

Town of River Bend



Fiscal Year 2024-2025

Annual Budget Message

(A summary of the Annual Budget)

And

Annual Operating Budget Ordinance

Town of River Bend, North Carolina
45 Shoreline Drive
River Bend, NC 28562

252-638-3870

www.riverbendnc.org

Fiscal Year 2024-2025
Annual Budget Message
And
Operating Budget Ordinance

Mayor

John Kirkland

Town Council

Morris "Buddy" Sheffield*

Barbara Maurer

Brian Leonard

Jeff Weaver

Lisa Benton

*also serves as Mayor Pro Tempore

Prepared By:

Town Manager

Delane Jackson

Finance Director

Mandy Gilbert

Budget Message

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

May 20, 2024

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, 2024 and ending June 30, 2025 is hereby submitted for your consideration. This budget represents the commitment of the Council to the vision statement and responds to the goals the Council developed at the Budget Kick-Off meeting on January 18, 2024:

1. Continue to provide a safe, dynamic, and attractive community for people of all ages, and continue to address the changing demographic composition of the Town.
2. Continue to 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.

Over the course of four budget workshops in April and May and 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. The uncertainty created by the economy, particularly inflation, the war in Ukraine and residual COVID-19 issues continues to impact the budget process. As of today, it is still unknown how long and to what degree inflation and other conditions will be impacting our town, state and nation. As always, two major considerations during budget preparation are the tax rate and utility rates. After reviewing all proposed expenditures and revenues, and considering the economic outlook relative to inflation, this proposal includes a tax rate of 24¢, which is unchanged from last year. The water and sewer rates will also remain unchanged.

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	\$ 2,414,000
Water Fund	\$ 654,000
Sewer Fund	<u>\$ 720,000</u>
Total Operating Budget	\$ 3,788,000

In addition to the three, major operating funds noted above, the town also has four minor funds that we operate for accounting purposes. They are- Capital Reserves for the General Fund(\$89,007), Water Fund (\$20,215) and Sewer Fund (\$25,250), along with a Law Enforcement Separation Allowance Fund (\$515). The total of these four funds is \$134,987 and they are listed separately in the budget ordinance. The grand total for the Fiscal Year 2024-2025 budget is **\$3,922,987**.

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life. Expenditures are divided into functional departments in order to present a clear understanding of the costs of providing certain services. Personnel assigned to a specific functional area are paid from that department. We use a labor allocation formula to more accurately reflect the work being performed by each staff member within each of the three major funds.

The total expenditure budget for the General Fund, including transfers, is \$2,414,000. Overall, General Fund spending increased \$167,441 as compared to the amended FY 23-24 budget (as of April 12, 2024). Revenue, as required by law, is balanced with the expenditure portion of the budget. This budget contains an appropriation from fund balance of \$321,524, which is a 46.98% increase over the amended FY 23-24 fund balance appropriation of \$218,759.

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 for FY 24-25. This year's proposed budget keeps capital spending at a relatively low level of \$72,650 following capital spending of \$43,504 during the FY 23-24 budget.

Street Maintenance: The Town owns and maintains over 17 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. Powell Bill funding is used to support street maintenance. It is appropriated by and received from the State based upon our population and number of miles of town-maintained roads. This revenue source has been relatively level in recent years, while costs continue to escalate.

This year we are budgeting \$161,254 to follow the plan developed by our engineer to maintain the integrity of our roadways. Historically, the total amount we expect to pay for contracted paving services exceeds the amount we expect to receive in Powell Bill funds; therefore, local revenue will be utilized to complete these projects. This budget also includes \$6,500 for an update to the town's Roadway Evaluation Survey (May, 2007).

This department's budget contains \$5,000 for a median demonstration project, which will fund improvements to the median along Plantation Drive from Shoreline Drive, near Town Hall, to the canal crossing. The project will include a recommendation from CAC. The goal of the project is to make improvements to this section of the median in hopes of providing a real world example of median improvements that may be applied to other parts of the median in the future.

Stormwater: We have allocated \$32,000 of funding within the stormwater Capital Improvement Plan (CIP), but have no specific project identified. Recently, the Town Council took on the maintenance responsibility for the swales within the town's streets. During FY 23-24, we received a \$225,000 grant to complete a stormwater drainage system analysis, which we hope to complete during FY 24-25.

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.

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.

Parks and Recreation: The budget being presented includes continued funding for our Parks and Recreation programs. Excluded from the Parks and Recreation budget again this year is funding for the River Bend Community Organic Garden. It is an educational community garden operated and maintained by a group of volunteers but functions as a component of Parks and Recreation.

Police: Expenditures for the Police Department include salaries and benefits for seven full-time and multiple part-time officers, vehicle maintenance, uniforms, fuel, 2 new vehicles, equipment, Community Watch and more. We provide 24/7/365 police presence within the Town. The Police Department's budget of \$840,800 is the largest in the General Fund, representing 36% of General Fund expenditures.

Elections: Due to a recent Town Charter amendment, the town's municipal elections were moved to even-numbered years. This change resulted in a substantial reduction in the town's cost for elections. The first election under this new format was held in November, 2022. The next town election will be held in November, 2024.

Governing Board: This year's budget contains \$38,500 to fund special projects that may receive Council approval during the fiscal year.

Throughout the budget process, Council and staff were mindful of the need to control costs while continuing to provide necessary services and maintain our infrastructure. Our efforts resulted in budgeted expenditures that are quite lean while maintaining the current level of services. One of my goals in drafting this year's budget proposal was to maintain the current tax rate.

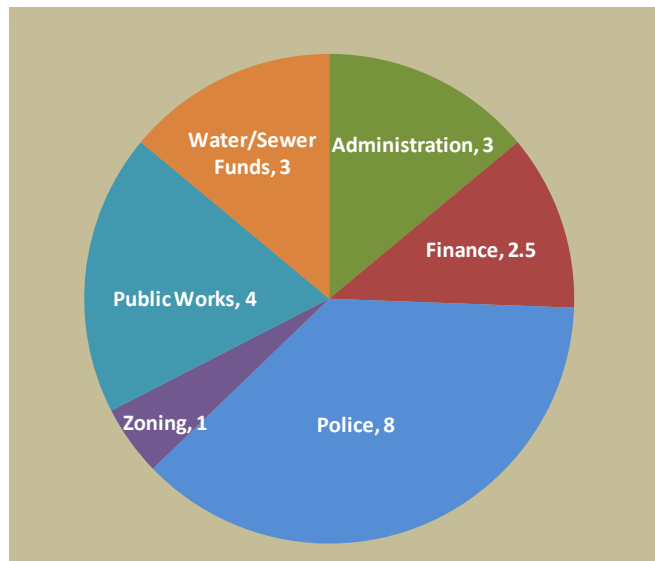
Requested projects and expenditures were kept to a minimum in order to develop a balanced budget and operate within the current tax rate. The revenues from some of the transfers are budgeted to be allocated in various CIPs in the General Fund in order to provide more long-term stability to those plans.

