

April 28, 2016

Honorable Mayor Outlaw, Board of Aldermen and Citizens of the City of New Bern:

I am pleased to present to you the City of New Bern Annual Budget for the fiscal year beginning July 1, 2016 and ending June 30, 2017 (FY17). Consistent with our City brand, "Everything comes together here", this balanced budget represents months of hard work and effort by staff coupled with the vision and decision-making efforts of our Board of Aldermen. The hard work exercised by all over the past year, along with new or continued efforts budgeted for in this fiscal year budget, is a true reflection of what is possible when people and ideas come together to accomplish goals and tasks. As you will see outlined in this message, this budget year will focus on continuing the services and initiatives from FY16 to ensure continuity of operations and continued support for our community while maintaining low rates for our citizens.

Revenue projections, as provided by the North Carolina League of Municipalities, continue to trend upward and we expect to see a slight increase overall. FY16 proved to be a good year for growth both residentially and commercially for the City. Building permit values in the 2015 calendar year as a whole were the highest they have been since 2008. FY17 is shaping up to be another year of significant growth and investment in our City with respect to both economic and community development. Many of the commercial development projects that have broken ground will come online by the end of FY17. Additionally, other large scale commercial projects are ramping up towards construction. Residentially, average home values are trending upwards and the value of new residential construction is the highest it has been since 2010. This economic and community investment coupled with job creation, sales tax generation, and ad valorem tax generation will greatly impact the revenues expected for the City in the coming year.

As you are aware, Craven County was reevaluated for assessed value over the past year. New Bern's valuation dropped approximately \$300 million dollars from the previous revaluation performed in 2010. This is primarily attributable to the last revaluation being performed at the height of the market directly after the recession experienced during 2007-2009. Home values were still high based on market demand at the time. Subsequently, inventory increased and availability of funds over the years ensuing following caused values to decline. General Statute 159-11(e) requires that in the year of a general revaluation, the revenue neutral tax rate be published. By state law, the revenue neutral rate is adjusted for the average annual growth in the tax base and for annexations and de-annexations. The Director of Finance for the City of

New Bern has calculated the revenue neutral tax rate as \$0.4618 per one hundred dollars (\$100) of assessed value. Taking all of this into account, the Board of Aldermen at its March 2016 retreat directed staff to move forward with a revenue neutral rate that included only a portion of our expected yearly growth of approximately 1.06%. It was at this retreat that the Board directed staff to draft this budget with an ad valorem tax rate of \$0.46 per one hundred dollars (\$100) of valuation for FY17. Additionally, the Director of Finance has calculated the revenue neutral tax rate for the MSD as \$0.1372 per one hundred dollars (\$100) of valuation. A group of downtown businesses and property owners made a recommendation of an ad valorem tax rate of \$0.1375 per one hundred dollars of valuation. Upon establishing these rates, staff began drafting a balanced budget ensuring that the city has the personnel and equipment necessary to provide the excellent support to the City of New Bern that is expected by our citizens.

Taking the Board's direction, we will continue current city operations efficiently and effectively while always striving to improve in all facets of service provision to our citizens. Staff will maintain focus on projects that began in FY16, including work with the UNC School of Government Development Finance Initiative (UNC DFI), First Street corridor improvements, City Market, and 3rd Avenue Extension. These projects, coupled with the improvements to both the Craven Terrace properties through Rental Assistance Demonstration program of HUD and the Choice Neighborhood Initiative Planning Grant completion proposing the potential redevelopment of the Trent Court property of the New Bern Housing Authority, set the stage for a broad-reaching growth plan that is coming together for the revitalization of an area of the City that is much needed.

At the printing of this budget document, staff have been working with UNC DFI and the architect selected for the concept models for the proposed sites at the corners of Pollock Street/Craven Street and South Front Street/Craven Street. A detailed public engagement process to present the concepts is planned for the coming months.

The City Market concept continues to progress based on the original vision of facilitating corridor improvements to promote reinvestment and redevelopment in the area. The City Market concept goal is to transform the First Street/County Club Road corridor into a community activity center that fosters personal, professional, and economic growth in a safe environment for motorists and pedestrians, while increasing the overall efficiency of the transportation system. The Multi-Use City Market project consists of improvements to First Street, one of the City's primary corridors into historic downtown. The area has seen little investment, lacks nearby public services, has inefficient public transportation, and lacks job opportunities. The City

Market and First Street corridor project will address the needs of an underserved community by offering increased public transportation options, more pedestrian connections to downtown, workforce development training, job creation and entrepreneurial options. Upon completion, the City Market will provide many offerings, including but not limited to: support of local business and industry workforce development needs; educating the public about employment opportunities in various trades; a City Market Place for trades, inventors and entrepreneurs; and a partnership with the Craven County Community College to create a robust, one-stop Workforce Development training center. The City of New Bern is actively seeking funding opportunities through the Golden Leaf Foundation for \$549,000 and the EDA for grants up to \$1,000,000.

An emphasis will continue to be placed on the economic growth of our City during FY17 and the impact that government can have to spur private investment. Also, staff will continue to seek grant programs to assist with funding of projects that otherwise may not be possible without an increase in taxes or fees. In addition to the grants and projects mentioned above, the City is always seeking to team with private partners and developers to ensure planned, sustainable growth within New Bern.

Detailed highlights of the FY17 budget

- *Personnel – After a significant reduction of positions in FY16, staff has identified only two net new positions required to sustain city operations. This year's recommended budget reflects a total of 455 funded positions. Maintaining competitive salaries with similar-sized municipalities, a 1% salary increase has been incorporated into the budget for all employees. Based on past-year and current inflation rates, this amount is significant enough to ensure cost-of-living changes are accounted for. This increase will not adjust the pay scale bands at this time; however, a salary study has been included in this year's budget to ensure that we are compensating our employees competitively with the industry. A merit-based raise, which has been the norm for the past several salary increase adjustments, has not been included in this budget. In order to incorporate a merit-based salary increase, approximately \$450,000 of additional funds would be required. The most important asset of any organization is their human capital. It is imperative that the City continue to focus on the retention of its employees by ensuring that salaries are competitive with similar positions in other organizations and continue to invest in their training and educational opportunities to maintain effective and efficient operations and customer service. The cost-of-living increases are budgeted for and scheduled to take effect in August 2016. The last merit-based salary increase for City*

employees occurred in August 2015. However, the last salary-based increase related to cost-of-living was in July of 2011.

- *Utility Rates – The City of New Bern made significant changes to utility rates in FY16. The FY16 budget was proposed with the following reductions: Electric – 3%, Water – 6%, and Sewer – 4.5%. Additionally, NCEMPA finalized the asset sale in September 2015 which resulted in an additional 12% reduction to retail electric rates. When the FY16 budget was adopted, staff had anticipated the closing of the sale of the assets by NCEMPA for July 1, 2015. However, the actual closing did not occur until September 1, 2015. On a positive note, the wholesale rate reduction was backdated to July 1, 2015. This resulted in a savings that was realized and that savings was maintained in the Electric Fund cash reserves. Finally, after all the debt was restructured and the asset sale was finalized, NCEMPA announced that the wholesale rates were going to remain unchanged for the remainder of FY16 and are projected to remain flat for a few subsequent years. Therefore, the Board of Aldermen chose to pass along another reduction in the electric rate of 1% utilizing the wholesale savings during the two months between July and September of 2015. Staff estimated that this rate reduction could be maintained at least for one year, but could possibly be maintained for two years if revenue projections exceeded expenditures over the FY17 budget year. Since weather plays a significant role in the revenue generated by the electric utility, staff will closely monitor these estimates to ensure that projections are in line with actuals throughout the budget year. If any of these situations change, staff will brief the Board on any rate changes that might be required based on the formal fund balance policies now in place.*
- *Transportation Improvements - \$700,000 has been budgeted for in Public Works to resurface and perform repairs on various streets within the City. This allocation will be spent using various techniques to extend the life expectancy of the street system and increase the overall citywide rating for street infrastructure. Steps have been taken to rate the City's street system on a regular basis to ensure that the funds being spent on street improvements are based on objective inspection of street conditions. \$125,000 is budgeted for the various sidewalk improvements and maintenance activities as we seek to continue the forward momentum achieved over the past few years to make New Bern a more multi-modal in its transportation offerings. While this will provide for some much needed infrastructure improvements to our streets, the City may want to consider utilization of fund balance, a general obligation bond, implementing the license plate tax*

increase that was provided for by the General Assembly as a local option for municipalities, or a combination of these. Many municipalities across the state utilize these methods to generate revenue to offset the debt service taken on by large capital projects by normal debt installment financing options.

