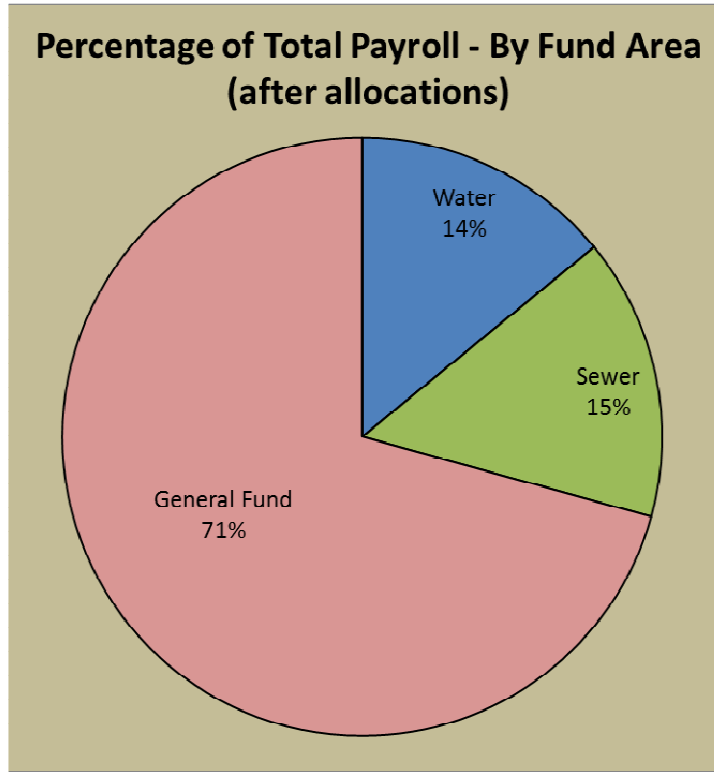


By way of comparison, according to 2015 data compiled by the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel was \$86 less than that of our peer group (2,500-9,999 population, without electric). Through efficient scheduling in our Police Department, increases 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 no need to adjust the current allocations. We will continue to examine and revise (if needed) these allocations each year during the process of preparing the budget. Absent a detailed, and costly, time study, these estimates represent, we believe, a fair and reasonable approximation of the actual time spent in each fund area by the positions listed.



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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 (LERS), which is run by the State of North Carolina. Both the Town and employees contribute to the retirement system. The employer's contribution rate increased for fiscal year 2011 for the first time in over thirty years and continues to change each year to respond to changes in the financial performance of funds invested for local government retirees. In 2016 the rate increased to 7.25% for non-law enforcement and to 8.00% for law enforcement positions. Each rate will estimate .25% per year until 2020.

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.

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ADMIN.						
Step	AD 1	AD 2	AD 3	AD 4	AD 5	AD 6
1	24,429	33,312	34,978	38,476	53,300	61,073
2	24,673	33,645	35,328	38,860	53,833	61,683
3	24,920	33,982	35,681	39,249	54,371	62,300
4	25,169	34,322	36,038	39,642	54,915	62,923
5	25,421	34,665	36,398	40,038	55,464	63,552
6	25,675	35,012	36,762	40,438	56,019	64,188
7	25,932	35,362	37,130	40,843	56,579	64,830
8	26,191	35,715	37,501	41,251	57,145	65,478
9	26,453	36,072	37,876	41,664	57,716	66,133
10	26,718	36,433	38,255	42,080	58,293	66,794
11	26,985	36,798	38,637	42,501	58,876	67,462
12	27,255	37,166	39,024	42,926	59,465	68,137
13	27,527	37,537	39,414	43,355	60,059	68,818
14	27,803	37,913	39,808	43,789	60,660	69,506
15	28,081	38,292	40,206	44,227	61,267	70,201
16	28,361	38,675	40,608	44,669	61,879	70,903
17	28,645	39,061	41,014	45,116	62,498	71,612
18	28,931	39,452	41,425	45,567	63,123	72,329
19	29,221	39,846	41,839	46,023	63,754	73,052
20	29,513	40,245	42,257	46,483	64,392	73,782
21	29,808	40,647	42,680	46,948	65,036	74,520
22	30,106	41,054	43,107	47,417	65,686	75,265
23	30,407	41,464	43,538	47,891	66,343	76,018
24	30,711	41,879	43,973	48,370	67,006	76,778
25	31,018	42,298	44,413	48,854	67,677	77,546

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

Town Manager	AD6	Step 21
Finance Administrator	AD5	Step 21
Finance Assistant	AD4	Step 16
Town Clerk	AD2	Step 11
Deputy Town Clerk	AD3	Step 23
Asst. Zoning Administrator	AD3	Step 15

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	33,312			43,306	47,748	53,300
2	33,645			43,739	48,225	53,833
3	33,982			44,176	48,707	54,371
4	34,322	36,038		44,618	49,194	54,915
5	34,665	36,398		45,064	49,686	55,464
6		36,762		45,515	50,183	56,019
7		37,130	38,986	45,970	50,685	56,579
8		37,501	39,376	46,430	51,192	57,145
9		37,876	39,770	46,894	51,704	57,716
10		38,255	40,168	47,363	52,221	58,293
11			40,569	47,837	52,743	58,876
12			40,975	48,315	53,271	59,465
13			41,385	48,798	53,803	60,059
14			41,799	49,286	54,341	60,660
15			42,217	49,779	54,885	61,267
16			42,639	50,277	55,434	61,879
17			43,065	50,780	55,988	62,498
18			43,496	51,288	56,548	63,123
19			43,931	51,800	57,113	63,754
20			44,370	52,318	57,684	64,392
21			44,814	52,842	58,261	65,036
22			45,262	53,370	58,844	65,686
23			45,714	53,904	59,432	66,343
24			46,172	54,443	60,027	67,006
25			46,633	54,987	60,627	67,677

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

Police Chief	P06	Step 25
Sergeant	P04	Step 14
Patrol Officer	P02	Step 7
Patrol Officer	P02	Step 10
Patrol Officer	P01	Step 5
Patrol Officer	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.
6. Maximum Levels of Compensation – If an employee reaches the maximum step available within their pay grade, they will no longer be eligible for longevity increases. Compensation will still be adjusted based upon criteria outlined in numbers 4 and 5 above.
7. Merit Bonus – Each year the Town Council may, at its discretion, create a pool of funds to be used to reward exceptional performance by employees during the preceding fiscal year, and to reward them for obtaining advance and job appropriate certifications throughout the year. Merit bonuses will be based upon the results of annual performance evaluations at the discretion of the Town Manager in consultation with the appropriate Department Head. The amount of the bonus will be determined by the Town Manager, but will not, unless special circumstances exist, and only with Town Council approval, exceed 2 percent of the employee's base salary.
8. Stand-by Pay – Stand-by time is defined as that time when an employee must be available for contact via a Town authorized communication device and be within a thirty (30) minute response time to the Town. Non-exempt employees required to be on "stand-by" duty will be paid for nine hours of work for each week of stand-by time they serve. Stand-by compensation for less than one full week shall be determined by the ratio of 0.07 hours of pay per one hour of stand-by time. Hours actually worked while on stand-by are calculated beginning when the employee begins transit, subject to a maximum travel time of one-half hour, to the work site, and ending, subject to a maximum return travel time of one-half hour, when the employee returns to their pre-call back location. These hours are added to the regular total of hours worked for the week. Travel time, subject to the one-hour maximum round trip, is counted toward the two-hour call back minimum. Operators will be reimbursed, at the rate approved by the Town Council, for mileage, round-trip, from their home, or actual location when called back, whichever is closer.

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PUBLIC WORKS	Public Works			Water					
	Step	PW 1	PW 2	PW 3	WO 1	WO 2	WO 3	WO 4	WO 5
								(FO Sup)	(Director)
1	27,760			32,202				43,306	53,300
2	28,038			32,524				43,739	53,833
3	28,318	29,734		32,849				44,176	54,371
4	28,601	30,032		33,178	34,837			44,618	54,915
5	28,887	30,332	33,509	33,509	35,185			45,064	55,464
6		30,635	33,845		35,537	37,314		45,515	56,019
7		30,941	34,183		35,892	37,687		45,970	56,579
8		31,251	34,525		36,251	38,064		46,430	57,145
9		31,563	34,870		36,614	38,444		46,894	57,716
10		31,879	35,219		36,980	38,829		47,363	58,293
11		32,198	35,571		37,349	39,217		47,837	58,876
12		32,520	35,927		37,723	39,609		48,315	59,465
13		32,845	36,286		38,100	40,005		48,798	60,059
14		33,173	36,649		38,481	40,405		49,286	60,660
15		33,505	37,015		38,866	40,809		49,779	61,267
16		33,840	37,385		39,255	41,217		50,277	61,879
17		34,179	37,759		39,647	41,630		50,780	62,498
18		34,520	38,137		40,044	42,046		51,288	63,123
19		34,866	38,518		40,444	42,466		51,800	63,754
20		35,214	38,903		40,849	42,891		52,318	64,392
21		35,566	39,292		41,257	43,320		52,842	65,036
22		35,922	39,685		41,670	43,753		53,370	65,686
23		36,281	40,082		42,086	44,191		53,904	66,343
24		36,644	40,483		42,507	44,633		54,443	67,006
25		37,011	40,888		42,932	45,079		54,987	67,677

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

Director of Public Works	WO5	Step 13
Water Operator	WO2	Step 8
Water Operator	WO2	Step 18
Public Works Technician	PW1	Step 1
Public Works Technician	PW1	Step 5
Public Works Technician	PW2	Step 21

Vehicle Replacement Plan General Fund			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Reserved			15,000	15,000	15,000	16,000	16,000	16,000	16,000	17,000	17,000	17,000	17,000	18,000	18,000	18,000
	Life Cycle	Current Vehicle														
Police Vehicles																
Veh #1	8 years	2007 Dodge							25,000	25,000						
Veh #3	8 years	2010 Dodge	22,718									27,000				
Veh #4	8 years	2013 Dodge				22,723								29,000		
Veh #2	8 years	2015 Dodge						24,000								30,000
Public Works Vehicles																
Veh #1	12 years	2004 F-150							22,000							
Veh #2	12 years	2013 F-250				25,501										
Total Expended			22,718	0	0	48,224	0	24,000	47,000	25,000	0	27,000	0	29,000	0	30,000
Balance (end of FY)			32,310	47,310	62,310	30,086	46,086	38,086	7,086	-914	16,086	6,086	23,086	12,086	30,086	18,086
Purchase price inflated by 3% per year beginning with FY 2015 and using the current State contract price as the base.																
Contributions increased by 2% per year beginning with FY 2017.																
Vehicle Replacement Plan Enterprise Funds			2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Reserved			6,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
	Life Cycle	Current Vehicle														
Veh #1	12 years	2008 Chevy Van											22,000			
Veh #2	12 years	2004 F-150								23,000						
Veh #3	12 years	2003 F-250							26,000							
Total Expended			0	0	0	0	0	0	26,000	23,000	0	0	22,000	0	0	0
Balance (end of FY)			6,000	12,000	18,000	24,000	30,000	36,000	17,000	1,000	8,000	15,000	0	7,000	14,000	21,000
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. In FY2017 the level of funding for IT replacement will be \$462.

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The table below shows the inventory of this equipment and its intended year of replacement. The reader will notice we plan to purchase a laptop during FY17.

Hardware Remaining in Plan					
	Year			Est. Year	Est. Repl.
Item - User	Purchased	Make/Model	Cost	of Replacement	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	1100
ASA	2008	Cisco 5505	2,447	2018	875
Router for Telephone & IT		Cisco IAD881F-k9		2018	
Laptop - Admin/Budget	2007	Dell Precision M4300	2,274	2017	462
Powered Switch	2011	Cisco SRW224G4P	500	2019	515
Phone Switch	2011	Cisco IAD 800	700	2019	721
Projector	2013	Dell	664	2018	700
Network UPS	2008	Emerson	691	2019	900
Small Busines 24 port Switch	2016	Linksys srw224g4p-k9-	3,328	2020	2053
Printers					
Deputy Clerk	2005	HP LaserJet 2840		2022	1,000
Finance Assistant	2009	HP LaserJet Pro 400		2015	1,200
Governing Body	2012	HP LaserJet Pro 400		2021	500
Police	2012	HP LaserJet Pro 400		2021	500
Zoning	2010	HP LaserJet Pro 400		2021	500
Manager	2011	HP LaserJet Pro 400		2021	500
Police	2011	HP LaserJet Pro 400		2021	500
Water Resources/Pub. Wk	2011	HP LaserJet Pro 400		2021	500
Clerk	2013	HP LaserJet Pro 400		2021	500
Finance Administrator	2013	HP LaserJet Pro 400		2021	500
TOTAL ESTIMATED REPLACEMENT COST					16,826

Other Expenditures Common Across Major Funds

Electric Power Costs

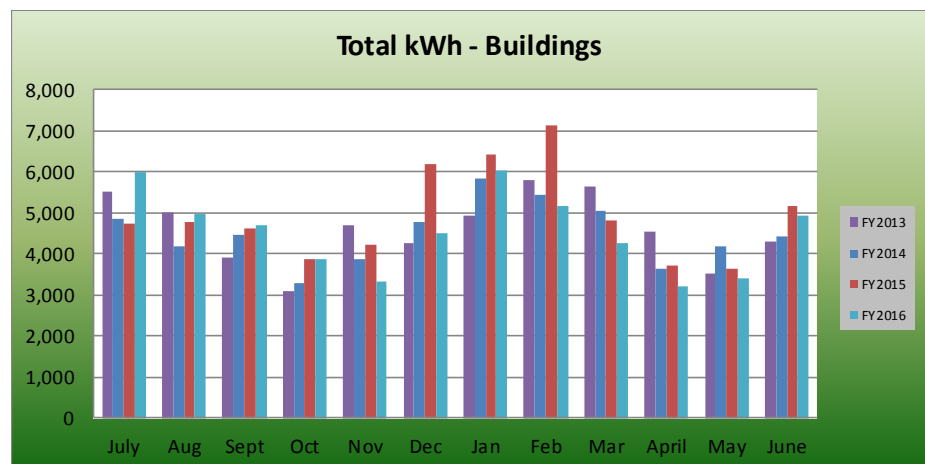
One of the larger expenditures, and one that affects all three major funds, is for electricity. Each year, during the budget process, we review information regarding our historical consumption patterns, and combine that with the outlook provided by our supplier, Duke Energy Progress, to arrive at a reasonable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

Typically, the budget uses an average of the current fiscal year (FY 2016) to date for the first six months of the new year (FY 2017). However, this year Duke plans to lower the electric rate by an average of 3.4% across all user categories. Therefore, we are budgeting next year's electric costs at the same amount as we project for the current year. This conservative approach should provide us with an adequate cushion within the electric cost budget for unforeseen events. Duke Energy makes their fuel cost adjustments on a calendar year basis. Due to the lower cost of energy production attributable to the low cost of natural gas, we expect no fuel factor increase in December of 2016.

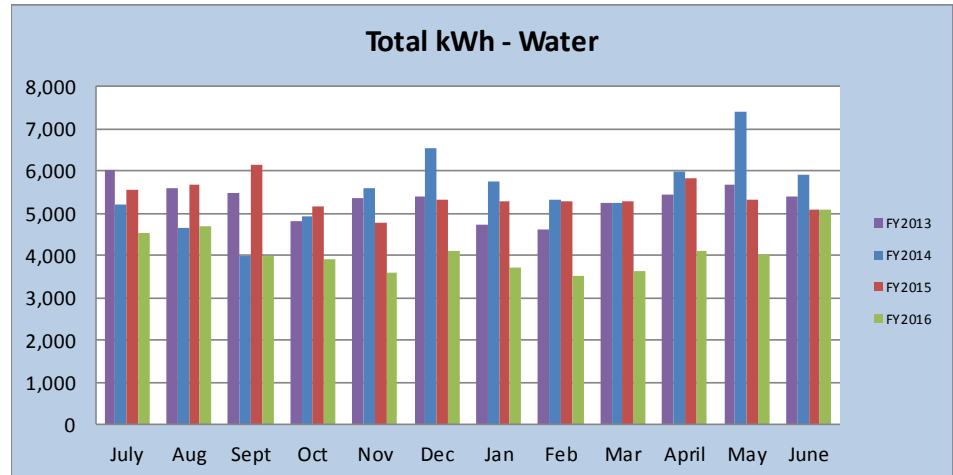
	FY 2016		FY 2017
	Budget	Projected	Budget
Water Supply	8,100	7,700	7,700
Sewer Collection	7,910	7,500	7,500
Sewer Treatment	26,880	25,500	25,500
Public Buildings	8,200	7,600	7,600
Parks	5,250	5,050	5,050
Street Lights	46,580	40,300	40,300
TOTAL	102,920	93,650	93,650

The chart to the left shows the FY 16 budget and year-end projected expenditure in each area where electric costs appear in the budget, and what we project for FY 17 in each of these areas. While we will end FY 16 under budget, we felt it prudent to budget at the same level in FY 17 in each of these areas as noted above.

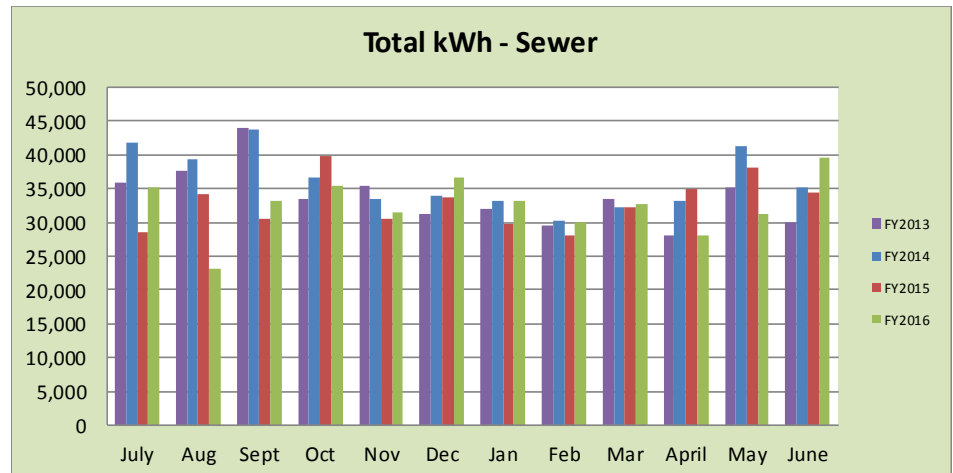
The chart to the right shows the amount of power we used for our building operations. Overall, in FY 16 we used 27,730 less kwh than we did in FY 15. We still had months where weather and other factors increased our consumption.



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. Power usage in water was down all twelve months last year.



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.

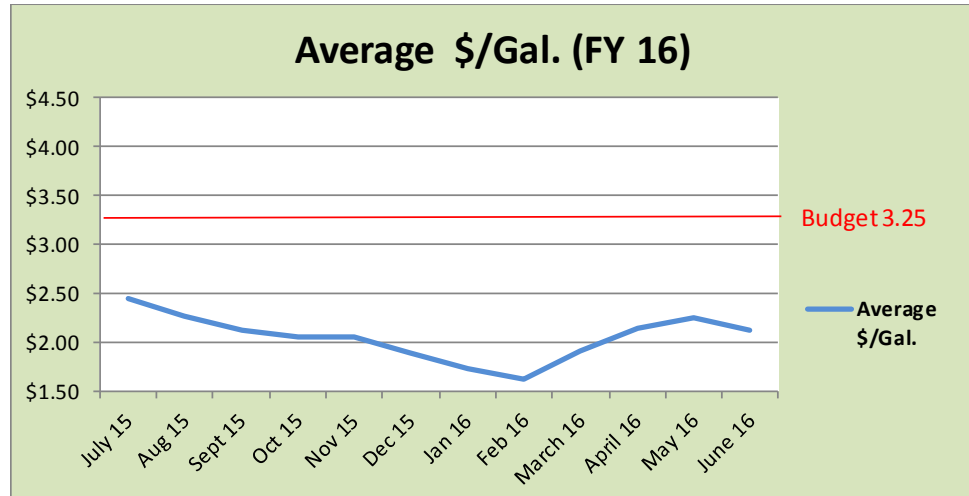


Gasoline Consumption

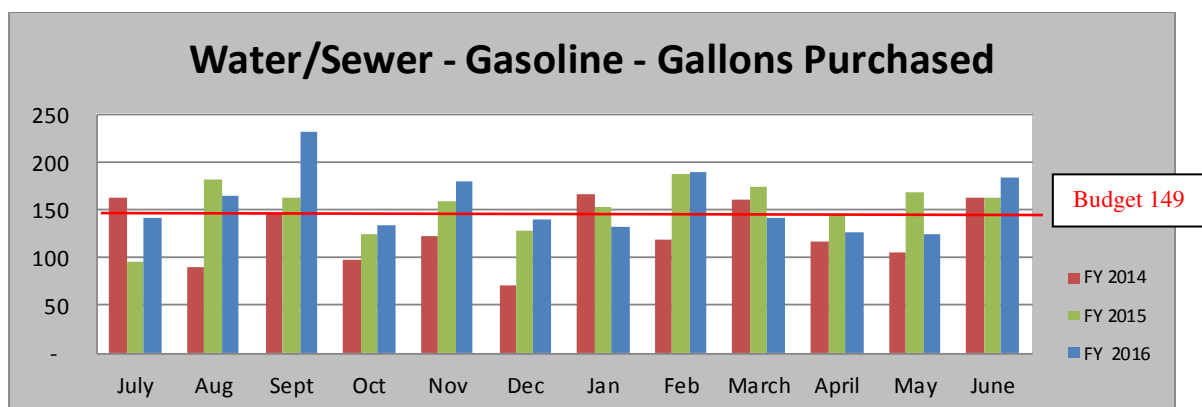
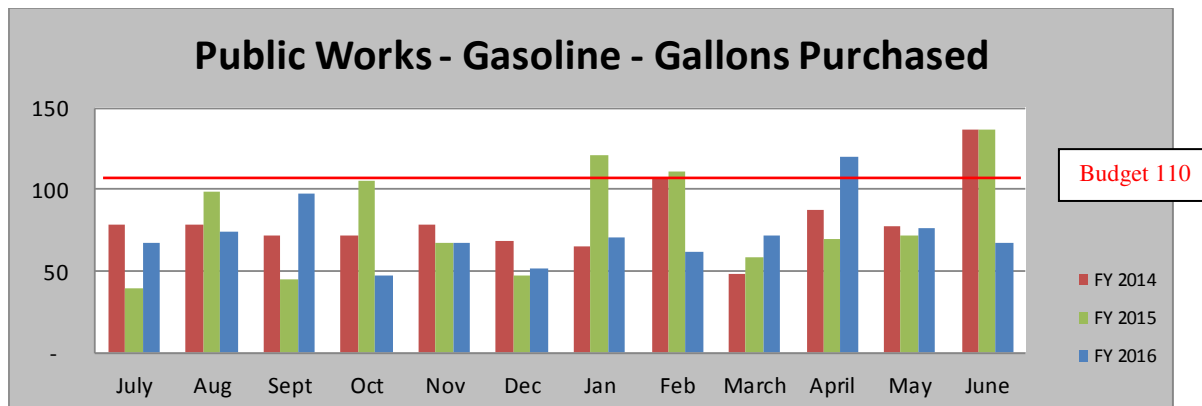
Another expenditure that affects all three funds, and several departments, is for motor fuel for our fleet. During the preparation of the budget, we look at the projections and historical data prepared by the federal Energy Information Administration (EIA) and compare that with our own experience. We then arrive at what we feel is a reasonable retail rate per gallon. This year, we budgeted \$3.00 per gallon. From this retail rate, we subtract fifty-four cents per gallon to arrive at our budget amount which represents the amount of federal and state tax included in each gallon. We maintain a fuel tax exemption certificate with our supplier who then subtracts the tax before billing us for the fuel we purchase. Due to proposed legislation, the State gasoline tax may be reduced during the fiscal year.

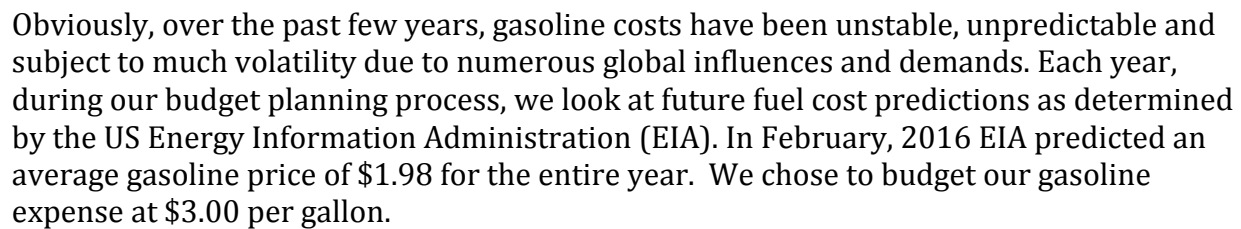
In order to determine the projected consumption, we look at historical records of miles driven in each department. Using an estimated number of miles per gallon based upon the composition of the department's fleet, we can predict, with some accuracy, the total amount we will spend on motor fuel for each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

The chart to the right shows the retail cost per gallon we have been paying in fiscal year 2016 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.



[illegible]

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.

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

Diagram annotations:

- Department Name points to the first column.
- Two full fiscal years points to the 11-12 and 12-13 column groups.
- Current Fiscal Year points to the 13-14 column group.
- Department Code points to the line descriptions (e.g., Wages & Salaries).
- Object Code and "line" description points to the object codes (e.g., 121, 170).
- Our Adopted Budget points to the 14-15 Adopted Budget column.

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

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

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

General Fund Overview

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

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

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

We are fortunate, this year, to be able to fund necessary maintenance and purchases without the need to use our reserve funds to accomplish the work described in the sections that follow. For FY16, we appropriated \$77,029 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.

Public Works Vehicle	22000
Stormwater Maintenance	9273
TOTAL	\$ 31,273

The graphic to the left provides a summary of the CIP projects for Fiscal Year 2016-17. 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 a time sensitive demand, IT hardware originally scheduled for purchase during FY 17 was purchased during FY 16. Therefore, CIP funding for IT was reduced to zero for FY 17.

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	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	TOTALS
<i>Public Bld. & Grounds:</i>										
Wildwood Facility Replacement	10-11	52,000	26,000	78,000	52,000	52,000	52,000	52,000	52,000	602,000
<i>Public Works:</i>										
Stormwater Maintenance [1]	05-06	30,000	192,000	74,052	30,000	30,000	30,000	30,000	30,000	716,052
<i>Environmental - Waterways</i>										
Canal Maintenance (Dredging)	03-04	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	81,500
Front Pond/Ritter Field Silt Clean-out	05-06									3,000
<i>Information Technology</i>										
Hardware replacement	10-11	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	40,000
<i>Vehicles (ref. veh repl schedule):</i>										
Public Works and Police	04-05	16,000	16,000	16,000	17,000	17,000	17,000	17,000	18,000	264,000
TOTAL		105,000	241,000	175,052	106,000	106,000	106,000	106,000	107,000	1,761,552

General Fund Capital Improvement Plan - Spending

CAPITAL RESERVE FUND		333,895	498,596	454,677	508,677	553,581	627,904	674,704	740,304	1,761,552
Adopted Capital Spending		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	TOTALS
<i>Public Bld. & Grounds:</i>										
Wildwood Replacement										101,140
<i>Public Works:</i>										
Stormwater Maintenance		65,500	193,000	30,000	30,000	30,000	30,000	30,000	30,000	652,900
<i>Environmental - Waterways</i>										
Canal Maintenance & Dredging		4,500			4,500			4,500	4,500	27,000
Front Pond/Ritter Field Clean-out										3,000
<i>Information Technology:</i>										
Hardware replacement		3,682	3,515	0	1,596	1,677	2,200	6,900	10,211	45,547
<i>Vehicles (ref. veh repl schedule):</i>										
Public Works				22,000						64,266
Police			23,000		25,000		27,000		29,000	264,695
TOTAL		76,345	219,515	52,000	61,096	31,677	59,200	41,400	73,711	1,163,100
CAPITAL RESERVE FUND	Interest Earned:	46	544							39,538
	Ending Balance:	257,596	279,625	402,677	447,581	521,904	568,704	633,304	666,593	637,990
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	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.

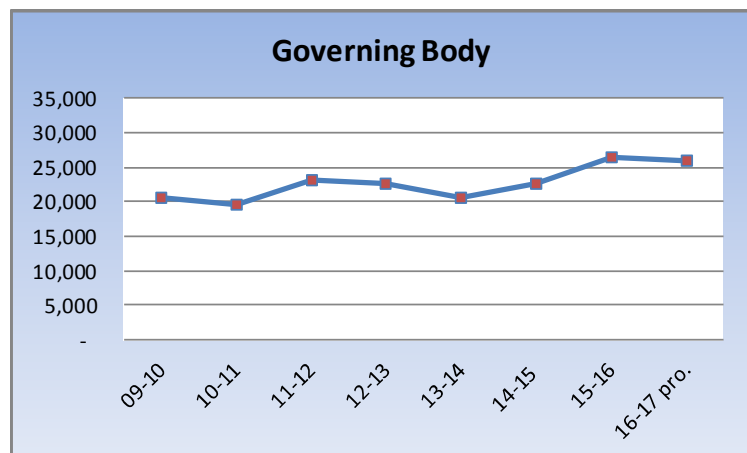
Primary Functions:

- 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 2015-16 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
- Two new Council members were seated following the election
- Attended Essentials of Municipal Government training course in Hickory, NC

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.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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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 Raleigh. It also includes funding for travel to other meetings and educational seminars for Council members as well as their spouses who accompany them.

