



ANNUAL BUDGET

FISCAL YEAR 2017—2018

TOWN OF RIVER BEND • NORTH CAROLINA

Fiscal Year 2017-2018

Annual Budget

Adopted June 15, 2017

Mayor

John Kirkland

Town Council

Luci Avery

Bill Camp

Morris "Buddy" Sheffield

Irving "Bud" Van Slyke, Jr. *

Pat Yocum**

*also serves as Finance Officer and Mayor Pro Tempore

** resigned during her term and was replaced by Barbara Maurer

Prepared by:

Town Manager

Delane Jackson

Finance Administrator

Margaret Theis

Cover Designed by:

Kathleen DeYoung, Deputy Town Clerk

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Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of River Bend
North Carolina**

For the Fiscal Year Beginning

July 1, 2016

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, 2016. 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 2016 award was our seventh 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 1, 2017

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, 2017 and ending June 30, 2018 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 the Budget Kick-Off meeting on January 12, 2017:

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 five 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 tax rate. Following a 14.65% reduction in the value of taxable property last year, our estimated property value increased by 4.37% this year. Even while continuing 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 reduction of \$0.0205 to \$0.29.

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The tax rate of \$0.29 will produce a levy in FY17-18, which is \$22,380 less than the levy produced in FY16-17 at the previous rate of \$0.3105. 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	\$ 1,673,332
Water Fund	\$ 544,621
Sewer Fund	\$ 640,173
 Total Operating Budget	 \$ 2,858,126

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. Four 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 \$1,673,332. That is an \$80,648 decrease over the current FY16-17. 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 a 4.6% decrease from the current FY16-17 budget. There is no appropriation of Fund Balance in the proposed budget.

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.

Paving:	
Wildwood Drive	\$115,000
Patching:	
Colonies Area	\$9,000
Tar Landing	\$3,000
Pier Pointe	\$3,000
Miscellaneous	\$5,000
	\$135,000

This year we are budgeting to follow the plan developed by our engineer to maintain the integrity of our roadways. As shown in the table above, we plan to pave one street and provide patching in several areas. 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 recommended to the Council that the current approach is the most appropriate at this time.

In this budget, we propose to address one drainage project at a cost of \$20,000. That project is located adjacent to Town Hall and serves the Wildwood Drive and other areas. Our engineer planned and designed the work in FY16-17 following a series of meetings and site visits with the Town Manager and Public Works Director. This budget allocates \$34,110 to the Stormwater Capital Improvement Plan (CIP) for future projects.

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. The Town Council recently discussed options for enhancing our public buildings. They plan to continue that discussion during FY 17-18. Pending a future final decision by Council, there are no major public building projects planned. However, this year, we will make some improvements in Town Hall by replacing carpet and installing a new sound system at a cost of \$25,763.

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

Parks and Recreation: The budget being presented includes continued funding for our Parks and Recreation programs. The Parks and Recreation Advisory Board plans to continue its efforts to provide craft making and other special events throughout the year, the largest of which is the annual 4th of July parade and picnic. Excluded from the Parks and Recreation budget this year is funding for the River Bend Community Organic Garden. It is an educational community garden operated and maintained by a group of volunteers but functioning as a component of a department of the Town. Their original goal was to become financially self-supporting. They have accomplished that goal.

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. Sadly, during the budget preparation process, Chief Ryland E. Matthews, Jr. passed away. The process of appointing a new Police Chief will begin soon but will likely not be completed until sometime in FY17-18. We will miss Chief Matthews' input in the process. This budget proposal does include his budget requests for FY17-18.

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 with a reduced Ad Valorem tax rate.

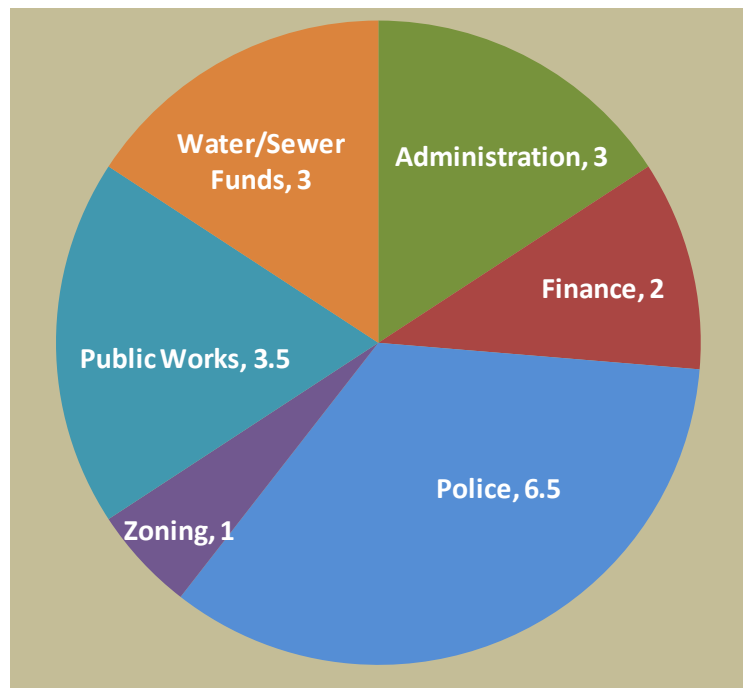
Requested projects and expenditures were kept to a minimum in order to develop a balanced budget. Prior to transfers and contingencies, revenues are projected to exceed departmental expenditures by \$145,390 in FY17-18. The revenues from some of the transfers are budgeted to be allocated in various CIPs and the Law Enforcement Separation Allowance Fund in the General Fund in order to provide more long-term stability to those plans.

Expenditures by Category

The North Carolina Local Government Commission (LGC) collects, maintains and compares financial data from all municipal governments in North Carolina. For fair comparison purposes, they have several population groups. This prevents small towns, such as River Bend, from being compared to large towns, such as Raleigh and Charlotte. They also separate towns that do own electrical distribution systems, such as New Bern, from those that do not own electrical distribution systems, such as River Bend. We fall into the group of towns with a population between 2,500 and 9,999 that do not operate an electrical distribution system. There are 121 towns in our group. The LGC compares the per capita expenditure for six functions for each town. Those six functions are Public Safety, Transportation, General Government, Utility, Debt Service and Other. For 2016, (the most recent data from the LGC) River Bend spends less per capita in all six areas than the average of all localities in our population range.

Function	Average Per Capita Expenditure of Group	River Bend Per Capita Expenditure
Public Safety	\$366	\$173
Transportation	\$126	\$111
General Government	\$198	\$144
Utility	\$286	\$232
Debt Service	\$114	\$87
Other	\$214	\$72

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 42.2% of the combined operating budgets of the General and Enterprise Funds. This chart shows the number of full-time employees working in each department. It does not, however, show the allocation of labor between the General Fund and Enterprise Funds that we use to account for work done outside of an employee's primary department. We use allocations in order to arrive at a more accurate cost of providing certain services and these allocations were thoroughly examined, as this budget was prepared. A detailed allocation table is provided in the Annual Budget document.



Through operational efficiencies in the utilization of personnel, leveraging technology to mitigate staffing increases, receiving countless hours of volunteer assistance, and other management strategies, we are able to maintain a staffing profile below that of comparable localities. In fact, according to 2016 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for personnel is \$98 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 decrease of .88%. That reduction is attributable to a change in the medical insurance coverage. This budget includes a 2% 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 \$1,673,332, a 7.37% decrease compared to projected revenue in the current budget. Fund Balance appropriation in the General Fund remains at 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 51.62% 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 \$0.29. While the cost of most everything else associated with operating a town has increased over the same period, prior to this year's reduction, our tax rate has been the same or revenue neutral since 2011.

According to the North Carolina Local Government Commission, the average tax rate among 514 reporting municipal governments in North Carolina as of June 30, 2016 (the latest available data) was \$0.4438 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 FY17-18, we have budgeted for a collection rate of 99.75%.

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 approximately 111% 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 proposed budget predicts a fund balance at the end FY 17-18 of approximately 113%.

Enterprise Funds

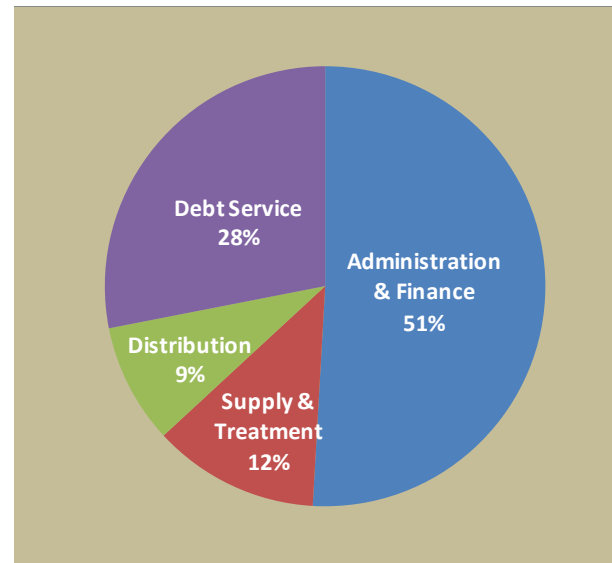
In addition to the General Fund, covering all typical government operations, the Town of River Bend operates two enterprises: the water system and the sewer system. These two enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of 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 FY17-18 is \$544,621, a decrease of \$50,545 from the current fiscal year.



Media Replacement Well #3	\$13,000
Half Cost of New Vehicle	\$12,000

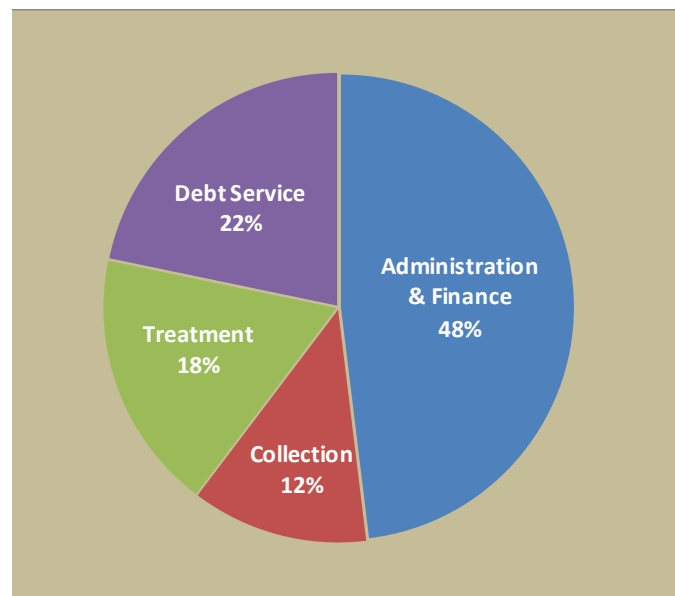
Proposed water enterprise projects

Due to high project costs and low expectation for need, plans for the project to interconnect our water system with that of the City of New Bern have been abandoned.

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 FY17-18 is \$640,173, a \$1,447 decrease from the current fiscal year.

Half Cost of New Vehicle	\$12,000
Manhole Repairs	\$15,000

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 manhole in the collection system.

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 but improving 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. It should be noted that Councilwoman Pat Yocum resigned from the Town Council during the budget process but did play a role in the development of this proposed budget. I thank Mrs. Yocum for her service on the Council. I want to recognize the considerable contribution of Margaret Theis, Finance Administrator, in the development of this year's budget. However, every member of the staff at Town Hall, along with the department heads contributed in some degree to the budget recommendation process. This annual budget represents a true team effort as we all work to preserve the future of this great community.

Respectfully Submitted,

Delane Jackson
Town Manager

Our location

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

RIVER BEND, NORTH CAROLINA



Annual Budget Ordinance

BE IT ORDAINED by the Council of the Town of River Bend, North Carolina that the following anticipated fund revenues and departmental expenditures, together with certain fees and schedules, and with certain restrictions and authorizations, are hereby appropriated and approved for the operation of the Town government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Summary

General Fund	1,673,332
General Capital Reserve Fund	115,260
Law Enforcement Separation Allowance Fund	34,112
Water Fund	544,621
Water Capital Reserve Fund	24,320
Sewer Fund	640,173
Sewer Capital Reserve Fund	27
	<hr/>
Total	3,031,845

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2017-2018	776,704
AD VALOREM Taxes-Motor Vehicle	87,000
Animal Licenses	2,400
Sales Tax 1% Article 39	148,300
Sales Tax 1/2% Article 40	94,300
Sales Tax 1/2% Article 42	74,500
Sales Tax Hold Harmless Distribution	94,200
Solid Waste Disposal Tax	2,000
Powell Bill Allocation	90,000
Beer and Wine Tax	13,300
Video Programming Sales Tax	60,800
Utilities Franchise Tax	119,000
Telecommunications Sales Tax	15,500
Court Refunds	850
Zoning Permits	2,500
Miscellaneous	5,900
Interest- Powell Bill Investments	5
Interest-Investments	6,000
Contributions	1,200
Wildwood Storage Rents	38,880
Rents & Concessions	18,000
Transfer from Capital Reserve Fund	21,993
	<hr/>
Total	1,673,332

Town of River Bend, North Carolina
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Authorized Expenditures

Governing Body	31,553
Administration	227,888
Finance	102,873
Tax Listing	12,182
Legal Services	25,000
Elections	8,500
Public Buildings	87,001
Police	478,689
Emergency Services	3,862
Animal Control	12,170
Street Maintenance	179,975
Public Works	156,337
Leaf & Limb and Solid Waste	38,505
Stormwater Management	50,505
Wetlands and Waterways	6,000
Planning & Zoning	39,533
Recreation & Special Events	7,500
Parks & Community Appearance	34,870
Contingency	31,279
Transfer to Capital Reserve Fund	114,110
Transfer to L.E.S.A. Fund	25,000
	<hr/>
Total	1,673,332

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	114,110
Interest Revenue	1,150
	<hr/>
Total	115,260

Authorized Expenditures

Transfer to General Fund	21,993
Future Procurement	93,267
	<hr/>
Total	115,260

Town of River Bend, North Carolina
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Section 3. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

Contributions from General Fund	25,000
Interest Revenue	100
Appropriated Fund Balance	<u>9,012</u>
Total	34,112

Authorized Expenditures:

Separation Allowance	<u>34,112</u>
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Section 4. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	194,122
Utility Usage Charges, Classes 3 & 4	14,302
Utility Usage Charges, Class 5	14,148
Utility Usage Charges, Class 8	3,459
Utility Customer Base Charges	271,394
Hydrant Availability Fee	23,370
Taps & Connections Fees	1,250
Nonpayment Fees	9,720
Late Payment Fees	7,400
Interest Revenue	3,536
Sale of Fixed Assets	<u>1,500</u>
Total	544,621

Authorized Expenditures

Administration & Finance [1]	408,561
Operations and Maintenance	108,770
Transfer to Fund Balance for Capital Outlay	3,500
Transfer to Water Capital Reserve Fund	<u>23,790</u>
Total	544,621

[1] Portion of department for bond debt service: 145,181

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

Anticipated Revenues

Contributions from Water Operations Fund	23,790
Interest Revenue	530
	<hr/>
Total	24,320

Authorized Expenditures

Future Expansion	24,320
	<hr/>

Section 6. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	264,974
Utility Usage Charges, Classes 3 & 4	33,959
Utility Usage Charges, Class 5	27,966
Utility Usage Charges, Class 8	7,754
Utility Customer Base Charges	292,111
Taps & Connection Fees	1,250
Late Payment Fees	7,800
Interest Revenue	2,859
Sale of Fixed Assets	1,500
	<hr/>
Total	640,173

Authorized Expenditures:

Administration & Finance [2]	402,788
Operations and Maintenance	174,385
Transfer to Fund Balance for Capital Outlay	63,000
	<hr/>
Total	640,173

<i>[2] Portion of department for bond debt service:</i>	<i>125,369</i>
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Section 7. Sewer Capital Reserve

Anticipated Revenues:

Interest Revenue	<u>27</u>
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Authorized Expenditures:

Future Expansion	<u>27</u>
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of twenty-nine cents (\$0.29) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2017, for the purpose of raising the revenue listed "Ad Valorem Taxes 2017-2018" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$298,500,000 and an estimated rate of collection of 99.75%. The estimated collection rate is based on the fiscal year 2015-2016 collection rate of 99.77% by Craven County who has been contracted to collect property taxes for the Town of River Bend.

Section 9. Fees and Charges

There is hereby established, for Fiscal Year 2017-2018, 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 2% 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 2017-2018 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 15th day of June, 2017.

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, 2017**

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	\$.29 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	
Four hours or less	\$35.00
Over four hours	\$60.00
Returned Check Processing Charge	\$25, as allowed by G.S. §25-3-506
Administrative Fee for returned bank drafts	\$25.00

Public Safety

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

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

Golf Cart Registration Fee	\$10.00
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Nuisance Abatement Administrative Fee

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

Parks

Town Hall Pavilion Use

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

Planning and Zoning

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

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

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

Residential Application Based on amount of project as follows:

Base Fee \$30

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

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

Residential Flood Plain Application with Zoning Permit

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

Commercial Application

Based on amount of project as follows:

Base Fee \$50

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

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

Commercial Flood Plain Application with Zoning Permit

40% of the fee for the Town's 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 2017-2018

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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	

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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ENTERPRISE FUNDS

Water and Sewer - Rates and Fees

	Water	Sewer
Class 1 and 2 - Residential ⁽¹⁾		
Customer Base Charge per month ⁽²⁾	15.24	24.18
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽³⁾	1,250.00	1,250.00
Nonpayment Fee	70.00	-
Class 3 and 4 - Commercial		
Customer Base Charge per month ⁽²⁾	88.32	141.99
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	3,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 5 - Industrial		
Customer Base Charge per month ⁽²⁾	276.24	444.93
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	5,000.00	1,250.00
Nonpayment Fee	200.00	-
Class 6 - Early Bird (No longer available)		
Class 7 - Fire Hydrant Charge		
Availability Charge per year	183.00	-
Class 8 - 1" Water Service		
Customer Base Charge per month ⁽²⁾	30.90	49.43
Usage per 1,000 gallons	4.02	9.08
Initial Connection (Tap) charge ⁽⁴⁾	1,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 9 - Vacant /Out of Use Non-residential Property		
Customer Base Charge per month ⁽²⁾	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) The published Initial Connection (Tap) charges are based on the historic River Bend average cost that has been experienced in making connections. There will be cases when, because of the local depth of the service main pipe to which the connection is to be made, or other site specific differences from the norm, the published connection fee will not cover the actual cost of the tap. When the Water Resources Superintendent encounters such conditions, he shall notify the applicant requesting the tap that the cost may exceed the published fee. In those cases, a record of cost associated with the specific tap will be accounted for and if the total cost exceeds the published fee, then the applicant shall pay a fee equal to the actual cost.

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

Consolidated Revenue Budget Summary

This summary provides the reader a broad overview of the expenditure budgets for the three major funds of the Town of River Bend for Fiscal Year 2017-18. 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				
	14-15	15-16	16-17	17-18
	Actual	Actual	Projected	Adopted
Ad Valorem Taxes	891,577	870,872	887,124	863,703
Animal Licenses & Zoning Permits	5,667	4,400	6,410	4,900
Interest	347	204	6,301	6,006
Wildwood Rents & Cable Franchise	37,322	37,092	43,431	38,880
Other Revenue & Rents	42,077	37,839	27,823	25,900
Contributions	822	784	1,209	1,200
Powell Bill (includes appropriation)	92,300	91,519	88,747	90,000
State Revenue (other than sales tax)	212,617	188,691	208,690	208,600
Sales Tax Revenue	394,208	383,573	419,248	411,300
Government Grants (State and County)	478	338	17,636	0
Fees (court refund)	645	651	850	850
Charges to Other Funds	0	0	0	0
Transfer from Capital Reserve	76,345	76,345	99,000	21,993
Transfer from Fund Balance	0	0	0	
Fund Total	1,754,403	1,692,308	1,806,469	1,673,332
Water				
	14-15	15-16	16-17	17-18
	Actual	Actual	Projected	Adopted
Base Fee	263,125	269,868	271,133	271,394
Usage Charges	223,074	219,402	225,837	226,031
Hydrant Fee	25,822	25,313	24,524	23,790
Tap Fees	3,035	2,820	4,000	1,250
Non Payment Fees	8,850	6,860	9,720	9,720
Late Payment Fees	7,362	6,881	7,400	7,400
Capital Investment Fees	0	5,400	0	0
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	488	1,100	8,543	5,036
Appropriated Fund Balance	0	0	0	0
Fund Total	531,755	537,644	551,157	544,621
Sewer				
	14-15	15-16	16-17	17-18
	Actual	Actual	Projected	Adopted
Base Fee	285,221	292,498	292,657	292,111
Usage Charges	330,352	328,388	335,178	334,653
Tap Fees	0	1,250	2,500	1,250
Late Payment Fees	8,070	7,380	7,800	7,800
Capital Investment Fees	0	1,900	1,900	0
Charges to General Fund	0	0	0	0
Other (includes interest, transfers, etc.)	426	770	4,964	4,359
Appropriated Fund Balance	82,710	0	0	0
Fund Total	706,780	632,186	644,999	640,173
Total All Funds	2,992,938	2,862,138	3,002,625	2,858,126

Consolidated Expenditure 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 2017-18. 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				
	14-15	15-16	16-17	17-18
	Actual	Actual	Projected	Adopted
Governing Body	22,504	28,711	25,629	31,553
Administration	216,929	224,214	228,035	227,888
Finance	93,908	100,434	100,648	102,873
Tax Listing	11,724	11,362	12,468	12,182
Legal Services	21,698	12,926	15,633	25,000
Elections	0	4,591	0	8500
Police	490,983	493,610	519,518	503,689
Public Buildings	72,940	58,938	60,053	87,001
Emergency Services	3,735	3,663	3,828	3,862
Animal Control	11,506	12,028	11,809	12,170
Street Maintenance	193,261	202,916	162,363	179,975
Public Works	113,217	136,653	165,981	156,337
Leaf & Limb and Solid Waste	39,028	36,365	49,653	38,505
Stormwater Management	119,085	105,116	56,167	50,505
Wetlands & Waterways	8	2,353	300	6,000
Planning & Zoning	34,230	36,222	39,533	39,533
Recreation & Special Events	5,931	6,708	7,250	7,500
Parks & CAC	42,040	33,663	39,228	34,870
Contingency (1% per policy)	0	13,300	0	31,279
Transfer to Capital Reserve	105,000	241,000	99,000	114,110
Fund Total	1,597,730	1,764,773	1,597,096	1,673,332
Water				
	14-15	15-16	16-17	17-18
	Actual	Actual	Projected	Adopted
Administration & Finance	373,273	375,371	412,281	408,561
Supply & Treatment	42,762	33,048	50,185	63,179
Distribution	36,062	39,479	40,145	45,591
Other (includes transfers and contingency)	29,418	47,655	27,954	27,290
Fund Total	481,515	495,553	530,565	544,621
Sewer				
	14-15	15-16	16-17	17-18
	Actual	Actual	Projected	Adopted
Administration & Finance	364,614	368,476	405,093	402,788
Collection	23,161	31,019	53,710	70,605
Treatment	319,678	92,121	117,911	103,780
Other (includes transfers and contingency)	1,900	64,900	1,900	63,000
Fund Total	709,353	556,516	578,614	640,173
Total All Funds	2,788,598	2,816,842	2,706,275	2,858,126

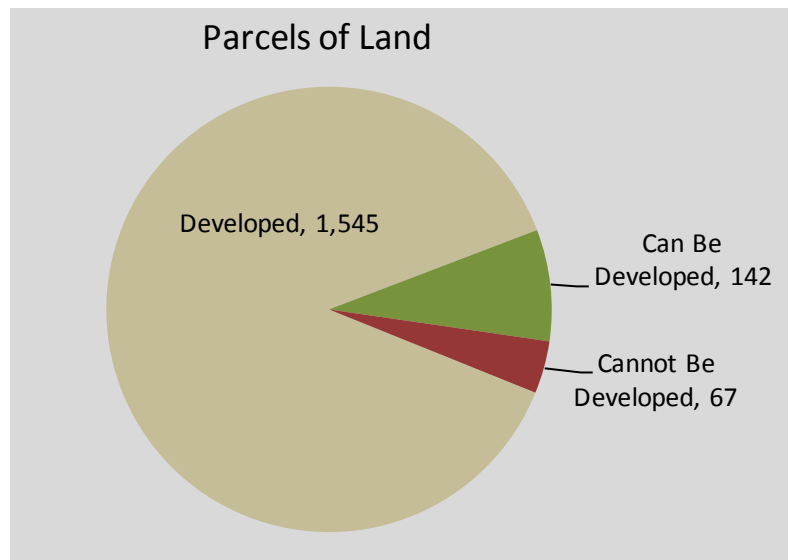
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Community Profile

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.

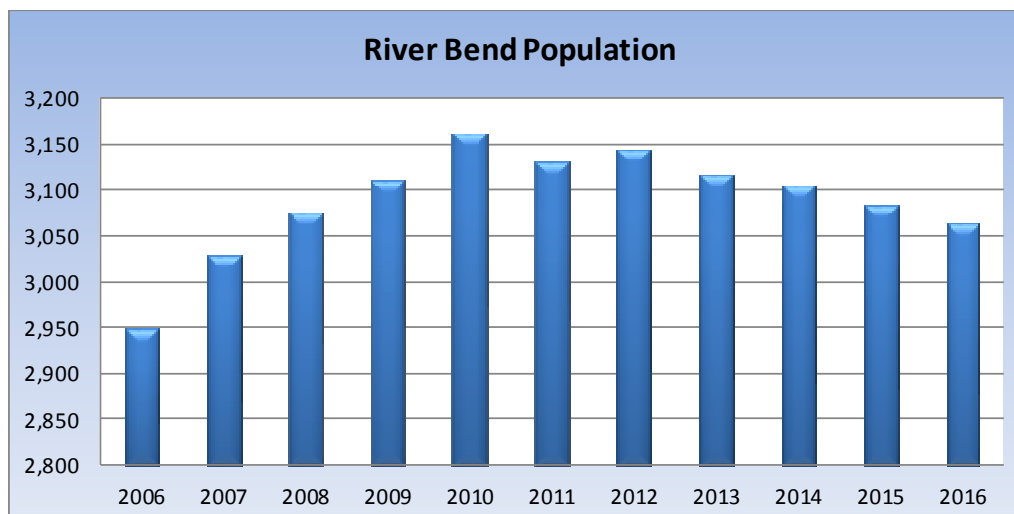
Land Use

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 1,754 parcels, of which 1,545 are developed and 209 undeveloped. There are approximately 29 acres of available commercial land, 18 acres of vacant institutional land, and 287 acres of vacant residential land.



Population

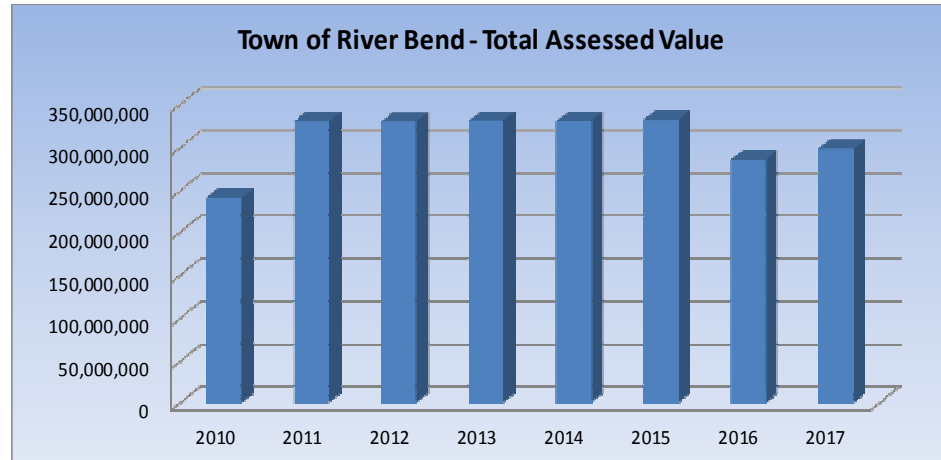
The population of River Bend as reported in the 2010 Census was 3,119. According to the latest estimate from the North Carolina Office of Budget and Management (OBM), the July 1, 2016 population of River Bend is 3,063. The chart below shows the change in population since 2006. According to the OBM, there are 553 municipalities in North Carolina. We are the 209th 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 2010.



Economy and Education

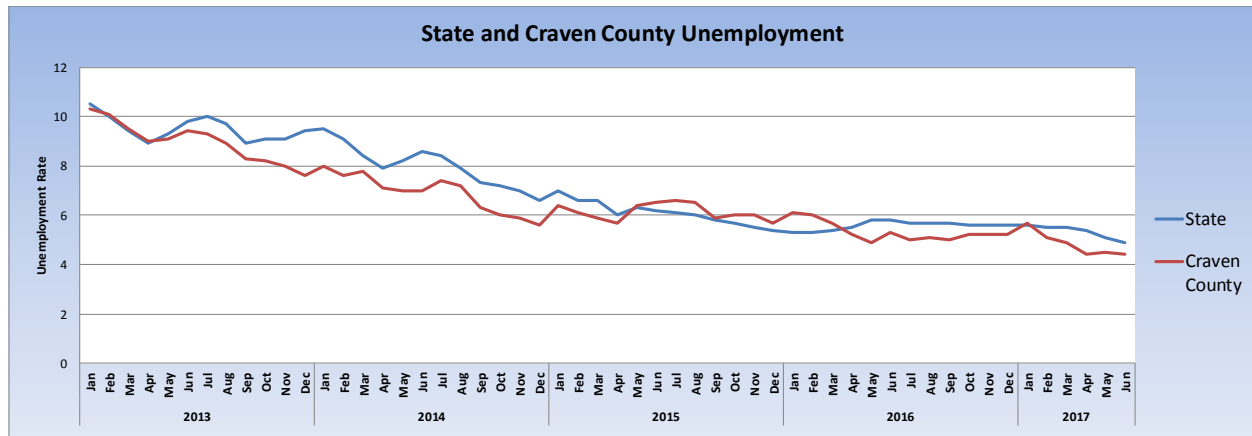
The 2010 Census reported that the majority of River Bend's workers were employed in the educational, health and social services (23%), and the manufacturing (20%) industries. Of our population over 16 years old, 56.8% were listed as "not in the labor force" in 2010. This reflects the level of retirees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

Employer	Employee Range
Department of Defense	5,173
Carolina East Health Systems	2,400
Craven County Schools	1,880
BSH Home Appliances	1,300
Moen Inc.	1,000
State of North Carolina	754
Wal-Mart	686
Craven County	622
Craven Community College	567
City of New Bern	440

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).

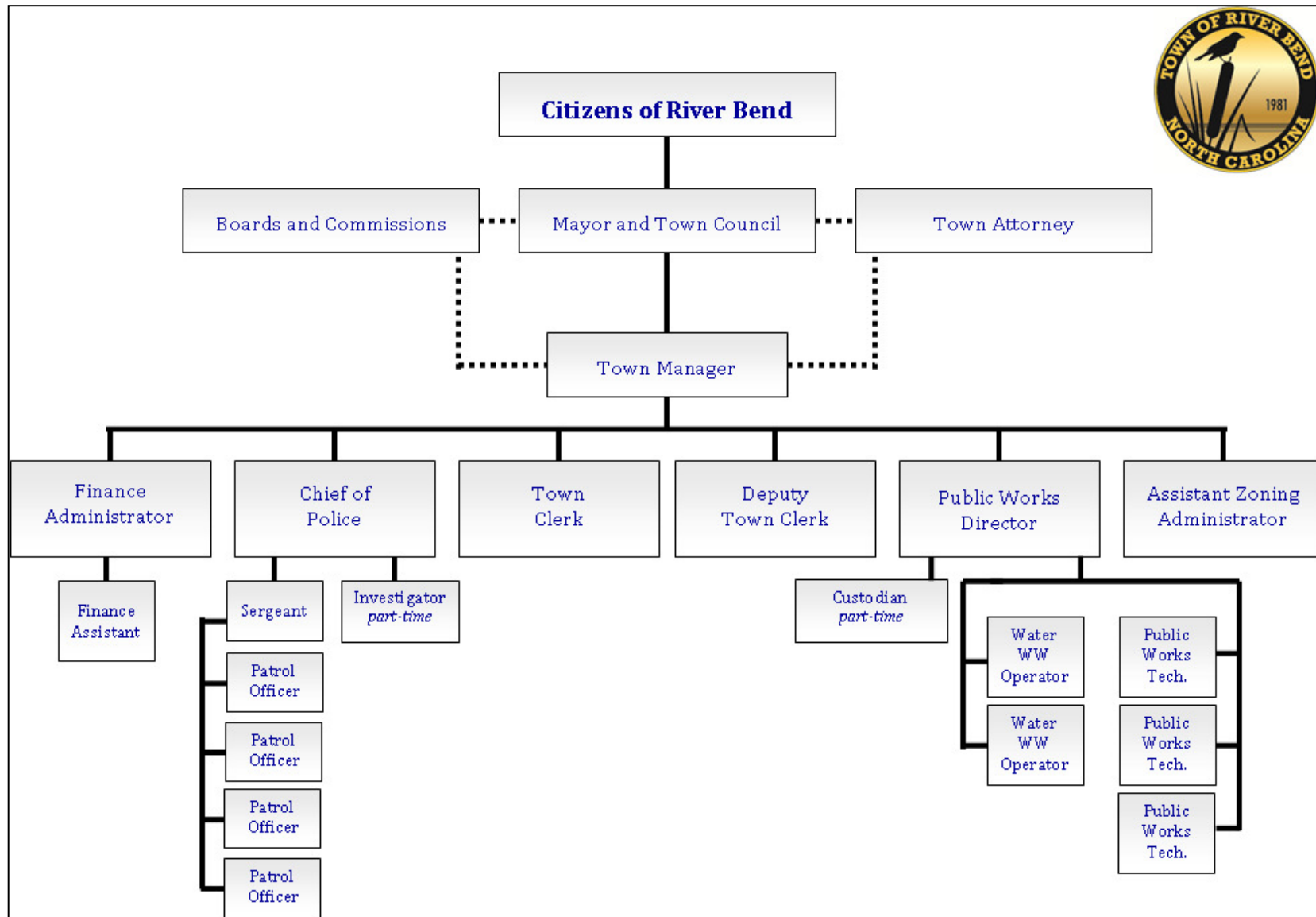
Public Works Advisory Board

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

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.
- h. The Town reserves the right to refuse acceptance of more than \$5.00 in coins, damaged currency, suspicious currency or any check for the transaction of business.