- *Public Safety – To ensure continued safety of our citizens and businesses, the Police budget allows for two new officers who will be focused on counter-narcotics operations. There is \$501,120 in the Police budget for ten new police cruisers and related equipment for up-fitting the cruisers. These are all replacement vehicles for an aging fleet that is well beyond the recommended replacement schedule of mileage and age for frontline police vehicles. Prior year deferments of the replacement of fleet vehicles have led to a continued need for replacements needed in this budget year. The City is closer to being back on schedule and will replace cruisers at a more moderate rate moving forward.*
- *Enterprise Funds – The proposed FY17 budget continues the efforts taken by the Board and staff to maintain the rate reductions provided to our citizens. While doing so, the budget will also allow for replacement of aging vehicles and equipment that are at risk of failure or are facing extremely high maintenance costs where it is more economical to replace them. The Electric Fund will support Glenburnie Road fiber cable replacement, as well as improvements to the Utility Business Office parking, while the Water & Sewer funds have both budgeted \$250,000 for significant improvements to each respective system. Additionally, the Sewer Fund will continue its yearly replacement of two sewer pump stations per year to ensure the system is functioning correctly and minimizing risk of non-compliance with statutory system operation requirements.*

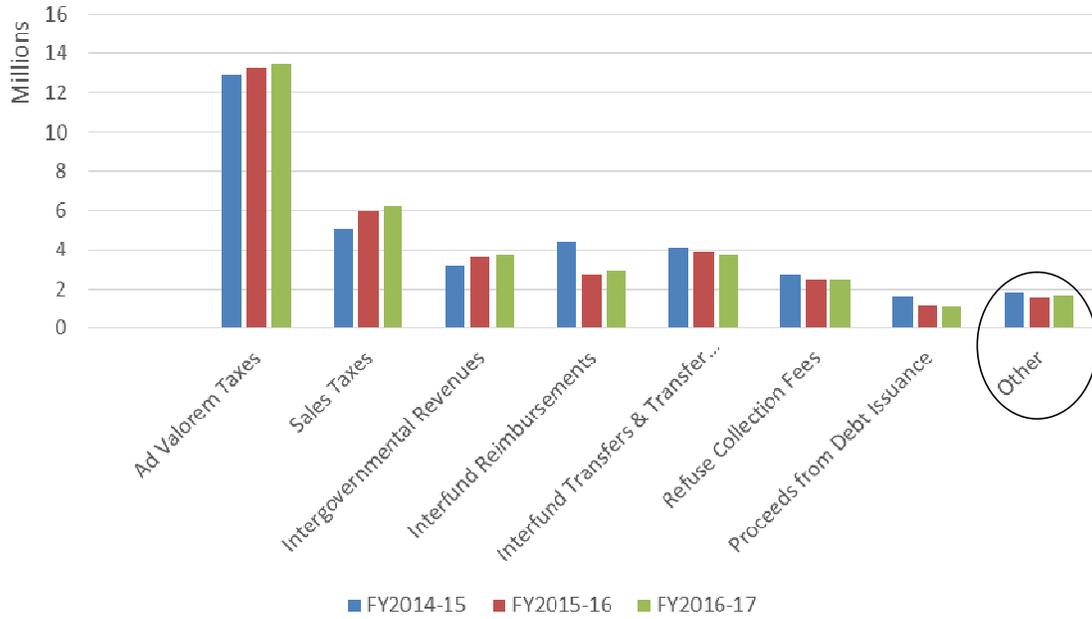
In the following pages, summaries of the funds and other pertinent information have been provided to allow for better understanding of the budget being presented herein.

Summary – General Fund Revenues

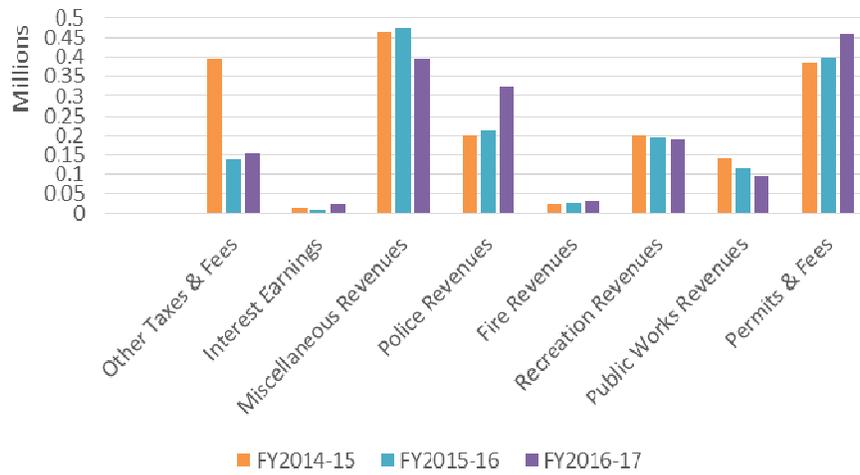
General Fund Revenues	Adopted Budget FY2014-15	Adopted Budget FY2015-16	Budget FY2016-17	% Change FY2015-16 FY2016-17
Ad Valorem Taxes	\$12,945,500	\$13,291,982	\$13,474,500	1.37%
Sales Taxes	\$5,025,000	\$5,971,406	\$6,172,000	3.36%
Intergovernmental Revenues	\$3,156,600	\$3,625,748	\$3,738,000	3.10%
Other Taxes & Fees	\$397,100	\$138,600	\$154,500	11.47%
Interest Earnings	\$14,500	\$10,000	\$26,000	160.00%
Miscellaneous Revenues	\$463,778	\$476,044	\$395,400	-16.94%
Interfund Reimbursements	\$4,426,515	\$2,683,636	\$2,885,029	7.50%
Interfund Transfers & Transfer Supports	\$4,108,059	\$3,943,541	\$3,714,954	-5.80%
Police Revenues	\$199,538	\$212,900	\$322,900	51.67%
Fire Revenues	\$27,341	\$27,680	\$30,900	11.63%
Recreation Revenues	\$201,107	\$195,100	\$189,400	-2.92%
Permits & Fees	\$384,753	\$398,358	\$460,250	15.54%
Public Works Revenues	\$141,000	\$115,000	\$96,000	-16.52%
Refuse Collection Fees	\$2,725,000	\$2,462,000	\$2,462,000	0.00%
Proceeds from Debt Issuance	\$1,601,201	\$1,214,409	\$1,132,120	-6.78%
Fund Balance Appropriated	\$ -	\$ -	\$ -	0.00%
TOTAL REVENUES	\$35,816,994	\$34,766,404	\$35,253,953	1.40%

The chart below provides year-over-year comparison of General Fund revenues.

General Fund Revenues 2014-17



"Other" Category Detail



Proposed Ad Valorem Tax Rate

As directed by the Board of Aldermen, the FY17 budget proposes an increase to our ad valorem tax rate from forty-one cents (\$0.41) per one hundred dollars of value to forty-six cents (\$0.46) per one hundred dollars of value. For the benefit of evaluation, the chart below indicates what the FY15-16 tax rates were for benchmark cities in our area. At the time of this documents printing, the benchmark cities tax rates have not been set for FY16-17. However, you will notice in the table below that despite the proposed rate increase to remain revenue neutral, New Bern's tax rate remains the lowest as compared to our benchmark cities.

<i>Property Tax Comparison</i>						
<i>City</i>	<i>2015/16 Tax Rate</i>	<i>Change Increase/ Decrease</i>	<i>Total Valuation Fiscal Year End June 30, 2015</i>	<i>Latest Evaluation</i>	<i>Estimated Collection %</i>	<i>Estimated Annual Ad-Valorem</i>
Greenville	0.530	-\$0.010	\$6,113,598,339	2013	99.18%	\$3,213,637,421
Goldsboro	0.650	\$0.000	\$2,276,234,423	2011	97.36%	\$1,440,492,192
Kinston	0.660	\$0.000	\$1,516,333,014	2009	96.39%	\$964,651,639
Washington	0.500	\$0.000	\$871,055,644	2010	97.23%	\$423,463,701
Have lock	0.510	\$0.025	\$947,026,741	2010	99.53%	\$480,713,615
Wilmington	0.485	\$0.025	\$13,043,601,654	2012	98.55%	\$6,234,417,674
Wilson	0.515	\$0.000	\$4,111,348,277	2008	98.09%	\$2,076,903,085
New Bern	0.410	\$0.000	\$3,215,223,340	2010	98.96%	\$1,304,531,857

Personnel

Recognizing that personnel-related costs are the largest portion of most of our departmental operating expenses, we continue to closely scrutinize all funding requests for new positions. Below is a table highlighting all requested positions by fund and organization in the FY17 budget. Some of the organizational employee increases are a result of restructuring and reorganization to make operations more efficient. Others represent new requests from departments to ensure work programs are effectively completed and excellent customer service is achieved. The budget for FY17 proposes a small increase in funded positions from 453 full-time employees to 455.