Lines 491 and 499 are important reflections of the Town's interest in staying involved in our League of Municipalities, School of Government, and active in the association lobbying for the widening of U.S. Highway 17 south of River Bend. 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		13-14		14-15		15-16		16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Proposed Budget
4110								
121	Wages & Salaries	15,600	15,600	15,600	15,600	15,600	7,800	15,600
170	Council & Spouse Expenses	5,080	4,265	4,500	1,369	4,500	7,022	4,500
181	FICA	1,194	1,193	1,194	1,193	1,194	597	1,194
186	Workers' Compensation Ins.	110	85	110	83	100	78	100
171	Mayor's Representation	2,000	1,661	2,000	1,530	2,000	1,495	2,000
481	Indirect Cost- Labor	-8,451	-8,451	-8,451	-8,451	-8,451	-4,929	-8,451
491	Dues & Subscriptions	6,856	4,591	7,492	6,979	7,809	6,411	7,754
499	Misc- Contributions	1,500	1,500	3,200	4,200	3,700	3,700	3,200
	TOTAL	23,889	20,445	25,645	22,504	26,452	22,174	25,907
170	NCLM Conference Raleigh	1,500		3 participants at \$500				
		1,500		Lodging for 3 at \$500				
	Travel, Training, Meals	<u>1,500</u>		For Council members and spouse				
		4,500						
491	Eastern Carolina Council of Governments		363	Total \$1,088 (\$363 each G/W/S)				
	Metropolitan Planning Organization		2,501					
	Governing		20					
	NB Area Chamber of Commerce		250					
	NC Coastal Federation		50					
	NC League of Municipalities		4,200					
	UNC School of Government		370					
			7,754					
499	Approp. to Highway 17 Assoc.		1,500					
	Approp. To Allies for Cherry Point		<u>1,700</u>					
			3,200					

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:

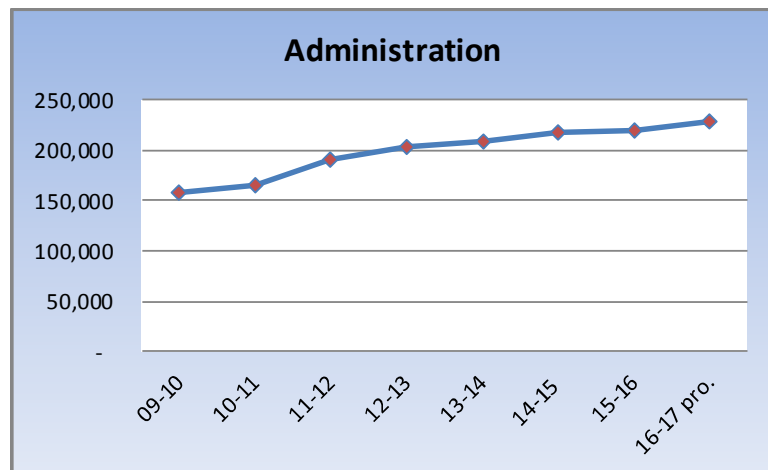
- Prepare minutes and agendas of Town Council meetings and makes these documents available electronically through the Town's website.
- Maintain Town records in accordance with applicable laws and internal policies.
- Serve as a point of contact for resident and visitor inquiries.
- Maintain information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

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

Fiscal Year 2015-16 Highlights including Special Projects and Purchases

- Town Manager participated in the NCCCMA Annual Conference in Durham
- Conducted the sixth 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 seventh consecutive “Tree City USA” award
- Town Manager received Certified Manager designation from ICMA

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 2017. 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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Administration		13-14		14-15		15-16		16-17	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4120									
121	Wages & Salaries	133,608	137,083	143,793	151,336	139,624	97,146	146,243	143,971
122	Overtime	0	0	-	0	0	0	0	0
134	401(k) Retirement	6,680	6,854	6,950	6,301	6,981	4,682	7,137	7,199
181	FICA	10,221	10,636	10,632	11,648	10,681	7,526	11,331	11,014
182	Loc Govt Emp Retirement	9,446	9,692	9,966	8,909	9,313	6,246	7,883	10,438
183	Group Insurance	32,141	23,453	28,324	20,879	28,887	19,823	31,148	32,693
185	Unemployment Comp.	0	640	0	0	0	59	59	0
186	Workers' Compensation Ins.	1,696	1,165	1764	1,220	1,457	1,196	1,196	1,267
189	Automobile Allowance	3,600	3,600	3,600	2,562	3,600	2,353	3,600	3,600
310	Travel & Subsistence	1,000	930	1,500	4,086	1,500	758	1,500	1,500
395	Training	1,500	1,305	1,500	660	1,500	1,082	1,500	1,500
380	Data Processing Services	0	0	0	0	0	0	0	0
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted services	500	943	1,250	818	1,250	888	900	900
498	PEG Channel Support	32,000	31,784	32,000	29,226	28,368	14,085	28,170	28,170
260	Office Supplies	5,000	2,885	5,000	2,980	5,000	1,681	5,000	4,400
320	Telephone & Postage	1,850	1,973	1,850	2,260	2,200	1,152	2,200	2,300
370	Advertising	500	973	500	32	500	297	500	500
391	Legal Advertising	2,000	2,109	2,000	713	2,000	550	2,000	2,000
340	Printing	500	0	500	349	500	0	0	500
352	Maint & Repair- Equip	0	0	0	0	0	0	0	0
430	Equipment Rental	6,600	6,460	6,600	6,438	6,600	5,259	6,600	6,600
450	Property and Liability Insurance	15,590	13,257	15,406	14,872	17,508	15,856	17,356	18,942
491	Dues & Subscriptions	235	249	235	320	410	423	423	1,050
481	Indirect Cost- Labor	-48,147	-48,147	-49,099	-49,099	-48,471	-28,274	-48,471	-51,090
499	Miscellaneous	500	288	500	419	500	118	500	500
	TOTAL	217,020	208,132	224,771	216,929	219,908	152,906	226,775	227,953
310	Travel and Subsistence	500	NCLM Conference						
		1,000	Other						
	TOTAL	1,500							
395	NCLM Conf. in Raleigh		500						
	Other		1,000						
			1,500						
399	Shred Event	750							
	GetResponse e-mail service	150							
		900							
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			
			\$18,942	\$11,976	\$15,001	\$45,919			
			deductibles: \$500 auto, \$1000 property						
491	Clerks Association	75							
	Managers Association	175							
	ICMA Membership	600							
	Sun Journal	185							
	Arbor Day Foundation	15							
	TOTAL	1,050							

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.

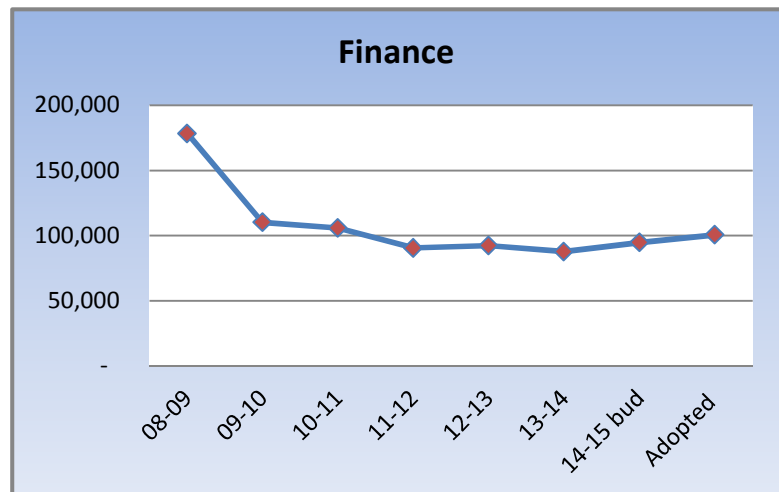
Primary Functions:

- 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 2015-16 Highlights including Special Projects and Purchases

- Received our fifth Excellence in Financial Reporting Award from GFOA
- Received our sixth consecutive Distinguished Budget Presentation Award from GFOA
- Revised the Town's Financial and Budgetary Policies

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 2017.



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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[illegible]

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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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.

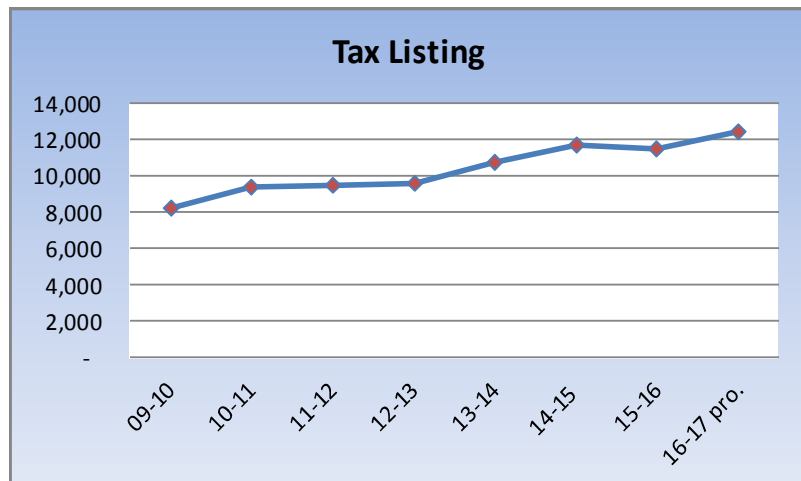
Primary Functions

- 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 2015-16 Highlights including Special Projects and Purchases

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

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.



Tax collection		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4140									
392	RE & Pers Prop Collection Fee	8,359	8,182	8,350	8,139	8,244	7,097	8,244	8,237
394	Motor Veh Collection Fee	2,964	2,548	3,513	3,586	3,287	1,626	3,287	4,231
TOTAL		11,323	10,729	11,863	11,724	11,531	8,723	11,530	12,468

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

Per the TR2-2015 report:		tax base	tax rate	total levy	collection rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		257,500,000	0.3105	799,538	99.89%	798,658	1.0%
NC Vehicle Tax System		28,500,000	0.3105	88,493	99.97%	88,466	4.5%
	* TOTAL	286,000,000	* Note- this amount is estimated and subject to change				

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:

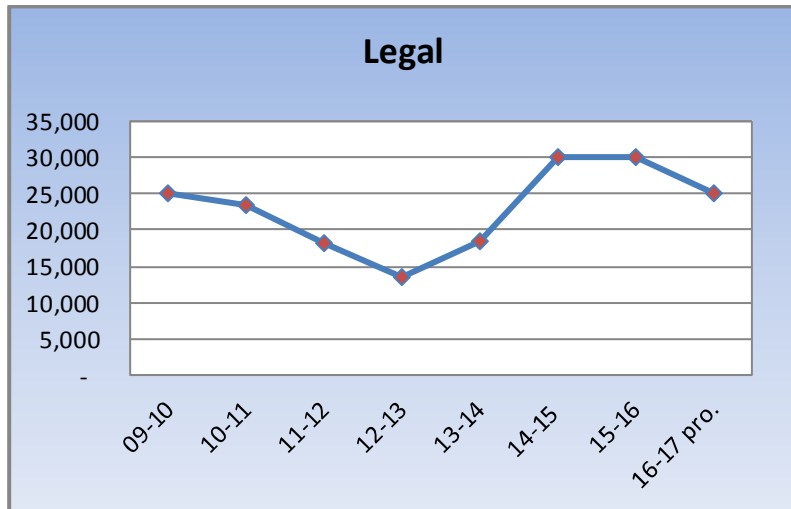
- Advise the Mayor, Town Council, Board of Adjustment, and Town Manager on legal matters associated with Town functions.
- Review, as requested, proposed ordinance changes.
- Take legal action on behalf of the Town to enforce ordinances, policies, and procedures.
- Defend the Town against legal actions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

Fiscal Year 2015-16 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.



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192 Current rate of \$225 per hour for Partners and \$200 per hour for Associates.

Town of River Bend, North Carolina
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Elections

Council Priority(ies): 10

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

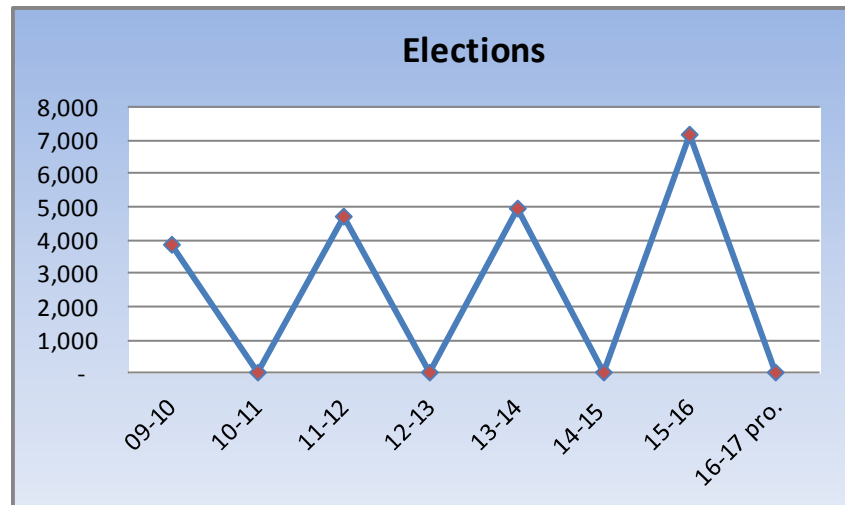
Primary Functions:

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

Fiscal Year 2015-16 Highlights including Special Projects and Purchases

- A municipal election was held during the year

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



During the last election, the Mayor was re-elected and two new Council members were elected. The next election for three seats on the Town Council and will be held in November, 2017.

Elections		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4170									
200	Supplies and Materials	0	0	0	0	0	0	0	0
399	Contracted services	7,556	4,928	0	0	7,137	4,591	4,591	0
TOTAL		7,556	4,928	0	0	7,137	4,591	4,591	0

Public Buildings

Council Priority(ies): 1, 9

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

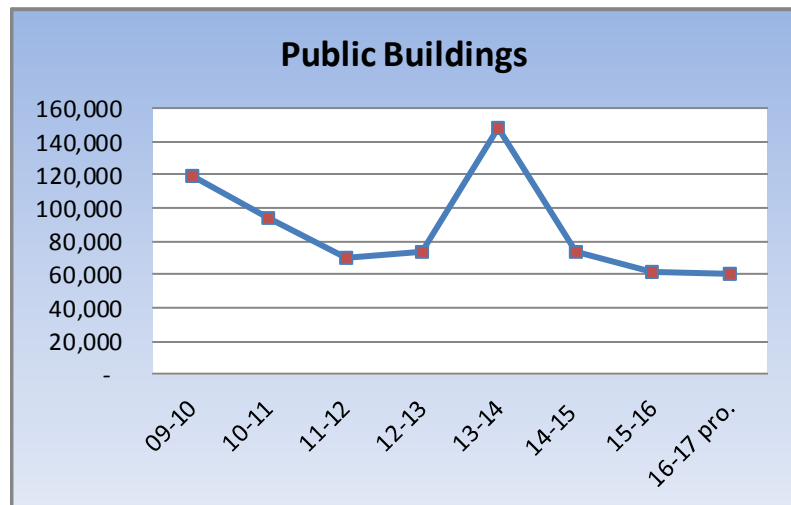
Primary Functions:

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

Fiscal Year 2015-16 Highlights including Special Projects and Purchases

- Renewed two-year lawn and landscape maintenance contracts
- Council agreed to allow a Council member to develop a proposal for improvements to town facilities. Last year the proposed facilities enhancement plan was tabled

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 were renewed in 2016 and will expire in 2018. 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 2017. In Fiscal Year 2017, 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 2016-2017

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Public Buildings		13-14		14-15		15-16		16-17	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4190									
121	Wages & Salaries	13,305	12,367	13,436	12,819	13,520	8,372	13,052	13,052
181	FICA	1,018	946	1,028	981	1,034	640	1,000	998
185	Unemployment Comp.	0	124	0	0	0	0	0	0
186	Workers' Compensation Ins.	572	423	578	411	581	400	400	470
195	Wildwood Property Mgmt Fees	0	0	0	0	0	0	0	0
354	Grounds & Landscp Contracts	26,796	25,280	25,280	25,280	25,280	14,913	25,280	25,280
355	Wildwood Storage Facility Maint.	3,000	3,143	3,000	2,392	3,000	1,390	3,000	3,000
399	Contracted Services	93,954	93,395	5,514	7,736	3,654	3,119	3,603	3,654
211	Janitorial Supplies	2,000	1,080	2,000	1,296	2,000	447	2,000	2,000
299	Supplies & Materials	2,000	2,617	2,000	2,958	2,000	522	2,000	2,000
330	Utilities	9,000	7,563	9,000	8,129	8,190	4,140	7,600	7,600
351	Maint & Repair Bldg & Grnds	1,500	784	1,500	25	1,500	415	1,500	1,500
352	Maint & Repairs- Equipment	500	125	500	1,440	500	97	500	500
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Grounds/Bldg	0	0	11,000	9,472	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
TOTAL		153,645	147,846	74,836	72,940	61,259	34,454	59,935	60,054
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							
354	Lawn & Landscape Contracts	FY 2017	Lawn Base	Water ¹	Lawn	Landscape			
		July	2,525	253	2,273	0			
	Current Contracts	Aug	2,525	253	2,273	3,550			
	Expire Feb. 28, 2018	Sept	2,525	253	2,273	0			
		Oct	2,525	253	2,273	0			
		Nov	2,525	253	2,273	0			
		Dec	0	0	0	0			
		Jan	0	0	0	0			
		Feb	0	0	0	0			
		Mar	0	0	0	3,550			
		Apr	2,525	253	2,273	0			
		May	2,525	253	2,273	0			
		June	2,525	253	2,273	0			
	TOTAL		20,200	2,020	18,180	7,100			
¹ Water pays 10% of the water base contract									
330	Based upon historical costs/demand								
	Includes water service paid to the Water Fund.								
	Based upon historical trends, the Red Caboose Library accounts for approximately \$550 of this budget line.								
351	PRN Maintenance and Repair	1,500							
		1,500							

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 occasionally the staff may include unpaid Reserve Police Officers. Police Department personnel utilize and maximize all available resources, technological advances, and educational opportunities in an effort to provide professional police services.

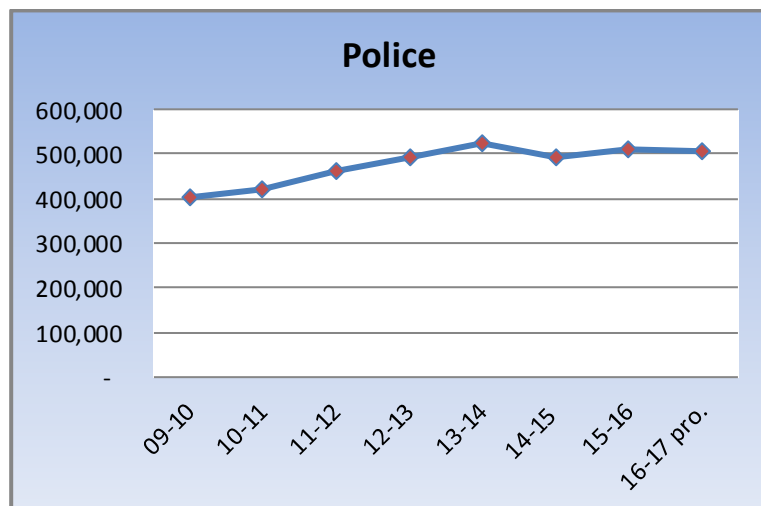
Primary Functions:

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

Fiscal Year 2015-16 Highlights including Special Projects and Purchases

- Refer to Appendix A for statistical information related to service levels
- Conducted a Community Police workshop for the public
- Hired an experienced officer to fill a full-time position
- Continued training for all officers to meet State requirements
- Purchased a new patrol vehicle
- 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 possible due to a traditionally safe community, and the fact that we have a “working Chief.” The Chief in many localities does not work a patrol shift as ours routinely does. 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 charges us \$1,200 per year to manage our records.

The Community Policing line (231) reflects the Town's commitment to continue to support the efforts of the Community Watch program. The Supplies and Materials line (299) includes funding to purchase general supplies, ammunition and two shotgun racks. 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.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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Police		13-14		14-15		15-16			16-17 Proposed Budget
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	
4310									
121	Wages & Salaries	286,147	285,969	299,501	300,549	292,626	200,684	301,306	297,131
122	Overtime	7,000	6,986	9,500	9,518	5,500	2,137	5,000	5,500
131	Separation Allowance	0	0	0	0	0	0	0	0
133	401(k) Retirement - LEO	14,358	14,262	13,506	14,970	13,808	9,621	14,378	14,029
181	FICA	22,396	22,340	21,920	23,529	22,386	15,042	23,432	22,731
182	Loc Govt Emp Retirement	20,822	20,765	22,165	22,186	19,745	13,758	20,170	22,446
183	Group Insurance	46,469	44,868	56,648	48,158	57,774	37,187	61,762	65,336
185	Unemployment Comp.	5,300	5,874	0	0	0	203	203	0
186	Workers' Compensation Ins.	8,743	8,709	10,601	9,354	10,876	8,579	8,579	9,241
189	Uniform Maintenance	3,120	3,000	3,120	3,360	3,100	1,560	3,100	3,100
310	Travel & Subsistence	2,000	946	1,100	3,895	2,200	2,484	2,200	1,420
395	Training	0	350	0	705	1,830	418	1,830	1,580
399	Contracted Services	6,000	4,590	6,500	5,578	2,660	1,347	3,315	3,160
212	Uniforms	3,225	3,351	2,300	3,353	2,000	298	2,000	2,000
231	Community Policing	450	391	1,000	844	684	40	684	719
251	Motor Fuel	18,682	16,803	21,074	13,201	15,259	6,442	9,642	14,022
299	Supplies & Materials	32,640	26,973	8,307	14,712	6,960	2,541	4,000	12,472
320	Telephone & Postage	4,615	3,499	5,175	4,250	5,175	2,694	4,500	4,500
340	Printing	0	0	0	0	0	0	0	150
352	Maint & Repairs- Equip	2,000	1,144	2,000	150	2,000	682	1,000	2,000
353	Maint & Repairs- Auto	5,450	8,287	7,975	6,468	8,535	4,799	11,035	9,085
481	Indirect Cost- Labor	-3,917	-3,918	-4,098	-4,098	-4,172	-2,433	-4,172	-4,272
491	Dues & Subscriptions	700	300	700	300	700	300	300	300
540	Capital Outlay- Motor Vehicles	30,258	30,223	0	0	30,772	28,659	30,772	0
760	Installment Purch Principal	0	0	0	0	0	0	0	0
770	Installment Purch Interest	0	0	0	0	0	0	0	0
9800									
988	Transfer to LESA Trust Fund	20000	20,000	10,000	10,000	10,000	10,000	10,000	20,000
	TOTAL	536,458	525,713	498,994	490,983	510,418	347,042	515,037	506,650
310	Travel and Subsistence	Conference	550						
		Training	870						
			1420						
399	New World software annual maint.		768						
	Records Management - County Charge		1,200						
	DCI		732						
	Screenings		300						
	LESA Actuarial Valuation		160						
			3,160						
212	Uniforms		1,500						
	Replacement/Additional Uniforms		500						
	Miscellaneous		0						
			2,000						
231	Community Watch - Supplies and consumables, i.e. vests, signs, flags, banner, etc. (\$519) Night Out Event (\$200)								
251	Fuel - \$3.00 per gallon estimate - \$0.54 per gallon tax = \$2.46per gallon x5700 gallons								
299	General/Miscellaneous					9,000			
	Ammunition					2,200			
	Portable Radio					560			
	Defibrillator Battery					182			
	Shotgun Rack for Patrol Cars (2)					530			
						12,472			
353	Maintenance and Repair - Auto								
	Tires					3,775			
	Alignment					310			
	Oil Changes					1,550			
	Other Maintenance and Repair					3,450			
						9,085			
540	No Vehicle Purchase This Year								

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 2015-16 Highlights including Special Projects and Purchases

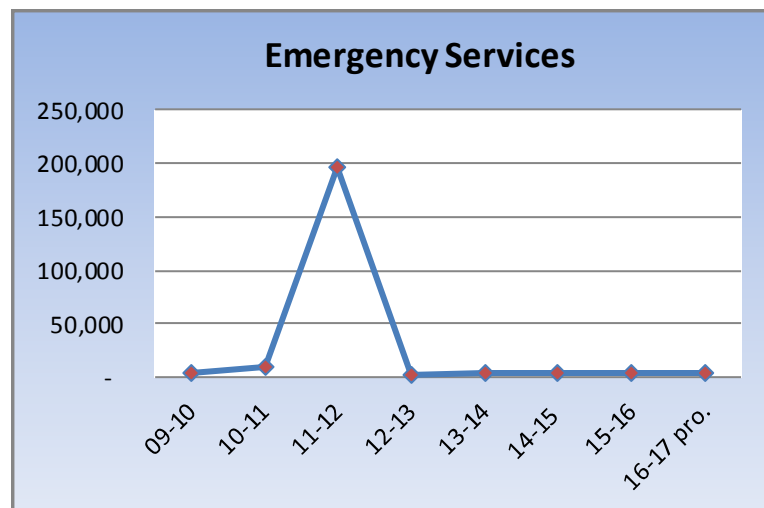
- The Community Emergency Response Team (CERT) held its sixth annual Severe Storm Awareness Fair. It was well attended and well received.
- CERT continues to train for a variety of emergency scenarios and maintains a readiness to respond as needed.

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 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 2016-2017

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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) remains unchanged. This service allows us to share emergency information with our residents.

Emergency Services		13-14		14-15		15-16		16-17	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4330									
121	Wages & Salaries	0	0	0	0	0	0	0	0
122	Overtime	0	0	0	0	0	0	0	0
133	401(k) Retirement - LEO	0	0	0	0	0	0	0	0
181	FICA	0	0	0	0	0	0	0	0
182	Loc Govt Emp Retirement	0	0	0	0	0	0	0	0
183	Group Insurance	0	0	0	0	0	0	0	0
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	0	0	0	0	0	0	0	0
399	Contracted Services	1,250	1,250	2,440	2,439	2,440	2,438	2,438	2,440
232	CERT	1,750	1,601	1,367	980	600	600	600	672
299	Supplies & Materials	500	0	500	0	500	0	500	400
450	Property & Liability Ins.	350	317	350	317	350	316	316	350
	TOTAL	3,850	3,168	4,657	3,735	3,890	3,354	3,854	3,862
399	\$1,940 for Blackboard Connect "reverse 911", (\$3,877 total, \$970 to be paid by water and \$970 by sewer) \$500 disaster mobilization								
232	CERT	672							
299	Miscellaneous	400							
450	Accident Insurance	350							

Animal Control

Council Priority(ies): 1

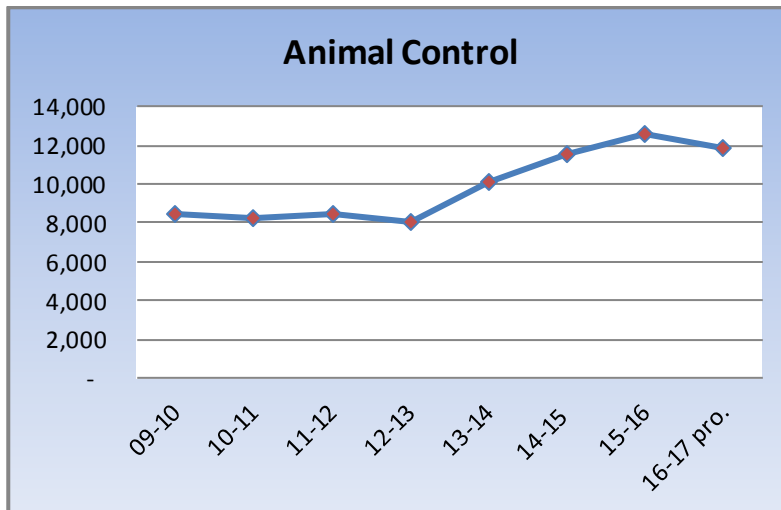
The Animal Control Department is staffed through the allocation of labor time of our three Public Works employees. Refer to the Labor Allocation table on Page 64 for more detailed information. This department is responsible for assisting the Police Department in the enforcement of animal control regulations 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 2015-16 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 2017. Personnel costs have decreased slightly due to personnel changes.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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Animal Control		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4380									
121	Wages & Salaries	9,268	8,698	9,807	9,650	9,883	6,568	9,818	9,221
122	Overtime	0	0	0	15	0	0	0	0
134	401(k) Retirement	463	435	490	483	511	329	500	477
181	FICA	710	660	750	734	782	499	751	729
182	Loc Govt Emp Retirement	655	615	703	685	682	438	655	691
183	Group Insurance	3,194	1,925	2,816	2,162	2,872	1,741	3,007	3,015
185	Unemployment Comp.	0	71	-	-	-	-		-
186	Workers' Compensation Ins.	519	445	552	506	670	448	448	477
310	Travel & Subsistence	0	0	0	0	0	0	0	
395	Training	0	0	0	0	0	0	0	
299	Supplies & Materials	500	231	500	296	315	0	315	230
481	Indirect Costs- Labor	(2,962)	(2,962)	(3,024)	(3,024)	(3,149)	(1,836)	(3,149)	(3,030)
TOTAL		12,347	10,117	12,594	11,506	12,566	8,187	12,345	11,810

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.

