

**River Bend Town Council
Regular Meeting Minutes
June 20, 2024
Town Hall
7:00 p.m.**

Present Council Members: Mayor John Kirkland
Lisa Benton
Barbara Maurer
Buddy Sheffield
Jeff Weaver
Brian Leonard

Town Manager: Delane Jackson
Police Chief: Sean Joll
Finance Director: Mandy Gilbert
Town Clerk: Kristie Nobles
Town Attorney: Trey Ferguson

Members of the Public Present: 9

CALL TO ORDER

Mayor Kirkland called the meeting to order at 7:00 p.m. on Thursday, June 20, 2024, at the River Bend Town Hall with a quorum present.

VOTE – APPROVAL OF AGENDA

Councilwoman Benton motioned to amend the agenda, adding item 13B, Community Watch social media page like the other advisory boards. The motion carried unanimously.

Councilman Sheffield motioned to accept the agenda as amended. The motion carried unanimously.

ADDRESS TO THE COUNCIL

Edwin Vargas – 119 Randomwood Lane – addressed the Council with recommendations for the FY24-25 budget.

CONSENT AGENDA

The Mayor presented the Council with the Consent Agenda. Councilman Leonard moved to approve the Consent Agenda as presented. The motion carried unanimously. Within this motion, the following items were approved:

A. Approve:

*Minutes of the May 9, 2024, Work Session Meeting
Minutes of the May 16, 2024, Regular Council Meeting
Minutes of the April 13, 2023 Closed Session Meeting
Minutes of the April 20, 2023 Closed Session Meeting
Minutes of the June 15, 2023 Closed Session Meeting
Minutes of the July 20, 2023 Closed Session Meeting
Minutes of the October 19, 2023 Closed Session Meeting
Minutes of the November 9, 2023 Closed Session Meeting
Minutes of the November 16, 2023 Closed Session Meeting
Minutes of the December 7, 2023 Closed Session Meeting
Minutes of the January 11, 2024 Closed Session Meeting
Minutes of the January 18, 2024 Closed Session Meeting
Minutes of the February 8, 2024 Closed Session Meeting*

Minutes of the February 15, 2024 Closed Session Meeting
Minutes of the March 14, 2024 Closed Session Meeting
Minutes of the April 11, 2024 Closed Session Meeting
Minutes of the April 18, 2024 Closed Session Meeting
Minutes of the May 16, 2024 Closed Session Meeting

Advisory Board Reappointments

PLANNING BOARD: Reappoint Egon Lippert, Robert Kohn and Linda Cummings to terms beginning July 1, 2024, and ending on June 30, 2026;

PARKS AND RECREATION: Reappoint Annie Craddock, Victoria Stuppy and Amy Hendee to terms beginning July 1, 2024, and ending on June 30, 2026;

CAC: Reappoint Brenda Hall and Pat Lineback to a term beginning July 1, 2024, and ending on June 30, 2026;

ENVIRONMENT AND WATERWAYS ADVISORY BOARD: Reappoint Patty Leonard, James Stevens and Raymond Jaklitsch to terms beginning July 1, 2024, and ending on June 30, 2026;

BOARD OF ADJUSTMENT: Reappoint Paige Ackiss, Cinda Hill and Jon Hall to terms beginning July 1, 2024, and ending on June 30, 2026;

TOWN MANAGER'S REPORT

The Manager gave the following updates:

- The Town only received one bid for the Wastewater Treatment Plant and the Town is currently in negotiations with the state to approve negotiating with the low bidder.
- The Council Work Session for July has been canceled.
- The land has been acquired beside of the new public works building for the new water treatment facility.
- The 2.5 million dollar application for new wells has been submitted to the state.

ADMINISTRATIVE REPORTS

PARKS & RECREATION – COUNCILMAN WEAVER

Councilman Weaver stated that Parks and Recreation held their regular meeting on June 5, 2024. He stated that there was a discussion regarding the Independence Day Celebration and that all of the members who are up for reappointment wished to be reappointed.