City Manager's Budget Message | FY 2016-17

General Fund	<u>FY13-14 Funded Positions</u>	<u>FY14-15 Funded Positions</u>	<u>FY15-16 Funded Positions</u>	<u>FY16-17 Funded Positions</u>
Governing Board	1	1	1	0
Administration	4	4	4	5
Information Technology	8	8	7	7
Accounting	10	10	9	9
Warehouse	4	4	3	3
Human Resources	6	6	5	5
Police	112	116	109.5	111
E911 Support	0	0	0	2
Fire	67	67	67	66
Recreation Administration	5	5	6	5
Recreation Facilities	9	9	8	10
Parks & Grounds	14	14	13	13
Development Services	17	17	15	15
PW Administration	3	3	3	3
Garage	4	4	4	4
Public Buildings	6	6	6	6
Streets	25	25	21	21
Leaf & Limb	7	7	7	7
General Fund Total Positions:	302	306	288.5	292

Enterprise Funds	<u>FY13-14 Funded Positions</u>	<u>FY14-15 Funded Positions</u>	<u>FY15-16 Funded Positions</u>	<u>FY16-17 Funded Positions</u>
Water Resources Admin	7	7	7	6
Water Treatment	11	11	11	12
Water System Maintenance	30	30	27	25
Water Fund Total Positions:	48	48	45	43

Sewer Treatment	21	20	19	19
Sewer System Maintenance	14	14	12	16
Sewer Fund Total Positions:	35	34	31	35

Electric Administration	7	7	6	5
Electric Distribution	36	36	34	34
Power Supply	4	4	3	4
Utility Control	6	7	7	7
Utility Business Office	31	30	29	27
Electric Fund Total Positions:	84	84	79	77

Stormwater	5	5	6	6
Stormwater Fund Total Positions:	5	5	6	6

Other Funds				
E911 Fund Positions	2	2	1.5	0
MPO Positions	0	0	2	2
Other Funds Total Positions:	2	2	3.5	2

SUMMARY OF ALL FUNDS				
General Fund Total Positions	303	306	288.5	292
Water Fund Total Positions	48	48	45	43
Sewer Fund Total Positions	35	34	31	35
Electric Fund Total Positions	84	84	79	77
Stormwater Fund Total Positions	5	5	6	6
Other Funds Total Positions	2	2	3.5	2
Total All Funds	477	479	453	455

Overall Budget Summary -Highlights of our major funds

On the following pages, you will see the overall budget summary for each of our major funds including: General Fund, Water, Sewer, Electric, and Stormwater Funds. This snapshot will give you an overall view of the funding amount and the highlights for each of the funds.

FUND	Adopted FY2015-16	FY2016-17	% Change
General	\$34,703,201	\$35,253,953	1.59%
Water	\$10,047,564	\$9,975,621	-0.72%
Sewer	\$11,730,600	\$11,424,332	-2.61%
Electric	\$61,407,051	\$54,087,024	-11.92%
Stormwater	\$750,000	\$670,000	-10.67%
Community Development	\$15,000	\$12,000	-20.00%
Emergency Telephone (E911)	\$319,212	\$352,060	10.29%
Employees' Benefit Insurance	\$6,528,106	\$6,565,040	0.57%
Grants	\$61,800	\$218,300	253.24%
Municipal Service District	\$274,035	\$277,655	1.32%
Police Special Revenue	\$81,795	\$80,996	-0.98%
Public-Private Partnerships	\$ -	\$10,000	0.00%
Sewer Capital Reserve	\$525,000	\$375,775	-28.42%
Water Capital Reserve	\$193,475	\$250,775	29.62%
Rate Stabilization Fund	\$ -	\$663,000	0.00%
Sewer Debt Service Reserve Fund	\$299,502	\$261,765	-12.60%
MPO Plan Grant Fund	\$229,500	\$223,000	-2.83%
Equitable Sharing - US Dept. of Justice	\$ -	\$ -	0.00%
Equitable Sharing - US Dept. of Treasury	\$ -	\$ -	0.00%
TOTAL ALL FUNDS	\$127,165,841	\$120,701,296	-5.08%

City Manager's Budget Message | FY 2016-17

	General Fund			
	Adopted Budget FY2013-14	Adopted Budget FY2014-15	Adopted Budget FY2015-16	Budget FY2016-17
Revenues:				
Ad Valorem Taxes	12,930,000	12,945,500	13,291,982	13,474,500
Sales Taxes	5,082,000	5,025,000	5,971,406	6,172,000
Intergovernmental Revenues	3,199,500	3,156,600	3,625,748	3,738,000
Other Taxes & Fees	397,100	397,100	138,600	154,500
Investment Earnings	14,500	14,500	10,000	26,000
Miscellaneous Revenue	439,473	463,778	476,044	395,400
Interfund Reimbursements	4,172,900	4,426,515	2,638,636	3,714,954
Interfund Transfers & Transfer Supports	5,004,146	4,206,945	3,943,541	2,885,029
Proceeds from Debt Issuance	1,816,774	1,601,201	1,214,409	1,132,120
Police Revenues	216,577	199,538	212,900	322,900
Fire Revenues	27,604	27,341	27,680	30,900
Recreation Revenues	201,107	201,107	195,100	189,400
Permits and Fees	522,068	384,753	398,358	460,250
Refuse Collection Fees	2,725,000	2,725,000	2,462,000	2,462,000
Public Works Revenues	130,000	141,000	115,000	96,000
Fund Balance	0	0	0	0
Subtotal General Fund Revenues	\$36,878,749	\$35,915,878	\$34,766,404	\$35,253,953
Grants and Gifts	0	0	0	0
Total General Fund Revenues	\$36,878,749	\$35,915,878	\$34,766,404	\$35,253,953
Expenses:				
General Government	1,598,167	1,454,814	2,997,171	2,874,716
Finance	3,354,114	2,980,396	1,168,858	1,312,980
Human Resources	574,046	568,565	522,021	562,194
Police	10,112,569	10,731,276	10,556,213	10,666,767
Fire and Fire Volunteers	6,599,124	5,875,475	6,074,902	6,228,432
Parks & Grounds	3,321,799	3,322,388	3,185,499	3,292,219
Development Services	1,886,244	1,643,991	1,631,399	1,631,330
Public Works	9,160,340	9,065,051	8,400,422	8,474,830
Charges for Shared Services	110,693	113,922	123,375	0
Interfund Transfers & Transfer Supports	0	0	0	118,358
Contingency	161,483	160,000	106,542	92,127
Subtotal General Fund Expenses	\$36,878,749	\$35,915,878	\$34,766,404	\$35,253,953
Grant Programs	0	0	0	0
Total General Fund Expenses	\$36,878,749	\$35,915,878	\$34,766,404	\$35,253,953

# of Positions Funded	303	306	288.5	293
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FY 16-17 Recommended Budget Highlights

General Fund

General Administration

- \$1,200 - funded for travel and training of each board member
- \$54,720 - Dues and subscriptions for various organizations important to City business
- Clerk's expenses transferred to General Administration
- \$29,000 - Governing Board monthly travel allowances
- City Clerk position transferred to General Administration from Governing Board
- Office Assistant III transferred to Admin from Utility Business Office
- \$60,000 - Professional services used at the discretion of the City Manager
- \$40,000 - Postage for all outgoing mail for City, excluding tax and utility bills
- City Clerk's expenses transferred from Governing Board
- 3% fee increase from FY 15-16 for legal fees.
- \$17,500 - funding for Craven 100 Alliance
- \$75,000 - funding for contractual agreement for Public Library
- Funding for ward appropriations remain at \$1,000 each
- \$2,000 - Christmas decorations
- \$30,000 - funding for Community Development, \$15,000 for Code Red alert system, and \$15,000 in funds for special projects that may arise during budget year as authorized by City Manager

PEG

- \$4,000 - Professional services for filming and development of programming for CTV3
- \$3,000 - Software & hardware maintenance for CTV3
- \$26,000 - Swagit installation for remote recording of government meetings

Information Technology

- The IT Division is proposing a restructuring of our table of organization beginning this FY. The restructuring is intended to better utilize the knowledge and experience of senior personnel, improve the operational efficiency of the division, and provide a more logical career progression path for employees.
- The requested operating budget for FY16-17 represents a reduction as compared to the FY15-16 operating budget. Although the reduction can be attributed to several factors, chief among them is the operational efficiencies gained through the extensive infrastructure consolidations that have been completed over the past several years.
- The requested operating budget provides for the anticipated costs of the ongoing operation, maintenance and support of the City's IT infrastructure as well as the implementation of several non-capital improvements.

- The proposed projects include a new vehicle and several projects to improve the security and manageability of the City's IT systems.