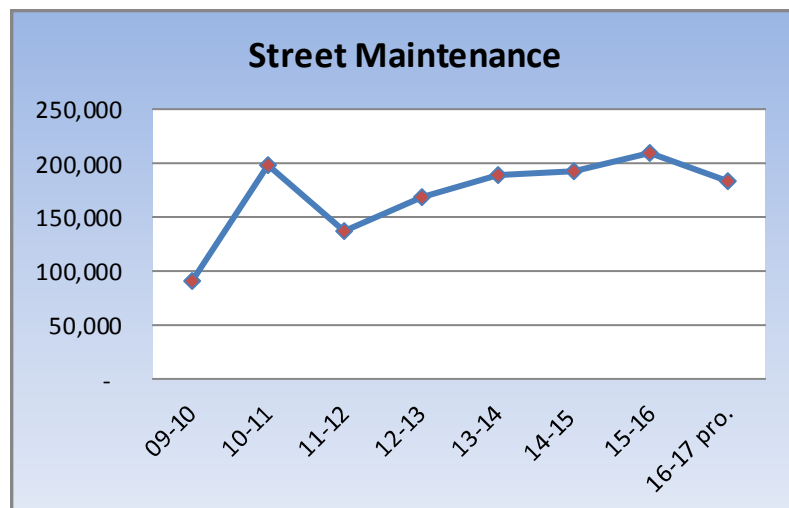
Primary Functions:

- 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 2015-16 Highlights including Special Projects and Purchases

- Patched and paved five streets in compliance with the paving plan
- Painted stripes and installed reflectors on several 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, our engineer identified the need for paving on two streets (Lochbridge and Gull Point) and recommended patching on Anchor Way. The paving of Gull Pointe will result in a gravel street being converted to a paved street. Gull Pointe serves as the access to the town's kayak launch site and our outdoor storage facility. Since those two facilities have opened, the amount of traffic has increased, thus the justification to pave the road. 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 2017. Personnel costs have increased due to the allocation of labor in accordance with the table on page 64.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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Street Maintenance		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4510									
121	Wages & Salaries	23,170	21,756	24,517	24,129	24,707	16,417	24,540	23,054
122	Overtime		0		37		0		0
134	401(k) Retirement	1,158	1,088	1,226	1,208	1,278	820	1,227	1,191
181	FICA	1,772	1,651	1,875	1,836	1,956	1,247	1,877	1,823
182	Loc Govt Emp Retirement	1,638	1,538	1,758	1,708	1,705	1,094	1,637	1,728
183	Group Insurance	7,985	4,814	7,039	5,403	7,180	4,353	7,519	8,112
185	Unemployment Comp.	0	177	0	0	0	0	0	0
186	Workers' Compensation Ins.	1,299	1,112	1,379	1,264	1,675	1,121	1,121	1,191
193	Professional Services - Engineer	7,000	7,000	6,000	13,500	6,000	5,800	7,300	7,300
399	Contracted Services	0	2,060	1,500	675	1,500	0	0	1,500
299	Supplies & Materials	6,000	2,317	8,500	6,126	6,500	931	6,500	7,000
481	Indirect Cost- Labor	-7,404	-7,404	-7,559	-7,559	-7,872	-4,592	-7,872	-7,575
550	Capital Outlay - Other Equip	0	0		0		0		0
591	Capital Outlay - Rdwy/Pvmt	153,513	153,513	155,300	144,934	165,390	163,100	163,100	137,445
TOTAL		196,131	189,622	201,535	193,261	210,018	190,291	206,949	182,769
121	25% of PW employees salaries and benefits.								
193	Engineering and Contractor costs for paving (\$6,300) / other (\$1,000).								
399	Limbs (etc) transported to landfill by leaf and limb contractor.								
299	Cold Patch	2,000							
	Sealer	1,000							
	Regulatory Signs	2,000							
	Gravel for shoulders	700							
	Powell Bill Map	300							
	Other Supplies and Materials	1,000							
		7,000							
591	Patching:								
	Anchors Way	6,000							
	Paving:								
	Lochbridge Drive	93,445							
	Gull Point	23,000							
	Striping and Patching Allowance	15,000							
		137,445							

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.

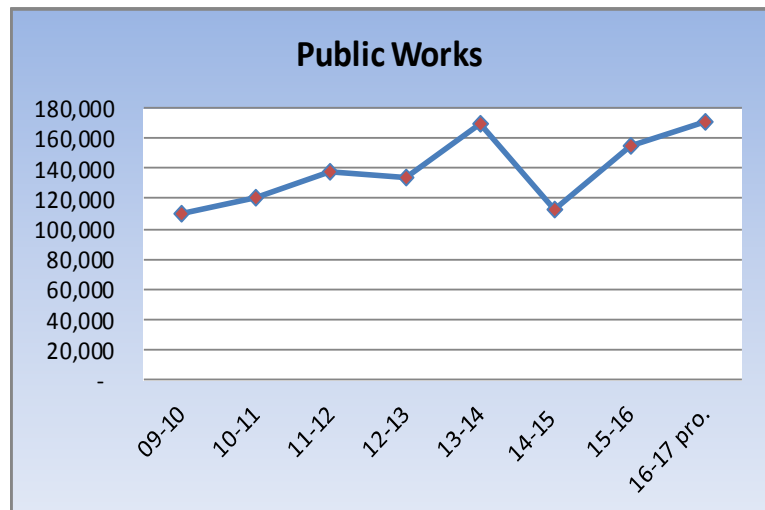
Primary Functions:

- 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 2015-16 Highlights including Special Projects and Purchases

- Continued to make improvements in the storm drainage system
- Continued a proactive program of trimming limbs around streetlights
- Maintained a regular schedule of mowing of rights-of-way
- Installed a water line to the town's dog park

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



This department budgets for the maintenance and operation of two vehicles, both of which are included in our vehicle replacement plan (see Page 76). One vehicle will be replaced in FY 17.

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

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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.

[illegible]

Leaf & Limb and Solid Waste

Council Priority(ies): 1, 9

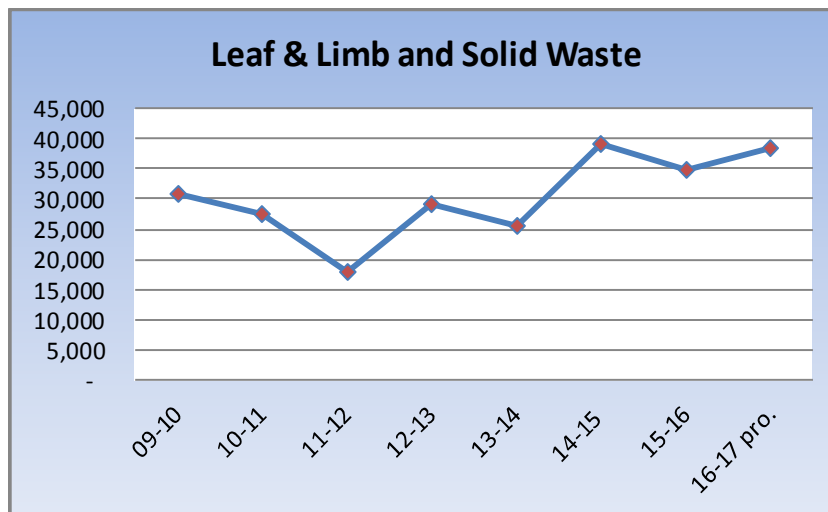
This Department has no personnel assigned. The Town, through an independent contractor, picks up limbs and bagged leaves on a published bi-monthly schedule. The Town also offers recycling of waste oil and used oil filters to its residents. The functions of this department fall under the supervision of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

Primary Functions:

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

Fiscal Year 2015-16 Highlights including Special Projects and Purchases

- Continued to provide used motor oil and oil filter recycling programs.
- The Town's contractor removed 317 tons of vegetative debris as part of our bi-monthly leaf and limb pick-up service.



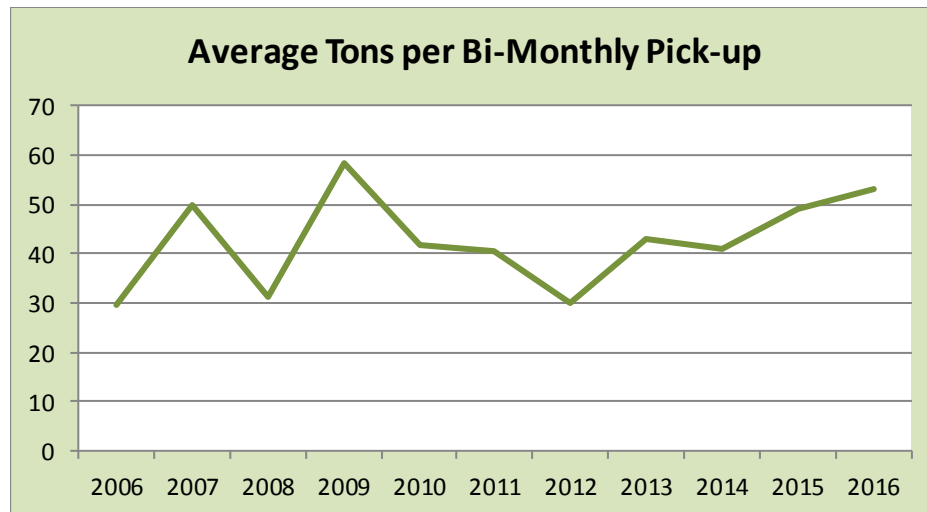
This department contains the budget for the bi-monthly leaf and limb pick-up service provided by the Town (line 396). We continue to offer to our residents the ability to bring their used oil filters to a containment area, and we continue to contract for their recycling. A State law prohibits the disposal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

residents to dispose of a reasonable amount of waste oil in a waste oil dumping station we own.

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For our leaf and limb contract, this budget reflects 55 tons per pick-up, which is 5 tons more than the we budgeted in FY 2016. The chart below shows the average amount of waste we collected per bi-monthly period in each of the last eleven full fiscal years. This will be the first year of a two-year contract with the same vendor that we have used for the past several years. His price remains unchanged at \$95 per ton. In addition to this fee, we also pay the landfill tipping fee of \$15 per ton.



Leaf & Limb / Solid Waste		13-14		14-15		15-16		16-17	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4710									
396	Leaf & Limb Pick-up Services	25,345	24,547	39,625	37,824	33,025	21,684	32,684	36,325
399	Contracted Services	915	1,051	1,100	1,204	1,400	892	1,400	1,680
299	Supplies & Material	500	0	500	0	500	0	0	500
499	Miscellaneous	0	0	0	0	0	0	0	0
TOTAL		26,760	25,598	41,225	39,028	34,925	22,576	34,084	38,505

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.

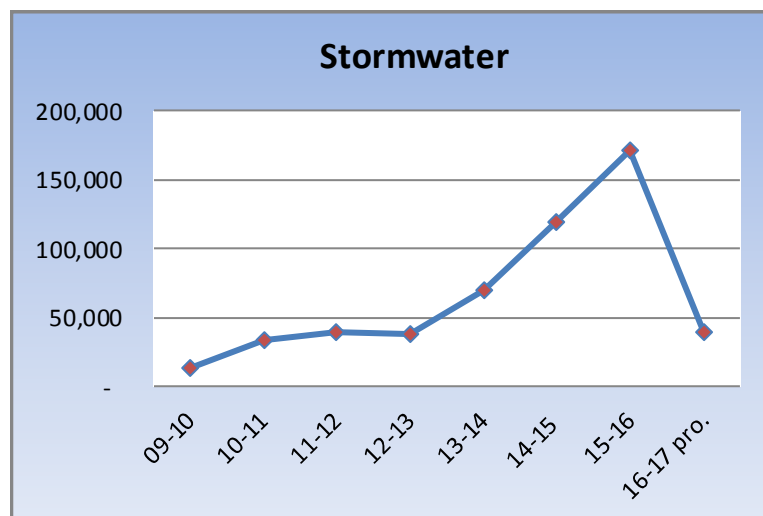
Primary Functions

- 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 2015-16 Highlights including Special Projects and Purchases

- Using in-house talent, repaired several minor stormwater infrastructure issues
- Continued proactive and reactive maintenance of issues related to the flow of stormwater
- Installed bulkhead on Plantation Drive at a cost of \$73,838
- Installed bulkhead on Captain's Cove at a cost of \$5,417

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.



After having completed one major and one minor, unplanned bulkhead replacement project during FY 16, there are no major projects planned for this year. One minor drainage improvement project on Teakwood with an estimated cost of \$5,000 is planned.

Stormwater management continues to be a concern of the Council. Each year since 2007, the Town has set aside \$30,000 per year in the stormwater CIP. Typically, the Town will address and seek to improve larger projects. Over the last two decades the Town has made many improvements to the stormwater system by replacing pipes with larger pipes thus increasing the flow capacity of the system. However, due to our location in a floodplain, our proximity to the Trent River and our topographic features, there is only so much that the Town can do to prevent flooding. In fact, we cannot prevent it, we can only take steps to reduce the likelihood of flooding by funding practical, affordable and well-designed projects. Another factor that can have an impact on our stormwater system is our geography. We are located on the southeastern coast of the United States, which is an area that is prone to hurricanes.

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

The Council has directed the Town Manager to seek input from the Town's Environment and Waterway Advisory Board on this issue. Once that has been accomplished, the Council will decide the next step in the process. As always, the Town's Engineer will be involved in any planning relating to large scale, town-wide stormwater management projects.

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

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Stormwater Management 4730		13-14		14-15		15-16			16-17 Proposed Budget
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	
121	Wages & Salaries	13,902	13,053	14,710	14,477	14,824	9,851	14,725	13,832
122	Overtime	0	0	0	22	0	0	0	0
134	401(k) Retirement	695	653	736	725	767	492	736	715
181	FICA	1,064	990	1,125	1,102	1,173	748	1,126	1,094
182	Loc Govt Emp Retirement	983	923	1,055	1,023	1,023	657	982	1,037
183	Group Insurance	4,791	2,889	4,223	3,242	4,308	2,612	4,513	4,867
185	Unemployment Comp.	0	106	0	0	0	0	0	0
186	Workers' Compensation Ins.	779	667	827	758	1,005	672	672	715
193	Professional Services - Engineer	8,200	8,388	31,000	27,125	4,000	5,500	5,500	4,000
399	Contracted Services	2,500	0	2,500	0	2,500	1,725	2,500	5,000
299	Supplies & Materials	3,000	840	3,000	1,862	3,000	816	3,000	3,000
430	Equipment Rental	1,500	370	1,500	515	1,000	447	1,000	1,000
481	Indirect Cost- Labor	-4,443	-4,442	(4,535)	-4,535	-4,723	-2,755	-4,723	-4,545
590	Capital Outlay - Other Structures	45,800	45,800	72,300	72,770	143,000	77,780	77,780	9,273
TOTAL		78,771	70,236	128,441	119,085	171,877	98,545	107,812	39,987
121	15% of PW Employee salaries and benefits.								
193	Engineering for projects	4,000							
399	Minor repairs - PRN	5,000							
590	Teakwood Drainage	5,000							
	Front Pond Aerator	4,273							
		9,273							

Wetlands and Waterways

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

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

Primary Functions:

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

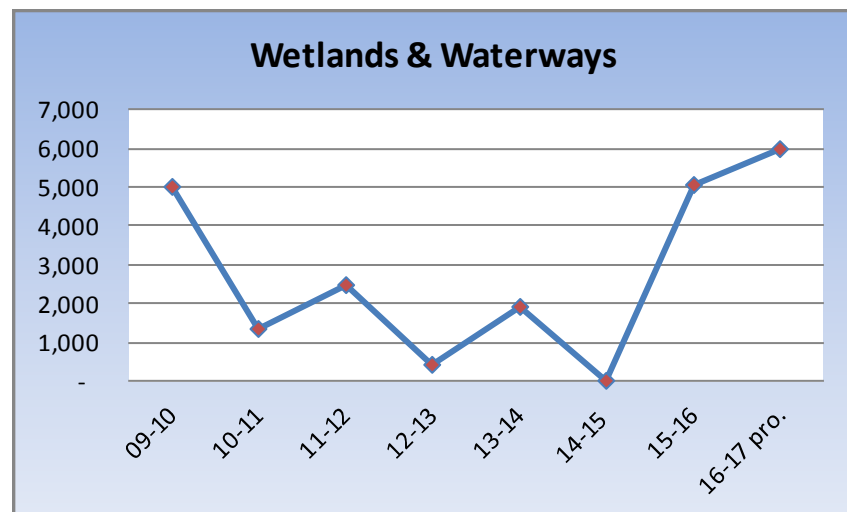
Fiscal Year 2015-16 Highlights including Special Projects and Purchases

- 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 homeowner's 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).



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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, once again this year, the Environment and Waterways Advisory Board did not recommend any tree removal.

Wetlands and Waterways		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4760									
399	Contracted Services	0	0	4,500	0	0	0	0	0
310	Travel & Subsistence	500	0	0	0	217	0	0	500
395	Training	1,000	0	0	0	217	0	0	500
299	Supplies & Materials	1,500	1,925	3,500	8	1,601	253	253	2,000
359	Maintenance & Repairs	1,500	0	1,500	0	3,000	0	0	3,000
590	Capital O/L- Other Structures	0	0		0	0	0	0	0
TOTAL		4,500	1,925	9,500	8	5,035	253	253	6,000
310/395 Travel and Training for EWAB Members			1,000						
299	EWAB Publications & Programs		2,000						
359	Navigation Signs /Maintenance		3,000						
399	Canal Clearing		0						

Planning and Zoning

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

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

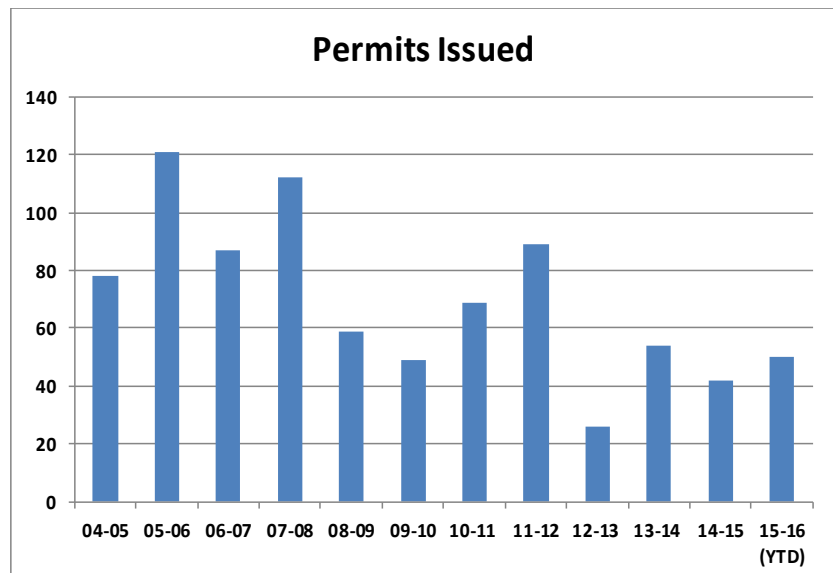
Primary Functions:

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

Fiscal Year 2015-16 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

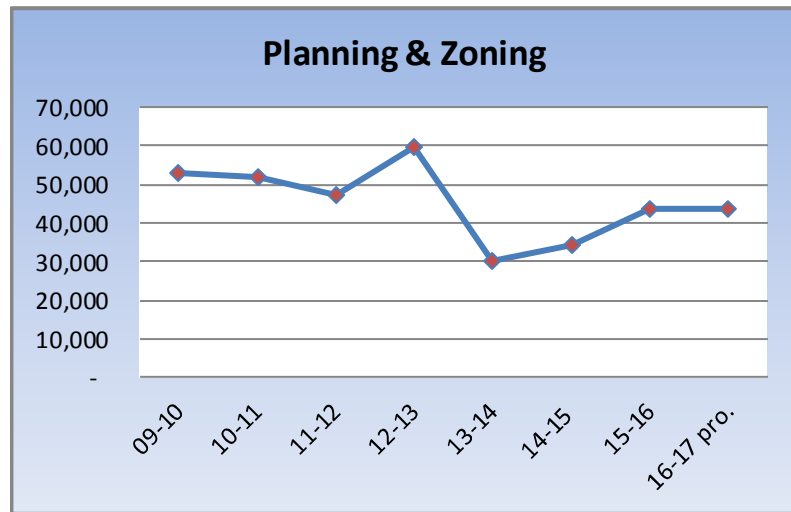
The Town enforces our own Planning and Zoning and Floodplain Management ordinances and engages, in a cooperative manner, in regional planning efforts. This position is funded for 40 hours per week, with some hours allocated to the enterprise funds as this person fulfills customer service duties at the 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 \$4,000 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		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
4910									
121	Wages & Salaries	36,928	34,598	38,416	37,981	39,610	26,294	40,005	40,206
122	Overtime	0	0	0	0	0	0	0	0
134	401(k) Retirement	1,846	1,730	1,921	1,899	1,981	1,314	2,000	2,010
181	FICA	2,826	2,669	2,939	2,927	3,030	2,024	3,060	3,076
182	Loc Govt Emp Retirement	2,611	2,446	2,754	2,685	2,642	1,753	2,668	2,915
183	Group Insurance	10,669	8,387	9,397	8,266	9,584	5,872	9,929	10,860
185	Unemployment Comp.	0	238	0	0	0	0	0	0
186	Workers' Compensation Ins.	775	492	807	486	673	480	480	571
189	Automobile Allowance	1,260	1,260	1,260	1,260	1,260	823	1,260	1,260
310	Travel & Subsistence	1,000	0	1,000	0	800	0	0	425
395	Training	1,000	45	1,000	0	800	0	0	425
193	Engineering	500	0	500	0	500	0	0	500
194	Professional Services - Survey	500	0	500	0	500	0	0	400
399	Contract Services	8,000	84	5,000	836	4,300	175	4,300	4,000
299	Supplies & Materials	750	131	750	104	750	28	750	600
320	Telephone & Postage	100	114	100	280	300	85	300	300
481	Indirect Cost- Labor	-22,262	-22,262	(22,494)	-22,494	-23,008	-13,421	-23,008	-23,855
TOTAL		46,503	29,932	43,850	34,230	43,722	25,427	41,745	43,693
310	Floodplain Manager's Conference, other								
395	Floodplain Manager's Conference, other								
193	ECC GIS Services, Engineering review								
399	Nuisance abatement								

Recreation and Special Events

Council Priority(ies): 1, 4

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

Primary Functions:

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

Fiscal Year 2015-16 Highlights including Special Projects and Purchases

- Conducted multiple craft and game events
- Conducted multiple workshops on various topics
- Held the Town's Christmas tree lighting ceremony and celebration
- 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, multiple yoga classes.



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Recreation & Special Events		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
6120									
399	Contracted Services	2,400	1,277	2,700	1,990	3,300	0	3,300	3,000
299	Supplies & Materials	5,950	4,981	4,685	3,941	4,225	772	4,225	4,500
	TOTAL	8,350	6,259	7,385	5,931	7,525	772	7,525	7,500
399	Country Aire - July 4th	1,500							
	Food/Rentals - Volunteer Day	1,500							
		3,000							
299	Events	4,500							
Detail of Activities and Expenses Per Event									
Date	Activity	Item		Cost					
July	4th of July	Rentals, Food & Supplies		4,435					
Sept	Games	Refreshments		20					
Oct	Workshop-Kids	Supplies		50					
Oct	Social - Games	Refreshments		20					
Oct	Workshop- Adult	Supplies		75					
Nov	Workshop- Kids	Supplies		50					
Nov	Games	Refreshments		20					
Nov	Workshop- Adult	Supplies		75					
Dec	Tree Lighting Ceremony	Refreshments,gifts		75					
Dec	Fairfield Harbor Chorus	Refreshments		20					
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		235					
Mar	Social - Games	Refreshments		20					
Mar	Workshop	Supplies		25					
April	Fishing Derby	Prizes, drinks		100					
May	Volunteer Recognition Day	Food and supplies		1,500					
May	Fairfield Harbor Chorus	Refreshments		20					
May	Band Concert	Supplies, refreshments		300					
May	Family Event- Games	Refreshments		100					
May	Bocce Social	Refreshments		20					
				7,500					

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:

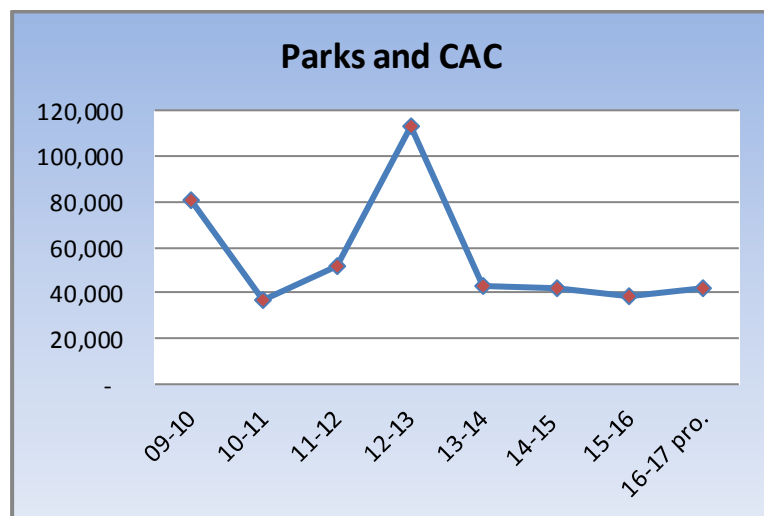
- Support the work of the Community Appearance Commission.
- Maintain a system of parks including, Town Hall Park, Ritter Field, Town Commons, Springdale, and Channel Run.
- Maintain the walking trail on Town Commons and Ritter Field.

Fiscal Year 2015-16 Highlights including Special Projects and Purchases

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

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

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



The Department is also sponsoring, through volunteer contributions and labor, a Community Garden. 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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General Fund Expenditure Summary

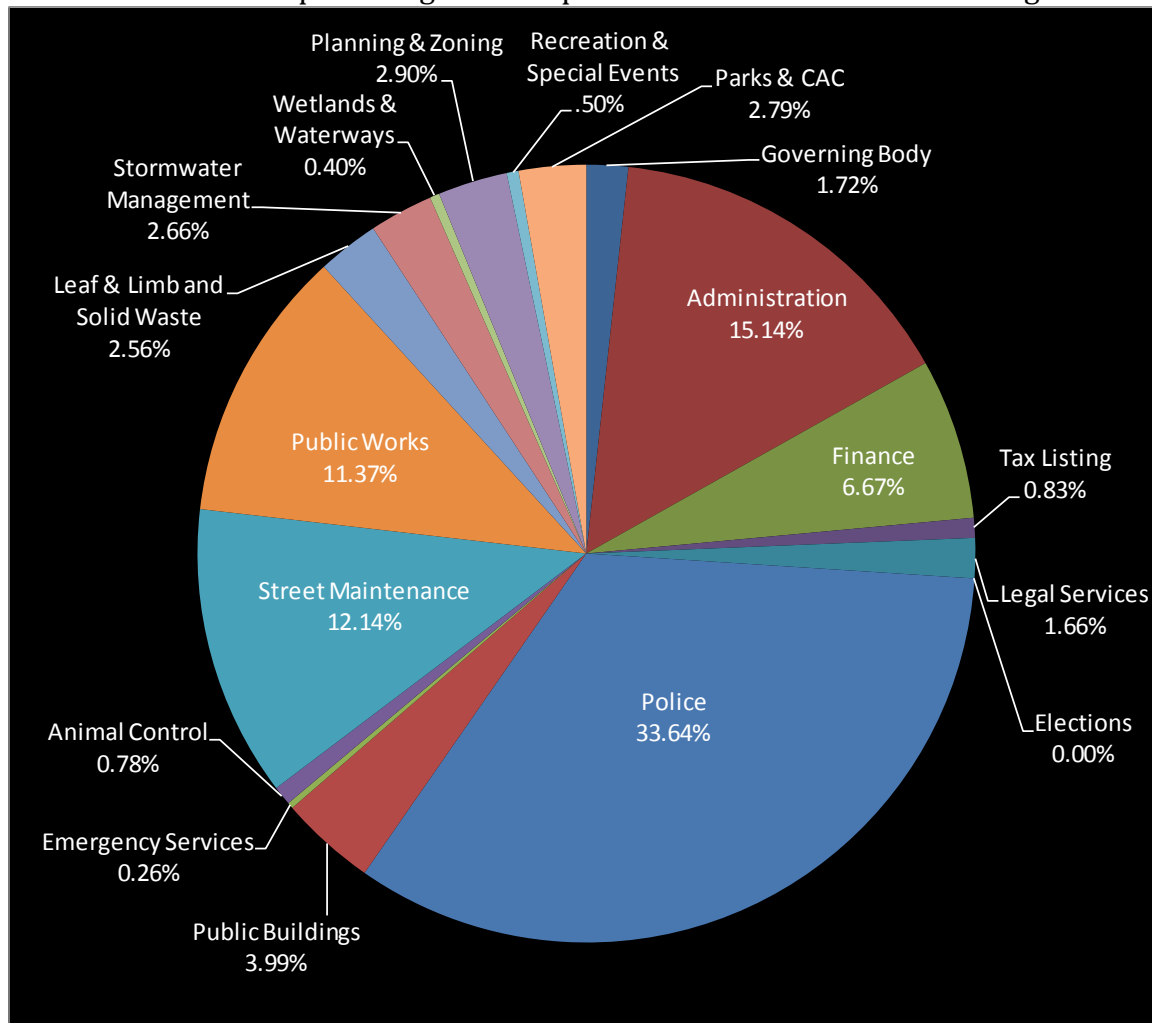
The total budgeted expenditures for the General Fund, including transfers, is \$1,706,980 which represents an 11.03% or \$211,558 decrease over budgeted expenditures in the current fiscal year. The table below shows the total for each department and the change compared to the budget for 2015-16.

