



To: The Honorable Mayor & Board of Aldermen/women

From: Jason Burrell, Town Manager

May 26th, 2020

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 1st, 2020 is presented for adoption.

A budget hearing will be held on May 28th, 2020 at 6:30pm via electronic means. 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 2020-2021. This document is the result of careful planning and thorough deliberation by myself and staff on how to best meet immediate operational needs and continue effective service delivery, primarily in the midst of the current COVID-19 pandemic. 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 prior years 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, services and amenities.

With the unknowns surrounding COVID-19 and its impact on our community, government operations and revenue streams this budget is one that is very conservative in nature; however, projects and initiatives included in this budget as expenditures staff feels some may be scalable. With the word “scalable” I mean that not everything which is listed in this budget must be done immediately July 1st, 2020. There is an opportunity to track and forecast revenue projections in an efficient and effective manner to control spending based on what we are able to see taking place.

This budget holds true to the commitment of this Board to improving the community in which we live, work and play. The FY 2020-2021 Budget once again promotes economic development through its incentive programs by including \$50,000 for Interior Building Improvement and Façade Grants 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 four 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 1% COLA increase for all full-time employee positions but also maintains the 3% 401K match for all employees who elect to contribute.

As we undertook in FY 2019-2020 the Spruce Street Area Water Improvement Project and since completed that project our next area of focus will be toward the completion of our previously commissioned AIA (Asset Inventory Assessment) Study to look for other potential water improvement projects moving forward. It is also staffs intention to seek assistance in making application for an AIA Study to look at sewer infrastructure as well.

During FY 2019-2020 we were able to patch and or resurface approximately eight roads in the project area of Spruce Street as a result of determined need after that infrastructure project was completed. During the course of 2020-2021 the Town of Canton will be taking on several street projects by way of spending a portion of Powell Bill Funds.

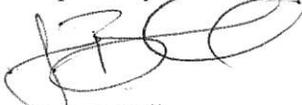
The FY 2020-2021 Budget holds the property tax rate at \$0.58, a place it has remained for a number of years.

With regard to water and sewer rates, no increases are projected at this time for either inside and outside customers in this budget; however, an increase should be expected in FY 2021-2022.

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 third 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 2019 – August 2019. 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, refocus on completion sidewalks on Newfound Street, proposed improvements to both Sorrells Street Park and Canton Recreation Park, 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 2020-2021 Budget.

Respectfully Submitted,



Jason Burrell
Town Manager

2020-2021 BUDGET
SUMMARY OF REVENUES
ALL FUNDS

10	General Fund	\$6,370,226.00
30	Water & Sewer Fund	\$2,372,235.00
40	Recreation Fund	\$783,332.00
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	TOTAL REVENUES	\$9,525,793.00
	Less Inter-Fund Transfers:	
	General Fund to Recreation Fund	642,312
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	TOTAL BUDGET	<u>8,883,481</u>

2020-2021 BUDGET
SCHEDULE OF REVENUES
GENERAL FUND

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2020-2021</u>
10-301-2020	Current Taxes	2,778,000
10-301-0000	Delinquent Taxes	45,000
10-310-0000	Motor Vehicle Tax	165,000
10-315-0000	Rental Vehicle Tax	300
10-317-0000	Tax Penalties and Interest	12,000
10-325-0100	Business Registration Fees	3,000
10-329-0000	Interest Earned on Investments	25,000
10-329-0100	Interest on Escrow	0
10-329-0200	Interest Earned on Checking	100
10-330-0200	Proceeds from Installment Loan	0
10-331-0000	Rents	15,000
10-335-0000	Miscellaneous Revenue	0
10-335-0200	Donations	0
10-336-0900	NCLM Wellness Grant	0
10-336-0500	NCLM Risk Management Grant - Vests	0
10-336-1100	Governor's Crime Commission Grant	24,500
10-336-1300	Department of Homeland Security Grants	0
10-336-1400	FEMA Protective Equipment Grant (Fire)	0
10-337-0000	Utilities Franchise Tax	652,500
10-338-0000	Piped Natural Gas Excise Tax	3,150
10-340-0000	Sales Tax on Telecommunications	47,700
10-340-0100	Sales Tax on Video Programming	36,000
10-341-0000	Wine and Beer Tax	18,000
10-343-0000	Powell Bill Street Allocation	138,000
10-344-0100	State Hold Harmless Distribution-Local Sales Tax	202,500
10-345-0000	Local Option Sales Tax - 1%	400,500
10-345-0100	Local Option Sales Tax - 1/2%	400,500
10-346-0200	Special Events Revenue	12,000
10-347-0000	ABC Revenues (Restricted)	2,400
10-347-0200	ABC Revenues (Disbursement)	40,000
10-350-0100	Misc. Revenue - Police Dept. Off Duty Officer Reimb	0
10-350-0200	Misc. Revenue - Police Dept. Haywood County SRO	90,000
10-350-0300	Court Forfeitures	750
10-351-0000	Court Costs, Fees, and Charges	1,000
10-352-0000	Parking Violation Penalties	0
10-353-0000	Fire Protection Charges	75,000
10-355-0000	Planning & Zoning Permits	3,000
10-356-0000	ABC & Zoning Inspections	0
10-358-0000	Solid Waste Disposal Tax	1,000
10-359-0000	Refuse Collection Fees	225,000
10-359-0100	Other Refuse Collected	300
10-359-0200	Recycling Cart Grant Funds	0
10-360-0000	Ordinance Violation Fees	500
10-361-0000	Donations - Historical Museum	250
10-381-0100	Sale of Merchandise	0
10-383-0000	Sale of Fixed Assets	0
10-335-0106	Labor Day Town Contribution	20,000
10-335-0100	Labor Day Gate Fees	8,000
10-335-0101	Labor Day Vendor Fees	6,000
10-335-0102	Labor Day Kids Village Sales	0
10-335-0103	Labor Day Raffle	2,500