Development Services

- The department remains fully staffed and no new positions are requested
- The operational budget has experienced a slight decline over FY 15/16. The greatest variances are found in the IT Restricted and Other Professional Services lines.
- The FY16/17 budget includes \$48,000 for the purchase of 2 new vehicles for the Building Inspections Division

Finance

- \$130,000 - Ad Valorem & Short Term Lease Collection Fees
- \$5,000 - New carpet and window treatment for Finance office at City Hall
- \$50,080 - Increase of rent due to the restructuring and reallocation of the Kale Road property debt
- \$29,000 - Temporary Services for a full-time Storekeeper
- \$30,000 - Electric forklift with a more appropriate turn radius and size to meet the needs of the new warehouse facility

Fire

- Temporary employee for digitizing old Fire Department records; thereby freeing up some much needed storage space. Doing so is much more cost efficient than hiring a records management company.
- \$32,700 - Personal Protective Equipment (PPE) for career firefighters in accordance with NFPA
- \$16,500 - Medical exams for career firefighters (OSHA & NFPA required)
- \$13,500 - Personal Protective Equipment (PPE) for volunteer firefighters in accordance with NFPA
- \$13,000 - Repairs and maintenance to all aging fire apparatus including fire pumps, valves, gauges, etc.
- \$11,000 - Repairs and maintenance to emergency apparatus lighting (from an outside vendor source)
- \$8,100 - Three (3) Viper capable portables for assisting command staff with mutual aid communications
- \$6,500 - Fire protection contracts with Tri-Community Volunteer Fire Department for Sandy Point/Bridgeton Food Lion areas, and No. 7 Township Fire & Rescue for Brices Creek/Arthur Farm areas located outside of the 5 mile radius of a fire station as required by Department of Insurance
- \$6,000 - Stipends for volunteer firefighters
- \$5,400 - Preventive maintenance service contracts on Sutphen Engines and Ladder apparatus
- \$5,200 - 1,000 Feet of 5" large diameter hose (10 - 100' sections)

- \$5,000 - Professional/development classes to provide 360 feedback, competence, and improve department's leadership capabilities; a key element to ensure we are maximizing potential and raising future leaders
- \$5,000 - Linen supplies/maintenance for all fire stations
- \$5,000 - Emergency lighting parts for aging apparatus (work performed in house)
- \$5,000 - Miscellaneous Urban Search and Rescue (USAR) equipment
- \$4,950 - 1 - Viper capable mobile radio for Marine-1 to assist with mutual aid communications.
- \$4,400 - 2 - Automatic External Defibrillators (AED's) to replace older non-compliant units.
- \$4,000 - Miscellaneous confined space rescue equipment
- \$4,000 - Side sonar for Marine-1 to assist with search and rescue missions
- \$4,000 - Replace Padgenite walls in live fire burn room as existing units are over 12 years old and beginning to fail
- \$3,900 - 1,000 Feet of 1.75" and 2.5" fire attack hose (20 - 50' sections).
- \$3,200 - 2 - Piston intake valves to replace units that are over 15 years old.
- \$3,000 - Smoke detectors for continuation of Home Safety Visit Program.
- \$38,000 - Replace 2003 Incident Command vehicle (a critical resource) with SUV-type vehicle. Current vehicle has high mileage, is constantly being repaired, and maintenance costs continue to mount.
- \$35,000 - Replace 1999 F-350 with a similar service vehicle. Current vehicle has high mileage, is constantly being repaired, and maintenance costs continue to mount.
- \$30,000 - Self Contained Breathing Apparatus (SCBA) as part of an on-going rotation program to ensure firefighters are equipped with the necessary equipment in emergency incidents.
- \$23,000 - Replace fire pump on Marine-1 due to age and difficulties finding parts. Past malfunctions have put our marine firefighting capabilities at risk.

Human Resources

- \$21,000 - Medical Professional Services. Increase in this line is primarily due to a rise in vendor cost associated with some pre-employment screenings.
- \$19,000 - Salary/Grade Reevaluation

Parks & Recreation

- Consolidation of Athletics into Administration
- Requesting various position title changes
- Use of newly acquired CAPRA accreditation national standards
- \$7,500 - Building Improvements to the Sexton House
- Facilities Division is now a combination of Stanley White, West New Bern Rec, and Aquatics
- Continued development of community programs and events
- \$16,000 - Improvements to the roof at the Stanley White Recreation Center
- Inclusion of temporary help services and comprehensive volunteer program
- \$65,000 - 2 Vehicle Replacements
- Continued use of temporary staff – Parks & Grounds
- Reorganization of some positions within the division

- \$67,000 - Union Point Renovations

Police

- Requesting one Police Officer be moved from unfunded to funded and add one additional Police Officer added to our authorized strength. The Police Officer positions are necessary to increase the Vice and Narcotics Unit.
- Operating Budget has increased slightly due to updating equipment such as Tasers, MDC's, and replacement of other aging equipment as well as an increase in Service and Maintenance Contracts such as copiers, and IT equipment. Another impact to the department's budget is the additional cost of the Riverdale Tower fees, formerly covered by enterprise funds.
- \$110,000- Replacement of Chiller, Boiler, etc.
- \$501,120 - Police Vehicles
- Emergency 911 Support organization now funds 2 positions transferred from E911 Fund
- Plotter paper, ink cartridges, and other miscellaneous office supplies

Public Works

- \$23,820 - Yearly renewal fee for Public Works work order system
- \$1,500 - New scanner for Administrative Assistant
- \$1,500 - New scanner for Office Assistant III
- \$5,000 - Professional Services
- Insurance Renewal rate are anticipated to remain the same for FY 17
- \$155,000 - Parts needed for in house repairs
- \$300,000 - Parts and labor for repairs contracted out
- \$180,000 - Vehicle liability insurance
- \$35,000 - Service vehicle
- \$12,000 - Utilities for the Firemen's Museum
- \$75,000 - Janitorial and Floor Cleaning Services for City Buildings
- \$45,000 - Contracted services for generators, elevators, fire alarms, etc.
- Decrease in debt service is due to the transfer of the Kale Road property loan to the Electric Fund/Warehouse Division.
- \$700,000 - Implement Street resurfacing project
- \$26,622 - Radio Communication yearly fee for all of Public Works
- \$410,000 - Estimated electrical charge for street lights
- \$125,000 - Repair and Maintenance of Sidewalks
- \$40,000 - Loose Leaf Machine to replace our old fleet
- \$35,000 - Tractor with bushhog for mowing
- \$40,000 - Service vehicle
- \$60,000 - Tractor Trailer (Cab only - Used)
- \$180,000 - Knuckle Boom Route Truck
- \$225,000 - Brown Good / White Goods Disposal Fees
- \$725,000 - Commercial Waste Collection
- \$1,100,000 - Residential Waste Collection

City Manager's Budget Message | FY 2016-17

Water Fund				
	Adopted Budget FY2013-14	Adopted Budget FY2014-15	Adopted Budget FY2015-16	Budget FY2016-17
Revenues:				
Charges for Sales & Service	10,655,000	10,250,500	9,625,500	9,712,000
Connection Fees	15,400	30,000	30,000	35,000
Investment Earnings	3,500	1,700	1,700	1,675
Miscellaneous Revenue	2,500	2,500	2,500	100
Interfund Reimbursements	146,174	147,339	151,236	143,846
Interfund Transfer - Sewer	114,396	0	0	0
Proceeds from Debt Issuance	242,700	225,570	0	83,000
Fund Balance	410,531	0	198,031	0
Total Water Fund Revenues	\$ 11,590,201	\$ 10,657,609	\$ 10,008,967	\$ 9,975,621
Expenses:				
Water Resources				
Administration	584,694	592,011	604,943	575,382
Water Treatment	2,301,550	2,117,433	2,097,417	2,208,295
Water Distribution				
Maintenance	3,098,497	2,922,785	2,788,651	2,544,944
Debt Service	2,838,599	2,869,593	2,919,728	3,143,381
Charges for Shared Services	1,632,866	1,572,827	1,349,029	1,192,702
Interfund Transfer - General	1,134,015	317,695	249,199	310,917
Transfer to - Fund Balance	0	265,265	0	0
Contingency	0	0	0	0
Total Water Fund Expenses	\$ 11,590,201	\$ 10,657,609	\$ 10,008,967	\$ 9,975,621
 # of Positions Funded	 48	 48	 45	 43

FY 16-17 Recommended Budget Highlights
Water Fund

- (1) Hydrant/Meter Maintenance Worker position transferred to 9202 for FY16-17.
- \$440,000 - Utilities for the operation of the WTP and (20) production wells
- \$275,000 - Chemicals for water treatment and lab testing to meet State and Federal regulations
- \$138,700 - Service and maintenance of (6) elevated and (3) ground storage tanks
- \$60,000 - Upgrade to Industrial Park booster pump
- \$15,000 - Implementation of work order and asset management program
- \$30,000 - Pickup truck replacement
- (2) Utility Maintenance Lead Worker positions transferred to 9404 for FY16-17
- (8) Utility Maintenance Lead Worker positions and (1) Crew Supervisor position will remain vacant and unfunded for FY16-17
- \$145,000 - Utilities required for system components and operations facility
- \$33,250 - Repair and maintenance of operational equipment; backhoes, excavators, pumps, etc.
- \$55,000 - Pipe, fittings, couplings used in the repair of existing water mains
- \$12,000 - NC One Call
- \$250,000 - Various water system improvements
- \$83,000 - Mini excavator
- \$34,000 - Pickup truck replacement