General Fund Expenditure Summary						Change v. prior year	
		13-14	14-15	15-16	16-17	%	\$
Dept #	Department Name	Actual	Actual	Budget	Proposed		
4110	Governing Body	20,445	22,504	26,452	25,907	-2.06%	-545
4120	Administration	208,132	216,929	219,908	227,953	3.66%	8,045
4130	Finance	87,625	93,908	100,560	100,468	-0.09%	-92
4140	Tax Listing	10,729	11,724	11,531	12,468	8.12%	936
4150	Legal Services	18,308	21,698	30,000	25,000	-16.67%	-5,000
4170	Elections	4,928	-	7,137	-	-100.00%	-7,137
4310	Police	525,713	490,983	510,418	506,650	-0.74%	-3,768
4190	Public Buildings	147,846	72,940	61,259	60,054	-1.97%	-1,205
4330	Emergency Services	3,168	3,735	3,890	3,862	-0.72%	-28
4380	Animal Control	10,117	11,506	12,566	11,810	-6.02%	-757
4510	Street Maintenance	189,622	193,261	210,018	182,769	-12.97%	-27,249
4560	Public Works	179,989	113,217	154,763	171,210	10.63%	16,447
4710	Leaf & Limb and Solid Waste	25,598	39,028	34,925	38,505	10.25%	3,580
4730	Stormwater Management	70,236	119,085	171,877	39,987	-76.73%	-131,890
4760	Wetlands & Waterways	1,925	8	5,035	6,000	19.17%	965
4910	Planning & Zoning	29,932	34,230	43,722	43,693	-0.07%	-29
6120	Recreation & Special Events	6,259	5,931	7,525	7,500	-0.33%	-25
6130	Parks & CAC	43,200	42,040	38,452	42,034	9.32%	3,582
Department Expenditure Total		1,583,773	1,492,730	1,650,038	1,505,869	-8.74%	-144,169
	Contingency (1% per policy) + Merit Pool		26,227	27,500	26,059	-5.24%	-1,442
	Transfer to Capital Reserve	105,000	105,000	241,000	175,052	-27.36%	-65,948
TOTAL		1,688,773	1,623,957	1,918,538	1,706,980	-11.03%	-211,558

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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	0.471
Administration	4.146
Finance	1.828
Tax Listing	0.227
Legal	0.455
Elections	0.000
Public Buildings	1.092
Police	9.216
Emergency Services	0.070
Animal Control	0.215
Street Maintenance	3.325
Public Works	3.114
Leaf and Limb/Solid Waste	0.700
Stormwater Management	0.727
Wetlands and Waterways	0.109
Planning and Zoning	0.795
Recreation and Special Events	0.136
Parks and CAC	0.765
Transfer to Cap. Res.	3.184
Contingency	0.474
Tax Rate	0.3105

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 \$0.3105 per \$100. As noted earlier, while the rate did increase, due to the reduced value of property, it will have an over-all revenue-neutral effect on tax bills.

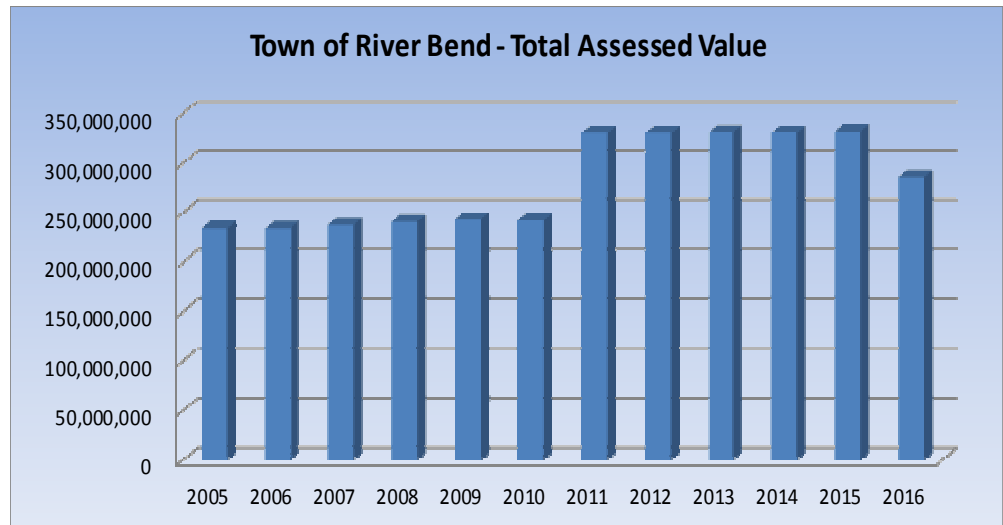
Our tax base is determined by assessments performed by the County assessor's office and taxes are collected with County taxes and remitted to us. We pay the County a 1% fee to collect Real and Personal Property Taxes and 1.5% to collect Motor Vehicle Taxes. We budgeted 4.5% for the NC Vehicle Tax System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

Our tax base, as shown in the table and chart below, decreased 14.65% compared to last year. The decreased amount is based on an estimated value by the Craven County Tax Administrator. The decrease was the result of a revaluation in Craven County. The last revaluation was performed by the County, effective in fiscal year 2011. The State mandates revaluation every eight years. Craven County departed from this standard and conducted the revaluation to be effective in fiscal year 2017 (six-year cycle). Future revaluations will be on a four-year cycle.

**Town of River Bend, North Carolina
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Fiscal Year	Total
2004	230,108,421
2005	234,104,163
2006	234,015,909
2007	237,426,818
2008	240,569,600
2009	243,050,000
2010	241,663,929
2011	330,388,310
2012	330,257,559
2013	331,223,890
2014	330,433,008
2015	332,276,611
2016	286,000,000



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. The budgeted amount will remain unchanged for FY 2017 at \$2,400. This is the amount shown in the budget worksheet.

Sales / Use Tax:

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

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

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

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

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

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

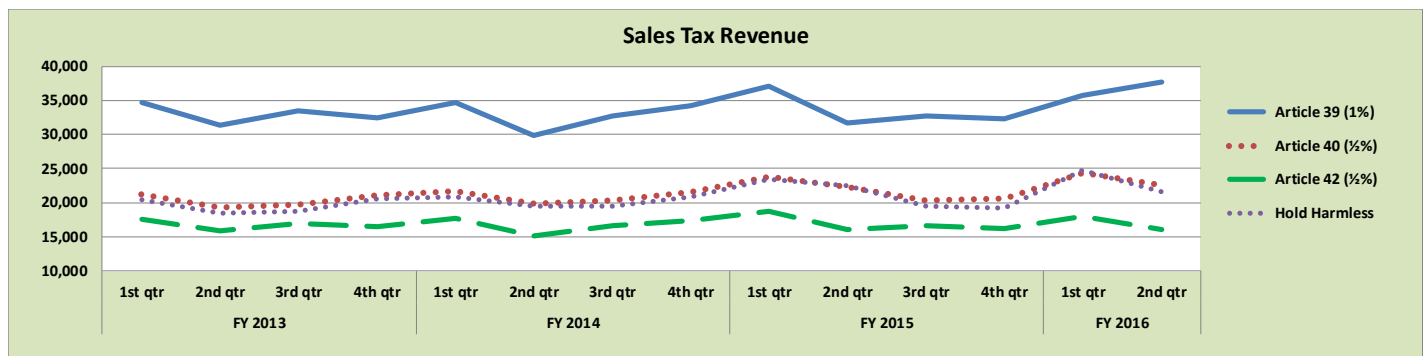
Article 44: As of October 1, 2008 the Article 44 tax was reduced to a ¼% tax (we account for this particular tax in the “Local Option Sales Tax line in the budget), with the proceeds all being returned to the County of origin. Effective October 1, 2009 we no longer receive proceeds under this tax. However, 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.

Due to the recent revaluation, our sales tax distribution is subject to change based on the tax rate of other jurisdictions in the County. At the time of adoption of our budget that information was unknown. Because property in River Bend decreased in value, the share of the total sales tax is susceptible to change. In fiscal year 2015 we received 1.297% of the total county distribution. In fiscal year 2016 the rate was 1.286%. Over the past few years, this rate has held steady.



The revenue under articles 39 and 42, the locally driven revenues, have been higher compared to our conservative budget estimates for fiscal year 2016. In FY17 we anticipate a 5.0% combined increase for these two revenues over the budgeted amount for FY16. To maintain our conservative posture, for FY17 we have projected revenues in an amount equal to FY16 projections.

It is the end-of-year projection for FY 2016 that we use as the basis for our FY 2017 projection. Assuming that the revenue in FY 2016 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 2017.

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. Our year-end projection for FY16 is \$91,664 or 103% of the budgeted amount for FY16. 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 FY17 revenue projection. Again, we use the end-of-year projection for FY 2016 as the basis for our FY 2017 budget.

We may end fiscal year 2016 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 FY17 as we are projecting for FY16. These funds are restricted in their use to fund solid waste programs within a locality. Our current programs will use more than the projected amount of revenue from this source.

Powell Bill:

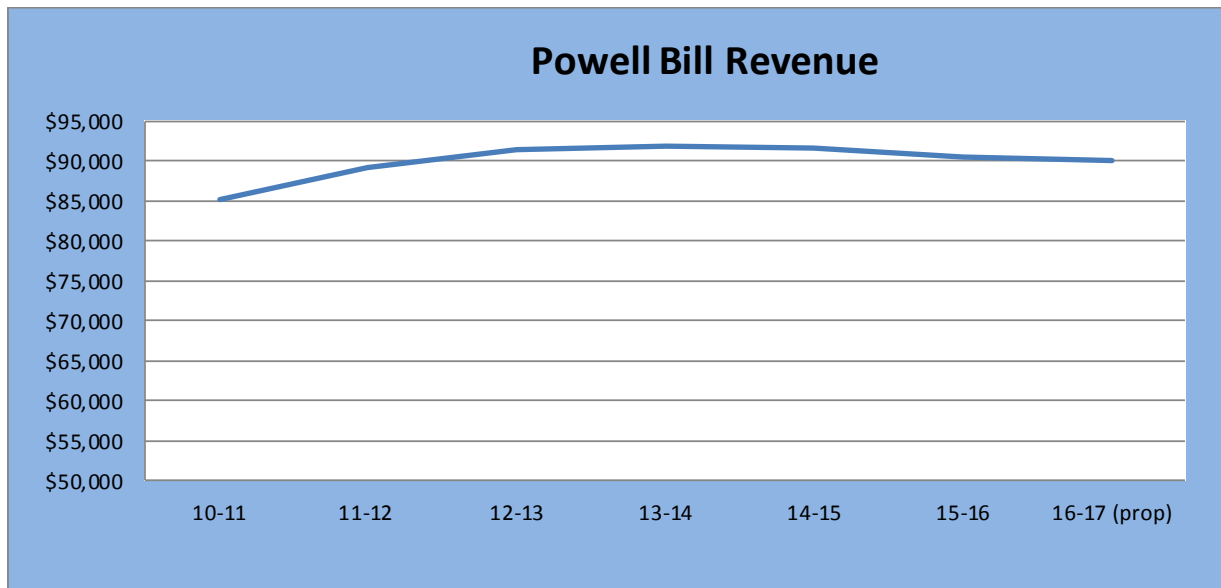
These State funds were formerly linked to tax on motor fuels. Due to recent Legislative changes, they are now subject to a direct allocation from the State Legislature.

Named for the legislator who sponsored the bill to create this distribution, funds are remitted to the localities based upon a two-part formula. Three quarters of the local proceeds are distributed on a per-capita basis, and one quarter based upon the number of miles of non-state streets within the locality. River Bend has no State streets, so all our miles (16.9 total) of road enter into this part of the formula.

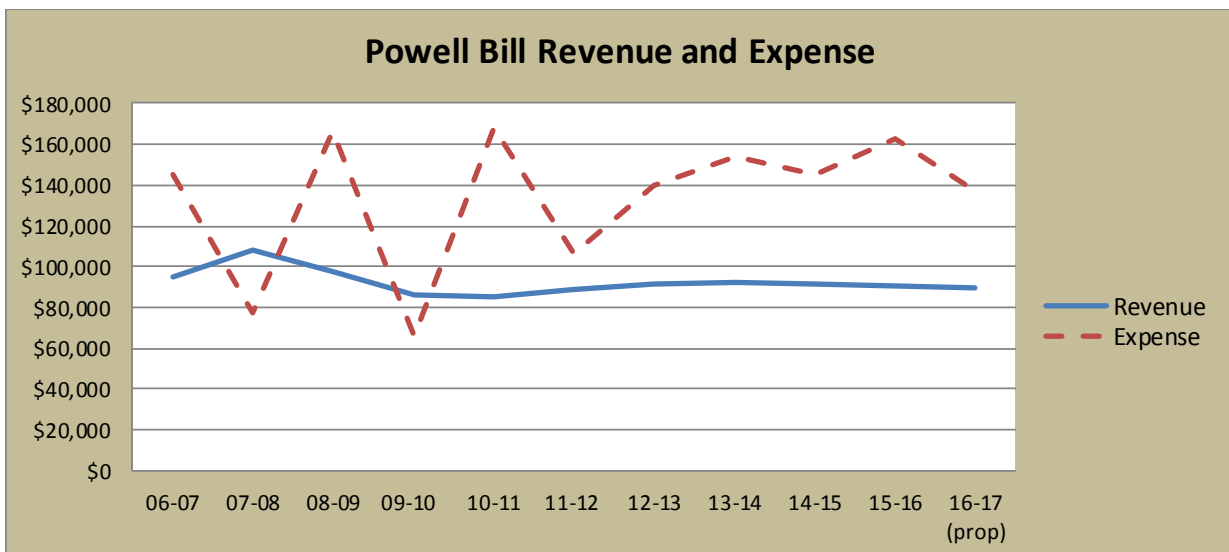
The funds, unlike property tax and sales tax, are restricted in their use. We may use this revenue only for maintaining, repairing, and constructing streets (and appurtenances such as sidewalks, drainage structures, etc.). The Council's recent philosophy has been to use these funds strictly for paving,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

In the current fiscal year, the population based portion of this revenue was \$20.38 per capita, which was reduced from the previous year. Similarly, the mileage-based portion of the formula was \$1,637.43 per mile, which was slightly increased from the previous year. Each of these components has changed less than 1% since FY 2014.

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 \$20.38 and the mileage rate of \$1,637.42. This results in revenue of \$62,851 and \$27,672 respectively and allows us to round down to budget a total of \$90,000 for this revenue source. This is down from the \$90,502 we received this year.



The chart below shows that since FY11, we have spent more on resurfacing streets than we have received from Powell Bill revenues. This means that our General Fund has augmented our street paving projects.



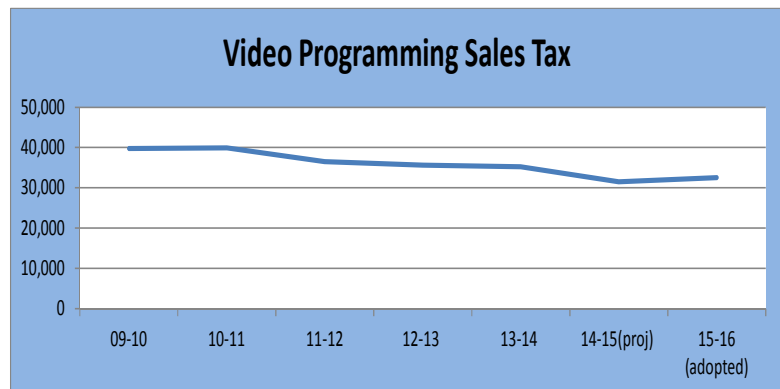
Beer and Wine Tax:

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

Based upon recent trends, we are predicting no change from the amount we received in FY16, which is \$13,324.

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.



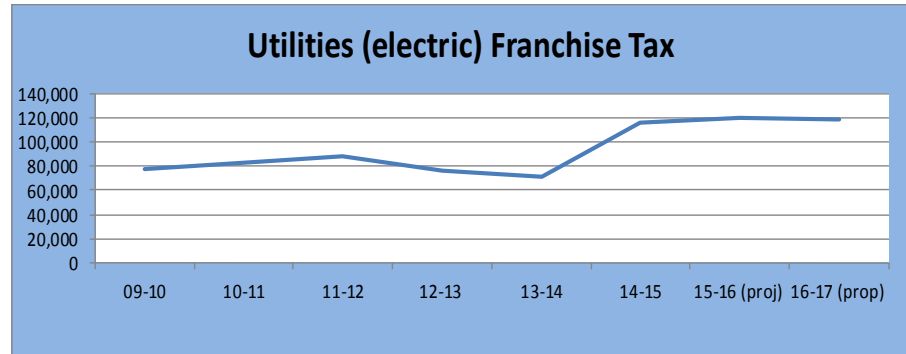
After the first \$2 million of this pool is parsed out to localities to support PEG services, the remainder is divided, in our case, based upon the “base rate” established in a filing we made in March of 2007 to the Secretary of State. This base amount is the proportionate share our franchise fee (from 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.

Based on FY16 projections, we have budgeted a 3% decline in revenue for FY17. 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, Channel 10 broadcasts our Council meetings at no cost to the Town.

Utilities Franchise Tax:

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

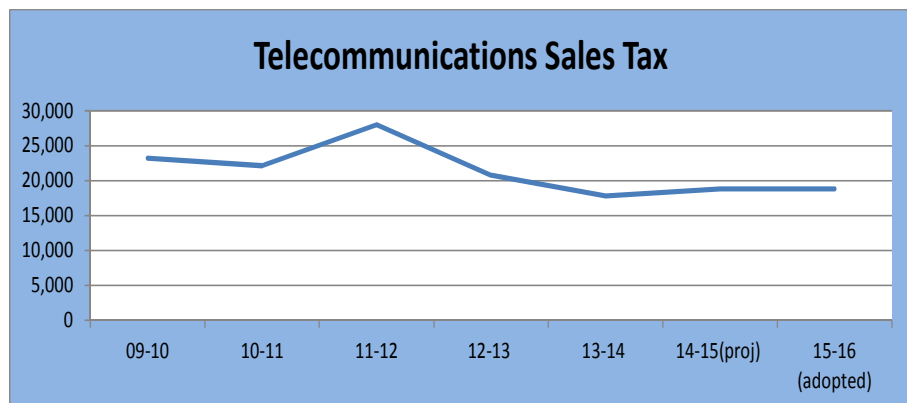


We receive this money quarterly. In the proposed budget, remaining conservative, we are budgeting \$119,000 in this line. This position is taken using our projection for the end of FY 2016 as the projection for FY17. The North Carolina League of Municipalities (NCLM) is predicting a statewide 9% increase 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 81% of budgeted revenue in the current fiscal year. However, to be conservative, we project a 20% decrease in revenue for FY17 and will essentially use the projected revenue in FY16 as our budgeted revenue in FY17, which is \$15,500. A decline of 2% is predicted by the NCLM.

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 increase 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 and State Grants:

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

Miscellaneous:

Much of the revenue shown in this line in FY 2016 is from recreation program fees. 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.

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:

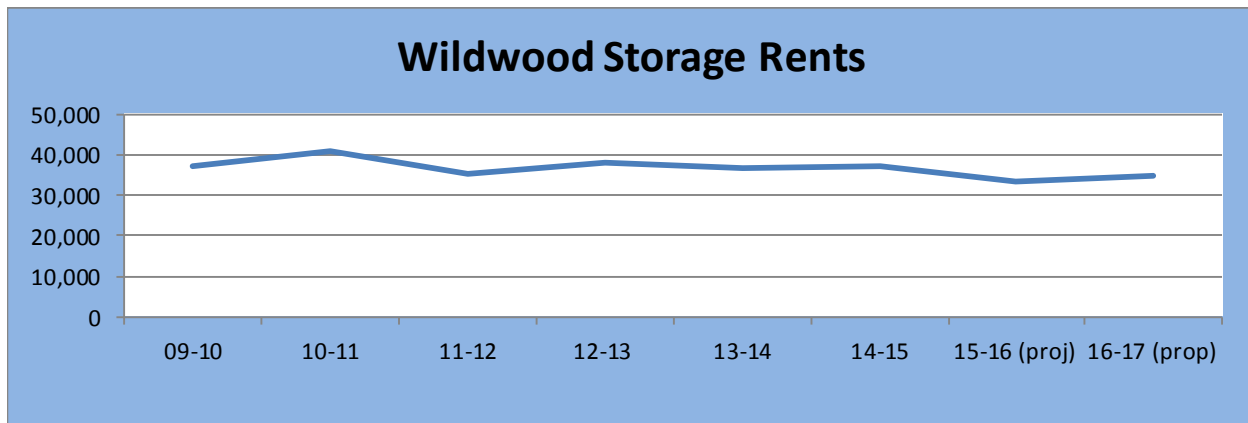
This line reflects revenue from our enterprise funds for rental of office space and charges for reserving the park or Town Hall meeting room.

Wildwood Storage Rentals:

The line reflects our revenue from the rental of the units in Wildwood, the town's storage facility. The budgeted amount for FY17 is based upon our current rental rates, which appear competitive in the local market, and uses an 80% occupancy rate.

In FY17 we have budgeted \$34,560 as total revenue from this source. This includes indoor and outdoor units.

		Monthly Rev. as of April
Enclosed Units	37	\$2,935
Open Spaces	40	\$1,000
Total Units on Property	77	\$3,935
less		
Town Occupied Units	5	\$335
Net Units Available for Rental	72	\$3,600
Units Available for Rent	11	\$275
Units Past Due or Over-locked	0	\$0
Total Loss	11	\$275
Total Occupied and Paid	61	\$3,325
Rate of Paid Occupancy (units)	79.2%	



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 11.03% decrease, or a \$211,558 decrease, from the current fiscal year budget. Most of that amount (\$168,553) is due to the reduced amount of transfers from Capital Reserves.

This year, we do not budget any revenue from appropriated fund balance. That reflects a \$77,029 reduction than the budgeted appropriated fund balance for FY16. The most substantive change to the external revenue projects for FY17 is in the State collected revenue. Our projected revenue shows an increase of 10% or \$20,075 over the FY16 budgeted amount. Based on previous quarterly projection, we actually anticipate even more revenue in that line but being conservative in nature, our FY17 budgeted revenue is based on our FY16 projected revenue. The other major revenue change is internal in nature and is a 76% decrease from Capital Reserve, as previously noted.

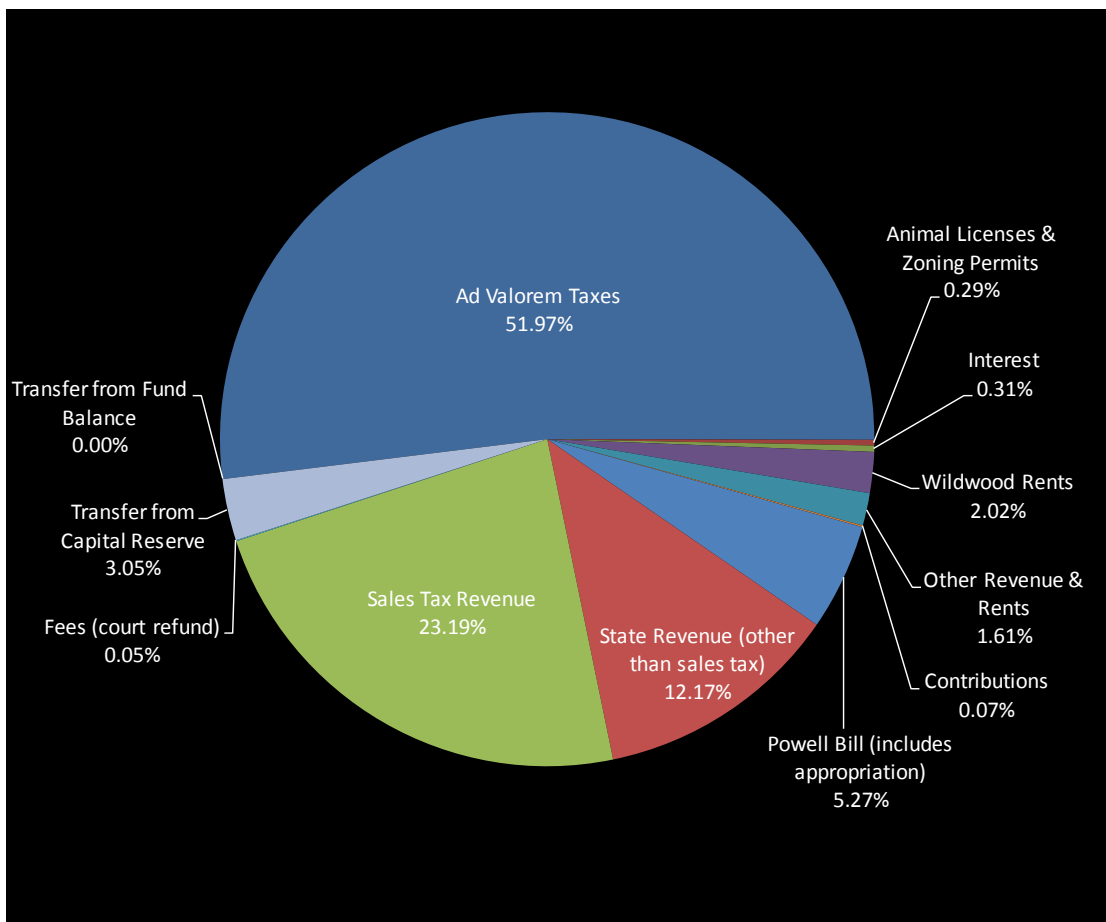
The proposed revenue-neutral tax rate and its corresponding revenue, along with the other revenues mentioned above, will allow us to maintain our infrastructure and maintain the current levels of service while looking at the future needs of the community. We are also able to maintain an appropriate level 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 2016-2017

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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	
	13-14	14-15	15-16	16-17	%	\$
	Actual	Actual	Budget	Proposed		
Ad Valorem Taxes	918,326	891,577	876,842	887,124	1.17%	10,282
Animal Licenses & Zoning Permits	5,923	5,667	4,400	4,900	11.36%	500
Interest	218	347	502	5,251	946.02%	4,749
Wildwood Rents	36,709	37,322	36,580	34,560	-5.52%	-2,020
Other Revenue & Rents	43,354	42,077	38,940	27,502	-29.37%	-11,438
Contributions	2,726	822	785	1,175	49.68%	390
Powell Bill (includes appropriation)	93,909	92,300	91,000	90,000	-1.10%	-1,000
State Revenue (other than sales tax)	178,731	212,617	187,642	207,718	10.70%	20,075
Sales Tax Revenue	369,291	394,208	383,566	395,900	3.22%	12,334
Government Grants (Fed, State & County)	13,639	478	0	0	0.00%	0
Fees (court refund)	1,266	645	699	850	21.60%	151
Charges to Other Funds	0	0	0	0	0.00%	0
Transfer from Capital Reserve	188,283	76,345	220,553	52,000	-76.42%	-168,553
Transfer from LESA Fund						0
Transfer from Fund Balance	0	0	77,029	0		-77,029
TOTAL	1,852,376	1,754,403	1,918,538	1,706,980	-11.03%	-211,558