Expenditures by Category

The North Carolina Local Government Commission (LGC) collects, maintains and compares financial data from all municipal governments in North Carolina. For comparison purposes, they group towns by population. This prevents small towns, such as River Bend, from being compared to large towns, such as Raleigh and Charlotte. They also separate towns that own electrical distribution systems, from those that do not own electrical distribution systems. We fall into the 2,500-9,999 population group that do not operate an electrical distribution system. There are 121 towns in our reporting group. In addition to lots of other data, 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. The 2023 data, (the most recent data from the LGC) is shown in the chart below. See more LGC data on page 32.

Function	Average Per Capita Expenditure of Group	River Bend Per Capita Expenditure
Utility	\$374	\$310
Debt Service	\$126	\$97
Transportation	\$145	\$64
General Government	\$317	\$469
Public Safety	\$504	\$230
Other	\$411	\$237
Total	\$1,877	\$1,407

One of the largest expenditures for River Bend and for most localities is the cost of personnel. After adding 1 full-time Police Officer, and 2 other part-time employees last year, we now have 19 full-time employees and 5 part-time positions, or 21.5 full-time equivalents (FTE) Our total personnel costs account for 47% of the combined operating budgets of the General and Enterprise Funds. This chart shows the number of FTE 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 examined as this budget was prepared. A detailed allocation table was provided during the budget workshops.



Through operational efficiencies in the utilization of personnel, leveraging technology to mitigate staffing increases, receiving many 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 2023 data from the North Carolina Local Government Commission, River Bend's per capita expenditure for salaries and wages was \$342, which is \$152 less than the average of our peer group, which was \$494.

This budget, following the guidance of the Council, by their continued support of our compensation plan, includes a 3.7% cost of living allowance and a 1% longevity increase, both are only 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

Revenues from local sales tax grew during FY24. We expect that trend to continue during FY25, but at a much lower rate. Excluding fund balance appropriation, General Fund revenues are budgeted at \$2,092,000 which is a 2% increase compared to revenue in last year's budget. Fund Balance appropriation in the General Fund for FY 24-25 is \$321,524 which is an increase of 64.38% vs. last year's originally approved amount of \$195,597.

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 is forecast to generate \$1,084,565 or only 45% of the revenue for our General Fund in FY25. Of that amount, \$104,000 is attributable to taxes on motor vehicles. That means that more than half of the services that we provide in the General Fund are paid for with sources other than local property tax revenue. State law limits the rate a locality may charge for this tax to \$1.50 per \$100 of valuation. Our proposed tax rate is 24¢, which is unchanged from last year. The property value is expected to increase by \$3,263,145.

According to the North Carolina Local Government Commission, the average tax rate among municipal governments in our group for Fiscal Year 2022, (the latest available data) was \$0.3366 per hundred. At that time, our tax rate was \$0.26 per hundred. The range was \$0.0275 to \$0.89 per hundred. River Bend contracts with the Craven County tax office to collect our taxes. This enables our residents to receive one tax bill and remit payment to one place. It also allows us to enjoy an excellent collection rate for real and personal property taxes. In FY 24-25, we have budgeted for a collection rate of 99.38%.

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

Each county, in turn, shares their portion of the sales tax proceeds with the incorporated cities and towns in that 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 others. 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 Roadway Evaluation Survey.

Fund Balance

The North Carolina Local Government Commission (LGC) monitors the level of fund balance each unit 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. While not official, the historical benchmark for fund balance that many units recognize as the minimum is 8% of total expenditures. If a unit approaches that level, the LGC may express concern to the unit and direct action to increase the balance. Our audit shows we ended FY23 with a fund balance of \$1,328,966 or approximately 50%. The policy set by the Town Council is to maintain a fund balance of at least 50% of total expenditures. Our unaudited projection for fund balance at the end of FY24 is 64%. According to June 30, 2022 LGC data (the latest available data) the average fund balance for our peer group (Those with General Fund Expenditures of \$1,000,000-\$9,999,999) was \$3,424,691, or 92.89%. The fund balance for River Bend for that same period was \$1,202,358 or 54.03%. I believe the dollar amount of fund balance is more important than the percentage of fund balance. I often say, "Percentages do not pay the bills, dollars do." Also, the average tax rate for this group was 33.66¢. At that time our tax rate was 26¢. There were 188 towns in this group. Only 37 of those levied a lower tax rate than River Bend.

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.

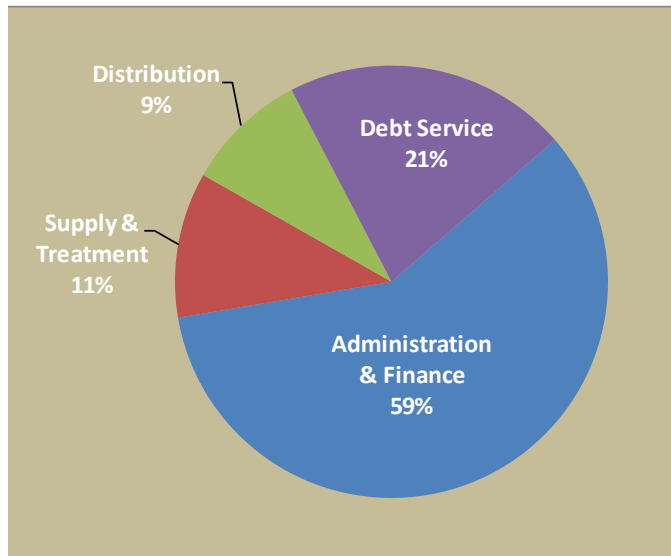
In FY2013, we refinanced the debt in order to take advantage of interest rates that were more favorable than we had in our prior debt structure. The result of this effort was a savings of nearly \$300,000 over the remaining life of the debt. Following a 2021 review,

our Standard & Poor’s rating was AA+. Following a 2023 review, our Moody’s rating was Aa3. 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. Excluding transfers, the total budgeted expenditure for the water enterprise in FY24-25 is \$634,000, an increase of \$1,696 or 0.27% from the current, as amended, fiscal year budget. The graph to the right, shows the percentage of the expenditures that each department represents within the Water Fund.



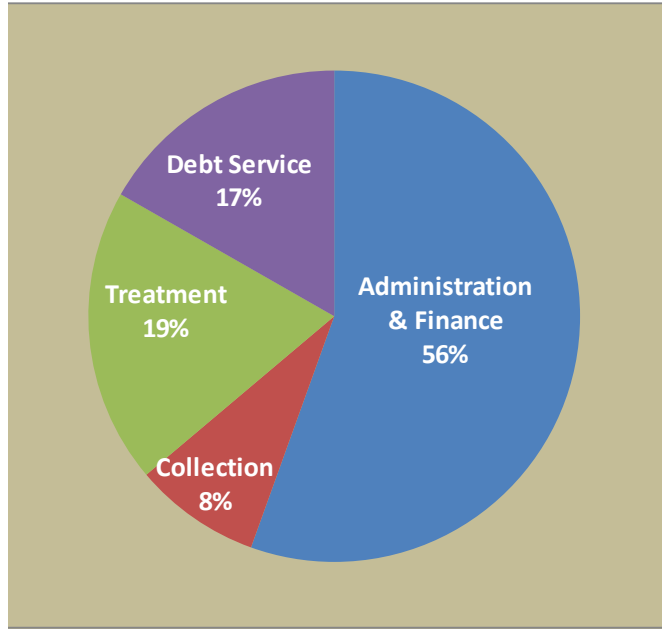
The chart below shows the comparison of the current budget vs. the proposed budget.