GENERAL FUND (Continued)

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2020-2021</u>
10-335-0104	Labor Day Sponsorships	30,000
10-335-0105	TDA Grant - Labor Day	20,000
10-362-0000	Proceeds from Infrastructure Improvements	0
	TOTAL ESTIMATED REVENUES	5,504,450
10-398-0000	Fund Balance Appropriated - General Fund	749,776
10-398-0100	Fund Balance Appropriated - Powell Bill Fund	<u>116,000</u>
	TOTAL	<u><u>6,370,226</u></u>

2020-2021 BUDGET
SCHEDULE OF REVENUES
WATER & SEWER FUND

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2020-2021</u>
30-329-0000	Interest Earned on Investments	25,000
30-330-0200	Proceeds from Installment Loan	0
30-335-0000	Miscellaneous	0
30-336-0700	NCDWQ Grant	0
30-371-0000	Water Charges	1,800,000
30-371-0200	Sewer Charges	450,000
30-373-0000	Taps and Connection Fees	30,000
30-375-0000	Reconnection Fees	10,000
30-381-0000	Sale of Labor and Materials	2,500
30-383-0000	Sale of Fixed Assets	30,000
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	TOTAL ESTIMATED REVENUES	2,347,500
	Fund Balance Appropriated	24,735
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	TOTAL	<u><u>\$2,372,235.00</u></u>

2020-2021 BUDGET
SCHEDULE OF REVENUES
RECREATION FUND

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2020-2021</u>
40-329-0000	Interest Earned on Investments	50
40-330-0200	Proceeds from Equipment Installment Lease	0
40-335-0000	Miscellaneous Revenue	0
40-335-0200	Donations - Haywood County Allocation	0
40-335-0500	Programming Fee	0
40-335-0600	Shed Rentals	3,000
40-335-0700	Cruso Endowment Contribution	60,000
40-337-0000	Pigeon River Fund Grant	0
	Duke Progress Water Resource Fund Grant	0
40-346-0000	Camp Hope Revenue	20,000
40-363-0000	International Sport's Complex Fees	1,000
40-363-0100	Batting Cage Fees - IP Complex	500
40-364-0000	Armory Revenue	10,000
40-365-0000	Pool Admissions	40,000
40-365-0100	Pool Party Rentals	4,000
40-366-0000	Pool Concessions/Food Truck	0
40-382-0000	Colonial Theater Revenue	15,000
40-397-0000	Transfer from General Fund	629,782
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	TOTAL ESTIMATED REVENUES	783,332
	Fund Balance Appropriated	0
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	TOTAL	<u>783,332</u>

2020-2021 BUDGET
SUMMARY OF EXPENDITURES
GENERAL FUND

GENERAL GOVERNMENT

10-410-0000	Governing Body	33,710
10-420-0000	Administration	157,815
10-440-0000	Finance	331,300
10-470-0000	Legal	25,000
10-490-0000	Planning & Economic Development	417,415
10-500-0000	Municipal Buildings	152,150
		<hr/> 1,117,390