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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Revenue		12-13		13-14		14-15		15-16			16-17
		YR End	Actual	YR End	Actual	YR End	Actual	Current	Collections	Projected	Proposed
		Budget	Revenue	Budget	Year-End	Budget	Year-End	Budget	as of	Year-End	Budget
									02/28/16		
3100-108	AD VALOREM Taxes	802,675	804,033	803,399	818,114	802,229	814,608	809,358	786,851	809,358	798,658
3100-180	Tax Penalties	0	0	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	76,968	67,484	50,216	73,672	88,466
3210-851	Animal Licenses	3,000	2,240	4,000	3,150	2,000	2,971	2,400	1,640	2,400	2,400
3231-010	Sales Tax - Art. 39 1%	127,615	133,138	132,800	133,912	129,540	139,819	138,373	97,442	144,961	145,000
3231-020	Sales Tax - Art. 40 1/2%	71,064	81,225	77,715	85,031	82,365	91,251	88,994	62,613	91,664	91,700
3231-030	Sales Tax - Art. 42 1/2%	64,183	67,399	67,000	68,063	65,602	70,673	69,964	49,256	70,112	70,100
3231-040	Sales Tax (Local Opt)- Art. 44 1/2%	0	76	0	44	0	6	0	-15	0	0
3329-200	Hold Harmless Tax Distribution	65,604	77,840	73,260	82,241	78,964	92,459	86,235	61,705	89,134	89,100
3261-100	Cable TV Franchise	0	0	0	0	0	0	0	0	0	0
3278-300	Solid Waste Disposal Tax	2,200	1,975	2,200	1,755	1,700	1,980	1,800	1,475	1,900	1,900
3316-099	Powell Bill Appropriation	0	0	0	0	0	0	0	0	0	0
3316-370	Powell Bill Allocation	91,421	93,318	91,877	93,909	91,000	92,300	91,000	90,502	90,502	90,000
3322-200	Beer and Wine Tax	12,740	12,694	12,485	13,635	12,235	14,804	12,235	0	13,324	13,324
3323-200	Video Programming Sales Tax	68,344	66,575	66,935	66,996	65,223	62,865	60,927	31,206	60,875	59,894
3324-200	Utilities Franchise Sales Tax	80,791	75,996	73,529	80,300	67,757	115,748	95,665	60,293	119,975	119,000
3332-200	Telecomm Sales Tax	20,419	20,762	21,035	17,800	19,200	19,200	18,816	8,656	15,290	15,500
3340-853	Court Refunds	300	480	500	1,266	1,000	645	699	518	845	850
3343-850	Zoning Permits	2,000	1,584	2,000	2,773	2,000	2,696	2,000	2,394	2,794	2,500
3430-310	Federal Grant- BVP Program	640	172	170	367	170	338	0	0	0	0
3433-315	Federal Disaster Assistance	0	0	0	0	0	0	0	0	0	0
3433-320	State Disaster Assistance	0	0	0	0	0	0	0	0	0	0
3490-400	Interlocal Service Agreements	0	0	0	0	0	0	0	0	0	0
3613-360	County Government Grants	0	0	0	0	0	0	0	0	0	0
3613-760	State Government Grants	55,092	55,092	18,200	13,272	0	140	0	0	0	0
3830-800	Miscellaneous	1,640	16,947	13,500	15,719	2,000	19,182	11,240	7,056	8,306	5,945
3830-850	Insurance Settlements	0	464	0	0	0	0	0	0	2,381	0
3831-370	Interest- Powell Bill	1	1	1	0	1	11	1	15	15	1
3831-810	Interest- General Fund	1,495	482	500	218	500	336	500	1,336	2,736	5,250
3832-605	Recreation Land Fees	0		0	0	0	0	0	0	0	0
3833-820	Contributions	1,000	1,720	1,000	2,726	1,000	822	785	1,138	1,168	1,175
3834-852	Wildwood Storage Rentals	34,000	38,166	34,000	36,709	37,260	37,322	36,580	26,818	33,468	34,560
3834-860	Rents & Concessions	18,000	18,000	18,000	18,050	18,000	18,095	18,000	12,000	18,000	18,000
3835-865	Sale of Fixed Assets	0		6,000	7,555	0	1,499	7,900	5,950	5,950	1,657
3839-351	Sales Tax Refund Revenue	0	2,361	0	275	0	1,320	0	0	0	
3920-892	Proceeds from Debt	0	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	220,553	220,553	220,553	52,000
3980-983	Transfer from Parks Fund	0	0	0	0	0	0	0		0	0
3980-984	Transfer from Water Fund	0	0	0	0	0	0	0		0	0
3980-985	Transfer from Sewer Fund	0	0	0	0	0	0	0		0	0
3980-988	Transfer from LESA Fund	22,111	22,111	0	0	0	0	0		0	0
3991-991	Appropriated Fund Balance	29,079	0	6,144	0	97,322	0	77,029			
	TOTAL REVENUES	1,658,542	1,684,330	1,782,132	1,852,376	1,717,811	1,754,403	1,918,537	1,579,618	1,879,383	1,706,980

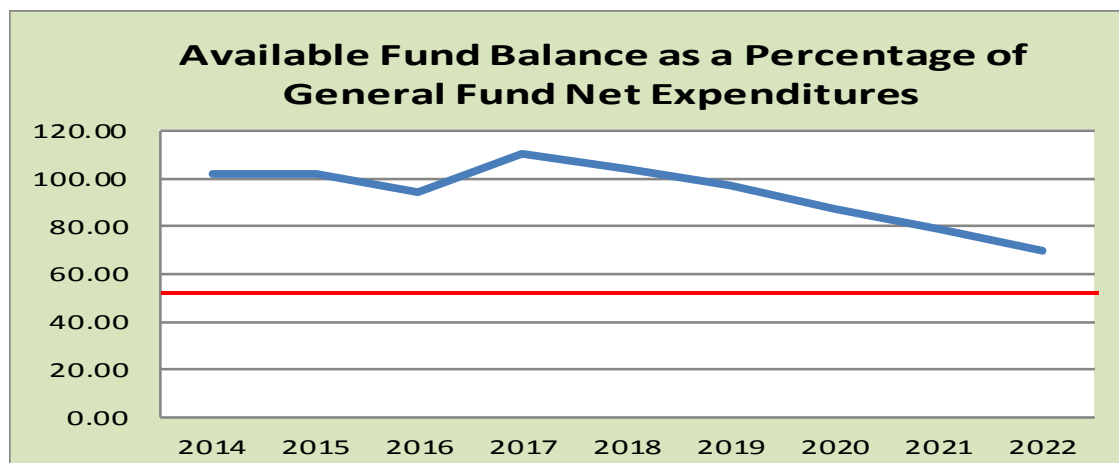
General Fund Balance

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 2015 had a Fund Balance of 101.71%, and we project a Fund Balance of 94.04% 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 a revenue-neutral tax rate and zero fund balance appropriation, predicts a fund balance percentage, at the end of the fiscal year, of 110.26%.

Fund Balance remains, according to our projections, at or above 50% through the end of Fiscal Year 2022 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.

	.2650 tax rate			0.3105 tax rate					
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund Balance \$	1,528,163	1,654,436	1,712,625	1,793,200	1,799,839	1,738,766	1,640,630	1,510,152	1,371,259
	(annual financial report data)		Projected						
Fund Balance %	101.90	101.71	94.04	110.26	103.76	96.83	87.17	78.83	69.82



Five Year Financial Forecast

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

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

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

Expenditures

- .5% COLA for FY2017 and 2% per year thereafter.
- Other compensation changes per the approved Pay Plan.
- No increase in staffing level from FY 2016 levels.
- Local Government Employees Retirement System *Employer Contribution Rate Stabilization Policy* rates used.
- 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 per year in Property & Liability Insurance after a 10% increase this year.
- 2% increase per year in Electric expenditures.
- 2% per year in Telephone and Postage expenditures.
- 3% per year increase in motor fuel expenditures.
- 3% increase per year in many other routine expenditures.
- Includes all vehicle and IT replacement per plans.
- \$30,000 per year expenditure for stormwater - \$30,000 going into CIP for stormwater.
- Maintains LESA funding at \$10,000 this year. For FY 18 and beyond, the assumed 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. 99.89% FY17 collection rate, 99.5% collection rate thereafter. Tax rate of \$.3105 per hundred dollars of valuation.
Motor Vehicle:	1% per year decrease in tax base. 99.7% collection rate this year and 100% thereafter. Tax rate of \$.3105 per hundred dollars of valuation.
Sales Taxes:	No change in FY 17 from FY 16 year-end level and 3% growth per year thereafter.
Powell Bill:	Level funding per year in the amount of \$90,000.
Beer and Wine Tax:	No change in FY 17 from FY 16 year-end level and 2% decrease per year thereafter.
Video Programming Sales Tax:	2% per year decrease from FY 2016 year-end level.
Utilities Franchise Tax:	No change in FY 17 from FY 16 year-end level and 2% growth per year thereafter.
Telecommunication Sales Tax:	No change in FY 17 from FY 16 year-end level and 2% decrease per year thereafter.
Sale of Fixed Assets:	Tracks with years' new vehicles are purchased.
Wildwood Storage Rental	80% Occupancy Rate this year and no rate changes, 85% Occupancy Rate thereafter.

This worksheet shows the General Fund expenditure summary by department. This worksheet shows historical data from FY 15 and projected expenditures for FY16 and proposed amounts for FY17. The forecast amounts for FY18 through FY 22 are based upon the assumptions noted previously.

General Fund Expenditure Summary									
		14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
		Actual	Proj	Proposed					
4110	Governing Body	24,278	27,554	25,907	31,890	27,460	32,603	27,903	33,352
4120	Administration	216,929	226,775	227,953	241,239	250,551	274,364	286,125	288,526
4130	Finance	93,908	99,929	100,468	105,843	112,295	117,675	125,027	120,519
4140	Tax Listing	11,724	11,531	12,048	12,058	12,100	12,142	12,186	12,231
4150	Legal Services	21,698	7,580	25,000	30,000	30,000	30,000	30,000	30,000
4170	Elections	-	4,591	-	5,509	-	6,611	-	7,933
4310	Police	490,983	515,037	496,650	541,562	563,713	586,706	584,484	614,976
4190	Public Buildings	72,940	59,935	60,054	64,045	67,616	71,478	75,666	79,882
4330	Emergency Services	3,735	3,854	3,862	3,978	4,097	4,220	4,347	4,477
4380	Animal Control	11,506	12,345	11,810	12,476	13,182	13,943	14,775	14,775
4510	Street Maintenance	193,261	206,949	182,769	188,918	208,125	210,484	213,033	213,515
4560	Public Works	113,217	146,742	171,210	153,597	159,737	166,275	173,316	174,901
4710	Leaf & Limb and Solid Waste	39,028	34,084	38,505	40,387	42,361	44,433	46,607	48,888
4730	Stormwater Management	119,085	107,812	39,987	62,073	63,503	65,027	66,669	67,074
4760	Wetlands & Waterways	8	253	6,000	10,650	6,305	6,464	11,128	6,796
4910	Planning & Zoning	34,230	41,745	43,693	46,722	48,396	50,541	52,884	52,940
6120	Recreation & Special Events	5,931	7,525	7,500	7,725	7,957	8,195	8,441	8,695
6130	Parks & CAC	42,040	38,452	42,034	42,888	44,621	46,456	48,417	49,150
	Contingency (1% per policy)	27,147	27,500	25,955	27,016	27,620	28,476	28,810	29,286
	Transfer to Capital Reserve	105,000	241,000	105,000	106,000	106,000	106,000	106,000	106,000
	TOTAL	1,626,651	1,821,193	1,626,405	1,734,576	1,795,638	1,882,095	1,915,819	1,963,916
	<i>Change from previous year</i>	-3.06%	11.96%	-10.70%	6.65%	3.52%	4.81%	1.79%	2.51%

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.

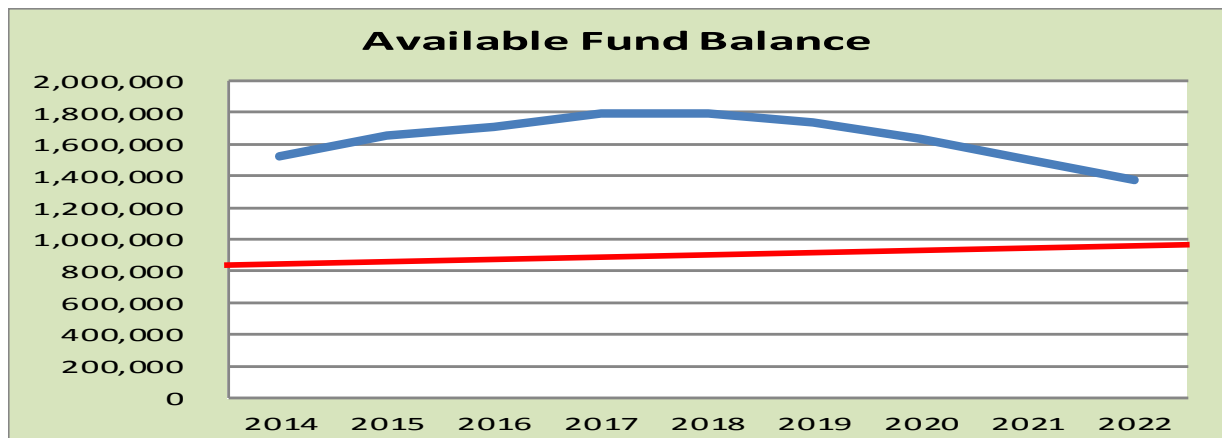
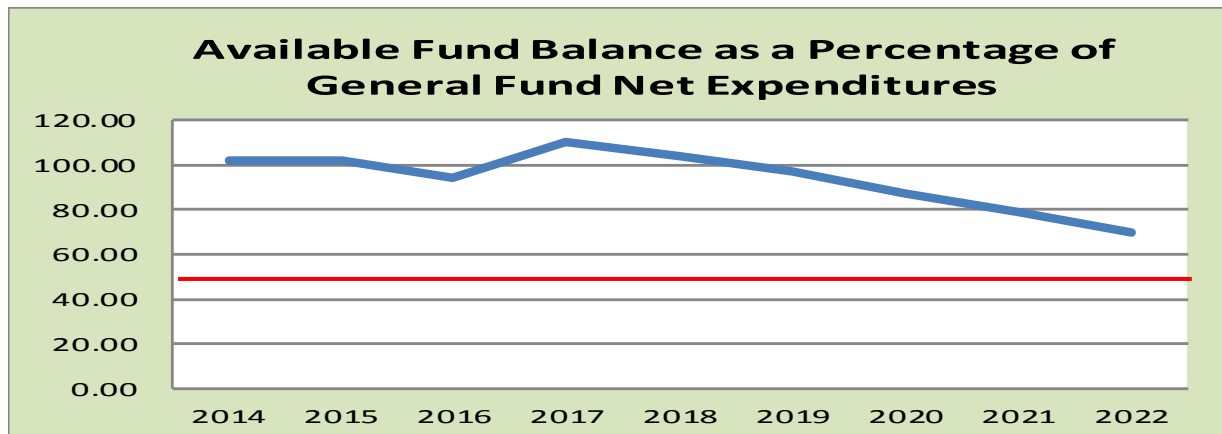
General Fund Revenue Summary								
	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
	Actual	Proj	Proposed					
Ad Valorem Taxes	891,577	883,030	887,124	891,103	898,262	905,510	912,847	920,276
Animal Licenses & Zoning Permits	5,667	5,194	4,900	4,400	4,400	4,400	4,400	4,400
Interest	347	2,752	5,251	6,277	9,000	8,695	8,204	7,552
Wildwood Rents & Cable Franchise	37,322	33,468	34,560	36,720	36,720	36,720	36,720	36,720
Other Revenue & Rents	42,077	36,537	27,502	33,540	31,040	33,540	33,540	33,540
Contributions	822	1,168	1,175	1,000	1,000	1,000	1,000	1,000
Powell Bill (includes appropriation)	92,300	90,502	90,000	90,000	90,000	90,000	90,000	90,000
State Revenue (other than sales tax)	212,617	209,464	207,718	208,323	209,012	209,784	210,640	211,579
Sales Tax Revenue	394,208	395,871	395,900	407,777	420,010	432,611	445,589	458,957
Government Grants (Fed, State & County)	478	0	0	0	0	0	0	0
Fees (court refund)	645	845	850	1,000	1,000	1,000	1,000	1,000
Charges to Other Funds	0	0	0	0	0	0	0	0
Transfer from Capital Reserve	76,345	220,553	52,000	61,075	34,121	60,700	41,400	60,000
Transfer from LESA Fund								
Transfer from Fund Balance								
TOTAL	1,754,403	1,879,383	1,706,980	1,741,215	1,734,565	1,783,959	1,785,340	1,825,023
<i>Change from previous year</i>	-5.29%	7.12%	-9.17%	2.01%	-0.38%	2.85%	0.08%	2.22%

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The worksheet and charts shown below summarize the effect upon fund balance with an increase in the tax rate. Absent increases in revenue, or substantial decreases in spending, with the resultant modification to services provided, a structural deficit, as illustrated below, will begin in FY19. While a deficit is forecast in revenue vs. expenditures, we remain well above the 50% Fund Balance level. The red line represents the 50% minimum fund balance threshold as established by the Council.

Proforma Of Fund Balance									
	.2650 tax rate			0.3105 tax rate					
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Available									
Fund Balance \$	1,528,163	1,654,436	1,712,625	1,793,200	1,799,839	1,738,766	1,640,630	1,510,152	1,371,259
	(annual financial report data)			Projected					
Available	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund Balance %	101.90	101.71	94.04	110.26	103.76	96.83	87.17	78.83	69.82
GF Expenditures	1,677,947	1,626,651	1,821,193	1,626,405	1,734,576	1,795,638	1,882,095	1,915,819	1,963,916
50% of Expense	838,974	813,325	910,595	813,202	867,288	897,819	941,048	957,910	981,958
Ad Valorem Revenue	918,326	891,577	883,030	887,124	891,103	898,262	905,510	912,847	920,276
All Other Revenue	934,050	862,826	996,353	819,856	850,112	836,303	878,449	872,493	904,748
Revenue	1,852,376	1,754,403	1,879,383	1,706,980	1,741,215	1,734,565	1,783,959	1,785,340	1,825,023
Revenue-Expense	174,429	127,752	58,189	80,575	6,639	-61,073	-98,136	-130,479	-138,893

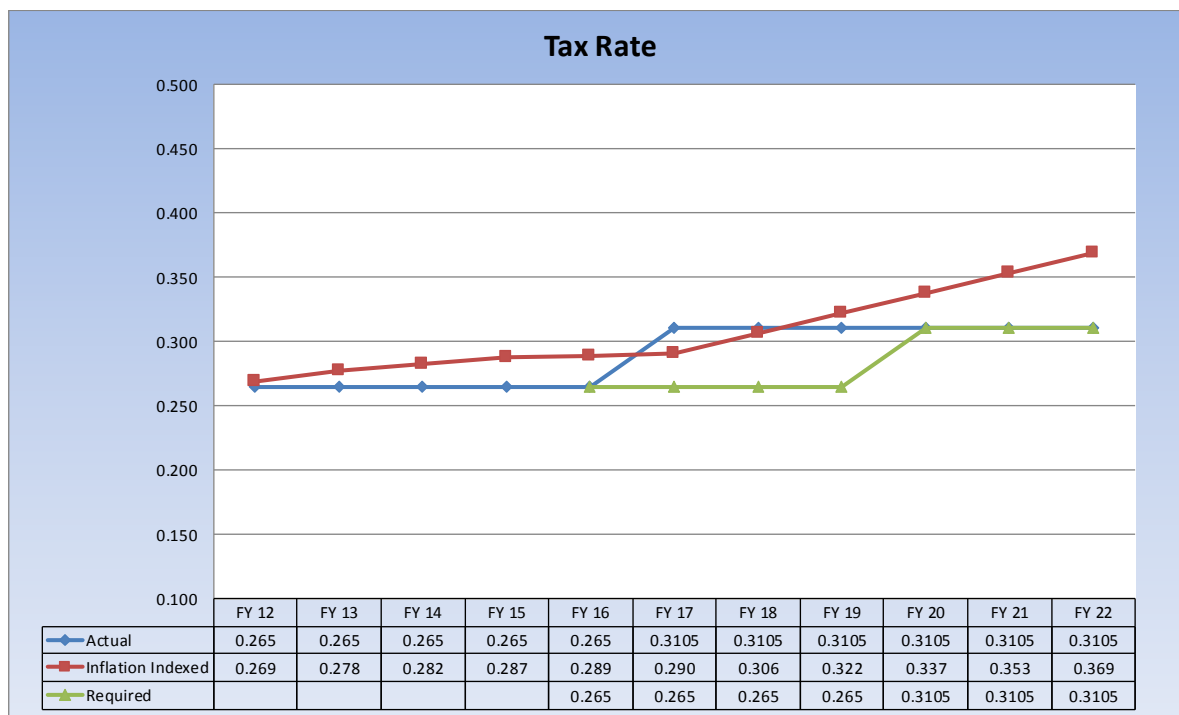


Our options to ameliorate a structural deficit are rather limited. We have, effectively, one local revenue that we can adjust to increase revenue, and a wider variety of ways to reduce expenditures. Spending reductions, in order to make a substantial change in the structural deficit, would need to come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

Increasing revenue through an increase in the tax rate also has consequences that must be evaluated. While our tax rate did increase this year, it was increased to a revenue-neutral rate, which did not increase tax revenue. The latest data (2015) shows the average tax rate in the state is \$0.4492, or 13.87 cents higher than our current rate. 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 2019. 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 at an acceptable level. Even at the FY 20 “required” level, the Town’s tax rate remains below the state median.

The Inflation Adjusted tax rate is calculated using our previous 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. From FY18 forward, the rate is increased by an inflation factor equal to the average rate of inflation over the past five years (0.01566%). In FY17 and FY18 our actual tax rate is slightly higher than the inflation indexed rate. In FY19 it is slightly lower. From FY20 through FY22, it is an average of 4.2 cents less than the inflation indexed rate.



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While we are not advocating a change in the tax rate, we show you this information to demonstrate how the tax rate would need to be increased in order to maintain pace with inflation. As noted earlier, an increase in the tax rate affects our property owners. The table below shows the effect of changing the tax rate to the inflation indexed rate. The first column shows what the current tax bill would be at various assessed values. It also shows what the tax bill would be in FY17 and future years if the tax rate were levied at the inflation indexed rate. As noted earlier, in FY17 and FY18, the inflation indexed tax rate is lower than the current rate, thus in those years the tax bill would be lower if we used the inflation indexed rate. However, in FY20-FY22, the current rate is lower than the inflationary rate. The \$115,830 row is highlighted as this approximates the median value of taxed property in River Bend.

There is no guarantee that the tax rate will not be changed in any of the years in the five-year forecast. There are many variables that may affect that decision in the future. However, based on the assumptions noted at the beginning of this forecast, a tax rate increase will not be necessary to keep our Fund Balance above the 50% threshold.

Assessed Value	Current Bill 0.3105	FY17 0.29 Diff v. Current	FY18 0.306 Diff v. Current	FY19 0.322 Diff v. Current	FY20 0.337 Diff v. Current	FY21 0.353 Diff v. Current	FY22 0.369 Diff v. Current
95,000	295	276 -19	291 -4	306 11	320 25	335 40	351 56
115,830	360	336 -24	354 -5	373 13	390 31	409 49	427 68
150,000	466	435 -31	459 -7	483 17	506 40	530 64	554 88
190,000	590	551 -39	581 -9	612 22	640 50	671 81	701 111
200,000	621	580 -41	612 -9	644 23	674 53	706 85	738 117
250,000	776	725 -51	765 -11	805 29	843 66	883 106	923 146
300,000	932	870 -62	918 -14	966 35	1,011 80	1,059 128	1,107 176
350,000	1,087	1,015 -72	1,071 -16	1,127 40	1,180 93	1,236 149	1,292 205
400,000	1,242	1,160 -82	1,224 -18	1,288 46	1,348 106	1,412 170	1,476 234
500,000	1,553	1,450 -103	1,530 -23	1,610 58	1,685 133	1,765 213	1,845 293
600,000	1,863	1,740 -123	1,836 -27	1,932 69	2,022 159	2,118 255	2,214 351

Current Rate	Inflation Indexed Rate
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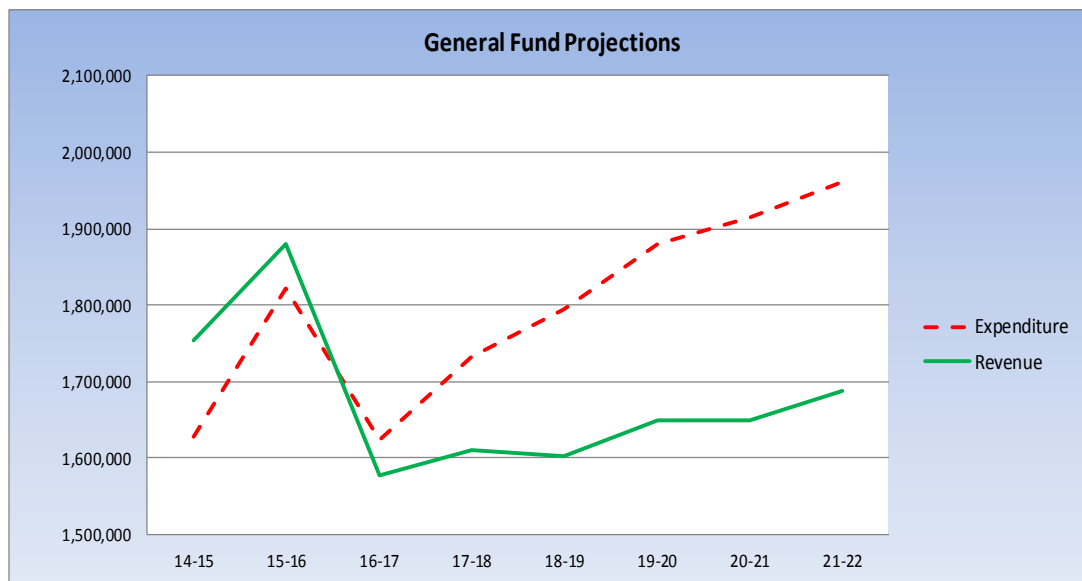
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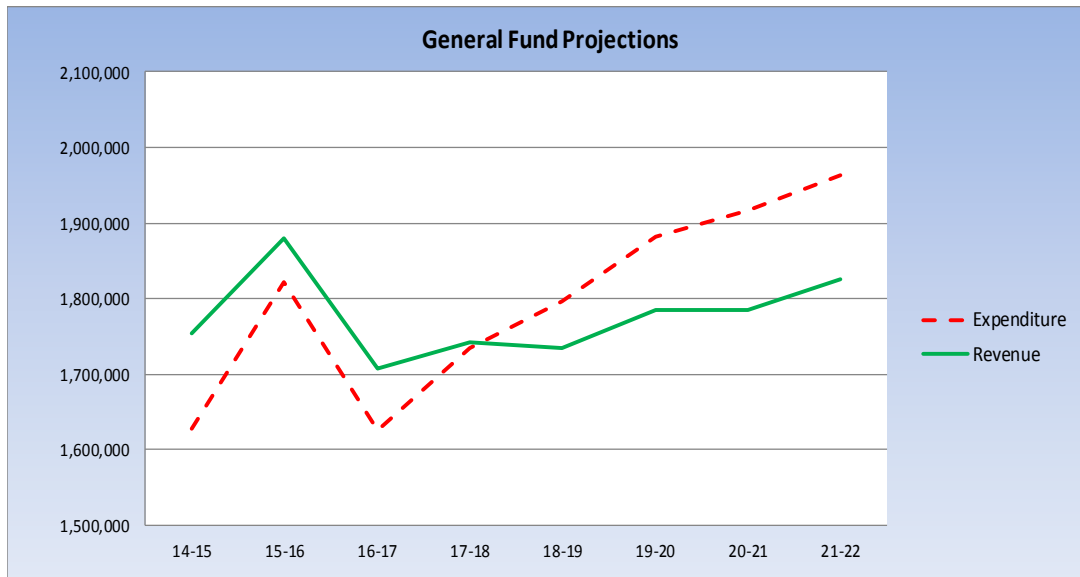
The table below shows the anticipated revenue from both real and motor vehicle taxes for the current year and five years thereafter. The current year is highlighted. The current year “base” figures are estimated values and subject to change. After FY17, the real property value is estimated to increase by 1% per year, while the motor vehicle value is estimated to decrease 1% per year. Note that the tax rate, for this forecast period, is estimated to remain unchanged.

FY	Real Property				Motor Vehicle			
	Base	Rev Base	Rate	Revenue	Base	Rev Base	Rate	Revenue
2009	212,017,722	211,742,099	0.250	529,355	29,248,640	27,812,532	0.250	69,531
2010	216,689,297	215,584,182	0.280	603,636	27,462,910	26,026,600	0.280	72,874
2011	305,002,718	302,410,195	0.265	801,387	23,000,000	21,893,700	0.265	58,018
2012	305,002,718	302,410,195	0.265	801,387	23,000,000	21,893,700	0.265	58,018
2013	304,970,080	302,896,283	0.265	802,675	25,287,479	24,119,197	0.265	63,916
2014	304,448,288	303,169,605	0.265	803,399	26,775,602	25,509,116	0.265	67,599
2015	304,616,367	302,727,746	0.265	802,229	25,816,641	24,301,204	0.265	64,398
2016	306,459,970	305,418,006	0.265	809,358	25,816,641	25,465,535	0.265	67,484
2017	257,500,000	257,216,750	0.3105	798,658	28,500,000	28,491,450	0.3105	88,466
2018	260,075,000	258,774,625	0.3105	803,495	28,215,000	28,215,000	0.3105	87,608
2019	262,675,750	261,362,371	0.3105	811,530	27,932,850	27,932,850	0.3105	86,731
2020	265,302,508	263,975,995	0.3105	819,645	27,653,522	27,653,522	0.3105	85,864
2021	267,955,533	266,615,755	0.3105	827,842	27,376,986	27,376,986	0.3105	85,006
2022	270,635,088	269,281,912	0.3105	836,120	27,103,216	27,103,216	0.3105	84,155
Incr 1% / year					Decr 1% / year			
99% collection					100% collection FY17			

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



This graph shows revenue and expense for the next five years with no increase in the tax rate.