2. Cash Disbursements

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

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

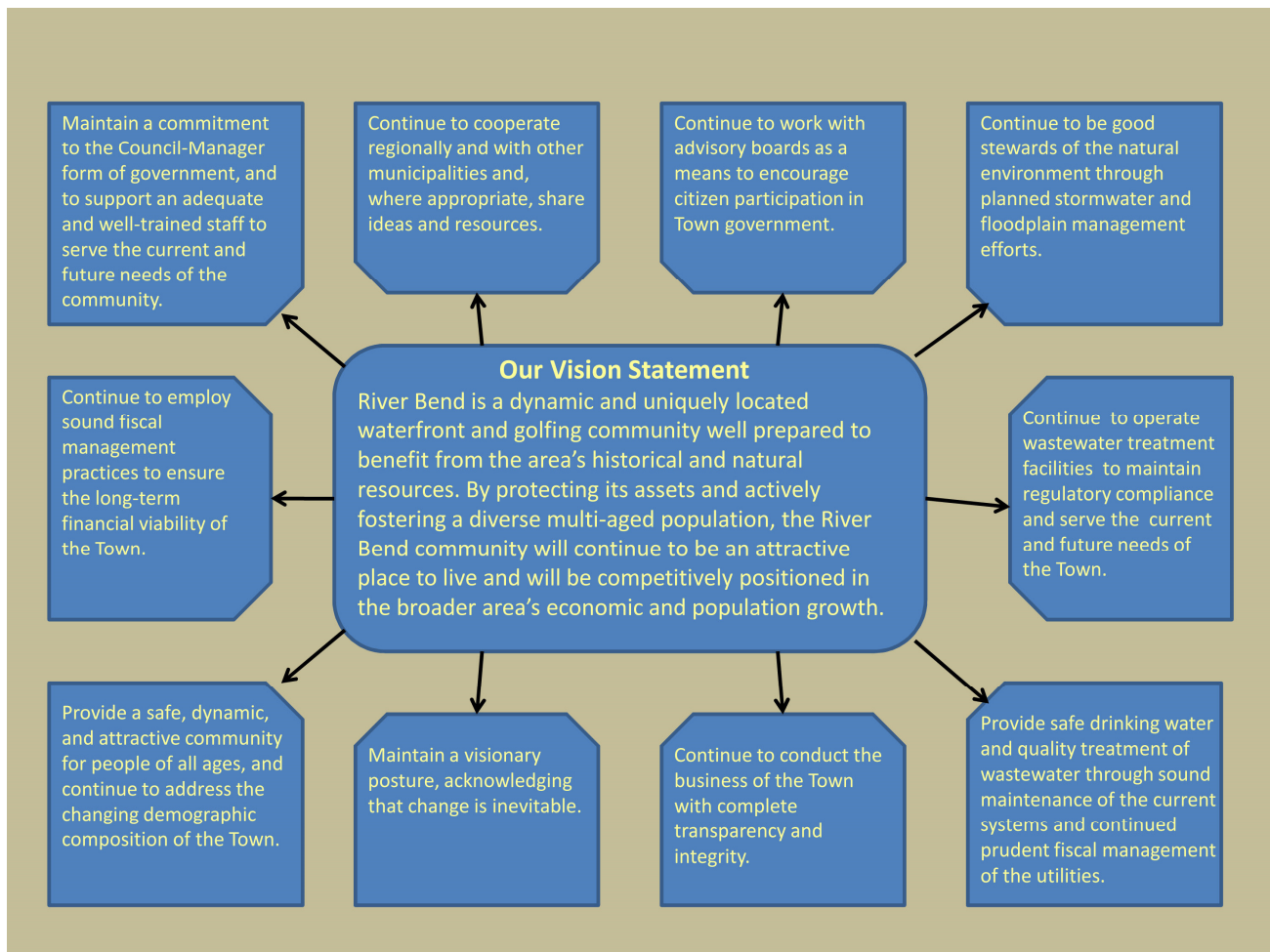
Our Budget Preparation Process

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 Budget Kick-Off meeting in January when the Council discussed its priorities for the coming fiscal year in terms of how they respond to the Town’s Mission Statement. 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 other economic factors, the Council remains cautious in budgeting for various anticipated revenues. This uncertainty, and the predicted levels of revenue, however, are not expected to affect service levels.

The Council also agreed, at this Kick-Off meeting, to a schedule of budget workshops. The chart below shows how each Council priority, established for Fiscal Year 2017-18, responds to the Town's overall Mission Statement. These priorities were unchanged from last year but remain focused on maintaining infrastructure, services, and the resultant quality of life in a well governed and managed community.

Town Council Priorities for the 2017-2018 Fiscal Year



In January of this year, a detailed list of dates and subject matter for four budget workshops plus one extra workshop, if necessary, was made available to our residents through a brochure mailed in water bills and available at Town Hall. All of these dates were announced during the workshops and advertised on the Town's webpage. The image on the next page is from the Budget Workshop brochure and shows the agenda for each session. All sessions began at 4:00 p.m. in the Town Hall.

Town of River Bend, North Carolina

Annual Budget for Fiscal Year 2017-2018

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MARCH 21, 2017

EMPLOYEE COMPENSATION AND BENEFITS

- Pay Plan Review
- Retirement / 401K / LESA
- Cost of Living Adjustment (COLA)

LABOR ALLOCATIONS AMONG DEPARTMENTS & FUNDS

- Staffing Projections
- Allocation Table

CAPITAL IMPROVEMENT PLANS

- General Fund
- Vehicle Replacement Plan
- Information Technology Replacement Plan

ELECTRIC UTILITIES AND FUEL PRICES

GENERAL FUND DEPARTMENTS

GOVERNING BODY

- Association Dues, Training, Contributions

ADMINISTRATION

- Property and Liability Insurance, Training, Association Dues

FINANCE

- Information Technology

TAX LISTING

- County Provided Services, Collection Projections, Fees

LEGAL SERVICES

- Attorney

ELECTIONS

STREET MAINTENANCE

- Roadway Improvement Plan

STORM WATER MAINTENANCE

- Prioritized Drainage Concerns
- Scheduled Maintenance

PUBLIC WORKS

- Capital Outlay

PUBLIC BUILDINGS

- Mowing and Landscaping Contract
- Building Maintenance

MARCH 28, 2017

GENERAL FUND DEPARTMENTS CONTINUED

POLICE

- Community Watch, Fuel, LESA, Capital Outlay

RECREATION AND SPECIAL EVENTS

- July 4th Plans, Recreation Programs

PARKS AND CAC

- Parks, Community Appearance Commission Projects, Community Organic Garden

EMERGENCY SERVICES

- Contingency Funding
- Community Emergency Response Team (CERT)

ANIMAL CONTROL

WETLANDS & WATERWAYS

- Pond and Canal Maintenance
- Environment and Waterways Advisory Board

LEAF & LIMB AND SOLID WASTE

- Contract Costs

PLANNING AND ZONING

GENERAL FUND—REVENUE/ EXPENSE

GENERAL FUND—FUND BALANCE

APRIL 4, 2017

ENTERPRISE FUND DEPARTMENTS

WATER AND SEWER FUND CASH LEVELS

- Debt Service
- Capital Reserve Funds
- Capital Improvements Plan/ Water and Sewer

WATER FUND DEPARTMENTS

- Administration
- Water Supply & Treatment
- Water Distribution

SEWER FUND DEPARTMENTS

- Administration
- Sewer Collection
- Sewer Treatment

UTILITY FINANCIAL MODEL

- Rate History
- Consumption Trends
- Revenue & Expense—Cash Balances
- Rate Scenarios

-WATER AND SEWER— REVENUE/EXPENSE

APRIL 11, 2017

FIVE YEAR FORECAST— GENERAL FUND

TAX RATES, UTILITY RATES, AND OTHER FEES

- Ad Valorem Tax Rate
- Utility Rates and Fees
- Schedule of Rates and Fees

APRIL 18, 2017

BREAK- MEET IF NECESSARY

APRIL 25, 2017

OVERVIEW

DRAFT-BUDGET MESSAGE, ORDINANCE and SCHEDULE OF FEES

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 2017-18 budget.

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

**Town of River Bend
Fiscal Year 2017-18 Budget Calendar**

December 20, 2016	Manager's Memo to Department Heads and Advisory Boards
January 12, 2017	Budget Kick-off meeting to set priorities
February 3, 2017	Deadline for initial submissions to Manager
March 21 – April 25, 2017	Budget Workshops
May 1, 2017	Budget Message and Summary available for public review
May 18, 2017	Formal Presentation to Council and Public Hearing
June 15, 2017	Budget Adoption

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

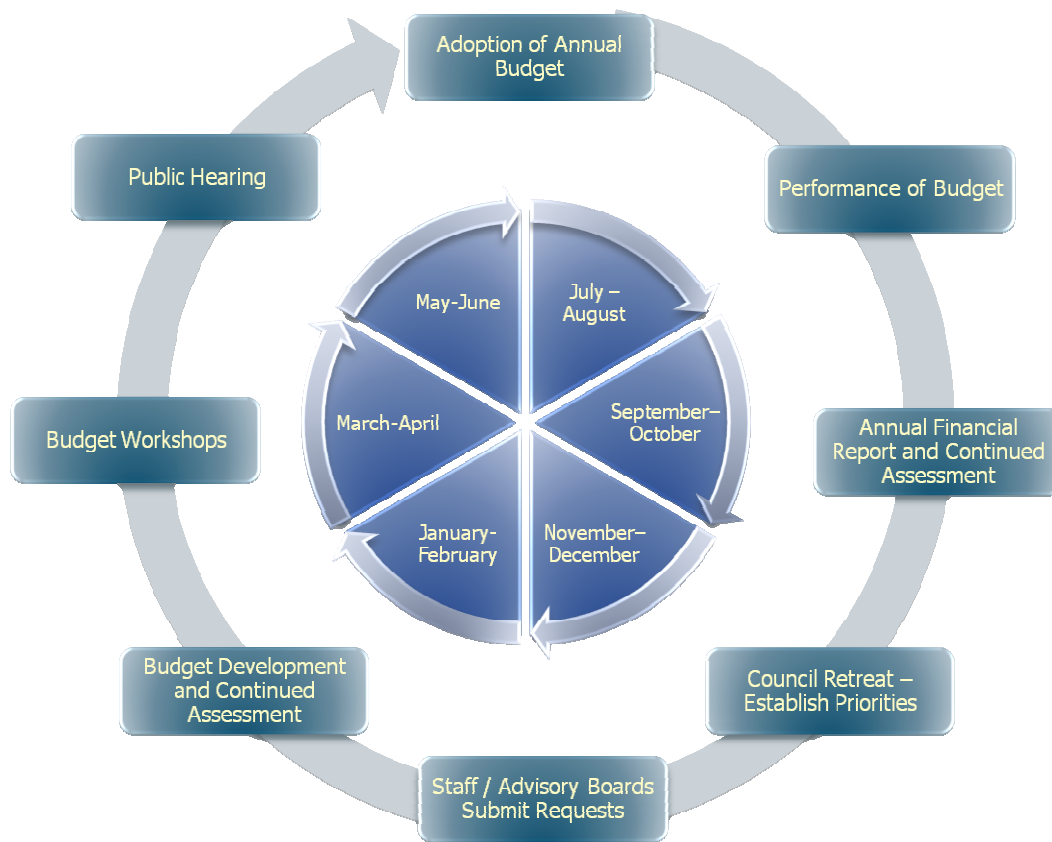
Occasionally, we find that estimates for the costs of certain goods and services increased from the time the budget was prepared to the time they are procured. When this occurs, the professional staff informs the Council of the difference and the Council makes a decision whether to amend the budget ordinance or forego a certain project. Moving budgeted amounts from one line to another within a department requires the approval of the Budget Officer, but moving budgeted amounts from one department to another within the General Fund requires a formal budget amendment vote by the Council. As with all the other business this Town conducts, these changes are made in public meetings and are reported at the 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, 2017 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, \$1,354,909, in determining the Town's legal debt margin.

Assessed Value of Real and Personal Property: \$298,500,000 (estimate from county)

Debt Limit (8% of assessed value): \$ 23,880,000

Debt (net) Applicable to Limit (as of 7/1/2017): \$ 1,170,091

Legal Debt Margin: \$ 22,709,909

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 2018.

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 2018.

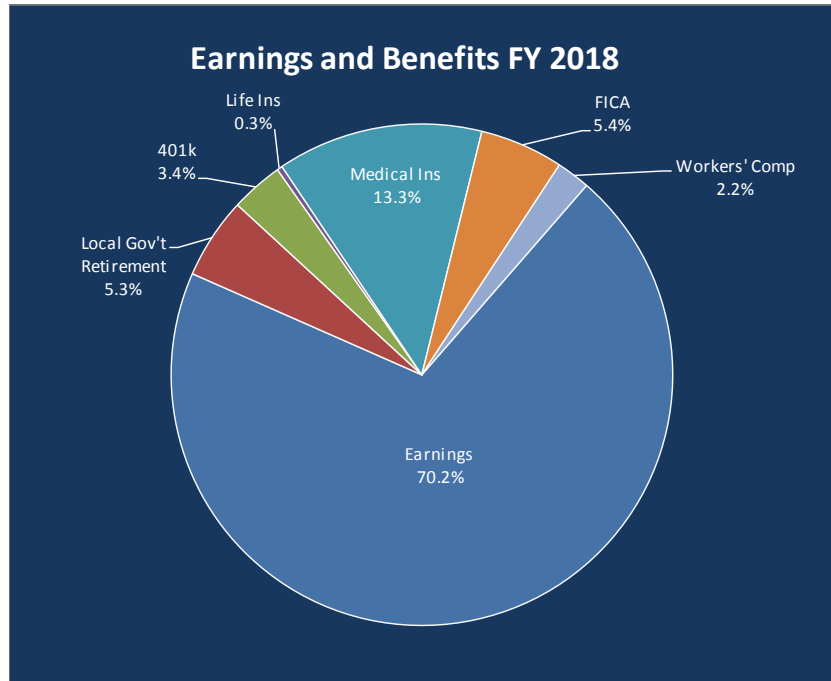
Fiscal Year 2017-18 Debt Obligations Summary										
Year Issued	Project	Loan Type	Amount Issued	Fiscal Year Retired	Interest Rate	Debt as of 7/1/2017	FY 17-18 Principal	FY 17-18 Interest	Total Payment	Debt as of 6/30/2018
Water Fund										
2005*	Purchase of Water System	General Obligation Bond	1,588,384	2027	2 -3 % **	1,354,909	115,372	29,809	145,181	1,239,537
		Remaining Debt at end of Fiscal Year	1,239,537							
Sewer Fund										
2005*	Purchase of Sewer System	General Obligation Bond	1,371,616	2027	2 -3 % **	1,170,091	99,628	25,741	125,369	1,070,463
						2,525,000				
		Remaining Debt at end of Fiscal Year	1,070,463							
* 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 \$1,208,908. This represents a total of 42% of the total combined operating budget. Due to staffing changes, this budget reflects a total personnel cost decrease of nearly 1%. This budget does contain a 2% cost of living increase and 1% increase for longevity. There is also an additional 1% available for merit bonuses.

The chart to the right shows how the total personnel cost is broken down. Earnings account for 70% of the total cost of personnel, and medical insurance is the 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 \$1,000.

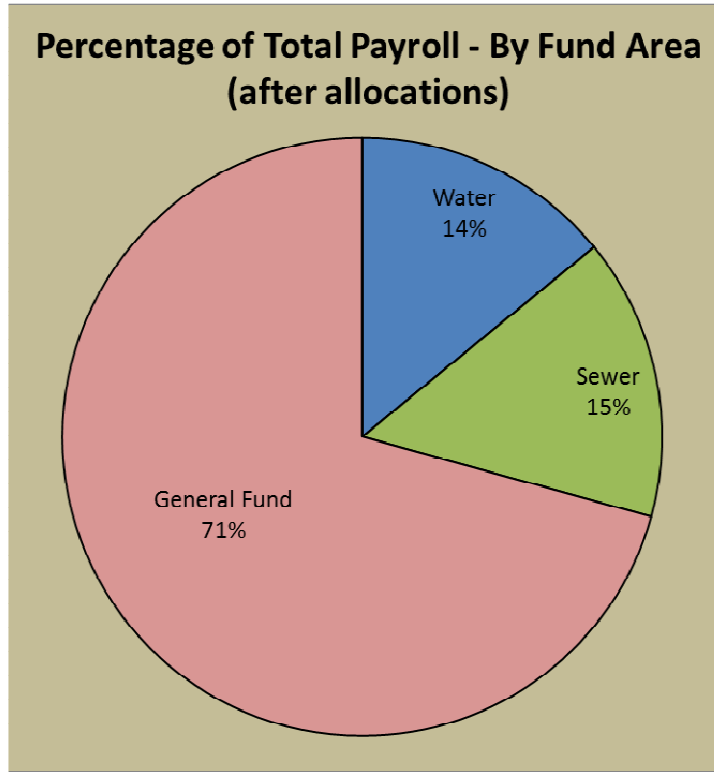


By way of comparison, according to 2016 data compiled by the North Carolina Local Government Commission, River Bend's per capita expenditure for salaries and wages was \$96 less than that of our peer group (2,500-9,999 population, without electric). Through efficient scheduling in our Police Department, 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.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	3	3	3	3	3	3	3	3	3	3	3
Finance	2	2	2	2	2	2	2	2	2	2	2
Police	5.5	6.5	6.5	6.5	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
Public Works	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Water/Sewer Funds	3	3	3	3	3	3	3	3	3	3	3
TOTAL FTE	18	19	19	19	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 funds, using a Health Reimbursement Account (HRA), the first \$1,000 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 (LGERS), 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 also voluntarily contribute into the account. Each employee chooses how the money is invested from a menu of investment accounts through Prudential.

Social Security

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

Holidays

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

Vacation

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

Sick Leave

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

Uniforms

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

Tuition Reimbursement

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

Law Enforcement Separation Allowance

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

DEPARTMENT: Administration / Finance

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

FEATURES:

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

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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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ADMIN.						
Step	AD 1	AD 2	AD 3	AD 4	AD 5	AD 6
1	24,918	33,979	35,678	39,245	54,366	62,294
2	25,167	34,318	36,034	39,638	54,909	62,917
3	25,418	34,662	36,395	40,034	55,458	63,546
4	25,673	35,008	36,759	40,434	56,013	64,182
5	25,929	35,358	37,126	40,839	56,573	64,823
6	26,189	35,712	37,497	41,247	57,139	65,472
7	26,451	36,069	37,872	41,660	57,710	66,126
8	26,715	36,430	38,251	42,076	58,287	66,788
9	26,982	36,794	38,634	42,497	58,870	67,456
10	27,252	37,162	39,020	42,922	59,459	68,130
11	27,525	37,533	39,410	43,351	60,054	68,811
12	27,800	37,909	39,804	43,785	60,654	69,500
13	28,078	38,288	40,202	44,223	61,261	70,194
14	28,359	38,671	40,604	44,665	61,873	70,896
15	28,642	39,057	41,010	45,111	62,492	71,605
16	28,929	39,448	41,420	45,563	63,117	72,321
17	29,218	39,843	41,835	46,018	63,748	73,045
18	29,510	40,241	42,253	46,478	64,386	73,775
19	29,805	40,643	42,676	46,943	65,029	74,513
20	30,103	41,050	43,102	47,413	65,680	75,258
21	30,404	41,460	43,533	47,887	66,337	76,011
22	30,708	41,875	43,969	48,366	67,000	76,771
23	31,015	42,294	44,408	48,849	67,670	77,538
24	31,326	42,717	44,852	49,338	68,347	78,314
25	31,639	43,144	45,301	49,831	69,030	79,097

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

Town Manager	AD6	Step 22
Finance Administrator	AD5	Step 22
Finance Assistant	AD4	Step 17
Town Clerk	AD2	Step 12
Deputy Town Clerk	AD3	Step 24
Asst. Zoning Administrator	AD3	Step 3

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	33,979			44,172	48,703	54,366
2	34,318			44,614	49,190	54,909
3	34,662			45,060	49,682	55,458
4	35,008	36,759		45,511	50,178	56,013
5	35,358	37,126		45,966	50,680	56,573
6		37,497		46,425	51,187	57,139
7		37,872	39,766	46,890	51,699	57,710
8		38,251	40,164	47,359	52,216	58,287
9		38,634	40,565	47,832	52,738	58,870
10		39,020	40,971	48,310	53,265	59,459
11			41,381	48,794	53,798	60,054
12			41,794	49,281	54,336	60,654
13			42,212	49,774	54,879	61,261
14			42,635	50,272	55,428	61,873
15			43,061	50,775	55,982	62,492
16			43,491	51,282	56,542	63,117
17			43,926	51,795	57,108	63,748
18			44,366	52,313	57,679	64,386
19			44,809	52,836	58,256	65,029
20			45,257	53,365	58,838	65,680
21			45,710	53,898	59,426	66,337
22			46,167	54,437	60,021	67,000
23			46,629	54,982	60,621	67,670
24			47,095	55,532	61,227	68,347
25			47,566	56,087	61,839	69,030

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

Police Chief	P06	Step 11
Sergeant	P04	Step - vacant
Patrol Officer	P02	Step 8
Patrol Officer	P01	Step 5
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				
	PW 1	PW 2	PW 3	WO 1	WO 2	WO 3	WO 4 (FO Sup)	WO 5 (Dir)
1	28,315			32,846			44,172	54,366
2	28,599			33,174			44,614	54,909
3	28,885	30,329		33,506			45,060	55,458
4	29,173	30,632		33,841	35,533		45,511	56,013
5	29,465	30,938	34,180	34,180	35,889		45,966	56,573
6		31,248	34,521		36,248	38,060	46,425	57,139
7		31,560	34,867		36,610	38,440	46,890	57,710
8		31,876	35,215		36,976	38,825	47,359	58,287
9		32,195	35,567		37,346	39,213	47,832	58,870
10		32,517	35,923		37,719	39,605	48,310	59,459
11		32,842	36,282		38,096	40,001	48,794	60,054
12		33,170	36,645		38,477	40,401	49,281	60,654
13		33,502	37,012		38,862	40,805	49,774	61,261
14		33,837	37,382		39,251	41,213	50,272	61,873
15		34,175	37,756		39,643	41,626	50,775	62,492
16		34,517	38,133		40,040	42,042	51,282	63,117
17		34,862	38,514		40,440	42,462	51,795	63,748
18		35,211	38,900		40,845	42,887	52,313	64,386
19		35,563	39,289		41,253	43,316	52,836	65,029
20		35,919	39,681		41,666	43,749	53,365	65,680
21		36,278	40,078		42,082	44,186	53,898	66,337
22		36,641	40,479		42,503	44,628	54,437	67,000
23		37,007	40,884		42,928	45,074	54,982	67,670
24		37,377	41,293		43,357	45,525	55,532	68,347
25		37,751	41,706		43,791	45,980	56,087	69,030

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

Director of Public Works	WO5	Step 14
Water Operator	WO2	Step 9
Water Operator	WO2	Step 19
Public Works Technician	PW1	Step 2
Public Works Technician	PW1	Step 5
Public Works Technician	PW2	Step 22

[illegible]

Information Technology Replacement Plan

Included in the General Fund Capital Improvement Plan is a detailed plan for keeping our Information Technology equipment up-to-date. In fiscal year 2012 we migrated away from maintaining our IT infrastructure on-site to a model that moved our servers to a remote site, maintained by our IT contractor, VC3, Incorporated. This eliminated many of the more expensive components of our infrastructure, and eliminated the need for many service expenses including 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 FY 2018 the level of funding for IT replacement will be \$1,793.

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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 FY18.

Hardware Remaining in Plan					
Item - User	Year Purchased	Make/Model	Cost	Est. Fiscal Year Replacement	Est. Repl. Cost
MDT - Police	2014	Durabook	2,512	2020	1,100
MDT - Police	2014	Dell Latitude E5530	1,170	2020	1,100
MDT - Police	2015	Dell Latitude 3540BTX	1,380	2021	1,100
MDT - Police	2015	Dell Latitude 3540BTX	1,380	2021	1,100
ASA	2008	Cisco 5505	2,447	2018	1293
Router for telephone/computers		Cisco IAD881F-k9		2018	
Laptop - Admin/Budget	2007	Dell Precision M4300	462	2024	462
Powered Switch	2011	WS-C2960-24PC-L	500	2019	2500
Phone Switch	2011	Cisco IAD 800	700	2019	721
Projector	2013	Dell	664	2018	700
Network UPS	2008	Emerson	691	2019	900
Cisco catalyst 24 port Switch	2016	WS-C2960X-24PS-L	3,328	2020	2500
Printers					
Deputy Clerk	2016	HP LaserJet 2840		2022	1,000
Finance Assistant	2009	HP LaserJet Pro 400		2021	1,500
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					\$ 19,976

Other Expenditures Common Across Major Funds

Electric Power Costs

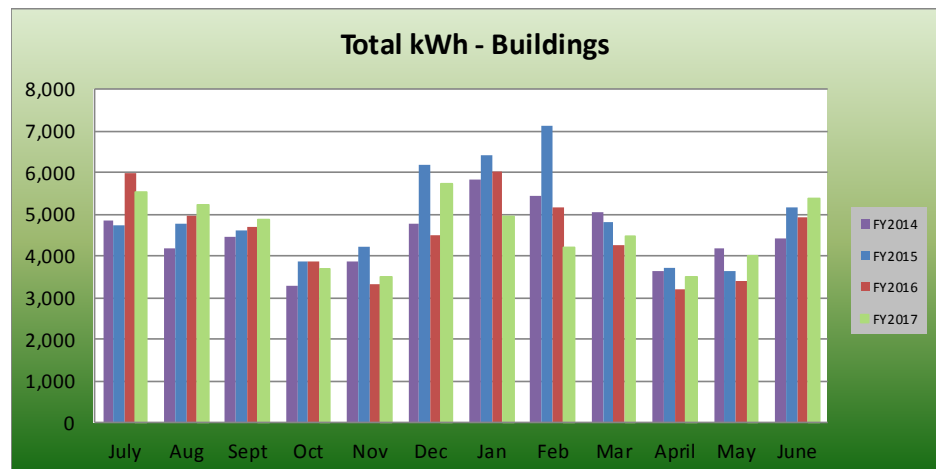
One of the larger expenditures, and one that affects all three major funds, is for electricity. Each year, during the budget process, we review information regarding our historical consumption patterns, and combine that with the outlook provided by our supplier, Duke Energy Progress, to arrive at a reasonable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

Typically, the budget uses an average of the current fiscal year (FY 2017) to date for the first six months of the new year (FY 2018). However, this year Duke plans to lower the electric rate by an average of 6.2% 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 2017.

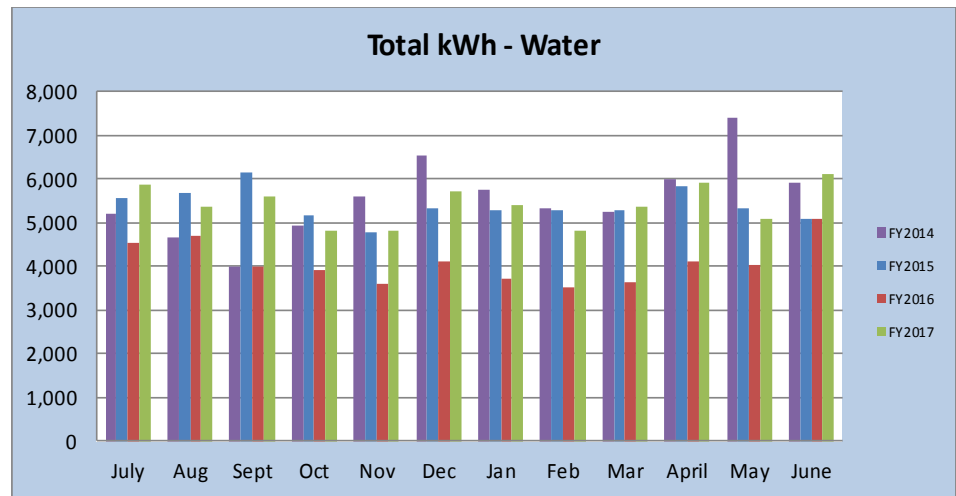
	FY 2017			FY 2018
	Budget	Projected	Forecast*	Budget
Water Supply	7,700	7,700	7,529	7,700
Sewer Collection	7,500	7,500	7,212	7,500
Sewer Treatment	25,500	25,500	24,702	25,500
Public Buildings	7,600	7,905	7,849	7,905
Parks	5,050	4,902	4,940	4,940
Street Lights	40,300	38,598	37,427	38,598
TOTAL	93,650	92,105	89,658	92,143
* forecast includes a 7.2% decrease in costs, plus a 3% increase in demand in all accounts except street lights				

The chart to the left shows the FY 17 budget and year-end projected expenditure in each area where electric costs appear in the budget, and what we project for FY 18 in each of these areas. While we will end FY 17 under budget, we felt it prudent to budget at the same level in FY 18 in each of these areas as noted above.

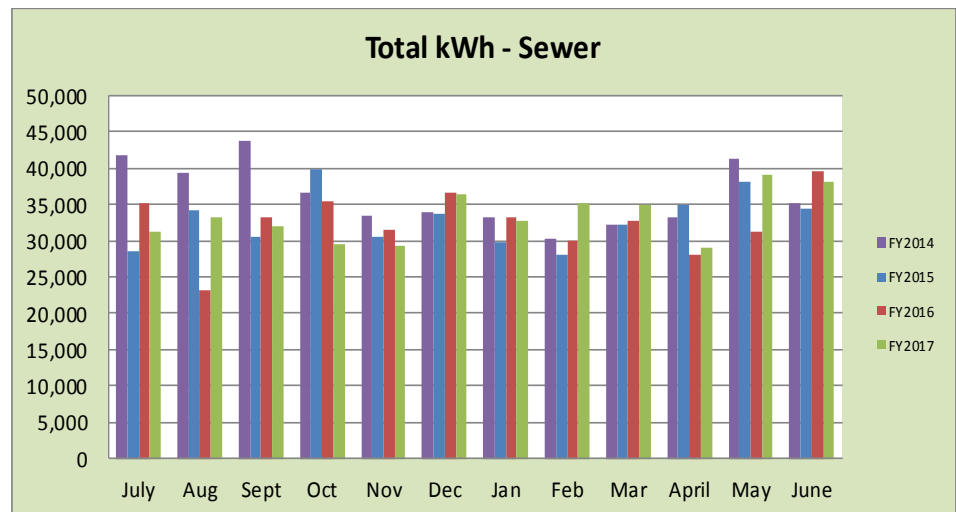
The chart to the right shows the amount of power we used for our building operations. Overall, in FY 17 we used less than 1% more kWh than we did in FY 16. We still had months where weather and other factors increased our consumption.



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 up 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.

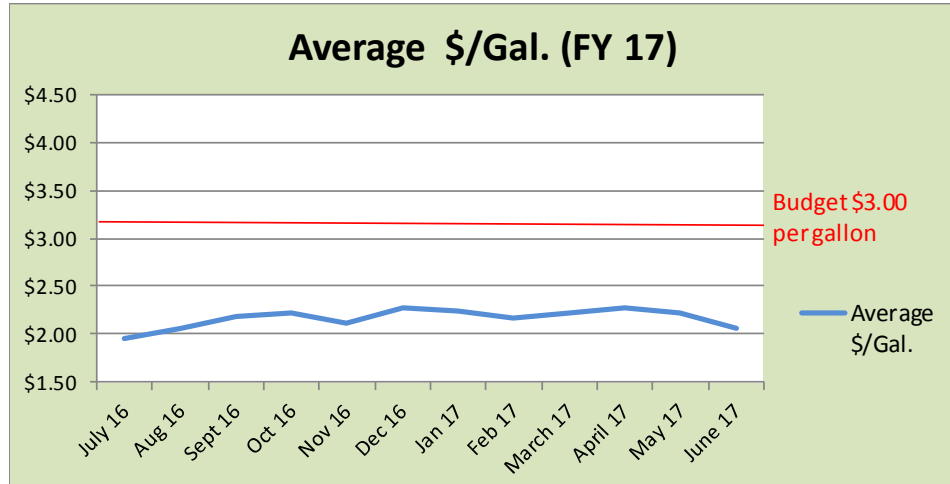


Gasoline Consumption

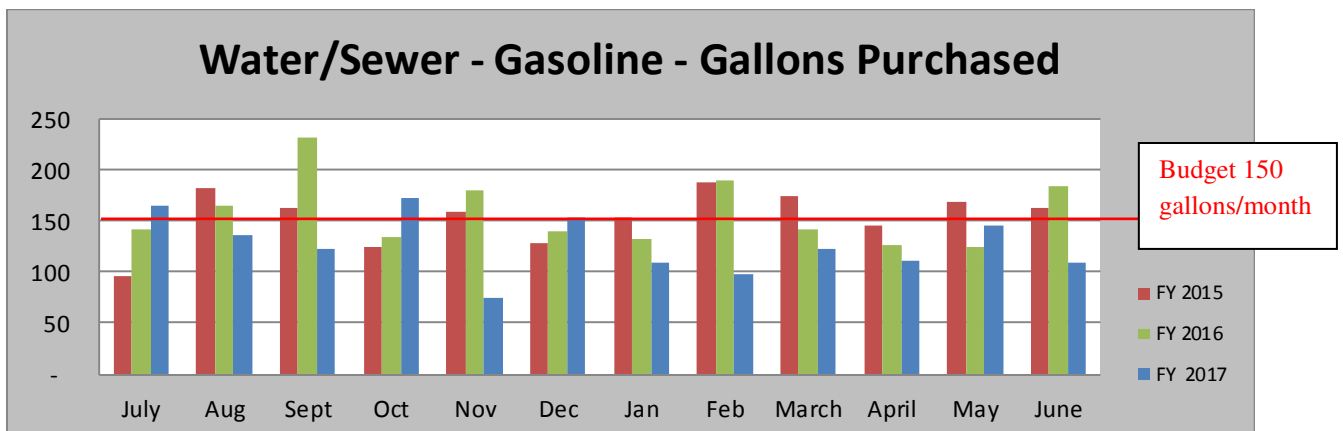
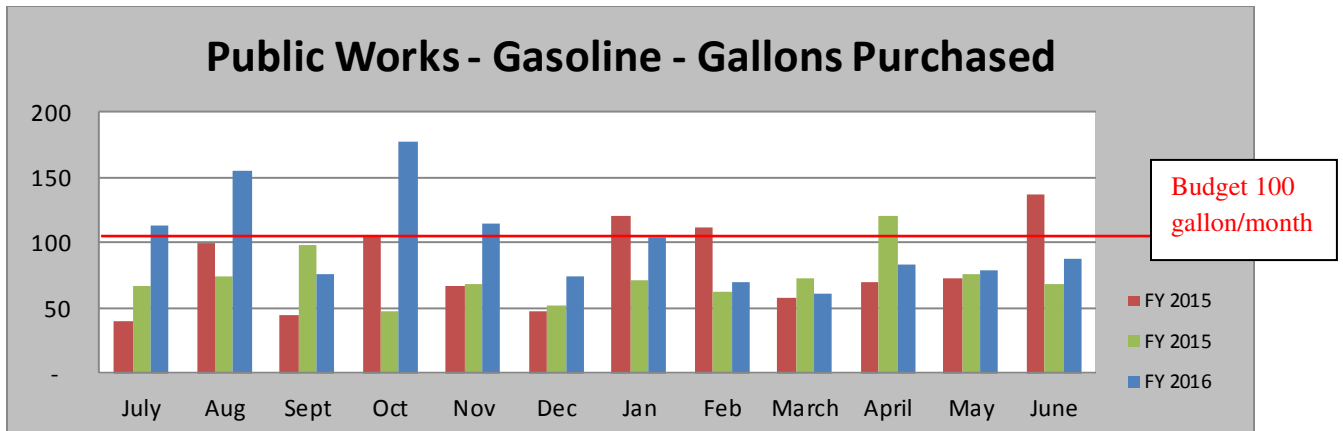
Another expenditure that affects all three funds, and several departments, is for motor fuel for our fleet. During the preparation of the budget, we look at the projections and historical data prepared by the federal Energy Information Administration (EIA) and compare that with our own experience. We then arrive at what we feel is a reasonable retail rate per gallon. This year, we budgeted \$3.25 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.