PUBLIC SAFETY

10-510-0000	Police	1,726,285
10-530-0000	Fire	926,526
		<hr/> 2,652,811

PUBLIC WORKS

10-550-0000	Traffic Engineering	1,059
10-555-0000	Central Services	157,580
10-560-0000	Streets	1,104,200
10-561-0000	Street Cleaning and Sweeping	49,191
10-565-0000	Horticulture	70,260
10-570-0000	Powell Bill	254,000
10-580-0000	Sanitation	220,000
10-581-0000	Landfill	18,500
		<hr/> 1,874,790

OTHER OPERATIONS

10-625-0000	Canton Historical Museum	40,895
		<hr/> 40,895

NON-DEPARTMENTAL

10-660-0000	Non-Departmental	12,000
10-660-8100	Debt Service Payment	30,028
10-660-9200	Transfer to Recreation Department	642,312
		<hr/> 684,340

TOTAL	<hr/> <hr/> 6,370,226
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2020-2021 BUDGET
SUMMARY OF EXPENDITURES
WATER & SEWER FUND

WATER & SEWER FUND

30-660-0000	Non-Departmental	500
30-660-8100	Debt Service Payment	242,135
30-720-0000	Administration, Engineering & Billing	262,750
30-810-0000	Water Supply, Pumping & Filtering	682,450
30-811-0000	Water Distribution & Wastewater Collection Systems	840,900
30-812-0000	Sewage Treatment	343,500
TOTAL		<hr/> 2,372,235 <hr/>

2020-2021 BUDGET
SUMMARY OF EXPENDITURES
RECREATION FUND

RECREATION FUND

40-660-0000	Non-Departmental	60,000
40-660-8100	Debt Service Payment	69,212
40-813-0000	Recreation Areas & Facilities	210,880
40-814-0000	Colonial Pathway Center	137,160
40-815-0000	Recreation Concessions	300
40-816-0000	Armory	68,230
40-817-0000	International Sport's Complex	62,550
40-818-0000	Recreation Planning and Administration	175,000
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	TOTAL	<u><u>\$783,332.00</u></u>

2020-2021

GENERAL GOVERNMENT

Service Area

GENERAL FUND

GOVERNING BODY

NO. EMPLOYED (1)

ACCOUNT #

10-410-0000

SALARIES & EMPLOYEE BENEFITS

0

OPERATING EXPENSES

33,710

CAPITAL OUTLAY

0

TOTAL

33,710

GENERAL GOVERNMENT

Service Area

GENERAL FUND

ADMINISTRATION

NO. EMPLOYED (1)

ACCOUNT #

10-420-0000

SALARIES & EMPLOYEE BENEFITS

148,215

OPERATING EXPENSES

9,600

CAPITAL OUTLAY

0

TOTAL

157,815

GENERAL GOVERNMENT

Service Area

GENERAL FUND

FINANCE

NO. EMPLOYED (3)

ACCOUNT #

10-440-0000

SALARIES & EMPLOYEE BENEFITS

263,850

OPERATING EXPENSES

67,450

CAPITAL OUTLAY

0

TOTAL

331,300

2020-2021

GENERAL GOVERNMENT

Service Area

GENERAL FUND

LEGAL
NO. EMPLOYED (1)

ACCOUNT #

10-470-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	0
<u>OPERATING EXPENSES</u>	25,000
<u>CAPITAL OUTLAY</u>	0
TOTAL	25,000

GENERAL GOVERNMENT

Service Area

GENERAL FUND

PLANNING & ECON
NO. EMPLOYED (2)

ACCOUNT #

10-490-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	189,015
<u>OPERATING EXPENSES</u>	228,400
<u>CAPITAL OUTLAY</u>	0
TOTAL	417,415

GENERAL GOVERNMENT

Service Area

GENERAL FUND

MUNICIPAL BUILDINGS
NO. EMPLOYED

ACCOUNT #

10-500-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	5,100
<u>OPERATING EXPENSES</u>	147,050
<u>CAPITAL OUTLAY</u>	0
TOTAL	152,150

2020-2021

PUBLIC SAFETY

Service Area

GENERAL FUND

POLICE
NO. EMPLOYED (21 FULL-TIME/4 PART-TIME)

ACCOUNT #

10-510-0000

SALARIES & EMPLOYEE BENEFITS **1,419,385**

OPERATING EXPENSES **261,900**

CAPITAL OUTLAY **45,000**

TOTAL 1,726,285

PUBLIC SAFETY

Service Area

GENERAL FUND

FIRE
NO. EMPLOYED (11 FULL-TIME/3 PART-TIME)