City Manager's Budget Message | FY 2016-17

Sewer Fund				
	Adopted Budget FY2013-14	Adopted Budget FY2014-15	Adopted Budget FY2015-16	Budget FY2016-17
Revenues:				
Charges for Sales & Service	11,140,500	10,986,000	10,468,000	10,834,000
Capital Recovery Fee	0	0	0	0
Connection Fees	88,300	46,550	46,550	45,000
Investment Earnings	1,000	1,000	1,000	1,700
Miscellaneous Revenue	3,000	3,000	2,000	250
Trent Woods	599,988	581,118	562,250	543,382
Interfund Transfer - Water	0	0	0	0
Proceeds from Debt Issuance	551,500	159,800	525,000	0
Fund Balance	430,051	0	96,735	0
Total Sewer Fund Revenues	\$ 12,814,339	\$ 11,777,468	\$ 11,701,535	\$ 11,424,332
Expenses:				
Sewer Treatment	2,835,484	2,378,598	2,706,911	2,814,594
Sewer Collection System				
Maint	3,307,994	3,219,954	3,724,477	3,610,478
Debt Service	3,052,653	3,136,445	3,108,776	2,966,454
Charges for Shared Services	1,698,904	1,693,627	1,495,194	1,337,405
Interfund Transfer - General	1,804,908	382,413	385,543	433,636
Interfund Transfer - Water	114,396	0	0	
Interfund Transfer - Other	0	299,502	280,634	261,765
Transfer to - Fund Balance	0	334,463	0	
Contingency	0	0	0	0
Total Sewer Fund Expenses	\$ 12,814,339	\$ 11,777,468	\$ 11,701,535	\$ 11,424,332
# of Positions Funded	37	35	34	35

FY 16-17 Recommended Budget Highlights
Sewer Fund

- \$650,000 - Utilities required for operating pumps, blowers, heaters and other equipment
- \$354,000 - Chemicals required for treatment process to meet State and Federal regulations
- \$65,000 - Repair and replacement of WWTP components
- \$60,000 - (2) Pickup truck replacements
- \$35,000 - SCADA system upgrade
- (2) Utility Maintenance Lead Worker positions will be transferred to 9404 for FY16-17
- (2) Inflow and Infiltration Technician positions will be added to this division for FY16-17
- (7) Utility Maintenance Worker positions and (2) Pump Station Mechanic positions will remain vacant and unfunded for FY16-17.
- \$363,000 - Utilities required to operate 111 sanitary sewer lift stations and operations facilities
- \$45,000 - Repair and maintenance of operational equipment; backhoes, excavators, pumps, etc.
- \$85,000 - Repair and maintenance of sanitary sewer lift stations
- \$155,000 - Rehabilitation/repair of sanitary sewer mains
- \$275,000 - Replacement/installation of pumps and accessories for the Township No. 7 STEP System
- \$45,000 - Control panels for Township No. 7 STEP System
- \$85,000 - Pipe and fittings for Township No. 7 STEP System
- \$250,000 - Various Sewer Improvements Projects
- \$250,000 - Rehabilitation of (2) sanitary sewer lift stations
- \$60,000 - (2) Replacement of pickup truck
- \$13,650 - Replacement sewer service camera
- \$10,700 - Replacement trailer for sewer camera
- \$10,500 - Trench box panels and spreader bars

Electric Fund				
	Adopted Budget FY2013-14	Adopted Budget FY2014-15	Adopted Budget FY2015-16	Budget FY2016-17
Revenues:				
Charges for Sales & Service	62,506,701	61,976,081	60,305,444	52,471,875
Investment Earnings	2,000	2,000	2,000	2,000
Miscellaneous Revenue	73,869	73,869	82,565	132,645
Interfund Reimbursements	715,848	625,453	609,042	632,504
Proceeds from Debt Issuance	134,098	394,722	408,000	185,000
Transfer from Rate Stabilization	0	0	0	663000
Total Electric Fund Revenues	\$ 63,432,516	\$ 63,072,125	\$ 61,407,051	\$ 54,087,024
Expenses:				
Electric Administration	798,944	782,519	711,587	740,256
Utility Billing	490,752	0	0	0
Utility Service	758,927	0	0	0
Distribution O & M	4,812,179	4,967,415	5,117,819	5,354,266
Power Supply	48,356,119	47,558,637	46,950,211	39,170,162
Communications Control	392,958	472,634	467,982	453,489
Utility Business Office	1,165,213	2,386,618	2,412,306	2,563,391
Debt Service	851,748	1,031,088	1,205,206	1,761,551
Charges for Shared Services	2,225,791	2,392,434	1,094,251	1,073,508
Interfund Transfer - General	3,517,153	3,407,951	3,308,799	2,970,401
Contingency	62,732	72,829	138,889	0
Total Electric Fund Expenses	\$ 63,432,516	\$ 63,072,125	\$ 61,407,050	\$ 54,087,024
# of Positions Funded	84	84	79	77

FY 15-16 Recommended Budget Highlights
Electric Fund

- 5311-9602-73130-755 Lease Program – Copier/Printer - Increase of \$7383 from new lease program
- No significant changes in operating expense this fiscal year – Distribution
- Replacement of U-4 1/2 - ton Truck - \$25,000
- Replacement of U-7 3/4 - ton Truck - \$35,000
- Replacement of U-20 1-ton with landscape dump- \$45,000
- Replacement of U-77 4x2 1-ton Truck utility body - \$45,000
- Replacement of U-17 Flat Bed/Locker 1 Ton 4x4 Truck - \$45,000
- Replacement of (U-41) O-4 Service Bucket Truck - \$185,000
- Replacement of U-82 Backhoe/Trencher - \$50,000
- Replacement of G-59 ROW Tractor - \$90,000
- Replacement of G-69 Brush Chipper - \$50,000
- Replacement of Fiber on Glenburnie Rd- \$185,000
- Funding of additional Load Management Technician
- 5311-9610-73130-760 Lease Program – Copier/Printer Increase of \$1920 from new lease program
- 5311-9610-74710-760 Purchases for Resale Reduction of \$378,000 from cost model
- SCADA Field Equipment for the new Survalent System
- Position Reduction: Payment Service Representative position (1) will not be funded as customer payments for Prepay No Deposit accounts will be automated. Customer Service Representative (1) was transferred to Administration. Seven (7) positions have been reduced in the last 4 budget cycles for this division. Additional efficiencies will also be gained through business process enhancements and equipment/services that significantly reduce payment processing labor.
- \$31,000 overtime above typical requirements is projected for equipment installation in support of the Board of Aldermen's 3rd phase approval of the Advanced Meter Infrastructure (AMI) initiative.
- \$4,000 - Salaries Seasonal part-time summer intern will assist on special projects in support of the Utility Strategic Planning initiative in conjunction with the Public Utilities Department.
- \$102,000 -Temporary Help Services for contract work to help during staff vacancies and transition from field meter reading to (AMI) remote meter reading/remote service order business process technology.
- \$152,300 – Miscellaneous Other Services for lockbox, online banking payment processing, bill and customer insert printing, electronic bill payment and presentment, equipment and services

that significantly reduce payment processing labor to facilitate expeditious, efficient service. Community involvement and outreach communications programs also funded from this line item.

- \$96,000 - Merchant's Credit Card Fees will be absorbed for those enrolled in Pre Pay No Deposit Utility Services. Customers will have automated options to pay 24/7 via web, mobile & phone similar to other NC municipalities to significantly reduce payment processing labor.
- American Public Power Demonstration of Energy & Efficiency Developments (DEED) Program Grant application slated August '16 for weatherization program pilot. \$125,000 grant with no City match required; therefore not included as part of budget request.
- \$23,000 – Replacement of 14 year old general use department vehicle.
- \$50,000 - Customer parking area repair and partial asphalt resurfacing, safety, traffic flow, drainage and landscaping improvements. Estimate includes design fees in multi-phase project.

Stormwater Fund

	Adopted Budget FY2013-14	Adopted Budget FY2014-15	Adopted Budget FY2015-16	Budget FY2016-17
Revenues:				
Charges for Sales & Service	764,316	690,000	690,000	670,000
Proceeds from Debt Issuance	0	40,000	40,000	0
Total Stormwater Fund Revenues	\$ 764,316	\$ 73,000	\$ 730,000	\$ 670,000
Expenses:				
Stormwater	744,379	642,033	591,436	520,050
Debt Service	0	73,176	79,035	92,186
Charges for Shared Services	0	0	59,529	57,764
Contingency	19,937	14,791	0	0
Total Stormwater Fund Expenses	\$ 764,316	\$ 730,000	\$ 730,000	\$ 670,000
# of Positions Funded	5	5	6	6

**FY 15-16 Recommended Budget Highlights
Stormwater**

- The proposed revenue for FY17 includes no increase in the Stormwater Utility fee that is currently set at \$2.10 per ERU.
- In previous years the expenses for Other Supplies & Materials, Janitorial Supplies, and Miscellaneous Supplies have been muddled. Therefore, this budget proposes to combine these expenses into one line item.