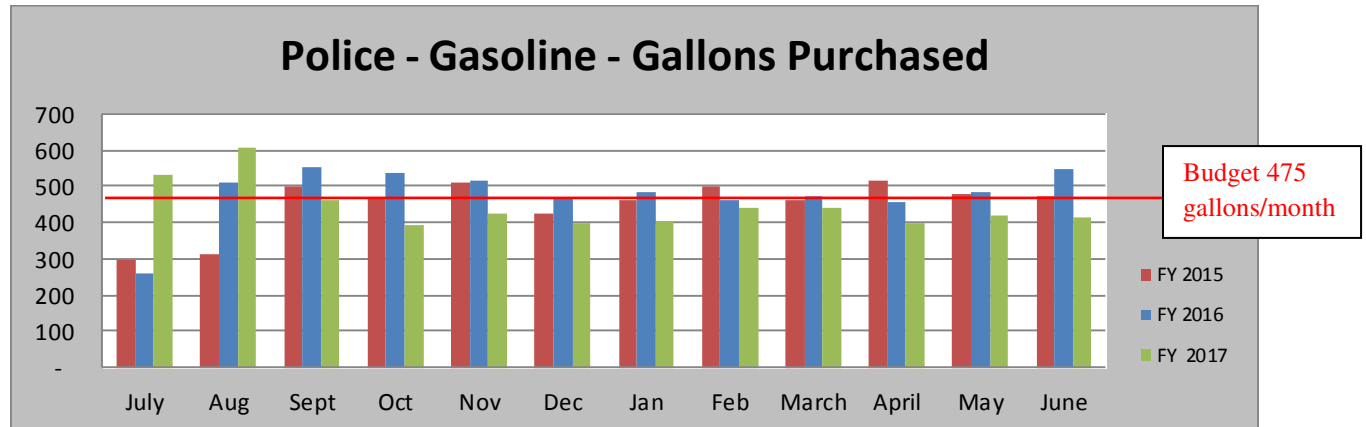
In order to determine the projected consumption, we look at historical records of miles driven in each department. Using an estimated number of miles per gallon based upon the composition of the department's fleet, we can predict, with some accuracy, the total amount we will spend on motor fuel for each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

The chart to the right shows the retail cost per gallon we have been paying in fiscal year 2017 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.





The table below shows the detail of how each budgeted amount is arrived at and the change in budgeted expenditure compared to FY 2017.

Obviously, over the past few years, gasoline costs have been unstable, unpredictable and subject to much volatility due to numerous global influences and demands. Each year, during our budget planning process, we look at future fuel cost predictions as determined by the US Energy Information Administration (EIA). In February 2017, EIA predicted an average gasoline price of \$2.38 for the entire year. We chose to budget our gasoline expense at \$3.25 per gallon.

		Retail Price / Gallon	\$2.75	\$3.00	\$3.25	\$3.50	\$3.75	\$4.00	\$4.25	
		Less Federal & State Taxes	0.54	0.54	0.54	0.54	0.54	0.54	0.54	
		Budget Price / Gallon	\$2.21	\$2.46	\$2.71	\$2.96	\$3.21	\$3.46	\$3.71	
										\$ Change vs. FY17
		GALLONS	COST	COST	COST	COST	COST	COST	COST	
Police	4 Vehicles	5700	12,597	14,022	15,447	16,872	18,297	19,722	21,147	\$1,425
Public Works	2 Vehicles	1200	2,652	2,952	3,252	3,552	3,852	4,152	4,452	\$300
Water / Sewer	3 Vehicles	1800	3,978	4,428	4,878	5,328	5,778	6,228	6,678	\$450
	TOTAL	8700	\$ 19,227	\$ 21,402	\$ 23,577	\$ 25,752	\$ 27,927	\$ 30,102	\$ 32,277	

Understanding the Headings

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

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

The worksheet contains columns for the last two complete fiscal years showing the year-end budget and the actual amount expended in each line. This provides the reader with 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 FY18, we appropriated no reserve funds to balance the budget.

General Fund Capital Improvement Plan

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

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

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

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

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

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

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

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

The CIP projects for Fiscal Year 2017-18 include a \$20,000 storm water management project to address a drainage issue that affects Wildwood Drive and \$1,993 for IT replacement. 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.

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

CAPITAL IMPROVEMENT PLAN										
GENERAL FUND		Fiscal Year								
Adopted Capital Funding	Funding Began	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTALS
<i>Public Bld. & Grounds:</i>										
Storage Facility Maintenance	05-06									5,000
Wildwood Facility Replacement	10-11	26,000	78,000	52,000	52,000	52,000	52,000	52,000	52,000	654,000
<i>Public Works:</i>										
Stormwater Maintenance [1]	05-06	192,000	74,052	34,110	30,000	30,000	30,000	30,000	30,000	750,162
<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	86,500
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	42,000
<i>Parks, Rec. & CAC</i>										
Town Commons development	03-04									50,000
<i>Vehicles (ref. veh repl schedule):</i>										
Public Works and Police	04-05	16,000	16,000	21,000	17,000	17,000	18,000	18,000	18,000	287,000
TOTAL		241,000	175,052	114,110	106,000	106,000	107,000	107,000	107,000	1,877,662

General Fund Capital Improvement Plan - Spending

CAPITAL IMPROVEMENT PLAN										
GENERAL FUND										
CAPITAL RESERVE FUND	Beg. Balance	498,596	453,706	470,461	554,468	602,791	677,591	743,191	780,980	1,877,662
Adopted Capital Spending		2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	TOTALS
<i>Public Bld. & Grounds:</i>										
Storage Facility Maintenance										0
Wildwood Replacement										101,140
Annex Modification - Shop										11,000
Roofing - Storage Buildings										9,100
Roofing - Annex										7,500
Flooring - Annex										6,000
Telephone System										7,000
<i>Public Works:</i>										
Stormwater Maintenance		193,000	52,000	20,000	30,000	30,000	30,000	30,000	30,000	694,900
<i>Environmental - Waterways</i>										
Canal Maintenance & Dredging							4,500			18,000
Front Pond/Ritter Field Clean-out										3,000
<i>Information Technology:</i>										
Hardware replacement		3,553	0	1,993	1,677	2,200	6,900	10,211		22,981
<i>Parks, Rec. & CAC</i>										
Grant matching funds										35,000
<i>Vehicles (ref. veh repl schedule):</i>										
Public Works			22,000							64,266
Police		24,000	25,000		26,000			29,000		264,695
TOTAL		220,553	99,000	21,993	57,677	32,200	41,400	69,211	30,000	1,171,035
CAPITAL RESERVE FUND	Interest Earned:	610	1,645							41,249
	Ending Balance:	278,654	356,351	448,468	496,791	570,591	636,191	673,980	750,980	747,876
		2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	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.

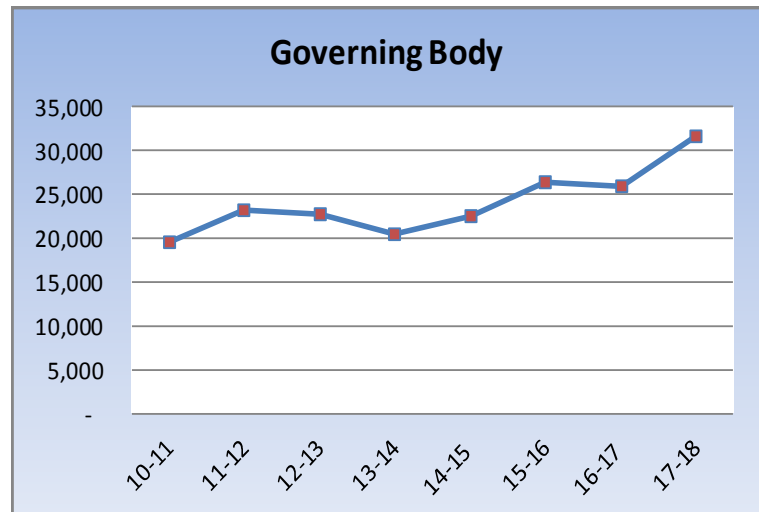
Primary Functions:

- 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 2016-17 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
- Appointed new Council member following the resignation of one member
- Attended NCLM Conference in Raleigh, NC

This department accounts for expenditures related to the Mayor and Town Council. Since FY 08, each member of the Town Council was 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. Effective in FY 18, the Council received a raise to \$233 per month and \$358 per month for the Mayor.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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

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

Governing Body		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4110									
121	Wages & Salaries	15,600	15,600	15,600	15,600	15,600	7,800	15,600	18,300
170	Council & Spouse Expense	4,500	1,369	4,500	7,375	4,500	39	4,500	7,475
181	FICA	1,194	1,193	1,194	1,193	1,195	597	1,195	1,400
186	Workers' Compensation Ins.	110	83	100	78	100	73	73	75
171	Mayor's Representation	2,000	1,530	2,000	1,549	2,000	1,597	2,000	2,000
481	Indirect Cost- Labor	-8,451	-8,451	-8,451	-8,450	-8,442	-4,929	-8,442	-8,451
491	Dues & Subscriptions	7,492	6,979	7,809	7,666	7,754	7,503	7,503	7,754
499	Misc- Contributions	3,200	4,200	3,700	3,700	3,200	1,500	3,200	3,000
	TOTAL	25,645	22,504	26,452	28,711	25,907	14,180	25,629	31,553
170	NCLM Conference Greenville	1,500		3 participants at \$500					
		1,500		Lodging for 3 at \$500					
	Essential of Municipal Govt.	2,975		Registration for entire Council and Manager (\$425x7)					
	Travel, Training, Meals	1,500		For Council members and spouse					
		<u>7,475</u>							
491	Eastern Carolina Council of Governments		363	Total \$1,089 (\$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						
			<u>7,754</u>						
499	Approp. to Highway 17 Assoc.		1,500						
	Approp. To Allies for Cherry Point		<u>1,500</u>						
			<u>3,000</u>						

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:

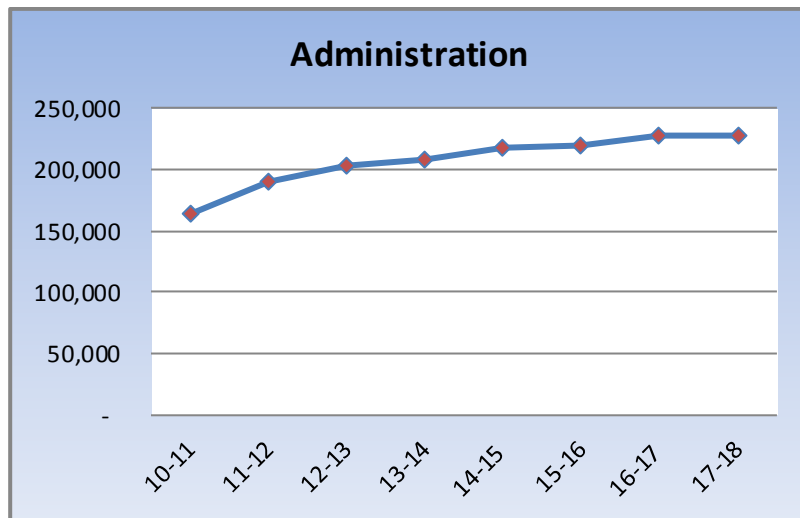
- Prepare minutes and agendas of Town Council meetings and makes these documents available electronically through the Town's website.
- Maintain Town records in accordance with applicable laws and internal policies.
- Serve as a point of contact for resident and visitor inquiries.
- Maintain information 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 2016-17 Highlights including Special Projects and Purchases

- Town Manager participated in the NCCCMA Annual Conference in Durham
- Conducted the seventh 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 eighth consecutive “Tree City USA” award
- Town Manager maintained 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 2018. 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		14-15		15-16		16-17		17-18	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4120									
121	Wages & Salaries	143,793	151,336	139,624	146,236	143,971	93,545	148,925	147,559
122	Overtime	-	0	0	0	0	0	0	0
134	401(k) Retirement	6,950	6,301	6,981	7,137	7,199	4,677	7,457	7,378
181	FICA	10,632	11,648	10,681	11,335	11,013	7,252	11,552	11,288
182	Loc Govt Emp Retirement	9,966	8,909	9,313	9,521	10,438	6,782	10,802	11,067
183	Group Insurance	28,324	20,879	28,887	30,925	32,693	17,282	33,022	27,497
185	Unemployment Comp.	0	0	0	60	0	0	0	0
186	Workers' Compensation Ins.	1764	1,220	1,457	1,197	1,267	971	971	1,436
189	Automobile Allowance	3,600	2,562	3,600	3,600	3,600	2,215	3,600	3,600
310	Travel & Subsistence	1,500	4,086	1,500	1,177	1,500	524	1,500	1,500
395	Training	1,500	660	1,500	1,483	1,500	1,104	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	1,250	818	1,250	888	900	904	904	950
498	PEG Channel Support	32,000	29,226	28,368	28,071	28,170	13,890	27,684	28,170
260	Office Supplies	5,000	2,980	5,000	3,377	4,400	950	2,000	4,400
320	Telephone & Postage	1,850	2,260	2,200	2,000	2,300	1,179	2,300	2,300
370	Advertising	500	32	500	680	500	581	581	600
391	Legal Advertising	2,000	713	2,000	796	2,000	295	795	1,500
340	Printing	500	349	500	0	500	0	500	487
352	Maint & Repair- Equip	0	0	0	0	0	0	0	0
430	Equipment Rental	6,600	6,438	6,600	6,453	6,600	5,268	6,600	6,600
450	Property and Liability Insurance	15,406	14,872	17,508	16,856	18,942	17,286	17,286	19,477
491	Dues & Subscriptions	235	320	410	423	1,050	895	895	1,243
481	Indirect Cost- Labor	-49,099	-49,099	-48,471	-48,470	-51,090	-29,803	-51,090	-51,165
499	Miscellaneous	500	419	500	469	500	91	250	500
	TOTAL	224,771	216,929	219,908	224,214	227,953	145,891	228,035	227,888
310	Travel and Subsistence	500	NCLM Conference						
		1,000	Other (including NCCMA)						
	TOTAL	1,500							
395	NCLM Conf. in Greenville	500							
	Other (including NCCMA)	1,000							
		1,500							
399	Shred Event	800							
	GetResponse e-mail service	150							
		950							
498	Recording Council meetings - no longer any net charge associated with this,								
430	Copier Lease and maintenance (\$5,700), Postage Meter Lease (\$800), Property Tax (\$91)								
450	Property and Liability Insuran	Gen	Water	Sewer	Total Property & Liability				
		\$18,942	\$11,976	\$15,001	\$45,919				
		deductibles: \$500 auto, \$1000 property							
491	Clerks Association	75							
	GFOA	185							
	Managers Association	175							
	ICMA Membership	608							
	Sun Journal	185							
	Arbor Day Foundation	15							
	TOTAL	1,243							

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.

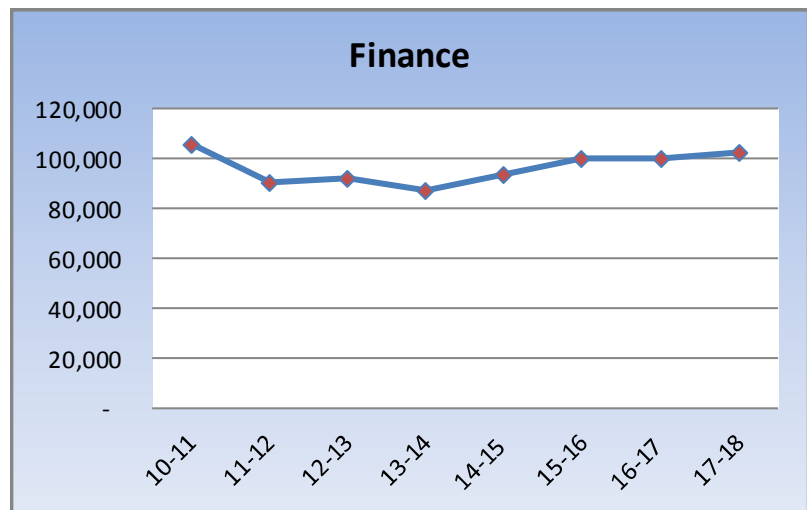
Primary Functions:

- 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 2016-17 Highlights including Special Projects and Purchases

- Received our sixth Excellence in Financial Reporting Award from GFOA
- Received our seventh consecutive Distinguished Budget Presentation Award from GFOA

The Finance Department funds the salary and benefits of the Finance Administrator who has overall responsibility for all the financial operations of the Town. The Finance Assistant is paid by the Enterprise Funds, with a portion of the time allocated back to the General Fund. The statutorily required Finance Officer position is filled by a member of the Town Council. We anticipate no change in staffing levels for this department in FY 2018.



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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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Finance		14-15		15-16		16-17		17-18	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4130									
121	Wages & Salaries	62,140	63,073	64,072	65,353	65,036	40,872	65,892	67,000
134	401(k) Retirement	3,107	3,154	3,204	3,268	3,252	2,044	3,304	3,350
181	FICA	4,755	4,817	4,901	4,992	4,977	3,123	5,033	5,125
182	Loc Govt Emp Retirement	4,455	4,460	4,274	4,359	4,715	2,963	4,783	5,025
183	Group Insurance	9,531	8,402	9,719	9,939	10,984	6,582	11,446	9,255
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	224	175	231	169	195	162	162	274
310	Travel & Subsistence	1,000	1,570	1,000	982	1,000	393	1,000	1,200
395	Training	500	149	1,000	850	1,000	0	1,000	1,000
191	Professional Svcs- Auditing	4,500	4,500	4,667	4,500	4,600	4,600	4,600	4,600
382	Banking Services	1,100	961	1,100	943	1,200	571	1,200	1,200
393	Temporary Help Services	0	0	0	0	0	0	0	0
441	Springbrook Service & Maint.	5,265	5,265	5,475	5,475	5,694	5,749	5,749	6,037
482	Indirect Labor Cost	21,253	21,253	21,800	21,800	22,601	13,184	22,601	22,613
481	Labor Allocation	-42,106	-42,106	-43,200	-43,200	-44,579	-26,004	-44,579	-44,998
299	Supplies & Materials	3,500	3,503	4,015	4,486	1,162	131	650	2,693
381	Other IT Services	600	624	672	461	672	239	414	481
440	VC3 IT Service & Maint.	14,051	13,339	16,421	15,121	16,749	9,023	16,003	16,808
491	Dues & Subscriptions	250	210	210	210	210	160	210	210
499	Miscellaneous	1,000	563	1,000	727	1,000	554	1,000	1,000
520	Capital Outlay- Equip	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
	TOTAL	95,125	93,908	100,560	100,434	100,468	64,346	100,468	102,873
191	Auditing Services (\$13,800 total allocated equally to general/water/sewer funds, \$4,667 each)								
382	Banking Services: Estimated \$4600 per year. Allocated between water/sewer/general fund								
441	Springbrook software maintenance (Total = \$15,093). [40% general fund, 30% water, 30% sewer]								
482	General Fund pays 35% of Fin. Asst. W/S is charged 50% of Finance Admin								
381	Computer Services: Internet, web site,etc.								
440	VC3 Hosted Desktop Contract: \$38,597 + \$3,276 support = \$41,873 [40% general fund, 30% water, 30% sewer]								
299	Includes \$462 for IT replacement schedule items								
499	Miscellaneous, includes submittal fees for GFOA Budget (\$185) and CAFR (\$370) awards								
491	GFOA	160							
	NCGFOA	50							
		210							

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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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.

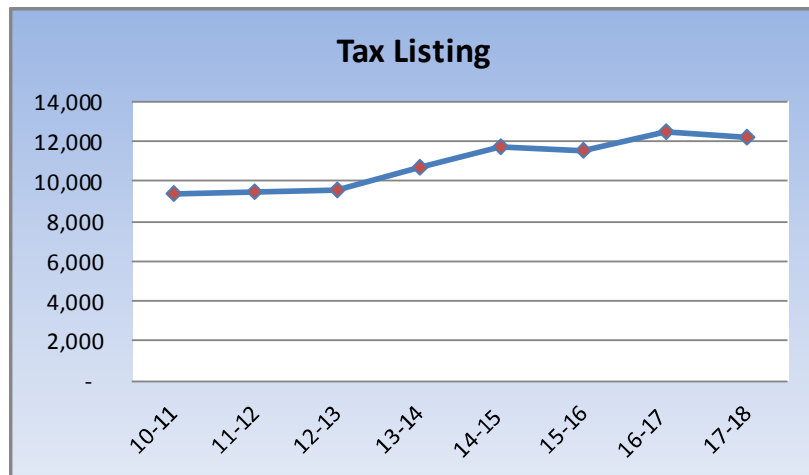
Primary Functions

- 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 2016-17 Highlights including Special Projects and Purchases

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

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



Tax collection		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4140									
392	RE & Pers Prop Collection Fee	8,350	8,139	8,244	8,133	8,237	7,140	8,237	8,017
394	Motor Veh Collection Fee	3,513	3,586	3,287	3,229	4,231	2,155	4,231	4,165
TOTAL		11,863	11,724	11,531	11,362	12,468	9,295	12,468	12,182

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 TR2-2016 report:		tax base	tax rate	total levy	collection rate	Budgeted	Collection Cost
Real property/Personal Property/Utility		268,500,000	0.29	778,650	99.75%	776,703	1.0%
NC Vehicle Tax System		30,000,000	0.29	87,000	100.00%	87,000	4.5%
	TOTAL	298,500,000					

Legal Services

Council Priority(ies): 10

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

Primary Functions:

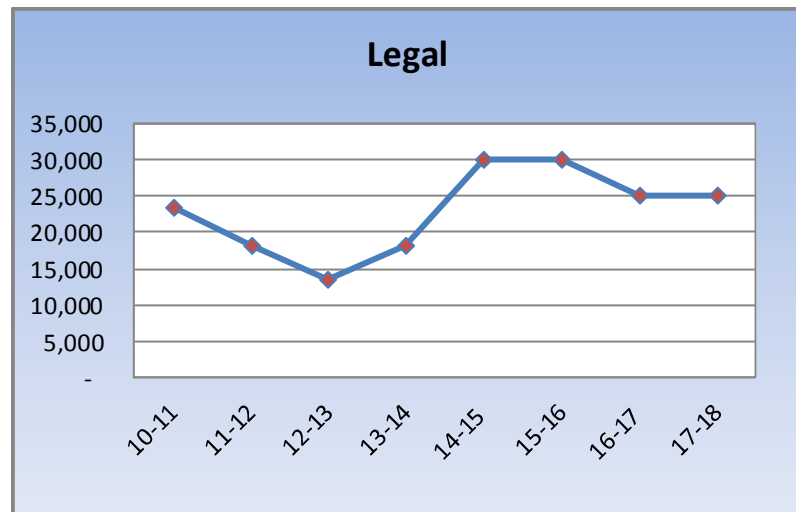
- Advise the Mayor, Town Council, Board of Adjustment, and Town Manager on legal matters associated with Town functions.
- Review, as requested, proposed ordinance changes.
- Take legal action on behalf of the Town to enforce ordinances, policies, and procedures.
- Defend the Town against legal actions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

Fiscal Year 2016-17 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
Annual Budget for Fiscal Year 2017-2018

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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.

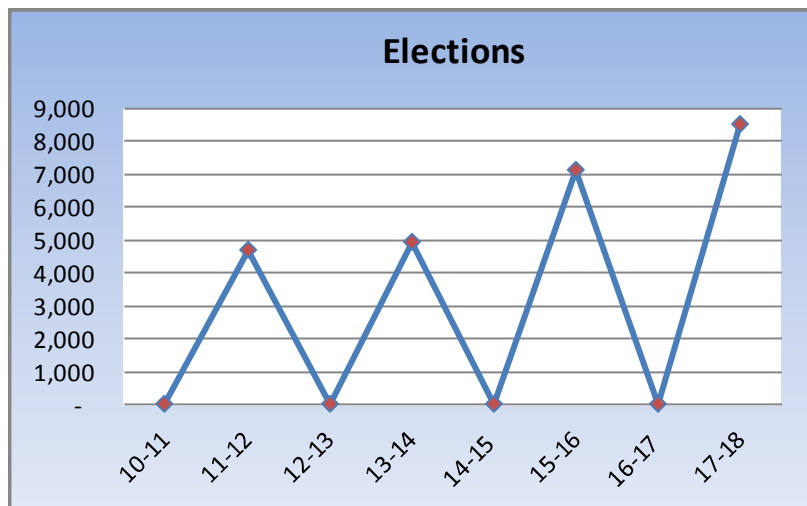
Primary Functions:

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

Fiscal Year 2016-17 Highlights including Special Projects and Purchases

- No municipal election was held during the year

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



The next election for three seats on the Town Council and will be held in November, 2017. Due to a resignation from the Council, the November, 2017 election will also include a special election to complete the two years remaining in that term. Therefore, four Council seats will be on the ballot in November, 2017. Three will be for 4-year terms and one will be for a 2-year term.

Elections		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4170									
200	Supplies and Materials	0	0	0	0	0	0	0	0
399	Contracted services	0	0	7,137	4,591	0	0	0	8,500
TOTAL		0	0	7,137	4,591	0	0	0	8,500

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.

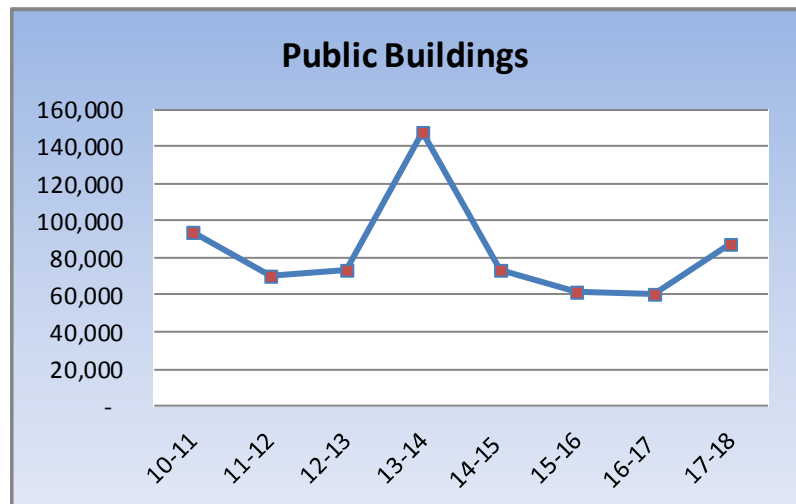
Primary Functions:

- 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 2016-17 Highlights including Special Projects and Purchases

- Council continued development of a proposal for improvements to town facilities
- Removed failing fishing dock from Town Hall property

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 2018. In Fiscal Year 2018, 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. The Council recently began discussions on a Building Utilization Strategy (BUS) which may result in future building improvement projects.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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Public Buildings		14-15		15-16		16-17		17-18	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4190									
121	Wages & Salaries	13,436	12,819	13,520	13,026	13,052	7,630	13,052	13,313
181	FICA	1,028	981	1,034	997	998	584	998	1,018
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	578	411	581	399	470	364	364	572
195	Wildwood Property Mgmt Fees	0	0	0	0	0	0	0	0
354	Grounds & Landscp Contracts	25,280	25,280	25,280	25,280	25,280	14,913	25,280	25,280
355	Wildwood Storage Facility Maint.	3,000	2,392	3,000	2,041	3,000	947	3,000	3,000
399	Contracted Services	5,514	7,736	3,654	3,601	3,654	2,963	3,654	3,654
211	Janitorial Supplies	2,000	1,296	2,000	1,124	2,000	704	2,000	2,000
299	Supplies & Materials	2,000	2,958	2,000	903	2,000	996	1,800	2,000
330	Utilities	9,000	8,129	8,190	7,055	7,600	4,611	7,905	7,900
351	Maint & Repair Bldg & Grnds	1,500	25	1,500	416	1,500	346	1,500	2,000
352	Maint & Repairs- Equipment	500	1,440	500	4,097	500	78	500	500
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Grounds/Bldg	11,000	9,472	0	0	0	0	0	25,763
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		74,836	72,940	61,259	58,938	60,054	34,135	60,053	87,001
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 2018	Lawn Base	Water ¹	Total GF				
					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	\$20,200	Lawn base	
		Oct	2,525	253	2,273	0	-\$2,020	Water Fund portion	
		Nov	2,525	253	2,273	0	\$18,180		
		Dec	0	0	0	0	\$7,100	Landscape	
		Jan	0	0	0	0	\$25,280	TOTAL	
		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	Maintenance and Repair B&G	1,500							
		1,500							
580	Sound system for meeting room	18,000							
	Carpet for meeting room	7,763							
		25,763							

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.

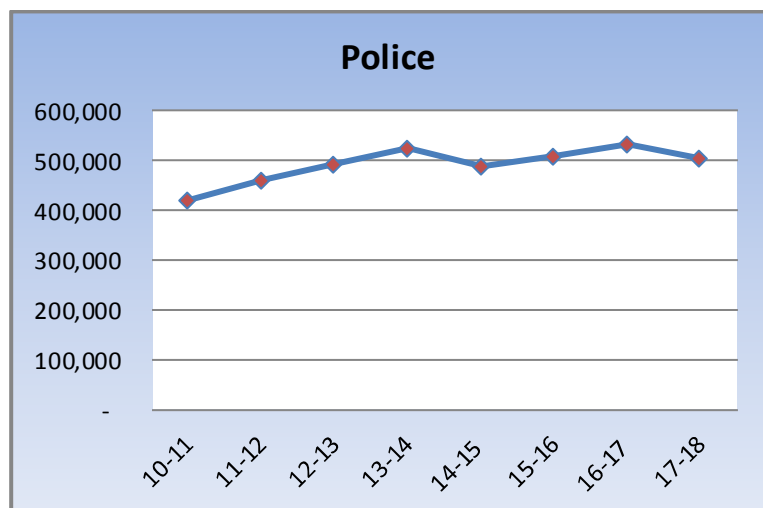
Primary Functions:

- 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 2016-17 Highlights including Special Projects and Purchases

- Refer to Appendix A for statistical information related to service levels
- 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
- Began recruitment for new Police Chief following the death of Chief Ryland Matthews

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 \$1,000 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, an evidence cameras and rifle optics. The purchase of a scanner/printer 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 2017-2018

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Police		14-15		15-16		Current Budget	16-17	Projected Year-End	17-18 Proposed Budget
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End		Expend. as of 01/31/17		
4310									
121	Wages & Salaries	299,501	300,549	292,626	294,188	297,131	171,258	289,304	296,538
122	Overtime	9,500	9,518	5,500	2,296	5,500	525	5,500	7,800
131	Separation Allowance	0	0	0	0	0	0	0	0
133	401(k) Retirement - LEO	13,506	14,970	13,808	14,027	14,029	8,474	13,689	13,999
181	FICA	21,920	23,529	22,386	22,180	22,731	13,095	22,126	22,685
182	Loc Govt Emp Retirement	22,165	22,186	19,745	20,059	22,446	13,558	21,903	23,099
183	Group Insurance	56,648	48,158	57,774	55,873	65,336	35,713	65,439	54,914
185	Unemployment Comp.	0	0	0	203	0	0	0	0
186	Workers' Compensation Ins.	10,601	9,354	10,876	8,580	9,241	7,858	9,241	11,070
189	Uniform Maintenance	3,120	3,360	3,100	2,960	3,100	1,480	3,100	3,100
310	Travel & Subsistence	1,100	3,895	2,200	2,533	1,420	212	1,420	1,000
395	Training	0	705	1,830	418	1,580	0	1,580	1,000
399	Contracted Services	6,500	5,578	2,660	2,705	3,160	1,768	3,160	3,416
212	Uniforms	2,300	3,353	2,000	2,713	2,000	762	2,000	1,500
231	Community Policing	1,000	844	684	638	719	110	719	650
251	Motor Fuel	21,074	13,201	15,259	9,954	14,022	5,741	10,000	15,447
299	Supplies & Materials	8,307	14,712	6,960	5,040	12,472	7,058	12,472	9,950
320	Telephone & Postage	5,175	4,250	5,175	4,379	4,500	2,580	4,500	4,500
340	Printing	0	0	0	0	150	0	150	150
352	Maint & Repairs- Equip	2,000	150	2,000	683	2,000	315	2,000	2,000
353	Maint & Repairs- Auto	7,975	6,468	8,535	9,395	9,085	5,685	9,085	9,800
481	Indirect Cost- Labor	-4,098	-4,098	-4,172	-4,172	-4,272	-2,492	-4,272	-4,222
491	Dues & Subscriptions	700	300	700	300	300	0	300	294
540	Capital Outlay- Motor Vehicles	0	0	30,772	28,660	25,000	26,103	26,103	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 Fund	10,000	10,000	10,000	10,000	20,000	20,000	20,000	25,000
	TOTAL	498,994	490,983	510,418	493,610	531,650	319,802	519,518	503,689
310	Travel and Subsistence	Conference	500						
		Training	500						
			1000						
399	New World software annual maint.		768						
	Records Management - County Charge		1,000						
	Leads on Line		1,188						
	Screenings		300						
	LESA Actuarial Valuation		160						
			3,416						
212	Uniforms		1,500						
231	Community Watch		650						
251	Fuel - \$3.00 per gallon estimate - \$0.54 per gallon tax = \$2.46per gallon x5700 gallons								
299	General/Miscellaneous		6,000						
	Ammunition		2,795						
	Scanner/Printer		323						
	Evidence Camera		400						
	Rifle Optics		432						
			9,950						
353	Maintenance and Repair - Auto								
			4,075						
			341						
			1,600						
			3,784						
			9,800						
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

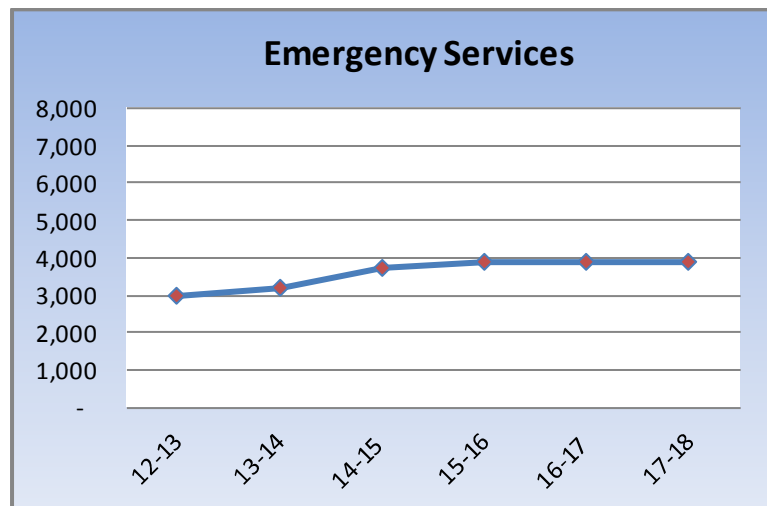
- Develop and maintain appropriate plans and contracts for emergency response and disaster mitigation.
- Maintain a “Reverse 911” system for emergency notification of residents.
- Provide funding and support for the River Bend CERT.

Fiscal Year 2016-17 Highlights including Special Projects and Purchases

- The Community Emergency Response Team (CERT) held its seventh 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 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.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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Also included in this department is \$500 to retain the services of our leaf and limb contractor for post disaster clean-up. This retainer requires him to stage his equipment in River Bend in advance of a storm so we are ready to begin clean-up as soon as the storm passes. We also budget a small (\$500) disaster contingency for any unknown small purchases needed in disaster response and recovery.

During FY 17, we enacted our emergency protocol with our leaf and limb contractor due to Hurricane Matthew. We received \$17,636 from FEMA as reimbursement for costs associated with hurricane clean-up.

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

Emergency Services		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	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	2,440	2,439	2,440	2,439	2,440	2,439	2,439	2,440
232	CERT	1,367	980	1,175	907	672	75	672	672
299	Supplies & Materials	500	0	500	0	400	0	400	400
450	Property & Liability Ins.	350	317	350	317	350	317	317	350
	TOTAL	4,657	3,735	4,465	3,663	3,862	2,831	3,828	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								
299	Miscellaneous								
450	Accident Insurance								

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.