ACCOUNT #

10-530-0000

SALARIES & EMPLOYEE BENEFITS **784,950**

OPERATING EXPENSES **121,576**

CAPITAL OUTLAY **20,000**

TOTAL 926,526

PUBLIC WORKS

Service Area

GENERAL FUND

TRAFFIC ENGINEERING

NO. EMPLOYED

ACCOUNT #

10-550-0000

SALARIES & EMPLOYEE BENEFITS **0**

OPERATING EXPENSES **1,059**

CAPITAL OUTLAY **0**

TOTAL 1,059

2020-2021

PUBLIC WORKS

Service Area

GENERAL FUND

CENTRAL SERVICES

NO. EMPLOYED (1)

ACCOUNT #

10-555-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	117,430
<u>OPERATING EXPENSES</u>	40,150
<u>CAPITAL OUTLAY</u>	0
TOTAL	157,580

PUBLIC WORKS

Service Area

GENERAL FUND

STREETS

NO. EMPLOYED (13 FULL-TIME/10 PART-TIME)

ACCOUNT #

10-560-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	772,050
<u>OPERATING EXPENSES</u>	332,150
<u>CAPITAL OUTLAY</u>	0
TOTAL	1,104,200

PUBLIC WORKS

Service Area

GENERAL FUND

STREET SWEEPING

NO. EMPLOYED (NO FULL-TIME)

ACCOUNT #

10-561-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	0
<u>OPERATING EXPENSES</u>	49,191
<u>CAPITAL OUTLAY</u>	0
TOTAL	49,191

2020-2021

PUBLIC WORKS

Service Area

GENERAL FUND

HORTICULTURE

NO. EMPLOYED (1 FULL-TIME)

ACCOUNT #

10-565-0000

SALARIES & EMPLOYEE BENEFITS 50,210

OPERATING EXPENSES 20,050

CAPITAL OUTLAY 0

TOTAL 70,260

PUBLIC WORKS

Service Area

GENERAL FUND

POWELL BILL

NO. EMPLOYED

ACCOUNT #

10-570-0000

SALARIES & EMPLOYEE BENEFITS 0

OPERATING EXPENSES 54,000

CAPITAL OUTLAY 200,000

TOTAL 254,000

PUBLIC WORKS

Service Area

GENERAL FUND

SANITATION

NO. EMPLOYED

ACCOUNT #

10-580-0000

SALARIES & EMPLOYEE BENEFITS 0

OPERATING EXPENSES 220,000

CAPITAL OUTLAY 0

TOTAL 220,000

2020-2021

<u>PUBLIC WORKS</u>	<u>GENERAL FUND</u>	<u>LANDFILL</u>
Service Area		<u>NO. EMPLOYED</u>
<u>ACCOUNT #</u>	10-581-0000	
	<u>SALARIES & EMPLOYEE BENEFITS</u>	0
	<u>OPERATING EXPENSES</u>	18,500
	<u>CAPITAL OUTLAY</u>	0
	TOTAL	18,500

<u>OTHER OPERATIONS</u>	<u>GENERAL FUND</u>	<u>HISTORICAL MUSEUM</u>
Service Area		<u>NO. EMPLOYED (1 PART-TIME)</u>
<u>ACCOUNT #</u>	10-625-0000	
	<u>SALARIES & EMPLOYEE BENEFITS</u>	19,645
	<u>OPERATING EXPENSES</u>	21,250
	<u>CAPITAL OUTLAY</u>	0
	TOTAL	40,895

<u>GENERAL FUND</u>	<u>GENERAL FUND</u>	<u>NON-DEPARTMENTAL</u>
Service Area		<u>NO. EMPLOYED</u>
<u>ACCOUNT #</u>	10-660-0000	
	<u>SALARIES & EMPLOYEE BENEFITS</u>	0
	<u>OPERATING EXPENSES</u>	684,340
	<u>CAPITAL OUTLAY</u>	0
	TOTAL	684,340

2020-2021

<u>ENVIRONMENTAL</u> Service Area	<u>WATER & SEWER FUND</u>	<u>NON-DEPARTMENTAL</u> <u>NO. EMPLOYED</u>
<u>ACCOUNT #</u>	30-660-0000	
	<u>SALARIES & EMPLOYEE BENEFITS</u>	0
	<u>OPERATING EXPENSES</u>	500
	<u>DEBT SERVICE</u>	
	Debt Service Payment-Principal	212,703
	Debt Service Payment-Interest	29,432
		242,135
	<u>CAPITAL OUTLAY</u>	0
	TOTAL	242,635