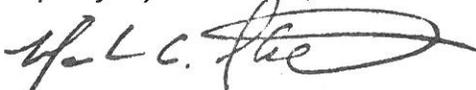
Conclusion

The FY16-17 City Budget was developed as a team effort with forethought and placing the needs of the City over individual Department desires. The contributing employees of the City dug deep to meet the goals of the Board of Aldermen, take the necessary steps to maintain low utility rates, and produce a budget that is financially sound and utilizes the public's money to its fullest potential. Each department evaluated their budgets in detail to reduce waste and maximize staff utilization to produce a budget that is balanced and supports the ongoing operations of the city and the goals of the Board of Aldermen. By doing so, we are able to maintain reduced rates established for last year's enterprise funds, while maintaining a high level of customer service that has come to be expected in the City of New Bern.

The City has faced severely low balance reserves in the past in all of our funds which prompted the Local Government Commission to issue notices of violation of fund balance reserve policies. The Board and staff of the City have worked diligently to overcome this undesirable cash position and over the past several years maintained a healthy fund balance in all funds. Additionally, the City has used funds above the informal general fund balance policy of 25% to eliminate high-interest loans and pay cash for projects that in the past would have been financed or impossible to consider. This is a prudent and financially wise practice to eliminate costs due to interest for loans and take advantage of lower rates that are projected to increase of the next few years. Currently, the City has over 90 days of cash on hand in each of our major Enterprise Funds (Electric, Water, and Sewer) and over 35% reserves in the General Fund. This positive cash position continues to be a testament to this City's resolve to make financial accountability and prudent decision-making a focal point of the past few years' budgets.

It is with great anticipation that we transition into a new fiscal year, allowing for positive momentum and continued growth for the City. As this City celebrates its strong heritage, attractive environmental qualities and opportunities, reasonable cost of living, and growing reputation as a place to live, work, and play, staff stands ready to perform at the highest level with the direction of the Board of Aldermen to maximize the potential this great City has to offer. As our brand truly states, Everything Comes Together Here!

Respectfully submitted,



Mark A. Stephens, PE
City Manager

**City of New Bern Budget
Fiscal Year 2016-17**

Summary of Funds

Fund	Fund #	Actual Last Year FY 2014-15	Adjusted Budget FY 2015-16	Manager's Recommended FY 2016-17	Approved Budget FY 2016-17
Section 1 - General Fund					
General Fund Revenues	1111	39,338,677	39,312,614	35,253,953	37,253,653
General Fund Expenses	1111	33,345,154	39,312,614	35,253,953	37,253,653
		5,993,523	0	0	0
Section 2 - Water Fund					
Water Fund Revenues	5111	10,731,836	10,644,417	9,975,621	9,975,621
Water Fund Expenses	5111	10,060,673	10,644,417	9,975,621	9,975,621
		671,163	0	0	0
Section 3 - Sewer Fund					
Sewer Fund Revenues	5211	11,527,877	12,334,756	11,424,332	11,424,332
Sewer Fund Expenses	5211	11,148,834	12,334,756	11,424,332	11,424,332
		379,043	0	0	0
Section 4 - Electric Fund					
Electric Fund Revenues	5311	63,663,480	55,729,581	54,087,024	54,087,024
Electric Fund Expenses	5311	62,141,454	55,729,581	54,087,024	54,087,024
		1,522,026	0	0	0
Section 5 - Stormwater Fund					
Stormwater Fund Revenues	5411	679,333	758,351	670,000	670,000
Stormwater Fund Expenses	5411	607,044	758,351	670,000	670,000
		72,289	0	0	0
Section 6 - Other Funds					
Community Development Fund Revenues	2114	1,004	15,000	12,000	12,000
Community Development Fund Expenses	2114	11,188	15,000	12,000	12,000
		(10,184)	0	0	0
Emergency Telephone System Revenues	2911	314,910	319,212	352,060	352,060
Emergency Telephone System Expenses	2911	281,624	319,212	352,060	352,060
		33,286	0	0	0
Employees' Benefit Insurance Revenues	6111	6,695,709	6,531,290	6,565,040	6,565,040
Employees' Benefit Insurance Expenses	6111	6,453,917	6,531,290	6,565,040	6,565,040
		241,792	0	0	0
Grants Fund Revenues	2320	107,972	107,046	218,300	218,300
Grants Fund Expenses	2320	172,929	107,046	218,300	218,300
		(64,957)	0	0	0

**City of New Bern Budget
Fiscal Year 2016-17**

Summary of Funds

Fund	Fund #	Actual Last Year FY 2014-15	Adjusted Budget FY 2015-16	Manager's Recommended FY 2016-17	Approved Budget FY 2016-17
Section 6 - Other Funds (cont.)					
MSD Fund Revenues	1611	277,774	274,035	277,655	277,655
MSD Fund Expenses	1611	193,226	274,035	277,655	277,655
		84,548	0	0	0
Police Special Revenue Fund Revenues	2921	26,872	84,731	29,893	29,893
Police Special Revenue Fund Expenses	2921	67,660	84,731	29,893	29,893
		(40,788)	0	0	0
Equ Sharing - US Dept of Justice Revenues	2923	0	0	51,103	51,103
Equ Sharing - US Dept of Justice Expenses	2923	0	0	51,103	51,103
		0	0	0	0
Equ Sharing - US Dept of Treasury Revenues	2924	0	0	0	0
Equ Sharing - US Dept of Treasury Expenses	2924	0	0	0	0
		0	0	0	0
Public-Private Partnerships Revenues	2925	2,936	10,000	10,000	10,000
Public-Private Partnerships Expenses	2925	2,936	10,000	10,000	10,000
		0	0	0	0
Sewer Capital Reserve Fund Revenues	4515	409,787	525,000	375,775	375,775
Sewer Capital Reserve Fund Expenses	4515	0	525,000	375,775	375,775
		409,787	0	0	0
Water Capital Reserve Fund Revenues	4311	295,913	193,475	250,775	250,775
Water Capital Reserve Fund Expenses	4311	306,000	193,475	250,775	250,775
		(10,087)	0	0	0
Rate Stabilization Fund Revenues	5321	0	0	663,000	663,000
Rate Stabilization Fund Expenses	5321	0	0	663,000	663,000
		0	0	0	0
Sewer Debt Service Reserve Fund Revenues	5221	299,559	280,634	261,765	261,765
Sewer Debt Service Reserve Fund Expenses	5221	0	280,634	261,765	261,765
		299,559	0	0	0
MPO Plan Grant Fund Revenues	2124	206,940	229,500	223,000	223,000
MPO Plan Grant Fund Expenses	2124	196,354	229,500	223,000	223,000
		10,586	0	0	0

REVISED
BUDGET ORDINANCE 2016-2017
CITY OF NEW BERN, NORTH CAROLINA

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF NEW BERN, NORTH CAROLINA:

SECTION 1. The following amounts are hereby appropriated for the operation of the City of New Bern beginning July 1, 2016 and ending June 30, 2017 according to the following schedules:

SCHEDULE A - GENERAL FUND

Governing Board	254,605
Administration	747,971
Legal	220,749
Special Appropriations	136,000
PEG	67,200
Information Technology	1,447,576
Finance:	
Accounting	946,390
Warehouse	366,590
Human Resources	562,194
Police	10,539,249
Emergency 911 Support	127,518
Fire	6,228,432
Recreation:	
Administration	639,176
Facilities	1,405,818
Parks & Grounds	1,262,225
Development Services	1,631,330
Public Works	
Administration	326,973
Insurance	720,000
Garage	0
Public Buildings	949,518
Streets	5,343,253
Leaf & Limb	1,085,086
Sanitation	2,050,000

Shared Services Charges	0
Interfund Transfers	118,358
Contingency	<u>77,442</u>

TOTAL GENERAL FUND 37,253,653

SCHEDULE B - MUNICIPAL SERVICE DISTRICT FUND

Municipal Service District	<u>277,655</u>
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TOTAL MUNICIPAL SERVICE DISTRICT FUND 277,655

SCHEDULE C - WATER FUND

Water Resources Administration	575,382
Water Treatment	2,208,295
Water Distribution Maintenance	2,545,048
Water Debt Service	3,143,381
Shared Services Charges	1,192,598
Interfund Transfers & Transfer Supports	310,917
Contingency	<u>0</u>

TOTAL WATER FUND 9,975,621

SCHEDULE D - SEWER FUND

Sewer Treatment	2,814,594
Sewer Collection System Maint.	3,610,576
Sewer Debt Service	2,966,454
Shared Services Charges	1,337,307
Interfund Transfers & Transfer Supports	695,401
Contingency	<u>0</u>

TOTAL SEWER FUND 11,424,332

SCHEDULE E - ELECTRIC FUND

Electric Administration	740,256
Distribution O&M	5,354,266
Power Supply	39,170,260
Communications Control	453,489
Utility Business Office	2,563,391

Electric Debt Service	1,761,551
Shared Services Charges	1,073,410
Interfund Transfers & Transfer Supports	2,970,401
Contingency	<u>0</u>