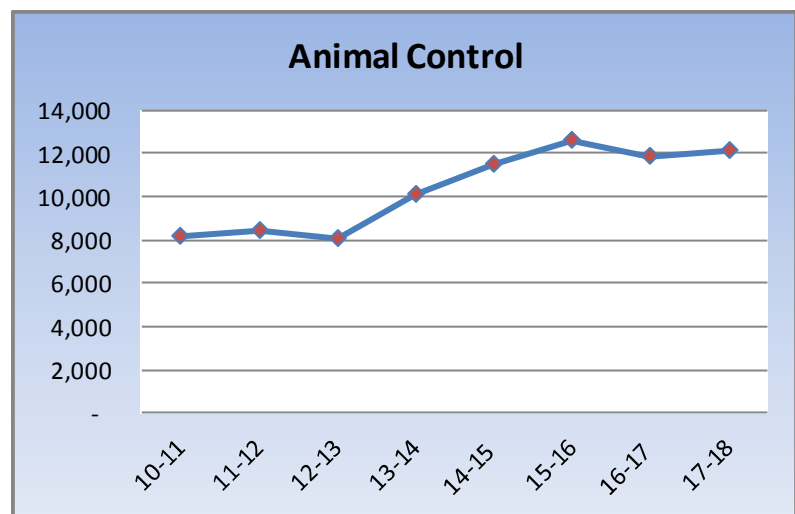
Primary Functions:

- 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 2016-17 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 2018.



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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Animal Control		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 03/30/25	Projected Year-End	Proposed Budget
4380									
121	Wages & Salaries	9,807	9,650	9,883	9,815	9,221	5,688	9,228	9,470
122	Overtime	0	15	0	5	0	8	8	0
134	401(k) Retirement	490	483	511	492	477	284	461	490
181	FICA	750	734	782	745	729	432	706	749
182	Loc Govt Emp Retirement	703	685	682	655	691	413	669	734
183	Group Insurance	2,816	2,162	2,872	2,844	3,245	1,780	3,317	2,725
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	552	506	670	464	477	345	345	573
310	Travel & Subsistence	0	0	0	0	0	0	0	0
395	Training	0	0	0	0	0	0	0	0
299	Supplies & Materials	500	296	315	156	-	105	105	442
481	Indirect Costs- Labor	(3,024)	(3,024)	(3,149)	(3,148)	(3,030)	(1,768)	(3,030)	(3,012)
TOTAL		12,594	11,506	12,566	12,028	11,810	7,286	11,809	12,170

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:

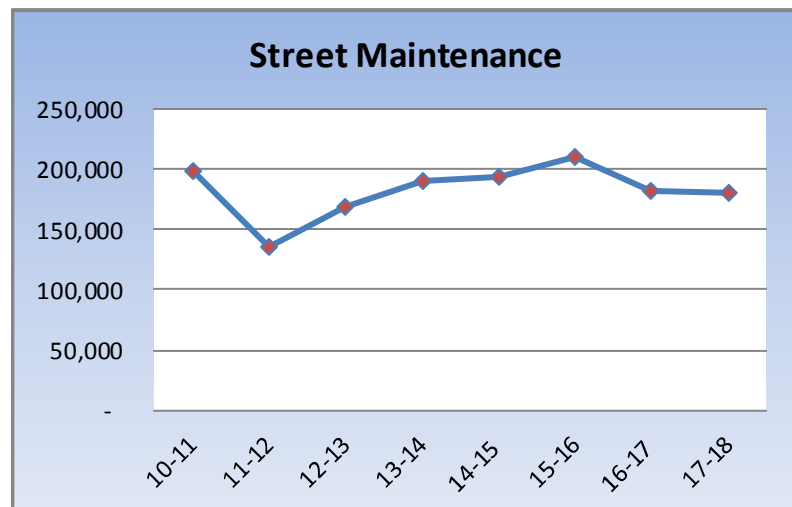
- Provide general street and right-of-way maintenance services that include street repair, sign installations, pavement markings, mowing, and litter control.
- Responsible for inclement weather street maintenance, i.e. ice and snow removal, hurricane and other types of storm clean-up.
- Contract for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

Fiscal Year 2016-17 Highlights including Special Projects and Purchases

- Patched and paved three 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 the paving of Wildwood Drive and recommended patching on several others. We also included a few other streets in the bid packet as bid alternates. Should the bids we receive be under the budgeted amount, we will add the additional streets to the project as funding allows. 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 2018. Personnel costs are determined due to the allocation of labor in accordance with the table on page 64.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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Street Maintenance		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4510									
121	Wages & Salaries	24,517	24,129	24,707	24,532	23,054	14,230	23,084	23,676
122	Overtime		37		13	0	19	19	0
134	401(k) Retirement	1,226	1,208	1,278	1,227	1,191	712	1,154	1,224
181	FICA	1,875	1,836	1,956	1,863	1,823	1,079	1,766	1,872
182	Loc Govt Emp Retirement	1,758	1,708	1,705	1,636	1,728	1,033	1,674	1,836
183	Group Insurance	7,039	5,403	7,180	7,111	8,112	4,449	8,282	6,811
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	1,379	1,264	1,675	1,161	1,191	861	861	1,432
193	Professional Services - Engineer	6,000	13,500	6,000	7,300	7,300	6,300	6,300	7,300
399	Contracted Services	1,500	675	1,500	0	1,500	1,388	1,500	1,354
299	Supplies & Materials	8,500	6,126	6,500	2,845	7,000	649	7,000	7,000
481	Indirect Cost- Labor	-7559	-7,559	-7,872	-7,872	-7,575	-4,418	-7,575	-7,530
550	Capital Outlay - Other Equip		0		0	0	0	0	0
591	Capital Outlay - Rdwy/Pvmt	155,300	144,934	165,390	163,100	137,445	118,298	118,298	135,000
TOTAL		201,535	193,261	210,018	202,916	182,769	144,599	162,363	179,975
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							
	Signs	2,000							
	Gravel for shoulders	700							
	Powell Bill Map	300							
	Other Supplies and Materials	1,000							
		7,000							
591	Paving:								
	Wildwood Drive	115000							
	Patching:								
	Colonies Area	9000							
	Tar Landing	3000							
	Pier Pointe	3000							
	Miscellaneous	5000							
		135000							

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.

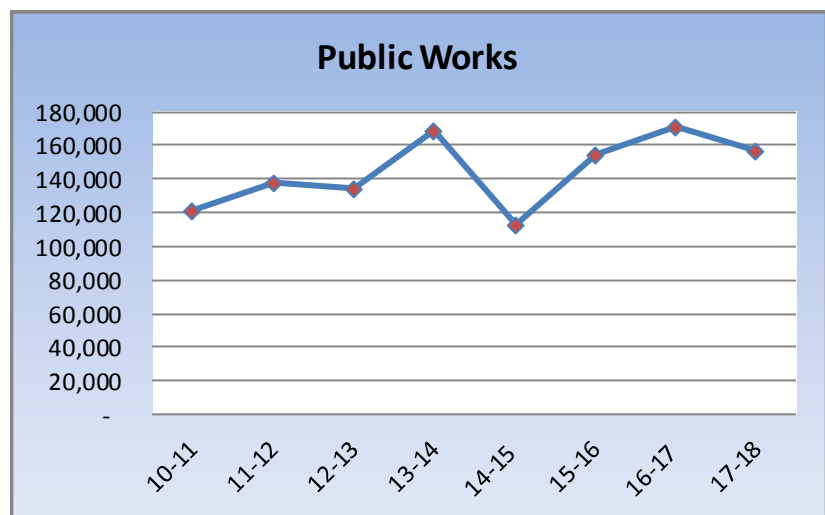
Primary Functions:

- 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 2016-17 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
- Purchased a new vehicle to replace a vehicle sold as surplus

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



This department budgets for the maintenance and operation of two vehicles, both of which are included in our vehicle replacement plan (see Page 76). No vehicles will be replaced in FY 18.

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

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

Public Works		14-15		15-16		16-17		17-18	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4560									
121	Wages & Salaries	34,324	3,374	34,589	34,338	32,275	19,920	32,320	33,147
122	Overtime	100	51	100	18	100	27	100	100
134	401(k) Retirement	1,716	1,691	1,790	1,718	1,668	997	1,616	1,713
181	FICA	2,625	2,570	2,738	2,608	2,551	1,511	2,472	2,621
182	Loc Govt Emp Retirement	2,461	2,393	2,387	2,291	2,419	1,446	2,343	2,570
183	Group Insurance	9,855	7,564	10,052	9,955	11,357	6,229	11,594	9,536
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	1,930	1,769	2,344	1,626	1,668	1,206	1,206	2,005
310	Travel & Subsistence	500	0	500	0	500	40	500	500
395	Training	500	150	500	193	500	0	500	500
399	Contracted Services	12,000	8,129	5,000	958	5,000	932	4,000	13,204
482	Indirect Labor Cost	41,064	41,064	42,237	42,237	43,875	25,593	43,875	44,196
481	Labor Allocation	-10,582	-10,582	-11,020	-11,020	-10,605	-6,186	-10,605	-10,542
212	Uniforms	2,700	2,665	2,700	2,616	2,700	1,946	3,121	3,200
251	Motor Fuel	4,831	1,980	3,321	1,370	2,952	1,217	2,217	3,252
299	Supplies & Materials	6,500	4,145	6,500	3,924	6,500	2,265	6,500	6,295
320	Telephone & Postage	1,453	1,461	1,450	1,550	1,450	932	1,582	1,640
330	Utilities	44,000	43,326	46,576	39,209	40,300	22,648	38,598	39,000
352	Maint & Repairs- Equip	1,000	868	1,000	1,831	1,000	970	1,000	2,400
353	Maint & Repairs- Vehicle	2,000	434	2,000	1,232	2,000	922	2,000	1,000
439	Bldg & Equip Rental	0	166	0	0	0	0	0	0
540	Capital Outlay- Motor Vehicles	0	0	0	0	23,000	21,042	21,042	0
540	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
TOTAL		158,977	113,217	154,763	136,653	171,210	103,657	165,981	156,337
399	Facility Dude system maintenance		880 (40% of \$2,200 annual cost)						
	Shoreline Drive Landscaping on berm		8224						
	Other		4100						
			13204						
382	30% of Director salary and benefits + 15% of water operators' salary and benefits.								
251	Fuel - \$3.25 per gallon estimate - \$0.54 per gallon tax = \$2.71 per gallon cost x 1,200 gallons								
330	Street Lights- Based upon historical costs/demand								
352	Tractor and trailer tires		1200						
	Other		1200						
			2400						

Leaf & Limb and Solid Waste

Council Priority(ies): 1, 9

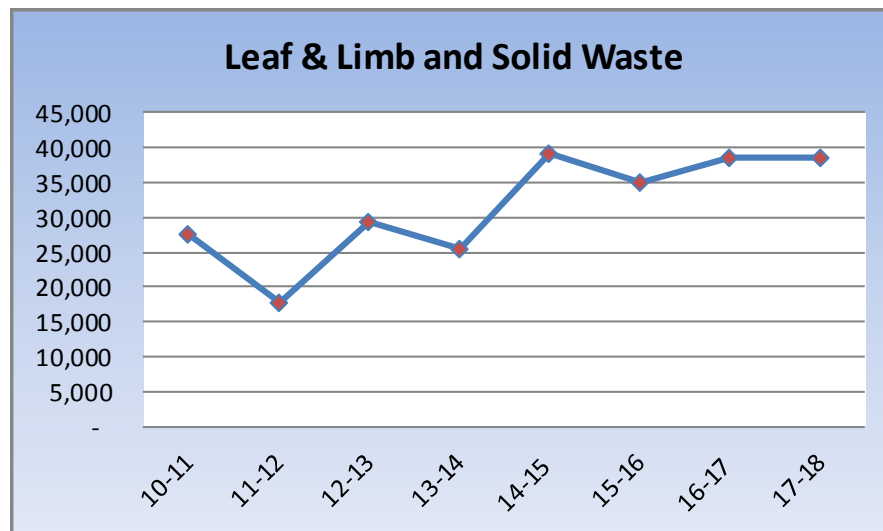
This Department has no personnel assigned. The Town, through an independent contractor, picks up limbs and bagged leaves on a published bi-monthly schedule. The Town also offers recycling of waste oil and used oil filters to its residents. The functions of this department fall under the supervision of 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 2016-17 Highlights including Special Projects and Purchases

- Continued to provide used motor oil and oil filter recycling programs.
- The Town's contractor removed 280 tons of vegetative debris as part of our regular bi-monthly leaf and limb pick-up service.
- Hurricane Matthew necessitated an additional pick-up that collected 105 ton of debris.
- Received \$17,636 FEMA reimbursement for Hurricane Matthew related expenses.



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

State. We also allow residents to dispose of a reasonable amount of waste oil in a waste oil dumping station we own.

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Average Tons per Bi-Monthly Pick-up

Year	Average Tons
2008	31
2009	58
2010	42
2011	41
2012	30
2013	43
2014	41
2015	49
2016	53
2017	48

Leaf & Limb / Solid Waste		14-15		15-16		16-17		17-18	
		YR End	Actual	YR End	Actual	Current	Expend.	Projected	
		Budget	Year-End	Budget	Year-End	Budget	as of	Year-End	
4710							01/31/17		
396	Leaf & Limb Pick-up Services	39,625	37,824	33,025	34,971	36,325	34,793	47,473	36,325
399	Contracted Services	1,100	1,204	1,400	1,394	1,680	921	1,680	1,680
299	Supplies & Material	500	0	500	0	500	0	500	500
499	Miscellaneous	0	0	0	0	0	0	0	0
TOTAL		41,225	39,028	34,925	36,365	38,505	35,714	49,653	38,505
396	K.A. Jones (contractor)	\$ 31,350	Tons 55	\$/ton 95.00	# of pick-ups 6	Contract expires 6-30-2018			
	Landfill Tipping Fee	4,950	55	15.00	6				
	Landfill Facility Fee	25							
		36,325							
399	Town Hall Dumpster	1,680							
		1,680							

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.

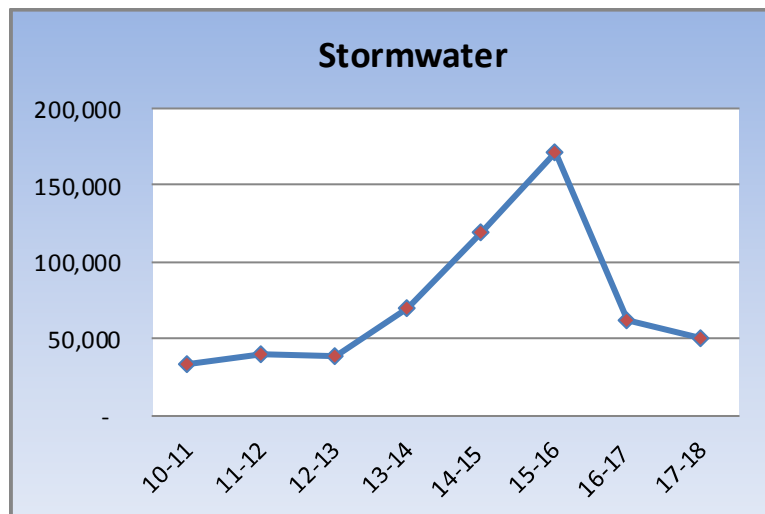
Primary Functions

- 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 2016-17 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
- Made drainage improvements on Teakwood at a cost of \$7,550
- Installed new weir in Town Hall pond a cost of \$18,995

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.



For FY17 we planned two minor projects. However, during the year a weir in the Town Hall pond began to fail. The Council decided to fund replacement of the weir from our contingency fund. This year, we have one drainage project budgeted. It will improve drainage along Wildwood Drive and an area along Rockledge Road. It is budgeted at \$20,000

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. This maintenance issue was recently reviewed by the Town's Environment and Waterway's Advisory Board, Public Works Advisory Board and the Planning Board. All three groups recommended continuing the practice of requiring the individual maintenance responsibility. During FY17, the Town Council amended the Town's stormwater ordinance but kept in place the individual maintenance responsibility.

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

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Stormwater Management 4730		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
121	Wages & Salaries	14,710	14,477	14,824	14,720	13,832	8,539	13,854	14,206
122	Overtime	0	22	0	8	0	12	12	0
134	401(k) Retirement	736	725	767	736	715	428	693	734
181	FICA	1,125	1,102	1,173	1,118	1,093	647	1,060	1,123
182	Loc Govt Emp Retirement	1,055	1,023	1,023	982	1,037	620	1,060	1,101
183	Group Insurance	4,223	3,242	4,308	4,267	4,867	2,669	4,971	4,087
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	827	758	1,005	697	715	517	517	859
193	Professional Services - Engineer	31,000	27,125	4,000	5,500	4,000	815	4,000	4,000
399	Contracted Services	2,500	0	2,500	1,835	5,000	0	5,000	4,912
299	Supplies & Materials	3,000	1,862	3,000	1,725	3,000	263	3,000	3,000
430	Equipment Rental	1,500	515	1,000	473	1,000	0	0	1,000
481	Indirect Cost- Labor	(4,535)	-4,535	-4,723	-4,724	-4,545	-2,651	-4,545	-4,518
590	Capital Outlay - Other Structures	72,300	72,770	143,000	77,781	31,273	26,545	26,545	20,000
TOTAL		128,441	119,085	171,877	105,116	61,987	38,405	56,167	50,505
121	15% of PW Employee salaries and benefits.								
193	Engineering for projects	4,000							
399	Minor repairs - PRN	5,000							
590	Wildwood drainage	20,000							

Wetlands and Waterways

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

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

Primary Functions:

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

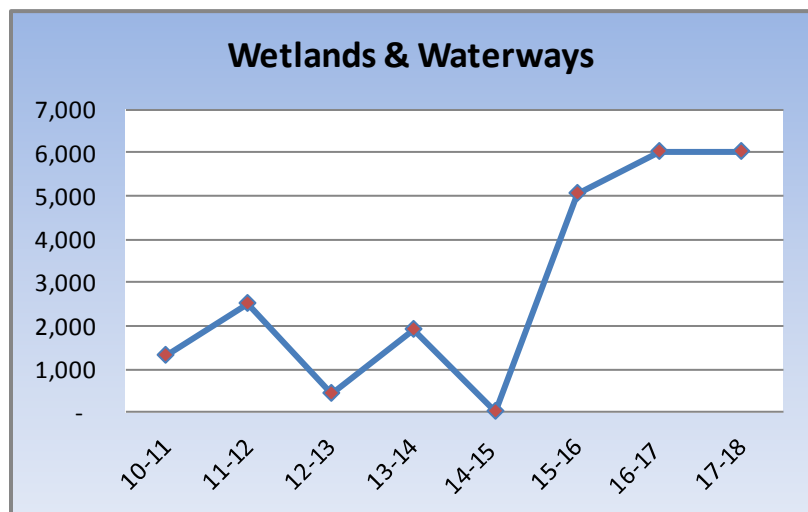
Fiscal Year 2016-17 Highlights including Special Projects and Purchases

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

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

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

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



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

Wetlands and Waterways		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4760									
399	Contracted Services	4,500	0	0	0	0	0	0	0
310	Travel & Subsistence	0	0	217	0	500	0	0	500
395	Training	0	0	217	0	500	0	0	500
299	Supplies & Materials	3,500	8	1,601	2,326	2,000	240	300	2,000
359	Maintenance & Repairs	1,500	0	3,000	26	3,000	0	0	3,000
590	Capital O/L- Other Structures		0	0	0	0	0	0	
	TOTAL	9,500	8	5,035	2,353	6,000	240	300	6,000
310/395	Travel and Training for EWAB M	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.

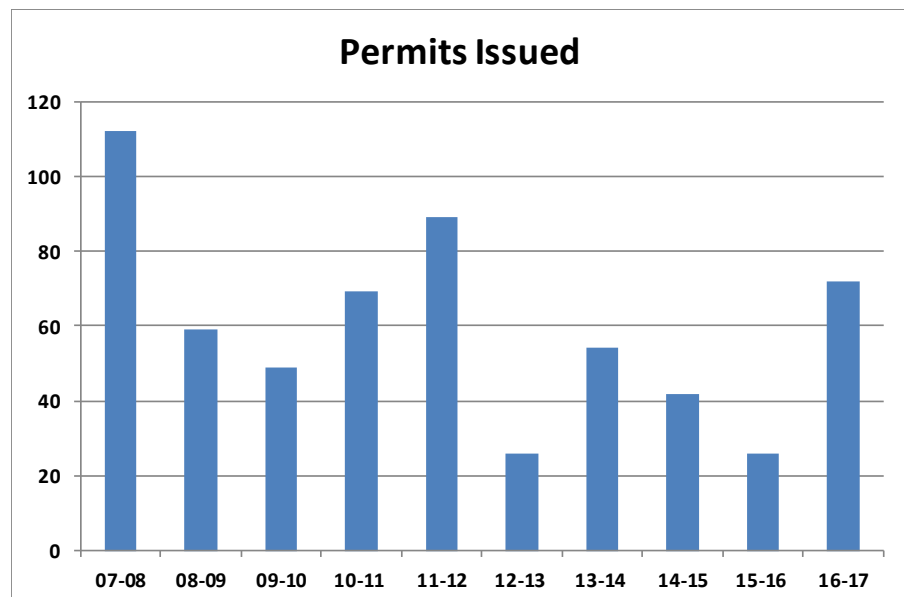
Primary Functions:

- 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 2016-17 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
- Hired new Assistant Zoning Administrator

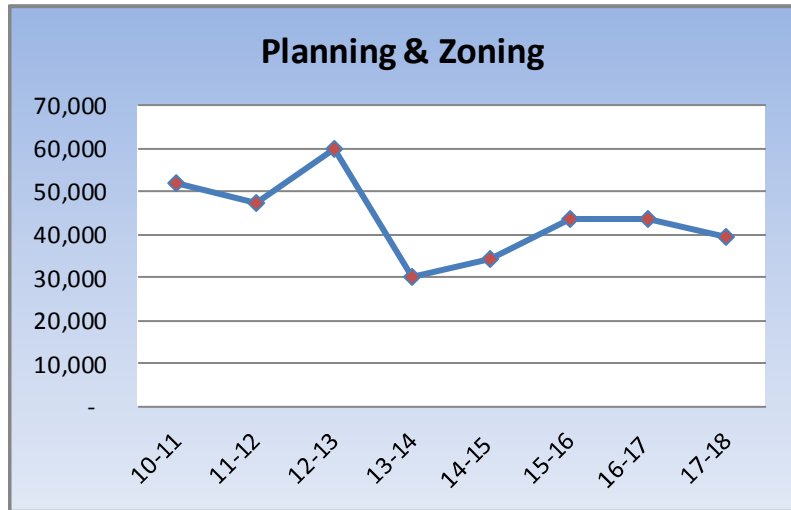
The Town enforces our own Planning and Zoning and Floodplain Management ordinances and engages, in a cooperative manner, in regional planning efforts. This position is funded for 40 hours per week, with some hours allocated to the enterprise funds as this person fulfills customer service duties at the 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		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
4910									
121	Wages & Salaries	38,416	37,981	39,610	40,005	40,206	30,568	44,028	36,034
122	Overtime	0	0	0	0	0	0	0	0
134	401(k) Retirement	1,921	1,899	1,981	2,000	2,010	1,528	2,201	1,802
181	FICA	2,939	2,927	3,030	3,082	3,076	2,355	3,368	2,757
182	Loc Govt Emp Retirement	2,754	2,685	2,642	2,668	2,915	2,216	3,192	2,703
183	Group Insurance	9,397	8,266	9,584	8,822	10,860	7,987	12,977	9,101
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	807	486	673	480	571	426	426	559
189	Automobile Allowance	1,260	1,260	1,260	1,260	1,260	775	1,260	1,260
310	Travel & Subsistence	1,000	0	800	0	425	0	425	400
395	Training	1,000	0	800	0	425	0	425	400
193	Engineering	500	0	500	0	500	0	500	500
194	Professional Services - Survey	500	0	500	0	400	0	0	400
399	Contract Services	5,000	836	4,300	350	4,000	450	0	4,000
299	Supplies & Materials	750	104	750	477	600	267	600	500
320	Telephone & Postage	100	280	300	85	300	398	500	300
481	Indirect Cost- Labor	(22,494)	-22,494	-23,008	-23,008	-23,855	-13,916	-23,855	-21,182
TOTAL		43,850	34,230	43,722	36,222	43,693	33,055	46,048	39,533
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 2016-17 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		14-15		15-16		16-17		17-18	
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
6120									
399	Contracted Services	2,700	1,990	3,300	2,161	3,000	0	2,750	5,820
299	Supplies & Materials	4,685	3,941	4,225	4,546	4,500	467	4,500	1,680
	TOTAL	7,385	5,931	7,525	6,708	7,500	467	7,250	7,500
399	July 4th expenses	4,320							
	Volunteer Day expenses	1,500							
		5,820							
299	Events	1,680							
	Detail of Activities and Expenses Per Event								
	Date	Activity	Item	Cost					
	July	4th of July	Rentals, Food & Supplies	4,320					
	Sept	Event	Refreshments	25					
	Oct	Social-game	Refreshments	25					
	Oct	Workshop-adult	Supplies	75					
	Oct	Trunk or Treat	Supplies	75					
	Nov	Workshop-adult	Supplies	50					
	Nov	Workshop-kids	Supplies	50					
	Nov	Thanksgiving game	Supplies	50					
	Dec	Tree Lighting Ceremony	Refreshments	75					
	Dec	Fairfield Harbor Chorus	Refreshments	10					
	Jan	Social	Refreshments	25					
	Jan	Workshop-adult	Supplies	150					
	Feb	Workshop-kids	Supplies	25					
	Feb	Workshop-adult	Supplies	50					
	Feb	Social	Refreshments	25					
	Mar	Social	Refreshments	25					
	Mar	Easter egg hunt	Supplies	400					
	April	Volunteer Recognition Day	Food and supplies	1,500					
	April	Social	Refreshments	25					
	May	Fairfield Harbor Chorus	Refreshments	20					
	May	Family day	Refreshments	100					
	May	Sunday concert	Refreshments, fee	400					
			TOTAL	7,500					

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

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

The Parks and CAC Department is staffed through the allocation of time 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:

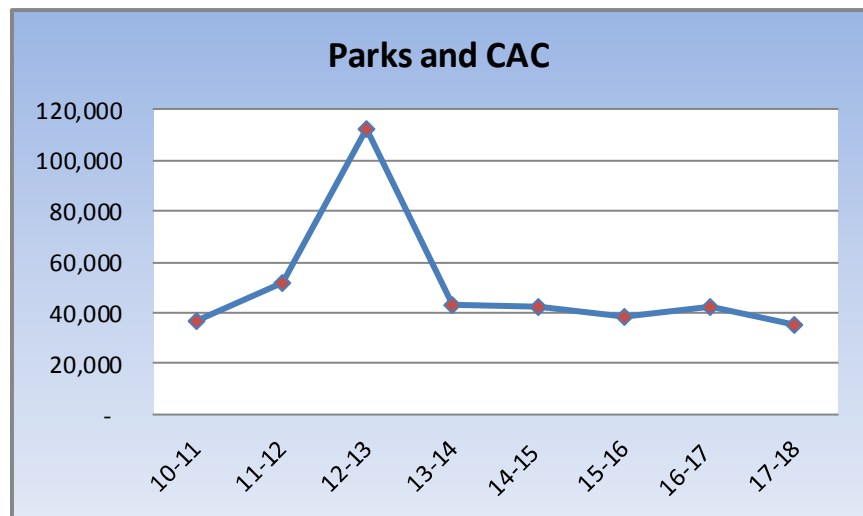
- Support the work of the Community Appearance Commission.
- Maintain a system of parks including, Town Hall Park, Ritter Field, Town Commons, Springdale, and Channel Run.
- Maintain the walking trail on Town Commons and Ritter Field.

Fiscal Year 2016-17 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. Line 399 contains funding for a porta-potty used for nine months a year at our kayak launch on Gull Pointe.

Town of River Bend, North Carolina
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Parks & CAC		14-15		15-16		16-17			17-18
		YR End Budget	Actual Year-End	YR End Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
6130									
121	Wages & Salaries	15,557	18,621	14,824	16,436	13,832	10,569	16,729	14,206
122	Overtime	0	22	0	8	0	12	12	0
134	401(k) Retirement	736	725	767	737	715	428	694	734
181	FICA	1,125	1,420	1,173	1,250	1,093	803	1,280	1,123
182	Loc Govt Emp Retirement	1,055	1,025	1,023	983	1,037	620	1,006	1,101
183	Group Insurance	4,223	3,241	4,308	4,267	4,867	2,669	4,971	4,087
185	Unemployment Comp.	0	0	0	0	0	0	0	0
186	Workers' Compensation Ins.	827	1,056	1,005	678	715	454	454	859
310	Travel & Subsistence	0	0	0	0	0	0	0	0
399	Contracted Services	3,900	6,124	3,900	546	3,900	386	3,900	3,900
299	Supplies & Materials	4,500	2,424	4,500	4,559	3,500	709	3,500	2,740
358	CAC	3,025	2,989	3,225	3,197	9,070	1,351	3,525	3,025
330	Utilities	6,000	5,092	5,250	4,926	5,050	2,902	4,902	4,940
351	Maint & Repairs- Bldg & Grnds	0	92	200	0	800	0	800	800
352	Maint & Repairs- Equipment	500	0	3,000	801	2,000	0	2,000	1,872
481	Indirect Cost- Labor	-4535	-4,535	-4,723	-4,724	-4,545	-2,651	-4,545	-4,518
550	Capital Outlay - Other Equip	0	0	0	0	0	0	0	0
572	Land Improvements	0	0	0	0	0	0	0	0
580	Buildings, Structures & Improvements	0	0	0	0	0	0	0	0
590	Other Structures & Improvement	8,500	3,746	0	0	0	0	0	0
593	Landscaping	0		0	0	0	0	0	0
	TOTAL	45,413	42,040	38,452	33,663	42,034	18,253	39,228	34,870
299	Other supplies/materials	2,740							
399	Other services as needed (i.e. tree work	3,000							
	Porta Potty Rental @ kayak launch	900							
		3,900							
358	Community Appearance Commission:								
	Veteran's Memorial Marker		1,000						
	Christmas Decorations		1500						
	Arbor Day (purchase tree)		75						
	Annuals		150						
	Supplies		100						
	Plants for Town Hall, median, front entrance		200						
			3,025						
330	Based upon historical costs/demand								
352	Maintenance & Repairs	1,872							

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General Fund Expenditure Summary

The total budgeted expenditures for the General Fund, including transfers, is \$1,673,332 which represents a 4.6% or \$60,942 decrease over budgeted expenditures in the 2016-17 fiscal year. The table below shows the total for each department and the change compared to the budget for 2016-17.

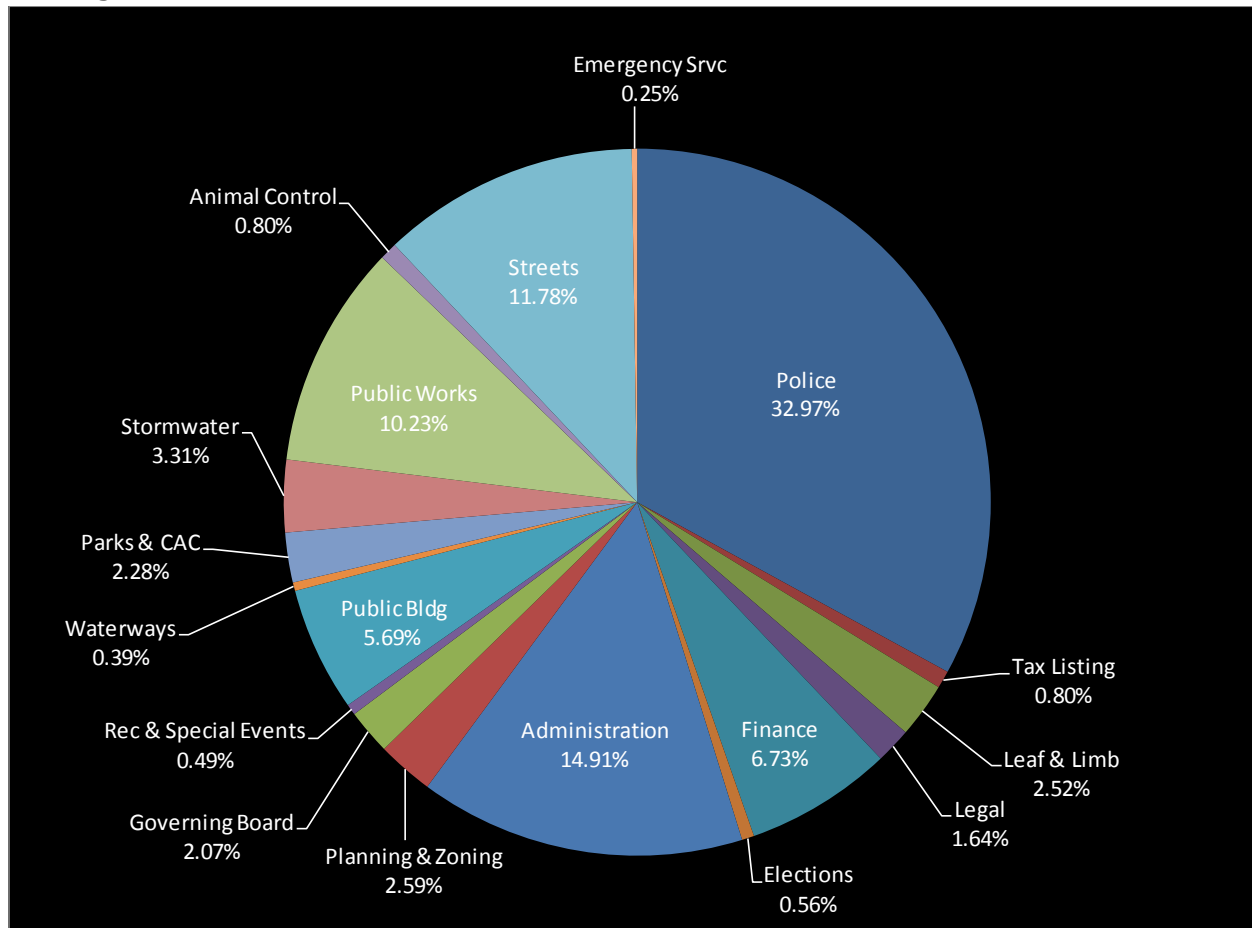
General Fund Expenditure Summary					Change v. prior year		
		14-15	15-16	16-17	17-18	%	\$
Dept #	Department Name	Actual	Actual	Budget	Proposed		
4110	Governing Body	22,504	28,711	25,907	31,553	21.79%	5,646
4120	Administration	216,929	224,214	227,953	227,888	-0.03%	-65
4130	Finance	93,908	100,434	100,468	102,873	2.39%	2,405
4140	Tax Listing	11,724	11,362	12,468	12,182	-2.29%	-286
4150	Legal Services	21,698	12,926	25,000	25,000	0.00%	0
4170	Elections	0	4,591	0	8,500	8500.00%	8,500
4310	Police	490,983	493,610	531,650	503,689	-5.26%	-27,961
4190	Public Buildings	72,940	58,938	60,054	87,001	44.87%	26,947
4330	Emergency Services	3,735	3,663	3,862	3,862	0.00%	0
4380	Animal Control	11,506	12,028	11,810	12,170	3.05%	360
4510	Street Maintenance	193,261	202,916	182,769	179,975	-1.53%	-2,794
4560	Public Works	113,217	136,653	171,210	156,337	-8.69%	-14,873
4710	Leaf & Limb and Solid Waste	39,028	36,365	38,505	38,505	0.00%	0
4730	Stormwater Management	119,085	105,116	61,987	50,505	-18.52%	-11,482
4760	Wetlands & Waterways	8	2,353	6,000	6,000	0.00%	0
4910	Planning & Zoning	34,230	36,222	43,693	39,533	-9.52%	-4,160
6120	Recreation & Special Events	5,931	6,708	7,500	7,500	0.00%	0
6130	Parks & CAC	42,040	33,663	42,034	34,870	-17.04%	-7,164
Department Expenditure Total		1,492,730	1,510,471	1,552,870	1,527,942	-1.61%	-24,928
	Contingency (1% per policy) + Merit Pool	27,147	13,300	26,058	31,279	20.04%	5,221
	Transfer to Capital Reserve	105,000	241,000	175,052	114,110	-34.81%	-60,942
TOTAL		1,624,877	1,764,770	1,753,980	1,673,332	-4.60%	-80,648

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This chart shows the percentage each department receives of the total budget, excluding contingencies and transfer.