Water	23-24	24-25	Change v. prior year	
	Budget	Proposed	%	\$
Administration & Finance	491,804	507,000	3.09%	15,196
Supply & Treatment	86,800	69,000	-20.51%	-17,800
Distribution	53,700	58,000	8.01%	4,300
TOTAL (less transfer and contingency)	632,304	634,000	0.27%	1,696

As noted, the chart above does not include transfers, which in the Water Fund this year, are \$20,000 into the CIP for future capital outlay future vehicle purchases. Including transfers, the total Water Fund expenditures for FY25 are \$654,000 as noted on page 3.

Sewer Enterprise Expenditures

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



the total budgeted expenditure for the sewer enterprise in FY24-25 is \$695,000, a \$18,996 or 2.81% increase from the current, as amended, fiscal year. The graph above, shows the percentage of the expenditures that each department represents within the Sewer Fund. The chart below shows the comparison of the current budget vs. the proposed budget.

Sewer	23-24	24-25	Change v. prior year	
	Budget	Proposed	%	\$
Administration & Finance	483,204	502,000	3.89%	18,796
Collection	64,500	58,000	-10.08%	-6,500
Treatment	128,300	135,000	5.22%	6,700
TOTAL(Less transfers & contingency)	676,004	695,000	2.81%	18,996

The chart above does not include transfers, which in the Sewer Fund this year, are \$25,000 into the CIP for future capital outlay and vehicle purchases. Including transfers, the total Sewer Fund expenditures for FY25 are \$720,000, as noted on page 3.

Enterprise Fund Revenue

The budget for these two enterprises received attention in our budget workshop sessions with proposed revenues for current and future years being scrutinized in light of anticipated expenditures. We are fortunate to have a professionally designed rate model for each utility so the impact of the proposed expenditures can be compared to revenue at various rate levels. Based upon the proposed expenditures, proposed revenues from user fees and cash balance, the water utility rates will not change for FY 24-25.

Likewise, both current and future revenues and expenditures for sewer were considered during the budget work sessions. The sewer utility rates will not change in FY 24-25. The current rate structure, combined with conservative expenditures, will allow both utilities to maintain a reasonably adequate level of reserves to respond to emergent needs if they arise during the year and through FY24-25. The cash balance in both funds was substantially reduced in FY 23 due to each fund contributing \$515,879 to fund their portion of the cost of the new Public Works Building. Due to that project being completed under-budget, part of that funding was returned to both funds. Each year, the Council looks at current and long-range needs of both systems. Next year, the Council will do the same and will consider any necessary rate changes to keep the funds sound.

Conclusion

It is important to concentrate our annual budgeting efforts on maintaining current levels of services and maintenance of Town-owned property and infrastructure, while attempting to maintain a low tax rate and avoid substantial increase in fees. The budget being presented for your consideration accomplishes those goals. Each year we are faced with different challenges and opportunities. Last year, it was the on-going impacts of the COVID-19 Pandemic. While COVID-19 medical impacts seem to be minimal, supply chain issues related to COVID-19 linger. Inflation is still having substantial impacts on our national, state and local economies and budgets, along with our employee's purchasing power. A considerable amount of discussion was devoted to the difficulty of predicting such effects on the town's FY 24-25 budget, specifically related to inflation and on-going efforts to retain quality staff while also rebuilding fund balance.

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 with a still uncertain economy. Town Council members should accept their responsibility with great conviction and sincerity and strive to be well-informed and engaged in the operation of this government. This budget reflects the Council's commitment to maintaining and improving this community and positioning it to be financially sound in the future. I believe it to be worthy of your consideration and approval.

I thank the Mayor, Town Council, and Town staff for their commitment to and participation in this budget process. I want to recognize the considerable contributions of Mandy Gilbert, our Finance Director, 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 development 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

Proposed 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, 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 2024-2025	980,165
AD VALOREM Taxes-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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2024-2025

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 Capital Reserve Fund	86,757
Transfer to L.E.S.A. Fund	0
Total	<hr/> 2,414,000

Section 2. General Capital Reserve Fund

Anticipated Revenues

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

Authorized Expenditures

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

Section 3. Law Enforcement Separation Allowance Trust Fund

Anticipated Revenues:

	Contributions from General Fund	0
	Interest Revenue	515
	Total	515
515		

Authorized Expenditures:

	Separation Allowance	0
	Future LEOSA Payments	0
	Total	0
515		

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 Fixed 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

<i>[1] Portion of department for bond debt service:</i>	<i>134,691</i>
---	----------------

Section 5. Water Capital Reserve Fund

Anticipated Revenues

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2024-2025

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

Authorized Expenditures

Future Expansion & Debt Service	20,215
---------------------------------	--------

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 Fixed 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:

Contribution from Sewer Operations Fund	25,000
Interest Revenue	250
Total	25,250

Authorized Expenditures:

Future Expansion & Debt Service	25,250
---------------------------------	--------

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 "Ad Valorem Taxes 2024-2025" in the General Fund Section 1 of this ordinance. This rate is based on a valuation of property for purposes of taxation of \$410,950,000 and 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 property taxes for the Town of River Bend. Also included in this rate 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

**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

Wildwood Storage Rental Rates

Unit Number	Unit Size	Monthly Rent
BB 01	5x20	\$35
BB 02	5x20	\$35
BB 03	5x20	\$35
BB 04	5x20	\$35
BB 05	10x20	\$75
BB 06	10x20	\$75
BB 07	10x20	\$75
BB 08	10x20	Town Occupied (TO)
BB 09	10x20	TO
BB 10	10x20	TO
BB 11	10x20	TO
BB 12	10x20	TO
GB 15	10x16	\$65
GB 16	10x16	\$65
GB 17	10x16	\$65
GB 18	10x16	\$65
GB 19	10x16	\$65
GB 20	10x16	TO
GB 21	10x16	TO
GB 22	10x16	TO
OP	Open Spaces (40)	\$25
Late Payment Charge		\$10, assessed after the 10 th of the month
Interest Charge		1.5% monthly on outstanding balances

ENTERPRISE FUNDS

Water and Sewer - Rates and Fees

	Water	Sewer
Class 1 and 2 - Residential ⁽¹⁾		
Customer Base Charge per month ⁽²⁾	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 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.

Budget “Snapshot”

What follows is a brief “snapshot” of the budgets of all three major funds. These are briefly explained in the Budget Message that precedes these pages and were discussed in detail during the budget sessions.