This chart shows revenue and expenses for the next five years with the changes in the tax rate as discussed previously.

The reader will notice that the gap between revenue and expenditures is much smaller with the increased tax rate. One of the difficulties with the foregoing analysis is the ability to accurately project future revenue and expenditures. We believe that the assumptions, as noted earlier, follow the philosophy of the elected body, in that they are quite conservative in estimating revenue and realistic in predicting expenditures. This analysis will be updated annually in order to give the elected leaders a basis of understanding the future impact of current policies.

General Fund	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Total Revenue	1,754,403	1,879,383	1,706,980	1,741,215	1,734,565	1,783,959	1,785,340	1,825,023
Total Expenditure	1,626,651	1,821,193	1,626,405	1,734,576	1,795,638	1,882,095	1,915,819	1,963,916
Revenue - Expenditures =	127,752	58,191	80,575	6,639	-61,073	-98,136	-130,479	-138,893

The chart above shoes the difference in revenue vs. expenditure for the current year and five-year forecast period, with no increase in the tax rate.

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. In FY 17 the contribution to this plan is budgeted at \$20,000.

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 2017.

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 2012 we began using this fund to cover the retirement benefits paid to eligible officers.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	Actual	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	20,000
Interest	237	239	44	41	23	26	8	15	127	140
Total Additions	7,237	8,239	8,044	8,041	42,733	39,026	20,008	10,015	10,127	20,140
Deductions										
Retirement Benefits Payable	0	0	0	0	4,710	22,111	22,111	27,810	29,999	27,850
Total Deductions	0	0	0	0	4,710	22,111	22,111	27,810	29,999	27,850
Change in Net Assets	7,237	8,239	8,044	8,041	38,023	16,915	-2,103	-17,795	-19,872	-7,710
Net Assets - Beginning of Year	0	7,237	15,476	23,520	31,561	69,584	86,499	84,396	66,601	46,729
Net Assets - End of Year	7,237	15,476	23,520	31,561	69,584	86,499	84,396	66,601	46,729	39,019

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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.

In accordance with Governmental Accounting Standards Board (GASB) Statement 73, the Town reclassified the Law Enforcement Officer's Separation Allowance Trust Fund to the General Fund. It is now reported as Assigned Fund Balance in the General Fund. As of June 30, 2016 that balance was \$46,729. The balance of zero for 2015 is misleading because it seems to indicate a zero balance in the Fund. That is not the case. The zero is shown due to the reclassification.

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	31,544	111,014	79,470	28.41%	239,398	33.20%
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%
2014	81,590	180,260	98,670	45.26%	269,860	36.56%
2015	0	161,530	161,530	0.00%	306,026	52.78%

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 2015-16 Highlights including Special Projects and Purchases- Water

- Replaced flow meters on wells #1 and #2
- Completed a multi-year project to install backflow preventers on all residential connections
- Under contract, had both water towers inspected and provided routine maintenance

Fiscal Year 2015-16 Highlights including Special Projects and Purchases - Sewer

- Installed soft-start for blowers at water treatment plant
- Repaired lift station in sewer collection system
- Purchased new samplers
- Under contract, continued to provide off-site disposal of sludge from wastewater treatment operations

Enterprise Funds Capital Improvement Plan

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

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

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

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

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

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

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

The Enterprise Fund CIP projects for Fiscal Year 17, 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 FY17. 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 repair a digester at the wastewater treatment plant. This is needed due to normal wear and tear of the digester. We also plan to purchase one new vehicle, half of that purchase will be funded from the sewer fund. In a smaller but important project, we will also replace a gear drive at the treatment plant.

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

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

		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Appropriation: Annual		0	0	0	0	0	49,500	49,500	49,500
Appropriation: Well pump		0	0	0	0	0	10,000	10,000	10,000
Appropriation: Vehicles (50/50 W/S)		3,000	3,000	3,500	3,500	3,500	3,500	3,500	3,500
	FY Appropriation:	\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 63,000	\$ 63,000	\$ 63,000
Capital Projects	Project Completed								
<i>Administration:</i>									
Vehicle Replacement (split Water/Sewer)	Per schedule			13,000	11,500			11,000	
<i>Treatment</i>									
Well #1 Filter Media Rehab	09-10				20,000				
Well #2 Filter Media Rehab							15,000		
Well #3 Filter Media Rehab	10-11			15,000					
Well #3 Pump Replacement	13-14								
Well #3 Filter Supports	14-15	12,448							
Well Meter Replacement				7,500					
<i>Distribution</i>									
New Bern Interconnection			0	42,000					
Industrial Meter Replacement					6,000		6,000		
	FY Expenditures:	12,448	0	77,500	37,500	0	21,000	11,000	0
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	Net Capital Cash:	\$ (9,448)	\$ 3,000	\$ (74,000)	\$ (34,000)	\$ 3,500	\$ 42,000	\$ 52,000	\$ 63,000

Sewer Fund Capital Improvement Plan

		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Appropriation: Annual		60,000	60,000	59,500	59,500	59,500	59,500	59,500	59,500
Appropriation: Vehicles (50/50 W/S)		3,000	3,000	3,500	3,500	3,500	3,500	3,500	3,500
FY Appropriations:		\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000
Capital Projects									
Project Completed									
<i>Administration:</i>									
Vehicle Replacement (split Water/Sewer)	Per schedule			13,000	11,500			11,000	
<i>Collection:</i>									
Upgrade Lift Station					15,000				16,000
<i>Treatment:</i>									
Unit #1 Clarifier Skimmer Replacement						30,000			
Unit #2 Clarifier Liner Replacement									8,000
Unit #2 Clarifier Repair	14-15	36,000							
Soft start for WWTP blowers	15-16		16,000						
WWTP Lift Station repair	15-16		19,000						
Surge Tank rehab					20,000				
Upgrade Digester				13,000					
FY Expenditures:		36,000	35,000	26,000	46,500	30,000	0	11,000	24,000
Net Capital Cash:		\$ 27,000	\$ 28,000	\$ 37,000	\$ 16,500	\$ 33,000	\$ 63,000	\$ 52,000	\$ 39,000

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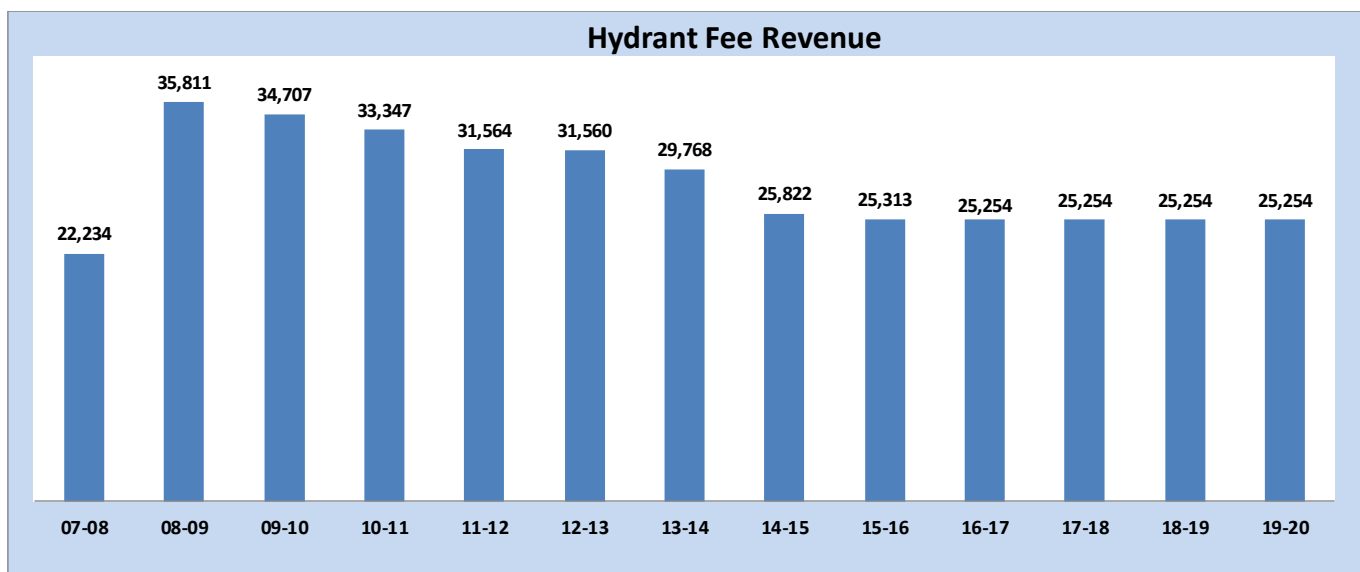
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Water and Sewer Capital Reserve Funds

Each Enterprise Fund (water and sewer) has an associated Capital Reserve Fund. Revenue for these funds came 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 FY17.

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

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.

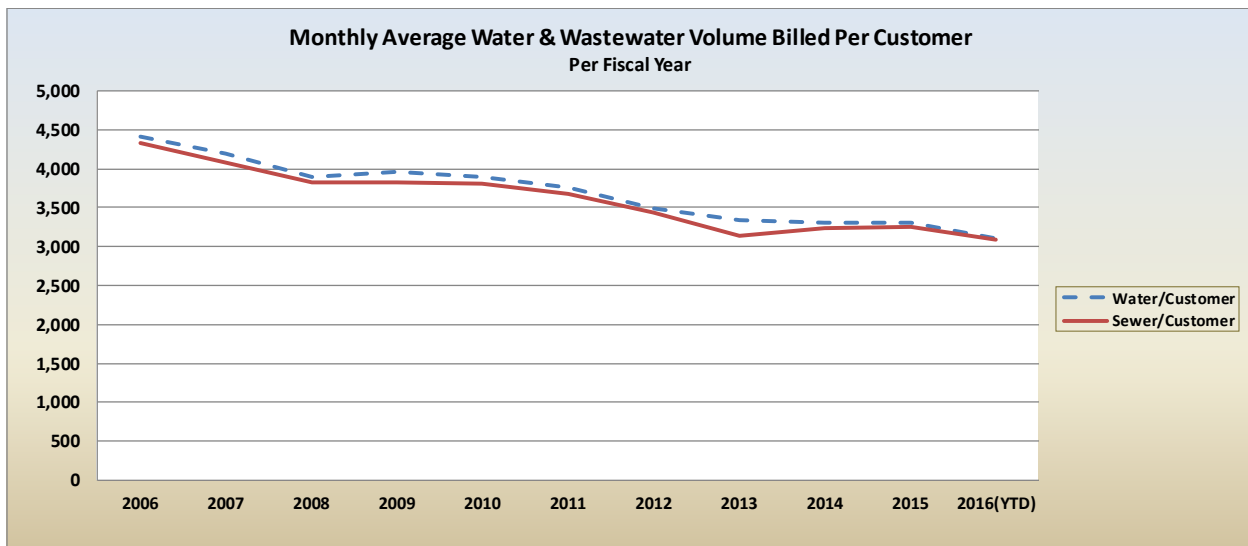
Usage: This component should be used to pay the remaining 25% of the debt service and capital costs and all direct operating costs.

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 2014 our average consumption per customer decreased by .70% and in FY 2015 it decreased another 0.70%. Through five billings in FY 2016 we are seeing a decrease of 6.2% 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. Since 2010, the decline has averaged 3.56% per 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
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	4,726,083	3,138,000
2016(YTD)	4,453,875	2,968,750

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 FY18 the Council may need to consider a rate adjustment if current consumption, revenue and expense trends continue. According to the Bureau of Labor Statistics, the consumer price index has increased only 0.50% 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

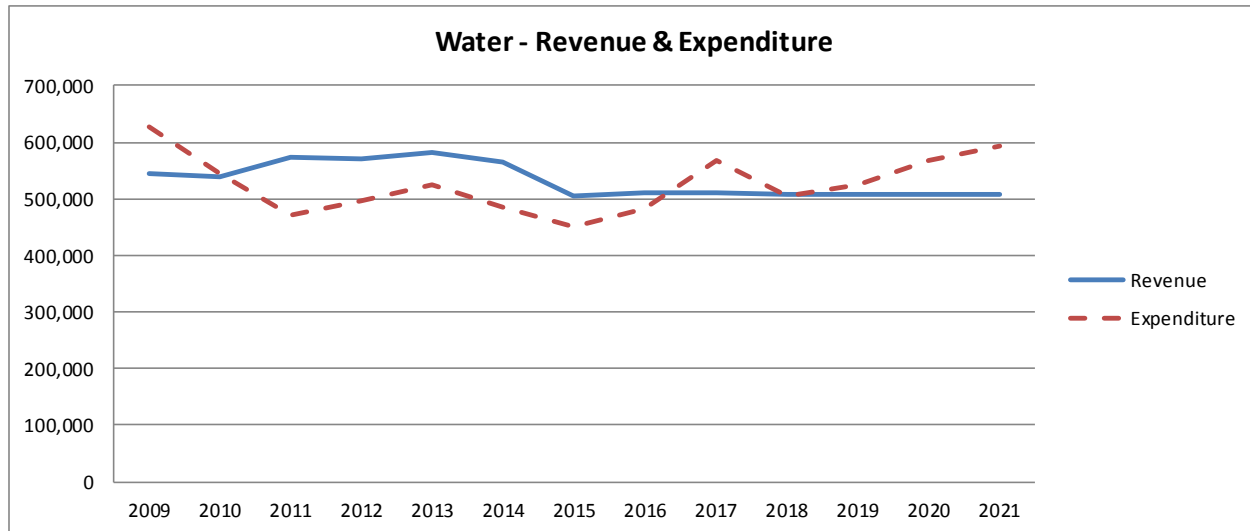
Water

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			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Customer	4.80	0.00%		Customer	52,894	55,533	85,567	86,445	87,519	89,317	89,177	88,918	88,529	87,999
	Demand	10.44	0.00%		Demand	145,412	171,155	145,912	119,005	108,242	171,847	111,511	111,793	127,034	129,248
	Base	15.24	0.00%												
	Use	4.02	0.00%		Use	299,291	297,500	254,679	246,618	286,775	306,048	304,089	323,929	350,504	374,654
	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	Projected for the Fiscal Year Ending June 30:					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue	473,592	569,017	545,123	538,101	572,695	570,196	581,324	565,797	505,934	509,632	509,906	507,865	508,345	508,730	508,910
Expenditure	455,986	581,549	625,875	543,409	471,872	497,597	524,187	486,159	452,068	482,536	567,212	504,777	524,640	566,067	591,902
Surplus (deficit)	17,606	(12,532)	(80,752)	(5,308)	100,823	72,598	57,136	79,638	53,866	27,096	(57,306)	3,088	(16,294)	(57,337)	(82,992)
50% Expend.	227,993	290,775	312,938	271,705	235,936	248,799	262,094	243,079	226,034	241,268	283,606	252,388	262,320	283,034	295,951
Cash Balance	240,993	227,515	208,316	126,512	245,475	328,695	463,455	550,056	619,568	646,663	634,857	641,445	628,651	574,814	495,322

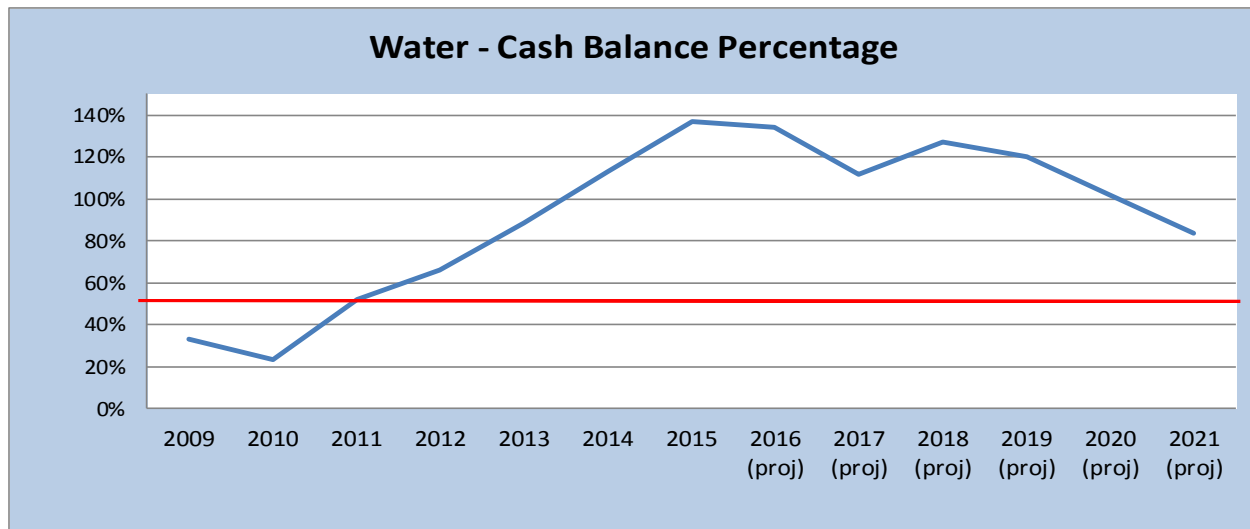
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Cash Balance – Water Fund (operating fund only)

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. The red line represents the Council's goal of 50% cash balance.



	FY 2013	FY 2014	FY 2015	Projected for the Fiscal Year Ending June 30:					
				2016 (proj)	2017 (proj)	2018 (proj)	2019 (proj)	2020 (proj)	2021 (proj)
Fund Bal. %	88.41%	113.14%	137.05%	134.01%	111.93%	127.08%	119.83%	101.55%	83.68%
Cash Balance	463,455	550,056	619,568	646,663	634,857	641,445	628,651	574,814	495,322

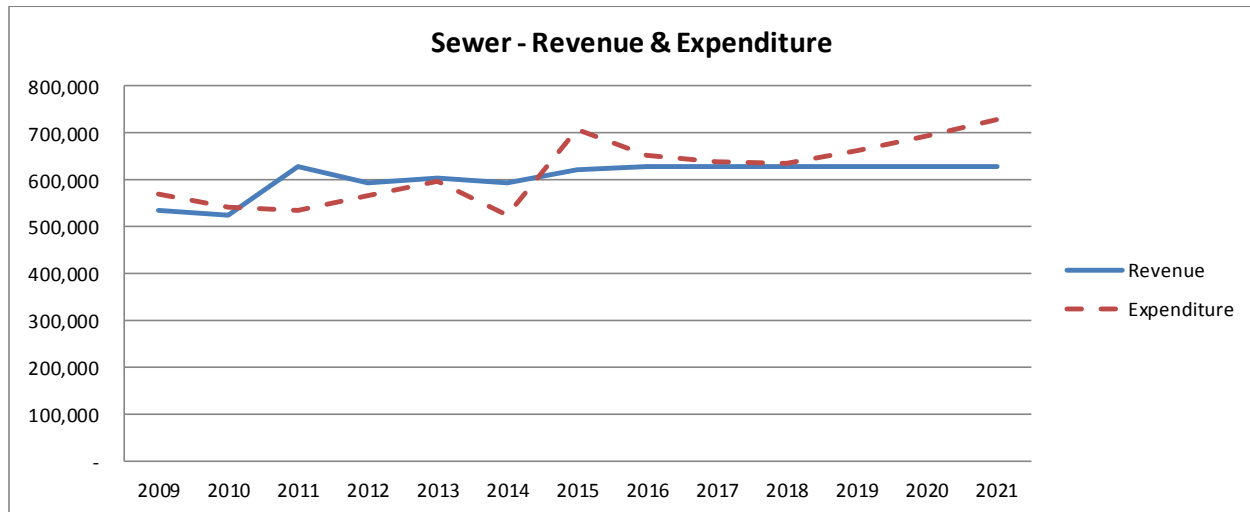
During the preparation of the FY 2010 budget, the Town Council made a conscious and appropriate decision to use cash balance to offset rate increases with the knowledge that in FY 2011 a rate increase would be necessary and cash balance would need to be restored. The strategy worked and our cash balance was restored to an appropriate level. During the FY 2017 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 2017 and in subsequent years. In FY 2017 the deficit is only \$9,668. The projections indicate minimal deficits until FY 2020. However, even with revenue deficits, our cash balance continues to grow through the end of FY 19. 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.

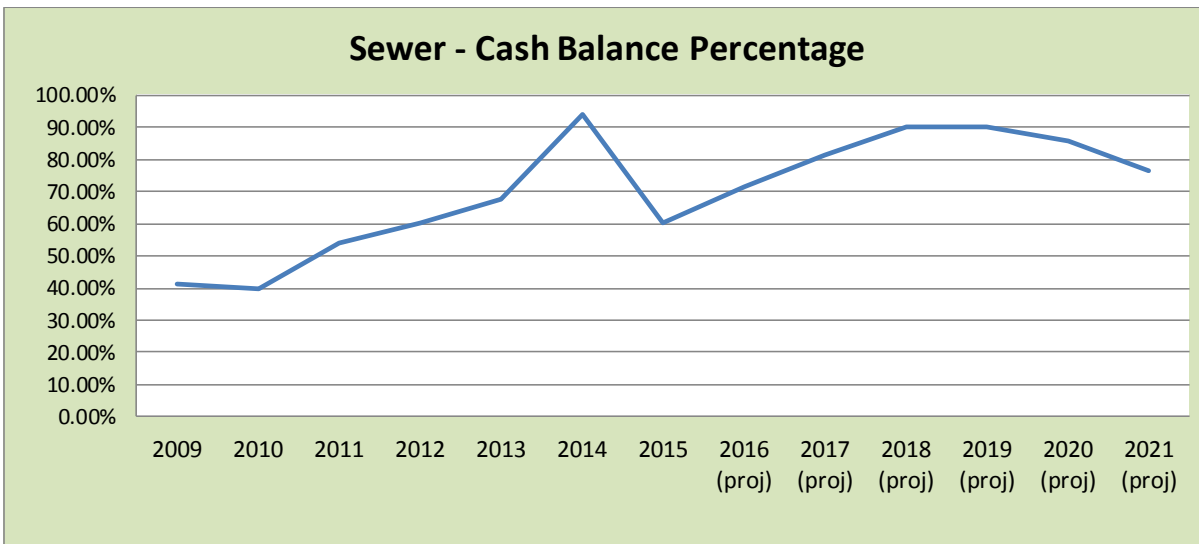
Wastewater

		Suggested			Expenditures to be paid by each rate component per model										
		Rate	Change			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Customer	7.35	0.00%		Customer	52,894	55,533	85,567	86,445	87,519	89,317	89,177	88,918	88,529	87,999
	Demand	16.83	0.00%		Demand	135,579	146,011	129,421	129,421	180,999	180,999	162,751	141,276	141,520	141,728
	Base	24.18	0.00%												
	Use	9.08	0.00%		Use	365,315	393,666	306,272	306,760	385,231	393,732	413,389	434,274	464,923	498,329



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	Projected for the Fiscal Year Ending June 30:					
	2013	2014	2015	2016 (proj)	2017 (proj)	2018 (proj)	2019 (proj)	2020 (proj)	2021 (proj)
Fund Bal. %	67.86%	94.15%	60.30%	71.30%	81.20%	90.15%	90.34%	85.93%	76.49%
Cash Balance	406,193	494,585	426,611	466,149	519,481	573,942	600,567	597,398	558,859

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 2017 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 2017. 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 shows the approved water and sewer rates and their effect upon a residential customer using 3,000 gallons per month.

Charges for 3,000 gallons per month			
		Current	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%

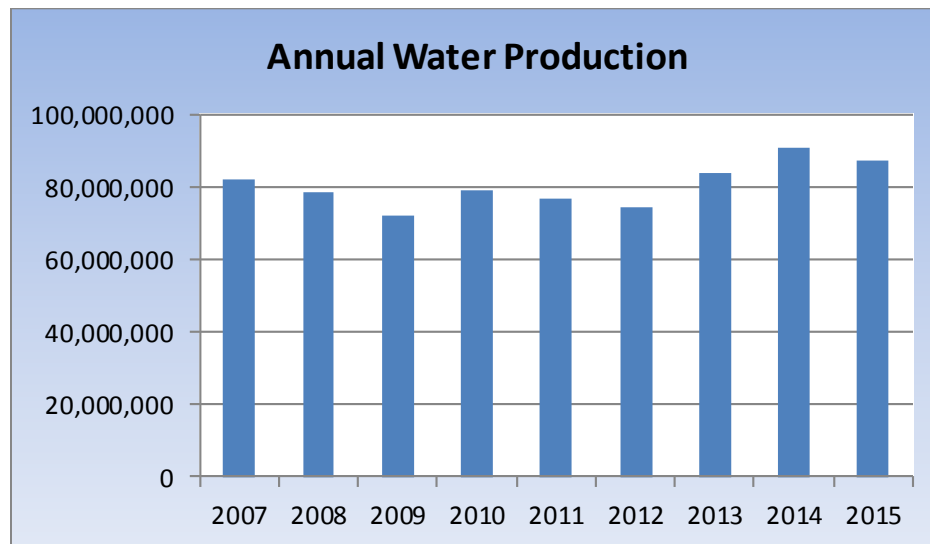
The table below shows the charges for a customer using water only.

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 2015 (calendar year), we treated 87,475,000 gallons with a daily average of 239,658 gallons. In 2014, we treated 83,980,000 gallons of water, an average of 230,082 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.

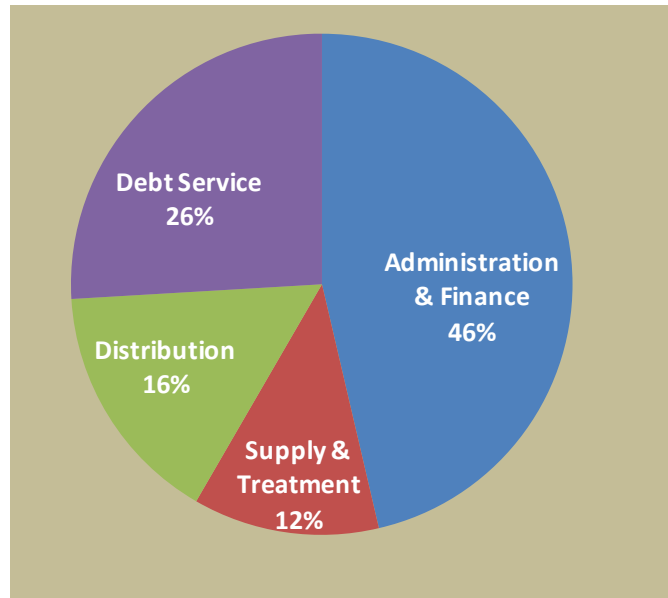
Water is transmitted to approximately 1,400 households through 19 miles of pipe ranging in size from two to eight inches in diameter. In addition to providing water for consumption, our system also stands ready in the event of fire. There are 108 hydrants located throughout the system in order to give the fire department ample access to water for their work.

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

Water Enterprise Expenditures

The total budgeted expenditure for the water enterprise in fiscal year 2016 is \$595,166, a \$15,574 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.

Interconnection with New Bern	\$42,000
Filter Media Rehabilitation	\$15,000
Half Cost of New Vehicle	\$13,640

Proposed Water Enterprise projects

Plans for the water utility include a filter media rehabilitation and the purchase of a new vehicle. 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 FY17.

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 1.5%. There is a 0.5% increase for a Cost of Living Adjustment and the other 1.0% is for longevity, if applicable, in accordance with the adopted compensation plan.

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

Contained in line 399 is funding for reverse 911, utility billing system support, work order software, and 10% of the mowing contract. Debt service is a large expenditure for this enterprise. In fact, 26% of the total expenditure for the water enterprise is for the debt incurred to purchase the system. Lines 710 and 720 show the amount budgeted for principle and interest payments on this debt.

