



To: The Honorable Mayor & Board of Aldermen/women

From: Jason Burrell, Town Manager

May 14<sup>th</sup>, 2019

Mayor and Board of Aldermen/women:

In accordance with the Local Government Budget and Fiscal Control Act, the following budget for the fiscal year beginning July 1<sup>st</sup>, 2019 is presented for adoption.

A budget hearing will be held on May 23<sup>rd</sup>, 2019 at 6:30pm in the Walter Clark Board Chambers of Canton Town Hall. The date of Public Hearing was published as required by law.

On behalf of the Town of Canton I am pleased to submit to you the Proposed Annual Operating Budget for Fiscal Year 2019-2020. This document is the result of careful planning and thorough deliberation by myself and staff on how to best meet immediate operational needs and look forward to addressing infrastructure needs within the Town while maintaining, and in many areas, bolstering service delivery. Additionally, this budget focuses on continuing our forward movement in the direction of promoting the Town of Canton (through service, economic development initiatives, and aesthetic improvement) as a community that provides opportunity as well as, an inviting quality of life, not historically found in other areas of the region. This budget builds upon the foundations laid in fiscal year 2018-2019 but also incorporates the vision of staff and this Board to further new economic development initiatives and commit to making fiscally responsible investments in our infrastructure and workforce.

This budget holds true to the commitment of this Board to improving the community in which we live, work and play. The FY 2019-2020 Budget once again promotes economic development through its incentive programs by including \$50,000 for Interior Building Improvement and Façade Grants as well as, a number of others, established in an effort to assist in the redevelopment and revitalization of Canton's downtown. This has been a feature offered by the Town which has had great success over the last three years and served as a driver of new investment into our community.

With regard to personnel, this Budget highlights the commitment of not only providing its employees acceptable and competitive wages by adding a 2% COLA increase for all full-time employee positions but also establishes for the first time a "3% 401K match" for all employees who elect to contribute at least the same 3% of their annual salary to their 401K. Further, this FY 2019-2020 proposed Budget includes provision to continually meet those requirements of a Municipal Living Wage Certification.

Included in this budget are provisions to further improve our water infrastructure with the undertaking of the Spruce Street Area Water Improvement Project. This project has been made possible by not only staff's ability to look for areas of State funding available to assist with such a project but also your commitment as a Board to tackle issues in a proactive versus reactive manner.

Additionally, throughout the course of 2019-2020 the Town of Canton will be taking on several street projects by way of spending a portion of Powell Bill Funds. The Town will be partnering with NCDOT on a number of



roadway improvement projects, most importantly the continuing Pisgah Drive Roundabout and improvements along the Hwy 19/23 corridor from Chestnut Mountain Rd (Haywood County) to Wiggins Road (Buncombe County). In concert with NCDOT's resurfacing of Hwy 19/23 and the addition of bike lanes, in this budget you will find an allocation to add at least 1.5 miles of multi-use path along this corridor. While not obvious to some, I feel this multi-use pathway will serve as a catalyst to the improvement of pedestrian/vehicular safety, quality of life, promotion of a healthy lifestyle, and economic development within our community. This project will allow the Town of Canton to have the largest stretch of multi-use path in Haywood County, located along a NCDOT Highway and will serve as an aesthetically attractive entrance into our Town along this corridor. In addition, the Town will be partnering with NCDOT to begin preliminary engineering and hopefully Right Of Way acquisition along Champion Drive from the Community Kitchen building to Ingles Super Markets. This project scored very high on the priority listing for the Town of Canton's recently completed Bike and Pedestrian Plan. Also, included in the FY 2019-2020 Budget is an allocation to do approximately \$125,000 - \$170,000 in street repairs, resurfacing, and/or replacement. The ability to complete these projects will be based on a priority listing that takes into consideration current street condition, amount of vehicular traffic, other infrastructure replacements that can be accomplished at the same time, and cost to complete.

The FY 2019-2020 Budget holds the property tax rate at \$0.58, a place it has remained for a number of years; however, there are opportunities to expand the revenue streams which we rely on to not only operate this business/machine but move the dial ahead. Our collection of past due taxes has greatly improved over the last several years which is a positive trait to report. The Town's Tax Department has worked diligently toward this. As you may remember staff recommended a Motor Vehicle License Tax of \$30/vehicle registered in the Town of Canton in FY 2018-2019. The Board elected not to include the establishment of a Motor Vehicle License Tax at that time and while I have not recommended doing the same again in this FY 2019-2020 Budget I still remain confident that the implementation of a Motor Vehicle License Tax ranging from \$5.00/vehicle to \$30.00/vehicle is something which future Boards should consider especially as the demand for street, sidewalk and other improvements continue and with the spending down of some Powell Bill Fund Balance in FY 2019-2020. This influx of additional revenue (at whatever amount instituted) would allow the Town to do additional maintenance and improvements to our street/road systems in the future.

With regard to water and sewer rates, a slight increase for both inside and outside customers was included in the FY 2018-2019 Budget; however, no rate increases are slated for FY 2019-2020.

One of the largest challenges to this FY Budget as well as, one that the Town and Board face in future years is the continued subsidizing of Recreation by the General Fund, ultimately Fund Balance. As we move into the second year of operation of the new Champion Credit Union Aquatic Center there still exists some degree of uncertainty with regard to operating costs versus revenues; however, staff was very pleased with the revenue collected from both admission and pool party rentals from March '18 – Oct '18. I feel the set fee schedule for this facility is appropriate at this time. The greater concern exists with the lack of revenue generated at our other recreation facilities. Administration, staff and the Board continue to work together with additional partners to explore opportunities to close this gap while providing additional programs to our citizens.

Also, staff and I will be exploring grant opportunities offered at the local, state and federal levels to assist with the completion of a number of undertakings, not limited to the implementation of projects identified in the Town of Canton's Bike and Pedestrian Plan, Water Asset Inventory/Management Plan, and areas of outdoor Recreation that we have that can be expanded upon. We remain committed to working diligently to determine areas in which costs can be reduced and revenue maximized. It is with great honor and appreciation to the Town of Canton's Mayor and Board and Town of Canton staff that I present the following FY 2019-2020 Budget.

Respectfully Submitted,



Jason Burrell  
Town Manager