General Fund Expenditures

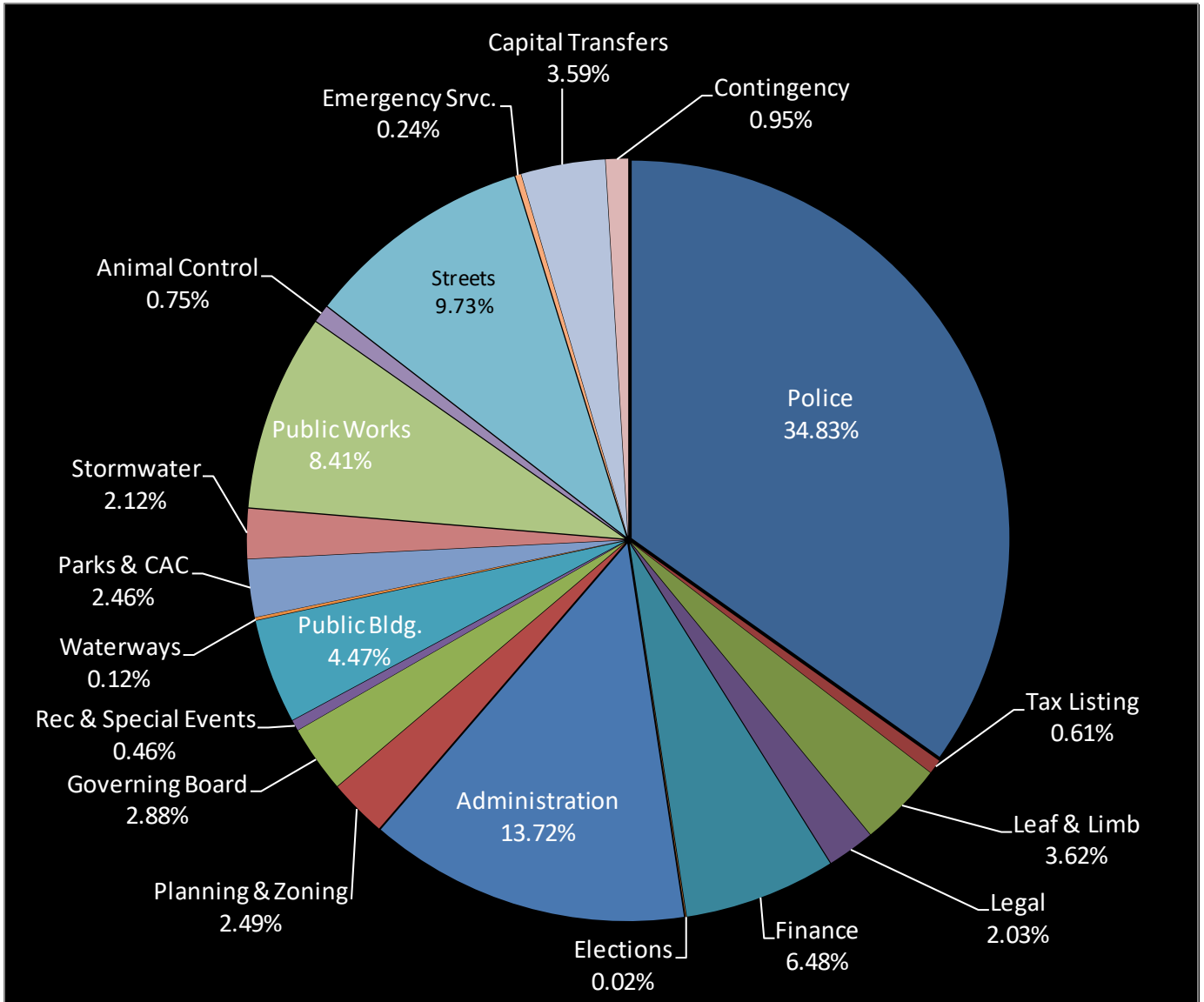
The chart shown below summarizes, by department, the actual, budgeted, projected, and proposed expenditures in the General Fund for the previous three fiscal years, the current fiscal year, and the budget under consideration. This allows the reader to see how expenditures change in each of these departments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

General Fund Expenditure Summary	Change v. prior year					
	21-22	22-23	23-24	24-25	%	\$
Department Name	Actual	Actual	Current Budget	Proposed		
Governing Body*	23,790	25,534	47,350	69,500	46.78%	22,150
Administration*	271,051	288,649	332,000	331,200	-0.24%	-800
Finance*	175,220	127,789	131,306	156,500	19.19%	25,194
Tax Listing	10,655	10,823	13,700	14,700	7.30%	1,000
Legal Services*	22,125	30,286	40,090	49,000	22.22%	8,910
Elections	-	477	-	600	#DIV/0!	600
Police*	516,846	664,422	781,535	840,800	7.58%	59,265
Public Buildings*	109,703	79,366	102,000	108,000	5.88%	6,000
Emergency Services*	3,002	2,768	2,870	5,800	102.09%	2,930
Animal Control*	5,022	13,032	16,225	18,000	10.94%	1,775
Street Maintenance*	158,900	186,443	271,050	235,000	-13.30%	-36,050
Public Works*	129,268	165,953	186,050	203,000	9.11%	16,950
Leaf & Limb and Solid Waste*	38,701	54,641	77,606	87,500	12.75%	9,894
Stormwater Management*	7,429	310,789	44,840	51,200	14.18%	6,360
Wetlands & Waterways	543	2,506	2,900	2,900	0.00%	0
Planning & Zoning*	45,769	52,947	55,000	60,000	9.09%	5,000
Recreation & Special Events*	6,912	7,263	11,100	11,000	-0.90%	-100
Parks & CAC*	38,004	92,011	55,130	59,500	7.93%	4,370
NCORR Recovery Grant	-	-	-	-	0.00%	0
Department Expenditure Total	1,562,942	2,115,699	2,170,752	2,304,199	6.15%	133,447
Contingency (1% per policy)	17,666	17,931	20,807	23,044	10.75%	2,237
Transfer to Capital Reserve	107,000	60,000	55,000	86,757	57.74%	31,757
Transfer to Capital Project Fund	482,189	482,189	-	-		
* department amended since adoption as of 03/11/2024						
TOTAL	2,169,797	2,675,819	2,246,559	2,414,000	7.45%	167,441

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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2024-2025

This chart shows the percentage of funding that each department receives of the total budget (including contingency and transfer).



Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2024-2025

General Fund Revenue

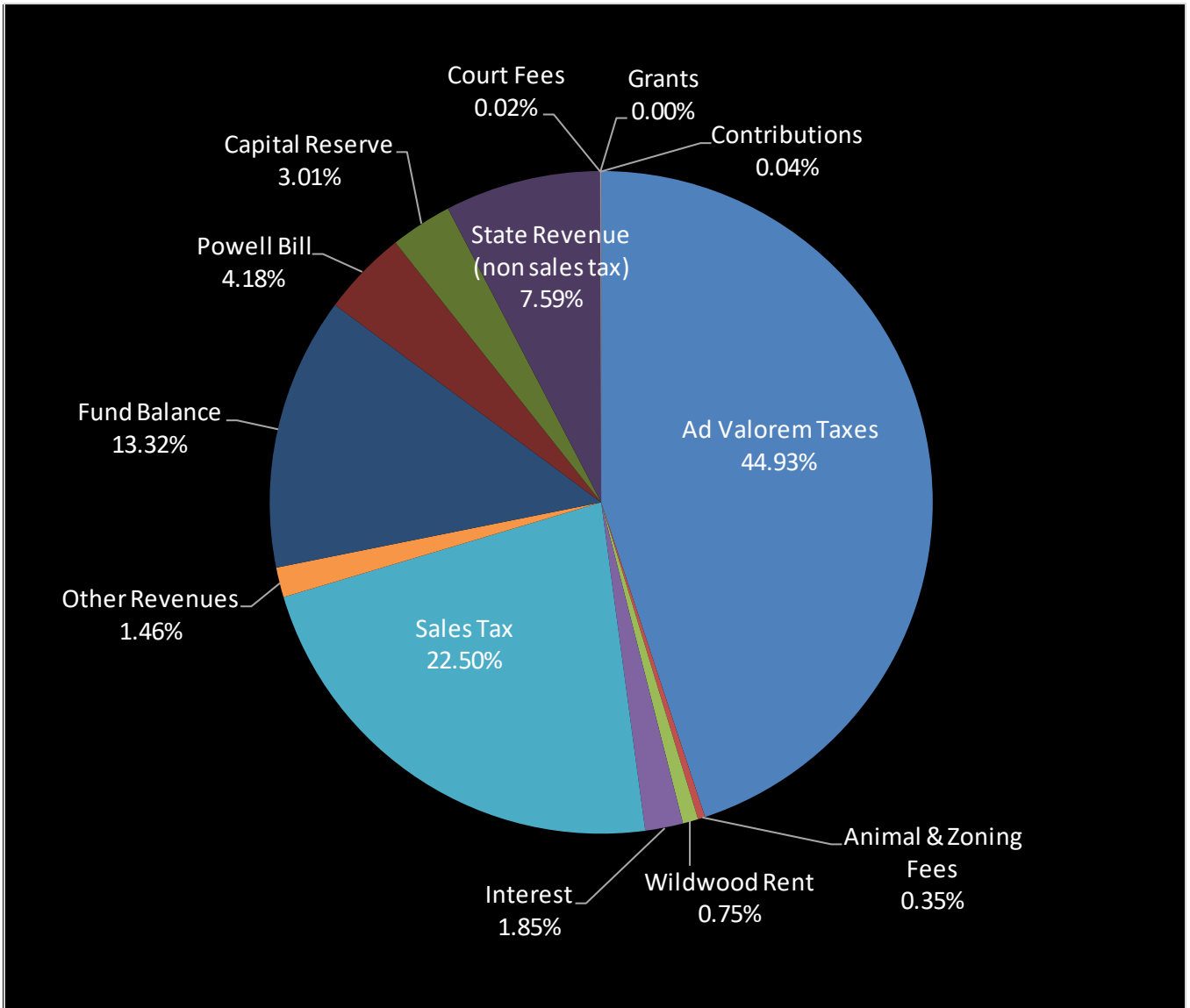
The chart shown below summarizes the actual, budgeted, and projected revenue, by type, in the General Fund. Similar to the chart for expenditures, this worksheet gives the reader some historical perspective regarding the changes in sources of revenue.

General Fund Revenue Summary						Change v. prior year	
	21-22	22-23	23-24	24-25	%	\$	
	Actual	Actual	Current Budget	Proposed			
Ad Valorem Taxes	824,190	833,878	1,025,566	1,084,565	5.75%	58,999	
Animal Licenses & Zoning Permits	17,607	12,063	8,500	8,500	0.00%	0	
Interest	1,709	36,439	20,050	44,583	122.36%	24,533	
Wildwood Rents	20,141	19,651	18,144	18,144	0.00%	0	
Other Revenue & Rents	68,126	64,836	41,000	35,200	-14.15%	-5,800	
Contributions	0	1,043	901	900	-0.11%	-1	
Powell Bill (includes appropriation)	94,631	93,732	100,486	101,000	0.51%	514	
State Revenue (other than sales tax)	185,250	185,667	181,740	183,201	0.80%	1,461	
Sales Tax Revenue	497,326	528,076	529,689	543,233	2.56%	13,544	
NCORR Loan/Grant Proceeds	0	0	0	0	0.00%	0	
Government Grants (Fed, State & County)	36,381	275,221	0	0	0.00%	0	
Fees (court refund)	180	501	500	500	0.00%	0	
Charges to Other Funds	0	0	0	0	0.00%	0	
Transfer from Capital Reserve	43,850	72,787	43,504	72,650	67.00%	29,146	
Transfer from LESA Fund	0	0	0	0	0.00%	0	
Transfer from ARPA Fund	482,189	482,300	0	0	0.00%	0	
Transfer from PW Capital Proj Fund	0	0	57,720	0	-100.00%	-57,720	
Appropriated Fund Balance	0	0	218,759	321,524	46.98%	102,765	
TOTAL	2,271,582	2,606,195	2,246,559	2,414,000	7.45%	167,441	