TOTAL ELECTRIC FUND 54,087,024

SCHEDULE F - STORMWATER FUND

Stormwater Maintenance	520,050
Stormwater Debt Service	92,186
Shared Services Charges	<u>57,764</u>

TOTAL STORMWATER FUND 670,000

SCHEDULE G - EMPLOYEES' BENEFIT INSURANCE FUND

Employee Benefits	<u>6,565,040</u>
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TOTAL EMPLOYEES' BENEFIT INSURANCE FUND 6,565,040

SCHEDULE H - EMERGENCY TELEPHONE SYSTEM FUND

E-911	<u>352,060</u>
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TOTAL EMERGENCY TELEPHONE SYSTEM FUND 352,060

SCHEDULE I - POLICE SPECIAL REVENUE FUND

Police Special Revenue	<u>29,893</u>
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TOTAL POLICE SPECIAL REVENUE FUND 29,893

SCHEDULE J - COMMUNITY DEVELOPMENT FUND

Community Development	<u>12,000</u>
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TOTAL COMMUNITY DEVELOPMENT FUND 12,000

SCHEDULE K - GRANTS FUND

Grants and Programs 218,300

TOTAL GRANTS FUND 218,300

SCHEDULE L - PUBLIC-PRIVATE PARTNERSHIPS FUND

Partnerships Programs 10,000

TOTAL PUBLIC-PRIVATE PARTNERSHIPS FUND 10,000

SCHEDULE M - WATER CAPITAL RESERVE FUND

Water Capital Reserve 250,775

TOTAL WATER CAPITAL RESERVE 250,775

SCHEDULE N - SEWER CAPITAL RESERVE FUND

Sewer Capital Reserve 375,775

TOTAL SEWER CAPITAL RESERVE FUND 375,775

SCHEDULE O - RATE STABILIZATION FUND

Rate Stabilization 663,000

TOTAL RATE STABILIZATION FUND 663,000

SCHEDULE P - SEWER DEBT SERVICE RESERVE FUND

Sewer Debt Service Reserve 261,765

TOTAL SEWER DEBT SERVICE RESERVE FUND 261,765

SCHEDULE Q - MPO PLAN GRANT

MPO PLAN GRANT 223,000

TOTAL MPO PLAN GRANT FUND 223,000

SCHEDULE R - EQUITABLE SHARING - US DEPARTMENT OF JUSTICE

EQUITABLE SHARING	<u>51,103</u>
TOTAL EQUITABLE SHARING US DEPT OF JUSTICE	51,103

SCHEDULE S- Equitable Sharing US Dept of Treasury

EQUITABLE SHARING	<u>0</u>
TOTAL EQUITABLE SHARING US DEPT OF TREASURY	0

SECTION 2. It is estimated that revenues from the following major sources will be available for the fiscal year beginning July 1, 2016 and ending June 30, 2017 to meet the foregoing schedules:

SCHEDULE A - GENERAL FUND

Taxes & Licenses	19,801,000
Intergovernmental Revenue	3,738,000
Investment Earnings	26,000
Miscellaneous Revenue	395,400
Interfund Reimbursement	2,884,729
Transfer Support from Electric Fund	2,652,027
Transfer from Electric PILOT	318,374
Transfer Support from Water Fund	0
Transfer from Water PILOT	310,917
Transfer from Sewer PILOT	433,636
Proceeds from Borrowing	1,132,120
Police Revenues	322,900
Fire Revenues	30,900
Recreation Revenues	189,400
Permits and Fees	460,250
Public Works Revenues	96,000
Charges for Sales & Service	2,462,000
Fund Balance Appropriated	<u>2,000,000</u>
TOTAL GENERAL FUND	37,253,653

SCHEDULE B - MUNICIPAL SERVICE DISTRICT FUND

Taxes	268,000
Investment Earnings	155
Parking Fees	<u>9,500</u>
TOTAL MUNICIPAL SERVICE DISTRICT FUND	277,655

SCHEDULE C - WATER FUND

Charges for Sales & Service	9,747,000
Investment Earnings	1,675
Miscellaneous Revenue	100
Interfund Reimbursements	143,846
Proceeds from Borrowing	<u>83,000</u>
TOTAL WATER FUND	9,975,621

SCHEDULE D - SEWER FUND

Charges for Sales & Service	10,879,000
Investment Earnings	1,700
Miscellaneous Revenue	543,632
Transfer from Other Funds	0
Fund Balance Appropriated	<u>0</u>
TOTAL SEWER FUND	11,424,332

SCHEDULE E - ELECTRIC FUND

Charges for Sales & Service	52,471,875
Investment Earnings	2,000
Miscellaneous Revenue	132,645
Interfund Reimbursements	632,504
Transfer from Rate Stabilization Fund	663,000
Proceeds from Borrowing	<u>185,000</u>
TOTAL ELECTRIC FUND	54,087,024

SCHEDULE F - STORMWATER FUND

Charges for Sales & Service	670,000
Proceeds from Borrowing	<u>0</u>

TOTAL STORMWATER FUND 670,000

SCHEDULE G - EMPLOYEES' BENEFIT INSURANCE FUND

Investment Earnings	2,100
Interfund Reimbursements	6,244,669
Miscellaneous Revenue	0
Fund Balance Appropriated	<u>318,271</u>

TOTAL EMPLOYEES' BENEFIT INSURANCE FUND 6,565,040

SCHEDULE H - EMERGENCY TELEPHONE SYSTEM FUND

State 911 Distributions	316,960
Investment Earnings	100
Miscellaneous Revenues	<u>35,000</u>

TOTAL EMERGENCY TELEPHONE SYSTEM FUND 352,060

SCHEDULE I - POLICE SPECIAL REVENUE FUND

Investment Earnings	15
Restricted Police Revenue	24,887
Fund Balance Appropriated	<u>4,991</u>

TOTAL POLICE SPECIAL REVENUE FUND 29,893

SCHEDULE J - COMMUNITY DEVELOPMENT FUND

Fund Balance	<u>12,000</u>
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TOTAL COMMUNITY DEVELOPMENT FUND 12,000

SCHEDULE K - GRANTS FUND

Grant Programs	133,300
Transfer from General Fund	<u>85,000</u>

TOTAL GRANTS FUND 218,300

SCHEDULE L - PUBLIC-PRIVATE PARTNERSHIPS FUND

Transfer from General Fund	<u>10,000</u>
TOTAL PUBLIC-PRIVATE PARTNERSHIPS FUND	10,000

SCHEDULE M - WATER CAPITAL RESERVE FUND

Water Capital Reserve	<u>250,775</u>
TOTAL WATER CAPITAL RESERVE	250,775

SCHEDULE N - SEWER CAPITAL RESERVE FUND

Sewer Capital Reserve	<u>375,775</u>
TOTAL SEWER CAPITAL RESERVE FUND	375,775

SCHEDULE O - RATE STABILIZATION FUND

Transfer from Electric Fund	<u>663,000</u>
TOTAL RATE STABILIZATION FUND	663,000

SCHEDULE P - SEWER DEBT SERVICE RESERVE FUND

Sewer Debt Service Reserve	<u>261,765</u>
TOTAL SEWER DEBT SERVICE RESERVE FUND	261,765

SCHEDULE Q - MPO PLAN GRANT FUND

Grant Revenue	176,030
Grant Revenue (5303)	23,612
Transfer from General Fund	<u>23,358</u>
TOTAL MPO PLAN GRAND FUND	223,000

SCHEDULE R - EQUITABLE SHARING US DEPARTMENT OF JUSTICE

Investment Earnings	0
Restricted Police Revenue	36,094
Fund Balance Appropriated	<u>15,009</u>
TOTAL EQUITABLE SHARING US DEPT OF JUSTICE	51,103

SCHEDULE S - EQUITABLE SHARING US DEPARTMENT OF TREASURY

Investment Earnings	0
Restricted Police Revenue	<u>0</u>
TOTAL EQUITABLE SHARING US DEPT OF TREASURY	0

SECTION 3.

(a)

That there is hereby levied a tax at the rate of forty-six (\$0.46) per one hundred dollars (\$100.00) valuation of property as listed for taxes as of January 1, 2016, for the purpose of raising the revenue listed in "Taxes & Licenses" in Schedule A - General Fund in Section 2 of this ordinance. This rate is based on an estimated total valuation of Property for the purpose of taxation of \$2,945,000,000 and an estimated rate of collection of 98.%.

(b) General Statute 159-11(e) requires that in the year of a general revaluation, the revenue neutral tax rate be published. By state law, the revenue neutral rate is adjusted for the average annual growth in the tax base and for annexations and de-annexations. The Director of Finance for the City of new Bern has calculated the revenue neutral tax rate as \$.4618 per hundred dollars (\$100.00) of assessed value.