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Water Admin & Finance 60-7125		13-14		14-15		15-16			16-17
		YR End	Actual	Current	Actual	Current	Expend.	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget	as of	Year-End	
							02/23/16		
121	Wages & Salaries	79,105	81,761	84,433	85,778	86,612	56,781	86,580	89,032
122	Overtime	1,000	165	1,000	71	1,000	0	1,000	1,000
134	401(k) Retirement	3,955	4,080	4,169	4,261	4,249	2,839	4,333	4,378
181	FICA	6,052	6,150	6,378	6,427	6,501	4,286	6,549	6,698
182	Loc Govt Emp Retirement	5,593	5,945	5,978	6,024	5,668	3,788	5,785	6,348
183	Group Insurance	20,318	15,204	17,471	14,771	17,827	10,575	19,190	20,244
185	Unemployment Comp.	0	215		0	0	184	184	0
186	Workers' Compensation Ins.	2,242	2,260	2,372	2,398	3,125	2,708	2,708	2,564
310	Travel & Subsistence	750	368	750	243	750	12	750	750
395	Training	1,950	515	2,650	1,284	1,500	112	1,500	1,500
191	Auditing Service	4,500	4,333	4,500	4,500	4,667	4,500	4,500	4,600
192	Professional Service - Legal	1,000	0	1,000	360	1,000	0	1,000	1,000
193	Engineering Services	1,500	0	1,500	0	1,500	0	1,500	1,500
381	Other IT Services	500	396	500	468	504	240	504	504
382	Banking Services	1,400	1,309	1,400	1,404	1,400	818	1,318	1,748
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	4,246	3,280	0	4,885	5,656	4,008	5,656	5,656
440	VC3 IT Service & Maint.	9,467	9,312	10,538	10,004	12,316	6,677	12,316	12,562
441	Springbrook Service & Maint.	3,797	3,797	3,949	3,949	4,107	4,107	4,107	4,271
482	Indirect Cost- Labor	76,822	76,822	78,241	78,241	79,394	46,313	79,394	81,268
481	Labor Allocation	-30,237	-30,237	-31,159	-31,158	-32,018	-18,677	-32,018	-33,238
212	Uniforms	2,500	2,324	2,500	2,203	2,500	1,382	2,500	2,500
251	Motor Fuel	3,279	2,069	3,279	1,951	2,410	974	1,474	2,214
260	Office Supplies	5,600	4,806	5,918	2,318	3,000	1,306	2,000	2,000
320	Telephone & Postage	5,160	5,307	6,200	6,052	6,200	3,818	6,184	6,200
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	410	1,500	676	1,750	1,129	1,750	1,750
370	Advertising	0	0	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	5,250	9,000	9,000
450	Insurance: Prop/Liab	9,617	8,213	10,697	9,290	11,172	9,524	10,024	12,526
491	Dues & Subscriptions	1,200	1,171	1,250	1,319	1,350	1,232	1,350	1,350
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0		0	0	0	13,640
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	107,323	107,323	110,006	110,006	110,006	0	110,006	115,372
720	Bond Interest Payment	41,480	41,480	36,517	36,517	34,317	17,158	34,317	32,116
750	Bond Issuance Costs		0	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	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	0	0	30	0	0	0	0
	TOTAL	380,618	367,777	382,538	373,273	387,461	171,044	385,460	411,053

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121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director & Field Supervisor									
310/395	Training/Travel & Sub - professional development and higher levels of licensure (\$750 for Finance Assistant)									
191	Auditing Services (\$13,800 est., total allocated equally to general/water/sewer funds, \$4,600 each)									
193	Engineering - general engineering services - PRN									
399	Contracted Services									
	Reverse 911	970	Blackboard Connect (\$3,877 total, \$970 to be paid by water and \$970 by sewer)							
	Locate Plus	150								
	Mowing Contract	2,020	10% of base lawn bid - refer to General Fund Public Buildings Dept.							
	Elster Support	1,250								
	Work Order Software	666								
	FORMAX Stuff/sealer	250								
	Misc Services	350								
		5,656								
381	Computer Services: cable internet service, web site, etc.									
440	VC3 Hosted Desktop Contract: \$38,597 + \$3,276 support = \$41,873 [40% general fund, 30% water, 30% sewer]									
441	Springbrook software maintenance (Total = \$14,236). [40% general fund, 30% water, 30% sewer]									
491	Includes \$363 for ECC (Total \$1,088, split 1/3 each with General Fund and Water Fund)									
482	Indirect Cost - General Fund labor allocations and WRD labor allocations									
251	Fuel - \$3.00 per gallon estimate - \$0.54 per gallon tax = \$2.46 per gallon cost									
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (FY07)									
540	2016 Ford F250 (1/2 split with sewer)									

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Water Supply and Treatment

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

There 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.

Water Supply and Treatment		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
60-7132									
398	Testing	9,900	6,816	9,900	5,239	9,000	3,344	9,000	9,000
399	Contracted Services	3,000	4,517	3,332	1,170	3,320	0	3,320	3,332
298	Chemicals	9,800	10,482	9,800	11,172	11,000	6,841	11,000	11,000
299	Supplies & Materials	11,990	4,156	0	1,414	7,500	311	7,500	6,500
330	Utilities	8,500	7,674	8,500	7,697	8,100	4,376	7,700	7,700
351	Maint & Repair- Bldg	1,500	157	1,500	577	1,500	985	1,500	1,500
352	Maint & Repair- Equip	4,500	1,313	4,500	1,134	4,500	0	4,500	4,500
430	Bldg & Equip Rental	0	0	0	0	0	0	0	0
496	Permit Fees	2,210	2,210	2,210	2,210	2,210	1,350	2,210	2,210
499	Miscellaneous	0	0	0	0	5,000	0	0	0
550	Capital Outlay- Equipment	0	0	12,448	12,150	0	0	0	15,000
580	Capital Outlay-Grounds & Bld	0	0	0	0	0	0	0	0
595	Capital Outlay-Wells/Pumps	12,577	12,576	0	0	0	0	0	7,500
	TOTAL	63,977	49,901	52,190	42,762	52,130	17,207	46,730	68,242
399	Contracted Services - electrical, etc.			2,000					
	Grit removal from backwash tanks			900					
	Hach Spectrometer PMA (\$864 split with sewer)			432					
				3,332					
299	Small equipment purchases, chemical pumps, etc.								
330	Based upon historical costs/demand.								
496	Permit fees: Community Water Supply and Well Filter backwash (1350+860).								
595	Flow meters for 2 wells								
550	Filter Media Rehab Well #3								

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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.

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 60-7134		13-14		14-15		15-16		16-17	
		YR End Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
399	Contracted Services	6,530	2,214	6,530	1,631	6,530	455	6,530	6,530
442	Water Tower Service Contract	24,477	23,077	23,077	23,077	25,616	25,615	25,615	25,616
299	Supplies & Materials	9,695	9,665	5,000	10,937	14,200	9,113	14,200	6,271
352	Maint & Repair- Equip	2,000	41	2,000	232	2,000	0	2,000	2,000
430	Bldg & Equip Rental	2,000	315	2,000	185	2,000	287	2,000	2,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	
596	Capital Outlay- Lines/Tanks	33,132	33,170	0	0	42,000	0	0	42,000
	TOTAL	77,834	68,481	38,607	36,062	92,346	35,470	50,345	84,417
399	NC One Call		180						
	Alarm (well monitoring)		350						
	Leak Repair Contingency		6,000						
			6,530						
442	Contract		25,616						
299	Pipe and Fittings		4,000						
	Other Small Equipment		1,000						
	Fire Hydrant Diffuser		1,271						
			6,271						
596	Connection with New Bern		42,000						

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

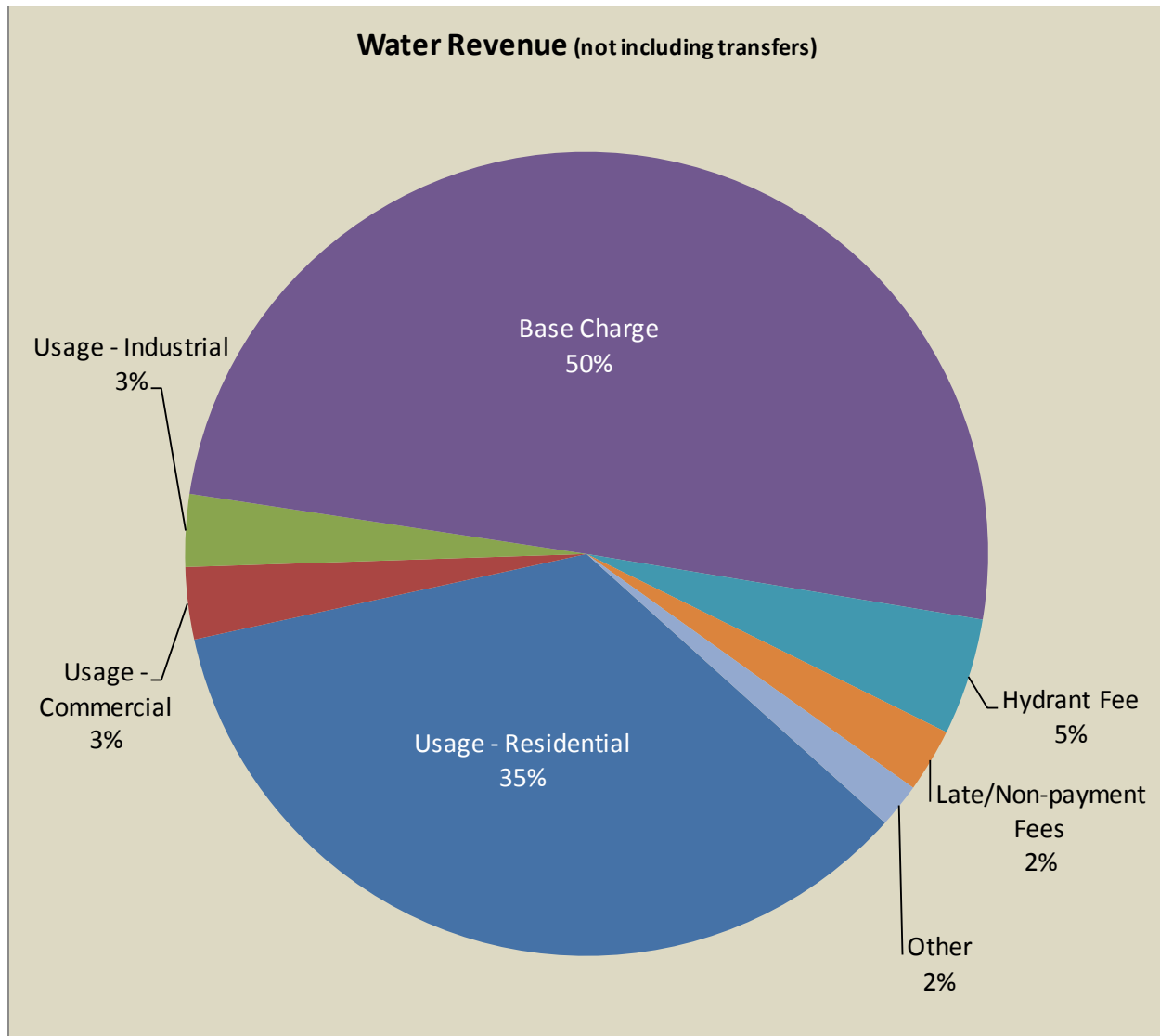
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Water Fund Revenue

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.

		13-14		14-15		15-16		16-17
Revenue - Water		YR End	Actual	Current	Actual	Current	Collections	Projected
Fund 60		Budget	Year-End	Budget	Year-End	Budget	as of	Year-End
							02/28/16	
3710-501	Utility Usage Chg- Class 1 & 2	187,065	191,003	197,729	188,176	187,442	128,411	188,155
3710-503	Utility Usage Chg- Class 3 & 4	12,156	15,441	15,405	14,685	15,100	8,510	12,687
3710-505	Utility Usage Chg- Class 5	14,062	14,778	14,810	16,490	15,208	10,163	15,674
3710-508	Utility Usage Chg- Class 8	2,653	4,518	3,059	3,723	3,647	1,801	2,886
3710-510	Utility Customer Base Charge	320,726	316,064	269,136	263,125	270,051	179,936	269,868
3710-514	Fire Hydrant Availability Fee	30,429	29,768	26,718	25,822	25,620	25,313	25,313
3713-322	State Grants	0	0	0	0	0	0	0
3715-515	Unbilled Receivables	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	2,500	2,500	1,250	3,035	1,250	2,820	2,820
3730/31-500	Utility Billing Nonpayment Fees	6,090	9,230	7,590	8,850	8,060	5,460	6,860
3732-500	Utility Billing Late Payment Fees	8,569	8,683	9,018	7,362	8,107	4,681	6,881
3735-500	Capital Investment Fees	2,700	0	2,700	0	2,700	5,400	5,400
3737-981	Chgs to General Fund	0	0	0	0	0	0	0
3737-985	Chgs to Sewer Fund	0	0	0	0	0	0	0
3830-800	Miscellaneous	0	3,235	0	0	0	0	0
3831-810	Interest	849	45	805	104	407	581	1,100
3835-865	Sale of Fixed Asset	0	0	0	0	0	0	0
3839-351	Sales Tax Refund Revenue	0	300	0	384	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0
3920-895	Bond Refunding Proceeds	0	0	0	0	0	0	0
3980-981	Transfer from General Fund	0	0	0	0	0	0	0
3980-985	Transfer from Sewer Fund	0	0	0	0	0	0	0
3980-986	Transfer from Water Capital Reserve	0	0	0	0	42,000	42,000	0
3991-991	Appropriated Fund Balance	30,759	0	0	0	0	0	0
	TOTALS	618,559	595,564	548,219	531,755	579,592	415,076	537,644

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 that currently serves 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 2015, we treated 38.6 million gallons of wastewater compared to 36.3 million gallons in 2014. The daily average treatment rate was 105,792 gallons in 2015 and 99,614 gallons in 2014. 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. On average, in 2015 we used 32% 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.

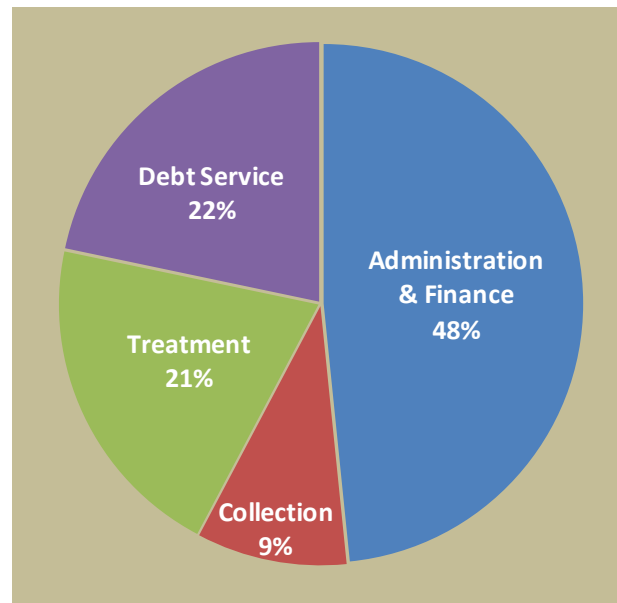
The Town holds three discharge permits, one for the main wastewater plant, and the other two to allow us to discharge backwash from our water treatment filters. These backwash discharge permits allow us to discharge up to 7,000 gallons per day at each site.

Sewer Enterprise Expenditures

The total budgeted expenditure for the sewer enterprise in fiscal year 2017 is \$641,620, a less than 1% decrease from the current fiscal year.

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

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



Upgrade Surge Tank	\$13,000
Half Cost of New Vehicle	\$13,640

Proposed Sewer Enterprise projects

In fiscal year 2017, we plan to upgrade the surge tank at the wastewater treatment plant. We also plan to purchase a new vehicle. The cost of this vehicle will be shared with the Water Fund. While neither of the planned projects are large in scope, they will assist in the day-to-day operational performance of the sewer system.

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 1.5%. This includes a Cost of Living Adjustment of 0.5% 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		13-14		14-15		15-16			16-17
61-7125		YR End Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
121	Wages & Salaries	88,035	91,105	94,094	95,184	96,527	63,165	96,338	99,213
122	Overtime	1,000	541	1,000	316	1,000	174	1,000	1,000
134	401(k) Retirement	4,402	4,564	4,646	4,741	4,736	3,167	4,834	4,879
181	FICA	6,735	6,888	7,109	7,159	7,246	4,785	7,308	7,465
182	Loc Govt Emp Retirement	6,224	6,649	6,663	6,704	6,318	4,225	6,445	7,075
183	Group Insurance	21,981	16,944	19,310	16,261	19,703	11,663	20,770	22,375
185	Unemployment Comp.	0	239	0	0	0	225	225	0
186	Workers' Compensation Ins.	2,719	2,202	2,726	2,802	3,649	3,189	3,189	2,985
310	Travel & Subsistence	300	463	300	65	750	42	750	750
395	Training	1,105	1,027	1,585	244	1,500	113	1,500	1,500
191	Auditing Service	4,500	4,333	4,500	4,500	5,000	4,500	4,500	4,600
192	Professional Service - Legal	1,000	1,121	1,000	270	1,000	0	1,000	1,000
193	Engineering Services	2,500	0	2,500	0	2,500	0	2,500	2,500
381	Other IT Services	500	396	500	414	504	240	504	504
382	Banking Services	1,400	1,240	1,400	1,330	1,400	775	1,305	1,656
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	2,100	1,154	3,788	2,893	3,636	1,988	3,636	3,636
440	VC3 IT Service & Maint.	9,467	9,312	10,538	10,004	12,316	6,677	12,316	12,562
441	Springbrook Service & Maint.	3,797	3,797	3,949	3,949	4,107	4,107	4,107	4,271
482	Indirect Costs- Labor	76,822	76,822	78,241	78,241	79,394	46,313	79,394	81,268
481	Labor Allocation	-30,237	-30,237	-31,159	-31,158	-32,018	-18,677	-32,018	-33,238
212	Uniforms	2,500	2,324	2,500	2,204	2,500	1,382	2,500	2,500
251	Motor Fuel	3,279	2,069	3,279	1,951	2,410	974	1,374	2,214
260	Office Supplies	5,600	4,806	5,880	2,771	3,000	1,318	2,000	2,000
320	Telephone & Postage	4,140	4,071	4,916	4,829	5,030	2,922	5,030	5,030
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	410	1,500	658	1,500	1,129	1,500	1,500
370	Advertising	0	0	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	5,250	9,000	9,000
450	Insurance: Prop/Liab	11,959	10,587	13,359	11,929	14,141	12,274	12,274	15,001
491	Dues & Subscriptions	800	805	850	829	850	763	850	850
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	13,640
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	92,677	92,677	94,994	94,994	94,994	0	94,994	99,628
720	Bond Interest Payment	35,820	35,820	31,533	31,533	29,633	14,816	29,633	27,734
750	Bond Issuance Costs	0	0	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
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
	TOTAL	371,623	361,127	380,501	364,614	382,326	177,499	378,758	405,099

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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 Asst.)								
191	Auditing Services (\$13,800 est., total allocated equally to general/water/sewer funds, \$4,600 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 Stuff/sealer	250						
		Misc Services	350						
			3,636						
440	VC3 Hosted Desktop Contract: \$38,597 + \$3,276 support = \$41,873 [40% general fund, 30% water, 30% sewer]								
441	Springbrook software maintenance (Total = \$14,236) [40% general fund, 30% water, 30% sewer]								
491	Includes \$363 for ECC (Total \$1,088, split 1/3 each with General Fund and Water Fund)								
251	Fuel - \$3.00 per gallon estimate - \$0.54 per gallon tax = \$2.46 per gallon cost								
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								
550	2016 Ford F250 (1/2 split with water)								

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Sewer Collection

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

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 Collection 61-7142		13-14		14-15		15-16			16-17
		YR End Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 02/23/16	Projected Year-End	Proposed Budget
399	Contracted Services	26,727	15,363	22,500	3,929	22,500	10,758	22,600	22,600
299	Supplies & Materials	8,800	5,465	8,800	7,258	8,800	2,416	8,800	8,800
330	Utilities	8,000	7,555	8,000	7,358	7,910	4,208	7,500	7,500
352	Maint & Repair- Equip	12,000	3,970	12,000	3,806	12,000	2,431	12,000	12,000
430	Equip Rental	2,000	185	2,000	0	2,000	0	2,000	2,000
498	Permit Fees	810	810	810	810	810	810	810	810
550	Capital Outlay - Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay - Buildings	0	0	0	0	0	0	0	0
597	Capital Outlay - Collection Lines	0	0	0	0	0	0	0	0
598	Capital Outlay - Pump/Lift Sta.	17,000	13,198	0	0	0	0	0	0
	TOTAL	75,337	46,545	54,110	23,161	54,020	20,623	53,710	53,710
399	Contracted Services - Alarm system on 9 Lift Stations			2,800					
	Grease Removal			1,800					
	Emergency Repairs			18,000					
				22,600					
299	Generator Fuel			1,800					
	Pipe, fittings, tools, safety equip.			4,500					
	Lift Station Supplies (deodorizer, degreaser, etc.)			2,500					
				8,800					
330	Based upon historical costs/demand.								
352	Maintenance and repair of lift station pumps and equipment								

Sewer Treatment

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

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

In fiscal year 2017 we plan to upgrade our surge tank at a cost of \$13,000.

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Town of River Bend, North Carolina
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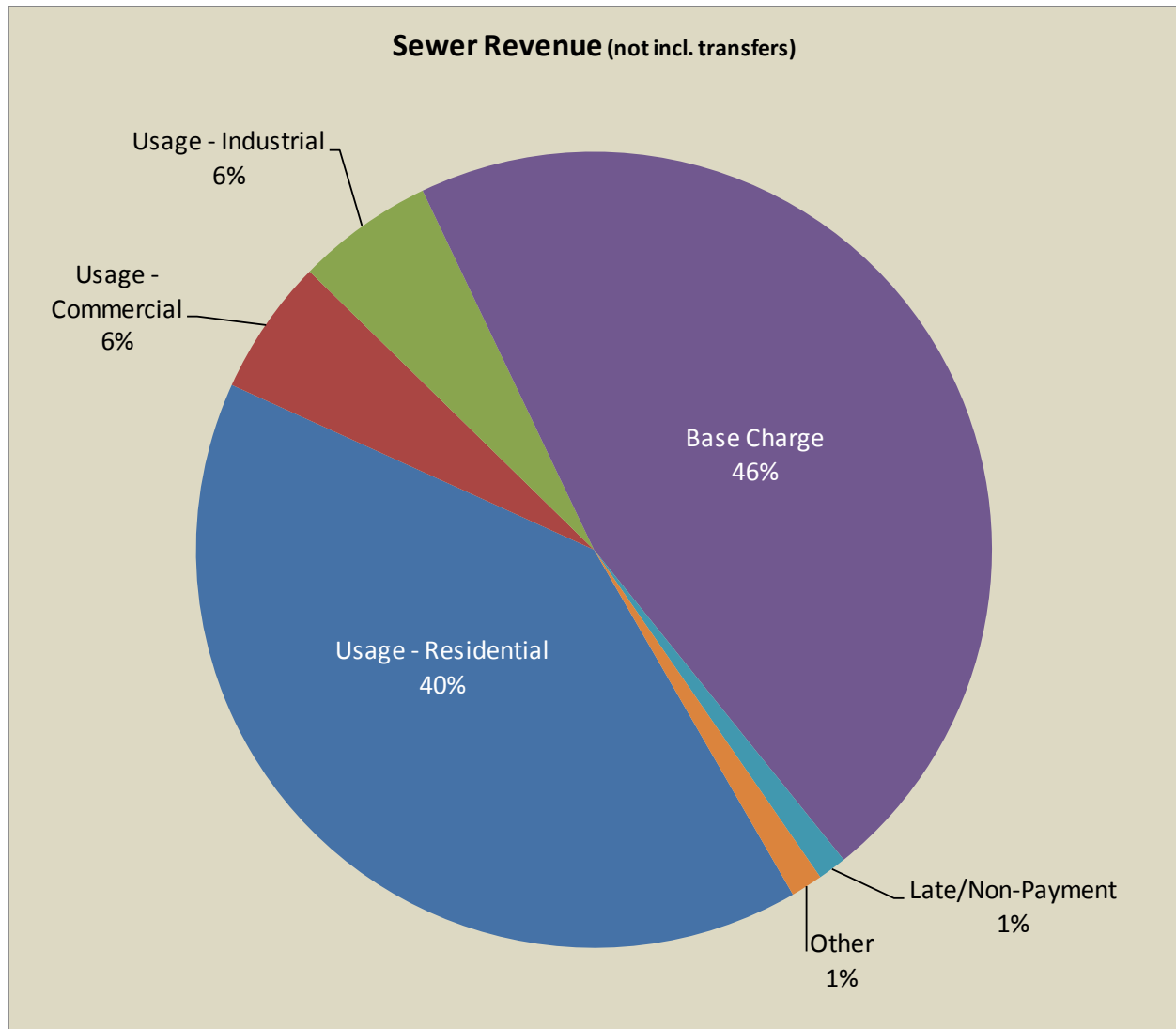
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Sewer Fund Revenue

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		13-14		14-15		15-16			16-17
		YR End	Actual	Current	Actual	Current	Collections	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget	as of	Year-End	Budget
							02/28/16		
3710-501	Utility Usage Chg- Class 1 & 2	233,417	240,585	260,848	251,747	258,508	170,758	258,191	253,673
3710-503	Utility Usage Chg- Class 3 & 4	25,704	32,615	34,795	33,169	34,669	19,222	28,564	28,564
3710-505	Utility Usage Chg- Class 5	29,733	31,246	33,451	37,246	33,162	22,954	35,268	35,268
3710-508	Utility Usage Chg- Class 8	5,406	9,359	6,728	8,190	6,679	3,986	6,365	6,365
3710-510	Utility Customer Base Charge	268,064	267,971	288,860	285,221	292,837	194,680	292,498	292,498
3715-515	Unbilled Receivables	0	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	1,250	2,500	1,250	0	1,250	1,250	1,250	1,250
3732-500	Utility Billing Late Payment Fees	8,755	9,412	9,661	8,070	8,822	4,881	7,380	7,400
3735-500	Capital Investment Fees	1,900	3,800	1,900	0	1,900	1,900	1,900	1,900
3737-981	Chgs to General Fund	0	0	0	0	0	0	0	0
3830-800	Miscellaneous	0	52	0	0	0	55	55	0
3831-810	Interest	719	41	661	67	247	355	715	1,661
3835-865	Sale of Fixed Asset	0	0	0	0	0	0	0	3,400
3839-351	Sales Tax Refund Revenue	0	593	0	359	0	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0	0
3920-895	Bond Refunding Proceeds	0	0	0	0	0	0	0	0
3980-981	Loan from General Fund	0	0	0	0	0	0	0	0
3980-985	Transfer from Water Fund	0	0	0	0	0	0	0	0
3980-986	Transfer from Sewer Cap. Reserve	0	0	0	0	0	0	0	0
3991-991	Appropriated Fund Balance	65,792	0	216,728	0	8,227	0	0	0
	Totals	640,741	598,174	854,881	624,070	646,301	420,041	632,186	631,979

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"*

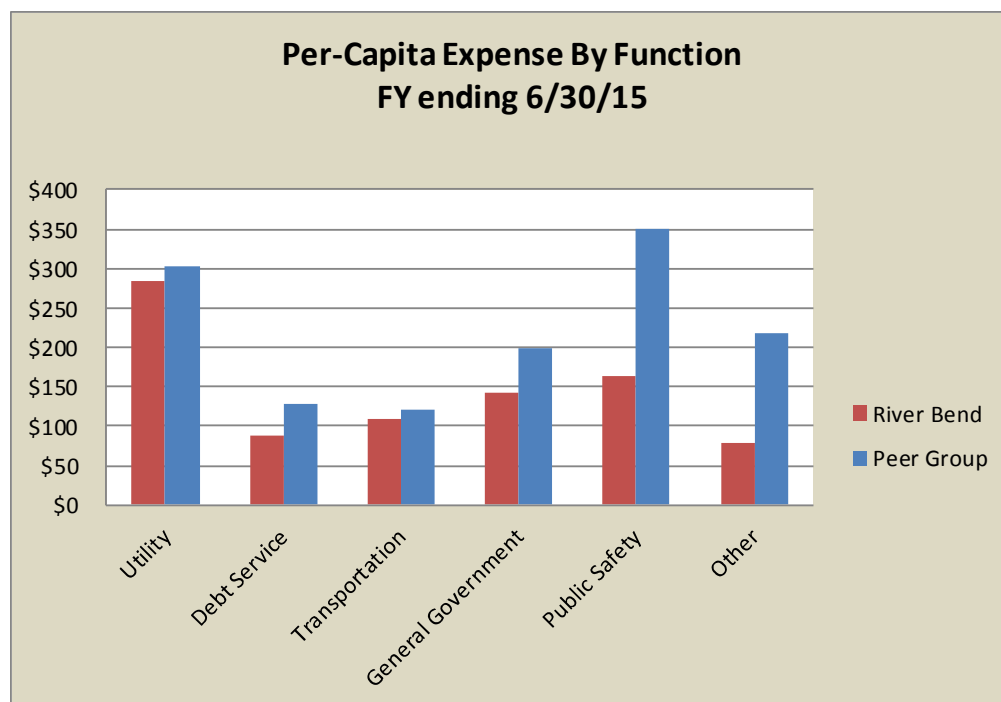
"The A1 rating reflects the town's stable, modest tax base; healthy financial performance with ample reserves; and manageable debt position with no future borrowing planned."

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.

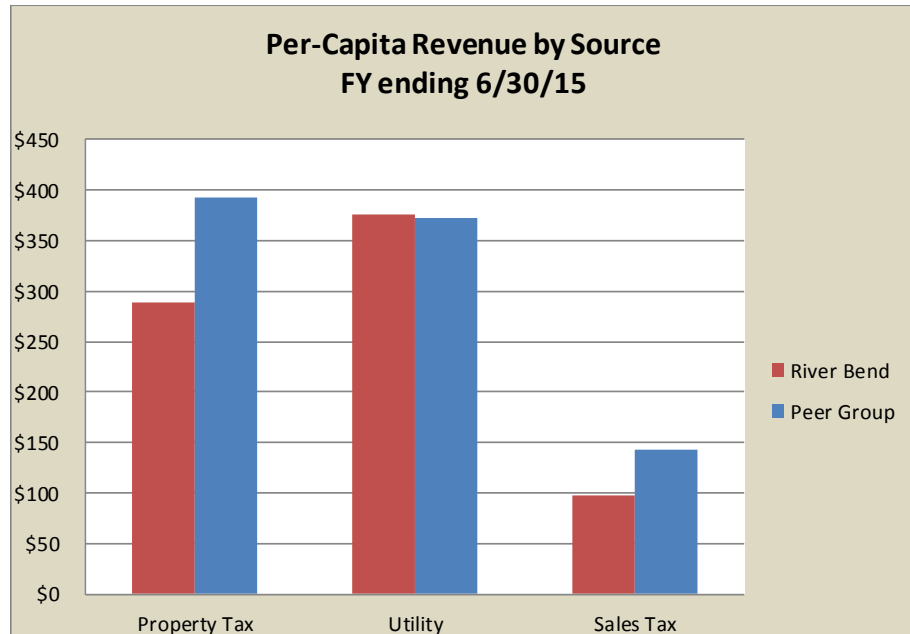
Our peer group is localities with a population between 2,500 and 9,999 residents that do not operate an electric utility. In the fiscal year ending June 30, 2015, there were 108 localities in our peer group.