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

Town of River Bend, North Carolina
Annual Budget for Fiscal Year 2024-2025

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

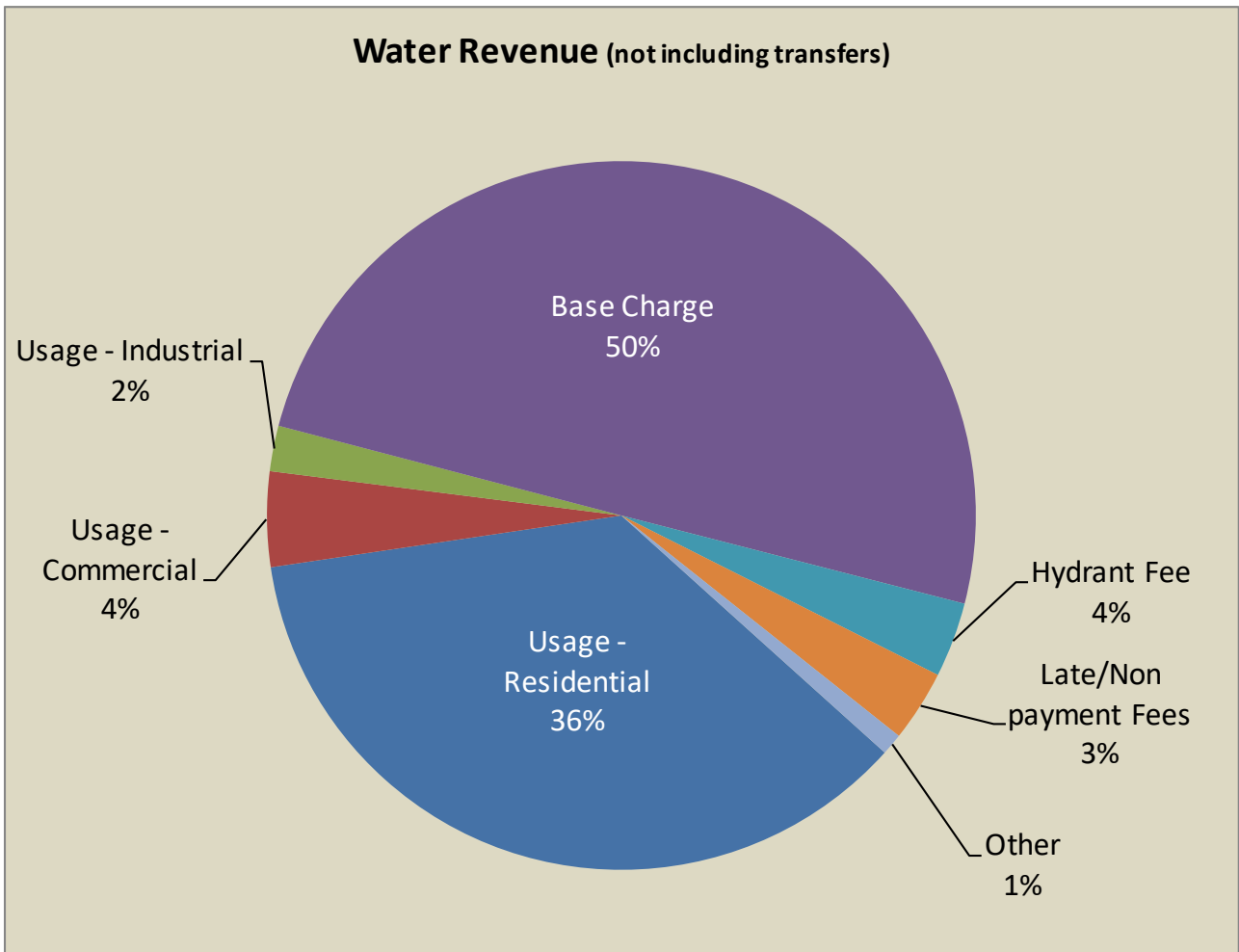


Water Fund Expenditures

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

Water	21-22	22-23	23-24	24-25	Change v. prior year	
	Actual	Actual	Budget	Proposed	%	\$
Administration & Finance	500,855	481,136	491,804	507,000	3.09%	15,196
Supply & Treatment	42,831	46,982	86,800	69,000	-20.51%	-17,800
Distribution	38,117	47,703	53,700	58,000	8.01%	4,300
TOTAL (less transfer and contingency)	581,803	575,821	632,304	634,000	0.27%	1,696

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

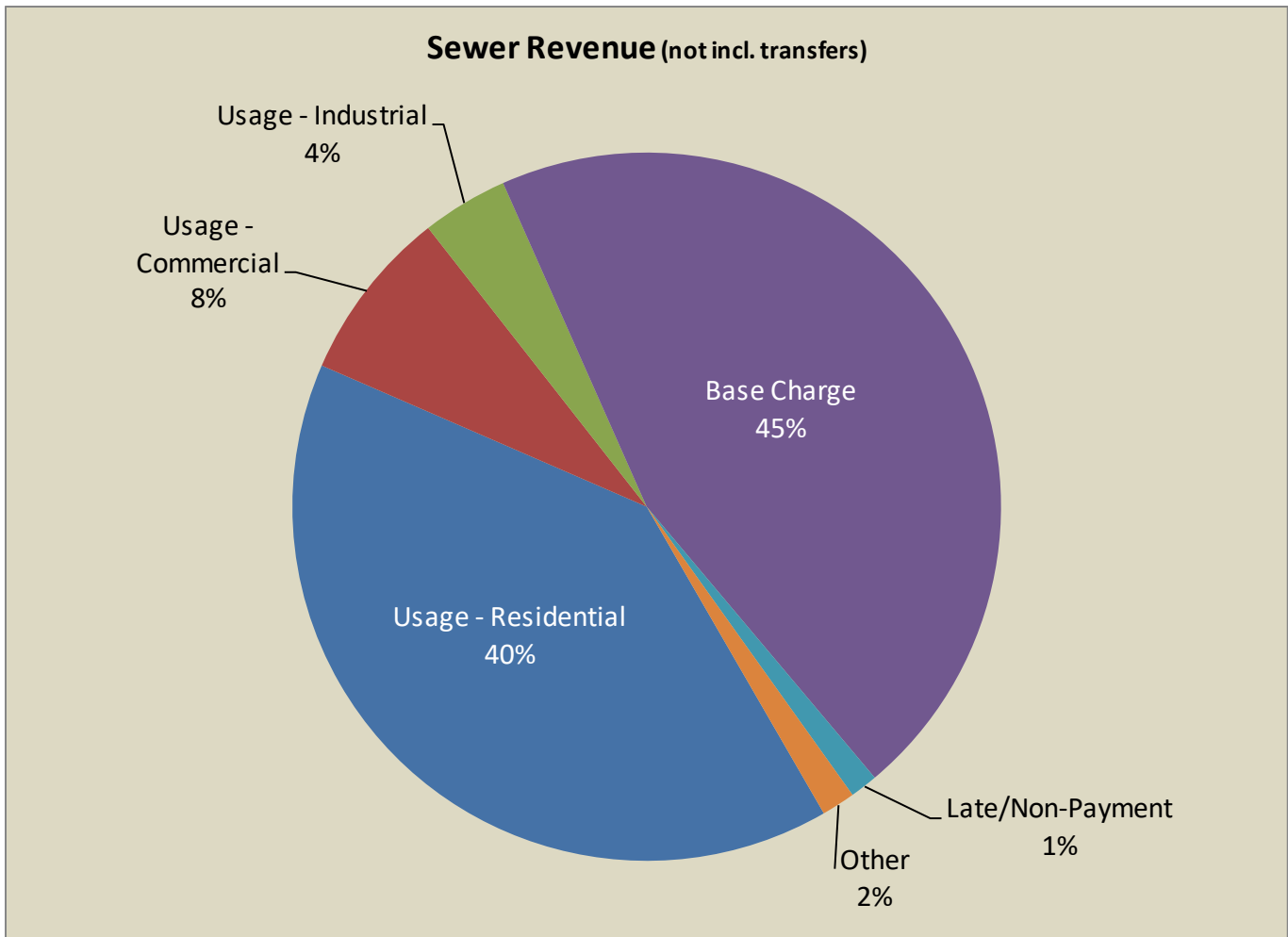


Sewer Fund Expenditures

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

Sewer	21-22	22-23	23-24	24-25	Change v. prior year	
	Actual	Actual	Budget	Proposed	%	\$
Administration & Finance	494,414	483,204	483,204	502,000	3.89%	18,796
Collection	25,853	64,500	64,500	58,000	-10.08%	-6,500
Treatment	101,487	128,300	128,300	135,000	5.22%	6,700
TOTAL(Less transfers & contingency)	621,755	676,004	676,004	695,000	2.81%	18,996

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



What Will I Pay?

This table shows the real estate tax one would pay based upon the assessed value of their property.

To calculate your actual Town tax, multiply the total assessed value of your property by 0.0024. This will show what you pay for the General Fund services that the Town provides.

According to the Craven County Tax Department, the current (May, 2024) average assessed value of a home in River Bend is \$244,962 (note highlighted data).

Assessed Value	Annual Bill at 0.24
95,000	\$228
125,000	\$300
244,962	\$588
190,000	\$456
200,000	\$480
250,000	\$600
300,000	\$720
350,000	\$840
400,000	\$960
500,000	\$1,200
600,000	\$1,440

The following table shows water and sewer rates and their effect upon a residential customer using 3,000 gallons per month. The proposed rates represent no changes in the rates that are in effect as of today. Business, commercial, and industrial base rates and fees are different from the residential base rate and fees. In FY 23, the average water customer used 3,334 gallons of water per month.