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	0.547
Administration	3.949
Finance	1.783
Tax Listing	0.211
Legal	0.433
Elections	0.147
Public Buildings	1.508
Police	8.729
Emergency Services	0.067
Animal Control	0.211
Street Maintenance	3.119
Public Works	2.709
Leaf and Limb/Solid Waste	0.667
Stormwater Management	0.875
Wetlands and Waterways	0.104
Planning and Zoning	0.685
Recreation and Special Events	0.130
Parks and CAC	0.604
Transfer to Cap. Res.	1.978
Contingency	0.542
Tax Rate	0.29

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 \$0.29 per \$100.

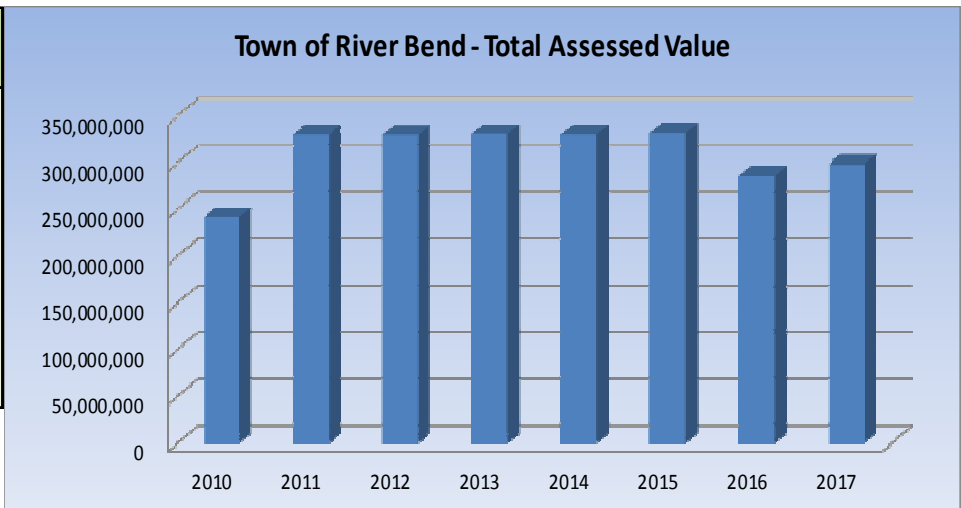
Our tax base is determined by assessments performed by the County assessor's office and taxes are collected with County taxes and remitted to us. We pay the County a 1% fee to collect Real and Personal Property Taxes. We budgeted 4.5% for the NC Vehicle Tax System fee, whereby the State collects the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

Our tax base, as shown in the table and chart below, increased 4.37% compared to last year. The increased amount is based on an estimated value by the Craven County Tax Administrator. The last revaluation was performed by the County, effective in fiscal year 2017. The State mandates revaluation at least every eight years. Craven County departed from this standard and conducted the revaluation to be effective in fiscal year 2017 (six-year cycle). Craven County plans to conduct future revaluations on a four-year cycle.

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Fiscal Year	Total	% Change
2010	241,663,929	-0.57%
2011	330,388,310	36.71%
2012	330,257,559	-0.04%
2013	331,223,890	0.29%
2014	330,433,008	-0.24%
2015	332,276,611	0.56%
2016	286,000,000	-13.93%
2017	298,500,000	4.37%



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 2018 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.

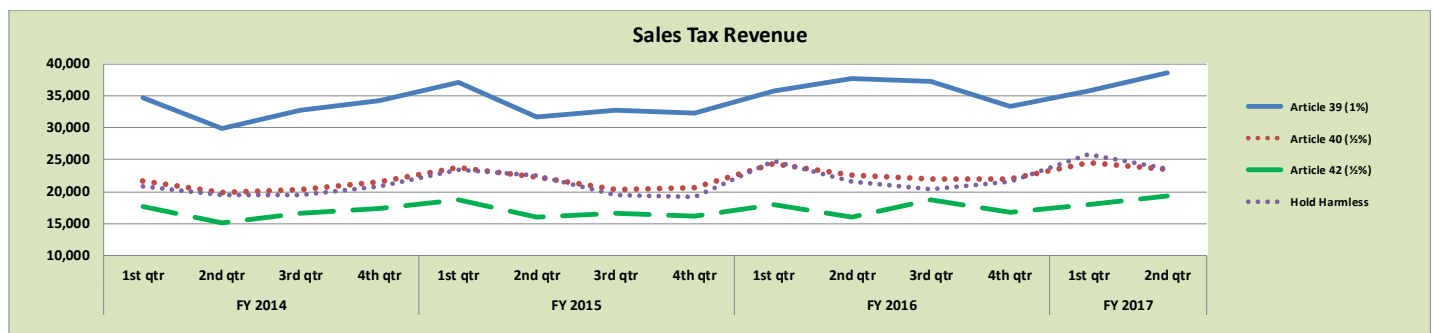
Article 44: As of October 1, 2008 the Article 44 tax was reduced to a ¼% tax (we account for this particular tax in the “Local Option Sales Tax line in the budget), with the proceeds all being returned to the County of origin. Effective October 1, 2009 we no longer receive proceeds under this tax. However,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

The most significant change we have seen in the past three years is an increase in Article 39 revenues. We attribute this to a slightly improved state and local economy. Our distribution of these revenues is subject to change each year based on the tax rate of other jurisdictions in the County. In fiscal year 2016 we received 1.2862% of the total county distribution. In fiscal year 2017 the rate was 1.2647%. 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 FY17. In FY18 we anticipate a 8.5% combined increase for these two revenues over the budgeted amount for FY17. To maintain our conservative posture, for FY18 we have projected revenues in an amount slightly less than we have projected in FY17.

It is the end-of-year projection for FY 2017 that we use as the basis for our FY 2018 projections. Assuming that the revenue in FY 2017 is more than the amount we budgeted, we are proposing that we keep the budget for these two lines nearly 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 2018.

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 FY17 is \$94,364 or 103% of the budgeted amount for FY17. Opting to be somewhat conservative even in light of trends that show this source will continue to perform well, we project to receive a slightly less amount in the FY18 revenue projection. Again, we use the end-of-year projection for FY 2017 as the basis for our FY 2018 budget.

We may end fiscal year 2017 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 essentially the same in FY18 as we are projecting for FY17. 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:

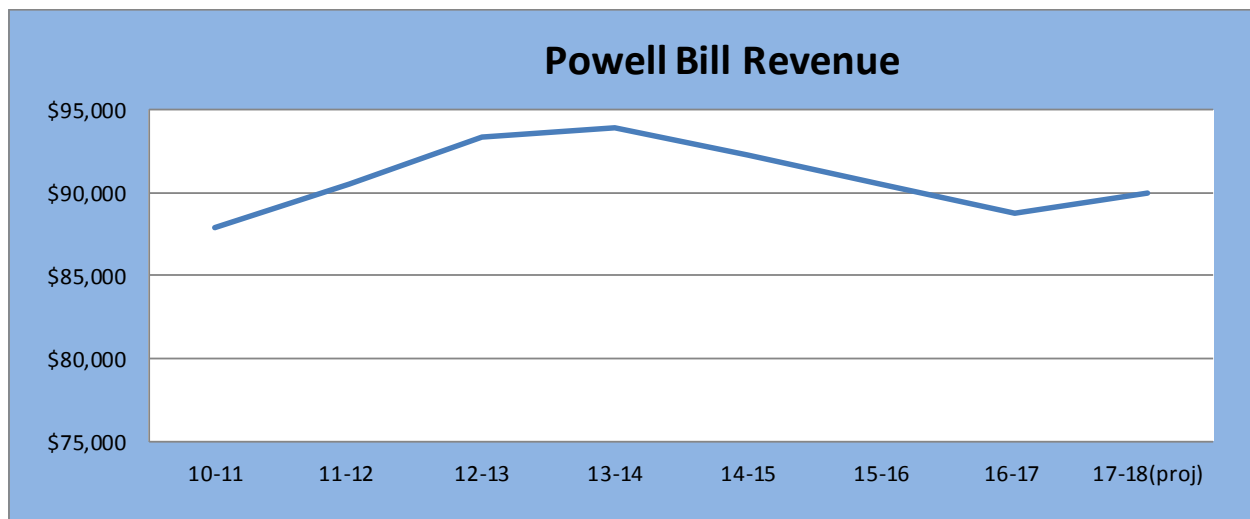
These State funds were formerly linked to tax on motor fuels. Due to recent Legislative changes, they are now subject to a direct allocation from the State Legislature.

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.

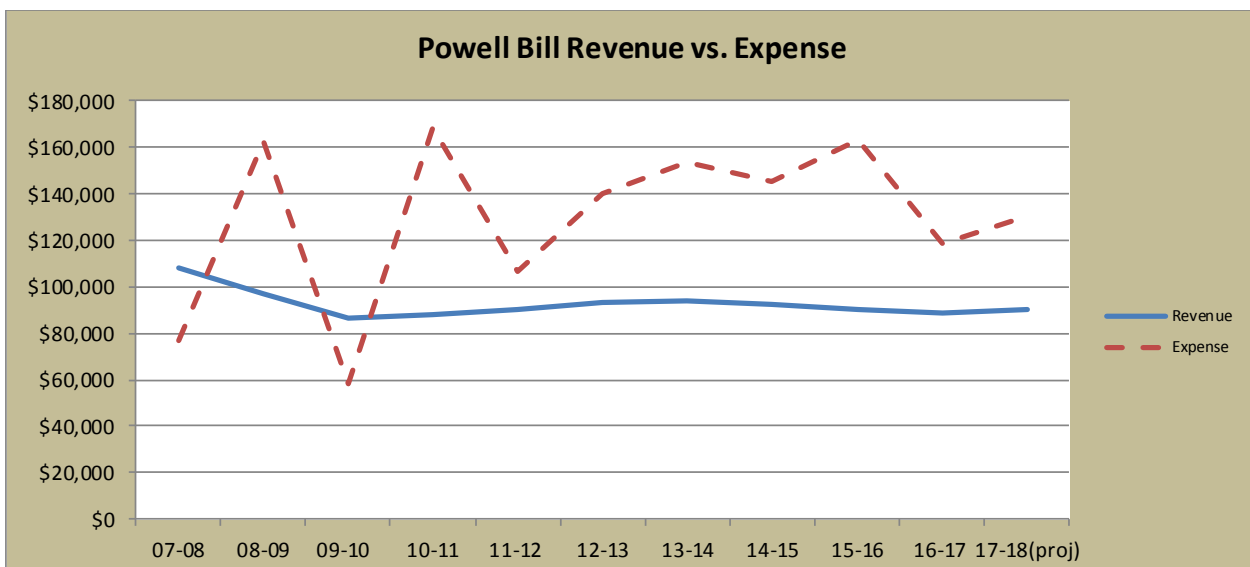
The funds, unlike property tax and sales tax, are restricted in their use. We may use this revenue only for maintaining, repairing, and constructing streets (and appurtenances such as sidewalks, drainage structures, etc.). The Council's recent philosophy has been to use these funds strictly for paving,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

In the current fiscal year, the population based portion of this revenue was \$20.03 per capita, which was unchanged from the previous year. Similarly, the mileage-based portion of the formula was \$1,622.49 per mile, which was unchanged from the previous year. Each of these components has changed less than 2% since FY 2015.

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 \$20.03 and the mileage rate of \$1,622.49. This results in revenue of \$61,351 and \$27,371 respectively and allows us to round to budget a total of \$90,000 for this revenue source. This is unchanged from the amount we budgeted for the current 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:

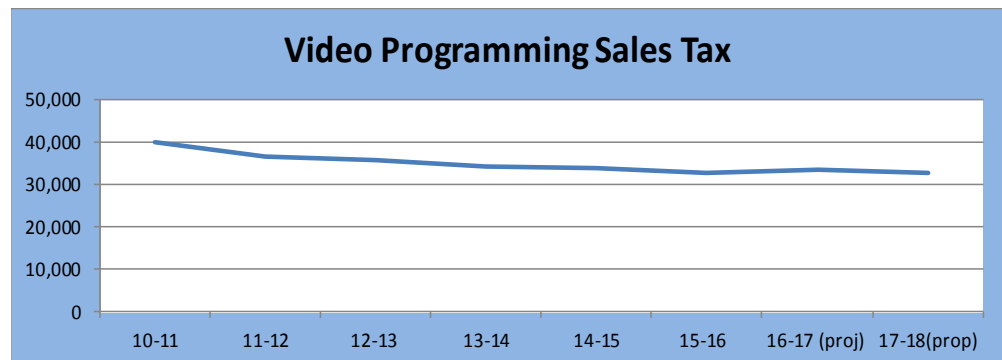
The State levies license and excise taxes on liquor and excise taxes on beer and wine. 23.75% of the excise tax on beer, 62% of the excise tax on unfortified wine, and 22% of the excise tax on fortified wine is shared by all cities and counties who permit the sale of these beverages within their limits.

Based upon recent trends, we are predicting essentially no change from the amount we received in FY17, and are budgeting \$13,300.

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.



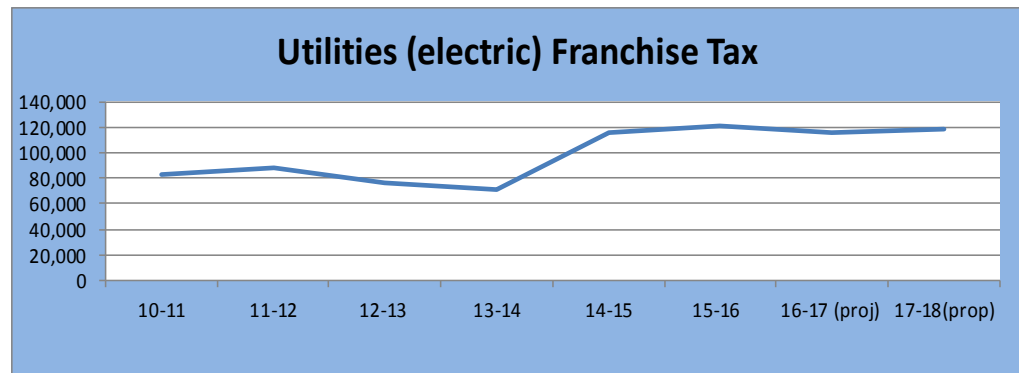
After the first \$2 million of this pool is parsed out to localities to support PEG services, the remainder is divided, in our case, based upon the “base rate” established in a filing we made in March of 2007 to the Secretary of State. This base amount is the proportionate share our franchise fee (from 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 FY17 projections, we have no change in revenue for FY18. 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



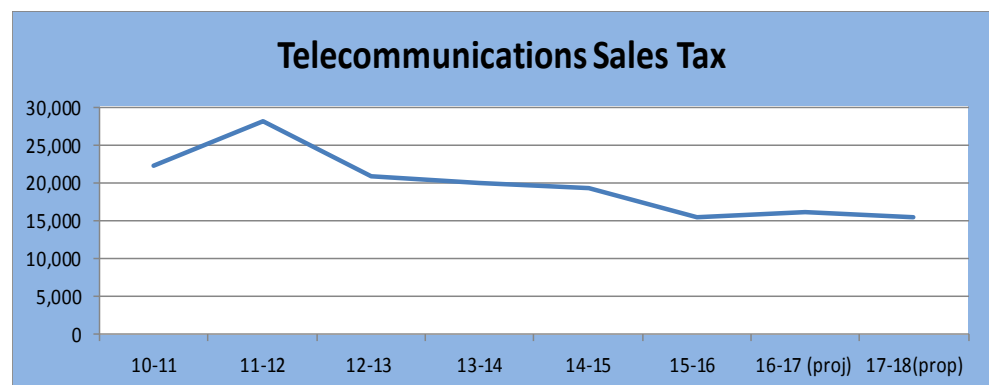
proceeds were to be returned to municipalities. In the case of electricity, that percentage is 44%. That number was chosen with the intention that every municipality could receive at least the same amount of revenue they received in FY13. In the event of excess statewide revenues, those revenues would 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, which is unchanged from the current year. This position is taken using our projection for the end of FY 2017 as the budgeted amount for FY18. The North Carolina League of Municipalities (NCLM) is predicting a statewide 2% increase in this revenue.

Telecommunications Tax:

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

Our share is determined by the proportion our old franchise fee contributed to the pool when it was created in 2001. Therefore, our share of the pool remains constant, but the pool can



fluctuate based upon taxes collected. Based upon trends in the revenue we receive for this tax, we are predicting to collect 100% of budgeted revenue in the current fiscal year. However, to be conservative, we project no increase in revenue for FY18 and will use the projected revenue in FY17 as our budgeted revenue in FY18, which is \$15,500. A decline of 7% 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 no increase in this relatively small revenue line of only \$850.

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. However, our number of permits issued for FY17 is projected to triple over the number issued in FY16. The amount shown in the budget worksheet is an estimate and remains unchanged from the current year at \$2,500.

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 2017 is from recreation program fees. We opted to budget no increase for this 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 around 1%.

Rents and Concessions:

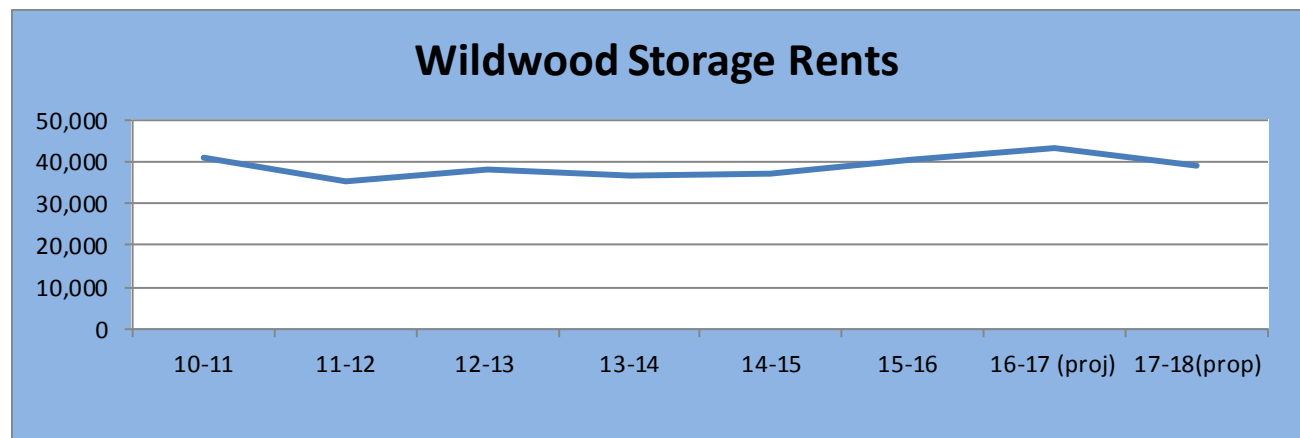
This line reflects revenue from our enterprise funds for rental of office space and charges for reserving the park or Town Hall meeting room.

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 FY18 is based upon our current rental rates, which appear competitive in the local market, and uses a 90% occupancy rate. The actual occupancy rate has been 100% for nearly a year.

In FY18 we have budgeted \$38,880 as total revenue from this source. This includes indoor and outdoor units.

		Feb-17 Monthly Revenue
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	0	\$0
Units Past Due or Over-locked	0	\$0
Total Loss	0	\$0
Total Occupied and Paid	72	\$3,600
Rate of Paid Occupancy	100.0%	



General Fund Revenue Summary

Due to the uncertain, but slightly improving, economic times we are in, we have been very conservative in our estimates of revenue. Conservative revenue estimates are not new to the budget process. They are the more the rule than the exception. Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget represents a 4.6% decrease, or a \$80,648 decrease, from the current fiscal year budget. Most of that amount (\$60,942) is due to the reduced amount of transfers from Capital Reserves.

This year, we do not budget any revenue from appropriated fund balance. That is unchanged from the budgeted appropriated fund balance for FY17. There are no substantive change to the external revenue projects for FY18. The State collected revenue in our projections are essentially unchanged. Based on previous quarterly projection, we actually anticipate even more revenue in that line but being conservative in nature, our FY18 budgeted revenue is based on our FY17 projected revenue. The other major revenue change is internal in nature and is a 78% decrease from Capital Reserve, as previously noted.

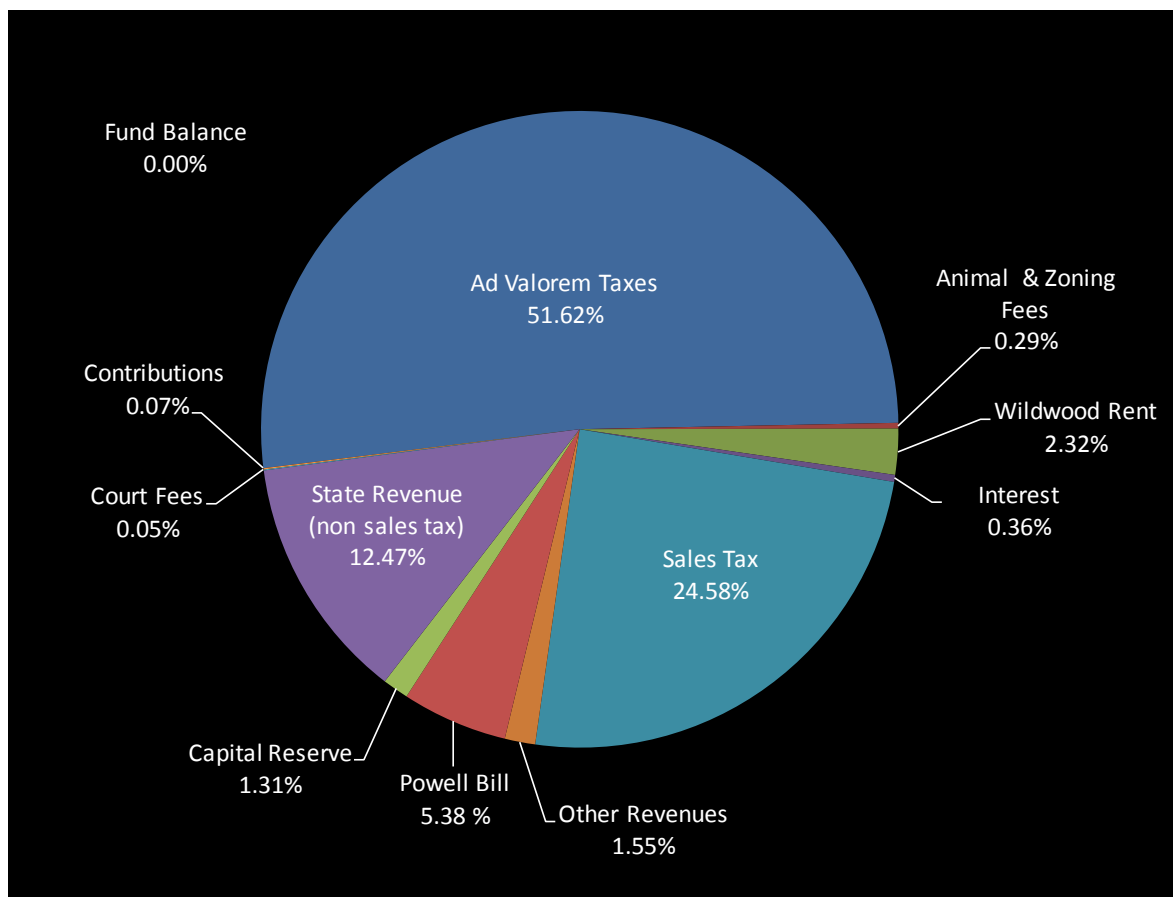
The proposed reduced tax rate and its corresponding revenue, along with the other revenues mentioned above, will allow us to maintain our infrastructure and maintain the current levels of service while looking at the future needs of the community. We are also able to maintain a level of fund balance that allows us to maintain a solid financial foundation, which has a direct impact upon our bond rating and overall creditworthiness. We remain aware of and seek any other sources of revenue whether through grants or other taxes as deemed appropriate. It is important to note that historically only about half of our general fund revenue comes from the Ad Valorem tax, also known as local property tax. In FY18, we anticipate that 51.62 % of revenue will derive from the levy of property tax. The amount and percentage of each source is depicted in the table and graph on the next page.

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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	
	14-15	15-16	16-17	17-18	%	\$
	Actual	Actual	Budget	Proposed		
Ad Valorem Taxes	891,577	891,338	887,124	863,703	-2.64%	-23,421
Animal Licenses & Zoning Permits	5,667	6,421	4,900	4,900	0.00%	0
Interest	347	2,953	5,251	6,006	14.38%	755
Wildwood Rents	37,322	40,577	34,560	38,880	12.50%	4,320
Other Revenue & Rents	42,077	35,971	27,502	25,900	-5.83%	-1,602
Contributions	822	1,650	1,175	1,200	2.13%	25
Powell Bill (includes appropriation)	92,300	90,502	90,000	90,000	0.00%	0
State Revenue (other than sales tax)	212,617	211,165	207,718	208,600	0.42%	882
Sales Tax Revenue	394,208	411,712	395,900	411,300	3.89%	15,400
Government Grants (Fed, State & County)	478	0	0		0.00%	0
Fees (court refund)	645	806	850	850	0.00%	0
Charges to Other Funds	0	0	0	0	0.00%	0
Transfer from Capital Reserve	76,345	220,553	99,000	21,993	-77.78%	-77,007
Transfer from LESA Fund						0
Transfer from Fund Balance	0	0	0	0	0.00%	0
TOTAL	1,754,403	1,913,646	1,753,980	1,673,332	-4.60%	-80,648



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Revenue		13-14		14-15		15-16		16-17			17-18
		YR End	Actual	YR End	Actual	YR End	Actual	Current	Revenue	Projected	Proposed
		Budget	Year-End	Budget	Year-End	Budget	Year-End	Budget	as of 01/31/17	Year-End	Budget
3100-108	AD VALOREM Taxes	803,399	818,114	802,229	814,608	809,358	812,538	798,658	713,981	798,658	776,703
3100-180	Tax Penalties	0	0	0	0	0	0	0	0	0	0
3110-108	AD VALOREM Tax-Motor Veh.	67,599	100,212	64,398	76,968	67,484	78,800	88,466	51,181	88,466	87,000
3210-851	Animal Licenses	4,000	3,150	2,000	2,971	2,400	2,780	2,400	1,311	2,400	2,400
3231-010	Sales Tax - Art. 39 1%	132,800	133,912	129,540	139,819	138,373	148,751	145,000	88,345	148,345	148,300
3231-020	Sales Tax - Art. 40 1/2%	77,715	85,031	82,365	91,251	88,994	94,728	91,700	56,364	94,364	94,300
3231-030	Sales Tax - Art. 42 1/2%	67,000	68,063	65,602	70,673	69,964	75,153	70,100	44,534	74,534	74,500
3231-040	Sales Tax (Local Opt)- Art. 44 1/2%	0	44	0	6	0	-16	0	4,505	9,005	0
3329-200	Hold Harmless Tax Distribution	73,260	82,241	78,964	92,459	86,235	93,097	89,100	57,003	93,000	94,200
3261-100	Cable TV Franchise	0	0	0	0	0	0	0	0	0	0
3278-300	Solid Waste Disposal Tax	2,200	1,755	1,700	1,980	1,800	1,964	1,900	1,029	2,029	2,000
3316-099	Powell Bill Appropriation	0	0	0	0	0	0	0	0	0	0
3316-370	Powell Bill Allocation	91,877	93,909	91,000	92,300	91,000	90,502	90,000	88,747	88,747	90,000
3322-200	Beer and Wine Tax	12,485	13,635	12,235	14,804	12,235	13,566	13,324	0	13,324	13,300
3323-200	Video Programming Sales Tax	66,935	66,996	65,223	62,865	60,927	60,861	59,894	30,666	60,866	60,800
3324-200	Utilities Franchise Sales Tax	73,529	80,300	67,757	115,748	95,665	121,425	119,000	55,729	119,000	119,000
3332-200	Telecomm Sales Tax	21,035	17,800	19,200	19,200	18,816	15,311	15,500	8,055	15,500	15,500
3340-853	Court Refunds	500	1,266	1,000	645	699	806	850	333	850	850
3343-850	Zoning Permits	2,000	2,773	2,000	2,696	2,000	3,641	2,500	3,610	4,010	2,500
3430-310	Federal Grant- BVP Program	170	367	170	338	0	0	0	0	0	0
3433-315	Federal Disaster Assistance	0	0	0	0	0	0	0	13,227	13,227	0
3433-320	State Disaster Assistance	0	0	0	0	0	0	0	4,409	4,409	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	18,200	13,272	0	140	0	0	0	0	0	0
3830-800	Miscellaneous	13,500	15,719	2,000	19,182	11,240	7,676	5,945	5,764	6,604	5,900
3830-850	Insurance Settlements	0	0	0	0	0	2,381	0	1,189	1,189	0
3831-370	Interest- Powell Bill	1	0	1	11	1	15	1	5	5	5
3831-810	Interest- General Fund	500	218	500	336	500	2,936	5,250	2,896	6,296	6,000
3832-605	Recreation Land Fees	0	0	0	0	0	0	0	0	0	0
3833-820	Contributions	1,000	2,726	1,000	822	785	1,650	1,175	1,159	1,209	1,200
3834-852	Wildwood Storage Rentals	34,000	36,709	37,260	37,322	36,580	40,577	34,560	25,431	43,431	38,880
3834-860	Rents & Concessions	18,000	18,050	18,000	18,095	18,000	18,000	18,000	10,605	18,000	18,000
3835-865	Sale of Fixed Assets	6,000	7,555	0	1,499	7,900	5,950	1,657	0	0	0
3839-351	Sales Tax Refund Revenue	0	275	0	1,320	0	0	0	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0	0	0	0
3980-982	Transfer - Capital Res Fund	188,283	188,283	76,345	76,345	220,553	220,553	99,000	99,000	99,000	21,993
3980-983	Transfer from Parks Fund	0	0	0	0	0	0	0	0	0	0
3980-984	Transfer from Water Fund	0	0	0	0	0	0	0	0	0	0
3980-985	Transfer from Sewer Fund	0	0	0	0	0	0	0	0	0	0
3980-988	Transfer from LESA Fund	0	0	0	0	0	0	0	0	0	0
3991-991	Appropriated Fund Balance	6,144	0	97,322	0	77,029	0	0	0	0	0
	TOTAL REVENUES	1,782,132	1,852,376	1,717,811	1,754,403	1,918,537	1,913,646	1,753,980	1,369,078	1,806,469	1,673,332

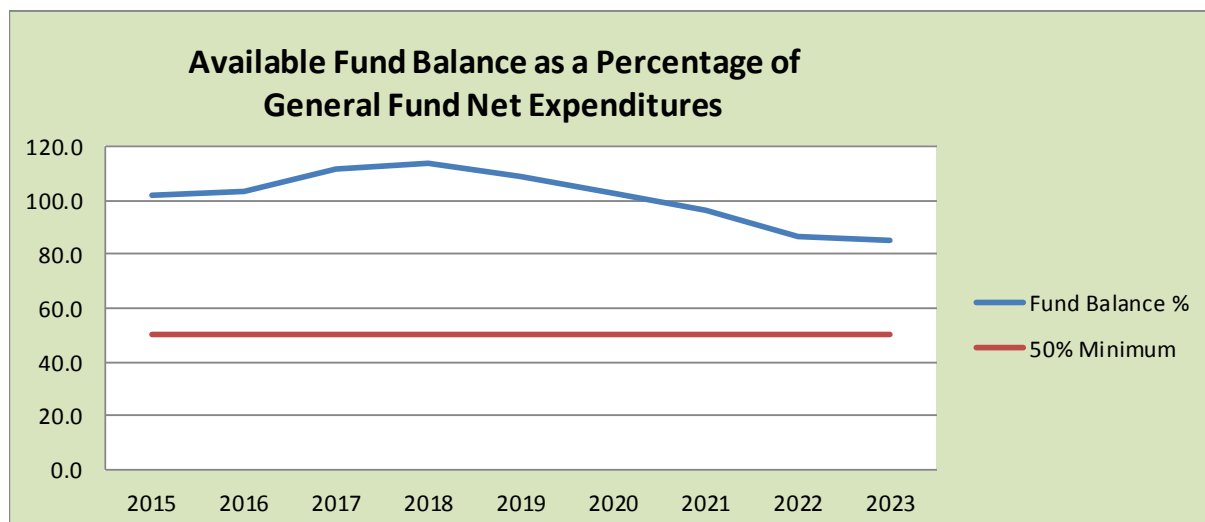
General Fund Balance

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 2016 had a Fund Balance of 102%, and we project a Fund Balance of 111% 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 2017, following reevaluation, the Town Council elected to set a revenue neutral tax rate. This allowed the Fund Balance to remain above the target of 50%. This adopted budget, using a reduced tax rate and zero fund balance appropriation, predicts a fund balance percentage, at the end of the fiscal year, of 113%.

Fund Balance remains, according to our projections, at or above 50% through the end of Fiscal Year 2023 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		.3105 tax rate	.29 tax rate					
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Available Fund Balance \$	1,654,439	1,816,607	1,899,910	1,899,911	1,895,329	1,839,580	1,771,036	1,657,492	1,593,008
	(annual financial report data)		Projected	Proposed					
Available Fund Balance %	2015	2016	2017	2018	2019	2020	2021	2022	2023
	101.7	102.9	111.4	113.5	108.8	102.5	96.4	86.1	85.2



Five Year Financial Forecast

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

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

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

Expenditures

- 2% COLA for FY2018 and 2% per year thereafter.
- Other compensation changes per the approved Pay Plan.
- No increase in staffing level from FY 2017 levels.
- Local Government Employees Retirement System *Employer Contribution Rate Stabilization Policy* rates used.
- 10% per year increase in medical insurance premiums.
- 1% per year increase in Workers' Compensation Insurance.
- 7.5% increase per year in Property & Liability Insurance after a 5% 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 \$25,000 this year. For FY 19 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.
- 5% annual increase for Springbrook

Revenue

Real Property:	1% per year increase in tax base. 99.75% FY18 collection rate, 99.5% collection rate thereafter. Tax rate of \$.29 per hundred dollars of valuation.
Motor Vehicle:	1% per year decrease in tax base. 100% collection rate this year and 100% thereafter. Tax rate of \$.29 per hundred dollars of valuation.
Sales Taxes:	No change in FY 18 from FY 17 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 18 from FY 17 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 18 from FY 17 year-end level and 2% growth per year thereafter.
Telecommunication Sales Tax:	No change in FY 18 from FY 17 year-end level and 2% decrease per year thereafter.
Sale of Fixed Assets:	Tracks with years new vehicles are purchased.
Wildwood Storage Rental	90% Occupancy Rate this year and no rate changes, 85% Occupancy Rate thereafter.

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This worksheet shows the General Fund expenditure summary by department. This worksheet shows historical data from FY16 and projected expenditures for FY17 and proposed amounts for FY18. The forecast amounts for FY19 through FY23 are based upon the assumptions noted previously.