<u>ENVIRONMENTAL</u> Service Area	<u>WATER & SEWER FUND</u>	<u>ADMIN WATER BILLING</u> <u>NO. EMPLOYED (3 FULL-TIME)</u>
<u>ACCOUNT #</u>	30-720-0000	
	<u>SALARIES & EMPLOYEE BENEFITS</u>	190,000
	<u>OPERATING EXPENSES</u>	72,750
	<u>CAPITAL OUTLAY</u>	0
	TOTAL	262,750

<u>ENVIRONMENTAL</u> Service Area	<u>WATER & SEWER FUND</u>	<u>PUMPING & FILTERING</u> <u>NO. EMPLOYED (4)</u>
<u>ACCOUNT #</u>	30-810-0000	
	<u>SALARIES & EMPLOYEE BENEFITS</u>	292,600
	<u>OPERATING EXPENSES</u>	389,850
	<u>CAPITAL OUTLAY</u>	0

TOTAL 682,450

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2020-2021

ENVIRONMENTAL
Service Area

WATER & SEWER FUND

**WATER DISTRIBUTION
& WASTEWATER
COLLECTION SYSTEMS**
NO. EMPLOYED (6 FULL-TIME)

ACCOUNT #

30-811-0000

SALARIES & EMPLOYEE BENEFITS 447,000

OPERATING EXPENSES 363,900

CAPITAL OUTLAY 30,000

TOTAL 840,900

ENVIRONMENTAL
Service Area

WATER & SEWER FUND

SEWAGE TREATMENT
NO. EMPLOYED

ACCOUNT #

30-812-0000

SALARIES & EMPLOYEE BENEFITS 0

OPERATING EXPENSES 328,500

CAPITAL OUTLAY 15,000

TOTAL 343,500

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2020-2021

<u>RECREATION & CULTURE</u> Service Area	<u>RECREATION FUND</u>		<u>NON- DEPARTMENTAL</u> <u>NO. EMPLOYED</u>
<u>ACCOUNT #</u>	40-660-0000		
	<u>SALARIES & EMPLOYEE BENEFITS</u>		0
	<u>OPERATING EXPENSES</u>		60,000
	<u>DEBT SERVICE</u>		
	Debt Service Payment-Principal	51,667	
	Debt Service Payment-Interest	17,545	69,212
	<u>CAPITAL OUTLAY</u>		0
	TOTAL		129,212

<u>RECREATION & CULTURE</u> Service Area	<u>RECREATION FUND</u>		<u>RECREATION PARK & FACILITIES</u> <u>NO. EMPLOYED (12 PART-TIME)</u>
<u>ACCOUNT #</u>	40-813-0000		
	<u>SALARIES & EMPLOYEE BENEFITS</u>		59,210
	<u>OPERATING EXPENSES</u>		151,670
	<u>CAPITAL OUTLAY</u>		0
	TOTAL		210,880

2020-2021

RECREATION & CULTURAL

Service Area

RECREATION FUND

COLONIAL THEATRE

NO. EMPLOYED (1 FULL TIME AND 1 PART-TIME)

ACCOUNT #

40-814-0000

SALARIES & EMPLOYEE BENEFITS 72,825

OPERATING EXPENSES 64,335

CAPITAL OUTLAY 0

TOTAL 137,160

RECREATION & CULTURE

Service Area

RECREATION FUND

CONCESSIONS

NO. EMPLOYED (1 PART-TIME)

ACCOUNT #

40-815-000

SALARIES & EMPLOYEE BENEFITS 0

OPERATING EXPENSES 300

CAPITAL OUTLAY 0

TOTAL 300

RECREATION & CULTURE

Service Area

RECREATION FUND

ARMORY

NO. EMPLOYED (1 PART-TIME)

ACCOUNT #

40-816-0000

SALARIES & EMPLOYEE BENEFITS 8,830

OPERATING EXPENSES 59,400

CAPITAL OUTLAY 0

TOTAL 68,230

2020-2021

RECREATION & CULTURE

Service Area

RECREATION FUND

IP SPORTS COMPLEX

NO. EMPLOYED (2 PART-TIME)

ACCOUNT #

40-817-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	32,250
<u>OPERATING EXPENSES</u>	30,300
<u>CAPITAL OUTLAY</u>	0
TOTAL	62,550

RECREATION & CULTURE

Service Area

RECREATION FUND

**REC PLANNING &
ADMINISTRATION**

ACCOUNT #

40-818-0000

<u>SALARIES & EMPLOYEE BENEFITS</u>	0
<u>OPERATING EXPENSES</u>	0
<u>CAPITAL OUTLAY</u>	175,000
TOTAL	175,000