Charges for 3,000 gallons per month		
	Current	Proposed
Water Base	15.24	15.24
Use	12.66	12.66
Sewer Base	24.18	24.18
Use	27.90	27.90
Monthly	79.98	79.98
Per-Bill	159.96	159.96
Monthly Difference		0.00
Per Bill Difference		0.00

This table combines the cost of real estate taxes and the cost of water and sewer to show the total amount a resident of River Bend would pay in a year for real estate taxes on a home valued

Annual Costs	
Water/Sewer Fees (3,000 gal/month)	\$ 960
Real Estate Tax (\$244,962 home)	\$ 588
TOTAL	\$ 1,548
Average Per Day Cost for water/sewer/tax	\$ 4.24

at \$244,962 and water and sewer fees for 3,000 gallons usage per month. For \$4.24 per day, our average water and sewer user living in our average valued home, receives potable water, wastewater treatment, 24/7 police protection, stormwater management, animal control, planning, zoning, code enforcement, parks, recreational events, street lights, street maintenance, leaf & limb removal, and a host of other services. Our goal is to continue to deliver high quality services at a reasonable price to all who make River Bend their home. Last year, the cost was also \$4.24 per day. For the average resident, it will no more per day for these items in River Bend than it did last year. Inflation over the last year (March-March) was 3.48%. If our rate had kept pace with inflation, the cost for these services in FY 25 would have been \$1,601.

Where are my tax dollars spent?

This table breaks down the proposed tax rate to show how much of that rate goes to fund each of the functions in the General Fund. The total proposed tax rate is 24¢ per one hundred dollars of assessed value.

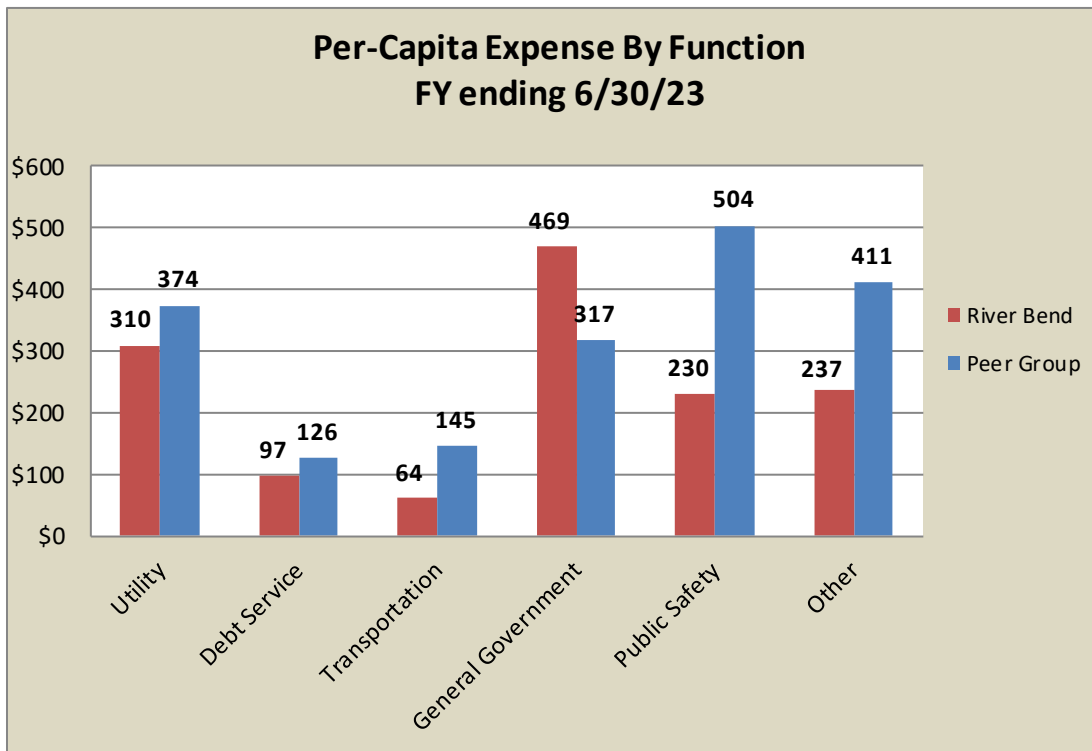
Department	Cents per Hundred
Governing Body	0.691
Administration	3.293
Finance	1.556
Tax Listing	0.146
Legal	0.487
Elections	0.006
Police	8.359
Public Buildings	1.074
Emergency Services	0.058
Animal Control	0.179
Street Maintenance	2.336
Public Works	2.018
Leaf and Limb/Solid Waste	0.870
Stormwater Management	0.509
Wetlands and Waterways	0.029
Planning and Zoning	0.597
Recreation and Special Events	0.109
Parks and CAC	0.592
Contingency	0.229
Transfer to Cap. Res.	0.863
Tax Rate	\$0.24

**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 collected from 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. The charts reflect the latest LGC data, which is as of June 30, 2023.

To make the comparisons fair, the LGC divides all towns into groups by population and they further divide them into groups that do and do not operate their own electric system. The population groups are: 499 and below, 500-999, 1,000-2,499, 2,500-9,999, 10,000-49,999 and 50,000+. There are 551 municipalities in North Carolina. There are 479 units that do not operate electric systems and 72 that do operate electric systems.

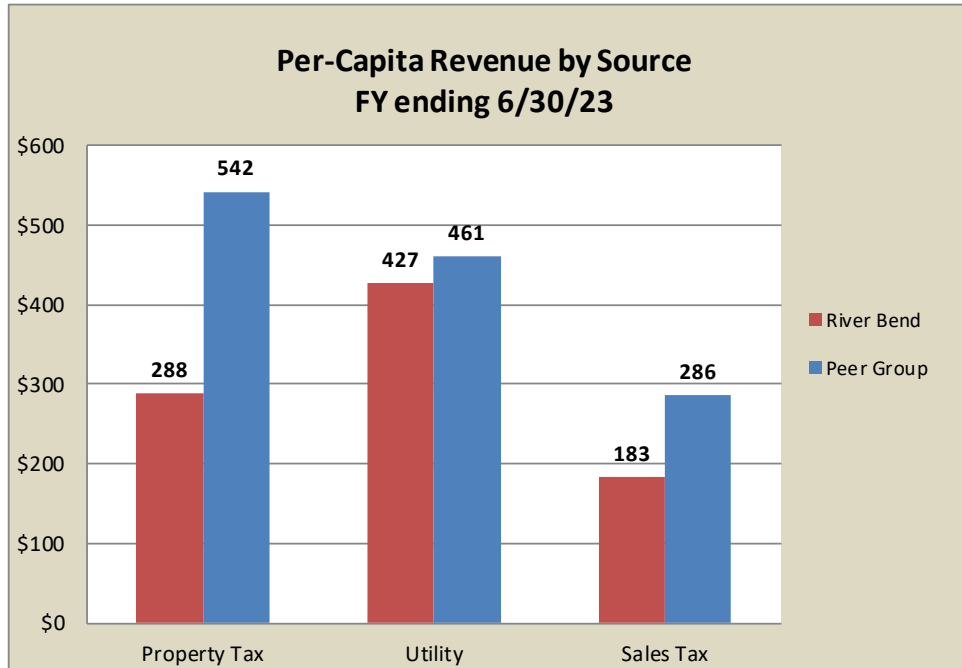
Our peer group is localities with a population between 2,500 and 9,999 residents that do not operate an electric utility. In the fiscal year ending June 30, 2023, there were 121 localities in our peer group, but as of May 9, 2024, only 88 had submitted their audit.