General Fund Expenditure Summary									
		15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
		Actual	Proj	Proposed					
4110	Governing Body	28,711	25,630	31,553	30,042	35,183	30,481	35,927	30,940
4120	Administration	224,214	228,035	227,888	239,871	260,679	269,394	278,621	286,992
4130	Finance	100,434	100,468	102,873	109,273	114,702	122,039	119,913	122,877
4140	Tax Listing	11,362	12,468	12,182	12,240	12,397	12,555	12,717	-
4150	Legal Services	12,926	15,633	25,000	30,000	30,000	30,000	30,000	30,000
4170	Elections	4,591	-	8,500	-	10,200	-	12,240	-
4310	Police	493,610	519,518	503,689	539,996	531,842	549,364	596,162	543,990
4190	Public Buildings	58,938	60,054	87,001	64,561	68,150	72,038	76,253	80,825
4330	Emergency Services	3,663	3,828	3,862	3,862	3,978	4,097	4,220	4,347
4380	Animal Control	12,028	11,810	12,170	12,887	13,423	13,988	14,399	14,982
4510	Street Maintenance	202,916	162,363	179,975	205,658	207,401	209,231	210,829	212,102
4560	Public Works	136,653	165,981	156,337	162,295	167,718	173,403	178,882	182,652
4710	Leaf & Limb and Solid Waste	36,365	49,653	38,505	40,387	42,361	44,433	46,607	48,888
4730	Stormwater Management	105,116	56,167	50,505	61,827	62,976	64,180	65,248	66,124
4760	Wetlands & Waterways	2,353	300	6,000	6,150	6,305	10,964	6,628	6,796
4910	Planning & Zoning	36,222	46,048	39,533	46,791	48,430	50,163	51,995	53,535
6120	Recreation & Special Events	6,708	7,250	7,500	7,725	7,957	8,195	8,441	8,695
6130	Parks & CAC	33,663	39,228	34,870	35,479	36,717	38,012	39,173	40,143
	Contingency (1% per policy)	13,300	26,044	31,279	27,090	27,604	28,025	28,883	28,339
	Transfer to Capital Reserve	241,000	175,052	114,110	106,000	106,000	107,000	107,000	107,000
TOTAL		1,764,770	1,705,530	1,673,332	1,742,133	1,794,024	1,837,564	1,924,136	1,869,228
<i>Change from previous year</i>		8.49%	-3.36%	-1.89%	4.11%	2.98%	2.43%	4.71%	-2.85%

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

General Fund Revenue Summary								
	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Proj	Proposed					
Ad Valorem Taxes	891,338	887,124	863,703	869,504	879,069	888,747	898,540	908,449
Animal Licenses & Zoning Permits	6,421	6,410	4,900	4,400	4,400	4,400	4,400	4,400
Interest	2,952	6,301	6,005	9,501	9,478	9,199	8,856	8,288
Wildwood Rents & Cable Franchise	40,577	43,431	38,880	38,880	38,880	38,880	38,880	38,880
Other Revenue & Rents	35,971	27,823	25,900	31,040	33,540	33,540	33,540	33,540
Contributions	1,650	1,209	1,200	1,000	1,000	1,000	1,000	1,000
Powell Bill (includes appropriation)	90,502	88,747	90,000	90,000	90,000	90,000	90,000	90,000
State Revenue (other than sales tax)	211,165	208,690	208,600	209,188	209,859	210,615	211,454	212,377
Sales Tax Revenue	411,712	419,248	411,300	423,639	436,348	449,439	462,922	476,809
Government Grants (Fed, State & County)	0	0	0	0	0	0	0	0
Fees (court refund)	806	850	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	220,553	99,000	21,993	59,400	34,700	42,200	60,000	30,000
Transfer from LESA Fund								
Transfer from Fund Balance								
TOTAL	1,913,646	1,788,833	1,673,332	1,737,552	1,738,275	1,769,020	1,810,592	1,804,744
<i>Change from previous year</i>	9.08%	-6.52%	-6.46%	3.84%	0.04%	1.77%	2.35%	-0.32%

The chart below provides a summary of the five-year forecast in regards to revenues versus expenditures. While the projections indicate a deficit for every year past FY18, it is important to note that the revenue projections for those years do not include an appropriation from fund balance. All of those projections could be balanced with a fund balance appropriation equal to the deficits shown below, all of which are less than 6% of expenditures. However, our five-year forecast expenditure assumptions, as shown earlier, do not include a fund balance allocation.

General Fund	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Total Revenue	1,913,646	1,788,833	1,673,332	1,737,552	1,738,275	1,769,020	1,810,592	1,804,744
Total Expenditure	1,764,770	1,705,530	1,673,332	1,742,133	1,794,024	1,837,564	1,924,136	1,869,228
Revenue - Expenditures =	148,876	83,303	0	-4,582	-55,749	-68,544	-113,544	-64,484

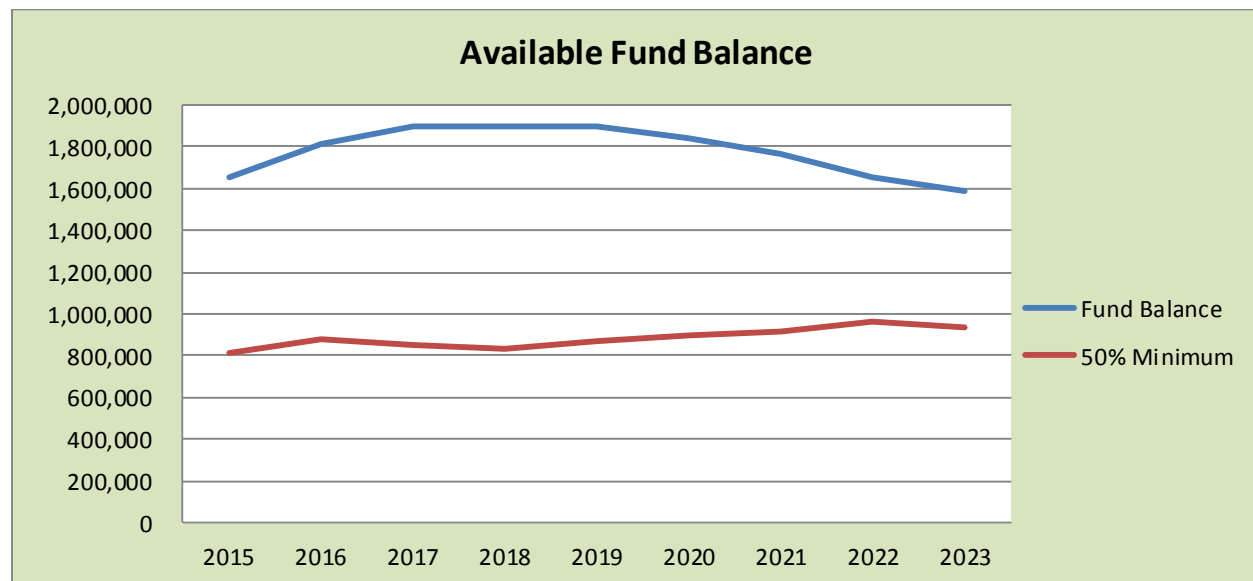
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The worksheet and chart shown below summarize the effect upon fund balance with a decrease in the tax rate from .3105¢ to .29¢. Absent increases in revenue or substantial decreases in spending and no modification to services provided, a structural 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		.3105 tax rate	.29 tax rate					
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Available Fund Balance \$	1,654,439	1,816,607	1,899,910	1,899,911	1,895,329	1,839,580	1,771,036	1,657,492	1,593,008
	(annual financial report data)		Projected	Proposed					
Available Fund Balance %	2015	2016	2017	2018	2019	2020	2021	2022	2023
	101.7	102.9	111.4	113.5	108.8	102.5	96.4	86.1	85.2
GF Expenditures	1,626,651	1,764,770	1,705,530	1,673,332	1,742,133	1,794,024	1,837,564	1,924,136	1,869,228
50% of Expense	813,325	882,384	852,765	836,666	871,067	897,012	918,782	962,068	934,614
% Fund Balance Goal	50	50	50	50	50	50	50	50	50
Ad Valorem Revenue	891,577	891,338	887,124	863,703	869,504	879,069	888,747	898,540	908,449
All Other Revenue	862,826	1,022,307	901,709	809,629	868,048	859,205	880,272	912,052	896,295
Revenue	1,754,403	1,913,646	1,788,833	1,673,332	1,737,552	1,738,275	1,769,020	1,810,592	1,804,744
Revenue-Expense	127,752	148,874	83,303	0	-4,582	-55,749	-68,544	-113,544	-64,484



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. Our tax rate was decreased this year. The latest LGC data (2016) shows the average tax rate in our peer group was 33.32¢ or 6.82 cents higher than our rate that year. The 2017 LGC data has not been released yet. 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 50% through FY23. In FY18 fund balance would be 64.8%. In all other years fund balance be almost exactly 50%.

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 FY19 forward, the rate is increased by an inflation factor equal to the average rate of inflation over the past five years (0.01566%). Beginning in FY20 and continuing through FY23 the required rate would be higher than the actual and current rate. Cutting the rate now to reach the 50% fund balance threshold would necessitate a future increase. It would result in a higher tax rate and a lower fund balance percentage in future years compared to leaving the tax rate at its current level of .29¢ in the current and future years in the chart.



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While we are not advocating a change in the tax rate in future years, we show you this information to demonstrate how the tax rate would need to be increased in order to maintain pace with 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 using the proposed 29¢ tax rate. It also shows what the tax bill would be in FY18 and future years if the tax rate is levied at the inflation indexed rate. Note, in the chart on page 147, the 29¢ tax rate is used for all years in the projections. In all of those years, as indicated in the yellow highlighted areas below, the inflation indexed rate is higher than the actual rate. Thus, our proposed rate of 29¢ does not keep pace with the forecast inflation rate. While the costs of other things are increasing at an inflationary rate, the projections maintain a tax rate that is less the inflation rate.

There is no guarantee that the tax rate will not be changed in any of the years in the five-year forecast. There are many variables that may affect that decision in the future. However, based on the assumptions noted at the beginning of this forecast, a tax rate increase will not be necessary to keep our Fund Balance above the 50% threshold if the proposed rate of 29 ¢ is maintained in all forecast years.

Assessed Value	Current Bill	FY 18		FY 19		FY 20		FY 21		FY 22		FY 23	
	0.29	0.306	Inc v. Current	0.322	Inc v. Current	0.337	Inc v. Current	0.353	Inc v. Current	0.369	Inc v. Current	0.384	Inc v. Current
95,000	276	291	15	306	30	320	45	335	60	351	75	365	89
100,000	290	306	16	322	32	337	47	353	63	369	79	384	94
150,000	435	459	24	483	48	506	71	530	95	554	119	576	141
190,000	551	581	30	612	61	640	89	671	120	701	150	730	179
200,000	580	612	32	644	64	674	94	706	126	738	158	768	188
250,000	725	765	40	805	80	843	118	883	158	923	198	960	235
300,000	870	918	48	966	96	1,011	141	1,059	189	1,107	237	1,152	282
350,000	1,015	1,071	56	1,127	112	1,180	165	1,236	221	1,292	277	1,344	329
400,000	1,160	1,224	64	1,288	128	1,348	188	1,412	252	1,476	316	1,536	376
500,000	1,450	1,530	80	1,610	160	1,685	235	1,765	315	1,845	395	1,920	470
600,000	1,740	1,836	96	1,932	192	2,022	282	2,118	378	2,214	474	2,304	564

Current Rate

Inflation Indexed Rate

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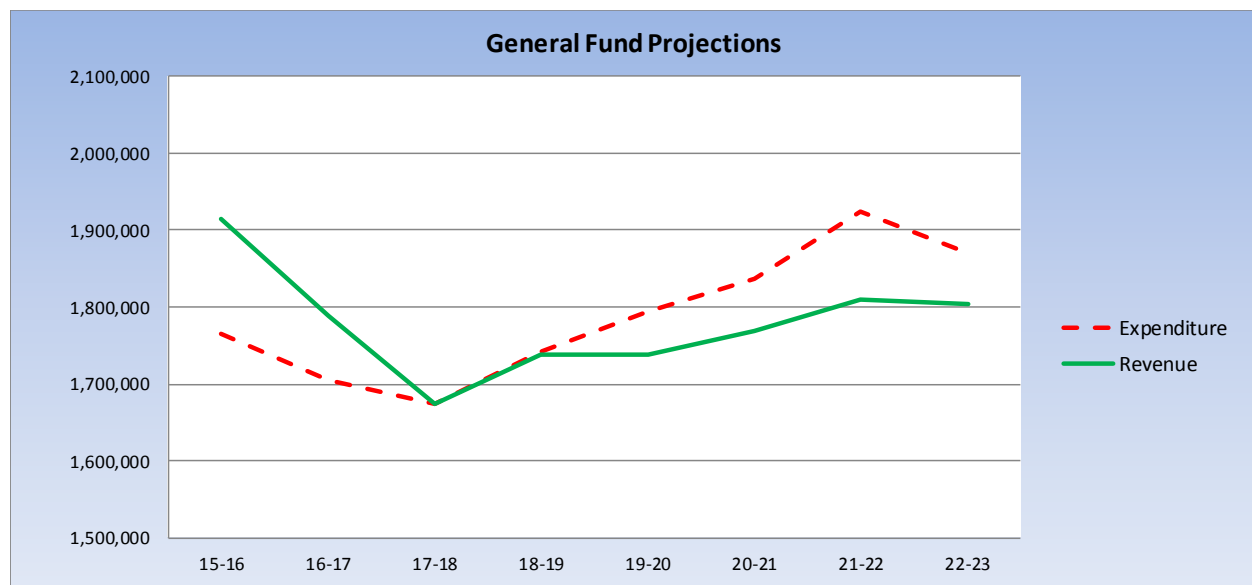
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The table below shows the anticipated revenue from both real and motor vehicle taxes for the current year and five years thereafter. The current year is highlighted. The current year “base” figures are estimated values and subject to change. After FY18, 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, which is highlighted, is estimated to remain unchanged, as noted previously.

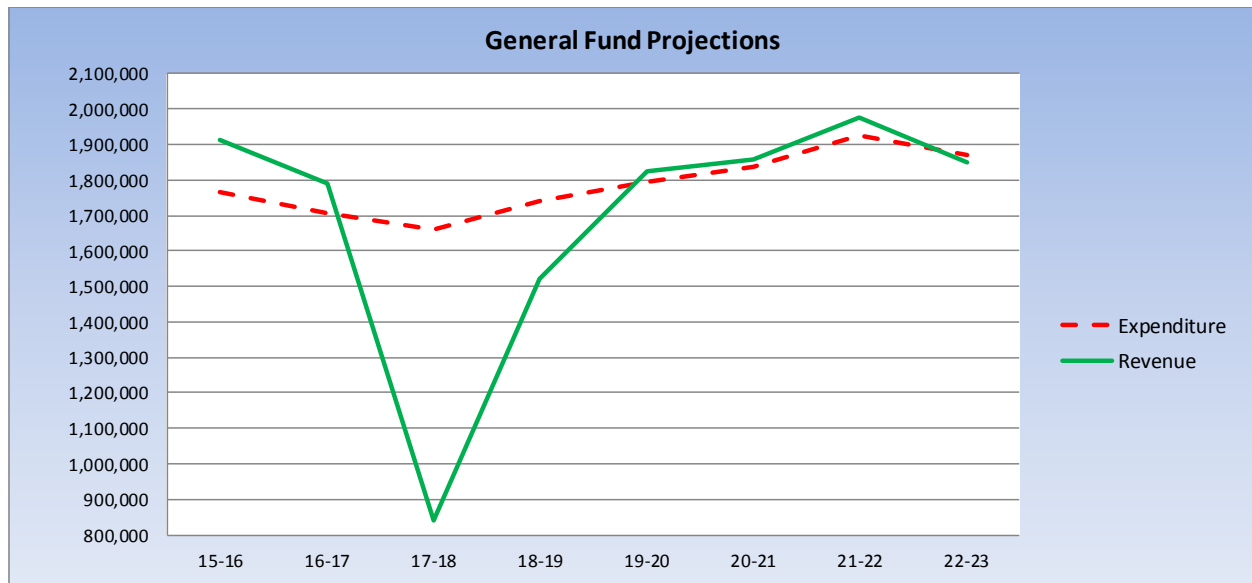
FY	Real Property				Motor Vehicle			
	Base	Rev Base	Rate	Revenue	Base	Rev Base	Rate	Revenue
2009	212,017,722	211,742,099	0.250	529,355	29,248,640	27,812,532	0.250	69,531
2010	216,689,297	215,584,182	0.280	603,636	27,462,910	26,026,600	0.280	72,874
2011	305,002,718	302,410,195	0.265	801,387	23,000,000	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	268,500,000	267,828,750	0.2900	776,703	30,000,000	30,000,000	0.2900	87,000
2019	271,185,000	269,829,075	0.2900	782,504	30,000,000	30,000,000	0.2900	87,000
2020	273,896,850	272,527,366	0.2900	790,329	30,600,000	30,600,000	0.2900	88,740
2021	276,635,819	275,252,639	0.2900	798,233	31,212,000	31,212,000	0.2900	90,515
2022	279,402,177	278,005,166	0.2900	806,215	31,836,240	31,836,240	0.2900	92,325
2023	282,196,198	280,785,217	0.2900	814,277	32,472,965	32,472,965	0.2900	94,172
Increase 1% / year					Decreases 1% / year			
Assumes 99% collection rate					Assumes 100% collection rate			

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

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



This chart shows revenue and expenses for the next five years with changes in the tax rate to a level that is required to maintain a 50% fund balance, as indicated in the chart on page 147.



The reader will notice that the large gap between revenue and expenditures in the years that the rate tax is substantially reduced. The gap between the revenue line and the expenditure line, on the two previous charts, would need to be filled with an appropriation of fund balance. One of the difficulties with the foregoing analysis is the ability to accurately project future revenue and expenditures. We believe that the assumptions, as noted earlier, follow the philosophy of the elected body, in that they are quite conservative in estimating revenue and realistic in predicting expenditures. This analysis will be updated annually in order to give the elected leaders a basis of understanding the future impact of current policies.

Law Enforcement Officer (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 FY18 the contribution to this plan is budgeted at \$25,000.

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 FY18.

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.

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adopted
Additions										
General Fund Contributions	8,000	8,000	8,000	42,710	39,000	20,000	10,000	10,000	20,000	25,000
Interest	239	44	41	23	26	8	15	127	252	100
Total Additions	8,239	8,044	8,041	42,733	39,026	20,008	10,015	10,127	20,252	25,100
Deductions										
Retirement Benefits Payable	0	0	0	4,710	22,111	22,111	27,810	29,999	30,916	36,722
Total Deductions	0	0	0	4,710	22,111	22,111	27,810	29,999	30,916	36,722
Change in Net Assets	8,239	8,044	8,041	38,023	16,915	-2,103	-17,795	-19,872	-10,664	-11,622
Net Assets - Beginning of Year	7,237	15,476	23,520	31,561	69,584	86,499	84,396	66,601	46,729	36,066
Net Assets - End of Year	15,476	23,520	31,561	69,584	86,499	84,396	66,601	46,729	36,066	24,444

Town of River Bend, North Carolina
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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 \$36,066. 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%
2016	0	143,109	143,109	0.00%	306,026	46.76%

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 2016-17 Highlights including Special Projects and Purchases- Water

- Funded media rehabilitation for well #3
- Funded flow meter replacement for well
- Under contract, had both water towers inspected and provided routine maintenance
- Funded half the cost of a new vehicle

Fiscal Year 2016-17 Highlights including Special Projects and Purchases - Sewer

- Repaired surge tank at wastewater treatment plant
- Funded half the cost of a new vehicle
- Installed gear reducer at wastewater treatment plant
- Under contract, continued to provide off-site disposal of sludge from wastewater treatment operations

Enterprise Funds Capital Improvement Plan

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

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

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

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

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

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

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

The Enterprise Fund CIP projects for Fiscal Year 18, while modest in scope, all help to preserve our infrastructure and continue to provide reliable service. In the water fund, we plan to rehabilitate filter media in well # 3. This project was originally scheduled for FY17 but was postponed due to the media lasting longer than expected. It has been rescheduled for FY18. We also plan to purchase a new truck. The truck will be used by both the water and sewer departments, therefore its cost will be a 50-50 split between the two funds.

In the sewer fund we plan to upgrade manholes in the sewer collection system. This is needed due to normal wear and tear. As stated above we also plan to purchase a new truck. Half of that purchase will be funded from the sewer fund.

Two years ago, the Town completed a significant project in the sewer enterprise for the design and permitting for renovation and upgrades to the wastewater treatment plant to continue to serve those who are currently served by the collection and treatment systems. The town received environmental permits from the State of North Carolina and the Army Corps of Engineers. There were discussions by the Council to fund a component of the project while the Town has the permits, even if construction does not immediately follow. That component would be to “fill” wetlands around the existing facility in order to accommodate future new construction if such construction is approved in the future. That component would include clearing of wooded areas and hauling in dirt from off site. When complete, the land around the existing facility would be ready for new construction. One possible advantage of this process would be in cost saving due to tighter regulatory guidelines in the future. However, the Council has decided not to pursue this project at this time. The Council discussed waiting to see if mandates are issued to make improvements to the wastewater treatment plant. The Council also discussed that if the fill component of the project is completed in advance it will most likely result in an easier environmental permitting process and reduced construction costs in subsequent years. The wastewater treatment plant permit is due for renewal in FY 18. The Council will revisit these issues at that time.

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	2022-2023
Appropriation: Annual		0	0	0	0	0	49,500	49,500	49,500	49,500
Appropriation: Well pump		0	0	0	0	0	10,000	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	3,500
FY Appropriation:		\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 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>Treatment</i>										
Well #1 Filter Media Rehab	09-10						13,000			
Well #2 Filter Media Rehab						15,000				
Well #3 Filter Media Rehab	10-11				13,000					
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										
Industrial Meter Replacement							6,000			
	FY Expenditures:	12,448	0	20,500	24,500	15,000	19,000	11,000	0	0
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Net Capital Cash:	\$ (9,448)	\$ 3,000	\$ (17,000)	\$ (21,000)	\$ (11,500)	\$ 44,000	\$ 52,000	\$ 63,000	\$ 63,000

Sewer Fund Capital Improvement Plan

		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Appropriation: Annual		60,000	60,000	59,500	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	3,500
FY Appropriations:		\$ 63,000	\$ 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/Manholes					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				13,000						
Upgrade Digester						80,000				
FY Expenditures:		36,000	35,000	26,000	26,500	80,000	30,000	11,000	24,000	0
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Net Capital Cash:		\$ 27,000	\$ 28,000	\$ 37,000	\$ 36,500	\$ (17,000)	\$ 33,000	\$ 52,000	\$ 39,000	\$ 63,000

Town of River Bend, North Carolina Annual Budget for Fiscal Year 2017-2018

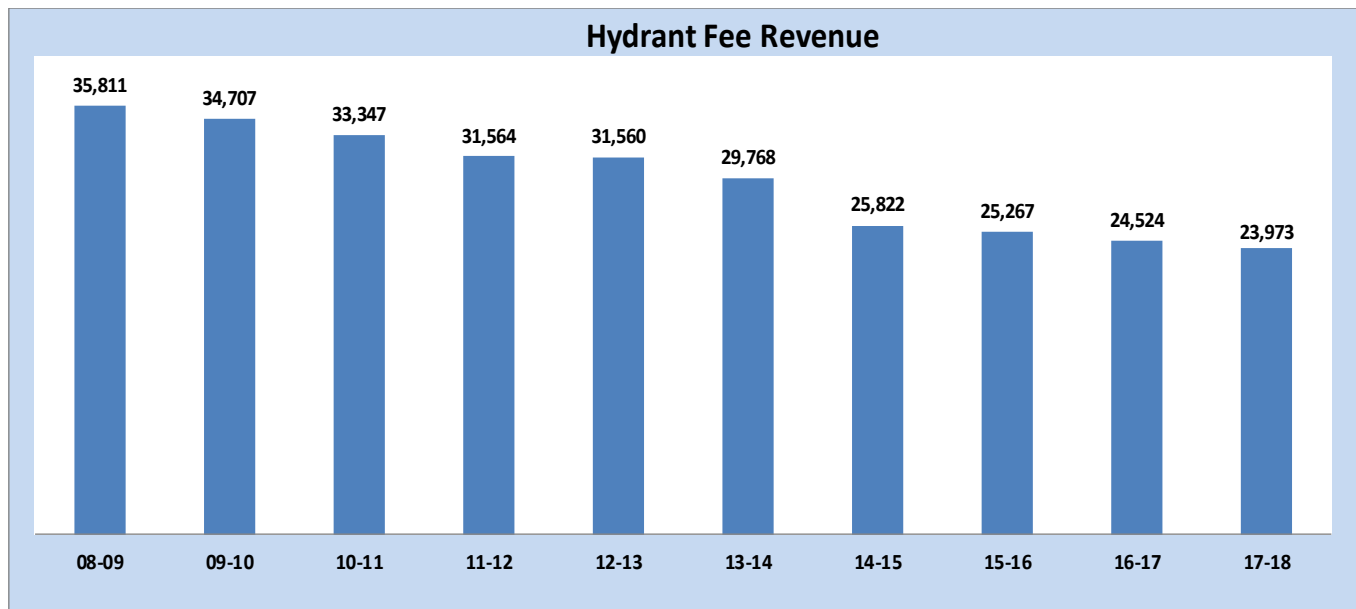
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Water and Sewer Capital Reserve Funds

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. The hydrant fee will remain at \$183 during FY18.

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.

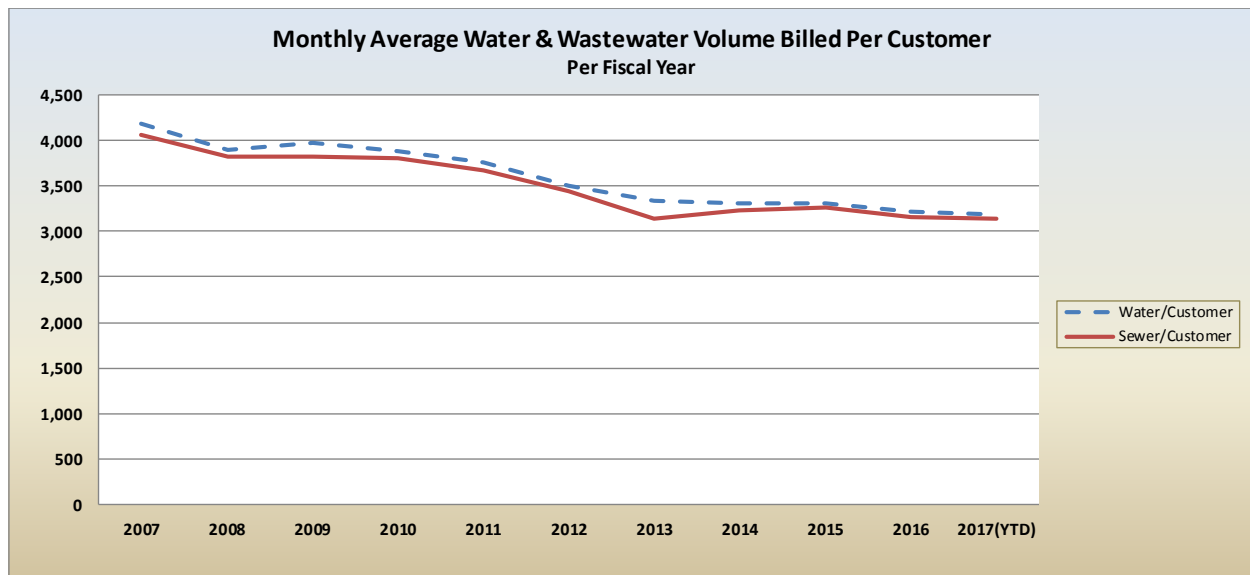
Usage: This component should be used to pay the remaining 25% of the debt service and capital costs and all direct operating costs.

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 2015 our average consumption per customer decreased by .14% and in FY 2016 it decreased another 2.60%. Through five billings in FY 2017 we are seeing a decrease of only 1% 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 2011, the decline has averaged 2.89% per year. However, over the past three years, the average decline has been 1.26%. Since 2013, the usage has been basically the same. 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
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	4,612,917	3,037,667
2017(YTD)	4,596,250	3,030,250

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 2.0% over last year.

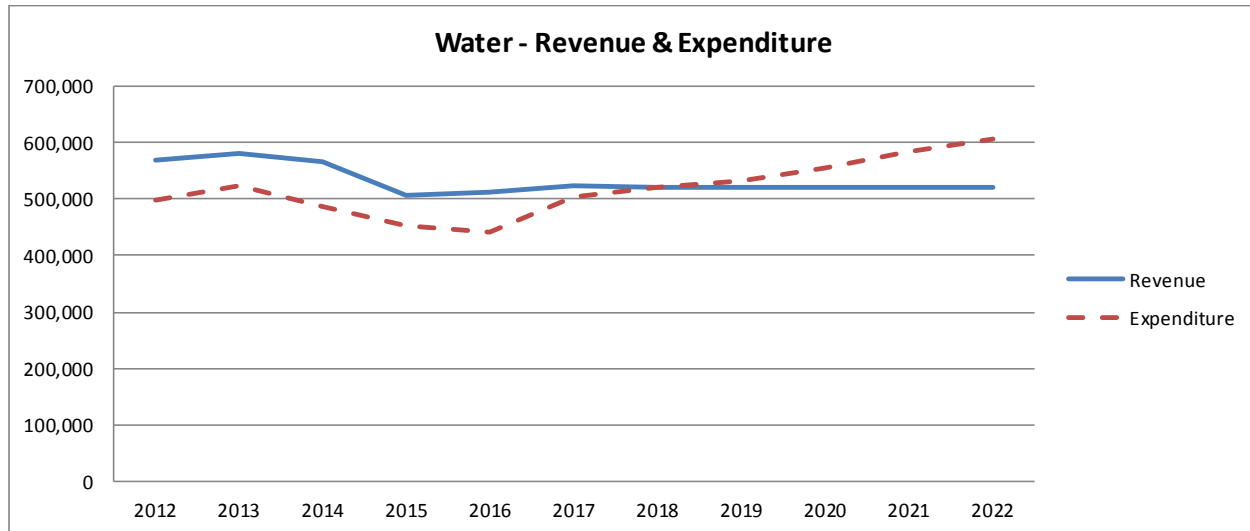
This table shows each of the components of the rate structure as described on page 160.

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

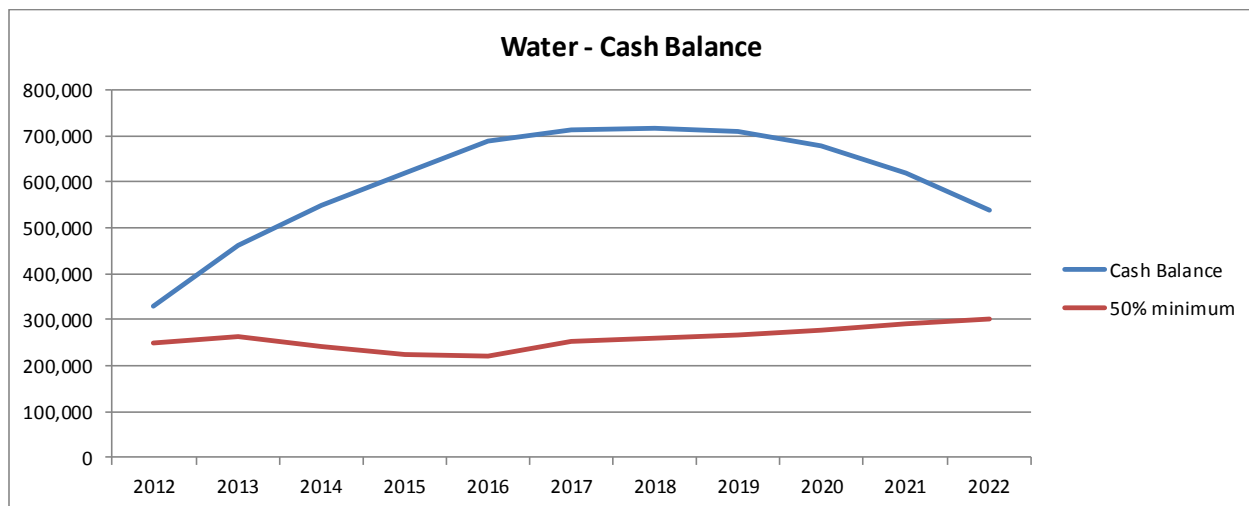
Readers will notice, from the table below and the chart at the top of the next page, that revenue falls short of expenses in FY 2018 and subsequent years. Due to the high level of cash reserve, this lower level of funding into the plan is not considered detrimental to the financial health of the utility. 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	2022
Customer	4.80	0.00%		Customer	52,894	55,533	85,567	86,445	87,518	89,317	87,895	87,718	87,421	86,993	86,422
Demand	10.44	0.00%		Demand	145,412	171,155	145,912	119,005	108,242	124,090	129,886	123,043	126,284	129,248	129,369
Base	15.24	0.00%													
Use	4.02	0.00%		Use	299,291	297,500	254,679	246,618	245,604	290,129	303,430	320,236	342,082	365,679	390,350
	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	Projected for the Fiscal Year Ending June 30:					
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue	569,017	545,123	538,101	572,695	570,196	581,324	565,560	506,093	511,489	523,933	520,864	519,835	520,252	520,548	520,715
Expenditure	581,549	625,875	543,409	471,872	497,597	524,187	486,159	452,068	441,364	503,537	521,211	530,997	555,787	581,919	606,140
Surplus (deficit)*	(12,532)	(80,752)	(5,308)	100,823	72,598	57,136	79,401	54,025	70,125	20,396	(347)	(11,162)	(35,535)	(61,371)	(85,425)
50% Expend.	290,775	312,938	271,705	235,936	248,799	262,094	243,079	226,034	220,682	251,768	260,606	265,498	277,894	290,960	303,070
Cash Balance	227,515	208,316	126,512	245,475	328,695	463,455	549,819	619,568	689,943	713,839	716,991	709,330	677,294	619,423	537,498
*For Operations; includes the cash capital budgeted funds for CIP - \$3,500 in FY15 and beyond.															



Cash Balance – Water Fund (operating fund only)

The amount of cash balance maintained by the Enterprise Funds is an important measure of their financial health. The 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.