RIVER BEND COMMUNITY ORGANIC GARDEN

Councilman Weaver gave the following report:

A daily garden coverage calendar is in place. Saturday workdays, when many gardeners tackle large projects, have been decreased to every other week. The total number of volunteer hours for May was 232, bringing this year's total hours to date to 1049. A two-part in-service session addressed "Know Your Garden" and "Intro to the Care of Butterflies" As temperatures increase, starting work times get earlier. Some early birds arrive by 6:30 am. Occasional evening schedules have begun. The current harvest includes potatoes, onions, leeks, cucumbers and herbs. Garden volunteers are looking forward to participating in the Fourth of July parade. The next meeting is scheduled for July 1 at 1:30 pm in the Municipal building. Weekly workdays are scheduled on Saturdays starting, officially at 8 am. Everyone is welcome to attend and participate in monthly garden volunteer meetings and in the garden.

CAC – COUNCILWOMAN MAURER

Councilwoman Maurer presented the following report.

The CAC did not meet in June. The Beautification Award Program finished for the spring with June awards. Congratulations to this month's award winners, 322 Lakemere and 211 Pinewood. You can see all the nominees on the CAC FB page. Nominations are currently open for the CAC's second annual Independence Day Festive Award Program that publicly recognizes homes that exemplify the Fourth of July spirit. Two Independence Day craft workshops were offered to create

a patriotic decoration to celebrate our national holiday. Keep an eye out for the CAC entrant in the Fourth of July parade. Work is in progress for Christmas globe maintenance and the globe workshops. Two members of the board are unable to continue for another term. Many thanks go to Meg Williams and Christine Soler for their service. This CAC group has experienced a transition during their tenure. Their work, and that of the other members, has brought the town the home beautification and festive awards, a family-inclusive Arbor Day event, the initiation of a Facebook page, an in-depth study of Plantation median, decorative plantings behind Town Hall and the dog park, and craft workshops. Meg and Christine, you will be missed. The next meeting is scheduled for July 17, 2024 at 4 pm in the Municipal Building. The meeting is open to everyone. There are three vacancies. Please attend if you are interested. Guests and volunteers are always welcome. You don't have to be a board member to participate.

FINANCE – COUNCILMAN LEONARD

Financial Report – Finance Director, Mandy Gilbert, presented the financial statement for the month of May to the Council. She stated the total of the Town's Cash and Investments as of May 31, 2024, were \$2,665,016 and Ad valorem tax collections for FY23-24 were \$982,979 and Vehicle Ad valorem tax collections were \$93,715.

VOTE – FY24-25 Budget Ordinance

Councilman Leonard motioned to adopt the Fiscal Year 2024-2025 Budget Ordinance and Schedule of Rates and Fees. The motion carried unanimously. (see attached)

VOTE – Financial and Budgetary Policies Amendment

Councilman Leonard motioned to adopt the Financial and Budgetary Policies Amendment as presented. The motion carried unanimously. (see attached)

ENVIRONMENT AND WATERWAYS – COUNCILMAN LEONARD

Councilman Leonard gave the following report:

Chairman Ackiss opened the meeting at 7 PM. There was a quorum. There were four visitors in attendance. The minutes for the May 6th, 2024, meeting were approved. Councilman Leonard gave a council updated and answered questions. Old Business: Discussion on bulkheads in the Quarterdeck area and storm water issues. Information about feeding wildlife in the waterways was discussed and recommended to be posted on the town webpage and email system. The life ring at the fishing pier behind the town hall was stolen. Discussion concerning proper disposal of old fishing lines and looking into providing appropriate disposal containers in several locations in town. Alligator weed along Plantation Canal was discussed, the town owns most of the property that has issues with the weeds. Councilman Leonard has spoken to Manager Jackson about remediation of the weeds. New Business: Discussion about dumping debris, yard waste and other trash in the waterways. There are rules in the town regulations that address this issue. The board voted to recommend Allison Fredrick to fill to current vacancy on EWAB. Volunteer Hours: 9 Next meeting: July 1, 2024, at 7 PM in the municipal building in the small conference room. The public is welcome. The meeting adjourned at 8 PM.

Councilman Leonard stated that at the work session the Council discussed a Stormwater Grant Resolution that needs action.

VOTE – Stormwater Grant Resolution

Councilman Leonard motioned to approve the Stormwater Grant resolution as presented. The motion carried unanimously. (see attached)

Councilman Leonard stated that EWAB had met on June 3, 2024 and the board recommends appointing Allison Frederick to the board to fill the only vacancy.

VOTE – EWAB Advisory Board Appointment

Councilman Leonard motioned to appoint Allison Frederick to the Environmental & Waterways Advisory Board for a term beginning June 20, 2024, and expiring June 30, 2026. The motion carried unanimously.