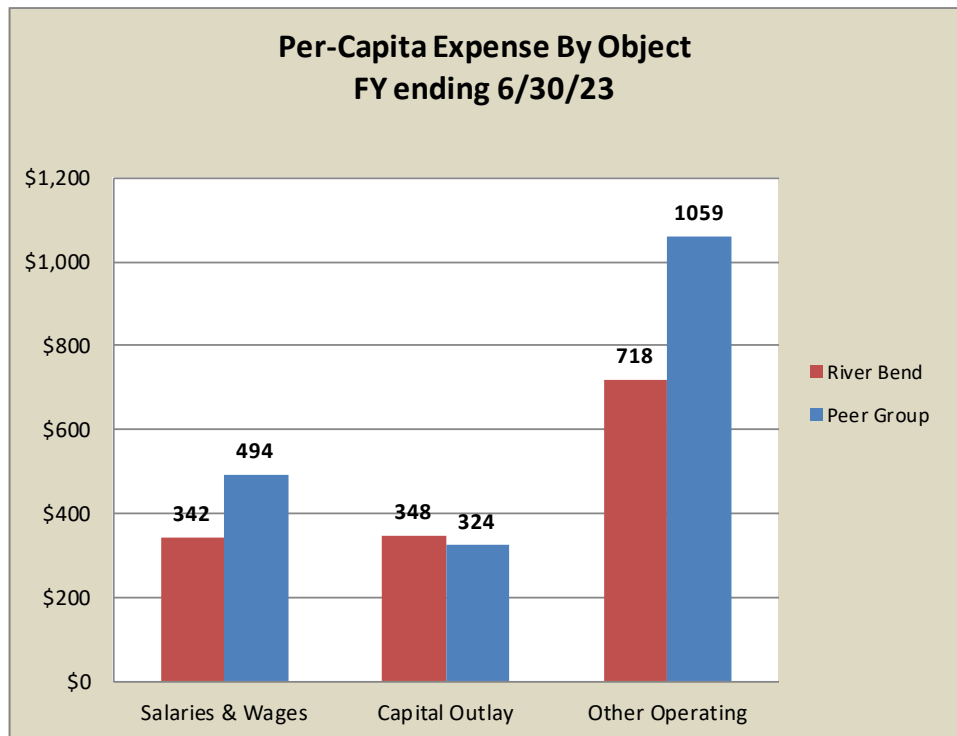
Data from the LGC shows that River Bend’s per-capita expenditures in 2023 were \$1,407 (up \$216 from the previous year) compared to \$1,877 (up \$181 from the previous year) for localities in our peer group. The chart above shows some of the significant expenditures by function and how our expenditures compared with those of our peers. The reader will note that River Bend spent less per capita in 4 of the 5 categories, compared to our peer group.

Data from the LGC also indicates how we compared with our peer group in fiscal year 2023 in terms of per-capita revenue. The data shows that our total per-capita revenue was \$1,525 compared to \$2,245 for our peers. This means that River Bend residents paid \$720 less than residents in our peer group.

This chart shows 3 of the 7 major revenue categories and how we compared with our peers in each. The reader will note that in all 3 categories our revenue is lower than that of our peers. Our property tax revenue amount was \$254 less per capita than our peer group. Our utility revenue was \$34 less per capita than our peer group.

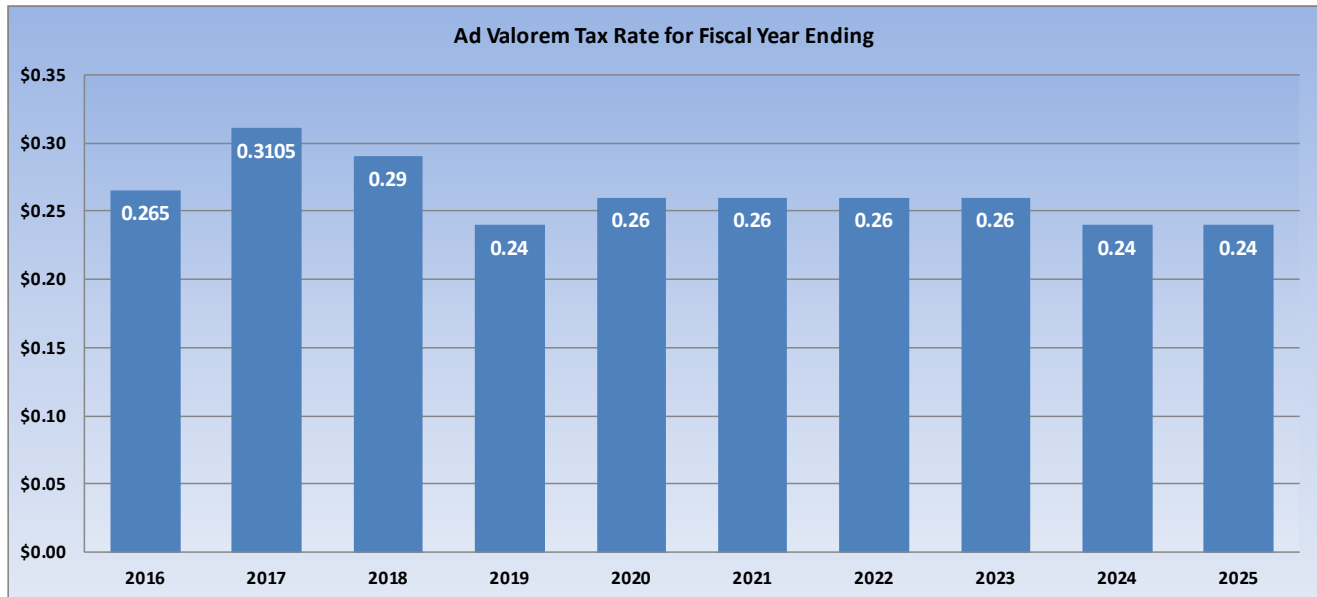


This chart shows 3 major expense categories and how we compared with our peers. The reader will note that we spent less per capita in 2 of the 3 categories, compared to our peer group. Typically, we spend less in all three. However, recently we have had several large capital projects, many of which were grant-funded. In the “other” category, we spent \$341 less per capita than our peer group.



Tax Rate History

The chart below shows the 10-year history of the tax rate for the Town of River Bend, including the proposed rate of 24¢ per \$100 of assessed value for FY 24-25.



Note- 2017 followed a property re-valuation and the rate increase was equal to the revenue neutral rate, which resulted in a net zero increase to the annual tax bill.

Budget and Finance Recognition

The Town Council realizes that the budget preparation process is likely the most important aspects of operating a municipal government. The budget sets the priorities for not only the next fiscal year but also for future years as well. A considerable amount of planning goes into the annual budget preparation process. After the budget has been approved by the Council, it is handed over to the Town Manager for implementation. Maintaining budget compliance is a year-long responsibility. During the fiscal year, the Council is updated at least monthly on the financial condition of the Town. The Council is ultimately responsible for the financial condition of the Town and takes that responsibility very seriously. The Town of River Bend has often been recognized for its budget preparation, financial reporting and transparency. Some of those recognitions are listed below:

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

Distinguished Budget Presentation Award- from the Government Finance Officers Association. We received our 12 in a row from fiscal year beginning 2010-2021.

Excellence in Financial Reporting Award- from the Government Finance Officers Association. We recently received our 12th in a row for fiscal year ending 2022. We have applied for and expect to receive our 13th award for fiscal year ending 2023 soon.