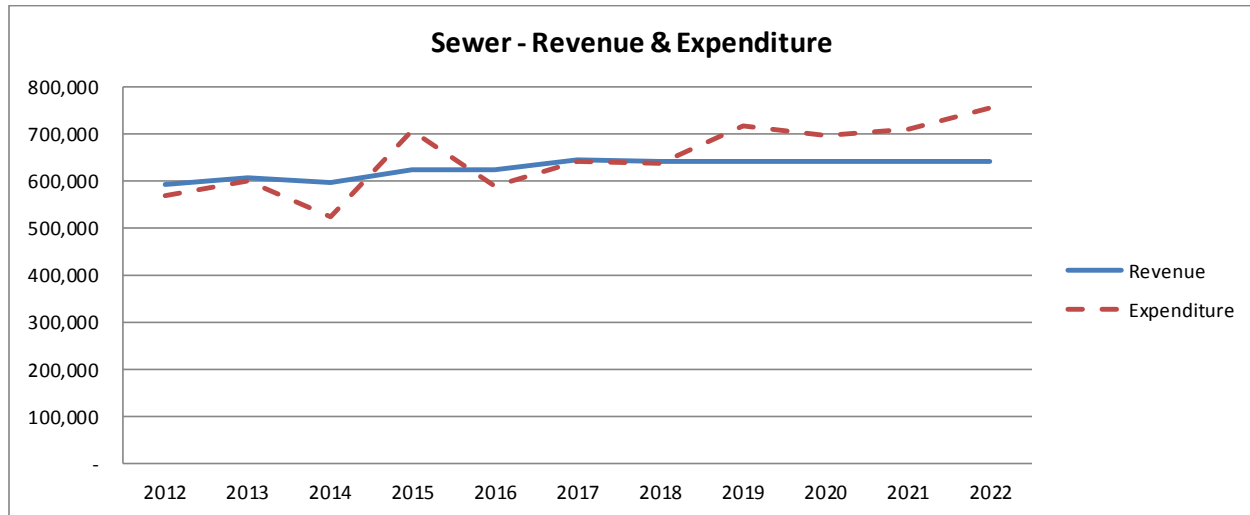
	FY	FY	Projected for the Fiscal Year Ending June 30:					
	2015	2016	2017 (proj)	2018 (proj)	2019 (proj)	2020 (proj)	2021 (proj)	2022 (proj)
Fund Bal. %	137.05%	156.32%	141.76%	137.56%	133.58%	121.86%	106.44%	88.68%
Cash Balance	619,568	689,943	713,839	716,991	709,330	677,294	619,423	537,498

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 2018 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 2018 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

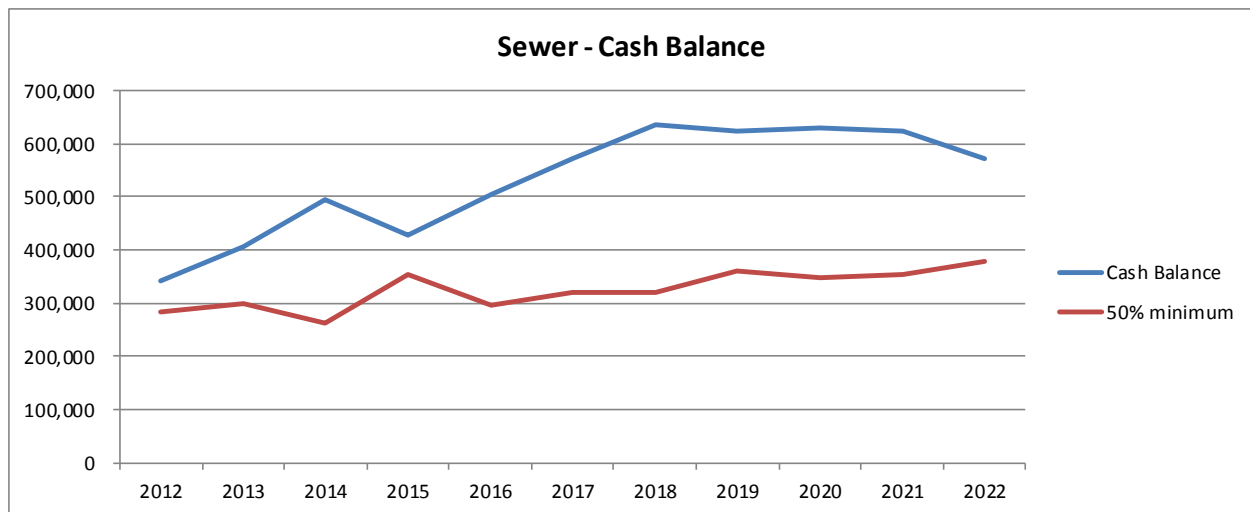
Readers will notice, from the table below and the chart at the top of the next page, that revenue falls short of expenses in FY 2019 and in subsequent years. In FY 2019 the deficit is only \$77,068. The projections indicate minimal deficits until FY 2022. However, even with revenue deficits, our cash balance continues to remain stable through the end of FY 22. 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	2022
Customer	7.35	0.00%		Customer	52,894	55,533	85,567	86,445	87,519	89,317	87,895	87,718	87,421	86,993	86,422
Demand	16.83	0.00%		Demand	135,579	146,011	129,421	268,041	133,749	162,751	161,151	201,520	164,228	151,890	161,744
Base	24.18	0.00%													
Use	9.08	0.00%		Use	365,315	393,666	310,317	352,967	369,481	387,649	389,080	428,460	444,276	470,956	507,826



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	Projected for the Fiscal Year Ending June 30:					
	2015	2016	2017 (proj)	2018 (proj)	2019 (proj)	2020 (proj)	2021 (proj)	2022 (proj)
Fund Bal. %	60.30%	85.56%	89.39%	99.81%	86.78%	90.43%	87.85%	75.48%
Cash Balance	426,611	505,461	571,844	636,891	622,805	629,349	623,628	570,651

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 2018 budget preparation process the long range outlook and projected deficits were thoroughly discussed by the Council. If all projections hold true, we anticipate no deficit at the end of FY 2018. 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 remain stable through the end of FY 2022. 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%

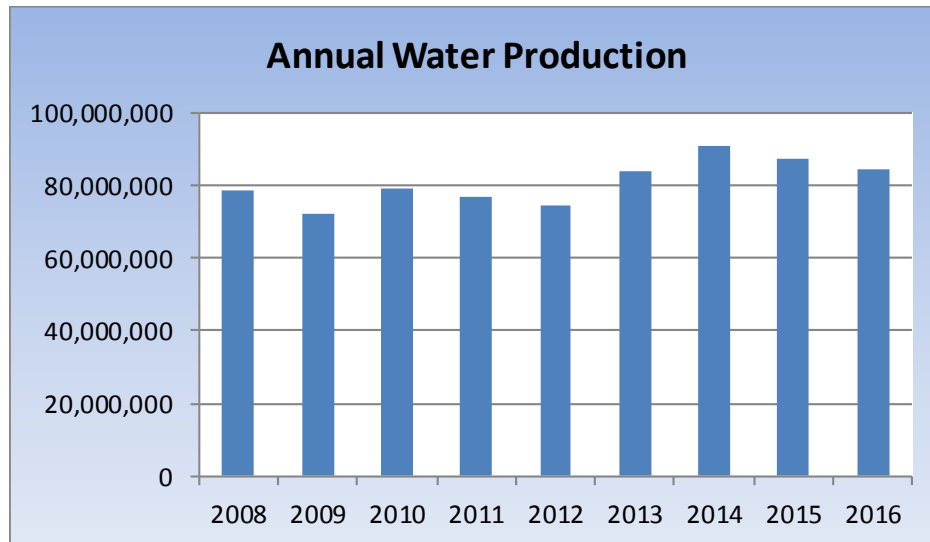
The table below shows the charges for a customer using water only.

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 2016 (calendar year), we treated 84,668,000 gallons with a daily average of 231,967 gallons. In 2015, we treated 87,475,000 gallons of water, an average of 239,658 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.

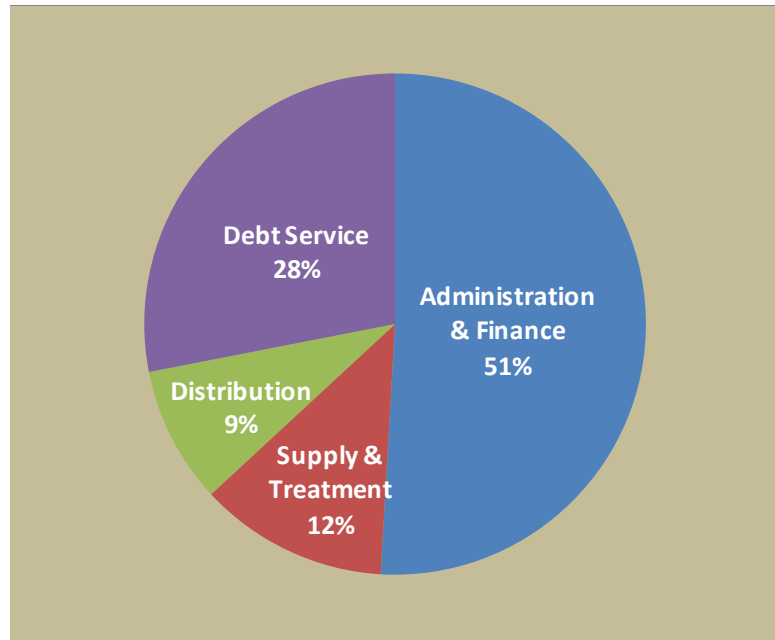
Our water system is monitored and regulated by the State of North Carolina which grants us a permit to operate. In accordance with State standards, water samples are tested at an independent laboratory for bacteria and other harmful contaminants. Each customer receives a copy of our annual report showing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

Water Enterprise Expenditures

The total budgeted expenditure for the water enterprise in fiscal year 2018 is \$544,621 a \$50,545 decrease from the current fiscal year.

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

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



Media Replacement Well #3	\$13,000
Half Cost of New Vehicle	\$12,000

Proposed Water Enterprise projects

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 3.0%. There is a 2.0% 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, 28% 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.

Town of River Bend, North Carolina
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Water Admin & Finance Page 1 of 2 60-7125		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
121	Wages & Salaries	84,433	85,778	86,612	86,581	89,032	55,885	90,135	91,534
122	Overtime	1,000	71	1,000	101	1,000	150	1,000	1,000
134	401(k) Retirement	4,169	4,261	4,249	4,334	4,378	2,802	4,507	4,501
181	FICA	6,378	6,427	6,501	6,552	6,698	4,248	6,895	6,886
182	Loc Govt Emp Retirement	5,978	6,024	5,668	5,783	6,348	4,063	6,535	6,751
183	Group Insurance	17,471	14,771	17,827	17,592	20,244	13,045	21,173	17,397
185	Unemployment Comp.		0	0	184	0	0	0	0
186	Workers' Compensation Ins.	2,372	2,398	3,125	2,708	2,564	2,125	2,125	3,114
310	Travel & Subsistence	750	243	750	148	750	271	750	850
395	Training	2,650	1,284	1,500	492	1,500	640	1,500	1,500
191	Auditing Service	4,500	4,500	4,667	4,500	4,600	4,600	4,600	4,600
192	Professional Service - Legal	1,000	360	1,000	537	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	468	504	346	504	179	309	400
382	Banking Services	1,400	1,404	1,400	1,388	1,748	827	1,418	1,748
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	0	4,885	5,656	5,374	5,656	6,509	7,330	7,056
440	VC3 IT Service & Maint.	10,538	10,004	12,316	11,341	12,562	6,767	11,467	12,606
441	Springbrook Service & Maint.	3,949	3,949	4,107	4,107	4,271	4,312	4,312	4,528
482	Indirect Cost- Labor	78,241	78,241	79,394	79,394	81,268	47,408	81,268	80,069
481	Labor Allocation	-31,159	-31,158	-32,018	-32,019	-33,238	-19,389	-33,238	-33,404
212	Uniforms	2,500	2,203	2,500	2,284	2,500	1,706	2,686	2,766
251	Motor Fuel	3,279	1,951	2,410	1,440	2,214	797	1,366	2,439
260	Office Supplies	5,918	2,318	3,000	1,040	2,000	1,293	2,000	2,527
320	Telephone & Postage	5,952	6,052	6,200	6,048	6,200	3,822	6,200	6,300
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	676	1,750	1,129	1,750	436	1,750	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	10,697	9,290	11,172	9,524	12,526	9,916	11,416	11,812
491	Dues & Subscriptions	1,250	1,319	1,350	1,258	1,350	1,323	1,325	1,400
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0		0	0	13,640	14,465	14,465	12,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	110,006	110,006	110,006	110,006	115,372	0	115,372	115,372
720	Bond Interest Payment	36,517	36,517	34,317	34,317	32,116	16,058	32,116	29,809
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	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	30	0	0	0	0	0	0
	TOTAL	382,290	373,273	387,461	375,489	411,053	189,508	412,281	408,561

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121	Wages & Salaries: 40% Utility Operators, 50% Finance Asst. & PW Director
310/395	Training/Travel & Subsistence - professional development and higher levels of licensure (\$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 as needed
399	Contracted Services:
	Reverse 911 970 Blackboard Connect (Total \$3,877, 50% general/25% water/25% sewer)
	Locate Plus 150 (Total \$300 50% water/50% sewer)
	Mowing Contract 2,020 (10% of base lawn bid - refer to General Fund Public Buildings Dept.)
	Elster Support 1,625 (Total \$2,500, 65% water/35% sewer)
	Work Order Software 868 (Total \$1334, 65% water/35% sewer)
	FORMAX Stuff/sealer 423 (Total \$650, 65% water/35% sewer)
	Misc Services 1,000
	7,056
381	Computer Services: cable internet service, web site, etc.
440	VC3 Hosted Desktop Contract: \$38,747 + \$3,273 support = \$42,020 (40% general fund, 30% water, 30% sewer)
441	Springbrook software maintenance (Total = \$15,092: 40% general fund, 30% water, 30% sewer)
491	Includes \$363 for ECC (Total \$1,089, split 1/3 each with General/ Water/Sewer Funds)
481/482	Labor allocation between General Fund and Enterprise Funds
251	Fuel - \$3.25 per gallon estimate - \$0.54 per gallon tax = \$2.71 per gallon cost
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (beg. FY07)
540	2017 Ford F150 with warning lights & liner (50/50 split with sewer)

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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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 water meter at a cost of \$4,800. 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		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
60-7132									
398	Testing	9,900	5,239	9,000	5,101	9,000	4,880	9,000	9,000
399	Contracted Services	0	1,170	3,320	0	3,332	405	2,332	3,350
298	Chemicals	9,800	11,172	11,000	9,617	11,000	5,278	11,000	11,000
299	Supplies & Materials	0	1,414	7,500	602	6,500	6,967	11,943	9,419
330	Utilities	8,500	7,697	8,100	7,604	7,700	4,423	7,700	7,700
351	Maint & Repair- Bldg	1,500	577	1,500	261	1,500	16	1,500	2,000
352	Maint & Repair- Equip	4,500	1,134	4,500	1,012	4,500	388	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	870	2,210	2,210
499	Miscellaneous	0	0	5,000	0	0	0	0	1,000
550	Capital Outlay- Equipment	12,448	12,150	0	0	15,000	0	0	13,000
580	Capital Outlay-Grounds & Bld	0	0	0	0	0	0	0	0
595	Capital Outlay-Wells/Pumps	0	0	0	0	7,500	0	0	0
	TOTAL	48,858	42,762	52,130	26,406	68,242	23,227	50,185	63,179
	399 Contracted Services-electrical, etc.			2000					
	Grit Removal, backwash tanks			900					
	Hach Spectrometer (\$900 split with sewer)			450					
				3350					
299	Small equipment purchases, chemical pumps, etc.								
330	Based upon historical costs/demand								
496	Permit fees for Community Water Supply and Well Filter backwash (\$1350 and \$860)								
550	Filter Media Rehab, Well #3 - project moved to FY18.								

Town of River Bend, North Carolina
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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.

Water Distribution		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
60-7134									
399	Contracted Services	6,530	1,631	6,530	509	6,530	441	6,530	6,575
442	Water Tower Service Contract	23,077	23,077	25,616	25,615	25,616	25,615	25,615	25,616
299	Supplies & Materials	5,000	10,937	14,200	13,067	6,271	2,702	6,000	9,400
352	Maint & Repair- Equip	2,000	232	2,000	0	2,000	0	1,000	2,000
430	Bldg & Equip Rental	2,000	185	2,000	288	2,000	212	1,000	2,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
596	Capital Outlay- Lines/Tanks	0	0	42,000	0	42,000	0	0	0
	TOTAL	38,607	36,062	92,346	39,479	84,417	28,970	40,145	45,591
Lines and meters for distribution, maintenance and repair of infrastructure									
399	NC One Call	225							
	Alarm system for monitoring v	350							
	Emergent Leak Repairs	6,000							
		6,575							
442	Water Tower Maintenance	25,616	(Plantation tower \$15,356, Shoreline tower \$10,260)						
299	Pipe and Fittings	4,000							
	Warning lights/liner for truck	1,000							
	Other Small Equipment	1,000							
	Water Meters	1,400							
	Fire Hydrant	2,000							
		9,400							
550/596	No Capital Outlay								

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

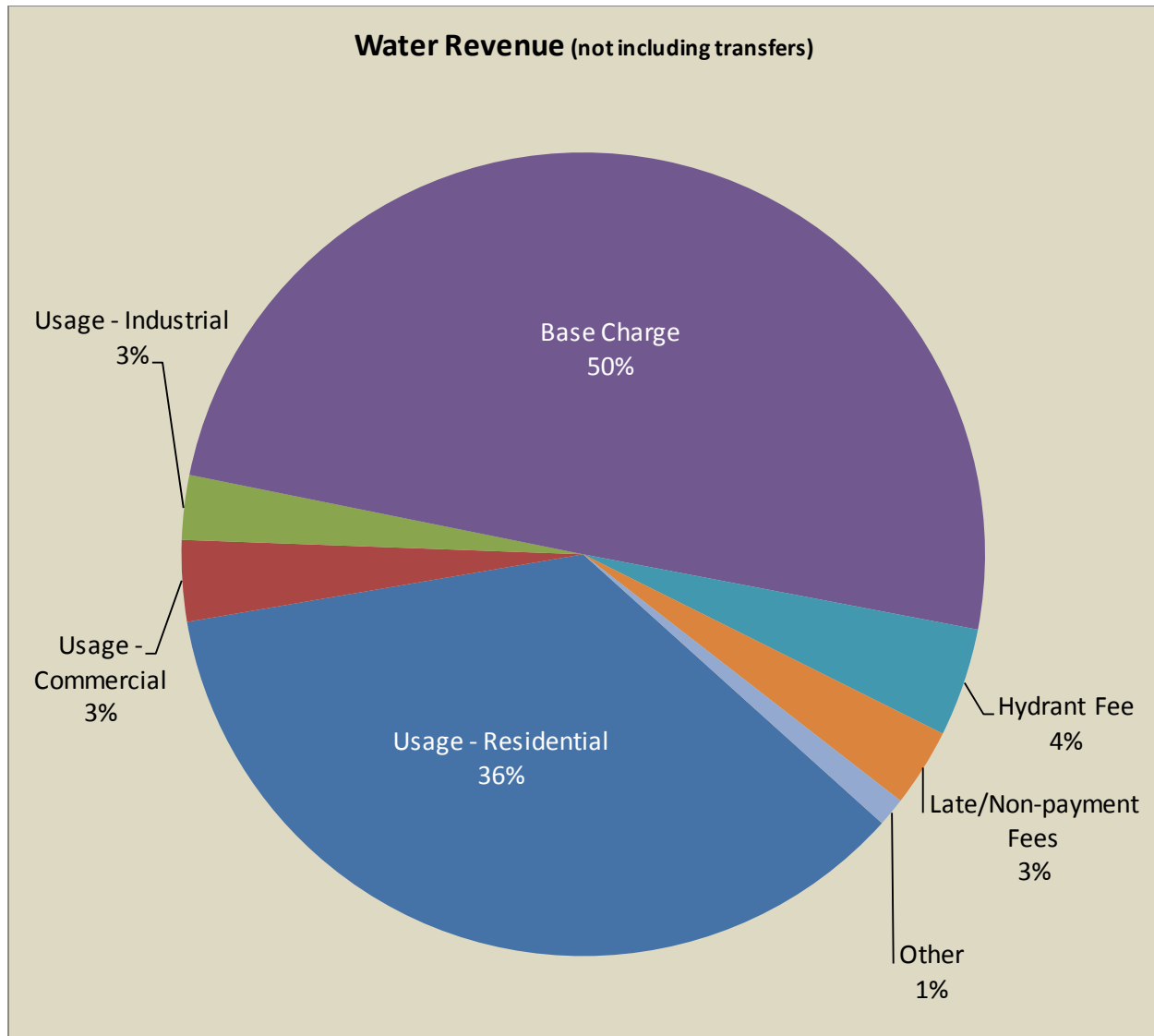
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Water Fund Revenue

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

Revenue - Water		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Revenue as of 01/31/17	Projected Year-End	Proposed Budget
Fund 60									
3710-501	Utility Usage Chg- Class 1 & 2	197,729	188,176	187,442	188,359	187,818	134,839	193,928	194,122
3710-503	Utility Usage Chg- Class 3 & 4	15,405	14,685	15,100	14,854	12,687	9,837	14,302	14,302
3710-505	Utility Usage Chg- Class 5	14,810	16,490	15,208	14,239	15,674	9,326	14,148	14,148
3710-508	Utility Usage Chg- Class 8	3,059	3,723	3,647	2,822	2,886	2,376	3,459	3,459
3710-510	Utility Customer Base Charge	269,136	263,125	270,051	265,046	270,128	180,260	271,133	271,394
3710-514	Fire Hydrant Availability Fee	26,718	25,822	25,620	25,267	25,254	24,524	24,524	23,790
3713-322	State Grants	0	0	0	0	0	0	0	0
3715-515	Unbilled Receivables	0	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	1,250	3,035	1,250	2,820	1,250	2,500	4,000	1250
3730/31-500	Utility Billing Nonpayment Fees	7,590	8,850	8,060	9,310	6,900	4,480	9,720	9,720
3732-500	Utility Billing Late Payment Fees	9,018	7,362	8,107	6,726	6,900	3,787	7,400	7,400
3735-500	Capital Investment Fees	2,700	0	2,700	5,400	2,700	2,700	2,700	0
3737-981	Chgs to General Fund	0	0	0	0	0	0	0	0
3737-985	Chgs to Sewer Fund	0	0	0	0	0	0	0	0
3830-800	Miscellaneous	0	0	0	-5	0	0	0	0
3831-810	Interest	805	104	407	1,302	2,276	1,453	2,890	3,536
3835-865	Sale of Fixed Asset	0	0	0	0	3,400	2,953	2,953	1,500
3839-351	Sales Tax Refund Revenue	0	384	0	0	0	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0	0
3920-895	Bond Refunding Proceeds	0	0	0	0	0	0	0	0
3980-981	Transfer from General Fund	0	0	0	0	0	0	0	0
3980-985	Transfer from Sewer Fund	0	0	0	0	0	0	0	0
3980-986	Transfer from Water Capital Reserve	0	0	42,000	0	42,000	42,000		0
3991-991	Appropriated Fund Balance	0	0	0	0	15,293	0	0	
	TOTALS	548,219	531,755	579,592	536,139	595,166	421,034	551,157	544,621

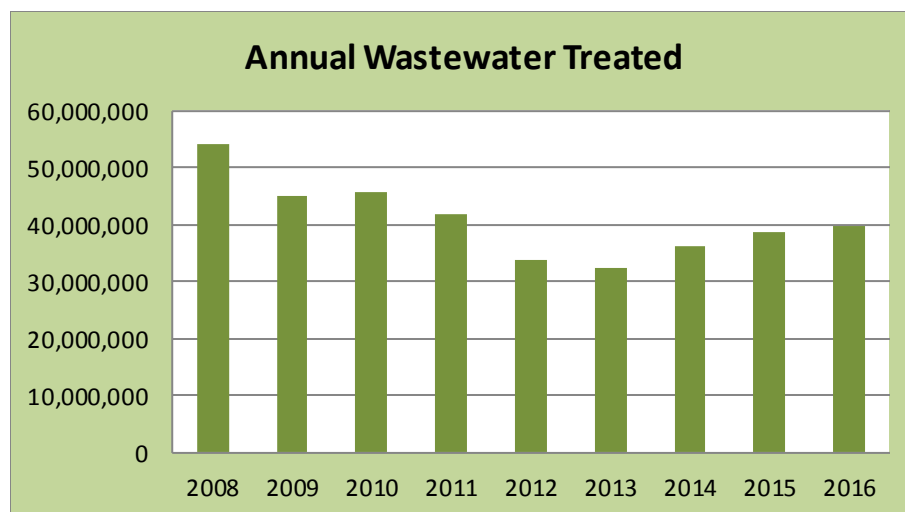
The chart below is a graphic depiction of the sources of revenue for the water utility. The base charge accounts for the largest portion of this revenue.



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 2016, we treated 39.5 million gallons of wastewater compared to 38.6 million gallons in 2015. The daily average treatment rate was 108,457 gallons in 2016 and 105,791 gallons in 2015. 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 2016 we used 32.8 % 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.

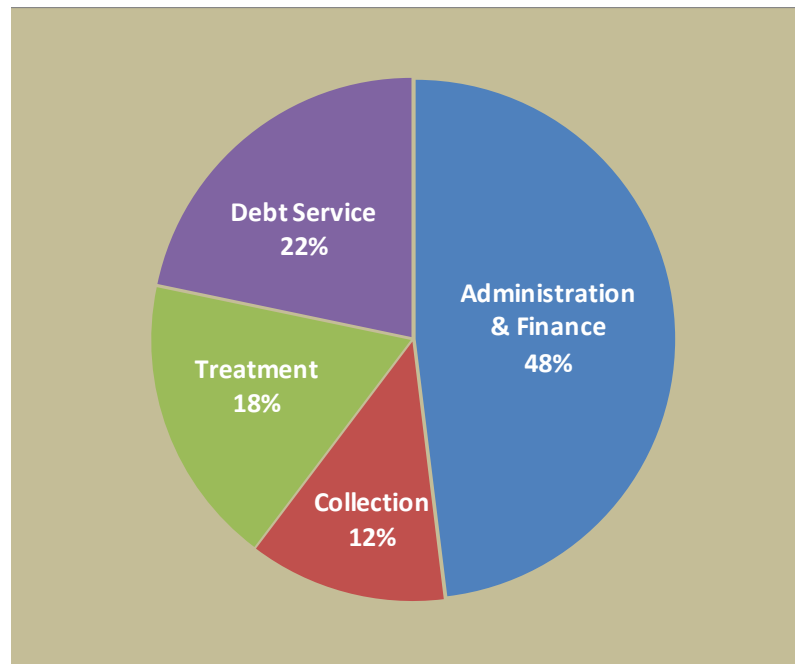
The Town holds three discharge permits, one for the main wastewater plant, and the other two to allow us to discharge backwash from our water treatment filters. These backwash discharge permits allow us to discharge up to 7,000 gallons per day at each site.

Sewer Enterprise Expenditures

The total budgeted expenditure for the sewer enterprise in fiscal year 2018 is \$640,173, 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.



Half Cost of New Vehicle	\$12,000
Manhole Repairs	\$15,000

Proposed Sewer Enterprise projects

In fiscal year 2018, we plan to rehabilitate manholes in the sewer collection system. 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 3.0%. This includes a Cost of Living Adjustment of 2% 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 principal and interest payments on this debt.

Town of River Bend, North Carolina
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Sewer Admin & Finance 61-7125		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
121	Wages & Salaries	94,094	95,184	96,527	96,323	99,213	62,356	100,506	102,004
122	Overtime	1,000	316	1,000	477	1,000	207	1,000	1,000
134	401(k) Retirement	4,646	4,741	4,736	4,840	4,879	3,128	5,025	5,016
181	FICA	7,109	7,159	7,246	7,322	7,465	4,746	7,689	7,675
182	Loc Govt Emp Retirement	6,663	6,704	6,318	6,457	7,075	4,536	7,287	7,524
183	Group Insurance	19,310	16,261	19,703	19,532	22,375	14,279	23,187	19,232
185	Unemployment Comp.	0	0	0	225	0	0	0	0
186	Workers' Compensation Ins.	2,726	2,802	3,649	3,190	2,985	2,470	2,470	3,623
310	Travel & Subsistence	300	65	750	146	750	179	750	750
395	Training	1,585	244	1,500	113	1,500	590	1,500	2,000
191	Auditing Service	4,500	4,500	5,000	4,500	4,600	4,600	4,600	4,600
192	Professional Service - Legal	1,000	270	1,000	0	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	414	504	345	504	179	309	361
382	Banking Services	1,400	1,330	1,400	1,306	1,656	791	1,355	1,696
393	Temporary Help Services	0	0	0	0	0	0	0	0
399	Contracted Services	3,788	2,893	3,636	3,314	3,636	3,748	3,811	5,036
440	VC3 IT Service & Maint.	10,538	10,004	12,316	11,341	12,562	6,767	11,467	12,606
441	Springbrook Service & Maint.	3,949	3,949	4,107	4,107	4,271	4,312	4,312	4,528
482	Indirect Costs- Labor	78,241	78,241	79,394	79,394	81,268	47,408	81,268	80,069
481	Labor Allocation	-31,159	-31,158	-32,018	-32,019	-33,238	-19,389	-33,238	-33,404
212	Uniforms	2,500	2,204	2,500	2,284	2,500	1,706	2,686	2,766
251	Motor Fuel	3,279	1,951	2,410	1,440	2,214	797	1,366	2,439
260	Office Supplies	5,880	2,771	3,000	990	2,000	1,453	1,750	2,227
320	Telephone & Postage	4,916	4,829	5,030	4,691	5,030	2,758	5,030	5,100
340	Printing	0	0	0	0	0	0	0	0
353	Vehicle Maint. & Repair	1,500	658	1,500	1,129	1,500	436	1,500	750
370	Advertising	0	0	0	0	0	0	0	0
430	Bldg & Equip Rental	9,000	9,000	9,000	9,000	9,000	5,250	9,000	9,000
450	Insurance: Prop/Liab	13,359	11,929	14,141	12,274	15,001	12,785	14,285	14,421
491	Dues & Subscriptions	850	829	850	788	850	818	850	900
520	Capital Outlay - Comp. Eq.	0	0	0	0	0	0	0	0
540	Capital Outlay - Mot Veh	0	0	0	0	13,640	14,465	14,465	12,000
550	Capital Outlay- Equipment	0	0	0	0	0	0	0	0
580	Capital Outlay- Buildings	0	0	0	0	0	0	0	0
710	Bond Principal Payment	94,994	94,994	94,994	94,994	99,628		99,628	99,628
720	Bond Interest Payment	31,533	31,533	29,633	29,633	27,734	13,867	27,734	25,741
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	380,501	364,614	382,326	368,136	405,099	195,245	405,093	402,788

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191	Auditing Services (\$13,800 est., total allocated equally to general/water/sewer funds, \$4,600 each)				
193	Engineering - general engineering services as needed				
399	Contracted Services:				
	Reverse 911	970	Blackboard Connect (Total \$3,877, 50% general/25% water/25% sewer)		
	Locate Plus	150	(Total \$300, 50% water/50% sewer)		
	Elster Support	1,625	(Total \$2,500, 65% water/35% sewer)		
	Work Order Software	868	(Total \$1334, 65% water/35% sewer)		
	FORMAX Stuff/sealer	423	(Total \$650, 65% water/35% sewer)		
	Misc Services	<u>1,000</u>			
		5,036			
381	Computer Services: cable internet service, web site, etc.				
440	VC3 Hosted Desktop Contract: \$38,747 + \$3,273 support = \$42,020 (40% general fund, 30% water, 30% sewer)				
441	Springbrook software maintenance (Total = \$15,092: 40% general fund, 30% water, 30% sewer)				
491	Includes \$363 for ECC (Total \$1,089, split 1/3 each with General/ Water/Sewer Funds)				
251	Fuel - \$3.25 per gallon estimate - \$0.54 per gallon tax = \$2.71 per gallon cost				
430	Bld & Equip Rental - Town Hall & Annex building & equipment use, \$750 (beg. FY07)				
540	2017 Ford F150, with warning lights & liner (50/50 split with sewer)				

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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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		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
61-7142									
399	Contracted Services	22,500	3,929	22,500	14,683	22,600	3,220	22,600	24,495
299	Supplies & Materials	8,800	7,258	8,800	4,904	8,800	2,083	8,800	8,800
330	Utilities	8,000	7,358	7,910	7,274	7,500	4,237	7,500	7,500
352	Maint & Repair- Equip	12,000	3,806	12,000	3,349	12,000	8,054	12,000	12,000
430	Equip Rental	2,000	0	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.	0	0	0	0	0	0	0	15,000
	TOTAL	54,110	23,161	54,020	31,020	53,710	18,403	53,710	70,605
399	Contracted Services:								
	Alarm system for 9 Lift Stations	3,150							
	Grease Removal	1,800							
	Emergency Repairs	19,545							
		<u>24,495</u>							
299	Generator Fuel	1,800							
	Pipe, fittings, tools, safety equipm	4,500							
	Lift Station Supplies (deodorizer, d	2,500							
		<u>8,800</u>							
330	Based upon historical costs/demand								
352	Maintenance and repair of lift station pumps and equipment								
550/598 Lift Station Rehabilitation									

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 2018 we have no capital projects planned.