BRUNCH LAW ORDINANCE AMENDMENT – COUNCILWOMAN BENTON

Councilwoman Benton stated that the Council discussed the Brunch Law Ordinance that will allow the sale of alcohol on Sunday mornings in the Town of River Bend. The Town Manager stated that the Council approved the language for the amendment at the work session and the Council will need to codify the language and assign the amendment to chapter 11 in the town's ordinance. Councilman Weaver asked if this amendment would include the convenience store and the Town Attorney stated he would investigate and if additional language is needed, he would notify the Town Manager.

VOTE – Chapter 11 Code of Ordinance Amendment

Councilwoman Benton motioned to approve the Code of Ordinance Amendment to Chapter 11 as presented. The motion carried unanimously. (see attached)

COMMUNITY WATCH – COUNCILWOMAN BENTON

Councilwoman Benton stated that Community Watch has requested an informational only social media page like the other advisory boards that had been approved recently. Councilman Weaver suggested that the Council approve all advisory boards to have an informational only social media page. The Town Manager stated that Community Watch was not an advisory board.

VOTE – Advisory Board Social Media

Councilman Leonard motioned to authorize all Advisory Boards and Community Watch to have an informational only Facebook page. The motion carried unanimously.

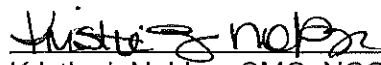
MAYOR'S REPORT

The Mayor presented the following report.

The annual volunteer picnic was held on Saturday 1 June. It was a success. The Town's July Fourth Celebration and Parade are only a month away. These events require a lot of planning and coordination by the Town Staff with several of the Advisory Boards, making arrangements with the several vendors who will provide miscellaneous supplies, and finally preparing the site for the events of the celebration. The Staff will accomplish all of this and still accomplish the routine work associated with the usual conduct of routine Town operations. We are fortunate to have a talented and dedicated Staff and Manager. And we are now at the beginning of the 2024 Hurricane Season. And the new Town Budget will become effective on 1 July. I ask all residents to consider the added work that the Staff will contribute to make the events a success and when you talk with a member of staff, thank them.

ADJOURNMENT/RECESS

There being no further business, Councilman Sheffield moved to adjourn. The meeting adjourned at 7:44 p.m.



Kristie J. Nobles, CMC, NCCMC
Town Clerk



**TOWN OF RIVER BEND
 ANNUAL OPERATING BUDGET ORDINANCE
 FISCAL YEAR 2024 - 2025**

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, 2024 and ending June 30, 2025:

Summary

General Fund	2,414,000
General Capital Reserve Fund	89,007
Law Enforcement Separation Allowance Fund	515
Water Fund	654,000
Water Capital Reserve Fund	20,215
Sewer Fund	720,000
Sewer Capital Reserve Fund	25,250
Total	3,922,987

Section 1. General Fund

Anticipated Revenues

AD VALOREM Taxes 2023-2024	980,165
AD VALOREM Tax-Motor Vehicle	104,400
Animal Licenses	1,500
Sales Tax 1% Article 39	199,292
Sales Tax 1/2% Article 40	117,968
Sales Tax 1/2% Article 42	99,574
Sales Tax Article 44	14,166
Sales Tax Hold Harmless Distribution	112,233
Solid Waste Disposal Tax	2,200
Powell Bill Allocation	101,000
Beer and Wine Tax	13,225
Video Programming Sales Tax	47,041
Utilities Franchise Tax	116,156
Telecommunications Sales Tax	6,779
Court Refunds	500
Zoning Permits	7,000
Miscellaneous	15,000
Interest- Powell Bill Investments	50
Interest-General Fund Investments	44,533
Contributions	900
Wildwood Storage Rents	18,144
Rents & Concessions	18,000
Sale of Fixed Assets	0
Transfer From Capital Reserve Fund	72,650
Appropriated Fund Balance	321,524
Total	2,414,000

Section 1. General Fund (continued)

Authorized Expenditures

Governing Body	69,500
Administration	331,200
Finance	156,500
Tax Listing	14,700
Legal Services	49,000
Elections	600
Police	840,800
Public Buildings	108,000
Emergency Services	5,800
Animal Control	18,000
Street Maintenance	235,000
Public Works	203,000
Leaf & Limb and Solid Waste	87,500
Stormwater Management	51,200
Wetlands and Waterways	2,900
Planning & Zoning	60,000
Recreation & Special Events	11,000
Parks & Community Appearance	59,500
Contingency	23,043
Transfer To General Capital Reserve Fund	86,757
Transfer To L.E.S.A. Fund	0
Total	<u>2,414,000</u>