(c) That there is hereby levied an additional tax at the rate of thirteen and seventy-five hundredths cents (\$0.1375) per hundred dollars (\$100.00) valuation of property as listed for taxes as of January 1, 2016, on all property located in Municipal Service District, as defined and established by resolution adopted by the Board of Aldermen of the City of New Bern on June 27, 1978, expanded on June 26, 1986, and amended on January 8, 2008, for the purpose of raising revenue listed in Schedule B - Municipal Service District Fund in Section 2 of this Ordinance. The Director of Finance for the City of New Bern has calculated the Revenue Neutral Tax Rate as \$.1372 per hundred dollars (\$100.00) of assessed value.

SECTION 4.

The attached Classification Plan (Appendix A) effective July 1, 2016 is hereby adopted and incorporated into this Ordinance herein by reference.

SECTION 5. Special Authorization - Budget Officer

(a) The Budget Officer and Director of Finance shall be authorized to reallocate appropriations within departments and among the various line accounts not organized by departments as he or she deems necessary.

(b) Interfund transfers and transfer supports, established in the Budget Ordinance, may be

accomplished without additional approval from the Board.

SECTION 6. Restrictions - Budget Officer

- (a) Interfund transfers and transfer supports of monies, except as noted in Section 5(b), shall be accomplished by Board of Aldermen authorizations only.
- (b) Utilization of appropriations contained in Contingencies and Appropriations to Fund Balance may be accomplished only with specific approval of the Board of Aldermen.

SECTION 7.

The Director of Finance is authorized to write off accounts receivable 120 or more days delinquent and to place said accounts in a collection status.

SECTION 8.

The use of facsimile signatures for checks and other documents is re-authorized as established by a resolution adopted by the Board of Aldermen of the City of New Bern on the 9th day of December, 1986.

SECTION 9.

Copies of this Budget Ordinance shall be filed with the Budget Officer, Director of Finance and City Clerk.

SECTION 10.

This Ordinance shall take effect on July 1, 2016.

ADOPTED THIS 14th DAY OF JUNE, 2016.

Brenda E. Blanco
DEPUTY CITY CLERK

[Signature]
MAYOR

**City of New Bern
Fiscal Year 2016-17
Appendix A
Classification Pay Plan**

Grade	Title	Minimum	-	Midpoint	-	Maximum
1		19,610	-	25,763	-	31,915
2		20,591	-	27,051	-	33,511
3		21,620	-	28,403	-	35,187
4	Custodian	22,701	-	29,823	-	36,946
5	Lead Custodian	23,836	-	31,315	-	38,793
6	Hydrant/Meter Maintenance Worker I Meter Reader Parks Worker Senior Maintenance Worker Tree Trim Groundworker Utility Maintenance Worker I	25,028	-	32,880	-	40,733
7	Accounting Clerk Inventory Control Clerk Office Assistant II Recreation Program / Athletic Assistant Tree Trimmer Trainee Utility Service Specialist	26,279	-	34,524	-	42,770
8	Billing Services Representative Biosolids Operator Enrichment Program Assistant Equipment Operator I Hydrant/Meter Maintenance Worker II Irrigation Operator Lead Maintenance Worker Maintenance Construction Worker Payment Services Representative Police Service Technician Senior Storekeeper Utility Control System Operator Utility Maintenance Worker II Utility Service Technician	27,593	-	36,251	-	44,908
9	Customer Service Representative Electric Groundworker Electric Meter Technician Lead Equipment Operator I Maintenance Technician	28,973	-	38,063	-	47,153

**City of New Bern
Fiscal Year 2016-17
Appendix A
Classification Pay Plan**

	Office Assistant III				
	Parks Maintenance Specialist				
	Police Service Technician (Animal Control)				
	Police Service Technician (Property & Evidence)				
	Senior Billing Services Representative				
	Tree Trimmer				
	Warehouse Assistant				
	Wastewater Treatment Plant Operator I				
	Water Treatment Plant Operator I				
	Water Treatment Plant Operator I				
10	Accounting Technician I	30,422	-	39,966	49,511
	Auto Mechanic				
	Engineering Assistant				
	Equipment Operator II				
	Human Resources Assistant				
	Hydrant/Meter Maintenance Lead Worker				
	Police Officer Trainee				
	Police Service Technician/Telecommunicator				
	Pump Station Mechanic				
	Senior Customer Service Representative				
	Utility Maintenance Lead Worker				
11	Administrative Assistant	31,943	-	41,965	51,987
	Fire Specialist				
	Laboratory Technician				
	Wastewater Treatment Plant Operator II				
	Water Treatment Plant Operator II				
12	Electric Line Worker 3rd Class	33,540	-	44,063	54,586
	Fire Specialist I				
	Inflow and Infiltration Technician				
	Lead Auto Mechanic				
	Lead Equipment Operator II				
	Load Management Systems Technician				
	Nuisance Abatement Officer				
	Parks Crew Leader				
	Police Officer				
13	Accounting Technician II	35,217	-	46,266	57,315
	Building Inspector I				
	Customer Relations Assistant				
	Electric Svc. Representative				
	Fire Specialist II				
	Payment Services Supervisor				
	Tree Trim Crew Leader				
	Wastewater Treatment Plant Operator III				

**City of New Bern
Fiscal Year 2016-17
Appendix A
Classification Pay Plan**

	Water Treatment Plant Oper. III			
14	Biosolids Supervisor Electric Line Worker 2nd Class Electrical Engineer Technician Fire Specialist III GIS Technician Human Resources Technician Hydrant/Meter Crew Supervisor Master Police Officer I MPO Planner Planner Pretreatment Coordinator Substation Technician I Water/Sewer Crew Supervisor	36,978	- 48,579	- 60,181
15	Athletic Coordinator Building Inspector II Electrician Executive Assistant Heavy Equipment Manager Master Police Officer II Network Technician Recreation Program Coordinator Special Program & Events Coordinator Treatment Plants Maint. Supervisor Wastewater Treatment Plant Oper. IV Water Treatment Plant Operator IV	38,826	- 51,008	- 63,190
16	Account Services Supervisor Billing Services Supervisor Chief Treatment Plant Operator Civilian Unit Supervisor Electric Line Worker 1st Class Field Services and Metering Supervisor Fire Prevention Inspector IT Technician Master Police Officer III Substation Technician II	40,768	- 53,559	- 66,349
17	Accountant Supervisor of Administrative Support Services Building Inspector III City Clerk Facilities Maintenance Superintendent Fire Engineer Senior IT Technician	42,806	- 56,236	- 69,667

**City of New Bern
Fiscal Year 2016-17
Appendix A
Classification Pay Plan**

	Telemetry and Control Technician Purchasing and Warehouse Manager Water Facilities Maintenance Superintendent			
18	Supervisor of Athletics Building and Grounds Maintenance Superintendent Community Development Coord. Energy Management Specialist Facility Manager Fiber Systems Technician Financial and Budget Analyst Fire Captain Fire Prevention Inspector II Fleet Maintenance Superintendent IT Infrastructure Analyst IT Systems Analyst Laboratory Supervisor Police Sergeant Supervisor of Parks and Grounds Services Waste Collection Superintendent Water Resources Project Coordinator Water/Sewer Construction Superintendent	44,946	-	59,048 - 73,150
19	Electric Line Crew Leader Metropolitan Planning Organization Administrator Public Information Officer Safety Officer Senior IT Analyst Supervisor of Recreation Services	47,194	-	62,001 - 76,808
20	Chief Building Inspector GIS Coordinator Land & Community Development Administrator Senior Accountant	49,553	-	65,101 - 80,648
21	Streets Superintendent Utility Maintenance Superintendent Water Treatment Plant Manager Wastewater Treatment Plant Manager	52,031	-	68,356 - 84,681
22	Asst. Director of Human Resources City Planner Electric Substation Superintendent Fire Battalion Chief Fire Division Chief of Training Fire Marshal/Division Chief of Fire Prevention Police Lieutenant	54,633	-	71,774 - 88,915

**City of New Bern
Fiscal Year 2016-17
Appendix A
Classification Pay Plan**

	SCADA Control System Supervisor Senior Financial and Budget Analyst Staff Engineer Support Services Manager			
23	Assistant Director of Public Works Community & Economic Development Manager Information Technology Manager	57,364	- 75,362	- 93,360
24	Accounting Manager Deputy Fire Chief/Operations Commander Electric Engineering Manager Police Captain Utility Business Office Manager	60,232	- 79,130	- 98,028
25		63,244	- 83,089	- 102,930
26	Electric Distribution Superintendent	66,406	- 87,241	- 108,076
27		69,757	- 91,603	- 113,480
28		73,213	- 96,183	- 119,154.00
29		76,874	- 100,993	- 125,112.00
30	Director of Human Resources Director of Parks, Recreation & Cultural Services	80,717	- 106,042	- 131,367
31	Fire Chief City Engineer	84,753	- 111,344	- 137,935
32	Chief of Police Director of Development Services Director of Finance Director of Public Works Director of Utilities	88,991	- 116,911	- 144,832
33	Assistant City Manager	93,441	122,757	152,074

Effective Date 7/1/2016