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

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Sewage Treatment		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Expend. as of 01/31/17	Projected Year-End	Proposed Budget
61-7144									
398	Testing	16,500	11,580	15,000	12,967	15,000	6,729	15,000	15,000
399	Contracted Services	24,315	21,031	27,615	22,966	29,577	10,002	29,577	28,820
298	Chemicals	17,500	12,558	17,500	15,003	16,500	7,740	16,500	16,500
299	Supplies & Materials	8,500	5,538	7,000	1,567	6,500	1,038	6,500	6,500
330	Utilities	31,000	26,450	26,880	25,706	25,500	14,512	25,500	25,500
351	Maint & Repair- Bldg	1,000	123	1,000	0	1,000	0	1,000	1,000
352	Maint & Repair- Equip	9,695	10,677	10,100	8,993	9,974	7,136	9,974	9,600
430	Equip Rental	0	0	0	0	0	0	0	0
496	Permit Fees	860	860	860	860	860	0	860	860
550	Capital Outlay- Equipment	0	0	4,100	4,060	0	0	0	0
594	Capital Outlay- Treatment Plant	246,000	230,862	35,000	0	13,000	0	13,000	0
	TOTAL	355,370	319,678	145,055	92,121	117,911	47,156	117,911	103,780
399	Sludge Hauling		23,520						
	Calibrate meters		850						
	Pump grit chambers		1,800						
	Dumpster Service		1,500						
	Hach Spectrometer (\$900 split with sewer)		450						
	Lift station alarms		700						
			<u>28,820</u>						
330	Based upon historical costs/demand								
299	Supplies and Materials (generator fuel, tools, paint, etc.)								
351	Routine Maintenance								
352	Blower Maintenance Contract	4,100							
	Other Maintenance	<u>5,500</u>							
		<u>9,600</u>							
550/594	No Capital Outlay								

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2017-2018

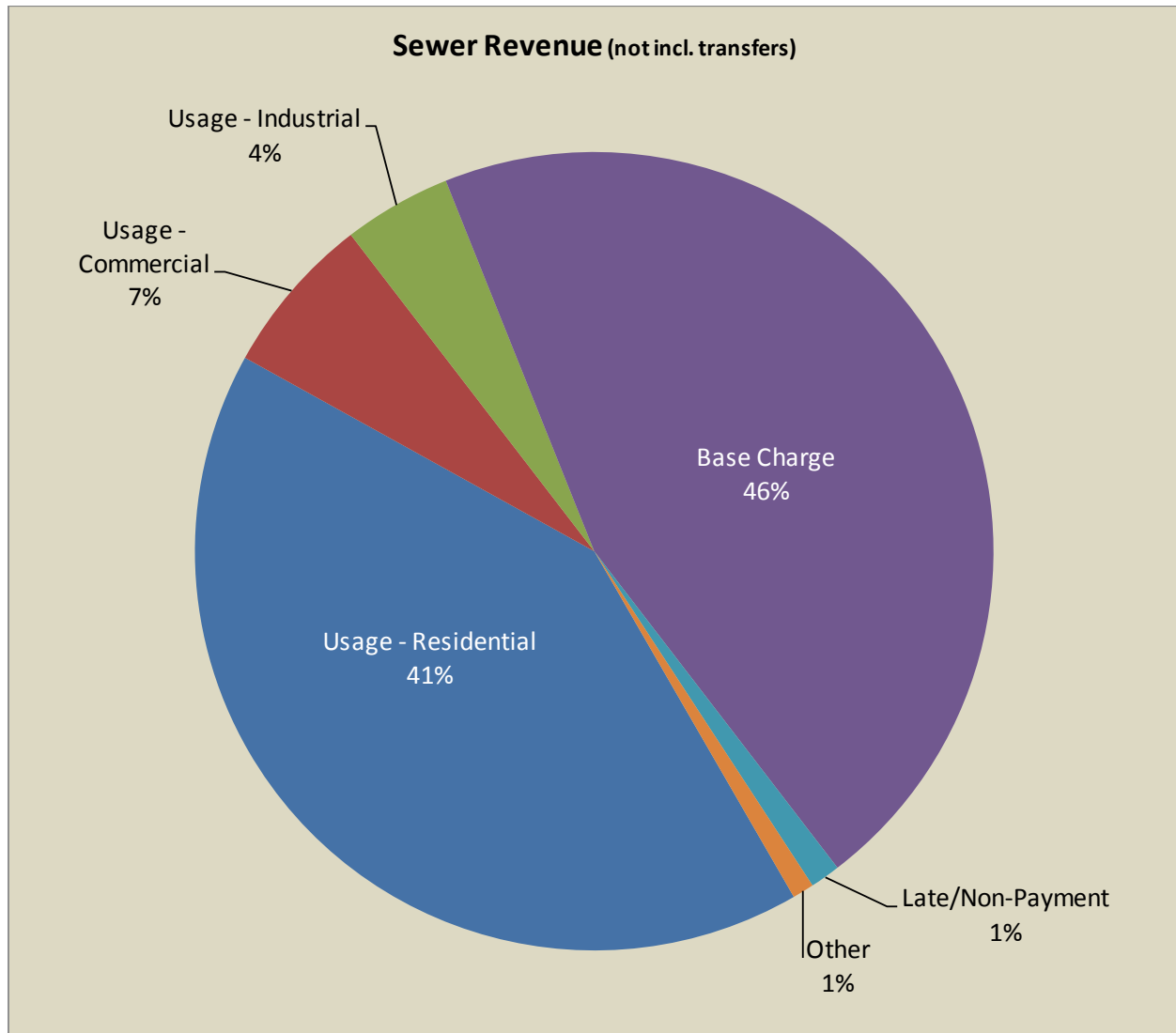
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Sewer Fund Revenue

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		14-15		15-16		16-17			17-18
		Current Budget	Actual Year-End	Current Budget	Actual Year-End	Current Budget	Revenue as of 01/31/17	Projected Year-End	Proposed Budget
Fund 61									
3710-501	Utility Usage Chg- Class 1 & 2	260,847	251,747	258,508	253,920	253,673	181,082	265,499	264,974
3710-503	Utility Usage Chg- Class 3 & 4	34,795	33,169	34,669	31,805	28,564	20,473	33,959	33,959
3710-505	Utility Usage Chg- Class 5	33,451	37,246	33,162	32,161	35,268	21,066	27,966	27,966
3710-508	Utility Usage Chg- Class 8	6,728	8,190	6,679	6,256	6,365	5,294	7,754	7,754
3710-510	Utility Customer Base Charge	288,860	285,221	292,837	286,442	292,498	194,733	292,657	292,111
3715-515	Unbilled Receivables	0	0	0	0	0	0	0	0
3720-520	Tap Connection Fees	1,250	0	1,250	2,500	1,250	1,250	2,500	1,250
3732-500	Utility Billing Late Payment Fees	9,661	8,070	8,822	7,227	7,400	3,887	7,800	7,800
3735-500	Capital Investment Fees	1,900	0	1,900	3,800	1,900	1,900	1,900	0
3737-981	Chgs to General Fund	0	0	0	0	0	0	0	0
3830-800	Miscellaneous	0	0	0	55	0	0	0	0
3831-810	Interest	661	67	247	801	1,661	1,007	2,011	2,859
3835-865	Sale of Fixed Asset	0	0	0		3,400	2,953	2,953	1,500
3839-351	Sales Tax Refund Revenue	0	359	0	0	0	0	0	0
3920-892	Proceeds from Debt	0	0	0	0	0	0	0	0
3920-895	Bond Refunding Proceeds	0	0	0	0	0	0	0	0
3980-981	Loan from General Fund	0	0	0	0	0	0	0	0
3980-985	Transfer from Water Fund	0	0	0	0	0	0	0	0
3980-986	Transfer from Sewer Cap. Reserve	0	0	0	0	0	0	0	0
3991-991	Appropriated Fund Balance	216,728	0	8,227	0	9,641	0	0	0
	Totals	854,881	624,070	646,301	624,967	641,620	433,644	644,999	640,173

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"*

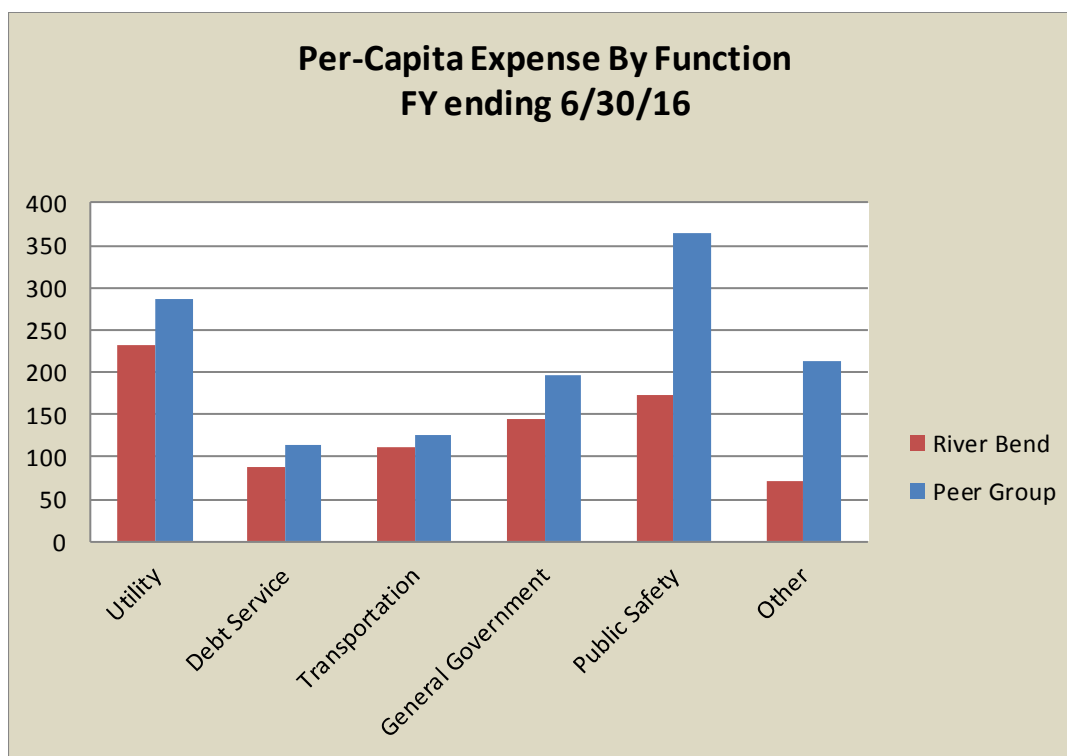
"The A1 rating reflects the town's stable, modest tax base; healthy financial performance with ample reserves; and manageable debt position with no future borrowing planned."

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.

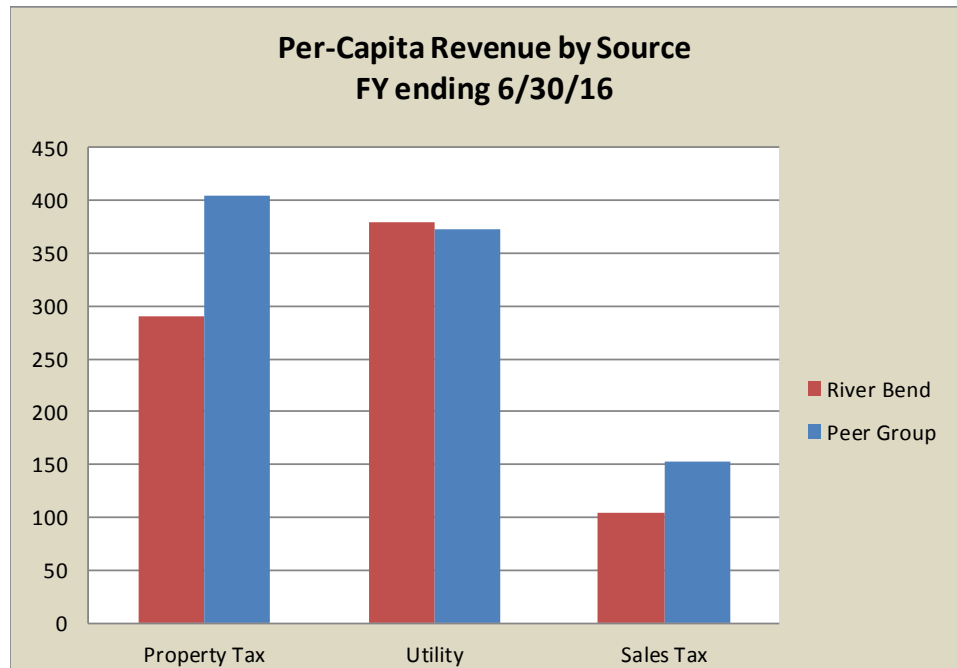
Our peer group is localities with a population between 2,500 and 9,999 residents that do not operate an electric utility. In the fiscal year ending June 30, 2016, there were 121 localities in our peer group.



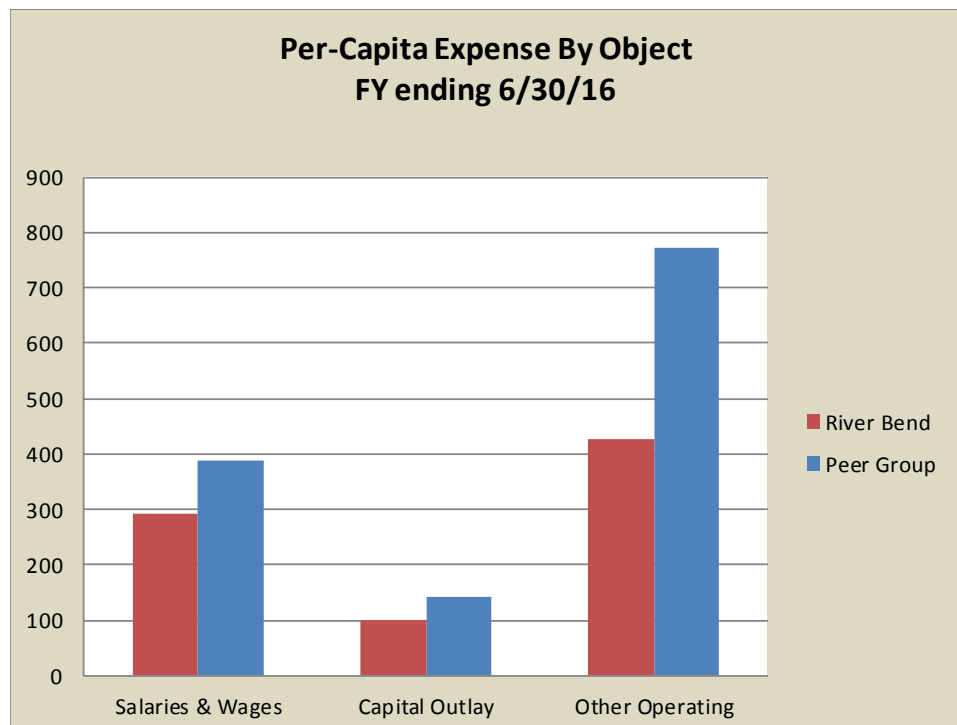
Data from the LGC show that River Bend's per-capita expenditures in 2016 were \$819 (down \$47 from the previous year) compared to \$1,300 for localities in our peer group. The chart above shows some of the significant expenditures (by function or object) and how our expenditures compared with those 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 2016 in terms of per-capita revenue. The data show that our total per-capita revenue was \$932 compared to \$1,443 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 \$7 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 \$345 less per capita than our per group.



John Locke Foundation

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

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

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

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

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

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

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

Glossary

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

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

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

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

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

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

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

Appropriation – This 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

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www.riverbendnc.org

February 01, 2017

To: Mayor Kirkland and Members of Town Council

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

Re: Police Department Budget for FY 2017-18

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.

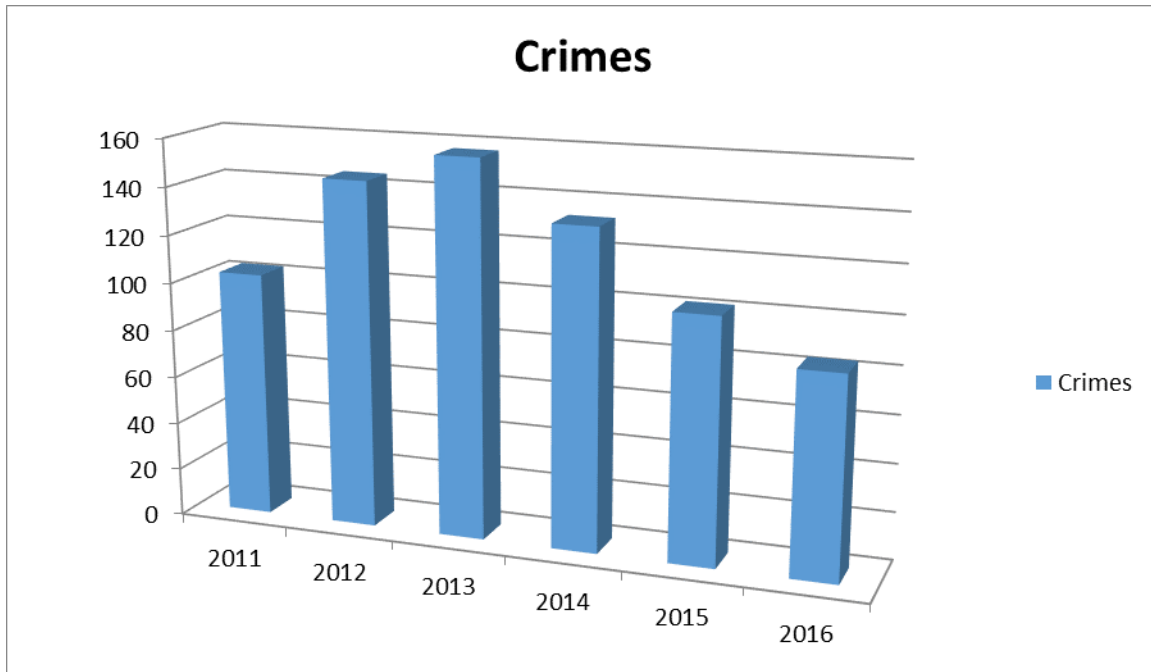
- Proactive crime reduction
- Teamwork with the residents and volunteer groups for a safer community
- Complete investigations
- Comprehensive continuing training
- Partnership with surrounding agencies
- Continuing to improve the quality of life through equitable enforcement of local ordinances

What have we accomplished in the past year

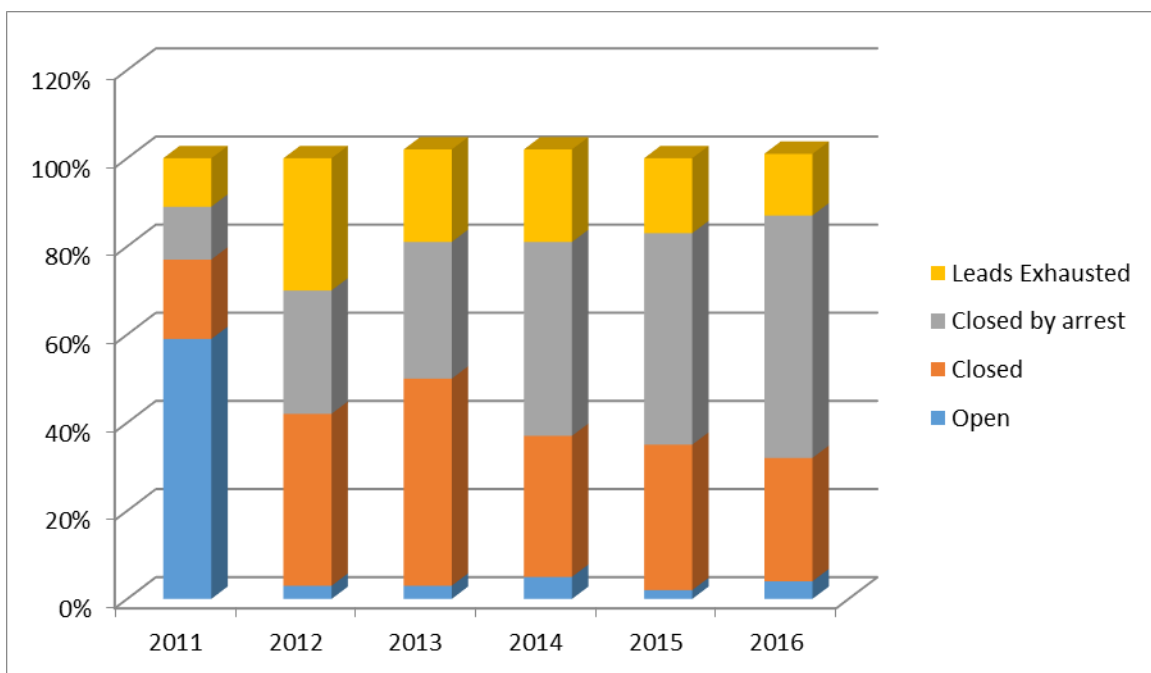
- All Officers are trained in basic forensic evidence collection and traffic crash investigation.
- 6 of the 6 officers are RADAR certified
- 5 of the 6 officers are Intoximeter certified
- The Department has an in-house state certified General, Taser, Rapid Deployment and Firearm instructor for training purposes.
- 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.
- 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?

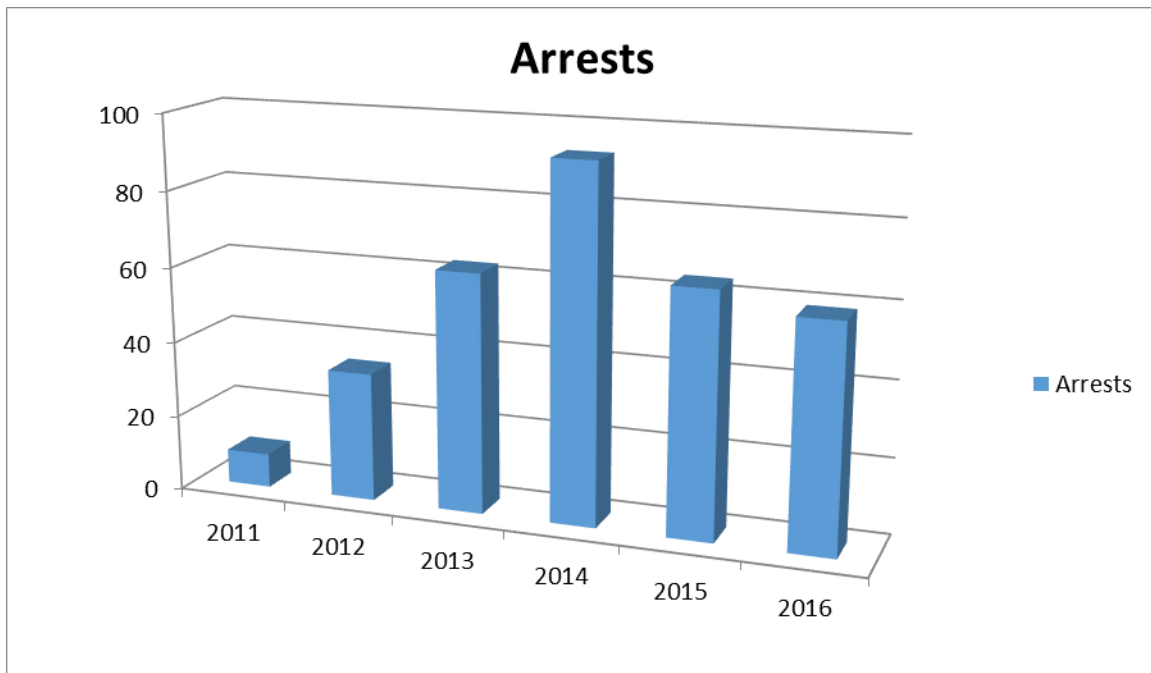
- Increased business checks have yielded more arrests due to outstanding warrants for arrest and traffic violations.
- With the increase in manpower, we have been able to focus on case investigations where warrants can be obtained.



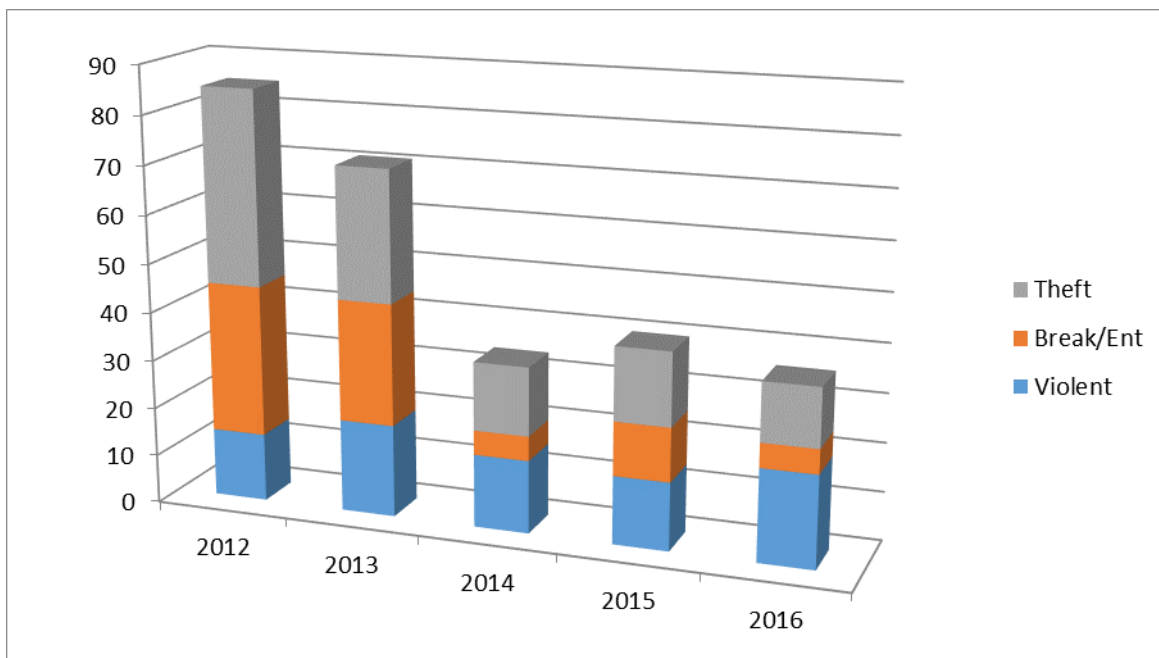
- The good news is that we are solving more of these cases now and have driven the incidence of these crimes down for the third year in a row. The chart shows that in 2015, we recorded 102 crimes (down from 133 in 2014). Now in 2016, we recorded 84 crimes, which is a reduction of 20%.



- * As if 2016, we now show a “Closed by Arrest” increased to 55%, up from last year of 48%. This has shown the shear amount of time invested by officers in working cases to the end.

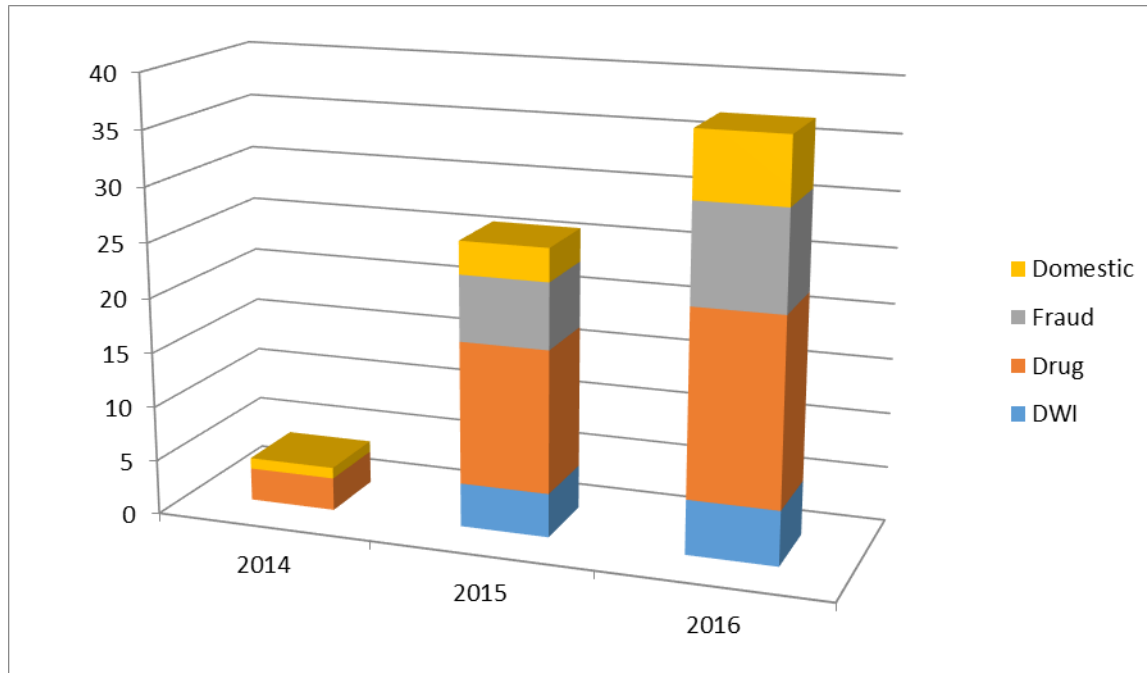


- As you can see, the arrests have decreased since a high in 2014. The 2016 number is a little lower than 2015 number of 64.



- As you can see 2012 crime had increased. Since the changes, crime has dropped measurably.

- Violent Crime is categorized as: Domestic, Assault, Sexual Assault, Communication of Threats.



New Trends noticed in River Bend

2015 national crime statics national average by the FBI.

In the nation in 2015, 46.0 percent of violent crimes and 19.4 percent of property crimes were cleared by arrest or exceptional means.

Among national statistics of property crimes:
21.9 percent of larceny-theft offenses
13.1 percent of motor vehicle theft offenses
12.9 percent of burglary offenses were cleared.

In Burglary – We averaged 75.0, clearing over 5.8 times OVER the national average.

In Larceny-theft - We averaged 55.5, clearing 2.5 times OVER the national average.

What changes/improvements would we recommend for Fiscal Year 2017-18?

- Continuing pro-active 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.

2. Expansion for a modest increase in facilities for the Police Department to include: evidence storage, interview room (for suspects and to allow for victims a private space to relay sensitive information) and space for meetings and training.
3. Addition of a new resource to track stolen items in Eastern North Carolina.
4. Moving the part time position general officer position, to a specialized on call detective to better respond to a shift in criminal activities in River Bend.
5. Shift in the usage of police vehicle assignment. To get the most out of our patrol vehicles over an 8-year life cycle and keeping mileage under 120,000. This problem arose due to the increased patrol vehicle mileage due to proactive patrols. Every 4 years, vehicles assigned to patrol will rotate to supervisor use to balance out miles to keep on target.
6. 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

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Monthly Work Order Summary Report for FY16-17

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

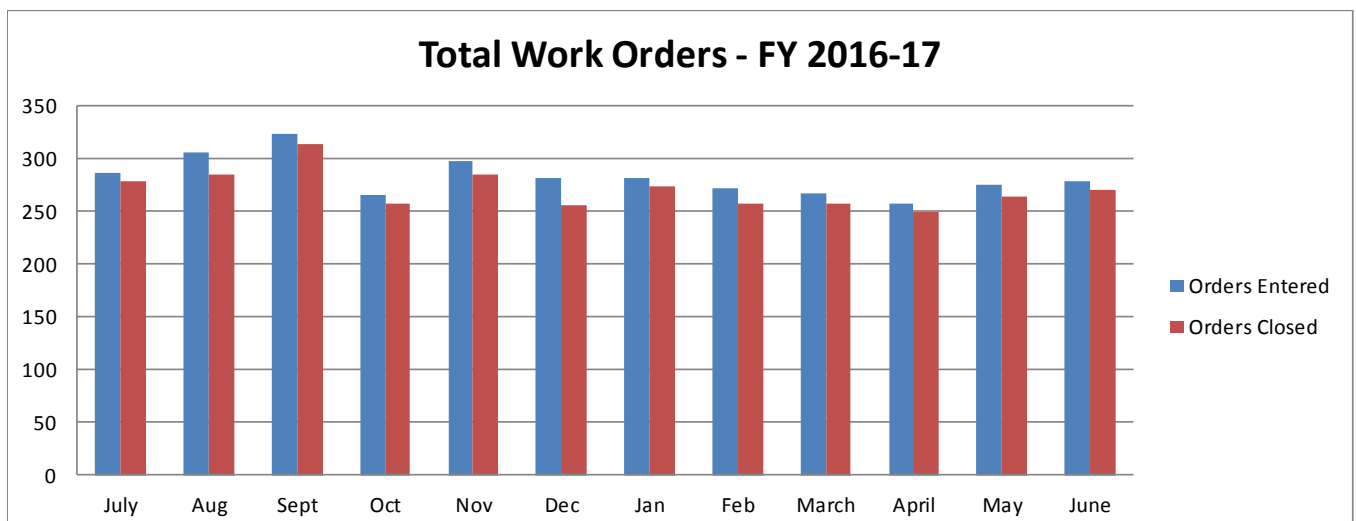
Public Works

													YTD	Pending
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June		
Building Maintenance	12	14	10	7	9	7	6	9	8	10	10	8	110	0
Painting	0	0	0	0	1	0	0	1	1	1	1	0	5	1
Park/Playground	59	57	55	54	59	55	52	55	46	52	48	50	642	0
Roadway Maintenance	6	10	12	10	12	14	16	7	5	3	4	7	106	1
Stormwater Maintenance	6	11	12	9	11	8	10	3	1	6	5	5	87	1
Trash/Litter	28	34	32	33	36	32	34	26	30	25	30	34	374	0
Tree Maintenance	4	2	2	3	5	6	4	2	1	2	8	5	44	2
Wetlands / Ponds	1	4	0	2	2	1	0	1	1	2	1	1	16	0
Other	6	8	5	9	11	10	9	2	4	5	6	9	84	0
TOTAL	122	140	128	127	146	133	131	106	97	106	113	119	1468	5
Orders Closed	117	134	122	124	141	125	126	100	92	100	106	114	1401	

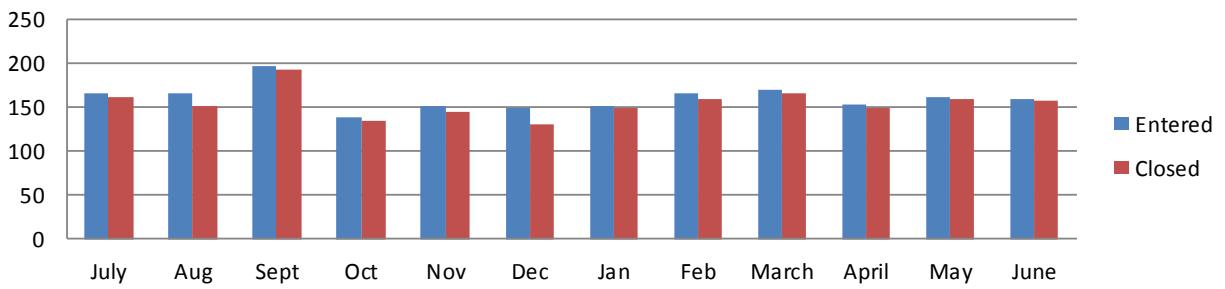
Water Resources

													YTD	Pending
Orders Entered	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June		
Sewer Collection	18	24	22	24	26	21	24	23	20	15	19	22	258	1
Sewer Treatment	15	18	14	16	14	17	19	15	17	14	15	17	191	1
Water Distribution	4	6	7	5	8	10	12	5	4	3	2	4	70	2
Water Treatment	12	14	16	12	14	16	15	11	11	10	10	10	151	0
Service Orders	94	71	118	65	53	66	60	76	70	78	92	85	928	0
Utility Locates	22	33	19	16	36	18	21	35	48	32	24	22	326	0
TOTAL	165	166	196	138	151	148	151	165	170	152	162	160	1924	4
Orders Closed	162	150	192	134	144	130	148	158	166	149	158	156	1847	

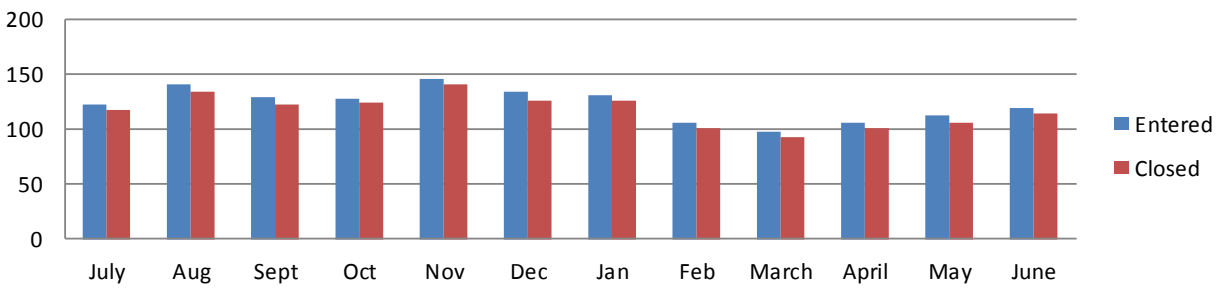
TOTAL	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	
Orders Entered	287	306	324	265	297	281	282	271	267	258	275	279	3392	
Orders Closed	279	284	314	258	285	255	274	258	258	249	264	270	3248	



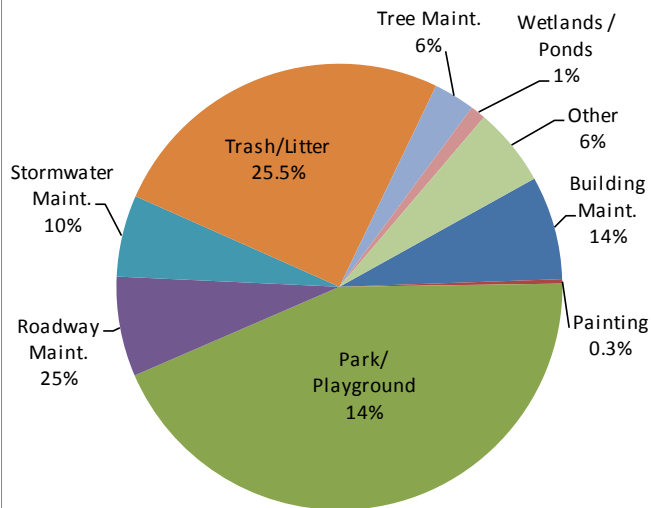
Water Resources - Work Orders



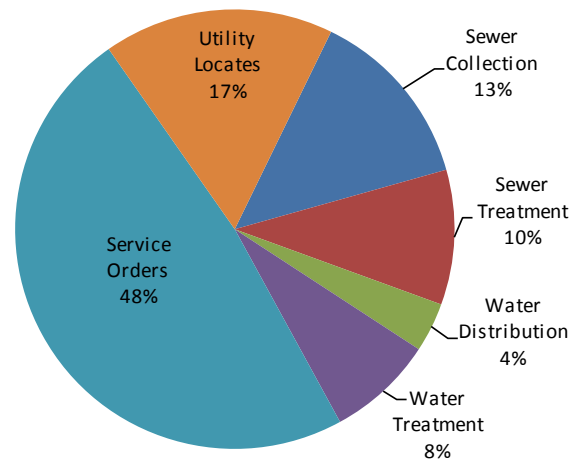
Public Works - Work Orders



Public Works Work Orders FY 2016-17



Water Resources Work Orders FY 2016-17



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Appendix C

TOWN OF RIVER BEND BUDGET REQUEST FORM FISCAL YEAR 2017-2018								
Project or Item:	Surege tank diffusers							
Description:	<p>This is to install a more efficient diffuser system as well as replacing the drop pipes from the air header</p>							
Operating Budget Impact (narrative):								
<p>We need these to supply air to the influent wastewater coming into the wastewater treatmnet facility to keep the microorganisms alive and the wstewater fresh</p>								
Anticipated effect if the project or item is not funded:								
<p>We will continue using the diffused air system we have if these diffusers are not budgeted</p>								
Request for Appropriation:								
			FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	TOTAL
Expenditures:								
Cost			\$900					
Recurring Costs								\$0
TOTAL			\$900	\$0	\$0	\$0	\$0	\$900
			FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	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			\$900	\$0	\$0	\$0	\$0	\$900
Attachments: NO/ YES (formal proposals or quotes)								
			Submitted By: Brandon Mills					
			Date: 3-Feb-17					
			TRB Form #57 (12/07)					