Section 2. General Capital Reserve Fund

Anticipated Revenues

Contributions from General Fund	86,757
Interest Revenue	2,250
Total	<u>89,007</u>

Authorized Expenditures

Transfer to General Fund	72,650
Future Procurement	16,357
Total	<u>89,007</u>

Section 3. Law Enforcement Separation Allowance Fund

Anticipated Revenues:

Contributions from General Fund	0
Interest Revenue	515
Total	<u>515</u>

Authorized Expenditures:

Separation Allowance	0
Future LEOSSA Payments	515
Total	<u>515</u>

Section 4. Water Fund

Anticipated Revenues

Utility Usage Charges, Classes 1 & 2	202,039
Utility Usage Charges, Classes 3 & 4	19,024
Utility Usage Charges, Class 5	11,651
Utility Usage Charges, Class 8	5,326
Utility Customer Base Charges	280,228
Hydrant Availability Fee	19,215
Taps & Connections Fees	1,250
Nonpayment Fees	10,500
Late payment Fees	7,774
Interest Revenue	4,260
Sale of Capital Asset	0
Appropriated Fund Balance	92,733
Total	654,000

Authorized Expenditures

Administration & Finance [1]	507,000
Operations and Maintenance	127,000
Transfer To Fund Balance for Capital Outlay	0
Transfer To Water Capital Reserve Fund	20,000
Total	654,000

[1] Portion of department for bond debt service: 134,691

Section 5. Water Capital Reserve Fund

Anticipated Revenues

Contributions From Water Operations Fund	20,000
Interest Revenue	215
Total	20,215

Authorized Expenditures

Future Expansion & Debt Service	20,215
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Section 6. Sewer Fund

Anticipated Revenues:

Utility Usage Charges, Classes 1 & 2	260,280
Utility Usage Charges, Classes 3 & 4	40,743
Utility Usage Charges, Class 5	25,677
Utility Usage Charges, Class 8	10,825
Utility Customer Base Charges	297,179
Taps & Connection Fees	1,250
Late payment Fees	8,251
Interest Revenue	8,760
Sale of Capital Asset	0
Appropriated Fund Balance	67,035
Total	720,000

Authorized Expenditures:

Administration & Finance [2]	502,000
Operations and Maintenance	193,000
Transfer to Fund Balance for Capital Outlay	0
Transfer to Sewer Capital Reserve Fund	25,000
Total	720,000

[2] Portion of department for bond debt service: 116,309

Section 7. Sewer Capital Reserve

Anticipated Revenues:

Contributions From Sewer Operations Fund	25,000
Interest Revenue	250
Total	25,250

Authorized Expenditures:

Future Expansion & Debt Service	25,250
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Section 8. Levy of Taxes

There is hereby levied a tax at the rate of twenty-four cents (\$0.24) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2024, for the purpose of raising the revenue listed as "Ad Valorem Taxes 2024-2025" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of \$410,950,000 for purposes of taxation of real and personal property with an estimated rate of collection of 99.38%. The estimated collection rate is based on the fiscal year 2022-2023 collection rate of 99.38% by Craven County who has been contracted to collect real and personal property taxes for the Town of River Bend. Also included is a valuation of \$43,500,000 for purposes of taxation of motor vehicles with a collection rate of 100% by the North Carolina Vehicle Tax System.

Section 9. Fees and Charges

There is hereby established, for Fiscal Year 2024-2025, various fees and charges as contained in Attachment A of this document.

Section 10. Special Authorization of the Budget Officer

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

Section 11. Classification and Pay Plan

Cost of Living Adjustment (COLA) for all Town employees shall be 3.7% 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 2024-2025 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 20th day of June, 2024.



John R. Kirkland, Mayor

Attest:


Kristie J. Nobles, Town Clerk, CMC, NCCMC



**Town of River Bend
 Schedule of Rates and Fees
 (Attachment A to Budget Ordinance)
 Effective July 1, 2024**

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	\$.24 per \$100 assessed valuation
Copies of Public Information	As specified by State Statute
Town Code, entire copy	\$75.00
Notary Fee	\$10.00 per signature after the first
Meeting Rooms	
Four hours or less	\$40.00
Over four hours	\$80.00
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
Golf Cart Registration Fee	\$10.00

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)

Planning and Zoning

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

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

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

Residential Application Based on amount of project as follows:

Base Fee \$30

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

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

Residential Flood Plain Application with Zoning Permit

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

Commercial Application Based on amount of project as follows:

Base Fee \$50

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

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

Commercial Flood Plain Application with Zoning Permit

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

Residential Flood Plain Application without Zoning Permit

Based on amount of project as follows:

Base Fee \$30

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

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

Commercial Flood Plain Application without Zoning Permit

Based on amount of project as follows:

Base Fee \$50

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

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

Engineering Review

Charged to applicant at the actual cost of the
service as billed by the contracted engineer.