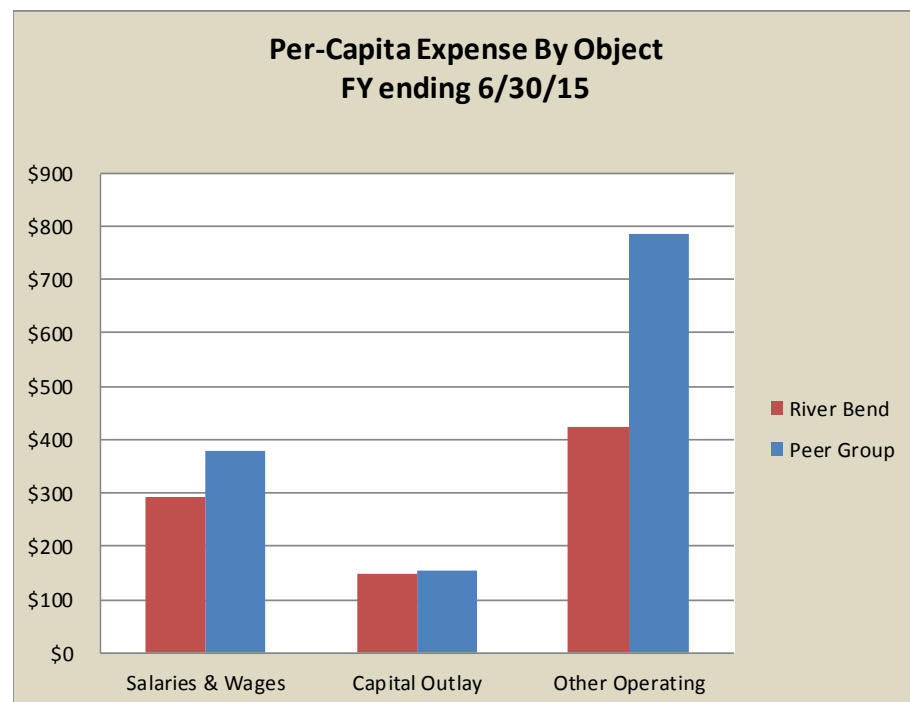
Data from the LGC show that River Bend's per-capita expenditures in 2015 were \$866 compared to \$1,319 for localities in our peer group. The chart above shows some of the significant expenditures (by function or object) and how our expenditures compared with those of our peers. The reader will note that River Bend spends less per capita in all categories compared to our peer group.

Data from the LGC also indicate how we compared with our peer group in fiscal year 2015 in terms of per-capita revenue. The data show that our total per-capita revenue was \$919 compared to \$1,427 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 the only category that is higher than that of our peers and it is only \$3 higher. This is largely due to the need to recover the cost of the debt service for our utility system 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. In the "other" category, we spend \$363 less per capita than our peer group.



John Locke Foundation

One of the factors that is a credit to this community is the comparatively low tax burden we place upon our residents. Through 2013, the John Locke Foundation – Center for Local Innovation published a yearly report entitled “By The Numbers: What Government Costs in North Carolina Cities and Counties.” This report considered “total local government collection of all taxes and fees for counties and municipalities” (the report provided no definition for the fees component of their data) and reported this as the amount of tax revenue received, per capita, from all sources. It also reported the amount, per capita, each locality’s residents pay for property tax and sales tax. Their rankings reflect an aggregate of the County and Town tax, so our ranking takes into consideration the entire tax burden borne by a resident of River Bend compared to that of residents of other incorporated municipalities throughout the State. Unfortunately, the Foundation has decided to end publication of this report. In the Spring of 2017 they will provide another report with information about cities and counties in North Carolina. The information that follows is the data contained in their most recent and final report (2013).

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

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

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

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

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

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

Glossary

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

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

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

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

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

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

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

Appropriation – This 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.

EIA- Energy Information Administration

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LGC- Local Government Commission

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

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

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

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

NCLM- North Carolina League of Municipalities

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

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

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

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

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

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

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

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

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

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

Surplus – The amount by which revenues exceed expenditures.

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

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

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

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

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

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

Appendix A



TOWN OF RIVER BEND

45 Shoreline Drive
River Bend, NC 28562

T 252.638.3870
F 252.638.2580

www.riverbendnc.org

February 22, 2016

To: Mayor Kirkland and Members of Town Council

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

Re: Police Department Budget for FY 2016-17

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 being made. I realize that this is a lot of information to digest. Most of this will be covered, in summary form, during your budget meeting. If you have any questions about the content of this document, I will be able to provide answers when we meet next.

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

- Proactive 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

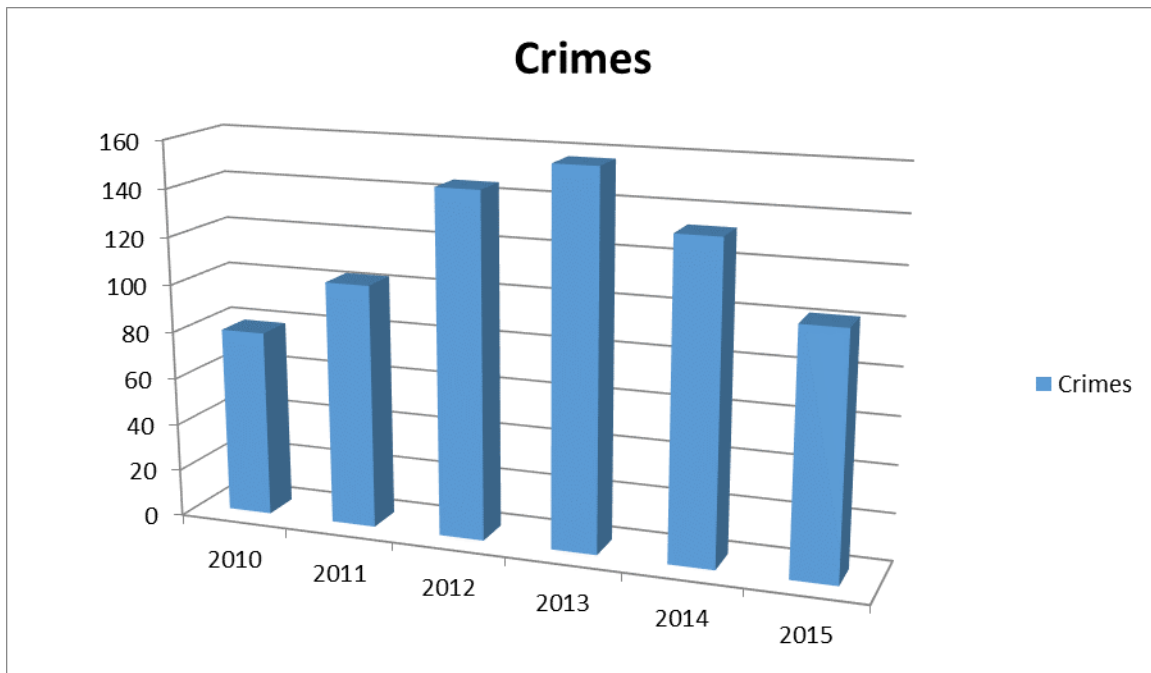
What have we accomplished in the past year

- All Officers are trained in basic forensic evidence collection
- 5 of the 6 officers are RADAR certified
- 5 of the 6 officers are Intoximeter certified
- Officers attended 448 hours of non-state mandated (no cost) training by June 2015
- The Department has a state certified General, Taser, Rapid Deployment and Firearm instructor for training purposes.
- All patrol vehicles are fully equipped with New Radars, hot spots and Laptop computers.
- Officers have spent a good portion of time working drug locations in River Bend, in an effort to eradicate them from the area or change the behavior of those persons.
- 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
- 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 ATF, SBI, ALE, DEA, Onslow, Jacksonville PD and others.

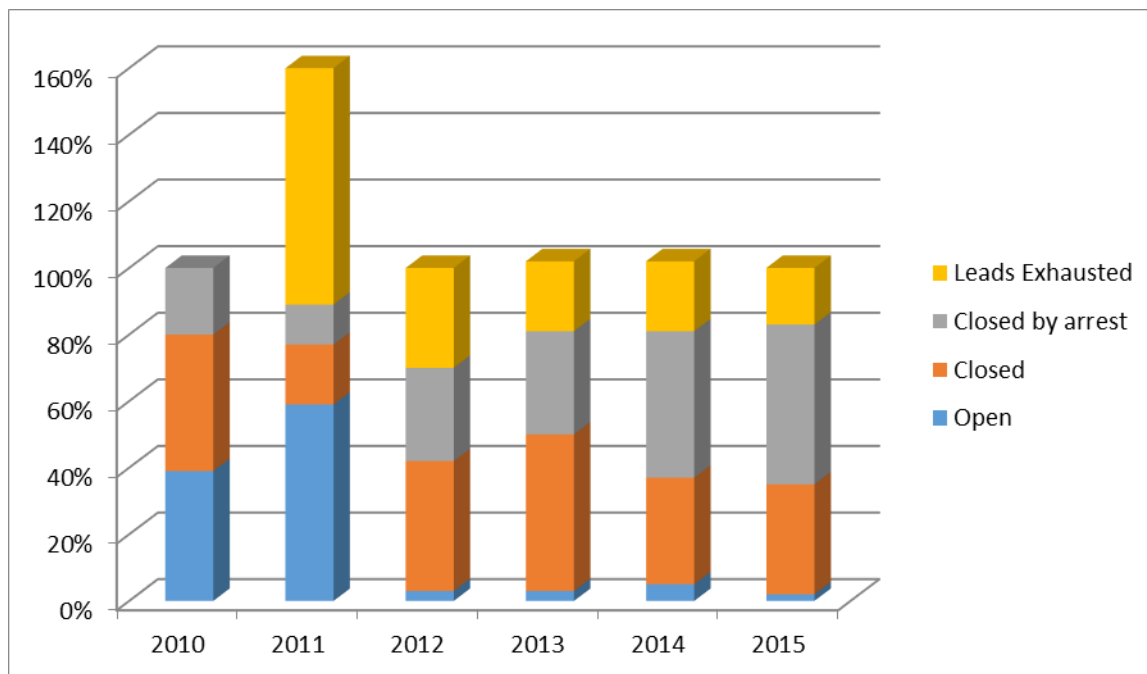
How busy are we?

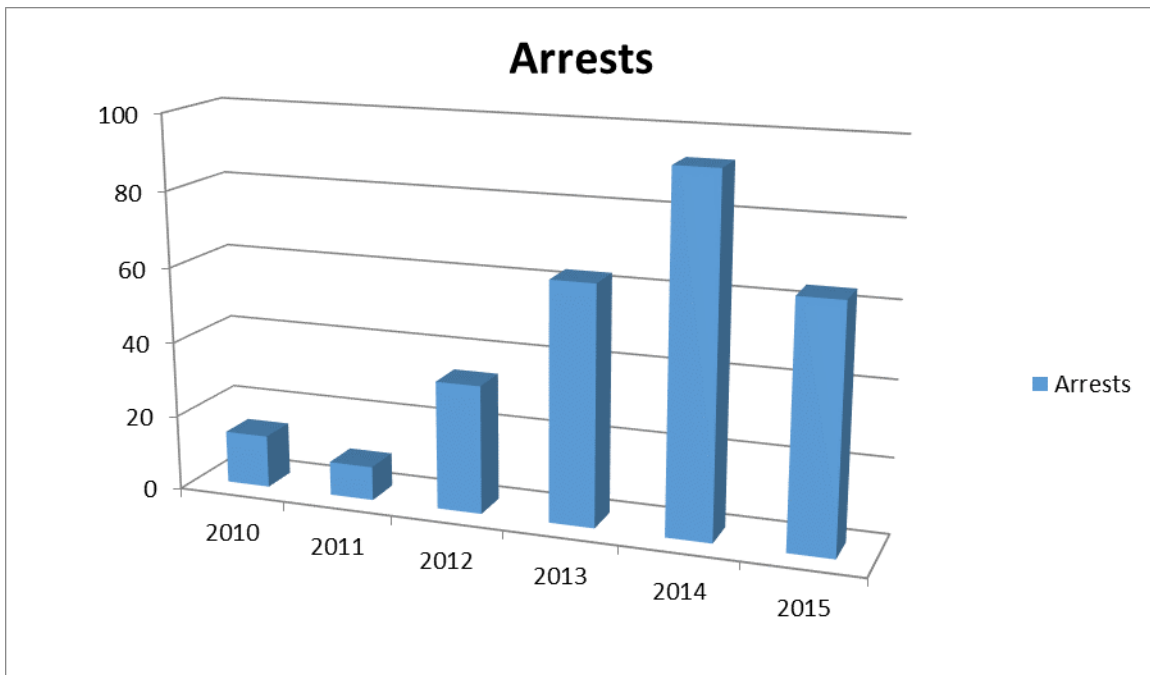
- The data you review quarterly as provided by the Town Manager shows a steady increase in the total activity of the Department.
- Much of the increase is in the area of Community Policing as we are being more aggressive in doing business checks and vacation house checks and being more diligent about documenting activity.
- Increased business checks have yielded more arrests due to outstanding warrants for arrest and traffic violations.
- With the increase in manpower, we have been able to focus on case investigations where warrants can be obtained.
- An increase of arrests has not deterred our ability to police in River Bend.
- Since becoming Chief, the additional manpower with additional coverage, we have seen a downturn in crime in River Bend.
- River Bend was noted by one organization as the 2nd best suburb in NC.

- River Bend was noted by one organization as the Top in Crimes per 1000 Residents

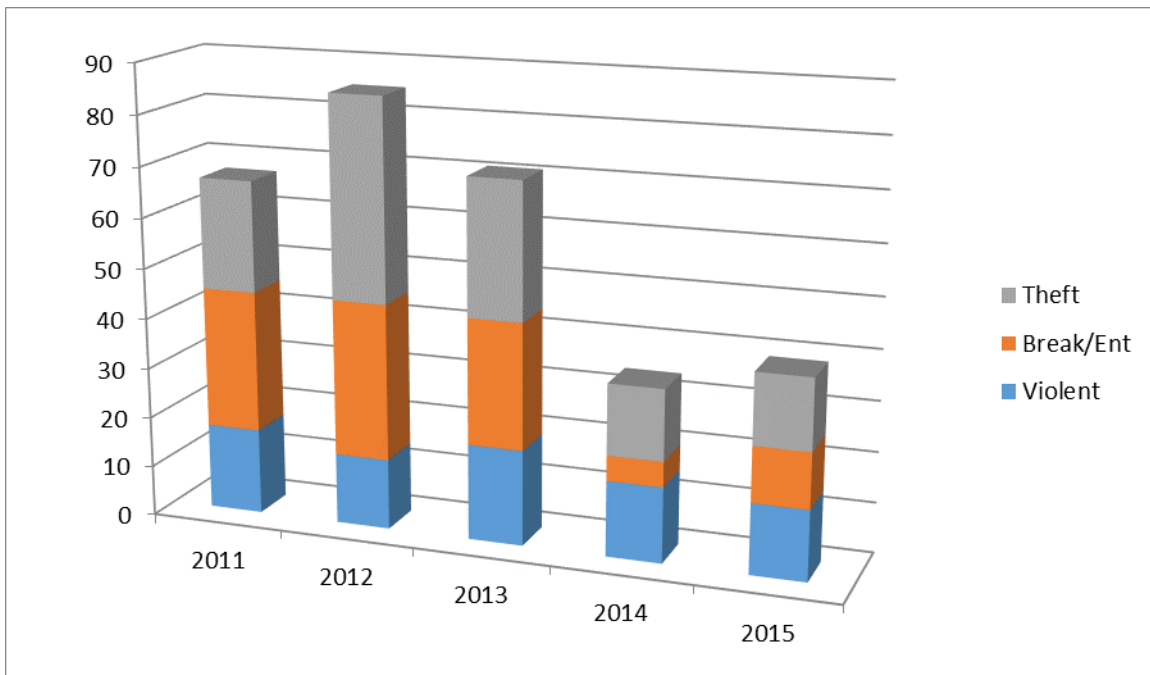


- The good news is that we are solving more of these cases now and have driven the incidence of these crimes down for the second year in a row. The chart shows that in 2014, we recorded 133 crimes. In 2015 we recorded 102 crimes, which is a reduction of 30%.

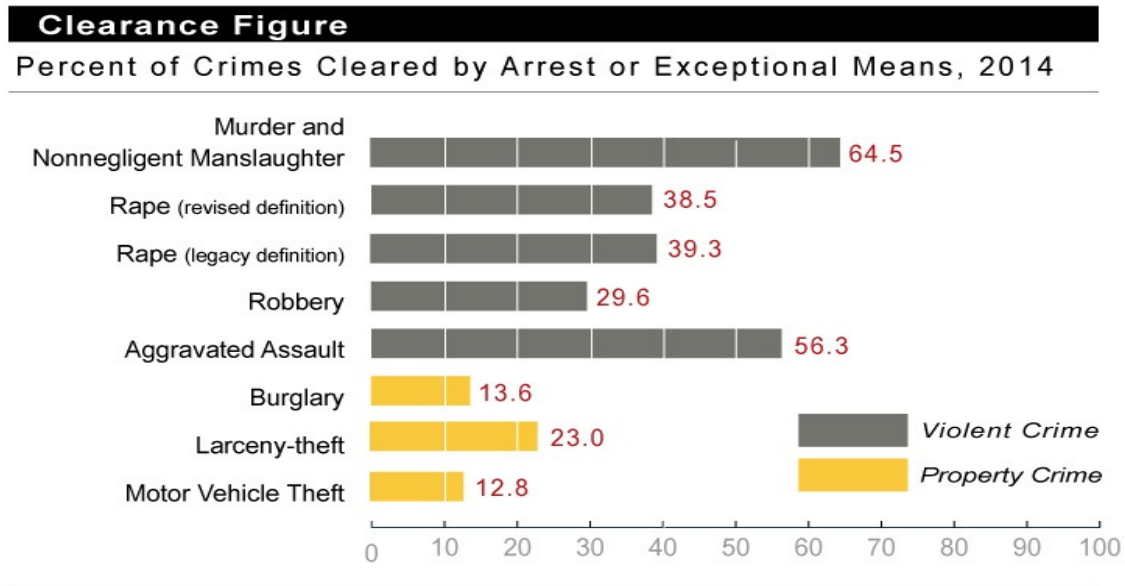




- As you can see, the arrests have increased since 2012. This has been because of an increase in case solving by arrest and increased interdiction of those who have a criminal nature visiting our town. Data for 2015 showed a drop for the first time since 2011, possibly due to increase word getting out to the criminal element in the area not to visit.



- As you can see from 2011 to 2012 crime had increased. Since the changes, crime has dropped measurably.
- Violent Crime is categorized as: Domestic, Assault, Sexual Assault, Communication of Threats.



Above is the 2014 national crime statics national average by the FBI.

In Burglary – We averaged 71.4, clearing over 5 times the national average.

In Larceny-theft - We averaged 66.7, clearing over 3 times the national average.

- By the start of 2013, we started to see a downward trend beginning in Theft and Breaking and Entering due to new patrol practices (Traffic Stops, Field Interviews, & Check Points). Crime has still continued to drop but at a slower rate.
- So what caused this decrease in crime? A huge increase in proactive 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 proactive policing kept the pressure and attention in the fore front. We take crime personally in River Bend.

What changes/improvements would we recommend for Fiscal Year 2016-17?

1. Increased training both in criminal investigations, and also in firearms training. In 2014, there was the 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. Focusing on Drug and financial theft that 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 conduits for some of the traffic. We are now assigning a narcotics collateral duty for one of our officers, just as one has traffic concerns, investigations and community policing.
3. Continuing proactive policing on criminal activity is still linked to outside persons who either frequent River Bend for theft reasons or to meet up with fellow criminals or substance abusers in the town.
4. Replacing of one of the old patrol radio, bringing our radios up to date and ready for any changes in programming. This is a second request as the monies allocated for a radio purchased last year were used to repair an existing "newer" radio.
5. Continuing of an overtime budget item, based on past year's averages. To continue this case clearance rate and the high level of patrol activity, over time is a necessary expenditure.
6. Expansion for a modest increase in facilities for the Police Department to include: evidence storage, interview room and space for meetings and training.
7. Continuing to train 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 be able to send officers to outside area for training.

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

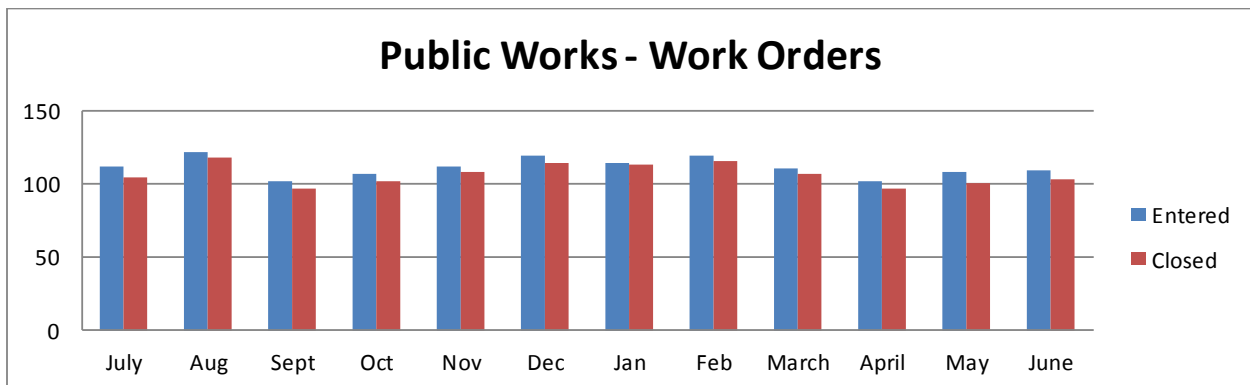
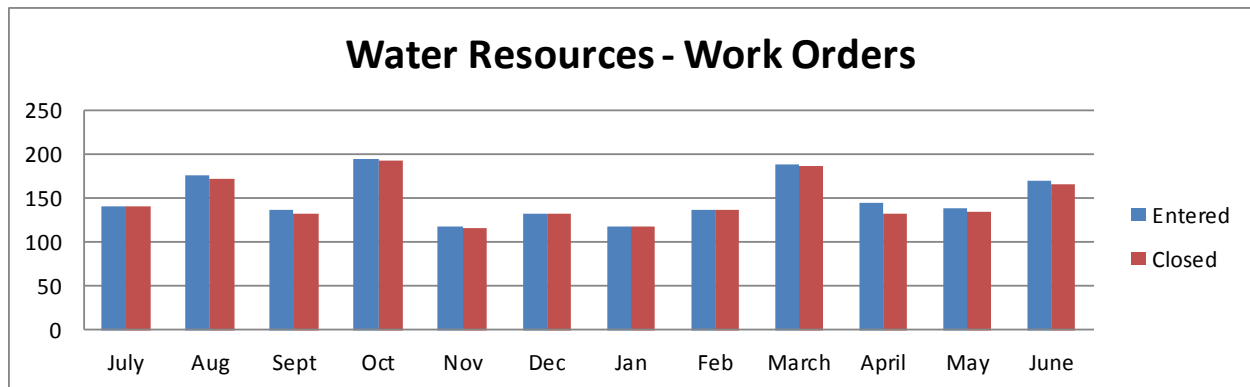
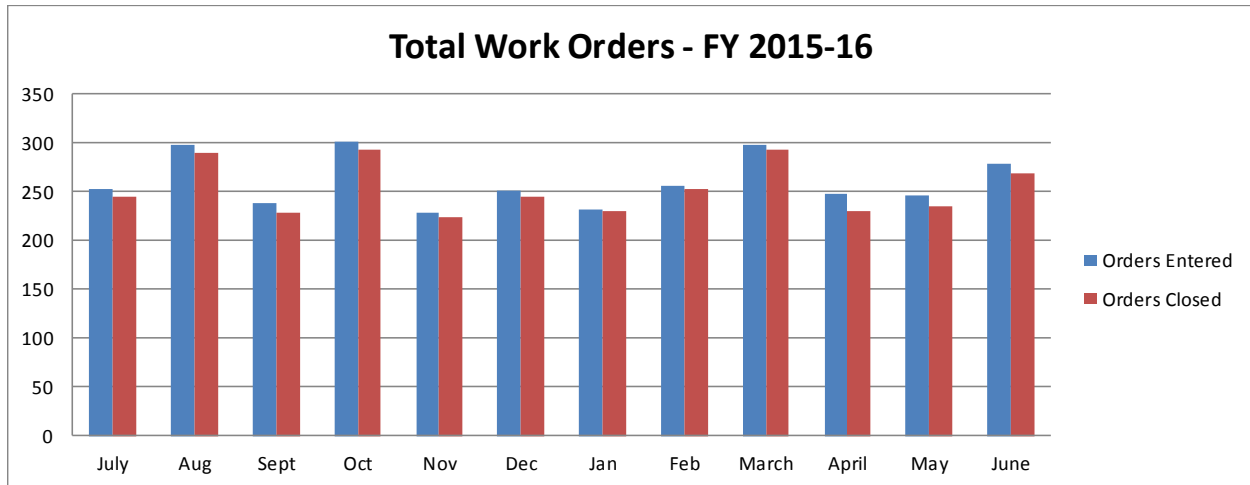
Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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Monthly Work Order Summary Report for FY15-16

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

Public Works														Pending
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	
Building Maintenance	15	9	10	12	11	11	14	12	8	10	7	5	124	0
Painting	0	0	0	0	0	0	0	0	0	2	1	1	4	1
Park/Playground	55	60	52	58	57	61	62	62	54	46	50	54	671	0
Roadway Maintenance	2	3	3	3	4	9	4	3	10	10	5	7	63	3
Stormwater Maintenance	8	14	5	5	5	6	8	4	5	4	7	6	77	1
Trash/Litter	20	25	25	25	20	23	21	25	23	22	25	22	276	0
Tree Maintenance	3	6	5	2	5	3	0	5	3	2	3	3	40	1
Wetlands / Ponds	1	0	0	0	0	1	2	2	2	1	3	2	14	0
Other	7	4	2	2	9	5	3	6	5	5	7	9	64	0
TOTAL	111	121	102	107	111	119	114	119	110	102	108	109	1333	6
Orders Closed	104	118	96	101	108	114	113	115	107	97	100	103	1276	
Water Resources														Pending
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	
Sewer Collection	13	26	17	24	15	16	15	14	26	15	17	22	220	1
Sewer Treatment	16	15	11	15	13	14	17	12	15	10	12	16	166	1
Water Distribution	2	5	2	1	7	2	2	1	3	4	3	6	38	1
Water Treatment	8	10	8	9	8	11	9	10	10	4	8	10	105	0
Service Orders	92	91	81	128	68	73	52	66	103	86	71	83	994	0
Utility Locates	10	29	17	17	6	16	22	34	30	26	27	32	266	0
TOTAL	141	176	136	194	117	132	117	137	187	145	138	169	1789	3
Orders Closed	141	172	132	192	116	131	117	137	185	133	135	166	1757	
TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	
Orders Entered	252	297	238	301	228	251	231	256	297	247	246	278	3122	
Orders Closed	245	290	228	293	224	245	230	252	292	230	235	269	3033	



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2016-2017

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Appendix C

TOWN OF RIVER BEND BUDGET REQUEST FORM FISCAL YEAR 2016-2017									
Project or Item:			Hach Spectrometer Service Agreement				Priority:		Routine
Description of item or project:									
Hach Service Agreement									
Operating Budget Impact Narrative (i.e., is this a new program or item type, how does it impact other services):									
This contract includes any factory repairs that may be needed, one calibration per year, and unlimited technical support.									
Anticipated effect if the project or item is not funded:									
We use our spectrometer to check different parameters per our wastewater, and water permits. It is imperative to keep it working.									
Request for Appropriation:									
			FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	TOTAL	
Expenditures:									
Cost			\$864					\$864	
Recurring Costs								\$0	
TOTAL			\$864	\$0	\$0	\$0	\$0	\$864	
			FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	TOTAL	
Revenue Sources:									
Local Revenue								\$0	
Fees								\$0	
Federal Grant								\$0	
State Grant								\$0	
Local Grant								\$0	
Other								\$0	
TOTAL			\$0	\$0	\$0	\$0	\$0	\$0	
Expend-Revenues			\$864	\$0	\$0	\$0	\$0	\$864	
Attachments: NO/ YES (formal proposals or quotes)									
			Submitted By: Brandon Mills						
			Date: 4-Feb-16						
TRB Form #57 (11/10)									