Zoning Amendment Request (Map or Text)

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

Sign Permit

\$30

Tree Harvest Permit

\$50

Zoning and Subdivision Ordinances

\$25 per set

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	-	9.30
Usage 0-4,000 gallons	4.22	-
Usage 4,001-20,000 gallons	4.50	-
Usage 20,001+ gallons	4.55	-
Initial Connection (Tap) charge ⁽³⁾	1,250.00	1,250.00
Nonpayment Fee	70.00	-
Class 3 and 4 - Commercial		
Customer Base Charge per month ⁽²⁾	88.32	141.99
Usage per 1,000 gallons	4.22	9.30
Initial Connection (Tap) charge ⁽³⁾	3,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 5 - Industrial		
Customer Base Charge per month ⁽²⁾	276.24	444.93
Usage per 1,000 gallons	4.22	9.30
Initial Connection (Tap) charge ⁽³⁾	5,000.00	1,250.00
Nonpayment Fee	200.00	-
Class 6 - Early Bird (No longer available)		
Class 7 - Fire Hydrant Charge		
Availability Charge per year	183.00	-
Class 8 - 1" Water Service		
Customer Base Charge per month ⁽²⁾	30.90	49.43
Usage per 1,000 gallons	4.22	9.30
Initial Connection (Tap) charge ⁽³⁾	1,500.00	1,250.00
Nonpayment Fee	100.00	-
Class 9 - Vacant /Out of Use Non-residential Property		
Customer Base Charge per month ⁽²⁾	15.24	24.18
Usage per 1,000 gallons	4.22	9.30
Nonpayment Fee	70.00	-
Class 10 - Vacant Residences		
Customer Base Charge per month ⁽²⁾	15.24	-
Nonpayment Fee	70.00	-

Special Charges

Service Call - 2 hour minimum	\$35 per hour - signed by customer to initiate work outside of scheduled work hours of 7:00 a.m. - 4:00 p.m. on weekdays and 7:00 a.m. - 3:00 p.m. on weekends
Meter Testing Charge	\$25 - no charge if meter defective
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 Meter⁽⁴⁾	Actual cost of irrigation meter and fittings
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. Initial connection charges are based upon the size of the meter and charged as shown in the appropriate Class above.

(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.

Town of River Bend, NC Financial and Budgetary Policies



Effective July 1, 2024
(Adopted June 20, 2024)

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 Director. The Finance Director 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 Director 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 Director and the Town Manager. Budget compliance, which includes electronic obligations, 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 roll-over 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 strive to maintain a healthy General Fund unassigned fund balance. Unassigned fund balance is defined as the portion of fund balance that remains 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 unassigned fund balance amount by actual expenditures of the most recently completed fiscal year. The goal is to maintain a fund balance of no less than 50%, with the total amount of **unassigned** fund balance at \$2,000,000.
 - 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 percentage falls below the target percentage for two consecutive fiscal years, the Town Council shall adopt a plan of specific actions to be taken to restore available fund balance to the level set forth in this policy in the following fiscal year, if feasible, but within three fiscal years at most.

- d. Any General Fund unassigned 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 level shall not exceed 5%.
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 most recently 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 at least 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 year five 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. When assessed, the water CIF fee is a source of revenue for the water Capital Reserve Fund. When assessed, 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 fee revenue is limited, per Council resolution.
- 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 Annual Comprehensive Financial Report (ACFR) 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 Director 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 assist with 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 may prepare an ACFR in compliance with established criteria to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

9. Full and complete disclosure will be provided in all regulatory reports, financial statements and debt offering statements.
10. The Town shall use the ACFR 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 Director 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 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.
(added 7-13-2017)

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 Director. Such payments shall be integrated with financial systems and shall follow the proper data and internal controls in accordance with the NC Administrative Code 20 NCAC 03.0410.

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.
 - 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 unassigned 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 Director. 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 – When investments are held, the Finance Director 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 five years.

Glossary

ACFR: Annual Comprehensive Financial Report

This report moves one-step beyond the typical “audit report” and includes all the information from an audit, plus additional statistical and general information about the unit.

CIF: Capital Improvement Fund

When assessed, a fee is paid for all new connections to the water and sewer systems that goes directly into separate capital improvement funds. These funds may be limited by resolution of the Town Council.

CIP: Capital Improvement Plan

The purpose of the capital improvement plan (CIP) is to forecast and match projected revenues and major capital needs over at least a five-year period. Generally defined, CIP capital expenditures are any expenditure of major value that recurs irregularly, results in the acquisition (or significant modification) of a fixed asset, and has a useful life of at least three (3) years.

GAAP: Generally Accepted Accounting Principles

This is a standard related to how financial statements are prepared and included conventions and rules that accountants use in the preparation and interpretation of these statements.

FDIC: Federal Deposit Insurance Corporation

The Federal Deposit Insurance Corporation (FDIC) is an independent agency created by the Congress to maintain stability and public confidence in the nation's financial system by: insuring deposits, examining and supervising financial institutions for safety and soundness and consumer protection, and managing receiverships.

Fund Balance: Fund Balance is, simply explained, the amount of assets in excess of liabilities in a given fund.

Adopted: July 16, 2009

Updated: July 1, 2013

Updated: May 19, 2016

Amended: July 13, 2017 (Section X)

Amended: May 17, 2018 {Various changes to comply with electronic pre-audit changes in purchasing policy: Section V(2), X(2)(e) and IV(1) and to change language from unrestricted to unassigned, reference fund balance }

Amended: May 20, 2021 Section VII 2 (a), Section V 2 and 3 and changes to add AFCR.

Amended June 20, 2024 (Various changes with effective date of July 1, 2024)

Town of River Bend Resolution

Whereas, North Carolina Emergency Management has authorized the making of grants to aid eligible units of government in funding the cost of disaster relief and mitigation projects, and

Whereas, North Carolina Emergency Management has offered an Emergency Management Disaster Relief and Mitigation Grant (DRMG) in the amount of \$225,000 for the development of a Stormwater Asset Inventory and Analysis Assessment, and

Whereas, the Town of River Bend intends to complete said project in accordance with the terms of the Memorandum of Agreement (MOA) provide by the grantor,

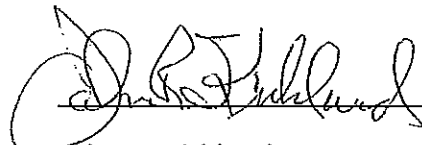
NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF RIVER BEND:

That the Town of River Bend does hereby accept the grant offer of \$225,000.

That the Town of River Bend does accept the Memorandum of Agreement from the North Carolina Department of Emergency Management and authorizes the Mayor to execute the MOA.

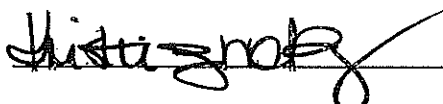
That Delane Jackson, Town Manager, and successors so titled, is hereby appointed as the authorized representative and Project Director and is hereby directed to furnish such information as the appropriate State agency may request in connection with such grant or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the project.

Adopted this the 20th day of June, 2024 at River Bend, North Carolina.



John R. Kirkland, Mayor

ATTEST:



Kristie J. Nobles, Town Clerk, CMC

Kristie J. Nobles, Town Clerk, CMC

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE TOWN OF RIVER BEND

BE IT ORDAINED by the Town Council of the Town of River Bend that the Town Code of Ordinances, Title XI, Business Regulations, Chapter 11.01, Alcohol Sales, be created to read as follows:

§ 11.01 Alcohol Sales

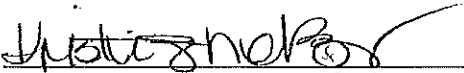
In Accordance with N.C. Gen. Stat. § 18B-1001, pursuant to N.C. Gen. Stat. § 160A-205.3 the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages shall be allowed to be served beginning at 10:00 A.M. on Sunday in accordance and in full compliance with all licensed premises' permits issued under N.C. Gen. Stat. § 18B-1001.

This Ordinance shall be in full force and effect upon its adoption

Adopted this the 20th day of June, 2024


John Kirkland, Mayor

ATTEST:


Kristie J. Nobles, Town Clerk, CMC